International Organization of Securities Commissions

The International Organization of Securities Commissions (IOSCO) is the international body that brings together the world’s securities regulators and is recognized as the global standard setter for the securities sector. IOSCO develops, implements and promotes adherence to internationally recognized standards for securities regulation. It works intensively with the G20 and the Financial Stability Board (FSB) on the global regulatory reform agenda and to address emerging financial vulnerabilities that could affect global financial stability.

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Secretary General: Martin Moloney

Date Founded: April 1983

Current No. of Members: 231

Scope of Activities:
IOSCO was established in 1983. Its membership regulates more than 95% of the world's securities markets in more than 130 jurisdictions and includes all the major emerging markets.

The IOSCO Objectives and Principles of Securities Regulation have been endorsed by both the G20 and the Financial Stability Board (FSB) as the relevant standards in this area. They are IOSCO’s main instrument to develop and implement internationally recognized and consistent standards of regulation, oversight and enforcement. They form the basis for the evaluation of the securities sector for the Financial Sector Assessment Programs (FSAPs) of the International Monetary Fund (IMF) and the World Bank.

Objectives

IOSCO members have resolved:

- to cooperate in developing, implementing and promoting adherence to 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.

Core Standards

The Objectives and Principles of Securities Regulation (May 2017)


Categories of Members:

There are three categories of members: ordinary, associate and affiliate. In general, the ordinary members (130) are the national securities commissions in their respective jurisdictions. Associate members (33) are usually agencies or branches of government, other than the principal national securities regulator in their respective jurisdictions, that have some regulatory competence over securities markets. National securities regulators that are not ordinary members or IOSCO MMoU\(^1\) signatories are also in this category. Other associate members include intergovernmental international organizations, such as the IMF and the World Bank, and other international standard-setting bodies, such as the European Securities and Markets Authority, with a mission related either to the development or the regulation of securities markets. Affiliate members (68) are self-regulatory organizations, stock exchanges, financial market infrastructures, investor protection funds and compensation funds, and other bodies with an appropriate interest in securities regulation.

IOSCO Committees:

Presidents Committee
The Presidents Committee comprises all the Presidents (Chairs) of ordinary and associate members and meets once a year during the Annual Conference.

The IOSCO Board
The IOSCO Board is the governing and standard-setting body of the International Organization of Securities Commissions (IOSCO) and is currently made up of 33 securities regulators. Mr. 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 currently the securities regulatory authorities of Argentina, Australia, Bahamas, Belgium, Brazil, China, Egypt, France, Germany, Hong Kong, India, Ireland, Italy, Japan, Kenya, Korea, Malaysia, Mexico, Morocco, Nigeria, Ontario, Pakistan, Portugal, Quebec, Saudi Arabia, Singapore, Spain, Sweden, Switzerland, Turkey, 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 observers.

The IOSCO Board reviews the regulatory issues affecting international securities markets and coordinates practical responses to any concerns that may arise. IOSCO conducts its policy work

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\(^1\) The IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information
through eight policy committees, each one working in one of the following policy areas under the guidance of the Board and supported by the General Secretariat:

- C1 Issuer Accounting, Audit and Disclosure;
- C2 Regulation of Secondary Markets;
- C3 Regulation of Market Intermediaries;
- C4 Enforcement and the Exchange of Information and the MMoU Screening Group;
- C5 Investment Management;
- C6 Credit Rating Agencies;
- C7 Derivatives; and
- C8 Retail Investors

**Growth and Emerging Markets Committee**
The Growth and Emerging Markets Committee (GEMC) is the largest committee within IOSCO, representing more than 75% of IOSCO’s ordinary membership. Dr. Mohammed Omran, Executive Chairman of the Financial Regulatory Authority, Egypt, is Chair of the GEM Committee. The committee seeks to promote the development and greater efficiency of emerging securities and futures markets by establishing principles and minimum standards, providing training programs and technical assistance for members and facilitating the exchange of information and transfer of technology and expertise.

The GEMC comprises 90 members and 2 non-voting associate members who include some of the world’s fastest growing economies and 10 of the G-20 members.

IOSCO is one of the few international standard setters that have a committee solely responsible for emerging market issues. This inclusiveness increases IOSCO’s effectiveness and positions it to play a stronger role in shaping the global regulatory framework: The chairman of the GEMC participates as an observer at the Financial Stability Board Plenary. The GEMC also has a permanent seat on the IFRS Foundation Monitoring Board.

**Regional Committees**
Four regional committees meet to discuss specific regional issues: the Africa/Middle-East Regional Committee, the Asia-Pacific Regional Committee, the European Regional Committee and the Inter-American Regional Committee. Each committee contributes a regional perspective to Board debates and policy work.

