

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
المنظمة الدولية لهيئات الأوراق المالية

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IOSCO Annual Conference: Building Securities Market Resilience in the Post-Crisis World

The International Organization of Securities Commissions (IOSCO) opened today the public sessions of its Annual Conference in Montego Bay, Jamaica focusing on the challenges of strengthening market resilience, addressing financial misconduct and financing the real economy through capital markets. Participants also will discuss the role of international standards in securities markets and how regulators can support market development.

The public conference comes at the conclusion of IOSCO's private meetings in which members discussed policy responses to these and other challenges facing securities regulators. Over three days, the IOSCO Board, the Growth and Emerging Markets (GEM) Committee, the four Regional Committees and the Affiliate Members Consultative Committee (AMCC) advanced their initiatives aimed at protecting investors, ensuring fair, efficient and transparent markets, and mitigating systemic risk.

The Financial Services Commission of Jamaica hosted the IOSCO Annual Conference, which attracted more than 400 securities regulators, industry representatives and other financial market participants from around the world.

Ashley Alder, Chair of the IOSCO Board, said: *“IOSCO members have taken important steps this week to address the key challenges facing securities markets—including the risks around cyber security, changing market structure, and financial technology-- while also preparing markets to play a bigger role in financing the global economy.”*

Strengthening the structural resilience of capital markets

In the area of audit quality, the Board discussed potential enhancements to the governance of the international audit standard-setting process that IOSCO helps to oversee. The Board stressed the importance of increasing the independence of the international standard-setting bodies and reinforcing the public interest oversight function of the standard-setting process, with a view to ensuring high-quality international auditing and ethics standards.

In the area of asset management, the Board progressed its initiatives on liquidity risk management of collective investment schemes, aimed at strengthening the resilience of this form of market-based finance. The work also forms part of IOSCO's efforts to take forward the relevant Financial Stability Board (FSB) recommendations to address potential structural vulnerabilities related to asset management activities.

The Board agreed IOSCO should examine regulatory reforms in derivatives markets to determine whether any aspects of the reforms, while contributing to financial stability, may have had negative, unintended markets effects which may need to be addressed by regulators. The Board also discussed IOSCO's work with the Committee on Payments and Market Infrastructures on CCP resilience and recovery issues and on the FSB initiative on CCP resolution.

To further address market issues, the IOSCO Board agreed to prepare a public statement on matters for users of Financial Benchmarks to consider when selecting Benchmarks.

Analyzing the role of securities markets and securities regulation in capital raising and sustainability issues; and the related role of securities regulation.

The Board heard a presentation from the FSB Task Force on climate-related financial disclosures and followed up with a discussion related to integrated reporting and sustainability issues.

Determining the role of regulation in financial technology and automation.

An industry representative presented for Board discussion a possible framework for the regulatory use of penetration testing, which allows firms in the financial industry to evaluate their systems and controls, identify vulnerabilities, and strengthen their infrastructure against cyber threats. The Board agreed that a careful scoping out of possible future work would be very useful.

On assisting IOSCO's members, the Board agreed to the Assessment Committee's work plan for 2017-2018, including the IOSCO Standards Implementation Monitoring (ISIM) on secondary and other market Principles. The ISIM is a tool used by IOSCO to monitor the implementation by member jurisdictions of the core IOSCO Principles and Standards on regulation.

The Presidents Committee, comprised of all the Chairs of ordinary and associate members, approved during the Annual Conference, a resolution to revise IOSCO's Objectives and Principles of Securities Regulation, aligning them with recent revisions to the accompanying Methodology for assessing implementation of the Principles.

The following members were formally recognized for becoming signatories to the IOSCO Multilateral Memorandum of Understanding on cooperation and the exchange of information, taking the total number of signatories to 114 out of 142 eligible IOSCO members:

- Superintendencia del Mercado de Valores, **Panama**
- Capital Markets Authority, **Kuwait**
- Qatar Financial Centre Regulatory Authority, **Qatar**
- Financial Services Regulatory Authority, **Abu Dhabi**
- Capital Markets Authority, **Uganda**

The Comissão do Mercado de Capitais of **Angola** is expected to become a signatory to the MMoU in June.

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:
 - to cooperate in developing, implementing and promoting 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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