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Thanks Tim for that introduction.

Good morning and thank you all for being here today to talk about global developments in the asset management industry. As many of you know, SIFMA's asset management group, or AMG, has been increasingly engaged at the global level, where regulation has rapidly grown in response to the 2008 financial crisis and as such continues to evolve, impacting every aspect of financial services including asset management. And while many regulators have sought to signal that the long process of rule-making in response to the crisis may be coming to an end, there is no doubt very much still in the pipeline at both the global and national level, and with events such as the vote by the United Kingdom to leave the EU, or Brexit, perhaps more uncertainty than certainty with respect to the new rules that will govern markets domestically and cross border. As such, we are glad you all have joined us today to look at some of these developments.

Earlier this year, Keith Higgins, the Director of the Division of Corporation Finance at the SEC, said in a speech that the "internationalization of the securities markets [has] brought increased opportunities for issuers and investors around the world, [but it has] also presented regulators with challenges." As a result, there has certainly been an uptick in the attention being paid by both national and international regulatory bodies to the role of asset management, the regulation of market activities, and the need for coordination across jurisdictions.

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Often, SIFMA AMG has been supportive of these efforts. Our members recognize the need for harmonization, and welcome the opportunity to partner with regulators as they look to ensure markets are safe and resilient. However, at times we've also found the need to push back on certain regulatory initiatives, in order to ensure that there is an appropriate balance between increased regulation and well-functioning capital markets, to ensure the efficient allocation of capital and credit in the U.S. and on a global scale.

As part of these efforts, SIFMA AMG sent a comprehensive comment letter to the Financial Stability Board last month in response to the FSB's consultation on what they called "Structural Vulnerabilities" in asset management activities. In the letter, our members focused on providing the FSB with information to further inform their approach to and views of asset management. We explained that the industry is unique and well-equipped to continue its track record for successfully meeting shareholder redemptions through normal and stress conditions without presenting a systemic risk to global financial stability. We also highlighted the deep and intricate regulatory framework that governs the everyday operations of asset managers and investment funds, which already addresses many of the FSB's concerns.

We have also been engaged on a domestic and international level in regulatory efforts related to issues like liquidity risk, operational risk, the termination of funds, and business continuity planning. We recognize that all of these efforts are an interrelated mosaic of regulation, which feeds into the global systemic risk debate and also seeks to modernize the regulation of asset management. And, given this recognition, we have been largely supportive of many of these proposals that have been issued by both the U.S. Securities and Exchange Commission and IOSCO, the International Organization of Securities Commissions. Despite our support, however, we have also offered constructive suggestions for how to improve the regulatory initiatives, as fiduciaries for our clients and in an effort to ensure the capital markets – particularly in the U.S. – remain a vibrant way to fund our economy.

Beyond the systemic risk and regulatory modernization discussion, SIFMA AMG has also been increasingly engaged globally with regard to regulation of the derivatives market. Here, we partner with regulators on two fronts: first, through educational efforts that ensure there is an appreciation for the differences between various market participants and a focus on the unintended consequences for investors if these differences are not taken into account in regulation. Second, we are very active in supporting regulatory harmonization across jurisdictions, advocating for rationalized standards so the derivatives market will function efficiently across borders. The derivatives market is a global market and most asset managers' serve a global client base. Therefore, any changes to regulation in one jurisdiction or geographic area will almost certainly impact asset managers' clients, whether small U.S. domestic managers or large global firms. We want to promote uniform standards and preserve asset managers' ability to transact on behalf of clients in all different markets and we've partnered with regulators to ensure they understand this perspective.

In a similar vein, we believe regulations in any one jurisdiction should affect all market participants in the same way – a European entity should have the same treatment as a non-European entity in Europe, and vice versa in the U.S. All clients should be on the same footing and none should be inadvertently disadvantaged because of geographic policies. We have worked with regulators to identify unintended consequences along these lines as well.

SIFMA AMG and our members have also weighed in with regard to the plethora of new capital and liquidity rules for banks and dealers. While again, our members support enhanced financial stability and market resiliency, we remain concerned that if not properly calibrated, rules to improve stability in the banking sector, such as the Net Stable Funding Ratio, Liquidity Coverage Ratio, and the Supplemental Leverage Ratio, could result in adverse effects with regard to market liquidity and customer facilitation important to asset managers' servicing of their clients. We welcome calls by regulators in Asia and Europe to review the broad global rule set considering their coherence and calibration.

Lastly, while the industry is supportive of international fora and the need for bodies such as the FSB, IOSCO and the Basel Committee on Bank Supervision, we believe it is equally important that such bodies understand the role of markets along side banks, and sufficiently engage market regulators in setting standards that impact markets. Further, we believe it is important for such bodies to increase transparency in the standards setting process, and to ensure ample ability for notice and comment, and not pre-empt such ability on a national level.

We are also very carefully watching the developments related to Brexit, another topic on today's agenda. SIFMA has been in discussions with UK and EU regulators as well as market participants in an effort to ensure markets continue to function efficiently as they move toward negotiations under Article 50. SIFMA recently organized a letter to U.S. Secretary of the Treasury Jack Lew, co-signed by several U.S. financial trade associations, requesting that the U.S. weigh in with the UK and EU on the need for transparency and transition in any exit plan that is negotiated. For our members, we're also analyzing issues like how Brexit may impact the marketing of funds and trade data sharing, which I am sure will be discussed on today's panel.

With that, I thank you again for joining us here today and I would like to introduce Nicolas Véron. Mr. Véron cofounded Bruegel, a European think tank specializing in economics in 2002, and joined the Peterson Institute for International Economics in 2009. He serves as a financial policy expert for the European Commission and Court of Auditors and a consultant to the International Monetary Fund and World Bank. As a result of his early advocacy of the European banking union, Mr. Véron has also been included on Bloomberg Markets' global "50 Most Influential" list.

Please join me in welcoming Nicolas Véron.