



Report from the Chair of the Affiliate Members Consultative Committee (AMCC)

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In 2016, the Affiliate Members Consultative Committee (AMCC) consolidated its position as the leading forum for IOSCO's affiliate members to discuss policy making, industry-related issues, and capacity building. Its constituency --self-regulatory organizations, market infrastructures, associations, etc.-- encompasses a diverse group of experts, who collaborated in 2016 on four AMCC reports on Fintech and the second edition of the Cybersecurity Survey, among other initiatives. In 2016, the AMCC held its Regulatory Staff Training Seminar in Chicago, and attracted more than 100 attendees.



In 2016, the AMCC set a new high-mark for the volume of work completed. With the support of our members, and following improvements to the AMCC structure – including the inauguration of the Vice Chair post, now occupied by Karen Wuertz, from the US National Futures Association – the Committee engaged on a wider range of topics, and produced more deliverables. Here are some of our accomplishments in the year:

Initiatives in the Fintech space

Fintech has become a key issue on the AMCC Agenda. The Lima Meeting (May 2016), for example, featured three panels covering different aspects of Fintech, such as the impact on retail investors and the potential uses of Distributed Ledger Technology (DLT). Shortly after the Lima meeting, the AMCC established a Task Force on Fintech. Its general objective is to support IOSCO's work in this area, initially through collaboration with the Committee on Emerging Risks (CER), which published its report in February 2017. The Task Force has two work streams. The first one, chaired by Ms. Wuertz (NFA), surveyed AMCC members in mid-2016 on Fintech innovations and the regulatory responses

to them. Among its main findings, the Task Force identified DLT/blockchain, digital/automated/robo-advice and crowdfunding as the Fintech innovations expected to have the greatest impact on financial markets. Regtech was also mentioned several times, indicating that some members are already considering the possible effects of these new technologies on regulation.

This group also responded to specific requests from the CER on innovations in trading and trading platforms, with a focus on changes in corporate bond markets and recent trends in social media sentiment investing, social networking platforms, mirror trading and auto trading.

The second work stream, chaired by Nandini Sukumar, CEO of the World Federation of Exchanges (WFE), is focused on the repercussions of DLT. This working group developed a questionnaire jointly with the CER. The results of the questionnaire, summarized in a report prepared and published by the WFE, highlighted how many financial market infrastructures favor increased cooperation among themselves, as well as with regulators and policy-makers, to take full advantage of DLT.





Cybersecurity Survey

The Second Global Cybersecurity Asset Management Survey, developed by ICI Global, was conducted in August 2016. Preliminary results were presented at the AMCC Mid-Year Meeting and the final report was later sent to all asset managers that responded to the questionnaire, thereby providing survey participants with a better understanding of the industry's standards and how the sector has evolved since the last review. For the next reiteration, the pertinent Working Group will seek to expand the Survey's geographic coverage.

Gathering expertise and sharing knowledge

In 2016, AMCC members met on two occasions: the first in Lima, for the Annual Meeting, and the second in Chicago, for the Mid-Year Meeting. These events allowed members to discuss some of the most relevant market and regulatory developments. Apart from debating the Committee's priorities and work plan, AMCC members tackled issues such as cross-border regulation of trading venues, implementation of circuit breakers, investment fund data, cybersecurity, Fintech and more. On this last topic, the panel discussions on innovations for retail

investors and DLT were so prolific that they gave rise to two detailed summary notes, which are available to IOSCO members on demand.

The 2016 edition of the AMCC Regulatory Staff Training Seminar drew more than 120 representatives from regulators, self-regulators and exchanges from more than 40 countries. The topics discussed included risk-based supervision, data analytics (touching on both analysis methods and tools), innovative retail protection measures and an interesting description of an enforcement case on spoofing.

Looking ahead

The work streams on Fintech and cybersecurity mentioned above will remain active in 2017. The AMCC will make a concerted effort, especially in the Fintech space, to align activities with the priority focus areas defined by the IOSCO Board.

The AMCC will also look to support IOSCO work on behavioral insights as well as the Committee 5 work on investment fund data gaps (specifically regarding the assessment of leverage measures). To this end, receiving the continuous support of the IOSCO Board, the General Secretariat and other committees remains essential for the AMCC.

