

## Living with Complexities: An Asian Perspective on Enhancing Capital Market Resilience

### Keynote speech at the Vietnam State Securities Commission Symposium

Ms Julia Leung  
Chief Executive Officer

21 February 2025

The Honourable Minister of Finance of Vietnam Mr Nguyen Van Thang, Chairwoman Ms Vu Thi Chan Phuong of the State Securities Commission of Vietnam (SSC), International Organization of Securities Commissions (IOSCO) Secretary General Mr Rodrigo Buenaventura, distinguished guests, fellow Asia-Pacific Regional Committee (APRC) members, ladies and gentlemen.

Good morning, hello, and *Xin chào* to you all!

Thank you very much to the SSC for inviting me to say a few words at this Symposium today. I feel truly honoured to speak to you all on my very first visit to this beautiful city of Da Nang.

Also, I'm truly grateful to our host for the warm hospitality over the last few days. I'm speaking for all of the APRC leaders attending the Directors and Plenary meetings here. All of us have had an unforgettable experience.

My topic today is "Living with Complexities: An Asian Perspective on Enhancing Capital Market Resilience". I will first touch on the macro conditions and challenges of the region, before moving on to the roles of IOSCO and APRC. In the second half, I will share my thoughts on crypto assets, online scams and sustainable finance.

#### Macro developments in the region and Vietnam

First is my take on regional macro. The Asia-Pacific economy is expected to grow around 4% in 2025. This is set to be the fastest-growing region in the world, driven by robust domestic demand, exports recovery and advances in both technology and tourism.

Part of this strong regional growth momentum is driven by Vietnam, whose vibrant economy grew 7.1% in 2024 and is projected to grow 8% or more from 2025 onwards – among the fastest in Asia. Moreover, Vietnam has also become a bigger player in global financial markets through its greater connectivity with international capital flows that result from increasing integration into the global economy and supply chain.

---

Note: This is the text of the speech as drafted, which may differ from the delivered version.

Taken as a whole, the Asia-Pacific is estimated to see capital inflows accounting for nearly 40% of global cross-border capital flows. In short, Asia-Pacific economies and financial markets are fuelling intra-regional growth, and are channelling savings into investments both within the region and towards Europe and the US.

## Regional challenges

The intra-regional investment growth is a by-product of our times, and a response to a theme that we have all experienced – Living with Complexities. By complexities, I meant the elevated interest rate levels after a decade of near zero rates in the US and Europe. I also meant trade confrontations, tariffs and geopolitical tensions that exacerbate the disruption of supply chain momentarily. Another complexity would be on how to harness the transformative forces of technology.

Yet, all these complexities have not derailed the course of globalisation; they have simply reconfigured the supply chain by diversifying suppliers. There is a good old Chinese saying which goes “危中有機”, meaning “in every crisis lies an opportunity”. If not properly managed, risks can put your business in the red, or even out of existence. But harness it well, you can turn any risk into a boon for your business. I believe Vietnam along with the rest of Southeast Asia has seized these opportunities. This has resulted in closer regional ties across Asia.

As we all know, finance serves the real economy and always follows it. It is clear to me that Asian markets must collaborate more closely and meaningfully to address our common challenges to become stronger and more resilient. Aligning our regulatory standards will help financial markets achieve regional priorities. These priorities include:

- Broadening and deepening capital markets;
- Strengthening regulation to bolster market resilience and investor protection;
- Diversifying investor base and promoting intra-regional and cross-border investments;
- Embracing financial innovation; and
- Mobilising transition and adaptation finance to meet climate targets.

## IOSCO and APRC's roles

This is exactly where IOSCO can play a vital role.

IOSCO is the international standard setting body for capital market regulation. Its membership regulates more than 95% of the world's securities markets in more than 130 jurisdictions.

Under IOSCO, the APRC serves as an effective platform for securities regulators in the region to exchange insights and enhance collaboration on common issues. I have the privilege to chair this regional committee of 33 member authorities. We meet regularly to develop mutual understanding of issues and align standards to provide markets with regulatory clarity, consistency and certainty. This will instil global trust in Asia-Pacific's growing capital markets.

APRC members met in Da Nang over the past two days to discuss wide-ranging issues of common interest. These included the role of technology in supervision and enforcement, recent developments in primary markets, as well as scams and online harms. We also thoroughly discussed sustainable finance challenges, capacity building, and other pertinent issues.

In a historic move to enhance our collaboration, the APRC signed into effect in 2022 a Multilateral Memorandum of Understanding for Supervisory Cooperation (Supervisory MMoU). This MMoU marks the world's first multilateral supervisory cooperation among capital market regulators. This is highly significant also because supervisory cooperation is often bilateral. This MMoU is therefore critical to strengthening regional collaboration given the increasingly interconnected capital markets.

