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Madrid, 05 March 2021

IOSCO Reviews Implementation of Liquidity Risk Management Recommendations and Market Participants' Responses to COVID-19 Induced Market Stresses

IOSCO today launched its Thematic Review of the [*Recommendations for Liquidity Risk Management for Collective Investment Schemes*](#) issued by IOSCO in 2018.

The Recommendations are meant to ensure that liquidity risk is managed to safeguard and protect the interests of investors, including in stressed market conditions. They are also designed to address potential structural vulnerabilities in the asset management sector that could impact financial stability.

The **Thematic Review** – conducted by the IOSCO Assessment Committee (AC) – aims to assess the extent to which the Recommendations have been implemented through member regulatory frameworks. It also aims to gather information about how the responsible entities – to whom the recommendations are directed – have implemented them in practice. The Thematic Review report is expected for Autumn 2022.

Alongside the Thematic Review, IOSCO and the Financial Stability Board (FSB) are currently conducting a joint analysis of the availability, use and impact of liquidity risk management tools for open-ended funds (OEFs). The **Joint Analysis** is examining the experience of OEFs that faced redemption pressures during the COVID-19 induced market stresses of March and April 2020; the availability, use and impact on the broader market of liquidity risk management tools and how these were linked to the liquidity of underlying assets.

To inform both the Thematic Review and the Joint Analysis, IOSCO is issuing today a [**Market Participants' Survey**](#). The Market Participants' Survey is specifically designed to collect information from responsible entities both (i) on their adoption and practical implementation

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of the Recommendations as well as (ii) specific targeted information on their liquidity risk management practices and experiences during the March 2020 market turmoil. The latter information is being gathered through a schedule of supplemental questions within the Market Participants' Survey.

Participation by responsible entities to the Markets Participants' Survey is being undertaken on a voluntary basis. Individual responses will remain confidential and will be used only in anonymized and/or aggregated format. The submission deadline is 16 April 2021. Respondents are asked to send completed questionnaires to a dedicated mailbox:

LRM-MPSurvey@iosco.org.

Notes to the Editor:

1. The Market Participants' survey can be accessed via the following link:

<https://www.iosco.org/library/pubdocs/zip/IOSCO%20LRM%20Review%20-%20Market%20Participants%20Survey.zip>

2. 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 some 130 jurisdictions, and it continues to expand.

3. 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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4. 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.
5. 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.

MEDIA ENQUIRIES

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