

MEDIA STATEMENT



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores

IOSCO/MS/03/2010

Montreal, 10 June 2010

Final Update 35th Annual Conference of the International Organization of Securities Commissions

IOSCO's areas of immediate focus are outlined below:

IOSCO's Strategic Direction

During the 35th Annual Conference, IOSCO has reformulated its strategic mission and goals for the next five years, in order to take into account IOSCO's increased role in: maintaining and improving the international regulatory framework for securities markets by setting international standards; identifying and addressing systemic risks; advancing implementation of the *IOSCO Objectives and Principles of Securities Regulation*; and pursuing full implementation of the IOSCO Multilateral of Memorandum of Understanding for Concerning Consultation and Cooperation and the Exchange of Information.

The Executive Committee Task Force on Strategic Direction is continuing its review of IOSCO's role and key functions, in order to position IOSCO to continue to provide the lead in the development of regulatory standards for capital markets, taking account of lessons learned from the global financial crisis.

Update of IOSCO Objectives and Principles

The *IOSCO Objectives and Principles of Securities Regulation* (IOSCO Principles) were endorsed by the organization in 1998. Their objective is to encourage jurisdictions to improve the quality of their securities regulation. They are the key international benchmark on sound principles and practices for the regulation of securities markets.

In the wake of the recent financial crisis, IOSCO's Executive Committee charged its Implementation Task Force to revise the IOSCO Principles to take into account the emerging consensus regarding regulatory concerns that the crisis raised. This week, the Presidents' Committee has approved revised IOSCO Principles, which include eight new principles as well as a number of revisions to existing principles.

The new IOSCO principles address concerns regarding systemic risk in markets, recognizing the vital importance of this concept, and emphasize the need to look over the perimeter of regulation. Additionally, the new principles address other market practices highlighted during the global financial

MEDIA STATEMENT



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores

crisis, as well as credit rating agencies, hedge funds, and auditor oversight and independence. The new principles also address conflicts of interest throughout the capital market, including with respect to the issuance of securitized products.

While IOSCO has added or modified certain Principles, the recent financial crisis has underscored that proper implementation of all IOSCO Principles is critical to a sound regulatory system. In many cases, some of the activities and practices implicated in the financial crisis appear to fall squarely under existing regulatory IOSCO Principles, even if those IOSCO Principles had not previously been applied to a particular category of products or activities. Accordingly, even where a principle remains unchanged, its effective application remains an important response to market crisis.

The Executive Committee is continuing its review, focusing now on the Methodology for Assessing Implementation of the IOSCO Principles. In order to provide guidance until the review is completed, the Executive Committee is also publishing a description of the revised IOSCO Principles to act as interim guidance for regulators and assessors.

IOSCO Multilateral Memorandum of Understanding (MMoU)

Adopted in May 2002, the IOSCO MMoU is the international benchmark for enforcement cooperation and exchange of information among regulators. During this meeting, IOSCO noted its success in meeting an ambitious target, set in 2005, that all member jurisdictions should apply to become signatories to the MMoU by 1 January 2010. Today, ninety-six percent of IOSCO's 115 member regulators either met the requirements needed to become signatories or have committed themselves to legislative changes that will allow them to do so. IOSCO's Regional Committees, assisted by the General Secretariat, have worked alongside jurisdictions in their regions to encourage the necessary actions to join the IOSCO MMoU.

To pursue full implementation of the IOSCO MMoU, IOSCO has resolved to ask all ordinary members and associate members, with primary responsibility for securities regulation in their jurisdictions, to become full signatories to the IOSCO MMoU by 1 January 2013. IOSCO is committed to ensuring that this goal is met by making available technical assistance and advice to all members to make the changes necessary to become signatories to the IOSCO MMoU. Finally, the Executive Committee has been tasked with creating a *watch list* after 1 January 2013 for members who fail to make an application to advance to Appendix A of the IOSCO MMoU.

Initiative to Raise Standards of Cross-Border Cooperation

The IOSCO Contact Initiative with under-regulated or uncooperative jurisdictions continues to be a priority focus, and substantial progress has been made with a number of previously uncooperative and unresponsive jurisdictions. The objective of this work is to assist each of the identified jurisdictions to make genuine

MEDIA STATEMENT



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores

improvements in the level of cooperation they are able to offer their international counterparts in relation to information sharing.

