

# MEDIA RELEASE



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

IOSCO/MR/22/2012

Madrid, 14 September 2012

## **IOSCO Creates Board Level Task Force on Financial Market Benchmarks**

In light of the significant issues raised by investigations into attempted manipulation of benchmarks and related enforcement actions, in particular the recent incidents involving LIBOR, EURIBOR and TIBOR, the International Organization of Securities Commissions has constituted a Board Level Task Force on Financial Market Benchmarks to identify relevant benchmark-related policy issues and develop global policy guidance and principles for benchmark-related activities of particular relevance to market regulators.

The high level Task Force is composed of members of the IOSCO Board and will be chaired by Martin Wheatley, the Managing Director of the UK Financial Services Authority (UK FSA), and Gary Gensler, the Chairman of the US Commodity Futures Trading Commission (CFTC). The Task Force will take into account other relevant initiatives by policymakers and stakeholders on benchmarks<sup>1</sup> and serve as the IOSCO representative, together with the Chairman of the IOSCO Board, in any other international work initiatives on benchmarking, with a view to avoiding overlap or inconsistencies.

As the global standard setter in the securities area, IOSCO is committed to taking necessary steps to prevent the manipulation of benchmarks and restore confidence in the use of those benchmarks in global financial markets.

---

<sup>1</sup> Other international organizations and national regulators, such as the European Commission, UK Treasury, (Wheatley Review), Central Bank Governors of the Bank for International Settlement and the Global Financial Market Association, are also undertaking work on the benchmark issue.

# MEDIA RELEASE



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

Benchmarks are critical to the pricing of many financial instruments. Doubts about the integrity and accuracy of benchmarks will undermine market confidence, distort the real economy, and potentially cause losses to investors and market participants.

The mandate for the Task Force is to:

- identify benchmark-related issues across securities and derivatives, and other financial sectors;
- define the types of benchmarks that are relevant to financial markets;
- identify the relevant policy issues including:
  - exercising appropriate regulatory oversight of the process of benchmarking,
  - having in place robust processes and procedures for benchmark calculation, and constructing credible governance structures, to address conflict of interests in the benchmark setting process,
  - and ensuring transparency and openness in the benchmarking process;
- develop global policy guidance and principles, including those related to effective self regulation.

In developing policy guidance and principles for financial market benchmarks, the Task Force will consider issues related to necessary enforcement powers, information sharing and sanctions regimes in coordination with IOSCO's expert committees.

The Task Force will draw on significant expertise within IOSCO members and will confer with relevant stakeholders in the course of their work. The Task Force will aim to produce a consultation report towards the end of this year or early next year, while its work is expected to require at least until the first quarter of 2013 to complete.

Masamichi Kono, Chairman of the IOSCO Board, stated, *"IOSCO, as the international organization of financial market regulators, is firmly committed to restoring confidence in benchmarking activities globally, and will carry forward the needed work expeditiously through this Task Force. Benchmarks in*

Calle Oquendo 12  
28006 Madrid  
ESPAÑA  
Tel.: + 34 91 417.55.49 Fax: + 34 91 555.93.68  
[mail@oicv.iosco.org](mailto:mail@oicv.iosco.org) - [www.iosco.org](http://www.iosco.org)

## MEDIA RELEASE



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

*use across global financial markets constitute the very foundation of free, fair and transparent market transactions, and doubts over their integrity and sound operation must be removed.”*

Martin Wheatley, Managing Director of the UK FSA and Chief Executive Designate of the UK Financial Conduct Authority, said, *“given the global nature and extensive use of benchmarks in a wide range of financial markets and products, it is important to develop internationally consistent principles that ensure their credibility and integrity. In leading this work, the IOSCO Task Force will collaborate with other international bodies to establish a robust set of principles, where appropriate drawing on lessons learned from the Wheatley Review and other supervisory investigations.*