**Affiliate Members Consultative Committee**
The Affiliate Members Consultative Committee (AMCC) comprises exchanges, regulatory bodies and entities with regulatory tasks, market infrastructures, international non-governmental entities and investor protection funds. Despite the differences that exist among AMCC members regarding the scope of their work and terms of reference, members proactively cooperate with one another and support IOSCO work streams, providing input and sharing expertise and experiences based on their proximity with market participants.

The AMCC is currently chaired by Ms. Karen K. Wuertz, Senior Vice-President, US National Futures Association.

**Assessment Committee**
In 2012, IOSCO created the Assessment Committee, which seeks to encourage and monitor the full, effective and consistent implementation of Principles and Standards across the
organization’s membership. IOSCO believes that its effectiveness as a standard setter depends largely on its members’ ability to implement the IOSCO Principles and other standards and policies set out in IOSCO reports.

Committee on Emerging Risks
In 2011, IOSCO established the Committee on Emerging Risks (CER) in recognition of the role that securities regulators can play in identifying and addressing systemic risk in global financial markets. It works closely with two new units of the IOSCO General Secretariat called Emerging Regulatory Issues and Market Intelligence and Data Analysis.

Task Forces
Task forces include the Board-level Task Force on Financial Market Benchmarks, the Follow-up Group to the 2015 Cross-Border Task Force, the Board-Level Financial Stability Engagement Group, the Board-Level Retail Market Conduct Task Force and the Sustainable Task Force.

Information Sharing Networks
IOSCO members share information and experiences regarding fintech, initial coin offerings, and data analytics through formal IOSCO networks and other similar arrangements.

IOSCO Policy Work
In 2017, the IOSCO Board introduced a new priority-setting process aimed at ensuring that policy committee work is closely aligned with Board priorities. Most of the organization’s policy initiatives fall under at least one of these areas.

1. Strengthening the structural resilience of capital markets;
2. Addressing data gaps and information sharing issues;
3. Applying new insights into investor protection and investor education;
4. Analyzing the role of securities markets in capital-raising and sustainability issues, and the related role of securities regulation;
5. Examining the role of regulation in financial technology and automation.

In February 2021, the Board published its 2021-2022 Work Program, which calls on IOSCO to work on the following eight priorities in the two-year period:

- Financial stability and systemic risks of non-bank financial intermediation activities
- Risks exacerbated by the COVID-19 pandemic – misconduct risks, fraud, and operational resilience
- Corporate debt and leveraged finance,
- Crypto-assets
- Artificial Intelligence and Machine Learning
- Market Fragmentation in securities and derivatives markets
- Passive Investing and Index Providers
• Retail Distribution and Digitalization

The work program also calls on IOSCO to re-double efforts to help improve the completeness, consistency and comparability of sustainability reporting under the stewardship of its Sustainable Task Force. In 2021, the Task Force also issued reports on two other key areas: (i) asset managers and greenwashing, and (ii) ESG ratings and ESG data providers.

Capacity Building

IOSCO offers its members a range of capacity building events aimed at helping create strong regulatory frameworks that underpin growth in both emerging and developed markets. Its training assistance and education and training programs for members are a cornerstone of this effort. In 2020, 2021 and early 2022, IOSCO continued offering capacity building activities using a virtual format due to the impact of COVID-19 on travel. It will continue to do the same until the health crisis permits a return to in-person meetings.

Its capacity building initiatives include:

➢ **A Capacity Building Online Toolkit** launched on 8 March 2016 to assist IOSCO members in their efforts to develop and implement effective regulatory frameworks for capital markets regulation.

Originally, the Toolkit comprised two components on enforcement and risk-based supervision, each of which offers detailed guidance on the subject matter, standards and reports, case studies and member best practices, webinars and presentations; a bibliography and academic research. Recently, the General Secretariat added four new components to the Toolkit on secondary markets; collective investment schemes; financial market infrastructures; and financial intermediaries. The Toolkit has proven to be particularly useful to members from growth and emerging markets jurisdictions.

➢ **IOSCO’s Asia Pacific Hub**, inaugurated in March 2017, held its first workshop on behavioral economics in October of that year. In view of the global COVID-19 health crisis, the Asia-Pacific Hub swiftly adapted its work programs and organized a series of webcasts, including a series on the implications of COVID-19 for capital markets.

➢ **A Joint Global Certificate Program for Regulators of Securities Markets with the Program on International Financial Systems at Harvard Law School**. Launched in October 2016, the initiative has two phases: a two-week session at IOSCO’s Madrid headquarters and a second one-week session at Harvard Law School in Cambridge, Massachusetts. Speakers are experienced securities regulators, academics specialized in financial markets and others with extensive legal or technical knowledge of international financial systems. Because of the COVID-19 global health crisis, IOSCO and HLS canceled both Phase I and Phase II of the 2020 programs, offering instead the alternative **Virtual Training Program on the Role of Securities Regulators Amidst COVID-19** on 7-10 December 2020. This program targeted mid-level securities regulators and focused on emerging global policy issues.

