

# MEDIA RELEASE



International Organization of Securities Commissions  
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المنظمة الدولية لهيئات الأوراق المالية

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## **IOSCO publishes final measures for regulators to consider in addressing emerging retail market conduct issues**

The Board of the International Organization of Securities Commissions (IOSCO) today published its [Report on Retail Market Conduct](#), in response to the evolving retail trading landscape, influenced by changing macro conditions, demographic trends, and technological developments.

IOSCO Board Chair Jean-Paul Servais said: *“Safeguarding the interests of retail investors is a core objective for IOSCO and a pre-requisite to help sustain retail investors’ interest and trust in capital markets. As a result of their increasing share in the overall trading volume, the retail market segment is increasingly influencing price formation and market trends. This in turn can make retail investors more vulnerable to misconduct by wrongdoers via a wide range of sophisticated tactics to exploit vulnerabilities. In today’s digital world, fraud patterns are increasingly cross-border and have no jurisdictional boundaries. IOSCO’s Retail Market Conduct Report is an overarching and global response to evolving misconduct trends and fraud patterns. As the IOSCO Board Chair, I would recommend the Toolkit suggested in the Report to regulators and supervisors around the world. IOSCO will continue to work on these issues.”*

The Chairperson of the Retail Market Conduct Task Force, Derville Rowland from the Central Bank of Ireland, said: *“Technological developments are permanently changing the way in which retail consumers interact with financial services and products. As digitalization enables retail investors to invest more easily via apps and online trading platforms, various external factors, including social media and cross-border offerings of complex products, including crypto assets, increasingly influence retail investor decision making. This can lead retail investors to products that might not be safe or suitable. In such an environment, regulators face novel conduct challenges and new forms of financial*

*consumer protection issues, which traditional regulatory tools may not suffice to address. While it's important that the potential benefits of innovation can be realized, it's also critical that the risks are effectively managed. To deal with these issues, IOSCO's Retail Market Conduct Report provides timely, practical and innovative guidance to regulators in coping with such challenges."*

The Report highlights a wide range of retail trends and sources of potential retail investor harm in an increasingly online environment, where social media is now a major source of information. Increasing digitalization of financial services and greater use of online distribution methods provide fraudsters with easier and cheaper ways of spreading false communications and information to a wider target audience. More and more, digital promotions and online marketing are used to facilitate fraudulent activities. Crypto-asset scams and greenwashing are two important examples of misconduct arising from global trends and technological developments.

To respond to retail market conduct challenges, IOSCO notes that regulators need to address retail investor harm at its source. Regulators can employ technological tools to eliminate detrimental online marketing channels, identify misconduct early on and intervene rapidly.

IOSCO also highlights the persistent challenges regarding supervision and enforcement of cross border misconduct and the importance of deepening co-operation between jurisdictions in combatting financial fraud on a global scale.

The toolkit outlined in the Final Report is a collection of adaptable measures for regulators to consider when dealing with retail market conduct issues. It includes various innovative approaches under five overarching categories:

- Heightening regulators' digital presence and online strategy to proactively address retail investor harm;
- Honing approaches to better identify and mitigate misconduct;
- Enhancing cross-border and domestic supervisory and enforcement cooperation frameworks, both bilaterally and multilaterally;
- Addressing retail investor harm that stems from crypto-assets; and
- Implementing new regulatory approaches against retail misconduct.

IOSCO's Final Report, prepared by its Board-level Retail Market Conduct Task Force, which is led by the Australian Securities and Investments Commission and the Central Bank of Ireland, is a follow-

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up to the IOSCO [Report](#) on retail market conduct implications of the COVID-19 pandemic and a [Consultation Report](#), published respectively in December 2020 and March 2022.

## NOTES TO THE EDITORS

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 35 securities regulators. Mr. Jean-Paul Servais, the Chair of Belgium's Financial Services and Markets Authority (FSMA) is the Chair of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Australia, Bahamas, Bangladesh, Belgium, Brazil, China, Egypt, France, Germany, Greece, Hong Kong, India, Ireland, Italy, Japan, Korea, Kuwait, Malaysia, Mauritius, Mexico, Morocco, the Netherlands, Oman, Ontario, Peru, Quebec, Saudi Arabia, Singapore, Spain, Sweden, Switzerland, Türkiye, 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 Mohamed Farid Saleh, 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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