

MEDIA RELEASE



International Organization of Securities Commissions
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المنظمة الدولية لهيئات الأوراق المالية

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Emerging Market regulators consult on recommendations related to sustainable finance

Securities regulators from growth and emerging markets are seeking public feedback on proposed recommendations related to the development of sustainable finance in capital markets and the role of securities regulators in this area.

IOSCO's Growth and Emerging Market Committee (GEMC) today published the consultation report [*Sustainable finance in emerging markets and the role of securities regulators*](#), which proposes 11 recommendations for emerging market member jurisdictions to consider when issuing regulations or guidance regarding sustainable financial instruments. Among other things, the recommendations propose requirements for disclosure of material Environmental, Social and Governance (ESG) specific risks, aimed at enhancing transparency.

The consultation report explores the trends and challenges that influence the development of sustainable finance in emerging capital markets. It also provides an overview of the initiatives that regulators, stock exchanges, policy makers and others key stakeholders in emerging markets have undertaken in this area. The report identifies the pre-requisites for creating an ecosystem that facilitates sustainable finance, such as an appropriate regulatory framework and fit-for-purpose market infrastructure, reporting and disclosure requirements, governance and investor protection guidelines and mechanisms to address needs and requirements of institutional investors.

Given the global nature of sustainable instruments, the GEMC believes its recommendations will benefit both issuers and investors by improving the consistency of regulation of sustainable finance in emerging markets.

The proposed recommendations fall into the following categories:

- Integration by issuers and regulated entities of ESG-specific issues in their overall risk appetite and governance (Recommendation 1);
- ESG-specific disclosures and reporting (Recommendation 2);
- Data quality (Recommendation 3);
- Definition of sustainable instruments (Recommendation 4);
- Eligible projects and activities (Recommendations 5 to 9);
- Integration of ESG-specific issues into the investment analysis, strategies and overall governance of institutional investors (Recommendation 10); and
- Building capacity and expertise for ESG issues (Recommendation 11).

The IOSCO Growth and Emerging Markets Committee welcomes comments on the consultation report **on or before 1 April 2019**.

NOTES TO THE EDITORS

About IOSCO

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. Mr. 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, Japan, Kenya, Korea, Malaysia, Mexico, the Netherlands (observer), Ontario, Pakistan, Panama, Portugal, Quebec, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, the United Arab Emirates, the United Kingdom, and the United States of America (both the U.S. Commodity Futures Trading Commission and U.S. Securities and Exchange Commission). The Chair of the European Securities and Markets Authority (ESMA) and the Chair of IOSCO's Affiliate Members Consultative Committee are also observers.

3. The Growth and Emerging Markets (GEM) Committee is the largest committee within IOSCO, representing close to 80 per cent of the IOSCO membership, including 11 of the G20 members. Dr. Obaid Al Zaabi, Chief Executive Officer, Securities and Commodities Authority, United Arab Emirates, 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 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.
5. This media release also is available in other languages. Those translations have not been verified by the IOSCO General Secretariat and any formal reference should therefore be made to this original English-language version.

MEDIA ENQUIRIES

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