This past year has seen several organizational changes which we think will help us become a more focused and results driven organization to help better serve our members. Here, I would like to outline the main changes that are taking place.

First, the Board has decided that it will engage in an annual priority-setting process at its October meeting each year, which will result in deciding which focus areas the Board (and its Committees and Secretariat) should concentrate on in the coming year. The goal is to ensure that we are examining a limited set of critical issues that impact the vast majority of IOSCO members.

Second, once the Board has set IOSCO’s priorities, policy work will be carried out in two ways – top-down and bottom-up. Under the top-down approach, the Board, with the help of the Secretariat, will ask policy committees to carry out certain mandates because these are specific workstreams that the Board deems to be critical to the priorities. At the same time, the Board recognizes the vast expertise in the policy committees themselves, as well as the regional committees and the Growth and Emerging Markets Committee, and thus, under the bottom-up approach, committees are encouraged to provide proposals to the Board for work that they believe is important to further a particular priority.

Third, under both the top-down and bottom-up approaches, the Board has established a set of eight prioritization questions that will guide whether the proposed mandate should be undertaken:

1. How useful will the work be for IOSCO and its members;
2. Which of the three core IOSCO objectives -- investor protection; fair, efficient and transparent markets; reduction of systemic risk -- are the Focus Areas primarily addressing, acknowledging that in most cases more than one objective will be addressed;
3. How does this relate to other international work and priorities, including those of the G20/Financial Stability Board (FSB);
4. How does the work relate to risks the Board is concerned about, including those set forth in the IOSCO Risk Outlook;
5. How does the work relate to the IOSCO 2020 Strategic Direction and cross border issues;
6. What are the key developments in member jurisdictions where IOSCO’s work could impact positively;
7. What is the potential for the work to touch a large number of IOSCO members; and
8. Does the list of Focus Areas indicate to IOSCO’s stakeholders (e.g., prudential regulators, governments, investors) that it is engaging in key, substantive issues and giving these issues the focus they deserve?

Fourth, the Board will assign a level of priority to each mandate it approves – high, medium or low. Under a high level of priority, the Board will devote most of its time and attention to these items and closely monitor progress at each stage of the work. Under a medium level of priority, the Board will only focus on the matter if novel questions arise while the work that needs Board attention. Finally, under a low level of priority, the Board will spend little or no time on this work, either because it is routine or because it will have little impact on members. Going forward, our expectation is that the vast majority of IOSCO’s work will be in the high priority area.
Fifth, with this new process in place, the Board is seeking to ensure that the work we do is both meaningful and has a positive impact for IOSCO and its members. This means that the output of our work should – in most cases – be in the form of either principles, standards, recommendations or guidance. Doing so will provide members with certain benchmarks or guideposts as they continue to develop their individual regulatory systems.

Sixth, under this new approach, for 2017, the Board has agreed upon the following five focus 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; and
5. The role of regulation in financial technology and automation.

Finally, in addition to the policy setting work, the Board continues to place significant emphasis on implementation monitoring, capacity building, and IOSCO’s joint work with other international bodies such as the FSB, the Basel Committee on Banking Supervision and the Committee on Payments and Market Infrastructures.

Implementation Monitoring continues to be the primary means for IOSCO to promote full, effective and consistent implementation of the IOSCO Principles and Standards across the IOSCO membership. The outcomes of these efforts provide important feedback for identification of issues and need for further policy work by policy committees.

IOSCO will need to continue its capacity building efforts, which have already benefitted from a high level of Board attention in the past few years and have started to yield results. There is also an expectation from the G20 and the FSB for the standard setting bodies to monitor, assess and review the implementation as well as the effects of the G20/FSB reforms through use of various tools, depending upon the nature and priority of the reform area.

We believe that these changes will continue to evolve and be refined as we seek to be even more focused on key policy issues across the spectrum of the capital markets.

We look forward to any thoughts or comments you may have on our approach.