

## **IOSCO Board Priorities - Work Program 2023-2024**

IOSCO's objectives are to enhance investor protection, maintain fair, efficient, and transparent markets, and reduce systemic risk. The IOSCO Board's priority-setting process is designed to ensure that the work of its Board-level groups and Standing Committees is closely aligned with Board-approved priorities for the organization.

For these purposes, this Work Program for 2023-24 describes the work currently being undertaken, or to be initiated in the period March 2023 to March 2024. It builds on ongoing priorities identified in the 2021-2022 Work Program,<sup>1</sup> the internal workplans of the Board-level Financial Stability Engagement Group (FSEG) and Board-Taskforces, selected important sectoral initiatives being conducted through the Standing Committees, as well new workstreams to emerge from the Board prioritization discussions of October 2022 that were supported by the 2023 Risk Outlook.<sup>2</sup>

Each of the proposed priority workstreams in this Work Program are organized under the following five themes:

1. Strengthening Financial Resilience
2. Supporting Market Effectiveness
3. Protecting Investors
4. Addressing new risks in sustainability and fintech
5. Promoting Regulatory Cooperation and Effectiveness

In response to the risks, trends, and vulnerabilities identified in its 2023 Risk Outlook, the IOSCO Board identified Private Finance as one new priority – under the theme of 'Strengthening financial Resilience' – for inclusion in the 2023-24 Work Program. The renewed regulatory interest stems from the unprecedented growth of private finance activities and its increasing role in funding the real economy, combined with emerging concerns around the increasing interconnectivity of the sector with regulated public markets at a time of inflationary pressures, recessionary concern and monetary tightening.

Another core focus area remains the follow-up work from the response to the COVID-19 pandemic. IOSCO will sustain its commitments made under the FSB's [2023 NBF workplan](#).

With respect to sustainability-related issues in capital markets, the work program calls on IOSCO to continue its efforts in contributing to the urgent goal of improving the completeness, consistency, and comparability of sustainability reporting under the stewardship of its Board-level Sustainability Taskforce by the IFRS International Sustainability Standards Board (ISSB) can act as a global framework standard for sustainability related disclosures. The STF will also continue work on carbon markets, on promoting independent assurance of corporate

---

<sup>1</sup> <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD673.pdf>

<sup>2</sup> The IOSCO Risk Outlook serves as IOSCO's horizon scan of emerging regulatory issues across securities markets. It provides the Board with a substantive basis from which to prioritize work for the year ahead.

sustainability disclosures, and also, consider the role of securities and markets regulators in promoting integrity and mitigating greenwashing with regards to transition plans.

With respect to fintech, the Work Program calls for IOSCO to maintain the momentum under its July 2022 crypto-asset roadmap<sup>3</sup> to assess and respond to the risks associated with crypto-asset market activities and decentralized finance under the stewardship of the Board-level Fintech Taskforce (FTF).

IOSCO will also sustain its efforts in other important areas, including matters of special importance to growth and emerging markets (GEM), its collaboration with the FSB, and standard setting bodies, as well as implementation monitoring, capacity building for its members and supporting investor education as a critical pillar of investor protection.

---

<sup>3</sup> <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD705.pdf>

## IOSCO Priorities 2023-24

### 1. *Strengthening Financial Resilience*

Strengthening financial resilience is a critical objective of capital markets regulation, particularly in light of the increasing complexity and interconnectivity of the global financial system. IOSCO recognizes the importance of financial stability in ensuring the proper functioning of the capital markets, and in March 2020, established the Financial Stability Engagement Group (FSEG). FSEG is a Board-level group set up to enhance IOSCO’s approach to financial stability issues in the capital markets, including with regard to its engagement with the Financial Stability Board (FSB), international standard setting bodies, and other organizations.

The FSEG led IOSCO’s COVID-19 crisis response related to financial stability issues, including IOSCO’s contribution of its expertise on issues related to so-called ‘non-bank financial intermediation’ (NBFIs) activities under discussion at the FSB. Although much progress has been made, work continues to address issues related to NBFIs activities, particularly as they relate to liquidity risks in open-ended funds (OEFs), as well as market structural issues in short-term funding markets (STFMs). Given their ongoing importance, IOSCO, through the FSEG, will continue to focus on these issues until the agreed deliverables are completed. The FSEG will also monitor emerging financial stability issues in markets.

