

# IOSCO's Global Education and Training Program

IOSCO is uniquely positioned to help its members prepare for the regulatory challenges ahead. In response to a growing demand from members - and in particular emerging markets - IOSCO Education and Training continues to build the regulatory capacity of its members by offering new and innovative seminars and workshops that draw on the expertise of IOSCO policy committees, industry practitioners, academia and the regulatory community. This program continues to be a primary vehicle for advancing IOSCO's regulatory goals and the implementation of its standards and principles.

## IOSCO Education & Training (E&T) Activities 2015

### IOSCO Seminar Training Program

IOSCO's annual flagship capacity building program, the Seminar Training Program (STP), was held at IOSCO's headquarters in Madrid from 20 to 23 October 2015. As in past years, this program again reached full capacity, attracting over 100 participants representing over 50 different jurisdictions.

As in previous years, the content chosen for the 2015 STP program was based on the results of recent member surveys. In response to the increasing interest of IOSCO members in investor education related topics, the theme of this year's program was *Investor Education and Protection – The Major Challenges Ahead*. The program gave rise to fruitful discussions between regulators, researchers and academics on issues such as the changing scope / role of regulation; financial literacy and education: the global scope of the problem and ramifications for securities regulators; strategies for enhancing investor protection; challenges facing investor protection (including cybercrime and digital disruption); the role of the regulators in designing and implementing investor education and financial literacy programs; working with the private sector on investor education and financial literacy issues; transparency and disclosure in financial markets; investment advice and issues of mis-selling; investor education and prevention of fraud; complaint-handling and recourse for investors; alternative dispute resolution; and how to design an investor education program as a regulator.

STP's are designed to provide practical advice, as well as tools and solutions that regulators may immediately use to meet their regulatory responsibilities. All available materials are accessible in the Training Library on the members area of the IOSCO website.

### Joint IOSCO / Financial Stability Institute (FSI) Seminar

The 10<sup>th</sup> joint IOSCO and FSI Seminar took place from 18 to 20 November 2015 in Basel, Switzerland. The FSI is the training arm of the Bank for International Settlements, making this seminar an effective forum for examining cross-sectoral issues. The seminar focused on regulatory, legal and compliance issues. In particular, the seminar included sessions on cross-border regulation, asset management and systemic risk, data harmonization, asset securitization, cyber resilience, the work by CPMI and IOSCO to address the risks related to CCPs, and the recent work on implementation monitoring. It also provided a regulatory perspective on recent global enforcement cases. Around 90 participants from almost 50 different jurisdictions attended the seminar.

### IOSCO AMCC Training Seminar

The 8<sup>th</sup> edition of the IOSCO Affiliate Members Consultative Committee (AMCC) Training Seminar was held from 27 to 28 October 2015 in Zürich, Switzerland, hosted by SIX Exchange Regulation. Topics of this year's seminar included: recent trends

in identifying market abuse and innovative approaches to market surveillance; key elements of a sound risk-based supervision system; addressing conflicts of interest; latest developments in cybersecurity and the role of regulators in dealing with this issue; and making a difference through enforcement actions: credible deterrence. This year the program attracted a record number of more than 140 participants from around 50 different jurisdictions.

### Joint IFIE / IOSCO Investor Education Conference

The 7<sup>th</sup> joint IFIE-IOSCO Investor Education Conference was held from 18 to 20 May 2015 in Kuala Lumpur, hosted by the Securities Commission of Malaysia. This year's theme was *Financial Capability and Investor Engagement: Goals, Strategies, Outcomes*. The conference attracted over 100 global participants and included workshops and breakout sessions, a research roundtable on behavioral economics, and panel discussions on the major financial capability/investor education concerns in growth and emerging markets, private sector engagement, and the evolving role of the public sector in delivering investor education programs.

### GEM Committee Training Contributions

#### Regulatory Workshops

The Growth and Emerging Markets (GEM) Committee of IOSCO continued organizing regulatory workshops for all IOSCO members. The 2015 GEM Committee Conference in Cairo featured a workshop on *Crisis Simulation* which was conducted by the Toronto Centre on 28 April 2015 and attracted around 70 participants. Two workshops were also held on 16 June during the annual conference in London on the topics of *Credible Deterrence* and *Consumer Vulnerability*, attracting almost 140 and 110 participants, respectively.