A number of these jurisdictions have successfully applied, or are expected to apply, to join the IOSCO MMoU. While some contacts have been constructive there still remain a number of jurisdictions which require further attention, which will be followed up on by the IOSCO Technical Committee.

New IOSCO Work Mandates

Technical Committee

During the course of its meeting on 7 June the Technical Committee approved a number of new mandates and the formation of a new working group:

Working Group on Systemic Risk

- Mandate to develop a discussion paper on the role of securities regulators with respect to systemic risk

Standing Committee on Multinational Disclosure and Accounting

- Mandate to develop new IOSCO Principles for Disclosure for Ongoing Reporting for Asset-Backed Securities

Standing Committee on Investment Management

- Mandate on issues relating to exchange-traded funds
- Mandate on collective investment schemes

Standing Committee on Credit Rating Agencies

- Mandate on management of conflicts of interest for credit rating agencies
- Mandate on internal controls of credit rating agencies

Emerging Markets Committee

EMC Task Force on Financial Crisis

- Approval of the third Survey on the Financial Crisis

Calle Oquendo 12
28006 Madrid
ESPAÑA
Tel.: (34.91) 417.55.49 • Fax: (34.91) 555.93.68
mail@oicv.iosco.org • www.iosco.org

MEDIA STATEMENT



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores

Emerging Markets Task Force on Bond Markets

- Approval of Mandate and Questionnaire on Development of Bond Markets in Emerging Economies (Mandate will be developed in conjunction with the World Bank)

The SRO Consultative Committee

Reflecting the lessons from the financial crisis and recent market developments, the SRO Consultative Committee (SROCC) exchanged views and information on SROs' challenges and initiatives underway to rebuild and improve the market integrity and effectiveness in each jurisdiction, including the ways to enhance surveillance of equity market trading on multiple markets and the measures to alert investors on increasingly sophisticated and cross-border scams. The SROCC also evaluated the outcome of the training seminar targeting the staff of SROs and emerging market regulators, the second of which took place in the UK in January 2010, and decided to hold the third training in late autumn in 2010. The SROCC deliberated the future roles that the committee and its members can play in the IOSCO overall framework, and undertook steps to develop a more robust dialogue with, and contribute to the important works of, the relevant committees of IOSCO. Mr. Yoshio Okubo of Japan Securities Dealers Association was elected for another term of the Chairman of the SROCC.

Reports approved for publication

During the course of their meetings both the Technical and Emerging Markets Committees finalized reports to be published in the next few weeks.

Technical Committee

Final Reports: Transparency of Structured Finance Products (to be published in due course)

Emerging Markets Committee

Final Reports: OTC Markets and Derivatives in Emerging Markets

The Work of IOSCO's Committees and Task Forces

IOSCO's Annual Report contains an updated report on the work of IOSCO's committees and taskforces which was published on 9 June 2010.

Appointment of New Standing Committee Chairs

MEDIA STATEMENT



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores

New chairs were appointed to Standing Committee on Credit Rating Agencies. These will be headed by Randall Roy of the United States SEC.

IOSCO Elections

Elections were held for the following committees during the Conference:

Technical Committee

- Chairman – Mr. Hans Hoogervorst, Chairman, Netherlands Financial Markets Authority (AFM)
- Vice-Chairman – Mr. Masamichi Kono, Vice-Commissioner for International Affairs, Financial Services Agency of Japan

Emerging Markets Committee

- Chairman – Mr. Vedat Akgiray, Chairman, Capital Markets Board, Turkey
- Vice-Chairman – Ms. Zarinah Anwar, Chairman, Securities Commission, Malaysia

Africa-Middle East Regional Committee (AMERC)

- Chairman - Ms. Arunma Oteh,, Director General, Securities & Exchange Commission, Nigeria
- Second Representative – Mr. Hassan Boulaknadal, General Manager, Conseil déontologique des valeurs mobilières, Morocco

Asia-Pacific Regional Committee (APRC)

- Chairman - Mr. C B. Bhavé, Chairman, Securities and Exchange Board of India
- Second Representative – Ms. Jane Diplock, Chairman, Securities Commission, New Zealand

