

Update to IOSCO 2023-24 Work programme

March 2024 – March 2025 Workplan

Introduction

IOSCO's objectives are to enhance investor protection, maintain fair, efficient and transparent markets, and reduce systemic risk.

In April 2023, IOSCO published its [2023-2024 biennial Work Programme](#) under five themes:

1. Strengthening Financial Resilience
2. Supporting Market Effectiveness
3. Protecting Investors
4. Addressing New Risks in Sustainability and Fintech
5. Promoting Regulatory Cooperation and Effectiveness

This 2024 Workplan refreshes the 2023-2024 IOSCO Work Programme. It updates on the milestones achieved in 2023 and builds in the 2024 deliverables of the Financial Stability Engagement Group ("FSEG"), the Fintech Task Force ("FTF"), the Sustainable Finance Task Force (STF), as well as other selected initiatives being conducted as part of the overall Work Programme.

1. *Strengthening Financial Resilience*: the FSEG will continue its focus on addressing issues related to non-bank financial intermediation ("NBFI") activities, particularly on NBFI leverage, whereby IOSCO is actively contributing to the FSB working group undertaking and coordinating data and policy work to enhance the monitoring of, and address financial stability risks from, leverage in NBFI.
 2. *Supporting Market Effectiveness*: IOSCO will be undertaking work to assess concerns raised by some authorities related to a lack of transparency and liquidity in the single-name Credit Default Swaps ("CDS") market. IOSCO will also initiate a project to assess and mitigate the observed vulnerabilities in pre-hedging practices by market intermediaries and finalise its good practices regarding market outages and post-trade risk reduction services in 2024.
 3. *Protecting Investors*: To enhance IOSCO's approach to investor protection, the Board established the Retail Investor Coordination Group ("RICG") as an internal coordinating mechanism composed of the Chairs of C3, C4 and C8 as members, and a senior Board member as the Chairperson. The RICG aims to enhance IOSCO's response to the increasing participation of retail investors in digital markets and digital product distribution, which raises significant concern around retail online harm and misconduct exacerbated by cross-border implications.
 4. *Addressing New Risks in Sustainability and Fintech*: Risks in sustainability and fintech remain prominent. Following the publication of policy recommendations on Crypto and
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Digital Assets and Decentralized Finance (DeFi), and in line with the Fintech Task Force's ("FTF") mandate on Fintech issues, the FTF will turn its attention to monitoring policy implementation and work on other technological developments in financial markets relating to the use of Artificial Intelligence and Financial Asset Tokenization. These will be carried out through three new FTF workstreams.

The STF will continue its engagement with the International Sustainability Standards Board ("ISSB"); it will finalise its work on voluntary carbon markets and, with the support of C1, complete its review of the proposed assurance and ethics standards by the International Auditing and Assurance Standards Board ("IAASB") and the International Ethics Standards Boards for Accountants ("IESBA"). In addition, it will continue its work on the Transition Plans being produced by issuers of securities and asset managers and start a new workstream on Green Finance to identify trends and potential emerging risks from new green products.

5. *Promoting Regulatory Cooperation and Effectiveness:* In 2024, IOSCO will continue to promote and facilitate regulatory cooperation among securities regulators, by enhancing its internal mechanisms for ironing out issues which may arise in the day-to-day operation of its Multilateral Memorandum of Understanding for the exchange of information between members and through additional work on assessments of the compliance of members with its Principles.

Having completed an analysis of the emerging needs of its members in 2023, in 2024, IOSCO will begin development of an enhanced Capacity Building Programme. This is a key plank to help members enhance their regulatory capabilities and implement international standards by strengthening their regulatory and supervisory proficiency. In consultation with the Growth and Emerging Markets (GEM) Committee and IOSCO's four Regional Committees, new capacity building offerings will begin to be organised to respond to the needs and priorities identified by IOSCO members, including the development of new programmes on sustainable finance, fintech, regulatory roles, and market development.

To enhance and promote greater inclusiveness within IOSCO, new networks are being established which will operate as forums to exchange ideas and experiences, including a Diversity Network focused on encouraging diversity among regulators, an Anti-Money Laundering (AML) Network for members to exchange experience in so far as they have responsibilities with regard to preventing money laundering, a "CCP" Network for those members with responsibilities with regard to the supervision of clearing houses and a Benchmarks Network to continue monitoring market developments in this area. A primary markets network has also recently been established as part of a broad programme of initiatives by IOSCO promoting the exchange of information and insights among members.

