

# *Fordham International Law Journal*

---

*Volume 20, Issue 4*

1996

*Article 1*

---

## Globalization of the Equity Markets Foreword

Constantine N. Katsoris\*

\*Fordham University School of Law, CKATSORIS@law.fordham.edu

Copyright ©1996 by the authors. *Fordham International Law Journal* is produced by The Berkeley Electronic Press (bepress). <http://ir.lawnet.fordham.edu/ilj>

# Globalization of the Equity Markets Foreword

Constantine N. Katsoris

## **Abstract**

As a prelude to the IBA's workshop on world capital markets, a lecture on that same subject was delivered at Fordham University School of Law on January 13, 1997 by Richard A. Grasso. Discussed at that lecture were topics such as what are the world's future capital needs and how they will be met, what will happen to the regulation of financial intermediaries and securities offerings, what changes will there be in the role of securities exchanges, and what roadblocks are posed by existing laws to the globalization of the capital market and what should be done about them.

## ADDRESS

# GLOBALIZATION OF THE EQUITY MARKETS FOREWORD

*Constantine N. Katsoris\**

With the lifting of the iron curtain in the 1990s, and the easing of monetary restrictions, capital markets became truly global in scope. Today investors can invest almost anywhere in the world through means of foreign exchanges, or through ADRs listed on exchanges located in their own country. Having said that, however, does not minimize the enormous problems that such global markets would bring and would have to be reconciled.

There are the accounting standards that can differ materially from one region of the world to another. Complications can also arise from currency fluctuations and round-the-clock trading hours. Moreover, the issues of adequate regulatory surveillance and the protection of the investing public must be considered. Finally, the natural forces of competition must be contended with. If one does not offer certain derivative instruments, for example, or is overly restrictive, another, more poorly, policed foreign forum might be too willing to fill the gap.

Looking back to November 17, 1993, a Conference was held at Fordham Law School that was jointly sponsored by Fordham University School of Law and the Graduate School of Business Administration. The topic of the Conference was "*Entering the U.S. Securities Markets: Opportunities and Risks for Foreign Companies.*" The Conference brought together leading experts for a practical and detailed examination of how non-U.S. companies can reach potential investors in the United States in a timely fashion, with the least amount of difficulty, and with the greatest potential for meaningful capital availability. The audience was highly diversified, both geographically and professionally, including graduate and undergraduate students, banking and

---

\* Fordham University School of Law, Wilkinson Professor of Law.

business executives, accountants, regulators, and attorneys from throughout the world. The proceedings were transcribed, edited, and published at 17 *FORDHAM INT'L L.J. SI*. Thousands of copies of that issue were distributed throughout the world, and it has been extensively cited by numerous other publications and at subsequent conferences and symposia.

Looking ahead to the Summer of 1997, the International Bar Association ("IBA") is celebrating its fiftieth anniversary at its annual meeting to be held in New York City. Fordham Law School is privileged to have been selected to host the proceedings at its facilities at Lincoln Center. Numerous workshops are scheduled to discuss issues of concern to the world, ranging from environmental issues, to human rights, to world communications. Perhaps the most significant workshop, to be held on June 12, 1997, is entitled "*The Global Capital Market: What Next?*" Participating in that workshop will be internationally respected experts, including Richard A. Grasso, Chairman of the New York Stock Exchange, and Paul A. Volcker, former Chairman of the Board of Governors, Federal Reserve Board. It will no doubt be a thought-provoking discussion.

As a prelude to the IBA's workshop on world capital markets, a lecture on that same subject was delivered at Fordham University School of Law on January 13, 1997 by Richard A. Grasso. Discussed at that lecture were topics such as what are the world's future capital needs and how they will be met, what will happen to the regulation of financial intermediaries and securities offerings, what changes will there be in the role of securities exchanges, and what roadblocks are posed by existing laws to the globalization of the capital market and what should be done about them. Mr. Grasso's remarks were transcribed, and this issue of the *Fordham International Law Journal* includes the edited synopsis of those remarks, with footnotes added for clarity and synthesis.

Finally, special thanks goes to Richard A. Grasso for his stimulating lecture of January 13, 1997 and, in advance, for his future participation in the upcoming IBA workshop next summer on capital markets. I would also like to thank the sponsors of the Grasso address, Dean John D. Feerick of the Law School and Dean Ernest J. Scalberg of the Graduate School of Business, the Student Advisory Council and the Finance Club of the Graduate

School of Business, the Student Bar Association and the Fordham Finance, Securities, and Tax Law Forum of the Law School, and the editors of the *Fordham International Law Journal*.