

Address by Jón Atli Benediktsson, Rector of the University of Iceland, to open the conference The Regulation and Operation of Modern Financial Markets. Held in the University of Iceland Aula in the Main Building on Thursday 5 September 2019, 8.50 am

Governor of the Central Bank of Iceland, ladies and gentlemen, I wish you all a warm welcome to this international conference entitled The Regulation and Operation of Modern Financial Markets. It is an honour for the University of Iceland to host this conference, as well as an enormous boon to welcome first-rate researchers from all over the world, thereby creating an international atmosphere at the University, stimulating academic discourse and the pursuit of knowledge. Indeed, one of the University of Iceland's defining characteristics ever since it was founded in 1911 has been its status as a particularly international university in active contact with universities in other countries. For example, a large proportion of the academic staff at the University of Iceland have pursued postgraduate education at leading institutions outside Iceland returned home armed with diverse training and education, thereby helping to make the University of Iceland an active participant in the cosmopolitan universitas scientiarum. The success of the University of Iceland

since it was founded just over a century ago confirms this conclusively; e.g., the University has been ranked among the top 300 universities in the world in recent years according to the Times Higher Education World University Rankings.

Ladies and gentlemen. The topic of this conference is not a simple one and there is no shying away from the enormity of the challenge. Ahead is a fascinating programme covering a wide range of topics. The conference is unusual in that it brings together leading academics, practitioners and policy makers from around the world to talk about how the microstructure of modern markets works at high resolution: how it affects market prices, liquidity and financial stability and ultimately how well the markets serve the needs of investors.

To elaborate, the institutions studied are market makers, high-frequency trading companies, exchanges, dark pools, clearing houses, agencies and investors, including the modern technologies such as robots, algorithms and information transmissions they employ to gain advantages over their competitors. These institutions form the plumbing of modern markets.

At this conference, focus will be directed towards how well markets dominated by those institutions work for the final investors, in particular how this modern infrastructure has affected

speed, market efficiency, cost of trading and financial stability over recent years and how matters are expected to progress in the years to come.

Given the market defects uncovered, the conference also studies what can be done to improve this functioning, both from an industry perspective and from a regulatory perspective.

This conference includes a roundtable and two keynote speeches about the future of financial markets, and more broadly about the future of technology in general, featuring speakers who are involved in shaping that future.

Ladies and gentlemen. We Icelanders are all too well aware of the importance of regulation of financial markets which reinforces financial stability. At the same time, regulation of the financial markets has probably never undergone such dramatic changes as in the past decade, so there are many pressing issues for this conference to address.

Without further ado, I now declare this conference on The Regulation and Operation of Modern Financial Markets open and wish you an enjoyable and productive experience over the next few days. Last but not least, I hope that you are able to take a break from the scholarship and find the time to enjoy your visit and see a little of our beautiful country.