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International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
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IOSCO Consults on Global Developments in Securitization Regulation

The International Organization of Securities Commissions (IOSCO) has published a Consultation Report on [*Global Developments in Securitization Regulation*](#), which seeks public comment on policy issues arising from the work of its Task Force on Unregulated Markets and Products (TFUMP).

The Consultation Paper is in response to a request from the Financial Stability Board (FSB) as part of its work to strengthen oversight and regulation of the shadow banking system. The FSB asked IOSCO, in coordination with the Basel Committee on Banking Supervision, to conduct a stock-taking exercise on the requirements for risk retention and measures enhancing transparency and standardization of securitization products, and to develop policy recommendations as necessary. The FSB's request followed earlier IOSCO and Joint Forum work aimed at regulatory initiatives to support recovery of securitization markets.

The Consultation Paper is based on a survey of member jurisdictions and builds on earlier work undertaken by staff of the US Securities Exchange Commission and the European Commission on developments in the US and the EU.

The Paper:

- Provides background to IOSCO's work ;
- Provides a snapshot of global securitization activity;
- Makes observations about regulatory approaches in jurisdictions covered by the work and outlines and assesses the extent of differences; and
- Makes policy recommendations addressing:

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- differences in approaches to risk retention;
- improvements in transparency; and
- measures to standardize disclosure.

Co-chair of TFUMP and Chairman of the Australian Securities and Investments Commission (ASIC), Greg Medcraft, said:

‘The Consultation Paper continues the leading role IOSCO has played in supporting the sustained recovery of securitization markets globally. It again focuses on the importance of securitization as a market-based source of finance and the role cross border issuances play in deepening markets and supporting growth in the real economy.’

Task Force co-chair and Managing Director of the Autorité des Marchés Financiers (AMF) Edouard Vieillefond, said: ‘The Consultation Paper – which follows analysis of regulatory developments in over 20 jurisdictions – provides us with an opportunity to work toward greater harmonization in our approach to regulation of this important sector. We look forward to receiving industry views on the measures we propose.’

Comments on the Consultation Paper are sought by 6 August 2012.

NOTES FOR EDITORS

1. IOSCO, the leading international policy forum for securities regulators, is recognized as the global standard setter for securities regulation. The organization's membership regulates more than 95% of the world's securities markets in 115 jurisdictions and its membership continues to expand.
2. IOSCO aims through its permanent structures:
 - to cooperate in developing, implementing and promoting adherence to internationally recognised and consistent standards of regulation, oversight and enforcement in order to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks;
 - to enhance investor protection and promote investor confidence in the integrity of

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securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market intermediaries; and

- to exchange information at both global and regional levels on their respective experiences in order to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

3. Related reports published by IOSCO include the following:

- IOSCO Unregulated Financial Markets and Products – Final Report, September 2009; <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD301.pdf>
- IOSCO Unregulated Financial Markets and Products – Implementation Report, March 2011; <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD348.pdf>
- Joint Forum Report on asset securitization incentives, July 2011; <http://www.bis.org/publ/joint26.pdf>

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