



Report from the Chair of the Africa/Middle-East Regional Committee (AMERC)

Mounir Gwarzo

- > Chair of the Africa/Middle-East Regional Committee
- > Director General of the Securities and Exchange Commission, Nigeria

During its meetings in 2016, AMERC focused on the major issues and risks facing securities markets in the region and sought to increase the regulatory capacity of members to meet those challenges. The Committee successfully changed the structure of its meetings to foster more issue-based and informed debates, as well as to promote a greater exchange of knowledge among its members. AMERC also sought to increase its contribution to IOSCO policy and capacity building work.



AMERC gave particular thought in the year to how to boost market listings, increase liquidity, improve corporate governance and widen the retail and institutional investor base of the region's markets. To further these initiatives, it created a working group to study the status of listings on AMERC exchanges. But it never lost sight of the critical events affecting securities markets worldwide, and held in-depth discussions on the potential impact on them of higher interest rates, international capital flows, liquidity shortages and cyber threats. It also explored these issues with outside experts.

IOSCO committee chairs, Board members and other market experts attended AMERC's meetings in Mauritius (February) and Lima (May) to discuss the latest capacity building initiatives. These included the IOSCO online toolkit, the pilot capacity building hub in Malaysia and the Global Certificate Program for Regulators of Securities Markets, jointly launched in 2016 by IOSCO and the Program on International Financial Systems at Harvard Law School.

AMERC also participated actively in IOSCO policy debates, including discussions on the revision of IOSCO's Principles and Methodology and the organization's transition to an

enhanced version of the Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (EMMoU). The EMMoU extends IOSCO's cooperation and information sharing framework to include new enforcement powers regarding audit information, compelling testimony, freezing assets, and internet and telephone records.

Importantly, AMERC recommended to the Board that IOSCO include Arabic as an official language, alongside English, Spanish, Portuguese and French. I am happy to say that the proposal was accepted and approved by the Presidents Committee, confirming IOSCO's commitment to promoting inclusiveness and a stronger membership through greater diversity.

Finally, I am grateful to AMERC members for re-electing me for another term as Chair. At the same time, I would like to extend special thanks to Bert Chanetsa, who retired from the Financial Services Board of South Africa. His invaluable participation in AMERC and the Growth and Emerging Market Committee helped enrich IOSCO's trajectory as a truly international and inclusive organization.





Report from the Chair of the Asia-Pacific Regional Committee (APRC)

Ryozo Himino

> Chair of the Asia-Pacific Regional Committee

In 2016, the Asia-Pacific Regional Committee (APRC) exchanged views among its members on regulatory, supervisory and enforcement issues, provided the region's view to the IOSCO Board, and enhanced cooperation between Asia-Pacific regulators and regulators from other regions.





In its meetings, the APRC members exchanged views on such topics as market volatility, capital flows, macro-economic developments and emerging risks in the region, capacity building, infrastructure finance, entrepreneurial/start-up finance, and FinTech. In the evening of the Brexit vote day (23 June), the Committee had an ad-hoc conference call to compare notes on the market developments in the region. APRC members had regular exchanges of views on enforcement and supervisory issues through the Committee's two relevant working groups.

The APRC had a face-to-face meeting or a conference call in advance of each IOSCO Board meeting and exchanged views on the Board agenda items of members' interest, such as the launch of the Enhanced Multilateral Memorandum on cooperation and information exchange, the revision of the IOSCO Principles and Methodology and the establishment of Board priorities. The outcome of the discussion was provided to the Board through the Committee's Board representatives.

The APRC also maintained an ongoing dialogue with both the European Commission and the US Commodities Futures Trading Commission (CFTC) on cross-border financial reforms and regulation, particularly regarding the equivalence assessments of regional supervisory and regulatory regimes.

In the December 2016, the APRC responded to a request for comments from the CFTC on the proposed rule on *Cross-Border Application of the Registration Thresholds and External Business Conduct Standards Applicable to Swap Dealers and Major Swap Participations*, aiming to promote globally coordinated regulations that help foster efficient and resilient OTC derivatives markets.

The APRC helped, through its Working Group on Cross-Border Issues, organize the first EU-Asia-Pacific Forum on Financial Regulation in Singapore in October. The aim of the forum was to enhance information exchange between regulators from the EU and the Asia-Pacific region on a number of key aspects related to cross-border cooperation.

Representatives from the European Commission (DG FISMA), the European Securities and Markets Authority (ESMA) and members of the IOSCO APRC attended the forum. Delegates covered three topics that went to the heart of the EU-Asia-Pacific relations: the cross-border implications of financial services regulatory frameworks; asset management and funds passporting; and opportunities in Fintech. Regulators around the table and the EU shared their experiences and exchanged views on global developments, confirming the role of the Forum as a useful platform for collaboration between both regions.



