

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/31/2014

Rio de Janeiro, 1 October 2014

IOSCO continues work to strengthen capital markets as driver of economic growth

The International Organization of Securities Commissions (IOSCO) opens its Annual Conference public sessions today focusing on the themes of enforcement, corporate governance, long-term financing for economic growth, and investor protection and education as drivers of investor confidence.

The public conference comes at the conclusion of IOSCO's private meetings in which members furthered their work to build robust and well-regulated global financial markets aimed at promoting sustainable long-term economic growth in all parts of the world.

The markets we regulate are becoming increasingly important sources of finance driving global economic growth. Our work agenda continues to be about building trust and confidence in global capital markets which are fair, efficient, transparent and free of systemic risk, Board Chairman Greg Medcraft said.

During the meeting the IOSCO Board, comprising securities regulators from both developed and growth and emerging markets, furthered a number of key initiatives from the perspective of securities regulators to help restore trust in securities markets through investor protection, address systemic risks and to allow markets to play their role in furthering economic growth. These include:

- Steps to finalize the methodologies for identifying non-bank non-insurance systemically important financial institutions (NBNI SIFIs) in the market intermediary and asset management space;

Calle Oquendo 12
28006 Madrid
ESPAÑA
Tel.: + 34 91 417.55.49 Fax: + 34 91 555.93.68
mail@oicv.iosco.org - www.iosco.org

MEDIA RELEASE



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organizaç o Internacional das Comiss es de Valores
Organizaci n Internacional de Comisiones de Valores

- Work with the Basel Committee on Banking Supervision to support the development of sustainable securitisation markets as an important source of funding for the real economy;
- Strengthen audit quality through (i) investigating the important role of audit committees in improving audit quality (ii) strengthening IOSCO's cooperation with other strategic partners, like the International Forum of Independent Audit Regulators (IFIAR) and (iii) contributing to reforms considered necessary in order to further strengthen the public interest in the Audit-Related Standard Setting Governance;
- Take forward the work on credible deterrence through the development of effective enforcement regimes. A paper will be issued that describes the key factors of a credible deterrence framework that act to dissuade potential wrongdoers from engaging in misconduct;
- Examine how markets can play their role as a source of financing for small and medium enterprises (SMEs) and for infrastructure;
- Continue work to develop a tool kit of regulatory measures to address cross border issues, with a consultation paper to be published later this year;
- Board members agreed for IOSCO to carry out work on the voluntary termination of collective investment schemes and to examine the products offered by credit rating agencies other than issuer or subscriber-paid credit ratings.

The Board also advanced a cross-sectoral initiative to address cyber risks in financial markets and agreed to further work aimed at improving the identification of emerging risks.

The Board noted that these initiatives are consistent with the current G20 efforts on regulatory reform and encouraging economic growth. In particular the Board was conscious of the central role of market based financing in furthering economic growth.

Members agreed to continue to work on a new enhanced IOSCO Multilateral Memorandum of Understanding on cooperation and the exchange of information (MMoU) that would gradually replace the current MMoU. The current MMoU, which was adopted in 2002, has been immensely successful in

Calle Oquendo 12
28006 Madrid
ESPA A
Tel.: + 34 91 417.55.49 Fax: + 34 91 555.93.68
mail@oicv.iosco.org - www.iosco.org

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

furthering the effectiveness of securities regulators in combating cross-border fraud and misconduct. Currently 103 IOSCO members are signatories, and close to 3,000 exchanges of information took place last year. Work is continuing on an enhanced MMoU to make it an even more effective instrument by factoring in the use of technology and other recent developments.

IOSCO's Growth and Emerging Market Committee, the largest of IOSCO's committees with 90 members, also met during the week and reinforced the importance of strengthening collective regulatory capacity, including in systemic risk management and contingency planning.

Mr. Ranjit Ajit Singh, the GEM Committee Chair said: *We will continue to intensify our efforts to strengthen the capital market's resilience against short-term volatility, while focusing on initiatives to build capital markets that can promote sustainable and inclusive growth. I welcome the IOSCO Presidents Committee's endorsement of the proposal to raise fees temporarily for permanent Board members to be channelled towards capacity building. This will allow us to begin ramping up our collective capacity building efforts.*

The Presidents Committee, the IOSCO plenary body that meets once a year at the Annual Conference, approved a resolution to raise the additional funds from permanent Board members for capacity building.

The Board issued two research reports during its meeting that support its policy work on emerging risks and long term financing:

- *Securities Markets Risk Outlook 2014-2015*, which focuses on identifying potential risks in the securities markets.

MEDIA RELEASE



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organizaç o Internacional das Comiss es de Valores
Organizaci n Internacional de Comisiones de Valores

- *Market-Based Long-Term Financing Solutions for SMEs and Infrastructure*, which describes practical and innovative market based solutions to facilitate capital raising for SMEs and infrastructure. LTF report was delivered to the G20.

The Board also discussed progress in developing its strategic direction to 2020 and how it can best prioritize its work program.

NOTES TO THE 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, China, France, Germany, Hong Kong, India, Italy, Japan, Korea, Malaysia, Mexico, Morocco, the Netherlands, Nigeria, Ontario, Pakistan, Peru, 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 endeavors 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.
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

Calle Oquendo 12
28006 Madrid
ESPA A
Tel.: + 34 91 417.55.49 Fax: + 34 91 555.93.68
mail@oicv.iosco.org - www.iosco.org

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

- 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

Carlta Vitzthum
Outside office hours
Email:
Website:

+ 34 91 787 0419
+ 34 697 449 639
carlta@iosco.org
www.iosco.org