Also falling under this theme is a new priority pertaining to diagnostic work on private finance as well as on-going IOSCO-BCBS-CPMI work on Margin Practices and CPMI-IOSCO work on CCP resilience.

Focus area	Description of the work	Oversight Body
<b>Risk Diagnostic Work on Private Finance</b>	Private financing activities have seen unprecedented growth with certain types of private funds, which broadly covers the activities of private equity and private credit funds, having an increasingly significant share of the overall financial markets. Securities regulators will explore whether behaviours in these markets have impacts or negative spillovers on public markets, particularly as the economic environment adjusts to higher inflation and rising interest rates.	Committee on Emerging Risks

Focus area	Description of the work	Oversight Body
	<p>IOSCO’s Committee on Emerging Risks is conducting analytical work to identify and assess emerging risks and vulnerabilities within the private finance sector. The work will seek to understand how private financing activities could intersect with IOSCO’s objectives and the regulatory perimeter of its members. The work will seek to understand how and whether risks in this area could spill over to public capital markets (i.e., the primary issuance and secondary trading markets) and/or harm investors, undermine market integrity, or potentially give rise to systemic risk.</p> <p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ Diagnostic Report to the June 2023 IOSCO Board</li> <li>➤ Follow-up work in second half of 2023, and 2024</li> </ul>	
<p><b>Liquidity risk and its management in open-ended funds (OEFs)</b></p>	<p>The FSB and IOSCO conducted analytical work in 2021 on the redemption pressures faced by OEFs in March 2020 and their drivers, as well as the extent to which fund vulnerabilities impacted the financial system and wider economy. In 2022, the focus of the FSB’s work shifted towards assessing the effectiveness of its 2017 policy recommendations to mitigate vulnerabilities in OEFs stemming from liquidity mismatch (2017 FSB Recommendations).<sup>8</sup> This took place in coordination with IOSCO’s review of its 2018 recommendations on liquidity risk management for such funds (2018 IOSCO Recommendations).<sup>9</sup></p> <p>Based on the outcomes of this assessment, IOSCO and the FSB will conduct follow-up work in 2023 and 2024:</p> <p><b><i>Deliverables and deadlines:</i></b></p>	<p>Financial Stability Engagement Group</p>

Focus area	Description of the work	Oversight Body
	<ul style="list-style-type: none"> <li>➤ The FSB, in consultation with IOSCO, to revise the 2017 FSB Recommendations. A consultative report will be published in mid-2023, with a final report in late-2023.</li> <li>➤ IOSCO, in consultation with the FSB, to develop detailed guidance on liquidity management tools to complement the revised FSB Recommendations. A consultative report will be published in mid-2023, with a final report in late 2023.</li> <li>➤ FSB, in consultation with IOSCO, to initiate a pilot program focused on closing identified data gaps relating to OEF liquidity mismatch, the use of LMTs, and attendant financial stability risks.</li> <li>➤ IOSCO to further operationalize revised FSB Recommendations in 2024 (and beyond) through amendments to the 2018 IOSCO Recommendations and supporting good practices, as necessary.</li> </ul>	
<b>Work on Short-term Funding Markets and Money Market Funds</b>	<p>The FSB report on money market fund (MMF) resilience recognized the importance of complementing the MMF policy work with work to explore how to enhance the functioning and resilience of STFM.</p> <p>This joint FSB-IOSCO project will look to identify and analyze vulnerabilities within the STFM microstructures, focusing on Commercial Paper (CP) and Certificate of Deposit (CD) markets and then assess policy responses, where deemed relevant.</p> <p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ A first phase of work will build on previous IOSCO and FSB diagnostic work in 2021 and have an analytical focus to consider potential avenues to increase STFM resilience and</li> </ul>	Financial Stability Engagement Group