In addition, looking further ahead, the 2024 Workplan includes the work of the Committee on Emerging Risks (CER) which will deliver IOSCO's biennial Risk Outlook for 2025-2026. The Risk Outlook helps to inform and support IOSCO's Board to identify corporate priorities and the development of IOSCO's next biennial public 2025-26 Work Programme.¹

¹ The Risk Outlook is IOSCO's horizon scan of emerging regulatory issues across securities markets and aims to

Under each of the five headings below, a short introduction summarizes what is planned for 2024 and a table sets out additional details and indicative timelines. In practice, delivery dates may vary depending on how the work unfolds. Where a 2025 target for delivery can be set out at this point, this is indicated, but is subject to revision when the next IOSCO work programme for 2025-26 is published in Q1 2025.

IOSCO Priorities for 2024

1. Strengthening Financial Resilience

Strengthening financial resilience is a critical objective of capital markets regulation, particularly in light of the increasing complexity and interconnectivity of the global financial system.²

In 2023, IOSCO completed several project milestones under this theme, notably publication of IOSCO's [Anti-dilution Liquidity Management Tools – Guidance for Effective Implementation of Recommendations for Liquidity Risk Management for Collective Investment Schemes](#). IOSCO also published its [Thematic Analysis: Emerging Risks in Private Finance](#) and linked to that, consulted on “good practices” aimed at mitigating identified vulnerabilities in the Leverage Loan (LL) and Collateralised Loan Obligation (CLO) sectors.

In addition, internal debate on market developments is also important. Through FSEG, IOSCO brought together the senior principal leaders of securities regulators from around the world to discuss market developments, risks and trends and several key IOSCO committee initiatives in NBFI.. This high level engagement also furthers our goal in Promoting Regulatory Cooperation and Effectiveness.

In 2024, IOSCO will continue to focus on addressing issues related to Non-Bank Financial Intermediation (“NBFI”) activities, particularly on NBFI Leverage. The FSB’s Standing Committee on Regulatory and Supervisory Cooperation (SRC) is undertaking policy work in 2024 to enhance the monitoring of, and address financial stability risks from, leverage in NBFI. IOSCO members are actively contributing to the FSB working group.

The BCBS³-IOSCO Working Group on Margin Requirements is developing policy proposals on streamlining Variation Margin (“VM”) processes in the non-centrally cleared markets and evaluating the responsiveness of non-centrally cleared Initial Margin (“IM”) models to market stress. The group published a [consultation report in January 2024](#).

IOSCO will also finalise its Good Practices for Leveraged Loans (“LL”) and Collateralised Loan Obligations (“CLO”) Industry Participants and consider and conduct further work on Private Finance, including work on valuations issues and conflicts of interest.

The joint CPMI-IOSCO work programme for 2024 forms part of IOSCO’s work on financial stability and is structured around the following themes:

- i. Enhancing operational resilience of FMIs, where a newly established group on

provide the IOSCO Board with a substantive basis from which to prioritize work for the year ahead and to help members develop their own risk assessments at jurisdictional level.

² IOSCO’s work with regard to financial stability is conducted under the leadership of a Board-level Committee, the Financial Stability Engagement Group (“FSEG”) It was set up in March 2020 with an on-going mandate to enhance IOSCO’s approach to financial stability issues in the capital markets, including its engagement with the Financial Stability Board (FSB), international standard setting bodies, and other organizations concerned with financial stability issues.

³ Basel Committee on Banking Supervision

operational resilience has initiated work on cyber resilience and third-party risk management;

- ii. Strengthening resilience of central clearing, with the work on margin moving towards enhancements to relevant [Principles for Financial Market Infrastructure](#) (“PFMI”) guidance; and
- iii. Monitoring implementation of the PFMI principles, including a Level 3 assessment of Principle 15 (General Business Risk), which will also provide input to the PSG's work on non-default losses.

Focus area	Description of the work	Oversight Body ⁴
<p>Liquidity risk and its management in open-ended funds (OEFs)</p>	<p>In 2024 IOSCO will continue progressing work on liquidity risk management in OEFs as identified in last year’s work programme and the FSB’s Assessment of the Effectiveness of the FSB’s 2017 Recommendations on Liquidity Mismatch in Open-Ended Funds. IOSCO work will be closely aligned with parallel FSB work which is included here.</p> <p><i>Deliverables and deadlines:</i></p> <ul style="list-style-type: none"> ➤ IOSCO will further operationalise the revised FSB Recommendations through amendments to the 2018 IOSCO Recommendations and supporting good practices, as necessary, and aims to publish a consultation paper on the proposed revisions by end of 2024. The precise timelines will be worked out after assessing the revised FSB Recommendations. ➤ The FSB, in consultation with IOSCO, will continue work on its pilot programme focused on closing identified data gaps relating to OEF liquidity mismatch, the use of LMTs, and attendant financial stability risks. The timelines are as set out by the FSB in its workplan for 2024. ➤ The FSB, in cooperation with IOSCO, will organise a workshop to promote the sharing of experiences among authorities on the design and use of fund- and system-level stress tests. 	<p>Financial Stability Engagement Group and Committee 5</p>

⁴ ‘Oversight bodies’ are the internal IOSCO committees (or joint Standard Setting Bodies) which are organizing the day-to-day work, including overseeing the teams of experts developing analysis and/or proposals.

