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

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IOSCO urges greater international coordination in the oversight of credit rating agencies

The International Organization of Securities Commissions (IOSCO) Technical Committee has completed its assessment of methods for checking compliance with the *Code of Conduct Fundamentals for Credit Rating Agencies* (IOSCO Code of Conduct).

IOSCO has identified 4 measures which it believes will contribute to improved international monitoring of credit rating agencies (CRA) and serve to address the issues that have contributed to the failures in the structured finance products market:

- IOSCO favours a consistent global regulatory approach to monitoring the activities of CRAs. It urges legislators to consider the regulatory consensus represented by the IOSCO Code of Conduct when framing legislation as any fragmentation runs the risk of a reoccurrence of problems with product ratings;
- While global legislative efforts run their course, IOSCO's Task Force on Credit Rating Agencies (TFCRA) will work towards developing mechanisms by which national regulators can coordinate their monitoring of CRAs with the substance of the IOSCO Code of Conduct. The TFCRA will explore a common monitoring module and set the terms and conditions of information exchange and cooperation by January 2009;
- The TFCRA will also conduct a review of CRAs adoption of codes of conduct based on the revised IOSCO Code of Conduct and will publish its findings in January 2009; and
- Events in the last 12 months have clearly shown the need for greater interaction between CRAs and regulators and the TFCRA will examine the possibility of developing an international monitoring body to discuss issues with CRAs and to advance the expectations of the

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international regulatory community. It is envisaged the body would be similar in structure and purpose to the auditing standards oversight body, the Public Interest Oversight Board.

The next meetings of IOSCO's Technical and Executive Committees will take place in January 2009.

NOTES FOR EDITORS

1. [The Role of Credit Rating Agencies in Structured Finance Markets – Final Report, Report of the Technical Committee of IOSCO](#) is available on the IOSCO website.
2. The revised [Code of Conduct Fundamentals for Credit Rating Agencies](#) is available on the IOSCO website.
3. IOSCO is recognized as the leading international policy forum for securities regulators. The organization's wide membership regulates more than 90% of the world's securities markets and IOSCO is the world's most important international cooperative forum for securities regulatory agencies. IOSCO members regulate more than one hundred jurisdictions and the Organization's membership is steadily growing.
4. The [Technical Committee](#), a specialised working group established by IOSCO's Executive Committee, is made up of fifteen agencies that regulate some of the world's larger, more developed and internationalized markets. Its objective is to review major regulatory issues related to international securities and futures transactions and to coordinate practical responses to these concerns. Mr. Christopher Cox, Chairman of the US Securities and Exchange Commission is the Chairman of the Technical Committee. The members of the Technical Committee are Australia, France, Germany, Hong Kong, Italy, Japan, Mexico, the Netherlands, Ontario, Quebec, Spain, Switzerland, United Kingdom and the United States.
5. IOSCO aims through its permanent structures:
 - to cooperate together to promote high standards of regulation in order to maintain just, efficient and sound markets;
 - to exchange information on their respective experiences in order to promote the development of domestic markets;
 - to unite their efforts to establish standards and an effective surveillance of international securities transactions; and
 - to provide mutual assistance to promote the integrity of the markets by a rigorous application of the standards and by effective enforcement against offenses.

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