Focus area	Description of the work	Oversight Body
	<p>identification of data gaps. A diagnostic report will be delivered to the FSEG and SCN in Q3 2023.</p> <ul style="list-style-type: none"> <li>➤ A second phase of work will build on the outcomes of the phase one analysis, which would include consideration of potential measures to improve STFM functioning.</li> </ul> <p>The FSB, working with IOSCO, will also take stock of the MMF policy measures adopted by FSB member jurisdictions in 2023.</p>	
<p><b>Leveraged Loans and collateralized loan obligations</b></p>	<p>In 2022 IOSCO’s Committee 3 and Committee 5 presented to the IOSCO Board a joint internal report reviewing the drivers of potential conduct risks in the leverage loans (LL) and collateral loan obligation markets (CLO) and their impact on investor protection, market integrity and financial stability. The report highlighted several vulnerabilities in both the LL and CLO markets. It identified possible conduct and conflicts of interest risks across the intermediation chain – from LL origination through the distribution of the CLO notes.</p> <p>In a second phase of work, IOSCO is developing a public consultation paper on potential “good practices” aimed at mitigating identified vulnerabilities in the LL and CLO sectors for industry participants to consider implementing.</p> <p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ IOSCO consultation report is anticipated to be published in summer 2023.</li> </ul>	<p>Committee 3 and Committee 5</p>

Focus area	Description of the work	Oversight Body
<b>IOSCO work with CPMI and BCBS</b>	<p>The IOSCO-CPMI-BCBS final report on the <i>Review of margining practices</i>, published in September 2022,<sup>4</sup> identified six areas of follow-up work. IOSCO-BCBS-CPMI are working on two of these areas: (i) increasing transparency in centrally cleared markets; and (ii) evaluating the responsiveness of initial margin models to market stresses with a focus on impacts and implications for CCP resources and the wider financial system.</p> <p>The CPMI-IOSCO Policy Standing Group is undertaking another area of the work on streamlining Variation Margin (VM) processes in centrally cleared markets.</p> <p>The BCBS-IOSCO Working Group on Margin Requirements is performing follow-up work on streamlining VM processes in the non-centrally cleared markets and evaluating the responsiveness of non-centrally cleared Initial Margin (IM) models to market stresses.</p> <p>These groups are coordinating as they proceed, considering potential practical policy proposals and/or recommendations that take into account the perspectives of regulators, CCPs, clearing members, clients, and other relevant stakeholders.<sup>5</sup></p> <p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ Consultation report(s) H2 2023</li> </ul> <p>BCBS-CPMI-IOSCO is also undertaking an analysis of dynamics in commodities markets as an extension to the work that resulted in the September 2022 margin report.</p>	CPMI-IOSCO SG  Joint Steering Group on Margin (JSGM)  BCBS-IOSCO WGMR

<sup>4</sup> <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD714.pdf>

<sup>5</sup> The Financial Stability Board may undertake work to identify policies to further enhance the liquidity preparedness of market participants and identify data gaps in regulatory reporting. This work would be coordinated with BCBS-CPMI-IOSCO.

Focus area	Description of the work	Oversight Body
	<p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ BCBS-CPMI-IOSCO will present the final commodities report for approval to the IOSCO Board, with a recommendation on whether to publish the report. Following this decision, the report may be shared with FSB.</li> </ul> <p>In addition, following publication of the joint FSB-CPMI-IOSCO report <i>Central Counterparty Financial Resources for Recovery and Resolution</i> in March 2022, the FSB decided in April 2022 to undertake further qualitative work on financial resources and tools for CCP resolution.</p> <p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ The FSB Resolution Steering Group is preparing a consultation on alternative financial resources for CCP resolution for publication in September 2023. CPMI-IOSCO will be consulted in the development of this work.</li> </ul> <p>CPMI-IOSCO published for consultation on <i>A discussion paper on central counterparty practices for addressing non-default losses</i> in August 2022. In the next phase of the work, the CPMI-IOSCO PSG will develop guidance or other recommendations on non-default losses, expanding the scope to cover Financial Market Infrastructures (FMI) other than CCPs. One input into the Policy Standing Group’s work will be the CPMI-IOSCO Implementation Monitoring Standing Group Level 3 assessment of General Business Risk.</p> <p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ CPMI-IOSCO will publish a final discussion paper on CCP practices to address non-default losses by the end of H1 2023.</li> </ul>	



