

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/15/2014

MADRID, 12 June 2014

IOSCO Intensifies work on Market-Based Finance

The Board of the International Organization of Securities Commissions (IOSCO) met in Madrid this week to drive forward IOSCO's work on market-based finance.

Chairman Greg Medcraft said *'Capital markets are emerging as a key source of the finance needed across the globe to drive economic growth. Through a work agenda focused on fostering markets as a trusted source of capital, IOSCO is playing an important role in supporting that growth.'*

During the week the Board, comprising 32 members from both developed and growth and emerging markets, discussed progress on a number of key initiatives.

On initiatives to support the G20-FSB efforts to restore stability in the global financial system and build economic growth, the Board progressed:

- Methodologies for identifying non-bank global systemically important financial institutions or activities in the areas of asset management and market intermediaries.
- The role capital markets and securities regulators can play in supporting long-term finance, including infrastructure investment and SME financing.
- The implementation of IOSCO Principles on Financial Benchmarks, the IOSCO Principles for Oil Price Reporting Agencies and the IOSCO Principles for the Regulation and Supervision of Commodity Derivatives Markets.

The IOSCO Board discussed audit quality and important initiatives to build confidence in global securities markets and to:

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- reduce the reliance of asset managers and market intermediaries on credit ratings
- promote effective credible deterrence as a key element in improving investor protection and confidence in markets.

Members discussed the results of the IOSCO Research Department's latest market survey on market trends, which emphasizes the growing leverage in securities markets, the impact of cross-border capital flows on emerging markets, financial risk disclosure, collateral management, and potential counterparty risk in central clearing houses. The market survey will be published next Monday.

Board members also examined policy measures aimed at building capacity in emerging markets and supporting the creation of strong regulatory frameworks for sustaining growth in both emerging and developed markets. The Board discussed possible capacity building projects and agreed to a proposal for a one-off fee from permanent Board members next year to start off the program. It also agreed to move forward on an IOSCO Global Certificate Program for Securities Regulators.

The meeting was preceded by a round table attended by the Board and four external experts on corporate governance from the financial industry and academia. Participants discussed the need for regulators to work towards restoring the social legitimacy of financial institutions, as a key step to safer financial markets and renewed trust in the financial system. The discussion highlighted the benefits to IOSCO and its members of co-operation and engagement with its members and industry.

Separately, the Comisión Nacional de Valores of Argentina became the 103rd signatory of the Multilateral Memorandum of Understanding on cooperation and exchange of information, during a signing ceremony in Madrid.

NOTES TO THE EDITORS

1. 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 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 co-vice chairs are Howard Wetston, chair of the Ontario Securities Commission, and Ranjit Ajit Singh, chair of Securities Commission, Malaysia. 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,

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Mexico, Morocco, the Netherlands, Nigeria, Ontario, Pakistan, Portugal, Quebec, Romania, Saudi Arabia, 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;
 - 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.

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