In 2015, the Affiliate Members Consultative Committee (AMCC) continued its work on cybersecurity, highlighting the specific challenges and priorities for the different segments of the financial industry and supporting a collaborative approach to address the threat. Another achievement of the Committee was the successful AMCC 2015 Training Seminar in Zürich, which attracted over 140 attendees – both self-regulators and regulators – for a presentation on the latest trends in market regulation and supervision.
I am pleased to report on the significant initiatives the Affiliate Members Consultative Committee undertook last year. Over the course of 2015, the Committee focused on improving communication, engaging in a number of strategic topics, and leveraging the resources and expertise of our members to support IOSCO’s overall agenda.

**AMCC’s work in cybersecurity in 2015**

In 2015, the AMCC continued the work conducted the year before by the AMCC Task Force on Cyber Resilience. In order to more completely understand cybersecurity risks, threats and practices in different segments of the industry, the work was divided into two streams:

- One working group focused on the asset management industry, with the objective to develop and administer a global cybersecurity benchmarking survey. The survey consisted of approximately 85 questions covering areas such as policies and procedures, encryption, access control, information sharing and training.

The survey was distributed to individual asset managers via the members of the AMCC working group, with respondents’ identities being kept anonymous. Globally, 195 asset managers responded to the survey, from large multi-national firms to small participants. The survey was intended to provide participants with data for assessing their preparedness relative to others in the industry.

Some general findings of this initial exercise indicated the importance of: ensuring that information security programs are consistent with recognized security frameworks; using long, complex passwords, conducting periodic inventory of devices, software, and applications, and developing an incident response plan. Other results require more careful interpretation, reflecting the changing nature of cybersecurity and the need to consider the firm’s specific risk profile and resources. The survey will be repeated to enable participants to see how information security programs evolve as the landscape of threats grows and changes.
> At the request of IOSCO’s Committee 2 on Regulation of Secondary Markets, a second working group was established to present examples of cybersecurity practices at exchanges, as well as a selection of new, emerging approaches. The report indicates that exchanges are popular targets for attackers with financial or political objectives and describes some of the possible solutions being developed to identify, protect against, respond to and recover from these attacks. The report also notes the role exchanges can play to raise awareness within the industry and strengthen overall cyber-resilience.

The AMCC also organized different events to raise awareness and support regulators in developing their approach to cyber-threats. In June 2015, the AMCC conducted a high-level panel discussion to discuss the cyber-threat landscape and how industry and regulators can work together to address the risks. In July 2015, a webinar was organized for all IOSCO members to present FINRA’s Report On Cybersecurity Practices.1 Lastly, a session at the AMCC 2015 Training Seminar discussed how regulators can engage with regulated entities regarding cybersecurity and the importance of domestic and international collaboration.

**Exchanging views**

In 2015, the format of AMCC meetings was modified to allow more in-depth discussion and an exchange of views between regulators and market participants. Among the topics addressed through presentations and panel discussions were trends in corporate bond market liquidity, conduct risk and the role of regulation and self-regulation, current and upcoming challenges related to clearing practices, as well as issues related to cross-border regulation.

**Sharing information and experience**

Launched in 2014, the AMCC Quarterly Newsletter allows members to share information about recent market and self-regulatory developments, as well as about AMCC and IOSCO work. I am very pleased to see the increasing number of contributions to each edition of the Newsletter as well as the positive feedback received from members. During the AMCC meetings, members also have the opportunity to present new trends, changing market practices, as well as innovative regulatory and supervisory approaches. In 2015, AMCC also contributed its knowledge to IOSCO Committee 3 on Regulation of Investment Intermediaries’ mandate on OTC Retail Leveraged Products.

**Objectives for 2016**

In 2016, the Committee will continue its work on cybersecurity as well as explore new topics, especially in the area of financial technology. Several themes have been identified through the work of the AMCC Task Force on Emerging Risks. The AMCC Task Force on Investment Funds Data will also look to support IOSCO Committee 5 on Investment Management. Finally, the Committee and its members (notably those participating in IOSCO’s policy committees) will continue to contribute to IOSCO’s policy agenda by bringing their specific expertise. I would like to thank the members for participating in the AMCC and IOSCO projects, and to acknowledge the support of the Board, the General Secretariat and other IOSCO committees.

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