



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

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The Affiliate Members Consultative Committee (AMCC) is responsible for contributing to IOSCO policymaking, reaching out to industry representatives, and supporting capacity-building initiatives. In 2017, the Committee, which includes self-regulatory organizations, market infrastructures, and trade associations, provided IOSCO with first-hand information on novel technologies, asset management, and other priority mandates. The AMCC also organized the 10th edition of the Regulatory Staff Training Seminar, the annual two day program on the implementation of IOSCO Principles.

In 2017, the AMCC again assumed the policy priorities defined by the IOSCO Board. At its Annual and Mid-Year Meeting, the AMCC engaged in highly productive discussions with leading representatives of the international regulatory community in what were a testament to just how closely intertwined the policy priorities of the AMCC and the IOSCO Board have become.

However, I believe the biggest benefit of this growing integration is the range of opportunities it provides for Affiliate Members to participate and share their expertise with the broader IOSCO membership in various priority areas. In this sense, the note below describes the most relevant opportunities.

Innovation in the spotlight

Developments in financial technologies have been a central focus of the AMCC's agenda in recent years, to such an extent that the Committee decided in 2016 to create a task force specifically designed to address this topic.

The discussions about Fintech developments in 2017 started with a panel discussion at the AMCC Annual Meeting in Jamaica. Presided by the Chair of the

AMCC Fintech Task Force, the debate covered issues such as the implications and opportunities for the traditional financial advice market of Fintech tools and automated platforms. Participants also heard the views of the exchanges and market infrastructures community on distributed ledger technology (DLT) and discussed the possible impact of new technologies on the regulation of market intermediaries. The AMCC has posted a detailed summary of the views expressed at the meeting on its webpage.

Members also had the opportunity to opine on Fintech issues on different occasions throughout the year, including on panels at the Regulatory Affairs Group and through submissions to the quarterly AMCC Newsletter.

Ultimately, the expertise gained by the Committee allowed AMCC members to contribute to various consultations on novel technologies published by the IOSCO Committee on Emerging Risks (CER). The novelty here is that this time the consultation specifically sought feedback on the regulatory perspective. These consultations entailed distributing a survey to members with regulatory functions and issuing a call for responses from members able to tap industry participants for their views.



Inputs into policymaking

Together with Fintech, two other topics are core to the AMCC agenda: cybersecurity and investment funds data.

Regarding the first topic, the AMCC Working Group on Investment Management Cybersecurity administered the third edition of the AMCC/ICI Global Cybersecurity Asset Management Survey. As on previous occasions, the asset managers and trade associations that participated are able to review the survey results, which they use to appraise peer practices and understand how the industry benchmark has evolved from previous years.

Regarding the second topic, the AMCC established a group to evaluate developments arising from the FSB's recommendations to address structural vulnerabilities from asset management activities, specifically regarding leverage.

Moreover, affiliate members provided a significant number of responses to surveys on senior investor vulnerability and the application of behavioral insights to investor protection policies. Members also participated actively with a series of events in 2017 World Investor Week, in the Americas, Europe and Asia.

Capacity building

In 2017, the IOSCO AMCC Regulatory Staff Training Seminar celebrated its 10th edition. The BSE Ltd.

hosted this commemorative edition of the yearly training program, which drew more than 70 attendees (regulators, self-regulators, and exchanges) to the exchange's historical trading pit in Mumbai. The three-day program focused on *Implementing IOSCO Principles* and included panels about market surveillance, enforcement, cyber resilience, SME financing, Fintech, and corporate governance. The Training Seminar also featured keynote speeches from local experts in the areas of litigation, insolvency procedures, and start-ups.

The 2018 edition of the IOSCO AMCC Regulatory Staff Training Seminar is already under preparation. This event shall take place in the final weeks of October, in London, hosted by the International Derivatives and Swaps Association (ISDA).

Looking forward

The AMCC expects its work streams on investment fund data, cybersecurity, and Fintech to remain active in 2018. Some of the areas where the AMCC could contribute its experiences are cyber resiliency, and the assessment of international derivatives reforms, among others.

Taking advantage of the Board's efforts to streamline priorities, the AMCC will exploit the existing synergies with IOSCO's focus areas. Ultimately, IOSCO's streamlined agenda could provide more opportunities for affiliate members to provide timely and meaningful contributions to projects that matter.