## IOSCO/PIFS-HLS Global Certificate Program

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**Opening Keynote: IOSCO Priorities in 2026** [Virtual]

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## Introduction

- Ladies and Gentlemen, Dear Colleagues,
- I am delighted to join the second phase of the joint Program on International Financial Systems of IOSCO and Harvard Law School.
- Let me begin by thanking the Harvard Law School and Hall Scott for the excellent collaboration.
- The program brings a unique blend of academic and practitioners' perspectives on issues faced by all regulators around the world and a wonderful opportunity to take a step back from our daily work, learn from each other, and improve together.
- Our role at IOSCO is to provide global solutions to global risks and issues within our remit, while respecting the fact that jurisdictions will decide on how to implement or be guided by our principles. As our standards are consensus-based and the fruit of collective wisdom, there is a strong buy-in for their implementation.
- It is important to remember that IOSCO has delivered an incredible amount in recent years and has had a stronger impact than ever.
- In particular, in the aftermath of the global financial crisis, international bodies and standard setters such as the FSB and IOSCO were entrusted with helping restore confidence and strengthening the resilience of the financial system.
- Over the past fifteen years, many of these objectives have been achieved, also through our close collaboration with the FSB. These

achievements helped us to navigate through recent financial stresses without endangering financial stability.

- In our next phase of work, we must dedicate increasing attention to facilitating the consistent and effective implementation of agreed standards. At the same time, we must further strengthen our capacity to identify and assess emerging vulnerabilities and stand ready to address new risks.
- It is also appropriate to look at how we can modernise and strengthen the existing framework for the regulation of financial markets so as to support resilient growth, without compromising financial stability. I will come back to this later.
- Let me first give you a number of concrete examples of our most recent successful policy work.

**1/ Protection of Retail Investors**

- We realised that younger generations are now getting into financial markets through digital platforms, trading apps, and social media. They want speed, transparency, and convenience. They often take financial advice from influencers rather than from licensed advisers.
- This creates new regulatory and supervisory challenges that are common to IOSCO's jurisdictions.
- In 2025, we published reports on Retail Distribution and Digital Engagement Practices, on "Finfluencers" and on "Copy Trading".
- These reports highlight the need to ensure that digital engagement techniques, like gamification, are used responsibly and that retail investors are not misled or manipulated.
- Our recently approved report on neo-brokers addresses issues like Payments For Order Flow (PFOFs) and calls for clear and simple disclosures to retail clients,
- Maintaining trust in today's environment requires going beyond reactive enforcement to proactive prevention, using data analytics

and AI to detect misconduct early. This requires enhanced surveillance capabilities and deeper cross-border cooperation.

- This is why IOSCO launched the I-SCAN portal earlier this year, giving investors and other stakeholders instant access to warnings on fraud and unlicensed activity, further supporting this preventive approach.
- On another front, we continue to engage with social media platforms to see how we may collaborate to mitigate the risk of online fraud that has become an increasingly prevalent source of financial harm.
- So, on this agenda we delivered several policy responses and we must now dedicate time and efforts to supporting their implementation.

## 2/ Financial Innovation

**[Tokenisation and crypto]**

- This is equally true for financial innovation.
- We see signs that technologies around tokenisation of assets could enhance processes, improve transparency, and lower operational costs. But these innovations also create risks to investor protection, market integrity and may bring, over time, systemic vulnerabilities. We will therefore continue to monitor developments around tokenization.
- In fact, this is how we approached our work on crypto and digital assets a few years ago, to the point that international standards for crypto assets became necessary.
- We then developed and published a comprehensive toolkit for crypto and digital asset markets in 2023 and 2024, covering areas such as conflicts of interest, market abuse, safekeeping of client assets, and cross-border regulatory coordination. This toolkit also covers stablecoins.
- The goal is not to stifle innovation, but to enable it responsibly to create a level playing field with adequate investor safeguards.

Growing interlinkages between crypto-asset markets and the financial system and increasing use cases for stablecoins warrant close monitoring.

- Our 2025 thematic review assessed implementation across 20 jurisdictions, identifying progress but also areas requiring greater consistency and stronger enforcement.
- We conducted this review in parallel and in close cooperation with the FSB's own review, and published our conclusions on the same day.
- Supporting jurisdictions in their implementation of digital assets frameworks will remain a priority in 2026, as well as fostering greater supervisory cooperation among our members in this cross-border business.

**[Artificial Intelligence and Suptech]**

- Another issue that has received significant attention over the past few years and that will stay at the top of our mind is Artificial Intelligence.
- Most financial institutions now use Artificial Intelligence tools, and adoption is increasing globally.
- We will continue our work on Artificial Intelligence focusing on disclosures and governance.
- Supervisors are also making use of technology and IOSCO will facilitate the exchange of ideas and experiences to help our members harness technology such as Artificial Intelligence or advanced data analytics for supervision purposes.

## 3/ Financial Stability

- Non-bank financial intermediation (NBFI) or, in other words, market-based financing has become a critical pillar of global finance and a key component of economic growth.

- According to the FSB's 2025 Global Monitoring Report on non-bank financial intermediation, NBFI grew by 9.1% last year and now represents 51% of total global financial assets.
- IOSCO, working together with the FSB, is committed to a comprehensive work programme to enhance the resilience of this critical sector.
- IOSCO has deepened its work in this area by collaborating closely with the FSB, which is advancing initiatives on NBFI data and recently completed its recommendations on NBFI leverage.
- On NBFI Leverage, crucially, the recommendations address the need for authorities to establish domestic frameworks to effectively identify and monitor these leverage risks.
- With respect to valuations, IOSCO just recently published its Consultation Report on Valuing Collective Investment Schemes, which seeks to tackle some of the challenges presented by the inherent heterogeneity in private market valuation methodologies.
- Further, as the market pushes toward retailization, a key area of supervisory focus will be the alignment between a fund's obligations and the liquidity of its assets and whether retail investors understand the risks of their investments.
- Most recently, a central theme in any discussion of NBFI is private finance. Private finance has grown to play a vital role in the global economy.
- It offers long-term financing solutions, supports entrepreneurial activity, and provides investors with diversification and yield opportunities.
- Private credit in particular has emerged as one of the fastest-growing segments of the financial system and the market is estimated at around 2 trillion dollars. Private credit funds have stepped in where banks have pulled back. As private credit becomes more interconnected with the wider financial system, its systemic relevance

increases. That is why global regulators, including IOSCO, are paying close attention.

**Conclusion**

- As I said, we live in a time of major changes.
- Our regulations, our supervisory practices, and our international cooperation tools need to adapt to these changes.
- This is why we must facilitate the consistent and effective implementation of agreed standards, and to reinforce our capacity to identify and assess emerging vulnerabilities.
- It is also appropriate to look at how we can modernise and further strengthen the regulation of financial markets to support resilient growth, without compromising financial stability or investor protection.
- In this respect, growth based on resilient market-based finance has always had a prominent place within IOSCO, driven in large part by the Growth and Emerging Markets Committee (GEMC).
- It should also be noted that IOSCO's approach to standard setting has always embedded proportionality and implementation practicality.
- While there is room for exploring simplification and reduction of unnecessary reporting burdens, this should be well calibrated. Indeed, the growing importance of NBFI means that regulators must equally advance their understanding of the risks emerging in these markets, for which detailed and high-quality data are needed.
- Thank you for your attention and all the best with the programme. I am sure you will learn a great deal.