I would also like to congratulate the SSC for becoming the latest and the fourteenth signatory of the APRC Supervisory MMoU.

### **Issues of common interest: crypto, online scams and sustainable finance**

Next, I wish to share three topics that are high up on the international agenda for financial regulators. They are crypto assets, online scams and sustainable finance. Crypto and sustainable finance will be discussed in two separate panels today. You will hear firsthand *what* issues capital market regulators are grappling with, *how* international standards can play a role locally, and *why* collaboration and cooperation are essential.

#### ***Crypto assets***

I would like to start with crypto assets. The global divergence in regulatory approaches poses serious challenges to global liquidity and compliance.

In Hong Kong, the Securities and Futures Commission just released the Virtual Asset Roadmap called "[ASPIRe](#)", in which we outlined the challenges of global crypto landscape. It is polarised with varying degrees of regulatory intensity, ranging from light touch to rigorous scrutiny and prohibition. European jurisdictions are implementing harmonised standards, and the US faces issues of fragmented oversight, despite its leadership in virtual asset exchange-traded products and derivatives.

There is clearly a need for greater harmonisation, and again, this is where IOSCO has been pulling its weight in standard setting.

Regionally, the APRC and the Financial Stability Board Regional Consultative Group for Asia (which is primarily composed of central bankers) had a joint workshop in Hong Kong last October. We candidly discussed the cross-sectoral implications of disruptive innovation to the financial system and the role of regulation in this context.

A key outcome of the discussion was the need for regulatory guardrails to protect investors and ensure financial stability, while embracing innovation to enhance the efficiency, robustness and cost-effectiveness of financial services.

I must emphasise regulation is a friend, not a foe, to innovation; it helps create a nurturing environment which enables innovators to grow responsibly. This approach supports the sustainable development of the technological ecosystem.

## **Online scams**

Here, I come to the second topical issue – online scams. In recent years, the number of financial scams and frauds has risen significantly around the world, fuelled by the digitalisation trend. According to the *Global State of Scams Report 2024*, around US\$1.03 trillion were lost due to scams last year. Those victims who were able to recover their losses accounted for a paltry 4%.

These financial scams and online harms are often cross-border in nature, and their incidence and complexity have continued to rise. The issue is further complicated by the rise of “finfluencers”, who may spread biased investment information and promote high-risk products without adequate disclosures on conflicts of interest.

For all securities regulators, protecting the investing public is central to their mandate. Many jurisdictions have taken innovative actions to combat online scams. For IOSCO, it has launched a comprehensive strategy to address online fraud, promote safe investing and enhance global cooperation. The APRC is complementing this global effort through its Working Group on Scams and Online Harms established in May 2024. The group which is co-led by the Australian Securities and Investments Commission and the New Zealand Financial Markets Authority provides a forum for fellow Asia-Pacific securities regulators to exchange ideas, build capacity and cooperate on initiatives to mitigate and disrupt scams. We share information on identified scam activities and trends, examine scam transmission methods and disruption techniques, and also engage with third parties to disrupt scam activities.

## **Sustainable finance**

Let me now turn to the third topic of sustainable finance, which presents significant opportunities for financial markets. Globally, investors increasingly seek meaningful sustainability disclosures for making informed investment decisions. The establishment of the International Sustainability Standards Board (ISSB) and subsequent creation of the global baseline sustainability disclosure standards have enabled investors worldwide to access sustainability information that is consistent, comparable and decision-useful.

Asia-Pacific is clearly a leader in adopting this global baseline, because at least 15 jurisdictions accounting for around 32% of the global GDP have pledged to adopt the ISSB standards. However, this is not all smooth sail. One of the major global challenges is data accessibility, especially for Scope 3 greenhouse gas emissions. This is made even more complicated if a company with operations or supply chains in different countries needs to follow multiple reporting frameworks.

To help members implement the ISSB standards, IOSCO and the ISSB have launched a series of technical capacity-building programmes. On top of these global initiatives, the APRC serves as a valuable platform for regulators in the region to share experiences and technical expertise in sustainable finance and other critical areas.

## **Closing**

In closing, let me circle back to my topic today, which is “Living with Complexities”. For all of us, life has changed since the pandemic. But as we enter an era of predictable unpredictability, our markets must tackle the disruptive forces of political fragmentation, technological innovation and geopolitical tension. We are sure there will be more stormy seas to navigate, more tests to endure, and more lessons to learn.



As the ancient Greek philosopher Heraclitus aptly observed, the only constant in life is change. Coping with these complexities requires our multilateral efforts to harness the power of change and turn disruption into positive forces of transformation. By sharing our insights and fostering collaboration, all of us in this room today can pinpoint emerging trends, assess risks and identify key tasks to better navigate the complexities of the times.

I wish all of you a fruitful and enjoyable Symposium. Thank you.