

MEDIA STATEMENT



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores

IOSCO/MS/04/2011

Cape Town, 20 April 2011

Final Update 36th Annual Conference of the International Organization of Securities Commissions

IOSCO's areas of immediate focus are outlined below:

IOSCO's Strategic Direction

During the 35th Annual Conference in Montreal, IOSCO reformulated its strategic mission leading up to 2015 in order to take into account its increased role in: maintaining and improving the international regulatory framework for securities markets by setting international standards; identifying and addressing systemic risks; advancing implementation of the IOSCO *Objectives and Principles of Securities Regulation*; and pursuing full implementation of the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information.

The Executive Committee Task Force on Strategic Direction today presented its proposals regarding the new committee structure and funding base for approval to the Presidents' Committee. These new proposals were approved by the Presidents' Committee.

This decision ensures that IOSCO, as the international standard setter for securities markets regulation, is structured and positioned to continue to provide leadership in the development of regulatory standards for capital markets; has the resources needed to engage in the identification of emerging securities markets risks; and possesses the capability to meet the needs of its members and to respond to requests for targeted work by the G20 and the Financial Stability Board (FSB).

IOSCO Objectives and Principles

The IOSCO *Objectives and Principles of Securities Regulation* (IOSCO Principles) were adopted by the organization in 1998 and have been updated in 2003 and 2008, their aim is to provide jurisdictions with guidance to improve the quality of their securities regulation. The IOSCO Principles are one of the 12 key standards or codes recognized by the FSB as core to sound global financial regulation.

In the wake of the recent financial crisis, IOSCO's Executive Committee requested its Implementation Task Force (ITF) to revise and update the IOSCO Principles to take into account the lessons learned

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from the crisis. In June 2010 this resulted in the addition of eight new principles addressing issues such as Systemic Risk in markets, Credit Rating Agencies, Hedge Funds, Auditor Oversight and Independence as well as Securitized Products and in the updating of the related *Methodology*.

The *Methodology for Assessing Implementation of the IOSCO Principles (Methodology)* is used by national jurisdictions for self-assessments purposes and by the International financial institutions (IFIs) for their Financial Sector assessments programs (FSAPs). The revised version of the *Methodology* has been approved for consultation with the IOSCO membership by the Executive Committee of IOSCO on 19 April 2011.

The ITF will analyse and take on board the feedback received through the consultation process in order to finalise its updating of the *Methodology*.

IOSCO Multilateral Memorandum of Understanding (MMoU)

Adopted in May 2002, the IOSCO MMoU is the international benchmark for enforcement cooperation and exchange of information among regulators. This meeting showed that IOSCO's success in meeting an ambitious target, set in 2005, that all member jurisdictions should apply to become signatories to the MMoU by 1 January 2010, continues.

Today, 80 of IOSCO's 122 eligible member regulators meet the requirements needed to become signatories with a further 36 having committed themselves to legislative changes that will allow them to do so. IOSCO's Regional Committees, assisted by the General Secretariat, have worked alongside jurisdictions in their regions to encourage the necessary actions to join the IOSCO MMoU.

To pursue full implementation of the IOSCO MMoU, IOSCO has resolved to ask all ordinary members and associate members, with primary responsibility for securities regulation in their jurisdictions, to apply to become full signatories to the IOSCO MMoU by 1 January 2013. IOSCO is committed to ensuring that this goal is met by making available technical assistance and advice to all members to make the changes necessary to become signatories to the IOSCO MMoU.

Initiative to Raise Standards of Cross-Border Cooperation

The IOSCO Contact Initiative with under-regulated or uncooperative jurisdictions continues to be a priority, and substantial progress has been made with a number of previously uncooperative and unresponsive jurisdictions some of whom are now fully compliant, or are in the process of becoming compliant, with the provision of the IOSCO MMoU. The Contact Initiative has assisted these jurisdictions to make genuine improvements in the level of cooperation they are able to offer their

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international counterparts in relation to information sharing designed to combat cross-border market misconduct.

This means that there are now fewer jurisdictions with international cooperation standards lower than those required by the IOSCO MMoU.

New IOSCO Work Mandates

Emerging Markets Committee

EMC Working Group on Disclosure and Accounting

- Terms of Reference for an Emerging Markets Committee IFRS Portal

EMC Working Group on Investment Management

- Mandate on Development and Regulation of Institutional Investors in the EMs

EMC Task Force on Financial Crisis

- Approval of the Fourth Annual Survey of the EMC Chairman's Task Force

The SRO Consultative Committee

The SRO Consultative Committee (SROCC) reviewed a survey of SROs' roles and functions and discussed issues facing SROs in each jurisdiction. The committee members examined issues emerging from dark pools, high frequency trading and other recent market developments, including those related to public offerings. For one of its major continuing mandates, the SROCC further elaborated the program of the fourth training seminar, which is scheduled to take place in Taipei in early November 2011 following three successful preceding seminars. The committee also unanimously chose Istanbul as the venue for the fifth seminar in 2012. The SROCC agreed to further enhance its interaction with the relevant committees of IOSCO and continue to provide its members' expertise for standard setting, capacity building and outreach activities under the IOSCO's new strategic direction.

Reports approved for publication

During the course of their meetings both the Technical and Emerging Markets Committees finalized reports which will be published shortly.

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Technical Committee

Final Reports:

- Principles for Dark Liquidity (this will be published in due course)

IOSCO Appointments

The following appointments were made for the following committees during the Conference:

Executive Committee

Ms. Maria Helena Santana, Chairperson of the Comissão de Valores Mobiliários (CVM) of Brazil has been appointed Chairman of the Executive Committee to replace Ms. Jane Diplock AO, Chairman of the New Zealand Securities Commission who has stepped down as Chairman of the Executive Committee, as she is also stepping down from her role at the New Zealand Securities Commission.

Mr Shang Fulin, Chairman of the China Securities Regulatory Commission continues in the position of Vice Chair of the Executive Committee.

Technical Committee

Mr. Masamichi Kono, Vice-Commissioner for International Affairs, Financial Services Agency of Japan has been appointed Chairman of the Technical Committee to replace Mr. Hans Hoogervorst, Chairman of the Netherlands Authority for the Financial Markets (AFM), who has stepped down from his position of Chairman of the Technical Committee as he is leaving the AFM to take up the position of Chairman of the International Accounting Standards Board (IASB).

Mr. Fernando Restoy, Vice-President of the Comisión Nacional Del Mercado de Valores (CNMV) of Spain has been appointed as Vice Chairman of the Technical Committee.

These appointments will run until the Annual Conference in 2012 when IOSCO will merge its constituent committees to form the IOSCO Board.

Admission of New Members

IOSCO is pleased to welcome the following organizations as new members:

Financial Market Authority, Liechtenstein (Ordinary Member)

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Group of North American Insurance Enterprises (GNAIE) (Affiliate Members)
Securities Association of China (SAC) (Affiliate Member)

Future Conferences

IOSCO will hold its next Annual Conference in Beijing, People's Republic of China from 13-17 May 2012.

The Executive Committee has chosen Luxembourg as the venue for the 2013 Annual Conference and Rio de Janeiro for the 2014 Annual Conference.

The next meetings of IOSCO's Technical and Executive Committees, and the Emerging Markets Committee Advisory Board will take place in Madrid, Spain from 29-30 September 2011.

The IOSCO Emerging Markets Committee will meet in the Dominican Republic from 17-18 October 2011.

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