Focus area	Description of the work	Oversight Body
	<ul style="list-style-type: none"> <li>➤ CPMI-IOSCO will deliver a Level 3 report on General Business Risk in 2024.</li> <li>➤ CPMI-IOSCO will publish a consultation on guidance or other recommendations on FMI non-default losses in Q4 2023, with an objective of finalisation in Q2 2024.</li> </ul> <p>The CPMI-IOSCO Implementation Monitoring Standing Group is continuing with its implementation monitoring program at all three levels (Level 1, Level 2, and Level 3).</p> <p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ CPMI-IOSCO will seek approval from the IOSCO Board, on the report of the Level 2 assessment of payment systems and central securities depositories/securities settlement systems of the EU. Following approval, the report would be published by the end of H1 2023.</li> </ul> <p>The BCBS-IOSCO Working Group on Margin Requirements is continuing work to draft reports following each stage of implementation of initial margin requirements for non-cleared derivatives</p> <p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ The BCBS-IOSCO Working Group on Margin Requirements final implementation report will be presented to the IOSCO Board in 2024.</li> </ul> <p>Building on the publication of a final guidance in July 2022 on the <i>Application of Principles for Financial Market Infrastructures to stablecoin</i> arrangements, the CPMI-IOSCO PSG is identifying potential areas for clarification in the PFMI Responsibilities and potential additional clarifications regarding the application of the PFMI to multi-currency and asset-linked stablecoin arrangements.</p>	

Focus area	Description of the work	Oversight Body
	<p>BCBS, CPMI, and IOSCO established a cross-SSB working group (Working Group on Stablecoin Arrangements). This working group is finalizing a report that assesses key issues related to stablecoin arrangements that merit further consideration by the SSBs</p> <p><b><i>Deliverables and deadlines:</i></b></p> <p>The working groups will deliver internal reports to the CPMI-IOSCO SG in Q2 2023 and Q4 2023. The CPMI-IOSCO SG will consider any recommendations for additional work, including the development of guidance, and whether the reports should be published.</p>	

## 2. Supporting Market Effectiveness

It remains essential for capital markets to be resilient and effective, particularly in the face of increasing episodes of market volatility and the changing macro-financial environment. Factors such as rising interest rates and other recent shifts in the economic landscape have created new challenges for market participants and underscored the importance of maintaining strong market infrastructure to support resilient primary issuance and secondary markets trading activities across the full range of tradeable assets. The theme of Supporting Market Effectiveness also encompasses work aimed enhancing operational and securities market resilience.

Project name	Brief description of the work	Oversight Body
<b>Market Outages</b>	<p>Market outages occur when a technical problem disrupts trading on a trading venue. These present issues to continuity, system resilience (liquidity migration to other venues) as well as wider market impact e.g., on benchmarks. IOSCO is conducting work to gather lessons learnt from recent market outages.</p> <p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ An IOSCO consultation report is expected to be published in 2023.</li> </ul>	Committee 2
<b>Post Trade Risk Reduction Services</b>	<p>As a subset of risk mitigation techniques, Post Trade Risk Reduction Services (PTRRS) are increasingly used by firms to reduce operational and counterparty risks and increase efficiency in the way market participants manage their outstanding over-the-counter (OTC) derivatives trades. Market participants employ third party service providers to help perform PTRRS, such as <i>portfolio compression</i> and <i>counterparty risk optimization</i>.</p> <p>Given the sheer volumes of derivatives contracts that are exposed to portfolio compression and counterparty risk optimization services and the possible material impact of these services on the</p>	Committee 7

