

Annual Report



IOSCO's membership regulates more than 95% of the world's securities markets in more than 130 jurisdictions.

IOSCO is the international body that brings together the world's securities regulators and is recognized as the global standard setter for financial markets regulation. We develop, implement and promote adherence to internationally recognized standards for financial markets regulation and work closely with other international organizations on the global regulatory reform agenda.

Our Objectives and Principles of Securities Regulation are endorsed by both the G20 and the FSB and serve as the overarching core principles that guide us in the development and implementation of internationally recognized and consistent standards of regulation, oversight and enforcement. They also form the basis for the evaluation of the securities sector for the Financial Sector Assessment Programs (FSAPs) of the International Monetary Fund (IMF) and the World Bank.

By providing high quality technical assistance, education and training, we support our members to come together to achieve the following three objectives.

Enhance investor protection

To enhance investor protection and promote investor confidence in the integrity of financial markets, by strengthening information exchange and cooperation in enforcement against misconduct, and in supervision of markets and market intermediaries.

Ensure markets are fair and efficient

To ensure market structures do not unduly favour some users over others and that investors are given fair and transparent access to market facilities or price information on a real-time basis.

Promote financial stability by reducing systemic risk

To promote and allow for the effective management of risk and ensure that capital requirements are sufficient to address appropriate risk taking and allow for the absorption of some losses. During periods of instability, to facilitate the rapid and accurate exchange of information across jurisdictions to minimise failures or the impact of that failure at an international level.

These objectives are formally set out in our By-Laws.

Please visit www.iosco.org for more information.

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Report from the Chair of the IOSCO Board

Mr. Jean-Paul Servais

- > Chair of the IOSCO Board
- > Chair of the Financial Services and Markets Authority (FSMA) of Belgium



Having been re-elected as IOSCO Board Chair, it is with great honour that I present the International Organization of Securities Commissions (IOSCO) 2023 Annual Report. As we reflect on the past year, it is evident that IOSCO has made significant strides in fulfilling its mission to enhance global financial stability, protect investors, and ensure that markets operate in a fair and efficient manner. The year 2023 was characterised by achievements in the field of Sustainable Finance, Financial Technology, financial stability, but also in terms of protecting retail investors. Delivering on our work programme required enhanced coordination and collaboration across our membership. I am proud to say that IOSCO has risen to these challenges with determination and clarity of purpose. IOSCO's contributions have undoubtedly enhanced its influence and standing as standard setter within the international financial regulatory landscape.

Once again, we have witnessed that effective international regulatory cooperation, coordination and information sharing are the beating heart of IOSCO, and that our members are determined to work together to protect investors, ensure market integrity and mitigate risks to financial stability. More than ever, we demonstrated that IOSCO-led coordination and its policy outputs are able to build bridges between national policy initiatives. This further confirms my conviction that global challenges are, as far as possible, best addressed at global level.

Historic progress regarding sustainable finance

A cornerstone of our achievements this year is our progress in the realm of sustainable finance. In 2023,

IOSCO endorsed the inaugural standards of the International Sustainability Standards Board (ISSB) as fit for capital markets. This historic endorsement of the first sustainability disclosure standards of the ISSB underscores our commitment to fostering consistent, comparable, and reliable sustainability information in the interest of investors and issuers.

This milestone is already reshaping the way jurisdictions approach sustainability reporting, providing a global framework for sustainability disclosures, allowing investors to make more informed decisions, and fostering greater transparency across markets. Since IOSCO's endorsement, a significant number of jurisdictions representing over 40% of global capital markets capitalisation have already committed to adopting these standards or aligning their local frameworks with them, underscoring the

global impact of our work. I anticipate that over time, up to 130,000 companies will be making use one way or another of the ISSB standards across IOSCO's 130 member jurisdictions.

To support this transition, IOSCO has launched an enhanced capacity-building programme, designed to assist jurisdictions that consider incorporation of climate-related and other disclosures in their corporate reporting regimes. This initiative exemplifies our commitment to ensuring that all markets, regardless of their stage of development, can participate in the transition to a more sustainable global economy.

Beside sustainability disclosures, IOSCO worked and continues to work closely with the global audit standard setters (International Ethics Standards Board for Accountants (IESBA) and the International Auditing and Assurance Standards Board (IAASB) on the assurance for sustainability disclosures and on the independence of relevant assurance providers. In order to maximise trust and confidence in sustainability disclosures, both investors and markets expect that high-quality assurance over sustainability reporting should be required on a global scale.

We have also carried out significant work on Compliance and Voluntary Carbon Markets to help promote the financial integrity of these markets as jurisdictions consider if and how to launch carbon markets.

Regulation of crypto and digital assets

In the rapidly evolving field of financial technology and digital assets, IOSCO has delivered significant achievements in 2023. We published a comprehensive report on the regulation of crypto and digital assets,

setting out 16 key recommendations that draw from the well-established regulatory frameworks governing traditional finance. These recommendations represent a critical step in ensuring that innovation in digital markets does not come at the expense of investor protection or market stability.

If digital assets are to continue to grow in importance, IOSCO's recommendations will be crucial in shaping a coherent and effective global regulatory approach. Given the inherently cross-border nature of crypto-assets, IOSCO will also be actively monitoring the progress made by jurisdictions in implementing these recommendations, promoting that our standards are consistently applied across the globe. To that end, IOSCO will be forging alliances and working alongside other global bodies to support the implementation of our recommendations across our 130 member jurisdictions.

