

MEDIA RELEASE



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
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المنظمة الدولية لهيئات الأوراق المالية

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IOSCO publishes a final report to help its members develop sound and well-functioning compliance carbon markets.

The Board of the International Organization of Securities Commissions today published a final report on [Compliance Carbon Markets \(CCMs\)](#), which aims to support IOSCO members seeking to establish new or to enhance their existing CCMs.

Rodrigo Buenaventura, Chairman of the Spain CNMV and Chair of the IOSCO Sustainable Finance Taskforce (STF) said: *“This report intends to facilitate the implementation of CCMs across IOSCO-member jurisdictions in a swift and efficient manner. It builds from the experiences of more advanced jurisdictions and gives other jurisdictions a solid starting point to avoid repeating past mistakes.”*

The report looks at the specific characteristics of CCMs compared to traditional financial markets and outlines a set of recommendations aimed at making these markets efficient and ensuring they function with integrity, learning from the experience of others. As CCMs are typically overseen by different types of authorities who may regulate specific aspects of what – put together – constitutes CCMs, the recommendations are addressed to relevant authorities to allow jurisdictions and regulatory authorities the flexibility they may require consistent with their legal mandates as CCMs are established in their jurisdictions.

Verena Ross, co-Chair of the STF Carbon Markets Workstream and Chair of the European Securities and Markets Authority (ESMA) said: *“Sound, efficient and compliant carbon markets can be a key tool to help jurisdictions meet their climate goals. Building on the experience of financial markets regulators at IOSCO, this report will support the continued*

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development of these markets, that can contribute to reducing greenhouse gas emissions globally.”

The report includes twelve recommendations relating to primary market and secondary market functioning. At primary market level, the recommendations touch upon transparency and predictability of primary market decisions and market structures for primary markets, and, in doing so, cover allowance allocation mechanisms, market stability mechanisms and primary market access. At secondary market level, the recommendations focus on market integrity, transparency and structure. The report also includes a selection of applicable IOSCO [Objectives and Principles of Securities Regulation](#) and IOSCO [Principles for the Regulation and Supervision of Commodities Derivatives Markets](#).

Rostin Behnam, IOSCO Vice-Chairman and co-chair of the STF Carbon Markets Workstream as well as Chairman of the U.S. Commodity Futures Trading Commission (U.S. CFTC) noted: *“The report reflects valuable input from a broad spectrum of public and private sector stakeholders, presenting a comprehensive set of recommendations to help jurisdictions promote the integrity and the effectiveness of compliance carbon markets as firms manage relevant risks and transition to a low-carbon economy.”*

Jean Paul Servais, IOSCO Chairman and Chairman of the Belgium Financial Services and Markets Authority (FSMA) welcomed the publication of the document, noting: *“As Chair of the organization, I would like to thank Rodrigo, Verena and Rostin for their efforts in leading the publication of this final report on compliance carbon markets. I encourage relevant authorities to adhere to the recommendations in the report in order to contribute to the integrity of these markets. I now look forward to our ongoing work on voluntary carbon markets, a sector in constant evolution and which will also have an important role to play where compliance markets currently do not exist.”*

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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 some 130 jurisdictions, and it continues to expand.
2. The IOSCO Board is the governing and standard-setting body of IOSCO and is made up of 35 securities regulators. Mr. Jean-Paul Servais, the Chair of Belgium's Financial Services and Markets Authority (FSMA) is the Chair of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Australia, Bahamas, Bangladesh, Belgium, Brazil, China, Egypt, France, Germany, Greece, Hong Kong, India, Ireland, Italy, Japan, Korea, Kuwait, Malaysia, Mauritius, Mexico, Morocco, the Netherlands, Oman, Ontario, Peru, Quebec, Saudi Arabia, Singapore, Spain, Sweden, Switzerland, Türkiye, the United Kingdom and the United States of America (both the U.S. Commodity Futures Trading Commission and U.S. Securities and Exchange Commission). The Chair of the European Securities and Markets Authority and the Chair of IOSCO's Affiliate Members Consultative Committee are also observers.
3. The Growth and Emerging Markets (GEM) Committee is the largest committee within IOSCO, representing more than 75% per cent of the IOSCO membership, including 10 of the G20 members. Dr Mohamed Farid Saleh, Executive Chairman of the Financial Regulatory Authority, Egypt is 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

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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 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 to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

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