Project name	Brief description of the work	Oversight Body
	<p>overall amount of IM posted as a result of the use of these services, IOSCO believes these services deserve regulatory attention and scrutiny, and possible better coordination globally.</p> <p>The consultation report will assess the overall landscape and the risks associated with the increased use of and concentration of third-party PTRRS.</p> <p><b>Deliverables and deadlines:</b></p> <ul style="list-style-type: none"> <li>➤ IOSCO consultation report in Q2 2023 with a full report to follow in Q4 2023.</li> </ul>	
<p><b>Review of alternatives to USD LIBOR</b></p>	<p>IOSCO Principles for Financial Benchmarks (“the Principles”) are used as guidance globally and are a basis for global benchmarks regulatory reform, endorsed by the FSB and the G20.</p> <p>The transition away from LIBOR (and other ”IBORS”) remains a significant international regulatory priority. The transition requires market participants to take steps to stop issuance of new products linked to LIBOR, and efforts to transition away from LIBOR in legacy contracts that span multiple markets and jurisdictions.</p> <p>In light of challenges posed by emerging alternatives to LIBOR, notably with respect to credit sensitive rates, IOSCO has called attention to Principles 6, 7 and 9, and is looking at whether alternative benchmarks, which claim to be based on active markets with high volumes of transactions, represent the underlying interest they intend to measure, are transparent in their design and are resilient during times of stress.</p> <p>Specifically, IOSCO is undertaking a review of issues relating to Credit Sensitive Rates (CSRs) and Term Secured Overnight Financing Rates (Term SOFRs).</p>	<p>Board Task Force on Financial Benchmarks</p>

Project name	Brief description of the work	Oversight Body
	<p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ Final report to the IOSCO Board in the Summer of 2023.</li> </ul>	
<p><b>Targeted Implementation Review of the Principles for the Regulation and Supervision of Commodity Derivatives Markets</b></p>	<p>IOSCO’s Principles for the Regulation and Supervision of Commodity Derivatives Markets (“the Principles”), are recognized as global standards for commodity derivatives markets.</p> <p>Recent commodity market volatility and the price spikes in energy and food contracts highlight the importance of the proper implementation of IOSCO’s Principles.</p> <p>In response to these recent market trends and changes within commodities markets IOSCO published an updated version of the Principles in January 2023. IOSCO will also carry out a one-time targeted implementation review of selected Principles that aim to address commodity markets volatility and unexpected market disruptions.</p> <p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ Final Report (Q1 2024)</li> </ul>	<p>Committee 7</p>
<p><b>Financial reporting, auditing and disclosures</b></p> <p><b>Impairment of non-financial assets including goodwill</b></p>	<p>Underpinned by the Statement of Cooperation signed in October 2022 between IOSCO and the International Valuation Standards Council (IVSC), IOSCO aims to advance its understanding of valuation issues and bridge the information gaps that exist in relation to IVSC governance and valuation standards. Building on research drawn from a member survey of the Committee on Issuer Accounting, Audit and Disclosure (Committee 1) members on valuation regulation and practices, an IOSCO report on good practices or recommendations may be considered as well as a potential IOSCO public statement to raise awareness on valuation issues and best practices.</p>	<p>Committee 1</p>

Project name	Brief description of the work	Oversight Body
<b>Review of IOSCO disclosure principles and standards</b>	<p>The objective is to allow IOSCO to undertake effective work relating to valuations as appropriate.</p> <p>It is also crucial to prevent companies from inflating their balance sheets with excessive goodwill not justified by future economic benefits and to avoid the recognition of sudden and huge impairment losses, which often arise without prior due caution. An IOSCO consultation on impairment of non-financial assets, including goodwill will set out recommendations for regulators, auditors, audit committees and issuers generally to promote good practices.</p> <p>IOSCO will also update its disclosure principles and standards to reflect the latest developments.</p> <p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ Committee 1 will work closely with the IVSC to develop a better understanding of their governance as well as the underlying principles.</li> <li>➤ IOSCO consultation report on impairment of non-financial assets to be published in 2H of 2023 with a final report to follow in Q1 2024.</li> <li>➤ Public report/ statement on valuation issues and best practices by Q4 2023.</li> </ul>	
<b>Risks and challenges posed by evolutions in market structure</b>	<p>How trading venues are organized, and run is of critical interest to regulators – both with respect to how the venue itself operates and the impact of the venue(s) operations on the wider market. There have been significant changes in the business model of trading venues, the emergence of new types of trading venues and the structure of secondary markets over recent years. IOSCO is assessing the key risks and challenges posed by these changes on the efficiency and integrity of the market and on regulatory approaches.</p>	Committee 2

