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IOSCO publishes Consultation Report on Valuing Collective Investment Schemes

The International Organization of Securities Commissions (IOSCO) today published the [Consultation Report \(“Report”\) on Valuing Collective Investment Schemes \(CIS\)](#).

This report invites comments and feedback from IOSCO members and market participants on a combined set of recommendations. The proposed recommendations will update IOSCO’s 2007 [Principles for the Valuation of Hedge Fund Portfolios](#) and its 2013 [Principles for the Valuation of Collective Investment Schemes](#) (collectively, the “Principles”).

Robust valuation practice is a critical component of asset management, ensuring that assets are properly valued and investors are not disadvantaged. Asset valuations determine the **net asset value** (NAV) of a fund, and the NAV is then used to calculate the price at which investors transact in units of a fund. Proper valuation also serves as **important information for investors** when making asset allocation decisions and selecting funds as well as financial reporting, performance reporting, and calculating fees paid to CIS service providers. If asset valuations are improper, investors may unfairly pay more or receive less for their shares which can lead to **diminished returns** for investors as well as a **loss of investor confidence**.

IOSCO found from its preparatory review of the Principles that, whilst they have been broadly implemented and remain effective, there was a strong case for updating them. Since their publication, the market has evolved, with an increase in CIS holding less liquid and illiquid assets including private assets, as well as **increased retail investment** in such schemes. Evolving best practices in CIS valuations and the recent experience of valuation challenges during times of market volatility also inform this consultation.

The proposal consists of **13 updated recommendations**, with key revisions covering the following areas: oversight arrangement, governance under stressed market conditions,

management of conflicts of interest, fair value, backtesting, use of third-party valuation service provider, stale valuations and record keeping.

“This consultation marks a vital step in ensuring that valuation practices for collective investment schemes continue to remain robust and relevant in light of the evolving dynamics and developments, as well as increased sophistication in the markets today.”

- **Jean-Paul Servais**, *IOSCO Board Chair*

“In view of CISs growing exposure to less liquid and alternative assets, updating the valuation principles is essential to safeguarding investor confidence. The updated recommendations build upon and aim to consolidate and modernize the solid foundational framework laid out in the 2007 and 2013 principles.”

- **Jessica Reyes**, *Chair of IOSCO's Committee for Investment Management*

Consultation feedback is requested by **2 February 2026**. IOSCO aims to publish its Final Report in the second or third quarter of 2026.

Notes to Editors

1. IOSCO is the leading international policy forum for securities regulators and the global standard setter for financial markets regulation. It develops, implements and promotes adherence to internationally recognized standards for financial markets regulation and works closely with other international organizations on the global regulatory reform agenda.

2. The Organization's membership regulates more than 95% of the world's securities markets in some 130 jurisdictions. By providing high quality technical assistance, education, and training, IOSCO supports its members to come together to achieve the following three objectives:

- Enhance investor protection;
- Ensure markets are fair and efficient; and
- Promote financial stability by reducing systemic risk.

3. 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. Shigeru Ariizumi, Special Advisor to the Minister of State for Financial Services, Financial Services Agency, Japan; and Dr Mohamed Farid Saleh, Executive Chairman of the Financial Regulatory Authority, Egypt; are the Vice-Chairs of IOSCO Board.

4. The Growth and Emerging Markets (GEM) Committee is the largest Committee within IOSCO, representing more than 75% of the IOSCO membership, including ten of the G20 members. Dr

Mohamed Farid Saleh is Chair of the GEM Committee. The Committee unites members from growth and emerging markets and communicates their views at other global regulatory discussions.

5. IOSCO counts four regional committees: (1) Africa / Middle-East (AMERC), chaired by H.E. Waleed Saeed Al Awadhi, Chief Executive Officer, Securities and Commodities Authority, United Arab Emirates; (2) Asia & Pacific (APRC), chaired by Ms. Julia Leung Chief Executive Officer of the Hong-Kong Securities and Futures Commission; (3) European Regional Committee (ERC), chaired by Mr. Jean-Paul Servais; and (4) Inter-American Regional Committee (IARC), chaired by Ms. Lucia Buenrostro Vice President of Regulatory Policy at the Mexican Comisión Nacional Bancaria y de Valores.

6. IOSCO's General Secretariat is headquartered in Madrid, Spain. The Secretariat supports and coordinates the work of IOSCO and is comprised of permanent staff and member secondees. It is led by Rodrigo Buenaventura who was appointed IOSCO's Secretary General in January 2025.

7. The 13 Updated Recommendations cover the following areas: policies and governance, conflicts of interest, methodology, use of third-party valuation service providers, consistency in valuation, pricing errors, timely valuation, disclosure practices and record keeping.

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