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International Organization of Securities Commissions
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المنظمة الدولية لهيئات الأوراق المالية

IOSCO/MR/01/2021

Madrid, 27 January 2021

IOSCO issues sound practices to assist members in enhancing complaint handling and protect retail investors

The Board of the International Organization of Securities Commissions today published a report that sets forth nine Sound Practices aimed at assisting its members in developing and improving their complaint handling procedures and mechanisms for retail investors.

Investor protection is a key objective of IOSCO and securities regulators worldwide. Access to independent, affordable, fair, accountable, timely and efficient redress mechanisms is critical for investor protection. Effective mechanisms for addressing financial misconduct or illegal market practices that harm investors or financial consumers can also improve market discipline and promote investor confidence in financial markets.

The report, titled [*Complaint Handling and Redress System for Retail Investors*](#), which was prepared through the Board's Committee on Retail Investors, offers a comparative analysis of informal complaint handling processes used by financial service providers and regulators; alternative dispute resolution; and formal legal complaint handling for investors pursuing claims for money damages and other remedies. It serves as a resource for jurisdictions seeking to identify and address possible gaps in their complaint handling and redress systems.

To assist jurisdictions seeking to develop or enhance their complaint handling mechanisms and make them more user-friendly, the report sets out nine Sound Practices (SPs) that cover the following themes:

- SP1: Establishing a system for handling retail investor complaints.

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- SP2: Taking steps to raise investor awareness of various available complaint handling systems.
- SP3: Making available as many channels as possible for retail investors to submit complaints.
- SP4: Taking steps to support complaint handling systems.
- SP5: Encouraging financial service providers (FSPs) to offer a wide range of resolutions to retail investor complaints.
- SP6: Using complaint data to identify areas for new or enhanced investor education initiatives.
- SP7: Using complaint data for regulatory and supervisory purposes.
- SP8: Seeking input from retail investors about their experience with complaint handling systems.
- SP9: Making alternative dispute resolution (ADR) facilities operated by or affiliated with a regulator more accessible for retail investors.

Notes to the Editor:

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 129 jurisdictions, and it continues to expand.
2. The IOSCO Board is the governing and standard-setting body of the International Organization of Securities Commissions and is made up of 34 securities regulators. Mr. Ashley Alder, the Chief Executive Officer of the Securities and Futures Commission of Hong Kong, is the Chair of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Argentina, Australia, Bahamas, Belgium, Brazil, China, Egypt, France, Germany, Hong Kong, India, Ireland, Italy, Japan, Korea, Malaysia, Mexico, Morocco, Nigeria, Ontario, Pakistan, Portugal, Quebec, Russia, Saudi Arabia, Singapore, 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 and the Chair of IOSCO's Affiliate Members Consultative Committee are also observers.

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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 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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