

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/03/2023

Madrid, 15 February 2023

IOSCO members report high level of implementation for Regulator's Principles

A report published today by IOSCO indicates that implementation of IOSCO's core Principles regarding the Regulator is high across most of the participating member jurisdictions.

The report on [*IOSCO Standards Implementation Monitoring on Principles 1 to 5*](#) is based on a review of 55 IOSCO member jurisdictions from both emerging and advanced markets (*ISIM Review*). Principles 1 to 5 establish the desirable attributes of a regulator, emphasizing the independence and accountability of the regulator as well as the need for regulators to have adequate powers and resources. These Principles form an integral part of *IOSCO's 38 Objectives and Principles of Securities Regulation* which provide core elements for securities regulation.

Jean Paul Servais, IOSCO Board Chairman and Chairman of the Belgium FSMA, said *“Regulators need to have sufficient levels of independence, accountability, adequate powers and resources to deliver on the core objectives of protecting investors, ensuring fair and efficient markets and addressing systemic risks. I am therefore pleased to confirm that IOSCO's core Principles for the well-functioning of regulators are well implemented across most participating member jurisdictions. To further strengthen the ability of regulators to perform their role effectively, IOSCO will continue to help its members implement the IOSCO Principles”*.

The ISIM Review noted various approaches to implement these Principles and a number of good practices have been identified in the report. At the same time, some gaps in implementation have also been observed, notably in emerging and frontier market jurisdictions. These gaps cover operational independence, lack of a stable and continuous source of funding, adequate legal protection, or adequate human resources to carry out the Regulator's duties. Gaps are also observed regarding lack of clear guidance for disclosure of conflicts of interest, or for procedural fairness and confidentiality standards.

Sharon Kelly, Chair of the IOSCO Assessment Committee, said *“The work of the Assessment Committee is critical to IOSCO and its members. Unless implemented, issuing international standards*

remains ineffective. While the ISIM Review identified a number of good practices from various jurisdictions, work remains to be done to fully implement the IOSCO Principles. We therefore call on members to address the shortcomings identified in our report in the near future to ensure the maximum implementation of these important Principles so that they can carry out their responsibilities effectively.”

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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