

**Resolution of the President Committee
on
IOSCO's Operational Priorities**

CONSIDERING that Section 1.1 of the By-Laws states that securities commissions and similar bodies with responsibility for securities regulation are joined together in the International Organization of Securities Commissions (IOSCO) to better carry out their respective missions through the forum for discussions and cooperation provided by the Organization;

CONSIDERING that Section 1.2 of the By-Laws further states that, in particular, the objective of the Organization is to enable members to exchange information with a view to:

- (a) developing securities markets and improving their efficiency;
- (b) coordinating the enforcement of securities regulation; and
- (c) implementing common standards.

RECOGNIZING the usefulness of endorsing a set of operational priorities for the Organization in order to help focus common efforts and coordinate actions;

IT IS AGREED to endorse the following IOSCO operational priorities:

- **Maintaining the Role of IOSCO as the International Standard Setter for Securities Regulation**

IOSCO has proven very successful at setting international securities regulatory standards that are effective while taking into consideration the flexibility needed to respect and adapt to the local level of market development and to the specific regulatory environment. This is one of IOSCO's chief strengths. Because of its large membership, IOSCO is truly representative of the international community of securities regulators. IOSCO is now recognized as the international standards setter for securities markets. Its current position must be maintained by constant work to upgrade the IOSCO Principles to take into account emerging regulatory issues and to protect this key international standard setting responsibility.

- **Improving Enforcement Related Cross-Border Cooperation**

Financial wrongdoing is increasingly global. Cross-border financial frauds know no frontiers and IOSCO must push forward in identifying obstacles that prevent enforcement cooperation and exchange of information within its membership and with non-member securities regulators. The Presidents Committee (PC) has endorsed in May 2002 the IOSCO MOU as a high-level and rigorous practical instrument designed to improve cross-border cooperation within its membership. It is now time to endorse the IOSCO MOU as the international benchmark for enforcement related cooperation and exchange of information and to move forward with its implementation both within and outside the IOSCO membership (ref. *Resolution of the Presidents Committee on the International Benchmark for Enforcement Related Cooperation and Exchange of Information*). The Organization must provide related technical and policy level assistance, whenever needed.

- **Implementing the IOSCO Objectives and Principles of Securities Regulation**

In September 1998 the Presidents Committee adopted the *IOSCO Objectives and Principles of Securities Regulation* (IOSCO Principles) as a valuable source of information on principles that underlie effective securities regulation and on the tools and techniques necessary to give effect to those principles. In October 2003 the Presidents' Committee endorsed the *IOSCO Methodology for Assessing Implementation of the IOSCO Objectives and Principles of Securities Regulation* (Book I) as a key instrument to promote the implementation of the IOSCO Principles within the members' jurisdictions. Now that IOSCO has endorsed a full set of IOSCO Principles and has an operational Methodology to practically assess the level of implementation of the IOSCO Principles, it is time for the Organization to focus on the systematic assessment of the level of implementation of the IOSCO Principles within the jurisdiction of each one of IOSCO's members and to provide technical and policy level assistance, whenever needed.

- **Continuing to Raise the International Profile of IOSCO and the Level of Internal Communications**

It is important to continue to improve communications so that IOSCO's initiatives, objectives and priorities become better known from the international financial community. One of the great advantages of IOSCO is its wide membership and the fact that its members regulate most of the world's securities markets. One needs to find ways to leverage as much as possible the communications' aspects of this well-developed membership in order to facilitate the diffusion of IOSCO's messages and actions to its members' jurisdictions. A key instrument to achieve this objective is to fully implement the communication plan endorsed by the Executive Committee during its September 2003 meeting.

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