<p>Leveraged Loans and Collateralized Loan Obligations</p>	<p>IOSCO published a consultation paper on potential “good practices” aimed at mitigating identified vulnerabilities in the LL and CLO sectors for industry participants to implement.</p> <p><i>Deliverables and deadlines:</i></p> <ul style="list-style-type: none"> ➤ Publication of IOSCO’s Final Report with Good Practices for LL and CLO Industry Participants by end-H1 2024. 	<p>Committee 3 and Committee 5</p>
<p>Valuations in Asset Management</p>	<p>In 2013, IOSCO published a set of 11 principles for the valuation of collective investment schemes (CIS), which are intended to be a basis against which both the industry and regulators can assess the quality of regulation and industry practices concerning CIS valuation. As the CIS industry continues to evolve with new asset types and the growth of less liquid assets, it is important that valuation practices keep pace with changing market dynamics.</p> <p>In 2024 IOSCO will commence the review of the Principles with a view to determining whether updates are necessary or should be supplemented with additional guidance taking into in consideration the outcomes of IOSCO’s work on Liquidity Risk Management in OEFs as well as IOSCO’s work on Emerging Risks in Private Finance.</p> <p><i>Deliverables and deadlines:</i></p> <ul style="list-style-type: none"> ➤ Interim report to IOSCO Board on proposed policy direction by Q1 2025. 	<p>Committee 5</p>

<p>IOSCO work with CPMI and BCBS</p>	<p>IOSCO-BCBS-CPMI have developed a report on (i) increasing transparency in centrally cleared markets; and (ii) evaluating the responsiveness of initial margin models to market stresses with a focus on impacts and implications for CCP resources and the wider financial system.</p> <p>The CPMI-IOSCO Policy Standing Group (PSG) is undertaking work on streamlining Variation Margin (VM) processes in centrally cleared markets and published a consultation report in February 2024.</p> <p><i>Deliverables and deadlines:</i></p> <ul style="list-style-type: none"> ➤ Final IOSCO-BCBS-CPMI report on transparency and responsiveness of Initial Margin (IM) in centrally cleared markets by H2-2024. ➤ Final CPMI-IOSCO Report on Streamlining Variation Margin (VM) in centrally cleared markets by H2 2024. <p>BCBS-IOSCO have also developed a Report on streamlining VM processes and IM responsiveness of margin models in non-centrally cleared markets (WGMR Report). This Consultative Report looks at streamlining VM processes and the IM responsiveness of margin models in non-centrally cleared markets.</p> <p><i>Deliverables and deadlines:</i></p> <ul style="list-style-type: none"> ➤ Final Report published by end-2024. <p>The CPMI-IOSCO have established a new working group on Operational Resilience. It will have two workstreams: the cyber resilience workstream will address cyber risks and promote and facilitate the use of the 2016 Cyber Guidance by FMIs. The third-party risk and operational resilience workstream will focus on risks to FMIs from outsourcing and the use of third-party services.</p> <p><i>Deliverables and deadlines:</i></p> <ul style="list-style-type: none"> ➤ Consultation report in H2 2024 <p>Following the publication of the CPMI-IOSCO report on current central counterparty (CCP) practices to address non-default losses (NDL) in August 2023 (“NDL Stage 1 Report”), the Steering Group for CPMI-IOSCO work approved a NDL</p>	<p>CPMI-IOSCO SG</p>
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	<p>Stage 2 mandate for additional work on NDLS across all Financial Market Infrastructure (“FMI”) types, including an assessment of the implementation of the PFMI and guidance on general business risks (“GBRs”).⁵</p> <p><i>Deliverables and deadlines:</i></p> <ul style="list-style-type: none">➤ CPMI-IOSCO will publish a consultation paper on CCP practices to address non-default losses by the end of 2024.	
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⁵ IOSCO: <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD743.pdf> BIS CPMI: <https://www.bis.org/cpmi/publ/d217.htm>

This Report followed a consultation paper entitled “A discussion paper on central counterparty practices to address non-default losses” (August 2022)

IOSCO: <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD709.pdf> (Discussion Paper). BIS CPMI: <https://www.bis.org/cpmi/publ/d208.htm>

2. Supporting Market Effectiveness

It remains essential for capital markets to be resilient and effective, particularly in the face of increasing episodes of market volatility and the new macro-financial environment. Factors such as higher interest rates and other shifts in the economic landscape continue to present challenges for market participants. The theme of *Supporting Market Effectiveness* also encompasses work aimed at enhancing operational and securities market resilience.

