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International Organization of Securities Commissions
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IOSCO/MR/31/2023

Madrid, 14 December 2023

IOSCO seeks feedback on Proposed Good Practices to improve trading venues' resilience in case of Market Outages

The International Organisation for Securities Commissions (IOSCO), the global standard setter for securities market regulators, today published its [Consultation Report on Market Outages](#).

Operational resilience remains a key global priority for securities regulators, as the resilience of trading venues is vital for the smooth operation of global capital markets.

Recent market outages have shown that trading venues can take different approaches regarding the coordination and communication of recovery pathways for the impacted market participants and the general public.

Building from previous IOSCO reports and new information gathered through a members' survey, this Consultation Report identifies key findings from recent market outages and puts forward five good practices for trading venues to consider improving market-wide resilience during an outage:

- Establish and publish an **outage plan** with clearly defined roles and responsibilities;
- Implement a **communication plan**, which provides, through an appropriate communication channel, initial notice (as soon as possible) of the outage, and, thereafter, with regular updates on the status of the outage and the recovery pathway;
- Communicate information relevant to the **reopening of trading** in a timely and simultaneous manner to all market participants, providing clarity on the status of their orders and ensuring they receive an adequate period of notice before the resumption of trading;
- Ensure the processes and procedures that trading venues will follow to operate a **closing auction** and/or to establish **alternative closing prices** are published in the outage plan and communicated to all market participants during an outage; and

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- Conduct and share with the relevant regulators a lessons-learned exercise of the market outage and adopt a **post-outage plan**, with clearly defined timelines and allocation of responsibilities for remediation, designed to reduce the likelihood of future incidents and to improve the ability of the trading venue to effectively respond to outages.

These good practices aim to assist regulators, trading venues and market participants in preparing for, and managing, future market outages and thereby helping improve market-wide resilience.

While the Consultation Report focuses on equities listing trading venues, the findings are also relevant to other trading venues, including non-listing trading venues and derivatives trading venues.

Isadora Tarola, Chair of the [IOSCO Committee on Regulation of Secondary Markets \(Committee 2\)](#), said:

“Market outages – particularly if they occur on a listing trading venue – can be highly disruptive. The proposed set of good practices are an important step towards enhancing market-wide resilience in the event of a market outage. We strongly encourage market participants to actively participate in the consultation process.”

Comments on the Consultation Report should be sent to marketoutages-consultation@iosco.org on or before 1 March 2024.

NOTES TO 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,

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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 ten 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 and at other global regulatory discussions. The GEM Committee's strategic priorities are focused, amongst 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.
5. In its March 2023 [report](#) on assurance, IOSCO set out key considerations for promoting an effective global assurance framework for sustainability-related corporate reporting that supports the consistency, comparability and reliability and overall trust in the quality of sustainability-related information provided to the market.
6. On 17 July 2023, IOSCO published a [report](#) on Compliance Carbon Markets (CCMs),

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which aims to support IOSCO members seeking to establish new or to enhance their existing CCMs. The report looked at the specific characteristics of CCMs compared to traditional financial markets and outlined a set of recommendations aimed at making these markets efficient and ensuring they function with integrity, learning from the experience of others.

7. On 25 July 2023, IOSCO announced the [endorsement](#) of the first two sustainability disclosure standards published by the ISSB for use in capital markets. IOSCO now calls on its 130 member jurisdictions, regulating more than 95% of the world's financial markets, to consider ways in which they might adopt, apply or otherwise be informed by the ISSB Standards within the context of their jurisdictional arrangements.
8. On 1 December 2023, IOSCO published a [statement](#) on the consultation on the Proposed International Standard on Sustainability Assurance (ISSA) 5000 and the related global outreach program.
9. On 3 December 2023, IOSCO launched a 90-day public [consultation](#) (Consultation Report) outlining a set of Good Practices to promote the integrity and orderly functioning of the Voluntary Carbon Markets (VCMs).
10. On 4 December 2023, IOSCO [published](#) the Report on Supervisory Approaches for Asset Management & ESG Ratings and Data Products Providers.

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