In 2021, Phase I of the 5th IOSCO/PIFS – Harvard Law School Global Certificate Program was held on 14-17 June in a virtual format. Phase II was held on 3-17 December, also in a virtual format.
In 2017, the IOSCO Secretariat designed *modular technical assistance programs* to help regulators implement IOSCO principles and meet the requirements of the IOSCO MMOU, as part of a new IOSCO Technical Assistance Program (TAP).

The technical assistance modules serve as the basis for delivering technical assistance that is tailored to members’ needs. The TAP is organized in three modules covering i) onsite inspection manuals; ii) enforcement manuals; and iii) the Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information.

The TAP also offers workshops on the practical application of the onsite inspection and enforcement manuals. The objective is to encourage members to use the manuals in their daily activities to enhance the efficiency and effectiveness of supervision and enforcement in their jurisdictions.

**World Investor Week:**
In 2017, IOSCO organized the first World Investor Week, which has since become an annual global campaign to raise awareness about the importance of investor education and protection and highlight the various initiatives of securities regulators in these two critical areas. Every October, securities regulators, stock exchanges, international organizations, investor associations, educational entities and other stakeholders from around the world simultaneously promote investor education and protection. They organize investor-focused activities to drive home the importance of smart investing, particularly in today’s online and digital environments.

The WIW 2021 took place from 4 to 10 October 2021, with some jurisdictions conducting WIW-related activities in October-November, depending on the local circumstances during the Covid-19 pandemic. The IOSCO WIW 2021 included global and regional webinars that some authorities, members of Committee 8, hosted during the week of 4 October. After the conclusion of the IOSCO WIW 2021, Committee 8 and its WIW Working Group (WG) is preparing a report with the main outcomes of the campaign and will submit it to the Board in due course. More information on the event is available on the dedicated campaign website: [www.worldinvestorweek.org](http://www.worldinvestorweek.org).

**IOSCO Multilateral Memorandum of Understanding**, the international benchmark for enforcement-related cooperation and exchange of information.

The *Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information* (MMoU) is the instrument used by securities regulators to help ensure effective global regulation and preserve and strengthen securities markets around the globe.

Since its launch in 2002, the MMOU has provided a mechanism through which securities regulators share with each other essential investigative material, such as beneficial ownership information and securities and derivatives transaction records, including bank and brokerage records. It sets out specific requirements for the exchange of information, ensuring that no domestic banking secrecy, blocking laws or regulations prevent the provision of enforcement information among securities regulators. For almost 20 years, regulators have used the MMOU to help ensure effective global cooperation and strengthen international securities markets.
As of 31 December 2021, 125 members had signed the MMoU, and another eight were listed on Appendix B - the list of members who have formally expressed their commitment to seek the legislative and administrative changes necessary for achieving MMoU compliance.

A large increase in the number of signatories over the last decade has led to a sharp upsurge in cross-border cooperation, enabling regulators to investigate a growing number of insider traders, fraudsters and other criminal offenders. In 2006, a total of 527 requests for assistance were made by IOSCO members pursuant to the MMoU; the annual figure increased to 4,667 in 2020.

During this period, securities markets have undergone sweeping changes, driven by new technologies and regulation and the growing role of market-based finance, among other developments.

These forces of change led IOSCO to launch in April 2017 an enhanced standard on cross-border enforcement information exchange that builds on the success of the MMoU. The Enhanced Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (EMMoU) offers securities regulators new enforcement powers for responding to the challenges arising from recent developments in global financial markets. By end December 2021, twenty-one jurisdictions had become signatories to the EMMoU.

Securities regulators are now required to sign the MMoU to become ordinary members of IOSCO. The MMoU will remain in effect as long as any signatories may wish to use it. However, the objective is for all MMoU signatories to migrate eventually to the EMMoU.

To comply with the European General Data Protection Regulation (GDPR), introduced in May 2018, IOSCO and the European Securities and Markets Authority obtained in 2019 an opinion from the European Data Protection Board (EDPB) on an administrative arrangement (AA) for the transfer of personal data between European Economic Area (EEA) Financial Supervisory Authorities and non-EEA Financial Supervisory Authorities. The EDPB Opinion, the first of its kind under the GDPR, enables the continued exchange of enforcement and supervisory information between securities regulators under the IOSCO MMoU and EMMoU. Fifty-eight IOSCO members had signed the AA (29 EEA Authorities and 29 non-EEA Authorities) by January 2022.

The following are some of the reports that IOSCO has issued recently. Links to these and other IOSCO reports may be found in the IOSCO library at http://www.iosco.org/library/.