In 2023, IOSCO’s Board approved the publication of two consultation reports on *supporting market effectiveness*. First a consultation on good practices regarding market outages and, second, a consultation on good practices for post-trade risk reduction services. IOSCO also published a Statement on Alternatives to USD Libor in July 2023, highlighting to the public that IOSCO identified varying degrees of vulnerability in certain products which had emerged, as compared to SOFR. This coincided with the end of the USD Libor panel in June 2023. IOSCO has established an information sharing network to ensure continued monitoring of benchmarks issues going forward.

In 2024, IOSCO will be undertaking work under the theme of *Supporting Market Effectiveness* to assess concerns raised by some authorities related to a lack of transparency and liquidity in the single-name CDS market, including recommending policy options, if required, to enhance post-trade transparency in the single-name CDS market. This work also responds to the FSB request in its [2023 NBF Progress Report](#). IOSCO will also initiate a project to assess and mitigate the observed vulnerabilities in pre-hedging practices by market intermediaries and finalise its good practices regarding market outages and post-trade risk reduction services.

Project name	Brief description of the work	Oversight Body
Single-name CDS Transparency	IOSCO will assess concerns raised by some authorities related to a lack of transparency and liquidity in the single-name CDS market and update the analysis in IOSCO’s 2015 report on Post-Trade Transparency in the Credit Default Swaps Market . <i>Deliverables and deadlines:</i> <ul style="list-style-type: none"> ➤ Analytical work in 2024 followed by policy work in 2025. 	Committee 7
Pre-hedging	IOSCO will assess vulnerabilities in pre-hedging practices by market intermediaries and how such vulnerabilities can be mitigated, particularly focusing on disclosure and transparency to clients and market intermediaries. <i>Deliverables and deadlines</i> <ul style="list-style-type: none"> ➤ Consultation Report by Q2 2024 ➤ Final Report by Q4 2024 	Committee 3

<p>Market Outages</p>	<p>Market outages occur when a technical problem disrupts trading at a trading venue. These present issues to continuity, system resilience (liquidity migration to other venues) as well as wider market impact e.g., on benchmarks. IOSCO published a consultation report in December 2023. In 2024, IOSCO will complete its work to gather lessons learnt from recent market outages.</p> <p><i>Deliverables and deadlines:</i></p> <ul style="list-style-type: none"> ➤ Final Report by end-2024. 	<p>Committee 2</p>
<p>Post Trade Risk Reduction Services</p>	<p>As a subset of risk mitigation techniques, Post Trade Risk Reduction Services (PTRRS) are increasingly used by firms to reduce operational and counterparty risks and increase efficiency in the way market participants manage their outstanding over the counter (OTC) derivatives trades. Market participants employ third party service providers to help perform PTRRS, such as <i>portfolio compression</i> and <i>counterparty risk optimisation</i>.</p> <p>In January 2024, IOSCO published a consultation report assessing the overall landscape and the risks associated with the increased use of and concentration of third-party PTRRS.</p> <p><i>Deliverables and deadlines:</i></p> <ul style="list-style-type: none"> ➤ Final Report to follow in Q4 2024. 	<p>Committee 7</p>
<p>Financial reporting, auditing and disclosures</p>	<p>Underpinned by the Statement of Cooperation signed in October 2022 between IOSCO and the International Valuation Standards Council (IVSC), IOSCO aims to advance its assessment of the relevant governance and valuation issues as indicated in a 2023 survey of members. Once further work coming out of the Statement of Cooperation is conducted, IOSCO will determine whether to publish a report on good practices or recommendations and additional public communications to raise awareness on valuation issues and best practices.</p> <p><i>Deliverables and deadlines:</i></p> <ul style="list-style-type: none"> ➤ A public report/statement on valuation issues and best practices, if appropriate will be 	<p>Committee 1⁶</p>

⁶ The IOSCO Board level Task Force, the Sustainability Task Force, will work with Committee 1 on the Protocols with the IFRS Foundation Protocols.

	prepared in 2024 for publication in 2025.	
Review of IOSCO disclosure principles and standards	<p>IOSCO will also launch a project to review IOSCO disclosure principles and standards related to disclosures in secondary markets to reflect developments since they were initially published, such as disclosure of risks and sustainability issues.</p> <p><i>Deliverables and deadlines:</i></p> <ul style="list-style-type: none"> ➤ Consultation report and a final report in 2025. 	Committee 1
Review and update of Cooperation Protocols with the IFRS Foundation	<p>With the establishment of the ISSB under the umbrella of the IFRS Foundation, a review of the “Statement of Protocols for Cooperation on International Financial Reporting Standards” will be carried out to consider enhancements to formally expand the scope beyond IFRS Accounting Standards.</p> <p><i>Deliverables and deadlines:</i></p> <ul style="list-style-type: none"> ➤ Updated protocols to be agreed with the IFRS Foundation by 1H 2025. 	Committee 1
Risks and challenges posed by evolutions in market structure	<p>There have been significant changes in the business model of trading venues. IOSCO is assessing the key risks and challenges posed by these changes in the efficiency and integrity of the market and on regulatory approaches.</p> <p><i>Deliverables and deadlines:</i></p> <p>An IOSCO consultation report is expected to be published in Q2 2024, with a final report to follow by end-2024.</p>	Committee 2

3. Protecting Investors

The protection of investors is a critical objective of capital markets regulation. The theme of *Protecting Investors* encompasses the efforts of IOSCO and its membership to promote a regulatory environment that supports fair, efficient, and transparent markets and safeguards investors, with a particular focus on retail investors, who are the most vulnerable and exposed to misconduct and fraud.

