

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

IOSCO/MR/51/2013

18 December 2013

IOSCO Requests Public Comment on Implementation of PRA Principles

On 5 October 2012, the Board of the International Organization of Securities Commissions published its final report on [Principles for Oil Price Reporting Agencies](#) (PRA Principles), which set out principles intended to enhance the reliability of oil price assessments that are referenced in derivative contracts subject to regulation by IOSCO members. These principles were prepared in response to the G20 Leaders' request in November 2011 in relation to PRAs, that "IOSCO, in collaboration with the IEF, the IEA and OPEC, [to] prepare recommendations to improve their functioning and oversight..." and followed by the G20 [Leaders' Los Cabos Declaration](#).¹

The PRA Principles specify implementation within one year of publication, i.e. by October 2013, and IOSCO has committed to a review of implementation after eighteen months of publication. Additionally, as stated by IOSCO and reiterated by the G20, IOSCO will consider whether there would be any scope for future modification of the PRA Principles and closer alignment with the IOSCO [Principles for Financial Benchmarks](#).²

¹ G20 Leaders' Los Cabos Declaration states that "[w]e also look forward to IOSCO's recommendations to improve the functioning and oversight of Price Reporting Agencies in November 2012, which will be produced in collaboration with other mandated organizations (IEF, IEA and OPEC), and task Finance Ministers to take concrete measures in this area as necessary."

² G20 Final Communiqué, Meeting of Finance Ministers and Central Bank Governors 19-20 July 2013, 'Taking into account PRAs' major role in the price discovery process, we welcome IOSCO's plan to consider, in the context of its collaboration with the IEA, IEF and OPEC, the need for any modification of the PRA Principles to align them more closely with the international standards on governance and transparency of benchmarks as adopted by IOSCO and will consider options including their supervision.'

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In this regard, IOSCO invites comment from interested parties on the following questions:

1. What changes have interested parties seen from the PRAs as they have implemented the Principles in the oil markets? Is there sufficient transparency regarding the changes made?
2. How has behaviour by participants in the oil market changed over the last year, if at all, in the context of the greater focus on benchmarks and the perceived associated risks?
3. What further enhancements, if any, should be made to the PRA Principles to improve the reliability of price assessments in the oil market? If they were to be made applicable to other commodity markets what other changes should be made?

The feedback we receive from interested parties will inform our report next year to the G20 and will be considered as public documents. Responses should be provided in writing to alp@iosco.org and Raihana.Braimah@fca.org.uk by 24th January 2014.

NOTES FOR EDITORS

1. IOSCO is the leading international policy forum for securities regulators and 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 more than 115 jurisdictions and it continues to expand.
2. The IOSCO Board is the governing and standard-setting body of the International Organization of Securities Commissions (IOSCO), and is made up of 32 securities regulators. Mr Greg Medcraft, chairman of the Australian Securities and Investments Commission, is the chair of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Argentina, Australia, Belgium, Brazil, Chile, China, France, Germany, Hong Kong, India, Italy, Japan, Korea, Malaysia, Mexico, Morocco, the Netherlands, Nigeria, Ontario, Pakistan, Portugal, Quebec, Romania, Saudi Arabia, Singapore, South Africa, Spain, Switzerland, Trinidad and Tobago, United Kingdom and the United States.
3. The Growth and Emerging Markets Committee is the largest Committee within IOSCO, representing 75 per cent of the IOSCO membership. Mr. Ranjit Ajit Singh, Chairman, Securities Commission, Malaysia, and Vice Chair of the IOSCO Board, is the Chair of the GEM. The Committee endeavours to promote the development and greater efficiency of emerging securities and futures markets by establishing principles and minimum standards, providing training programs and technical assistance for members and facilitating the exchange of information and transfer of technology and expertise.

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4. 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.

MEDIA ENQUIRIES

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