*Lessons Learned from the Use of Global Supervisory Colleges*, Report of the Board of IOSCO, 18 Jan 2022


*Operational resilience of trading venues and market intermediaries during the COVID-19 pandemic*, Report of the Board of IOSCO, 13 Jan 2022

*IOSCO Investment Funds Statistics Report*, Report of the Board of IOSCO, 04 Jan 2022

A discussion paper on client clearing: access and portability, Committee on Payments and Market Infrastructures and the Board of IOSCO, 29 Nov 2021

Environmental, Social and Governance (ESG) Ratings and Data Products Providers, Report of the Board of IOSCO, 23 Nov 2021

Principles for the Regulation and Supervision of Commodity Derivatives Markets, Report of the Board of IOSCO, 15 Nov 2021

Recommendations on Sustainability-Related Practices, Policies, Procedures and Disclosure in Asset Management, Report of the Board of IOSCO, 02 Nov 2021

Principles on Outsourcing, Report of the Board of IOSCO, 27 Oct 2021

Review of margining practices, Report of The Basel Committee on Banking Supervision (BCBS), The Committee on Payments and Market Infrastructures and Board of IOSCO, 26 Oct 2021

Application of the Principles for Financial Market Infrastructures to stablecoin arrangements, Committee on Payments and Market Infrastructures and the Board of IOSCO, 06 Oct 2021

Statement on Credit Sensitive Rates, Board of IOSCO, 08 Sep 2021

The use of artificial intelligence and machine learning by market intermediaries and asset managers, Report of the Board of IOSCO, 07 Sep 2021

Exchange Traded Funds Thematic Note - Findings and Observations during COVID-19 induced market stresses, Report of the Board of IOSCO, 12 Aug 2021

Environmental, Social and Governance (ESG) Ratings and Data Products Providers, Report of the Board of IOSCO, 26 Jul 2021

Implementation monitoring of PFMI: Level 3 assessment of FMIs’ business continuity planning, Committee on Payments and Market Infrastructures and the Board of IOSCO, 21 Jul 2021


Report on Sustainability-related Issuer Disclosures, Report of the Board of IOSCO 28 Jun 2021

World Investor Week 2020, Report of IOSCO Committee 8 on Retail Investors, IOSCO 07 Jun 2021

Statement on Benchmarks Transition, 02 Jun 2021
Thematic Review on Business Continuity Plans with respect to Trading Venues and Intermediaries, Report of the Board of IOSCO 06 May 2021

IOSCO Statement on Going Concern Assessments and Disclosures during the COVID-19 Pandemic, statement, 24 Mar 2021


IOSCO Statement on Enhancing Collaboration between the IASB and the FASB on Accounting for Goodwill, statement, 25 Feb 2021


Complaint Handling and Redress System for Retail Investors, Report of the Board of IOSCO 27 Jan 2021

Initial Findings and Observations About the Impact of COVID-19 on Retail Market Conduct, Report of the Board of IOSCO 22 Dec 2020

Investor Education on Crypto-Assets, Report of the Board of IOSCO 22 Dec 2020

Market Data in The Secondary Equity Markets, Report of the Board of IOSCO 03 Dec 2020

Money Market Funds during the March-April Episode - Thematic Note, Report of the Board of IOSCO 20 Nov 2020

Thematic Review on consistency in implementation of Money Market Funds reforms, Report of the Board of IOSCO 20 Nov 2020

Implementation monitoring of PFMI: Level 2 assessment report for Brazil, Committee on Payments and Market Infrastructures and the Board of IOSCO, 03 Nov 2020


World Investor Week 2019, Report of IOSCO Committee 8 on Retail Investors, 08 Oct 2020

Conflicts of interest and associated conduct risks during the debt capital raising process, Report of the Board of IOSCO, 21 Sep 2020


Good Practices on Processes for Deference, Report of the Board of IOSCO, 26 Jun 2020

The use of artificial intelligence and machine learning by market intermediaries and asset managers, Report of the Board of IOSCO, 25 Jun 2020
Central counterparty default management auctions – Issues for consideration, Report of the Committee on Payments and Market Infrastructures and the Board of IOSCO, 24 Jun 2020

IOSCO Statement on Importance of Disclosure about COVID-19, Statement of the Board of IOSCO, 29 May 2020

Principles on Outsourcing, Report of the Board of IOSCO, 28 May 2020

Report on the Fifth IOSCO Hedge Funds Survey, Report of the Board of IOSCO, 15 Apr 2020

Sustainable Finance and the Role of Securities Regulators and IOSCO, Report of the Board of IOSCO, 14 Apr 2020

IOSCO Statement on Application of Accounting Standards during the COVID-19 Outbreak, 03 Apr 2020

Margin requirements for non-centrally cleared derivatives, Report of the Basel Committee on Banking Supervision and the Board of IOSCO, 03 Apr 2020

Global Stablecoin Initiatives, Report of the Board of IOSCO, 23 Mar 2020