In March 2023, IOSCO published the [Final Report of the Retail Market Conduct Task Force \(RMCTF\)](#).⁷ The Board agreed to wind down the RMCTF in June 2023 and approved the establishment of a retail investor coordination group (“RICG”), chaired by a senior Board Member, to coordinate input by a number of internal Standing Committees of experts on the next phase of the work.⁸ The RICG coordinates input from ‘Committee 3’ (Market Intermediaries), ‘Committee 4’ (Enforcement and the Exchange of Information) and ‘Committee 8’ (Retail Investors) to the deepening challenges in retail investor protection in the face of the increasingly digital and cross border delivery of services to retail clients..

The scope of RICG work can be categorised under two main themes:

- 1) Emerging retail market conduct issues projects, looking at issues such as finfluencers, broker dealer conflicts of interest, fractional asset trading and digital engagement practices; and
- 2) Combatting online retail fraud, including work related to the prevention of online illegal activities and increasing awareness and investor education.

Project name	Brief description of the work	Oversight Body
<p>Emerging retail market conduct issues from technological developments.</p>	<p>Finfluencers</p> <p>This project aims to assess the emerging trends and retail investor protection risks that stem from finfluencer activity and the options for the development of guidance to alleviate such risks. The main outcome of the work will be a report offering, among other elements, a toolkit with sound practices, guidance, and methods for providing investor education and investor protection considerations aimed at protecting retail investors from possible fraud or unsuitable recommendations from finfluencers.</p> <p><i>Deliverables and deadlines</i></p> <ul style="list-style-type: none"> ➤ Consultation Report by H2 2024 ➤ Final Report by H1 2025 	<p>RICG</p>

⁷ The RMCTF was established in March 2020 as a senior Board-level group to work on regulatory approaches regarding conduct in retail markets.

⁸ The RICG is Chaired by Derville Rowland of the CBI

	<p>Copy trading⁹</p> <p>This project aims to assess the potential risks and harms to retail investors of ‘copy trading’ and how such risks and harms could be mitigated.</p> <p><i>Deliverables and deadlines</i></p> <ul style="list-style-type: none"> ➤ Consultation Report by H2 2024 ➤ Final Report by H1 2025 <p>Broker Dealer Conflicts of Interest</p> <p>This project aims to assess investor protection issues that stem from potential conflicts of interests in broker-dealer recently emerging new business models, including, for example, payment for order flow, commission structures and other conflicts of interest, which may be hidden or not readily apparent. The final report will assess retail investor protection issues associated with emerging broker-dealer activities and provide recommendations on how to mitigate these issues and identified conflicts of interests. It will assess the emerging global trends and members’ regulatory approaches to identify the relevant themes and gaps.</p> <p><i>Deliverables and deadlines</i></p> <ul style="list-style-type: none"> ➤ Consultation Report by H2 2024 ➤ Final Report by H1 2025 <p>Digital Engagement Practices</p> <p>This project aims to review potential retail investor risks and harmful conduct from the use of Digital Engagement Practices (DEPs) by market intermediaries targeting retail investors and consider how to mitigate the conduct risks and help IOSCO members in shaping their regulatory approach. The</p>	
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⁹ Copy trading is the provision of a service allowing an investor automatically to copy the trading activities of another investor.

	<p>work will review the emerging DEP techniques and associated retail investor protection and market integrity issues. It will analyse related conduct issues and impact on retail investors that may stem from the increased use of DEPs by market intermediaries. It will also consider existing IOSCO work, members' regulatory approaches to DEPs and other international standards and guidance to identify the issues and gaps. It will develop recommendations to raise standards and provide a regulatory toolkit to facilitate alignment in this area.</p> <p><i>Deliverables and deadlines</i></p> <ul style="list-style-type: none"> ➤ Consultation Report by H2 2024 ➤ Final Report by H1 2025 	
<p>Combatting Retail Online Fraud</p>	<p>Effective Prevention of Online Illegal Activities</p> <p>This project aims to enhance international cooperation for effective prevention and investigation of online illegal activities and to prevent unlicensed service providers offering risky and detrimental products to retail clients on a cross border basis, including engagement with service providers (internet service providers (ISPs), social media platforms and potentially other types of facilitators), with a view to establish protocols to curb online cross-border misconduct. It mainly encompasses two sub-deliverables:</p> <ul style="list-style-type: none"> • Outreach to ISPs, social media platforms and potentially other types of facilitators ; and • Unauthorized Entity Warning System 2.0 - Enhanced Investor Alerts Information Sharing System; <p><i>Deliverables and deadlines</i></p> <ul style="list-style-type: none"> ➤ Two sub-deliverables by Q1 2025 <p>Increasing awareness of online harm and better supervision of online fraud</p> <p>This project includes various initiatives to increase awareness of online harm and better supervision of online fraud and mis-selling. It encompasses three sub-deliverables:</p>	<p>RICG</p>

