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International Organization of Securities Commissions
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Emerging market regulators seek to strengthen corporate governance

The Growth and Emerging Markets (GEM) Committee of the International Organization of Securities Commissions (IOSCO) published today a report that seeks to strengthen corporate governance frameworks.

The [*Report on Corporate Governance in Emerging Markets*](#) identifies possible measures and regulatory approaches aimed at strengthening corporate governance in emerging market jurisdictions and aligning regulatory frameworks with internationally recognized standards in this area. The Report is the first review of its kind by securities regulators on current corporate governance practices in emerging markets benchmarked against the revised G20/OECD Principles of Corporate Governance (OECD Principles).

Ranjit Ajit Singh, Vice Chair of the IOSCO Board and Chair of the Growth and Emerging Markets Committee, said: *"The Report is an important and timely assessment of the progress of emerging markets in aligning their regulatory frameworks and practices with global standards. It makes useful recommendations to address issues associated with corporate governance in emerging markets. It also demonstrates the commitment by emerging market regulators to enhance corporate governance standards and reinforce resilience in their markets."*

Leonardo Pereira, Executive Chairman of CVM Brazil and Chair of the Task Force that conducted the work, said: *"Securities regulators face, on a daily basis, problems that could be avoided or mitigated by the practical implementation of corporate governance principles and standards. In this sense, I expect the report to be a concrete opportunity for securities regulators to consider possible ways for improvements in their regulatory frameworks, favoring sounder conduct standards and more effective governance structures."*

The Report focuses on three key areas: board composition and responsibility; remuneration and incentive structures; and risk management and internal controls. The Report is based on a

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comprehensive survey across regulators, exchanges, listed companies, institutional investors and other stakeholders on corporate governance practices in emerging market jurisdictions.

The Report reflects that the regulatory frameworks in emerging market jurisdictions are generally aligned with the recommendations of the OECD Principles. There is also broad agreement on the direction emerging market regulators should take to improve the quality and accountability of boards, ensure that remuneration and incentive structures are designed to create long term value, and improve the risk management frameworks and internal controls of corporations. In addition, the Report also identifies further initiatives and approaches for raising the bar regarding the implementation of best corporate governance practices, including encouraging greater board diversity and quality reporting of sustainability, social responsibility and cyber risks.

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 the International Organization of Securities Commissions (IOSCO), and is made up of 34 securities regulators. Ashley Alder, the Chief Executive Officer of the Securities and Futures Commission (SFC) of Hong Kong, is the Chair of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Argentina, Australia, Belgium, Brazil, China, Egypt, France, Germany, Hong Kong, India, Indonesia, Ireland, Italy, Jamaica, Japan, Kenya, Malaysia, Mexico, Nigeria, Ontario, Pakistan, Peru, Quebec, Saudi Arabia, Singapore, South Korea, Spain, Sweden, Switzerland, the Netherlands, Turkey, the United Kingdom, and the United States of America.
3. The Growth and Emerging Markets Committee is the largest Committee within IOSCO, representing close to 80 per cent of the IOSCO membership, including 11 of the G20 members. Ranjit Ajit Singh, Chairman of the Securities Commission Malaysia and Vice Chair of the IOSCO Board, is the Chair of the GEM Committee. The Committee brings members from growth and emerging markets together and communicates members' views and facilitates their contribution across IOSCO and at other global regulatory discussions. The GEM Committee's strategic priorities are focused, among others, on risks and vulnerabilities assessments, policy and development work affecting emerging markets, and regulatory capacity building.
4. IOSCO aims through its permanent structures:

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- 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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