

Dear Ms. Tendulkar,

further to the IOSCO Task Force on Cross-Border Regulation Consultation Report on behalf of the KNF - Polish Financial Supervision Authority let me express our thanks to all Task Force's members for their work on this Report. Below please kindly find some comments from the KNF:

*The Cross-Border Regulatory Toolkit: Tool 2 Recognition*

*One of the main obstacles in global-scale cross-border supervisory cooperation for an IOSCO member is the need:*

- a) of case by case bilateral recognition of regulations (mutual recognition of domestic vs. foreign regulations),*
- b) to negotiate and sign bilateral supervisory MoU for each new jurisdiction willing to cooperate with the IOSCO member on supervisory cases.*

*A proper IOSCO MMoU on Supervisory Cooperation would be a solution.*

*There is an existing example of multilateral tool of cross-border cooperation (IOSCO MMoU) which allows for one-time assessment of regulatory regime by special committee (Screening Group) of a signatory of the MMoU. This solution excludes the need for parallel assessment of regulatory regime of a candidate for signatory by all current signatories.*

*Therefore we support use of the IOSCO MMoU framework as a basis for developing a tool for cross-border supervisory cooperation.*

*The possible solution may include creation of dedicated Annexes or Protocols to IOSCO MMoU. For each type of supervised entities (e.g. mutual funds, investment firms) there would be a separate Protocol specifying rules for supervisory cooperation, exchange of information or licensing requirements (if agreed). IOSCO members could apply to become a signatory to a Protocol (e.g. IOSCO MMoU Protocol for Supervisory Cooperation relating to investment firms). There would be a special new assessment group established (e.g. Supervisory Cooperation Assessment Team) responsible for assessment of compliance of a candidate's regulations with the Protocol in question. Signatories to such Protocol would be able to effectively cooperate with each other on supervisory cases. Only signatories to IOSCO MMoU would be able to become signatory of IOSCO MMoU Protocols. But signing up to a Protocol would be voluntary.*

*Cross-Border Regulatory Challenges*

*With regard to Tool - 3 Passporting, a specific cross-border cooperation issue emerges. In theory, if a host jurisdiction authority encounters any problem with a foreign supervised entity, the host needs to contact home competent authority (home CA) to resolve the problem. However, in practice home CA focuses mainly on its own jurisdiction. It is often quite difficult to reach a home CA and to receive feedback. The real supervisory actions by home CA (addressed to supervised entity providing services in other jurisdictions) take a lot of time and are not always efficient.*

Please do not hesitate to contact me in case of any further questions or doubts.

With kind regards,

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