

IOSCO CONSULTATION POLICY AND PROCEDURE



OICU-IOSCO

**EXECUTIVE COMMITTEE
OF THE
INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS**

APRIL 2005

IOSCO Consultation Policy and Procedure

IOSCO periodically publishes “Consultation Reports” to solicit the views and comments from the international financial community. Consultation Reports should be viewed as “draft reports” that do not necessarily reflect the final conclusions or positions of IOSCO or its membership and that will be finalized after IOSCO considers the public comments it receives.

IOSCO encourages all interested parties to submit comments on its Consultation Reports during the comment period.

IOSCO has adopted the following statements of policy and procedure relating to public consultations:

Consultation Policy

General Objectives

IOSCO will conduct public consultations, in particular, to achieve the following objectives:

- To obtain substantive input into IOSCO’s work;
- To benefit from the expertise of the international financial community when assessing and analyzing regulatory issues;
- To obtain information and views on the potential impact, benefits and costs of any proposed standards and principles;
- To provide an opportunity for alternative regulatory approaches to a specific proposal to be proposed;
- To promote understanding of IOSCO’s mission as the international standard setter for securities markets;
- To continue to increase transparency regarding IOSCO’s activities and work program;
- To continue to enhance consistency, where appropriate, by facilitating an early dialogue with the private sector regarding proposed approaches to dealing with common concerns;
- To contribute to the convergence in securities regulatory standards, and where appropriate, in financial regulation generally, by facilitating an early dialogue among standard setters;

- To assist in a determination of whether concern exists, which require a regulatory response, and if so, what form of action is appropriate; and
- To assist persons who may be affected by proposed IOSCO standards and principles to modify their activities and/or processes, if necessary, by providing early notice of potential IOSCO standards and principles.

Factors to be Considered in Deciding Whether and How to Seek Public Comments

IOSCO will maintain a flexible approach to public consultations. In determining whether to seek public consultation on work projects, IOSCO will, in particular, consider the following factors:

- The scope and applicability of the work project, including whether the work project is targeted to particular users or participants in the markets;
- The extent to which the application of the work project will affect the business practices of regulated entities;
- The extent to which technical or industry-specific information is necessary to the articulation of appropriate conclusions in a report or any associated principles or regulatory standards that will be adopted as part of a report;
- The likelihood that other international, regional or domestic bodies are considering, or planning to consider, similar or related issues;
- The degree to which public comment from the international financial community will otherwise contribute to the fulfillment of the objectives of the work project;
- The practicality of requesting comments and the urgency of the need for an IOSCO response;
- The existence of any confidentiality concerns.

Work projects that contemplate the issuance of international standards and principles for the securities sector will generally include the conduct of a public consultation as part of the project.

In conducting public consultations, IOSCO generally will aim to consult the full spectrum of the international financial community. In particular cases, IOSCO may seek comments from groups, working groups, entities or associations that are specifically affected by the issue under consideration. This may be done through the direct dissemination of surveys or questionnaires or through the IOSCO SRO Consultative Committee.

IOSCO will endeavor to conduct consultations at a sufficiently early stage in the completion of a work project to allow adequate time to respond taking into account the complexity of the issues to be considered and the urgency for action by IOSCO.

IOSCO will consider pre-consultations prior to undertaking new projects. It will also consider undertaking a second round of public consultation in specific cases where the process is deemed to be useful.

IOSCO will take comments into account in framing Final Reports and will provide a summary explanation of the manner in which public comments have been addressed or the reasons why they have not been addressed in a memorandum accompanying Final Reports. It will not always be possible to address all comments individually.

IOSCO may review its consultation policy and procedure whenever appropriate.

Consultation Procedure

IOSCO has adopted the following consultation procedure in furtherance of its consultation policy:

- All Consultation Reports shall be prominently labeled as such on the title page of the document.
- The deadline for submitting comments, together with background information describing the reasons why consultation is sought, and any specific questions that IOSCO would like the public to address, will be set out in a Preamble to the Consultation Report.
- The Consultation Period will generally be of three months.
- All Consultation Reports will be published in the Public Documents area of the IOSCO Library on the IOSCO internet website at www.iosco.org.
- Individual IOSCO members also may distribute the Consultation Report and any associated survey or questionnaire within their respective jurisdictions in a manner to be determined by them.
- All comments received on a Consultation Report will be made public and posted on the IOSCO internet website. If anonymity is specifically required the related comment will be posted without reference to its author.
- At the conclusion of the consultation process, IOSCO normally will publish a final report that will be posted in the Public Documents area of the IOSCO Library on the IOSCO internet website at www.iosco.org. All Final Reports shall be prominently labeled as such on the title page of the document. A summary explanation of the manner in which public comments received have been addressed will be set out in an accompanying memorandum to Final Reports.

How to Submit Comments

Comments may be submitted by one of the three following methods. To help us process and review your comments more efficiently, please use only one method¹.

1. E-mail

- Send comments to mail@oicv.iosco.org.
- The subject line of your message must indicate “Public Comment on [name of report].”
- If you attach a document, indicate the software used (e.g., WordPerfect, Microsoft WORD, ASCII text, etc.) to create the attachment.
- DO NOT submit attachments as HTML, PDF, GIF, TIFF, PIF, ZIP, or EXE files.

OR

2. Facsimile Transmission

Send by facsimile transmission using the following fax number: 34 (91) 555 93 68.

OR

3. Paper

Send a copy of your paper comment letter to:

Mr. Philippe Richard
IOSCO Secretary General
Oquendo 12
28006 Madrid
Spain

Your comment letter should indicate prominently that it is a “Public Comment on [name of report].”

¹ **Important:** All comments will be publicly made available, unless anonymity is specifically requested. Comments sent via e-mail will be posted on the IOSCO Internet Home Page. Comments sent via fax or paper will be converted to PDF format and then posted on the IOSCO Internet Home Page. Personal identifying information will not be edited from submissions.