

MEMO# 23842

October 2, 2009

SEC Creates a New Division of Risk, Strategy, and Financial Innovation

[23842]

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TO: RISK MANAGEMENT ADVISORY COMMITTEE No. 11-09 RE: SEC CREATES A NEW DIVISION OF RISK, STRATEGY, AND FINANCIAL INNOVATION

Securities and Exchange Commission Chairman Mary Shapiro has announced the creation of a new Division within the SEC, the Division of Risk, Strategy, and Financial Innovation. According to the SEC's press release announcing this new Division, [\[1\]](#) its purpose is to provide the Commission "with sophisticated analysis that integrates economic, financial, and legal disciplines." The Division is the result of combining the SEC's Offices of Economic Analysis and Risk Assessment and it is expected to perform each of the following functions:

- Strategic and long-term analysis;
- Identifying new developments and trends in financial markets and systemic risk;
- Making recommendations as to how these new developments and trends affect the Commission's regulatory activities;
- Conducting research and analysis in furtherance and support of the Commission and its divisions and offices; and
- Providing training on new developments and trends and other matters.

University of Texas Law Professor Henry T.C. Hu has been named the Division's first Director. Professor Hu holds three degrees from Yale University: a B.S. in Molecular Biophysics & Biochemistry, an M.A. in Economics, and a J.D. Gregg Berman has been named a Senior Policy Advisory in the new Division. According to the SEC press release announcing his appointment, [\[2\]](#) he was associated with RiskMetrics Group, a company that focuses on risk management, corporate governance, and financial research. In the ten years he was with the company, he served in several senior positions, most recently as the

head of the global risk business.

Tamara K. Salmon
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endnotes

[1] The Commission's press release is available at:
<http://www.sec.gov/news/press/2009/2009-199.htm>.

[2] The press release is available at: <http://www.sec.gov/news/press/2009/2009-205.htm>.

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