#### IOSCO Corporate Bond Markets (CBM) Outreach Program

In 2013 IOSCO launched a Corporate Bond Markets (CBM) Outreach Program in collaboration with the World Bank. Since then, CBM workshops have taken place in the Africa/Middle-East, Asia-Pacific and European regions, and a workshop for the Inter-American region is being planned for 2016.

### Education and Training Survey

In the first quarter of 2015, IOSCO carried out an online survey of the E&T needs and aspirations of all IOSCO members as a follow up to similar surveys in 2009, 2011, and 2013. In total 78 IOSCO members responded to the survey. The objective results of the

2015 E&T Survey have been added to the Training Library on the members area of the IOSCO website.

The results of the survey identified high priority topics that laid the foundation for IOSCO Education and Training activities in 2015, most notably for the 2015 Seminar Training Program in Madrid.

The survey offered 83 different topics concerning securities regulation and asked respondents to indicate their level of interest in each topic on a scale of 1 to 7, with 7 indicating *very interested*. The following topics received the strongest support<sup>10</sup> according to the 2015 Survey:

Emerging Risks in Securities Markets	72%
Exchange Regulation and Supervision	71%
Risk Based Supervision	71%
Investor Protection	69%
Conducting Regulatory Investigations	68%
Investment Funds, Hedge Funds and other Inv. Schemes	68%
Market Manipulation	68%
Going Forward: Regulation and Supervision	66%
Risk Management	64%
Securities Market Risk Analysis	63%
Helping Investors Avoid Fraud	62%
Insider Trading (Investigations)	61%
Market Development	61%
Crisis Management	60%
Ethics	60%
Sanctions	60%
Cross Border Regulation	59%
Investor Education	59%

### IOSCO International Secondment Register

Following a survey of IOSCO members' involvement and experiences with secondments, the Australian Securities and Investments Commission (ASIC) designed an International Secondment Register, which was launched in May 2015 on the members area of the IOSCO website. Through this register, IOSCO members are now able to match secondment offers with demand.

<sup>10</sup> Strongest support is defined as the total percentage of respondents who marked the topic as a "7" or a "6" on a 7 point scale with 7 reflecting the highest level of interest.

## Global Certificate Program for Securities Regulators

At its October 2015 meeting in Toronto, the IOSCO Board approved the launch of a Global Certificate Program designed specifically for securities market regulators. Soon after, the IOSCO General Secretariat and the Program on International Financial Systems at Harvard Law School agreed on a framework for a joint two-phase Global Certificate Program. The Board later approved the launch of the program in 2016 based on this framework.

Under the framework, the IOSCO Global Certificate Program will consist of two phases, covering some fundamental aspects of securities regulation:

- > Phase I, administered by IOSCO, will consist of three components:
  - Compulsory online learning materials – the IOSCO online toolkit and selected IOSCO pre-course reading materials
  - In-person module on regulation – a face-to-face seminar at IOSCO Headquarters in Madrid on regulation, presented primarily by current or former regulators
  - In-person module on compliance – a face-to-face seminar at IOSCO Headquarters in Madrid on compliance, presented primarily by current or former regulators
  
- > Phase II, administered by Harvard, will consist of a one-week face-to-face seminar at the Harvard Law School with a focus on regulatory policy designed to remain ahead of the curve, and delivered by securities regulators and leading public policy makers.

The certificate will be co-branded for this two-phase program. To ensure a cohesive program that meets the expectation of attendees, both Harvard and IOSCO will share general oversight of the program. The format of the program will include extensive use of case studies, hypothetical exercises, and group exercises. There will be course and pre-course reading, homework exercises, and group projects for each phase.

This program is a unique opportunity to bring securities regulators together and, in a structured yet flexible format, to share experiences and to learn techniques and regulatory strategies that are practical, innovative, and represent the very latest thought in enhanced securities regulation. The program is designed with the ultimate goal of helping regulators globally to increase and enhance their regulatory skills for protecting investors, ensuring the integrity of the capital markets and strengthening financial stability.



