



Report from the Chair of the Affiliate Members Consultative Committee (AMCC)

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Transition

This past year was a time of transition and succession for the Affiliate Members Consultative Committee (AMCC). José Carlos Doherty, CEO of ANBIMA, announced his plans to retire as AMCC Chair after six successful years. Under Mr. Doherty's leadership, the AMCC enhanced its coordination with IOSCO's policy committees, improved the substance and increased the amount of contributions to IOSCO work streams, achieved observer status at IOSCO Board meetings and delivered training to hundreds of IOSCO members from around the globe.

As the new AMCC Chair, I am honored by the support of the AMCC members to fulfill this important role and energized by their commitment to contribute to IOSCO's important mission. I recognize that I have *big shoes* to fill in order to build upon the previous accomplishments of Mr. Doherty and his dedicated staff. The new AMCC Vice-Chair Nandini Sukumar, CEO of World Federation of Exchanges, will also contribute her expertise and experience to leverage the AMCC's resources and align them with IOSCO's priorities.

Vision and Purpose

To appreciate the AMCC's important consultative role within IOSCO's framework, it's important to highlight the breadth, depth and diversity of the committee. The AMCC is comprised of over 60 IOSCO affiliate members representing self-regulatory organizations (SROs), exchanges, market infrastructures, investor protection and compensation funds, associations of regulated entities as well as other bodies with interest in securities and derivatives regulation. The AMCC membership offers a valuable source of front-line regulatory expertise and market insights.

It is important to emphasize that AMCC members' objectives are completely aligned with IOSCO's objectives to enhance investor protection, maintain fair, efficient and transparent markets and address systemic risk. As IOSCO develops, implements and promotes adherence to internationally recognized standards, the AMCC's contributions are a critical component of this process. IOSCO's Board recognizes the value of the AMCC's contributions. As the Chairman of IOSCO's Board stated in last year's annual report, IOSCO continues to place importance on inclusiveness by drawing on the expertise of its Growth and Emerging Markets Committee and the AMCC. With the recognition of AMCC's valuable contributions comes responsibilities to deliver timely, forward-looking and relevant contributions that further advance IOSCO's work.

While there were a number of significant AMCC contributions during the past year, this report will highlight AMCC's input into several projects furthering IOSCO's priorities, including cybersecurity, emerging risks, efficient resiliency, investor protection and capacity building.

Significant Contributions

Cybersecurity: As cyber attacks continue to pose a major risk to financial stability and investor protection, cybersecurity continues to be a top priority for AMCC members. IOSCO's Cyber Task Force (CTF) reached out to the AMCC and requested information regarding the state of cybersecurity practices for market infrastructure entities, including exchanges, intermediaries and asset management/collective investment schemes. AMCC members submitted input that included key findings from an annual AMCC cybersecurity survey for investment managers to benchmark the cybersecurity

posture of the asset management industry globally, a summary of requirements, monitoring procedures and educational efforts by the AMCC's SROs that oversee intermediaries, and standards and best-practices established for exchanges and market infrastructure providers.

Emerging Risks: AMCC members furthered the work of the Committee on Emerging Risks' development of IOSCO's 2019 Annual Risk Outlook by providing input on emerging regulatory issues, risks, trends, and issue notes on topics including Brexit and benchmarks. AMCC members are already considering contributions to the 2020 Risk Outlook.

Efficient Resiliency: An IOSCO priority is to investigate potential inefficiencies in the OTC derivatives market structure and trade reporting schemes. There are several AMCC members that were required to implement these reforms and/or have been significantly impacted by these reforms. Therefore, AMCC members will continue to provide constructive feedback through document submissions and participate on roundtables organized by IOSCO's Committee on Derivatives (Committee 7).

Investor Protection: Investor protection is part of the mission of many AMCC members. Therefore, various AMCC members participated in the second annual IOSCO World Investor Week to promote investor education and protection. Events ranged from webinars, social media campaigns, contests, pro-bono clinics and roadshows. Topics addressed fraud protection, consumer awareness, financial planning processes, saving and investing and many others.

Capacity Building: In order to contribute to well-regulated markets, the AMCC provides an annual

regulatory training program to share AMCC members' expertise with all IOSCO members. In 2018, the two-day Regulatory Staff Training was hosted by the International Swaps and Derivatives Association (ISDA) in London. Approximately 100 individuals from jurisdictions worldwide attended the program. The seminar featured panels about OTC derivatives, G20 commitments, enforcement, data analytics, cybersecurity, surveillance, ethics and retail protection measures. Each topic addressed elements and best practices of an effective regulatory program, offered case studies and practical applications of the material, and provided insight into the latest industry developments.

Planning for the 2019 AMCC Regulatory Staff Training Seminar is underway. This year's event will take place in Madrid at IOSCO's headquarters during the first week of December.

Looking Ahead

The AMCC is very proud of its many contributions during the past year, but we all know that a successful past does not ensure a successful future. The need for effective and efficient regulation has never been greater, and the AMCC promises to continue to do everything it can to ensure that the highest levels of integrity are demanded of all market participants.

Thank You

In closing, I want to express my gratitude to all AMCC members for making IOSCO a priority and committing valuable resources and time to provide meaningful input to IOSCO's work. I'd also like to thank the IOSCO Secretary General and the General Secretariat staff for their expertise, support and coordination.

