

## MEDIA RELEASE



International Organization of Securities Commissions  
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المنظمة الدولية لهيئات الأوراق المالية

IOSCO/MR/34/2021

Madrid, 7 December 2021

### **Deadline For Comments Extended Until 20 February**

#### **IOSCO Growth and Emerging Markets Committee consults on its recommendations related to the use of innovation facilitators**

The IOSCO Growth and Emerging Markets Committee (GEMC) is requesting feedback on proposed recommendations related to the use of innovation facilitators in growth and emerging markets.

The Consultation Report on [\*The Use of Innovation Facilitators in Growth and Emerging Markets\*](#) covers three types of innovation facilitators: innovation hubs, regulatory sandboxes, and regulatory accelerators. The Consultation Report proposes four recommendations for emerging market member jurisdictions to consider when setting up innovation facilitators.

Dr. Mohammed Omran, Chairman of the Financial Regulatory Authority of Egypt, and GEMC Chair, said, *“A regulatory response to financial innovation requires a balanced approach between the potential opportunities of innovation and the risks for investors, the integrity of markets and the stability of the financial system. Setting up innovation facilitators is one way to facilitate the understanding of market trends, assess the need for regulatory changes or adaptation and set a strategy for the sound development of the market, with due regard to these regulatory objectives.”*

The proposed recommendations cover four areas:

- Considerations prior to the establishment of innovation facilitators;
- Definition and disclosure of objectives and functions of innovation facilitators;
- Defined eligible entities and the criteria for application; and
- Mechanisms for cooperation and exchange of information with both local and foreign relevant authorities.

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The report also includes a decision tree for regulators to consider when looking at establishing an innovation facilitator and assessing what type of innovation facilitator to set up.

Dr. Lucía Buenrostro, Vice President of Regulatory Policy, CNBV Mexico and Team Lead of the GEMC Working Group said, *“When establishing innovation facilitators, securities regulators and other competent authorities must consider their objectives, the scope of their regulatory framework and their available resources, as well as the ecosystem where the financial innovation is taking place. The recommendations made here contribute to the regulatory development to guarantee investors’ protection, market integrity and the stability of the financial system.”*

Comments may be submitted on or before 6 February 2022 at [consultation-07-2021@iosco.org](mailto:consultation-07-2021@iosco.org)

### 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 some 130 jurisdictions, and it continues to expand.
2. The IOSCO Board is the governing and standard-setting body of IOSCO 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, Kenya, Korea, Malaysia, Mexico, Morocco, Nigeria, Ontario, Pakistan, Portugal, Quebec, Russia, Saudi Arabia, Singapore, Spain, Sweden, Switzerland, Turkey, 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.
3. The Growth and Emerging Markets (GEM) Committee is the largest committee within IOSCO, representing more than 75% per cent of the IOSCO membership, including 10 of the G20 members. Dr. Mohammed Omran, Executive Chairman of the Financial Regulatory Authority, Egypt is Chair of the GEM Committee. The committee brings members from growth and emerging markets together and communicates members’ views

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and facilitates their contribution across IOSCO and at other global regulatory discussions. The GEM Committee's strategic priorities are focused, amongst 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 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 to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

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Carlta Vitzthum      34 697 449 639  
Email:                carlta@iosco.org  
Website:             [www.iosco.org](http://www.iosco.org)  
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