GFMA Future of Financial Benchmarks Seminar
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Welcome and Opening Remarks
As prepared for delivery
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Good morning. I'm Ken Bentsen, acting president and CEO at SIFMA. On behalf of our global affiliate, the Global Financial Markets Association, I'd like to welcome you all to today's important seminar on the Future of Global Financial Benchmarks. I'd also like to take this opportunity to thank DTCC for their generous sponsorship of today's General Session.

GFMA was established to bring together SIFMA and our sister associations the Association for Financial Markets in London and Brussels, otherwise known as AFME, and the Asia Securities Industry and Financial Markets Association in Hong Kong, or ASIFMA to address the most pressing industry issues with global implications from a global perspective, and to help coordinate the industry's agenda across borders.

GFMA draws upon the resources of our sister organizations as well as our 28-member board comprised of the leading global financial institutions to advocate before global and national regulators and policy makers. Our agenda includes promoting the continued implementation of a balanced capital regime, establishment of a single global Legal Entity Identifier (LEI), establishment of a cross-border resolution regime to end "too big to fail," and promoting enhanced cross-border cooperation and coordination among regional and national regulators. In addition, GFMA serves as the platform for both our GFMA FX Group and GFMA Commodities Group.

Among GFMA's top priorities is responding to the LIBOR situation through the establishment of best practices for financial benchmarks, which play a vital role in the financial system and the economy more generally. There's no question that recent events surrounding LIBOR and other benchmark interest rates have called the integrity of some of the most significant financial benchmarks into question and contributed to public distrust in the financial industry.

Confidence in global benchmarks is essential to the smooth and efficient operation of both wholesale and retail markets. Indeed, certain financial benchmarks are widely used as reference points for determining payments made on at least $750 trillion worth of financial products, including mortgages and student loans, and set prices on a significant number of derivatives contracts.

Given the importance of benchmarks in the financial system, our industry has both a responsibility and strong commercial interest in ensuring the integrity of the benchmarks in use. As an industry, we must take proactive, concrete steps to ensure structural changes are made to strengthen the integrity of benchmarks and to restore confidence in their use.

Led by GFMA board member James Rosenthal of Morgan Stanley and my SIFMA colleague Randy Snook, both of whom you will hear from later this morning, GFMA has tackled this issue head on by developing a set of best practice standards for benchmark participants, which we started working on over the summer and finalized in November.

We commend regional regulatory efforts such as the UK's Wheatley Review, the European Commission's Consultative Document on the Regulation of Indices, efforts by ESMA and EBA, as well as global efforts such as the IOSCO Task Force on Benchmarks and discussions at the Financial Stability Board. The IOSCO Task Force in particular will be vital to this effort as it has the capacity to set policy that is globally consistent. Coordination is a must given the global nature of the most significant financial benchmarks. GFMA fully supports and welcomes the proactive measures that all of these regulators have initiated.

The industry and regulators have a shared interest in restoring trust and confidence in these indices and we can accomplish this only if we work together to get it right. Of course, there is not one right answer or broad-brush policy that will solve this problem. This is a work in progress, which is why we are all here today: This event is a forum for all stakeholders to have the constructive debate and dialogue that needs to happen in order for this effort to be successful.

And that is why we are so glad that our keynote speaker today is Gary Gensler, Chairman of the Commodities Futures Trading Commission and co-chair of the IOSCO Task Force on Benchmarks.

Chairman Gensler has been a vocal advocate for reform of financial benchmarks, and I know we are all looking forward to his insight on the process underway at IOSCO. As chairman of the U.S. Commodity Futures Trading Commission, he also plays an integral role in overseeing benchmark sponsors and more generally in overseeing new derivatives regulation as mandated by the Dodd-Frank Act. Prior to joining the CFTC, Chairman Gensler served at the United States Treasury and as Senior Advisor to Senator Paul Sarbanes, where he worked on such issues as the Sarbanes-Oxley Act. Prior to his public service, Chairman Gensler worked for 18 years in the industry, specifically at Goldman Sachs where he was partner. Chairman Gensler, thanks again for joining us this morning to discuss this critically important issue. Ladies and gentlemen, please join me in welcoming Gary Gensler.