Gary Gensler, Chairman of the US Commodity Futures Trading Commission, said, *“When people save money in a money market fund or short-term bond fund, or take out a mortgage for a home or a small-business loan, the rate they receive or pay is often based, directly or indirectly, on LIBOR. Therefore it is essential that LIBOR and other financial benchmarks are compiled in a transparent, reliable and honest way. I look forward to leading IOSCO’s Board Level Task Force with Martin Wheatley and working with my international colleagues to establish global principles that will help restore confidence in benchmarks.”*

# MEDIA RELEASE



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

## NOTES FOR EDITORS

1. IOSCO is the leading international policy forum for securities regulators and is recognised 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 it continues to expand.
  2. The IOSCO Board is the governing and standard-setting body of the International Organization of Securities Commissions (IOSCO), and is made up of 32 securities regulators. Mr. Masamichi Kono, Vice Commissioner for International Affairs at the Financial Services Agency of Japan (JFSA), is the Chairman of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Argentina, Australia, Belgium, Brazil, Chile, China, France, Germany, Hong Kong, India, Italy, Japan, Korea, Malaysia, Mexico, Morocco, the Netherlands, Nigeria, Ontario, Pakistan, Portugal, Quebec, Romania, Singapore, South Africa, Spain, Switzerland, Trinidad and Tobago, Turkey, United Kingdom and the United States.
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 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.

## MEDIA ENQUIRIES

Carlta Vitzthum

Outside office hours

Email:

Website:

Follow IOSCO on Twitter [here](#).

+ 34 91 787 0419

+ 34 697 449 639

[carlta@iosco.org](mailto:carlta@iosco.org)

[www.iosco.org](http://www.iosco.org)

Calle Oquendo 12

28006 Madrid

ESPA A

Tel.: + 34 91 417.55.49 Fax: + 34 91 555.93.68

[mail@oicv.iosco.org](mailto:mail@oicv.iosco.org) - [www.iosco.org](http://www.iosco.org)

# MEDIA RELEASE



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

## IOSCO BOARD LEVEL TASK FORCE on FINANCIAL MARKET BENCHMARKS REPRESENTATIVES

(Co-chairs in bold)

<b>Representative</b>	<b>Organisation</b>	<b>Jurisdiction</b>
<b>Martin Wheatley</b> <b>Managing Director</b>	FSA	UK
<b>Gary Gensler</b> <b>Chairman</b>	CFTC	US
Greg Medcraft Chairman	ASIC	Australia
Jean-Paul Servais Chairman	FSMA	Belgium
Otavio Yazbek Acting Chairman	CVM	Brazil
Gérard Rameix Chairman	AMF	France
Karl-Burkhard Caspari Chief Executive Director	BaFin	Germany
Ashley Alder Chief Executive Officer	SFC	Hong Kong
Giuseppe Vegas Chairman	Consob	Italy
Masa Kono Chairman of the IOSCO Board	FSA	Japan
Ranjit Ajit Singh Chairman	SC	Malaysia

Calle Oquendo 12  
28006 Madrid  
ESPAÑA  
Tel.: + 34 91 417.55.49 Fax: + 34 91 555.93.68  
[mail@oicv.iosco.org](mailto:mail@oicv.iosco.org) - [www.iosco.org](http://www.iosco.org)

# MEDIA RELEASE



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

Ronald Gerritse Chairman	AFM	Netherlands
Howard Wetston Chairman	OSC	Ontario
Mario Albert President and Chief Executive Officer	AMF	Quebec
Lee Chuan Teck Assistant Managing Director - Capital Markets	MAS	Singapore
Cuthbert Chanetsa Deputy Executive Officer	FSB	South Africa
Antonio Mas Director of Foreign Affairs Department	CNMV	Spain
Urs Zulauf Head of the Strategic Services Division	FINMA	Switzerland
Vedat Akgiray Chairman	CMB	Turkey
Ethiopsis Tafara Director - Office of International Affairs	SEC	US