

# 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

IOSCO/MR/02/2022

Madrid, 13 January 2022

## **IOSCO consults on lessons learned from the operational resilience of trading venues and market intermediaries during the pandemic**

The Board of the International Organization of Securities Commissions (IOSCO) is requesting feedback on the lessons learned regarding the operational resilience of trading venues and market intermediaries during the COVID-19 pandemic.

In the Consultation Report, [\*Operational resilience of trading venues and market intermediaries during the COVID-19 pandemic\*](#), published today, IOSCO describes the impact of the pandemic on trading venues and market intermediaries (regulated entities). It concludes that these regulated entities largely proved to be operationally resilient and continued to serve their clients and the broader economy, despite unprecedented challenges, such as the restrictions on mobility and business operations and periods of extreme market volatility and record trading volumes. The pandemic also increased cyber security risks, accelerated the use of existing, new and emerging technologies and disrupted outsourcing arrangements.

The report defines operational resilience as the ability of a regulated entity to deliver critical operations through a disruption. The resilience of trading venues and intermediaries during the pandemic can in large part be attributed to work conducted in this area. The existing IOSCO operational resilience principles, recommendations and guidance provide the core structure for regulated entities and regulators when considering operational resilience, and the findings in this report suggest this framework has worked well.

However, the pandemic has highlighted opportunities to learn lessons on how to further improve regulated entities' operational resilience. The report therefore sets out some observations and

identifies lessons learned from the pandemic to help inform regulated entities' future operational resilience arrangements:

- (a) ***Operational resilience means more than just technological solutions***; it also depends on the regulated entity's processes, premises and personnel;
- (b) ***Consider dependencies and interconnectivity*** before and after a disruption to adequately assess potential risks and changes to controls, especially for service providers and off-shore services;
- (c) ***Review, update and test business continuity plans*** to ensure they reflect lessons learned from the pandemic, such as the prolonged nature of the crisis and its impact on multiple locations, as well as the implication of remote/hybrid working;
- (d) ***An effective governance framework*** facilitates and supports operational resilience during novel or unexpected situations;
- (e) ***Compliance and supervisory processes*** with greater automation and less dependence on physical documents and manual processes may better accommodate a remote workforce. A review of monitoring and supervision arrangements by regulated entities for remote workforces may be appropriate to help ensure continued effectiveness in a remote or hybrid environment; and
- (f) ***Information security risk*** – Decentralized and remote work may increase the importance of monitoring processes to help ensure information security and prevent cyber-attacks.

The report also acknowledges that as the next phase of the pandemic evolves, new events may further inform operational resilience considerations.

IOSCO requests feedback on these observations and possible lessons learned regarding operational resilience during the pandemic. The deadline for comments is on or before 14 March 2022.

## **NOTES TO THE EDITORS**

### **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 organisation'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

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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 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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