	<ul style="list-style-type: none"> • Public awareness campaign targeted at investors • Regulatory awareness campaign targeted at the international regulatory community, including training programs; and • Consider the options for guidance to regulators on enhancing cooperation in combatting online harm <p><i>Deliverables and deadlines</i></p> <ul style="list-style-type: none"> ➤ Three sub-deliverables by Q1 2025 	
<p>Investor Education and Protection for Retail Investors Concerning Crypto-Assets</p>	<p>IOSCO will update its 2020 report on investor education concerning crypto-assets for retail investors in view of developments since the publication of the 2020 report and considering that crypto-assets continue to be a high priority for IOSCO. The final report of the project will include information on the behaviour, demographics, and experiences of retail investors in member jurisdictions concerning crypto-assets. In addition, taking into account the risks and challenges that retail investors face when considering investing in crypto-assets, the report will include examples of educational materials developed by C8 members for possible use by other IOSCO members in designing their investor education and protection initiatives for retail investors.</p> <p><i>Deliverable and deadline</i></p> <ul style="list-style-type: none"> ➤ Final report in H2 2024 	<p>Committee 8</p>
<p>World Investor Week</p>	<p>IOSCO will continue its commitment to its annual World Investor Week (“WIW”), which brings together securities regulators, investor associations, and other stakeholders from around the world to promote investor education and protection.</p> <p><i>Deliverables and deadlines:</i></p> <ul style="list-style-type: none"> ➤ WIW campaign (October and November 2024). ➤ WIW Report of 2023, delivered in Q2 2024 	<p>Committee 8</p>

4. Addressing new risks in sustainability and fintech

As the capital markets continue to evolve and expand, it is essential for securities regulators to deal with emerging issues such as sustainability and the growing areas of fintech, crypto-assets, and decentralised finance.

For Sustainability, following two years of intensive engagement with the ISSB, IOSCO's Board endorsed the ISSB Standards in June 2023 and [published its endorsement on 25 July 2023](#). In March 2023, IOSCO also published an initial [report setting out its expectations of what an assurance framework](#) for sustainability reporting should include. Since then, the IAASB published its exposure draft in September 2023 to which IOSCO has provided feedback, while the IESBA published its exposure draft in January 2024 which is currently under review by IOSCO through C1 and STF. IOSCO also finalised its [recommendations on the establishment of compliance carbon markets](#) and a follow-up consultation paper setting out [Good Practices for VCMs](#). Finally, IOSCO published a report on [Supervisory Practices to Address Greenwashing](#).

2024 will see on-going engagement with the ISSB on capacity building as jurisdictions consider ways in which they might adopt, apply or otherwise be informed by the ISSB standards S1 and S2. IOSCO will continue its dialogue with IESBA and IAASB on their emerging standards. It will finalise its recommended good practices with regard to VCMs and take forward work on transition plans and green finance innovation, including exploratory work on ESG derivatives.

For Fintech, IOSCO published a [Consultation Report for Crypto & Digital Asset \(CDA\) Markets in May 2023](#), targeting acute investor protection and market integrity risks attached to the activities – and inherently conflicted business models - of the centralised actors in crypto-asset markets (CASPs). IOSCO consulted on a complimentary set of policy measures for [DeFi in September](#). [The Final CDA Recommendations](#) were published in November, while IOSCO published the set of [recommendations on DeFi](#) in December together with an [umbrella note](#) that explains the interoperability between the two sets of recommendations. These recommendations provide a coherent and robust policy framework to tackle the core risks posed by crypto-asset markets.

Following delivery of the CDA and DeFi policy work in 2023 through its Fintech Task Force, IOSCO will, in 2024, turn its policy lens on technological developments in financial markets relating to the use of Artificial Intelligence as well as Financial Asset Tokenization. In addition, IOSCO will maintain momentum on the crypto-assets front by monitoring and promoting timely and effective implementation of the crypto-asset recommendations across the IOSCO membership.

Finally, the Secretariat continues to develop its capacity building programme to support members in making their jurisdictional choices as to how to respond to these important global developments, liaising with other global bodies where this is helpful.

