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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/30/2016

Madrid, 16 December 2016

IOSCO issues guidance to improve quality of reporting on compliance with Benchmarks Principles

The Board of the International Organization of Securities Commissions (IOSCO) issued guidance today that seeks to increase the consistency and quality of reporting by Benchmark Administrators on their compliance with the IOSCO Principles for Financial Benchmarks, which were published in July 2013.

The *Guidance on Statements of Compliance with the IOSCO Principles for Financial Benchmarks* sets out reasonable expectations about the level of detail that should be included in these statements. The aim is to enable market authorities, users of benchmarks and other market participants and stakeholders to understand the extent to which an administrator has implemented the Principles.

As the global standard setter for securities market regulation, IOSCO is committed to helping restore confidence in the robustness of benchmarks used in global financial markets. The Principles form an integral part of IOSCO's efforts to enhance the integrity, the reliability and the oversight of benchmarks. They represent recommended practices for benchmark administrators and other relevant bodies in areas such as governance, benchmark quality, quality of methodology and accountability. They also provide a framework of standards that might be met in a variety of ways depending on the specificities of each benchmark. In particular, the application and implementation of the Principles should be proportional to the size and risks posed by each benchmark and/or administrator and the benchmark-setting process.

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Based on the feedback from a survey it conducted in early 2016, IOSCO decided to develop guidance for administrators on statements of compliance, while also seeking greater disclosure from administrators on where and how they had applied a proportional approach.

Edwin Schooling Latter, of the UK Financial Conduct Authority and Chair of the IOSCO Board Level Task Force on Financial Market Benchmarks, said: *“We welcome the visible efforts administrators have made to disclose publicly their compliance with the IOSCO Principles. However there is more to be done to establish consistency across the market in the statements of compliance published. This guidance will help administrators describe to market participants how they are applying the Principles to their businesses and so enable users to judge whether or not the benchmarks provided follow international recommended practices and are appropriate to their needs.”*

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.
3. The Growth and Emerging Markets Committee is the largest Committee within IOSCO, representing close to 80 per cent of the IOSCO membership, including 10 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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