Project name	Brief description of the work	Oversight Body
	<p><i>Deliverables and deadlines:</i></p> <ul style="list-style-type: none"><li>➤ An IOSCO consultation report is expected to be published in 2023.</li></ul>	

### 3. Protecting Investors

The protection of investors, particularly retail investors, is a critical objective of capital markets regulation. It remains essential to monitor and address misconduct and promote investor protection and education initiatives. This theme of Protecting Investors encompasses the efforts of regulators to enhance investor protection and promote a regulatory environment that supports fair, efficient, and transparent markets. Through its initiatives, IOSCO aims to combat retail market misconduct and fraud, promote investor confidence and financial inclusion, protect the interests of investors, and contribute to the integrity of the capital markets.

Project name	Brief description of the work	Oversight Body
<b>Retail Market Conduct Taskforce follow-up work</b>	<p>IOSCO’s Retail Market Conduct Task Force (RMCTF) carried out a stock-take of regulatory approaches regarding conduct in retail markets. The work covered a broad range of recent popular retail market trends and issues and suggests a toolkit for regulators to consider in developing their respective approaches. The final report with regulatory toolkit was published in March 2023.</p> <p>Committee 3, 4, and 8<sup>6</sup> have been tasked to take forward the RMCTF's recommendations for further work in 2023 and beyond. The proposed follow-up work may include:</p> <p><b>Combating online fraud and mis-selling</b></p> <ul style="list-style-type: none"> <li>➤ Influencer activity and copy trading (Committee 3, 4, and 8).</li> <li>➤ Guidance on international cooperation for effective prevention and investigation of online illegal activities to prevent unlicensed service providers offering risky and detrimental</li> </ul>	Committee 3, 4, and 8

<sup>6</sup> Committee on Regulation of Market Intermediaries (Committee 3), Committee on Enforcement and the Exchange of Information (Committee 4), Committee on Retail Investors (Committee 8)



Project name	Brief description of the work	Oversight Body
	<p>products to retail clients on a cross border basis, including engagement with ISPs with a view to establish protocols to curb online cross border misconduct (Committee 4).</p> <ul style="list-style-type: none"> <li>➤ Additional initiatives to increase awareness regarding online harm and better supervision of online fraud and mis-selling (e.g., Webscraping) (Committee 3, 4, and 8).</li> </ul> <p><b>Online brokerage services</b></p> <ul style="list-style-type: none"> <li>➤ Payment for order flow, commission structures and hidden conflicts of interest (Committee 3).</li> <li>➤ Fractional trading of assets (Committee 3 and 8).</li> <li>➤ Retail brokerage customer experience management (Committee 3 and 8)</li> </ul>	
<b>World Investor Week</b>	<p>IOSCO will continue its commitment to its annual event known as World Investor Week (WIW), which brings together securities regulators, investor associations, and other stakeholders from around the world to promote investor education and protection.</p> <p>Since its inception in 2017, WIW continues to grow in importance and has become a key event on the global financial calendar. With the ongoing challenges posed by the COVID-19 pandemic, and other global trends, the importance of WIW has increased further, as investors face new and evolving risks in the changing economic and financial landscape.</p> <p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ WIW campaign (October and November 2023).</li> </ul>	Committee 8

Project name	Brief description of the work	Oversight Body
	<ul style="list-style-type: none"> <li>➤ WIW Report of 2023, delivered in Q2 2024.</li> </ul>	
<b>Index Providers</b>	<p>Due to the significant increase in the use of indices (and index providers) by the asset management industry, the IOSCO Board approved a conduct-focused mandate in 2019 to examine (1) the role of asset managers in relation to indices and index providers, and (2) the role and processes of index providers in the provision of indices (including the potential impact of administrative errors on funds and identifying potential conflicts of interest that may exist at index providers in relation to funds).</p> <p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ Final report on conduct related issues in Index Provision to the IOSCO Board in Q2 2023, with potential AMCC follow-up work in 2024.</li> </ul>	Committee 5

