MEDIA RELEASE

International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
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المنظمة الدولية لهيئات الأوراق المالية

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IOSCO good practices aim to foster cooperation through global supervisory colleges

The Board of the International Organization of Securities Commissions (IOSCO) today published a set of good practices related to the use of global supervisory colleges in securities markets, with the aim of increasing cooperation and information-sharing among securities regulators.

The report *Lessons Learned from the Use of Global Supervisory Colleges* provides a framework for securities regulators seeking to create new global supervisory colleges for sectors of financial markets where they are not currently used, which could strengthen cooperation between regulatory authorities and further assist regulators in addressing the adverse effects of market fragmentation.

The report is based on previous IOSCO work on market fragmentation and builds upon the experiences of IOSCO members with supervisory colleges for such entities as credit rating agencies and CCPs.

In its earlier reports, IOSCO identified supervisory colleges as one of the collaborative mechanisms that securities regulators could use to obtain a more complete picture of an internationally active market participant. IOSCO members participating in supervisory colleges said they gained access to higher quality information, enabling them to better identify and assess risks stemming from the operations of a supervised entity.

The 14 good practices cover matters such as general purpose, membership, governance, multilateral confidentiality arrangements and the cross-border operations of supervisory colleges. Based on member feedback, the good practices also encourage the use of supervisory colleges to share information and solutions in times of crises.

The Report calls for the use of” core-extended” structures where circumstances allow. This arrangement would allow all relevant authorities – including those from emerging jurisdictions – to participate in information exchange about a supervised entity appropriately.

Finally, the Report considers sectors of securities markets where the use of supervisory colleges could be expanded; building on (i) considerations such as interconnectedness where market participants may be doing business across multiple jurisdictions and/or conduct activities which could have spill-over effects on other jurisdictions; and (ii) new emerging areas where supervisory knowledge may not yet have been fully developed. Based on these criteria, some IOSCO members have suggested there may be merit in making use of supervisory colleges for market intermediaries, financial benchmarks administrators, crypto-asset platforms and asset management.

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 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 ten 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.

MEDIA ENQUIRIES

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