
foreword

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The long road to recovery

The financial services sector – like the global economy as a whole – faces a long and potentially bumpy road to recovery. One of the

foundations for long term stability should be regulatory reform. While regulation cannot eliminate all risk from financial markets, the old regime was in need of some redevelopment.

Regulators in many jurisdictions are struggling to formulate new frameworks which will prove robust and effective.

As yet, it is not clear that there is agreement on basic principles. Furthermore, solutions are likely to differ between the banking, investment management and insurance sectors. I believe the audit profession has much to contribute and hasty and ill-considered action should be avoided. At the same time, the speed at which new regulations may be brought in means that firms do not have the luxury of waiting until the dust has settled. Some preparatory work has to start now. In this issue we highlight this from a range of perspectives.

The US remains the engine of the global economy, and so the success of the Financial Stability Plan will be crucial for us all. We look at some of its key features and implications. More generally, we recognize

recovery requires that trust in the financial services industry be rebuilt. This is equally true in investment management – where there are exciting opportunities ahead – as is the case in banking and insurance.

Also in this issue, we focus on two contrasting economies: Canada, where the financial services environment has remained largely intact; and India, which despite suffering a battering from the crisis, is still on course for enviable growth this year.

At KPMG, our member firms work with leading financial services institutions across the world, providing an opportunity to explore in detail how companies are coping with these turbulent times. A number of recent KPMG surveys – in investment management, insurance and payments also assist in offering valuable insights.

On this journey to recovery, the financial services sector is going to need all the insight and advice that is available. I hope this issue of *frontiers in finance* goes some way to meeting that need.

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