Report by the Chairman of the European Regional Committee (ERC)

Jean-Paul Servais

- > Chair of the European Regional Committee
- > Chairman of Belgium's Financial Services and Markets Authority (FSMA)

In 2016, the European Regional Committee (ERC) provided an important forum for IOSCO's European members to exchange views on developments in the region's securities markets. The ERC Chair, together with the Swedish Finansinspektionen (ERC Vice Chair) and the Central Bank of Ireland, represents the ERC at the IOSCO Board.



As the largest regional committee in IOSCO, with ten members on the Board, the ERC gave voice to European views on a range of global issues during the year, from developments in the growing asset management industry to market conduct matters and emerging risks in securities markets.

Like other regional committees, the ERC was updated regularly during the year on the activities of IOSCO policy committees and task forces. IOSCO also informed and consulted ERC members on the revision of the IOSCO Principles and Assessment Methodology, as well as on the development of the Enhanced Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (E-MMoU). All but four of the 50 ERC members are signatories to the MMoU, the instrument used by securities regulators to combat cross-border fraud and misconduct, and predecessor of the E-MMoU.

At its first meeting of the year in January in Stockholm, ERC members opined on both policy priorities and organizational matters at IOSCO, IOSCO capacity building initiatives and measures to enhance transparency at IOSCO.

In the ERC meeting in May in Lima, ERC members discussed recent developments affecting the EU Capital Market Union, ESMA initiatives and the progress

made on the regulatory reforms in the single market, including the Markets in Financial Instruments Directive (MiFID) II, which goes into effect in January 2018. The objective of MiFID II is to make European Union (EU) financial markets more robust and transparent. Its implementation is having consequences within the EU and beyond its borders.

In its meeting in Prague in September, the ERC discussed the risks involved in the offering of OTC derivative products to retail investors and flagged its concerns in this regard to the IOSCO Board and the relevant policy committees.

During a conference call on 17 December, ERC members were consulted on the implementation plan for the Enhanced Multilateral Memorandum of Understanding (E-MMoU).

At some of its meetings, the ERC also heard presentations by selected stakeholders on specific topics of interest for the members.

I would like to take this opportunity to thank my ERC colleagues for their valuable contributions to this committee and its work. Thanks to our collective effort, securities regulators in Europe are now more informed and better prepared to take on the challenges we face in the coming years.









Report from the Chair of the Inter-American Regional Committee (IARC)

Jaime González Aguadé

- > Chair of the Inter-American Regional Committee
- > President of the National Banking and Securities Commission (CNBV) of Mexico

The Inter-American Regional Committee (IARC) provides an important forum for members to exchange ideas and experiences on a regional level while analyzing the trends that shape the future of international financial markets. During 2016, IARC members brought a regional perspective to IOSCO debates on financial technology, digital disruption, automated investment advice and other developments affecting securities markets and regulation worldwide.

IARC members were consulted in 2016 on two major IOSCO projects: the drafting and implementation of the Enhanced Multilateral Memorandum of Understanding (EMMoU) on the Cooperation and Exchange of Information and the revision of the core IOSCO Principles and Methodology. Members also used IARC as a forum for discussing the potential challenges for regional regulators of becoming signatories to the EMMoU.

On a regional level, IARC members in the year furthered their efforts to integrate financial markets in Latin America, and cooperate in the area of regulation and supervision, and on regional capacity building initiatives.

At the IARC meeting in Lima in May 2016, the representative of the Superintendencia de Valores of the Dominican Republic updated IARC on the progress made with Panama and El Salvador to integrate the three securities markets through remote brokers. El Salvador and Panama signed an agreement in September 2015 that laid down the model for the integration process, marking a giant step forward in regional cooperation and paving the way for other jurisdictions to join the project. Members also discussed the possibility of creating a single central counterparty in Central America under this integrated market model.

IARC held its second meeting in the year in November in Nassau, the Bahamas, in conjunction with the Council of Securities Regulators of the Americas (COSRA). These joint meetings constitute a valuable

mechanism for strengthening cooperation among regulators on the continent and promoting cross border cooperation among IOSCO and non-IOSCO securities authorities and self-regulatory organizations. These meetings also offer an opportunity for us to discuss market trends, share common supervisory concerns and exchange views on recent regulatory developments elsewhere in the world.

In Nassau, participants discussed ways to open up their training seminars and reading materials to securities regulators throughout the region, including launching a pilot project that would allow IARC authorities to participate in the North American Securities Administrators Association (NASAA) and creating a virtual hub with the assistance of the Interamerican Development Bank. They also exchanged views on innovation and new technologies, including bitcoin and regulatory sandboxes, and discussed timely issues such as investor protection, liquidity in secondary markets, and systemic risk that may arise in a low interest rate environment.

Finally, I would like to thank my colleagues for electing me to another two-year term as Chair of IARC (2016-2018) in mid-March 2016 elections. Also elected were Lilian Rocca Carbajal, Superintendencia del Mercado de Valores of Peru, as Vice Chair, and the Financial Services Commission of Jamaica as the IARC representative to the IOSCO Board. The new term began with the inaugural meeting of the new IOSCO Board in May 2016 in Lima, Peru.