#### 4. Addressing new risks in sustainability and fintech

As the capital markets continue to evolve and expand, it is essential for securities regulators to deal with emerging issues such as sustainability and the growing areas of fintech, crypto-assets, and decentralized finance. IOSCO recognizes the need for regulatory responses to these issues and established the STF and the FTF to address these emerging challenges. The theme of *addressing new risks in sustainability and fintech* encompasses IOSCO's work in both areas. Through the outcomes of its work, IOSCO seeks to support the development of sustainable and innovative capital markets, while enhancing investor protection, maintaining market integrity, and reducing systemic risk. In addition to the matters set out here, the Secretariat continues to work with the GEM, the STF, and others to develop the capacity building program. The STF will also increase its involvement with the United Nations Climate Change Conference (COP28).

Project name	Brief description of the work	Oversight Body
<b>Review ISSB standards towards a potential endorsement</b>	<p>The IOSCO STF will conduct comprehensive analysis of whether the IFRS international Sustainability Standards Board (ISSB) can serve as a global framework for climate disclosures standards against Board-agreed endorsement criteria.</p> <p><b>Deliverables and deadlines:</b></p> <ul style="list-style-type: none"> <li>➤ The IOSCO Board will conclude its analysis of the ISSB standards with a consideration of whether they are in line with the IOSCO criteria for endorsement, as published in June 2021, early in the second half of 2023.</li> <li>➤ Beyond the ISSB standards review and potential endorsement, the STF will review how different jurisdictions are using the new standards and take additional monitoring and capacity building initiatives, as needed.</li> </ul>	Sustainable Finance Taskforce

Project name	Brief description of the work	Oversight Body
<b>Work on Assurance Standards</b>	<p>The IOSCO STF will set out its vision and recommendations for assurance standards by the audit and ethics standard setters, and continue engaging with the standard setters as they develop standards for assurance of sustainability information.</p> <p><b>Deliverables and deadlines:</b></p> <ul style="list-style-type: none"> <li>➤ By the end of Q1 2023, the STF will publish its report on “<i>International Work to Develop Assurance Standards over Sustainability-related Corporate Reporting</i>”.</li> <li>➤ Throughout 2023, the STF will continue to engage with the International Ethics Standards Board for Accountants, the International Auditing and Assurance Standards Board, and other relevant bodies, on the development of the standards for assurance.</li> </ul>	Sustainable Finance Taskforce
<b>Work on Compliance Carbon Markets (CCMs)</b>	<p>The IOSCO STF is working toward developing a set of recommendations on how to establish sound and robust compliance markets.</p> <p><b>Deliverables and deadlines:</b></p> <ul style="list-style-type: none"> <li>➤ The STF intends to publish its final recommendations in Q3 2023.</li> </ul>	Sustainable Finance Taskforce
<b>Work on Voluntary Carbon Markets</b>	<p>The IOSCO STF aims to publish a consultation report at COP28 with recommendations for regulators contemplating voluntary carbon markets (VCMs) frameworks that promote integrity in these markets.</p> <p><b>Deliverables and deadlines:</b></p> <ul style="list-style-type: none"> <li>➤ Further engagement with market participants throughout Q1, Q2 and Q3 2023</li> </ul>	Sustainable Finance Taskforce

Project name	Brief description of the work	Oversight Body
	<ul style="list-style-type: none"> <li>➤ Dependent upon the feedback received, the STF will publish an IOSCO consultation paper in Q4 2023.</li> </ul>	
<b>Work on Transition Plans</b>	<p>An IOSCO workstream on transition plans will be established that will consider the role of securities regulators with respect to transition plan disclosures. This work will be coordinated with relevant on-going work at other international organisations.</p> <p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ Project scoping by end of Q3 2023.</li> </ul>	Sustainable Finance Taskforce
<b>Work on Crypto-assets, digital assets, and decentralized finance.</b>	<p>The FTF will continue to prioritize policy-focused work on crypto-asset markets and activities in 2023. This work is being conducted through two workstreams under IOSCO’s crypto-asset roadmap of July 2022. The first, covers Crypto and Digital Assets (CDA), while the second covers Decentralised Finance (DeFi). Both workstreams focus on identifying, assessing and responding to market integrity and investor protection concerns in the sector.</p> <p><b><i>Deliverables and deadlines</i></b></p> <ul style="list-style-type: none"> <li>➤ IOSCO will issue a consultation report with recommendations for the regulation of CDA in H1 2023 and will issue final recommendations in 2023.</li> <li>➤ IOSCO will issue a consultation report with recommendations for the regulation of DeFi in Q3 and will issue final policy recommendations by year-end 2023.</li> </ul>	Fintech Task Force

