



**2 August 2004**

**For Immediate Release**

**PRESS RELEASE**

***IOSCO Issues Consultation Report On Outsourcing For The Securities Industry***

The International Organization of Securities Commissions Standing Committee 3 on Market Intermediaries (IOSCO SC3) has today published for public consultation a Consultation Report on *Principles on Outsourcing of Financial Services for Market Intermediaries*. The Consultation Report is now posted on the IOSCO website (<http://www.iosco.org>). The public is invited to submit comments on this Consultation Report by September 20, 2004. Instructions regarding the submission of comments are set out in the Consultation Report and as an attachment to this Press Release.

The Consultation Report sets out a set of principles that are designed to assist regulated entities in determining the steps they should take when considering outsourcing activities. The Consultation Report also contains some broad principles to assist securities regulators in addressing outsourcing in their regular risk reviews of firms. Some members of IOSCO's Standing Committee on Market Intermediaries will be surveying industry participants in their respective jurisdictions for information regarding current outsourcing practices. The Consultation Report will be revised and finalized after consideration of all comments received from the public and all information gathered through the surveys conducted by IOSCO members. The form of the survey also is available on the [IOSCO website](#).

The Joint Forum also released today a report for public consultation entitled *Outsourcing in Financial Services*. The Joint Forum report was prepared in

coordination with the IOSCO Consultation Report. It examines the growth in outsourcing in the financial sector and the trends that have accompanied this growth. It also spells out the potential risks that outsourcing activities can pose to financial sector firms, while recognising the substantial benefits that outsourcing can provide.

The Joint Forum's principles are high level and aimed collectively at the banking, insurance and securities sectors. They are designed to provide a minimum benchmark against which all financial institutions can gauge their approach to outsourcing. The Joint Forum report is available on the websites of IOSCO (<http://www.iosco.org>), the Bank for International Settlements ([www.bis.org](http://www.bis.org)), and the IAIS (<http://www.iaisweb.org>).

The Joint Forum and the IOSCO Technical Committee will continue working together on their respective reports during the comment process by sharing comments received and information collected and by consulting with each other in order to achieve an appropriate level of consistency across their reports. In addition, the IOSCO Technical Committee is in the process of consulting with the emerging market regulators about the Consultation Report through the IOSCO Emerging Market Committee's Working Group on Financial Intermediaries.

After the consultation process, the IOSCO Technical Committee's Standing Committee on Market Intermediaries will submit a final report on *Principles on Outsourcing of Financial Services for Market Intermediaries* to the IOSCO Technical Committee for approval.

For further information contact:

Mr. Philippe Richard

Secretary General

IOSCO

Tel: (3491) 417 55 49

Fax: (3491) 555 93 68

## How to Submit Comments

Comments may be submitted by one of three methods. To help us process and review your comments more efficiently, please use only one method.

**Important:** *All comments may be made available to the public unless the respondent requests that they be kept confidential.*

### 1. E-mail

- Send comments to [mail@oicv.iosco.org](mailto:mail@oicv.iosco.org).
- The subject line of your message must indicate “Public Comment on *Principles on Outsourcing of Financial Services for Market Intermediaries*.”
- If you attach a document, indicate the software used (e.g., WordPerfect, Microsoft WORD, ASCII text, etc.) to create the attachment.
- DO NOT submit attachments as HTML, PDF, GIF, TIFF, PIF, ZIP, or EXE files.

OR

### 2. Facsimile Transmission

Send by facsimile transmission using the following fax number: 34 (91) 555 93 68.

OR

### 3. Paper

Send 3 copies of your paper comment letter to:

Philippe Richard  
IOSCO Secretary General  
Oquendo 12  
28006 Madrid  
Spain

Your comment letter should indicate prominently that it is a “Public Comment on *Principles on Outsourcing of Financial Services for Market Intermediaries*.”