European Regional Committee (ERC)

- Chairman – Mr. Carlos Tavares, Chairman, Comissão do Mercado de Valores Mobiliários, Portugal
- Second Representative – Mr. Jean-Paul Servais, Chairman, Banking, Finance and Insurance Commission, Belgium

Inter-American Committee (IARC) earlier elections at previous meeting confirmed

- Chairman – Mrs. Rosario Patrón, Head, Securities Market and Pension Funds, Banco Central del Uruguay
- Second Representative – Mr. Jean St-Gelais, CEO, Autorité des marchés financiers, Québec

Executive Committee

Elections were also held for the Executive Committee which is now composed of the following members:

Calle Oquendo 12
28006 Madrid
ESPAÑA
Tel.: (34.91) 417.55.49 • Fax: (34.91) 555.93.68
mail@oicv.iosco.org • www.iosco.org

MEDIA STATEMENT



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores

- Chairman of the Technical Committee - Mr. Hans Hoogervorst, Chairman, Netherlands Financial Markets Authority (AFM)
- Chairman of the Emerging Markets Committee - . Vedat Akgiray, Chairman, Capital Markets Board, Turkey

The Chairmen of the four Regional Committees:

- AMERC - Ms. Arunma Oteh,, Director General, Securities & Exchange Commission, Nigeria
- APRC - Mr. C B. Bhavé, Chairman, Securities and Exchange Board of India
- ERC - Mr. Carlos Tavares, Chairman, Comissão do Mercado de Valores Mobiliários, Portugal
- IARC – Ms. Rosario Patron, Head, Securities Market and Pension Funds, Banco Central del Uruguay

The nine members elected by the Presidents' Committee:

- Australian Securities & Investments Commission;
- Comissão de Valores Mobiliários, Brazil
- China Securities Regulatory Commission;
- Autorité des marchés financiers, France
- Bundesanstalt für Finanzdienstleistungsaufsicht, Germany
- Financial Services Agency, Japan;
- Financial Services Board, South Africa;
- Financial Services Authority, United Kingdom; and
- Securities and Exchange Commission, United States

The four members elected by the Regional Committees:

- Conseil déontologique des valeurs mobilières of Morocco;
- Securities Commission, New Zealand
- Banking, Financial and Insurance Commission, Belgium; and
- Autorité des marchés financiers, Québec

Ms Jane Diplock, Chairman of the New Zealand Securities Commission, was re-elected to the position of Chairperson of the Executive Committee.

Mr Shang Fulin, Chairman of the China Securities Regulatory Commission was re-elected to take up the position of Vice Chair of the Executive Committee.

All these appointments and elected positions are for a two year term.

MEDIA STATEMENT



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores

Admission of New Members

IOSCO is pleased to welcome the following organizations as new members:

Financial Supervisory Authority, Iceland (Ordinary Member)
Capital Market Development Authority, Republic of the Maldives (Ordinary Member)
Capital Market Authority, Kingdom of Saudi Arabia (Ordinary Member)
Syrian Commission for Financial Markets and Securities (Ordinary Member)
Athens' Stock Exchange Members' Guarantee Fund, Greece (Affiliate Member)
China Securities Investor Protection Fund Corporation Limited, China (Affiliate Member)
MCX Stock Exchange Limited (MCX-SX), India (Affiliate Member)
World Federation of Exchanges (WFE) (Affiliate Member)

Future Conferences

IOSCO will hold its next Annual Conference in Cape Town, South Africa from 17-21 April 2011.

The Executive Committee has chosen Beijing, People's Republic of China as the venue for the 2012 Annual Conference.

The next meetings of IOSCO's Technical and Executive Committees, and the Emerging Markets Committee Advisory Board will take place in Chennai, India from 30 September to 1 October 2010.

The IOSCO Emerging Markets Committee will meet in Istanbul from 12-15 October 2010.

For further information contact:

David Cliffe

Communications Manager

International Organization of Securities Commissions

Direct Line

Outside office hours

Email:

Website:

+ 34 91 787 0419

+ 34 679 969 004

d.cliffe@iosco.org

www.iosco.org