

MEDIA RELEASE



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores

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IOSCO Publishes a Report on Institutional Investors in Emerging Markets

The International Organization of Securities Commissions has published today a report on [*Development and Regulation of Institutional Investors in Emerging Markets*](#), which focuses on a wide range of developmental issues and challenges faced by emerging markets seeking to develop their institutional investor base.

Some of these challenges include limited capital market size and liquidity, competition to capital market investment from substitute services, regulatory restrictions, overly dominant distribution channels and constraints on cross-border activities. Additional discussions on related macro-economic and capital market conditions in the emerging markets and analysis of cross-border activities of institutional investors are also included in the report.

The report offers a set of key recommendations for policy makers and regulators looking to attract and better regulate institutional investors in their jurisdictions. It highlights the importance of the legal protection of property and ownership rights. It also emphasizes the need to ensure reasonable transaction costs, develop flexible trading and hedging mechanisms, remove undue administrative impediments on product authorization processes, build a multi-pillar pension system with tax incentives and provide a level playing field for foreign investors. Finally, the report recommends that regulators periodically review the regulatory framework and coverage, combine deregulation with enhanced supervision and enforcement, and improve coordination with other regulatory bodies to monitor, mitigate and manage systemic risk.

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NOTES FOR EDITORS

1. IOSCO, the leading international policy forum for securities regulators, is recognized as the global standard setter for securities regulation. The organization's membership regulates more than 95% of the world's securities markets in 115 jurisdictions and its membership continues to expand.
2. The [Emerging Markets Committee](#) is a specialized working group within IOSCO and representing the world's emerging financial markets. It seeks to promote the development and improvement in efficiency of emerging securities and futures markets by establishing principles and minimum standards, preparing training programs for the staff of members and facilitating exchange of information and transfer of technology and expertise.
3. IOSCO aims through its permanent structures:
 - to cooperate in developing, implementing and promoting adherence to internationally recognized and consistent standards of regulation, oversight and enforcement in order to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks;
 - to enhance investor protection and promote investor confidence in the integrity of securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market intermediaries; and
 - to exchange information at both global and regional levels on their respective experiences in order to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

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