Project name	Brief description of the work	Oversight Body
Dialogue with ISSB	Following on from its endorsement of the ISSB Standards S1 and S2, IOSCO is engaging actively with the ISSB to provide capacity building support and feedback on adoption of its future standards.	Sustainable Finance Taskforce
Work on Assurance Standards	<p>IOSCO will apply an assessment framework to the emerging standards from the IAASB and IESBA. Both bodies intend to have completed the development of their respective standards by end 2024 and IOSCO’s on-going feedback will be provided in a timely way to support that important target being achieved.</p> <p><i>Deliverables and deadlines:</i></p> <ul style="list-style-type: none"> ➤ By the end of 2024 (contingent on finalisation of the Standards by IESBA and IAASB), final review of the Standards to determine whether they meet IOSCO’s criteria for sound assurance standards. 	Sustainable Finance Taskforce ¹⁰
Work on Voluntary Carbon Markets (VCMs)	<p>Having published its consultation report in December 2023,²⁰ IOSCO will now consider feedback on that report and prepare a final report on VCMs to promote greater transparency, access, integrity, and data reporting in these markets.</p> <p><i>Deliverables and deadlines:</i></p> <ul style="list-style-type: none"> ➤ Final Report on VCMs in Q4 2024 	Sustainable Finance Taskforce

¹⁰ The Sustainable Finance taskforce will be supported in this work by C1

<p>Work on Transition Plans</p>	<p>IOSCO will monitor emerging practices in the formulation and use of transition plans by asset managers and corporate issuers with the goal of deepening IOSCO members’ understanding of the relevance of transition plans in supporting capital markets efficiency and integrity, and investor protection. This work will be coordinated with relevant on-going work at other international organisations.</p> <p><i>Deliverables and deadlines:</i></p> <ul style="list-style-type: none"> ➤ Update to the Board identifying any lessons learned from an investor protection and market integrity perspective by Q4 2024 ➤ Possible follow up work in 2025 	<p>Sustainable Finance Taskforce</p>
<p>Workstream on Green Finance Innovation</p>	<p>A significant number of new financial products are being designed and brought to market whether in the form of bonds or derivative instruments which are structured to attract investors who are preferring to invest in ‘green’ financial products. IOSCO will carry out work in this area to address greenwashing risks that might arise.</p> <p><i>Deliverables and deadlines:</i></p> <ul style="list-style-type: none"> ➤ By end-2024, finalise a report setting out what new products are being issued, their design, characteristics and current regulatory oversight. 	<p>Sustainable Finance Taskforce</p>
<p>Work on Artificial Intelligence (AI)</p>	<p>The objective of this work is to develop a shared understanding among IOSCO members of the issues, risks, and challenges presented by emerging artificial intelligence technology through the lens of market integrity, investor protection and financial stability, as well as assist members in their policy responses.</p> <p>This work will build upon IOSCO’s 2021 Report concerning the use of artificial intelligence by market intermediaries and asset managers.</p> <p><i>Deadlines and Deliverables</i></p> <p>A two-phased approach is being adopted:</p> <ul style="list-style-type: none"> ➤ Phase 1, deliver by Q1 2025 a public report detailing the current and near-term use cases by market participants that 	<p>Fintech Task</p>

	<p>incorporate these emerging AI technologies, as well as the issues, risks, and challenges that IOSCO members should understand as they consider potential policy responses.</p> <p>➤ Phase 2, develop, if deemed appropriate after Phase 1, tools, recommendations, or considerations that will provide guidance to IOSCO members on how to address issues, risks, and challenges posed by AI. The appropriate form of guidance will be determined by the findings of the Phase 1 work by Q4 2025.</p>	Force ¹¹
<p>Work on Tokenisation of Financial Assets</p>	<p>This work will build on IOSCO’s existing principles and guidance, in particular from recent reports on Crypto and Digital Asset (CDA) Markets and Decentralised Finance (DeFi).</p> <p>It will focus on tokenisation use-cases specific to the securities market: (1) the digital representation of an existing financial instrument, such as equities, funds, fixed income instruments and derivatives (collectively “capital markets products”¹²), in tokenised form (Non-native token) so as to facilitate better investor access via structuring techniques such as fractionalisation or securitisation; and (2) the issuance of capital market products directly through DLT, in tokenised form (Native tokens), to enhance operational efficiencies and better support the product lifecycle management process.</p> <p>The objective of this work is to develop a shared understanding among IOSCO members on the adoption and current use-cases of asset tokenisation in the securities markets. This output will facilitate analysis on whether further policy direction or guidance might be needed to address issues that are not covered under current IOSCO principles and standards, as part of the next phase of work in 2025.</p> <p>A two-phased approach is being adopted. Phase 1</p>	Fintech Task Force

¹¹ The work conducted on AI will be reported on by the FTF Chair into the FSEG with regards to financial stability aspects.

