



## Report from the Chair of the Affiliate Members Consultative Committee (Formerly known as the SRO Consultative Committee)

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**The Affiliate Members Consultative Committee (AMCC) is an important forum for IOSCO affiliate members to exchange experiences and share expertise. By drawing on its members' front-line regulatory expertise and proximity to market participants, the AMCC contributes to IOSCO's discussions and supports its work.**

The changes in IOSCO's organizational structure approved in 2013 recognized the role and importance of the Affiliate Members Consultative Committee and facilitated a more effective integration of the AMCC in IOSCO's structure and work. In 2014, I started attending IOSCO Board meetings as an observer, a significant step forward to improve the coordination between the AMCC and the other IOSCO committees. Several representatives of the AMCC also now actively participate in IOSCO's policy committees, including with the task of leading new policy mandates. In addition to the AMCC representative, one other AMCC member can now attend IOSCO's policy committees as an observer. IOSCO increasingly relies on the AMCC to support its policy work, and contribute to its training and research activities, as well as to its efforts to identify emerging risks.

### AMCC's achievements in 2014

Over the last year, the AMCC continued to improve its organization and strengthen its links with the broader IOSCO community. The committee launched the AMCC Quarterly Newsletter, which provides information regarding important self-regulatory and market developments in the various jurisdictions represented in the AMCC. Regular AMCC calls are also now organized to discuss the progress of IOSCO's work and the organization's strategy.

In the course of 2014, the AMCC contributed to the important IOSCO 2020 Review and responded to the

two consultations regarding *IOSCO's Strategic Direction 2015 to 2020, its Mission, Goals and Priorities*. In its comments, the AMCC reiterated its support for IOSCO to have a strong public role and voice. It also welcomed the proposals made to strengthen AMCC collaboration across the range of IOSCO work.

In April 2014, the AMCC held in Tokyo its seventh regulatory staff training program on *Implementing IOSCO's Principles*. The seminar attracted close to 90 participants from 25 jurisdictions. Through its seven editions, the program has now reached a total of over 600 participants from almost 70 different countries. The three AMCC Task Forces established in late 2013 delivered their first contributions in 2014. They include the following:

- > **The AMCC Task Force on Emerging Risks** produced a report in June 2014 offering a categorization of risks and identifying a number of emerging risks and/or areas that merit greater attention from AMCC members. The list of risks/topics detailed in the report include, most notably: cross-border investment risks, issues relating to product names and product identifiers, potential conflicts of interest across a product life cycle, risks in the IPO market, SME funding through the unorganized sector, investment newsletters, or the protection of the elderly.
- > Following a preliminary assessment of IOSCO's needs with regard to data and a mapping of existing databases, the **AMCC Task Force on**



**Investment Funds Data** developed a Memorandum of Understanding between the International Investments Funds Association (IIFA) and IOSCO on data sharing. As a result, IOSCO's statistics website has been expanded to include key indicators and trends on the globally regulated investment funds space. Coverage will be expanded in the coming months.

- > The **AMCC Task Force on Cyber Resilience** finalized in December 2014 its first report, which presents the results of a fact-finding exercise conducted in July 2014. The survey aimed at gaining preliminary insight into the nature and extent of cyber-threats as perceived by the respondents, as well as gathering information regarding the tools and techniques implemented to address these threats. The report stresses the seriousness of the threat and identifies several areas where

more effort is needed, such as in training, data collection and information sharing, and security practices with respect to third parties and the use of mobile services. The report, which contributes to IOSCO's work on cybersecurity, also highlights the need for greater collaborative efforts at international level and stresses the role that market infrastructures, self-regulatory organizations (SROs) and industry organizations can play in increasing awareness and promoting best practices, in addition to strengthening their own cyber resilience.

Finally, the AMCC's Ahead of the Curve Working Group continued its important work in 2014, allowing members to identify new topics, trends, products and changing market practices in securities markets, as well as innovative regulatory approaches and potential regulatory and supervisory concerns.

## Objectives for 2015

The new framework in which the AMCC now operates establishes the conditions for developing a sound working relationship with other IOSCO committees and building a growing community of members. The committee is notably focused on:

- > serving members' needs and creating an efficient forum for them to exchange experiences, learn from one another and work together on topics of common interest;
- > delivering meaningful and timely contributions to IOSCO and the regulatory community, leveraging on members' specific expertise (market infrastructures, investment funds, investor protection/education, etc.) and proximity to markets.

Among the various topics addressed within the AMCC, the committee believes that the issue of cybersecurity is a topic of crucial importance for market participants, investors and for the safety of markets in general. It is also an area where regulators and AMCC members (SROs, exchanges, other associations) can work together to increase awareness and develop best practices. Cybersecurity will be a key focus of the work of the committee in 2015. Last but not least, the AMCC is committed to supporting IOSCO's ambitious strategy for capacity building. It will continue its successful track record for regulatory training and is looking into the possibility of organizing webinars for AMCC and other IOSCO members.

