MEDIA RELEASE

International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
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المنظمة الدولية لهيئات الأوراق المالية

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IOSCO Good Practices for the Termination of Investment Funds seek to Protect Investors

The Board of the International Organization of Securities Commissions (IOSCO) today published 14 good practices on the voluntary termination of investment funds that seek to protect investors' interests during the termination process.

In its final report titled IOSCO Report on Good Practices for the Termination of Investment Funds, IOSCO highlights the importance for investment funds of adopting termination procedures that take into account investor protection issues. Indeed, the decision to terminate an investment fund can have a significant impact on investors, including their ability to withdraw their funds in a timely manner.

The good practices apply to voluntary terminations, as legislation at a national level in most jurisdictions addresses involuntary terminations, such as those caused by insolvency. Voluntary terminations typically occur because an investment fund, although still solvent, is no longer economically viable or can no longer serve its intended objectives.

Today´s report sets out additional good practices for the voluntary termination of investment funds with illiquid or hard-to-value securities, such as commodity funds, real estate funds or hedge funds.

The 14 good practices are categorised under the following five headings:

- Disclosure at Time of Investment
- Decision to Terminate

- Decision to Merge
- During the Termination Process
- Specific Types of Investment Funds

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 34 securities regulators. Ashley Alder, the Chief Executive Officer of the Securities and Futures Commission (SFC) of Hong Kong, is the Chair of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Argentina, Australia, Belgium, Brazil, China, Egypt, France, Germany, Hong Kong, India, Indonesia, Ireland, Italy, Jamaica, Japan, Kenya, Malaysia, Mexico, Morocco, Nigeria, Ontario, Pakistan, Quebec, Saudi Arabia, Singapore, South Korea, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the United States of America.

3. The Growth and Emerging Markets Committee is the largest Committee within IOSCO, representing close to 80 per cent of the IOSCO membership, including 11 of the G20 members. Ranjit Ajit Singh, Chairman of the Securities Commission Malaysia and Vice Chair of the IOSCO Board, is the Chair of the GEM Committee. The Committee brings members from growth and emerging markets together and communicates members' views and facilitates their contribution across IOSCO and at other global regulatory discussions. The GEM Committee's strategic priorities are focused, among others, on risks and vulnerabilities assessments, policy and development work affecting emerging markets, and regulatory capacity building.

4. IOSCO aims through its permanent structures:

- to cooperate in developing, implementing and promoting 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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