¹² Acknowledging the definitional and interpretive jurisdictional differences on the definition and scope of capital markets products, to achieve the same regulatory outcomes in the respective own jurisdictions.

	<p>will consist of an update to the Board by Q4 2024 followed by possible policy considerations under a Phase 2.</p> <p><i>Deliverables and Deadlines:</i></p> <ul style="list-style-type: none"> ➤ Based on the findings from Phase 1 work, the FTF will develop further policy recommendations, if appropriate, on financial assets tokenisation, building on the CDA and DeFi reports, preferably by Q4 2025. 	
<p>Implementation of CDA Recommendations</p>	<p>IOSCO’s Crypto-Asset Implementation Roadmap (‘the Roadmap’) was approved by IOSCO’s Board in December 2023. This is an ambitious programme of work to encourage timely and effective implementation of the CDA and DeFi Recommendations across IOSCO’s membership. It is designed to proportionately account for the varying stages of development of crypto-asset regulatory frameworks across member jurisdictions.</p> <p>Phase I, to be completed in 2024, will see the development of a stock-take of current approaches to crypto regulation. This will aim to establish a clear picture of the current regulatory and market landscape across IOSCO’s membership.¹³</p> <p>This will lay the groundwork for the development, starting in the second half of 2024, of the assessment methodology for the CDA recommendations. The assessment methodology will then be piloted in Phase II, and subsequently used for the full assessment of the CDA recommendations in Phase III.</p>	<p>Fintech Task Force and Assessment Committee</p>

¹³ The information collected will be aggregated and anonymised and used to inform IOSCO’s approach to assisting with capacity building requirements of members as well as providing a snapshot of how crypto regulation, across all member jurisdictions is progressing

5. Promoting Regulatory Cooperation and Effectiveness

Promoting regulatory cooperation and effectiveness remains a core objective of IOSCO in its efforts to maintain strong and resilient capital markets worldwide.

One of the key long-standing initiatives towards promoting regulatory cooperation is the IOSCO Multilateral Memorandum of Understanding (MMoU), which enhances the ability of securities regulators to cooperate on enforcement matters and share information.

IOSCO’s capacity building work is also key to this theme as it seeks to enhance members’ capabilities to implement international standards by strengthening their regulatory and supervisory proficiency. Following the recent Capacity Building Report endorsed by the Board at its October 2023 meeting, IOSCO will begin to roll out an enhanced capacity building programme in 2024. In consultation with the GEM Committee and the Regional Committees, a suite of new capacity building offerings will begin to be developed to respond to the needs and priorities identified by IOSCO members. Notably, new programmes will be developed in relation to sustainable finance, fintech, regulatory roles, and market development. Additional cooperative arrangements will be put in place with educational, standard recommending and other bodies who can assist in this work.

Finally, with the objective of enhancing and promoting greater inclusiveness within IOSCO, will introduce the activities of newly established networks which operate as forums for the exchange of ideas and experiences, in addition to our existing networks for diversity and for primary markets. Three such networks are being established during 2024, namely an AML Network, a CCP Network, and a Benchmarks Network.

Project name	Brief description of the work	Oversight Body
Thematic Review to assess implementation of the 2021 Recommendations on sustainability-related requirements in asset management	<p>Following the publication of the Recommendations on Sustainability-Related Practices, Policies, Procedures and Disclosure in Asset Management (2 Nov 2021), a thematic review will be conducted to assess the consistency in implementation with regard to the recommendations for asset managers.</p> <p>Deliverables and deadlines:</p> <ul style="list-style-type: none"> ➤ Thematic Review Report – project to start in H2 2024, with final report for publication in H1 2026 	Assessment Committee
Review of Procedures to support Compliance under the MMoU and EMMoU (“MMOUs”)	<p>The IOSCO MMoUs are key tools for international enforcement cooperation among securities regulators and have been instrumental in enhancing the effectiveness of securities regulation across borders. As of 2024, 129 jurisdictions are signatories to the</p>	IOSCO Board

	<p>MMoU and 23 jurisdictions are signatories to the EMMoU. IOSCO envisaged that issues would inevitably arise under the MMoUs and set forth procedures to support signatories' compliance with the MMoUs. As the MMoUs are critical to combatting illegal cross-border securities activity, IOSCO began work in 2023 to strengthen these procedures. This work is due to be completed in 2024.</p>	
<p>Implementation by emerging markets of international standards for sustainability corporate disclosures</p>	<p>IOSCO is conducting a stock-take among its members to understand the level of readiness and the steps taken by these jurisdictions to adopt and implement the ISSB standards locally. The results of this survey will inform the capacity building programme initiatives to be taken in 2024 to support members.</p> <p><i>Deliverables and deadlines:</i></p> <ul style="list-style-type: none"> ➤ A GEMC internal report (non-public) summarising the results of the stock- take in Q2 2024. 	<p>Growth and Emerging Markets Committee</p>