

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
المنظمة الدولية لهيئات الأوراق المالية

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IOSCO practices aim to create robust framework for commodities' storage and delivery

The International Organization of Securities Commissions (IOSCO) today published a report that sets out good or sound practices to assist relevant storage infrastructures and their oversight bodies to identify and address issues that could influence the pricing of commodity derivatives and in turn affect market integrity and efficiency.

In its final report, [*Commodity Storage and Delivery Infrastructures: Good or Sound Practices*](#), IOSCO identifies a number of issues that may apply to storage infrastructures and sets forth a range of possible actions to mitigate them. The practices are intended to benefit the activities of market participants regarding:

- *physical commodities*, which are the tangible or cash market goods which underlie derivative contracts that are subject to financial regulation; and
- *commodity derivatives*, which are financial instruments whose price is derived from the underlying physical or cash market commodities.

The overarching objective of the good or sound practices is to create a framework that incentivises the market to adopt best practices and self-correction, rather than one that prohibits certain behaviours.

IOSCO advocates the adoption of these good or sound practices by all relevant storage infrastructures, their oversight bodies, and financial regulators in IOSCO member jurisdictions, as appropriate to their role and activities.

IOSCO believes that the implementation of these practices will lead to a more transparent and robust environment for the physical storage and delivery of commodities, producing benefits for all commodity market participants.

IOSCO notes the existence of global or regional codes of conduct for certain commodities, as well as specific regulation in some jurisdictions for commodities such as gas and power. IOSCO does not intend the practices to conflict with or duplicate existing codes and encourages market participants to seek to identify and follow best practice where overlaps exists.

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.

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