### 5. Promoting Regulatory Cooperation and Effectiveness

Promoting regulatory cooperation and effectiveness remains a core objective of IOSCO in its efforts to maintain strong and resilient capital markets worldwide. IOSCO seeks to promote and facilitate regulatory cooperation among securities regulators, encourage the adoption of best practices, and strengthen compliance with the enforcement of securities laws and regulations. One of the key initiatives towards promoting regulatory cooperation is the IOSCO Multilateral Memorandum of Understanding (MMoU), which enhances the ability of securities regulators to cooperate on enforcement matters and share information. The theme of *Promoting Regulatory Cooperation and Effectiveness* encompasses IOSCO's work towards achieving this objective, as well as other efforts aimed at strengthening securities regulation and enhancing the integrity of the capital markets.

Project name	Brief description of the work	Oversight Body
<b>Promoting Good Practices in Sustainable Finance</b>	<p>IOSCO has focused its efforts on addressing the growing risk of greenwashing in order to mitigate the investor protection concerns that greenwashing raises. These efforts are important since greenwashing has the potential to severely undermine investor confidence in sustainable finance and threaten efforts to combat climate change.</p> <p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ The STF will continue its dialogue with industry in 2023 to initiate a discussion among IOSCO members about supervisory practices.</li> <li>➤ Information gathered will form the basis of a report to the IOSCO Board on supervisory practices in H2 2023.</li> </ul>	Sustainable Finance Task Force
<b>IOSCO Standards Implementation Monitoring (ISIM)</b>	<p>The Standards Implementation Monitoring Review is a global overview of the status of implementation of IOSCO Principles. It identifies gaps in implementation and makes recommendations for jurisdictions to address the identified gaps. The first ISIM on Secondary Market Principles (P33-37) was published in 2019. The second Standards</p>	Assessment Committee

Project name	Brief description of the work	Oversight Body
<b>Project on IOSCO Principles</b>	<p>Implementation Monitoring Review on Regulator Principles 1-5 will be published in February 2023.</p> <p>The third Standards Implementation Monitoring Review is planned to be on Regulator Principles 6-7 (systemic risk and the perimeter of regulation) to be launched in Q1 2023.</p> <p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ Final Standards Implementation Monitoring Report on Regulator Principles 6-7 in Q4.</li> </ul>	
<b>MMoU Operational Review</b>	<p>The IOSCO MMoU is a key tool in promoting international cooperation among securities regulators and has been instrumental in enhancing the effectiveness of securities regulation across borders. As of 2023, over 129 jurisdictions are signatories to the MMoU, demonstrating the global recognition of its importance. IOSCO remains committed to promoting the benefits of the MMoU, and to encouraging more jurisdictions to become signatories. Additionally, IOSCO will continue to focus on promoting compliance with the MMoU, by providing guidance and assistance to signatories and by taking action against those who fail to meet their obligations under it.</p> <p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ Internal Report on the Review of the MMoU compliance mechanisms in 2023</li> </ul>	IOSCO Board
<b>Implementation by emerging markets of the global framework standards for</b>	<p>The Growth and Emerging Markets Committee (GEMC) will conduct a stock take amongst its members to understand the level of readiness and the steps taken by these jurisdictions to adopt and implement a potential global framework for climate disclosures</p>	Growth and Emerging Markets Committee

Project name	Brief description of the work	Oversight Body
<b>sustainability disclosures</b>	<p>locally. The results of this survey will inform the work done by STF and the Board on sustainable finance.</p> <p><b><i>Deliverables and deadlines:</i></b></p> <ul style="list-style-type: none"> <li>➤ A GEMC report to STF summarizing the results of the stock take.</li> </ul>	