

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/38/2013

MADRID, 30 September 2013

IOSCO Review Shows Progress on Implementation of Principles to Identify Risk

The International Organization of Securities Commissions (IOSCO) today published the final report on the [Thematic Review on the Implementation of Principles 6 and 7 of the IOSCO Objectives and Principles of Securities Regulation](#) (the Review).

IOSCO included Principles 6 and 7 in the IOSCO Principles in 2010 as part of its response to the global financial crisis. The new Principles were intended to address particular concerns that regulatory requirements and frameworks did not adequately address risks posed to securities markets and the need for securities regulators to play a role in addressing systemic risks and maintaining financial stability.

- IOSCO Principle 6 requires regulators to have or contribute to a process to monitor, mitigate and manage systemic risk, appropriate to their mandate.
- IOSCO Principle 7 requires regulators to have or contribute to a process to review the perimeter of regulation regularly.

[The IOSCO Principles](#) are an agreed set of high-level global standards that outline the basis of effective and robust securities regulation.

The Thematic Review of IOSCO Principles 6 and 7 is the first review conducted by IOSCO's Assessment Committee, which was established in 2012 to promote full, effective and consistent implementation of IOSCO Principles and standards across IOSCO membership.

Calle Oquendo 12
28006 Madrid
ESPAÑA
Tel.: + 34 91 417.55.49 Fax: + 34 91 555.93.68
mail@oicv.iosco.org - 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

The objective of the Review was to provide a snapshot of implementation of these Principles in IOSCO member jurisdictions and to identify and share good practices. It was also intended to be a call to action for all IOSCO Members about the importance of implementing these Principles.

The Review was undertaken by a Review team led by Gert Luiting of the Netherlands AFM and consisted of representatives from the securities commissions of Australia, France, India, Israel, Japan, Luxembourg, the United Kingdom, the United States, and the IOSCO General Secretariat.

Key Findings:

The Review found that the 31 jurisdictions participating in the Review had made significant efforts to implement these Principles.

The Review found good progress in developing processes and procedures to identify systemic risks.

The Review pointed to the need for further work to develop processes to manage and mitigate systemic risks.

The Review also found many jurisdictions had developed processes to review the regulatory perimeter – with many of those processes being informal – rather than formal. The Review saw scope for members to better articulate their responsibilities, powers and objectives to achieve the outcomes sought by this Principle.

Recommendations:

The Report makes 10 recommendations to assist IOSCO members in developing and embedding systemic risk and regulatory perimeter review processes.

Calle Oquendo 12
28006 Madrid
ESPAÑA
Tel.: + 34 91 417.55.49 Fax: + 34 91 555.93.68
mail@oicv.iosco.org - 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

These recommendations cover the following areas:

1. The structure within which processes are conducted – including integration into existing risk management frameworks, clear definitions of systemic risk and clear responsibilities in jurisdictions in relation to systemic risk and reviewing the regulatory perimeter.
2. Aspects of the processes regulators should develop – including the need for systematic and robust analysis of accessible, reliable and good quality data, engagement with market participants in understanding risks and processes to review developments in securities markets.
3. Intra-jurisdictional and cross border cooperation and coordination under established procedures and arrangements.
4. Culture and resourcing – to ensure processes are effective and meaningful.

IOSCO Board Chair Greg Medcraft welcomed the Report.

“This Report will help members in designing and refining the processes they have about systemic risk and keeping the regulatory perimeter under review. It will give the granularity our standards need to be useful, relevant and implemented”, he said.

“The recommendations about culture and resourcing are particularly important. They highlight the importance of raising awareness of arrangements relating to systemic risk and regulatory perimeter review. We need to encourage the professional skepticism needed to ensure those arrangements are used in a meaningful and constructive way,” he added.

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. The Assessment Committee is chaired by Steven Bardy of the Australian Securities and Investments Commission and Amarjeet Singh of the Securities and Exchange Board of India. The Assessment Committee was established in 2012 to promote full, effective and consistent implementation of IOSCO principles and standards across its membership.

2. The following 31 jurisdictions participated in the Review: Australia (ASIC), Belgium (FSMA), Brazil (CVM), Canada (jointly Ontario SC, AMF Quebec, Alberta SC), China (CSRC), Dubai (DFSA), Ecuador (SC), France (AMF), Germany (Bafin), Hong Kong (SFC), India (SEBI), Israel (ISA), Italy (Consob), Japan (FSA), Jersey (JFSC), Luxembourg (CSSF), Mauritius (FSC), Mexico (CNBV), Netherlands (AFM), New Zealand (FMA), Sultanate of Oman (CMA), Pakistan (SEC), Portugal (CMVM), Singapore (MAS), Slovenia (SMA), South Africa (FSB), Spain (CNMV), Switzerland (FINMA), Turkey (CMB), United Kingdom (FCA) and the United States (SEC and CFTC)).

3. IOSCO is the leading international policy forum for securities regulators and 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 more than 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 Greg Medcraft, chairman of the Australian Securities and Investments Commission, is the chair 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, United Kingdom and the United States.

3. The Growth and Emerging Markets Committee is the largest Committee within IOSCO, representing 75 per cent of the IOSCO membership. Mr. Ranjit Ajit Singh, Chairman, Securities Commission, Malaysia, and Vice Chair of the IOSCO Board, is the Chair of the GEM. The Committee endeavors to promote the development and greater efficiency of emerging securities and futures markets by establishing principles and minimum standards, providing training programs and technical assistance for members and facilitating the exchange of information and transfer of technology and expertise.

4. IOSCO aims through its permanent structures:

- to cooperate in developing, implementing and promoting adherence to internationally recognized 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;

Calle Oquendo 12
28006 Madrid
ESPA A
Tel.: + 34 91 417.55.49 Fax: + 34 91 555.93.68
mail@oicv.iosco.org - 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

- 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

www.iosco.org

Calle Oquendo 12

28006 Madrid

ESPAÑA

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

mail@oicv.iosco.org - www.iosco.org