



International Organization of Securities Commissions  
Organisation internationale des commissions de valeurs  
Organizaç o Internacional das Comiss es de Valores  
Organizaci n Internacional de Comisiones de Valores

## **MEDIA RELEASE**

13 March 2007

### **Principles for the Valuation of Hedge Fund Portfolios IOSCO releases paper for public consultation**

The International Organization of Securities Commissions (IOSCO) has today released for comments its [Principles for the Valuation of Hedge Fund Portfolios](#).

The Chairman of the IOSCO Technical Committee, Mr. Michel Prada, said: "The chief aim of these Principles is to seek to ensure that hedge funds' financial instruments are appropriately valued, in particular, that these values are not distorted to the disadvantage of fund investors. Therefore, it is extremely important, therefore, that hedge funds adopt and operate robust portfolio valuation policies and procedures".

In recent years, hedge funds have grown enormously and now play an increasingly important role in global capital markets. Accordingly, these IOSCO Principles are meant to be a practical tool that hedge fund managers and governing bodies, and those involved in the valuation process. They may also be helpful for institutional and sophisticated investors and their representatives.

The Principles describe techniques which should strengthen the valuation process thereby making it more likely that the resulting valuation is appropriate. They emphasize the importance of clear written procedures which are consistently operated and regularly reviewed, and which provide for an appropriate degree of independence to deliver effective checks and controls.

In developing the principles, IOSCO drew upon the assistance of industry experts. IOSCO acknowledges the generous time and commitment given by these specialists. Their insight into effective valuation processes and their open dialogue with regulators was invaluable in bringing this work to a timely and successful conclusion.

The Consultation Paper is currently available from the IOSCO website ([www.iosco.org](http://www.iosco.org)). IOSCO welcomes submissions from investors and all sectors of the financial community. The closing date for comments is 21 June 2007.

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