



International Capital Market Association

ICMA Annual General Meeting & Conference

May 25 – Paris, France | 17h45-17h55 (10 min)

Keynote address of Jean-Paul Servais, International Organization of Securities Commissions (IOSCO) Board Chair and Financial Services and Markets Authority (FSMA) Chairman

Ladies and Gentlemen,

What a pleasure to stand before such a crowded room!

I should begin my keynote speech by thanking ICMA for the quality of the organisation. As ever, this event is a success, and I should extend my congratulations to Bryan and his team for convening everyone here in Paris.

I should say, the timing of this conference could not have been better to set out my views about recent developments and IOSCO's priorities of relevance to this audience: NBFI, Sustainable Finance, and Crypto-assets.

1) NBFI

As I had said multiple times since the beginning of the recent market turmoil, we should not be complaisant about the fact that securities markets have so far proven generally resilient to the shocks arising from the banking sector.

Recent and still ongoing market developments have brought to the fore the debate around international agenda in this sphere, pushing various international bodies such as IOSCO, the FSB and the Basel Committee to assess the relevance of their work programme.

Although the core of recent events was in the area of “BFI,” IOSCO will double down on its efforts to address structural vulnerabilities in NBFI, such as liquidity and leverage, in partnership with the Financial Stability Board (FSB).



IOSCO's approach to addressing risks in NBFI is generally based on market structures and activities, in a data-driven and evidence –based decision making process.

The IOSCO Board has therefore initiated risk diagnostic work on Private Finance. The renewed regulatory interest in this area comes from the unprecedented growth of private finance, its increasing role in funding the real economy, and its increasing interconnectivity with regulated public markets.

IOSCO is also conducting analytical work alongside the FSB to investigate ways to enhance the functioning and resilience of Short-term Funding Markets, which include primary and secondary markets for commercial papers and certificates of deposits.

Lastly, I also feel it is worthwhile to explore the influence of single name CDS on market sentiment. Recent events have indeed, and quite logically resurrected questions about single name CDS market transparency and liquidity.

2) Sustainable Finance

On the sustainable Finance agenda, we are now counting down the days before the official publication of the ISSB standards for General Requirements for Disclosure of Sustainability-Related Financial Information (IFRS S1) and on Climate-related Disclosures (IFRS S2), which are [announced](#) for the end of this semester.

I should say, IOSCO is generally supportive of the ISSB's objective to deliver a global language for sustainability disclosures that (i) will replace the current alphabet soup of private disclosure frameworks, (ii) promote greater consistency and comparability of disclosures, and (iii) reduce reporting costs.

Once published, it will be IOSCO's responsibility to assess whether these standards offer an appropriate response to investors' demand for an effective global framework for non-financial corporate reporting.

Said differently, once the standards are published, IOSCO will immediately start considering a potential endorsement of the



forthcoming first set of ISSB standards for mandatory or voluntary use against IOSCO's pre-agreed assessment criteria.

While we will ensure due process along the way, we appreciate the sense of urgency posed by climate change. Climate-related risks are a source of financial risks that can affect specific firms and entire sectors of activities, but also the stability of the financial system as a whole.

They can also be a source of significant investor harm through greenwashing. This means, retail investors, John and Marry in the street, need to be able to take financial decisions on the basis of reliable data accounting for their ethical preferences.

Issuers will also be the beneficiaries of the clarity that a universal and streamlined language on corporate disclosures provides.

To date, data availability remains a major impediment to the much needed re-allocation of financial flows. This needs to be addressed at international level.

IOSCO is therefore committed to engage with standard setters to define both sustainability-related disclosure standards and related assurance standards that will be ready for use by corporates for their end-2024 accounts.

3) Crypto-assets

Another reason why this conference could not have found a better date is related to our ambition to deliver a first set of globally consistent standards to regulate crypto assets.

On Tuesday, we launched a public consultation for a set of 18 recommendations for crypto-assets.

This is a significant milestone in our efforts at IOSCO to introduce global guardrails to address widespread concerns regarding market integrity and investor protection within crypto-asset markets.

The IOSCO recommendations clarify the extent to which existing principles and guidance could apply to cross border virtual assets and services providers.



The principles will therefore sound quite familiar to the traditional financial sector but will mark a step change to the crypto-assets sector.

I am particularly pleased to say the report received the unanimous support from the IOSCO board. This unanimous support will ensure the timely implementation of the recommendations by all IOSCO members to limit the risk of regulatory arbitrage across IOSCO's 130 member's jurisdictions.

Together with our large and truly global footprint, IOSCO members will therefore soon be better equipped in their supervisory capacities thanks to strengthened cooperation between our members

I am therefore confident this report will mark a positive and much-needed turning point to the crypto sector to the benefit of investors.

I shall encourage you all to contribute to the consultation. The deadline runs until the end of July. We will then look to finalize the recommendations for publication at the end of Q4 of this year.

On this positive note, let me thank you once again for the invitation to speak and I wish you a successful event.