Focus on protecting retail investors

Another key focus in 2023 has been protecting retail investors in an increasingly digital world. IOSCO's Retail Market Conduct Taskforce Final Report on this issue highlights the growing influence of social media and so-called 'finfluencers' over retail investors, a trend that presents significant risks and challenges.

The rise of these online voices, often unregulated and unaccountable, is a growing concern for IOSCO as it can lead to misinformation, market manipulation, and ultimately harm to retail investors. As the financial system continues to transform, IOSCO is committed to strengthening its efforts to protect retail investors. In the coming years, further work will be carried out to address these risks, ensuring that investors are



adequately protected in this ever-evolving digital landscape.

Importance of capacity building

Recognising the critical importance of ensuring that IOSCO's work translates into tangible outcomes, we have placed a renewed emphasis on capacity building. With over 130 member jurisdictions, it is essential that IOSCO's standards and recommendations are implemented effectively across diverse markets. Our enhanced capacity-building programme will play a pivotal role in equipping our members with the tools and knowledge they need to apply our standards in their local contexts. In addition to supporting sustainable finance and digital asset regulation, we are committed to monitoring the implementation of our standards across all areas of our work, ensuring that our efforts result in stronger, more resilient financial systems worldwide.

Work on financial stability

In the field of financial stability, The IOSCO Financial Stability Engagement Group (FSEG) established in 2020 successfully fostered the engagement of IOSCO on financial stability issues with other global standard setters like the Financial Stability Board (FSB), the Committee on Payments and Market Infrastructures (CPMI), the Basel Committee on Banking Supervision (BCBS) and others.

IOSCO has continued its close collaboration with the Financial Stability Board (FSB), particularly on the crucial issue of liquidity management for open-ended funds. Our joint work with the FSB culminated in the publication of final recommendations at the end of 2023. The recommendations, including the

FSB's work on liquidity management, reflect our shared commitment to safeguarding financial stability and ensuring that markets can withstand periods of volatility without undermining investor confidence.

FSEG was instrumental in fuelling the insights of securities market regulators into the regulatory and standard-setting work. This work is yet another example of how IOSCO, working in concert with global partners, is contributing to a more resilient international financial system.

Increased influence and visibility of IOSCO

Throughout 2023, IOSCO's influence and visibility have grown significantly. We have expanded our role as a global standard-setter, not only by developing new regulatory frameworks but also by enhancing our engagement with members including through our various policy and regional committees, stakeholders, and the broader public. Our efforts have been recognised across the globe, and the trust placed in IOSCO by its members is stronger than ever. This trust is a testament to the hard work and dedication of the IOSCO Board, our members, and the General Secretariat, whose expertise and commitment are the foundation of our success.

Concomitant to our re-energised external communication approach characterised by a stronger presence on social media and outreach to the press, I am pleased to present the 2023 annual report under IOSCO's new brand.

I would like to take this opportunity to express my deepest gratitude to the IOSCO General Secretariat, whose efforts enabled our organisation to navigate through a year of significant challenges and yielding historic accomplishments.

Looking forward

As we look to the future, IOSCO remains committed to addressing the challenges that lie ahead with the same determination and foresight that have characterised our work in 2023. The global financial landscape will continue to evolve, but our mission will remain constant: to protect investors, ensure market integrity, and promote financial stability. In particular, I extend my sincere thanks to Tajinder Singh, IOSCO Acting Secretary General for his professionalism and commitment. I am confident that the continued contributions of the IOSCO staff will be key to our future successes.

In 2024, we will be publishing our bi-annual risk outlook, which is a key component of our risk assessment and prioritization mechanism. This process has enabled us to be agile in our ability to prioritise work streams to tackle new developments as they take shape. For instance, recent market developments in the field of Artificial Intelligence, the use of social media, or the rising importance of climate transition plans warrant our immediate and focused attention.

In 2023, we updated our bi-annual work programme, whose publication has become an integral part of IOSCO's enhanced transparency and public accountability. Our update work programme highlights that, in light of the breadth and depth of our accomplishments on the policy side in 2023, we must now reinforce our attention to implementing the standards we have issued so far.

The importance of IOSCO's diverse committees

Since my election as IOSCO Board Chair, I have been steadfast in my determination to raise the profile of our four regional Committees, and of our Growth and Emerging Markets Committee. These committees bring unique value to our global membership. Few international organizations enjoy the same inclusivity and geographical reach, which give IOSCO an important advantage in identifying and mitigating risks to consumers, investors and global capital markets. Moreover, IOSCO's Affiliate Members Consultative Committee has continued to attract and welcome new members whose involvement and interest IOSCO showcases IOSCO's gained relevance to wider set of stakeholders.

I also wish to extend special thanks to Vice-Chairs Mohamed Farid Saleh (Egypt FRA), Rostin Behnam (US CFTC), and Shigeru Ariizumi (Japan FSA) for their commitment and companionship over the past year. I commend the leadership of the various board level task forces (Sustainable Finance, Fintech, Financial Stability Engagement Group, and Retail Market Conduct Task forces), of all the Regional Committees (AMERC, APRC, IARC and ERC), and of all other Committees without whom IOSCO's impressive achievements would not be possible.

At last, I would like to thank my colleagues from the Belgian Financial Services and Markets Authority whose considerable contribution and dedication are instrumental in supporting me in my international responsibilities as IOSCO Board Chair.

I am confident that with the continued support and collaboration of our members and partners, IOSCO will continue to play a pivotal role in shaping the future of global finance.

Report from the Chair of The Growth and Emerging Markets Committee

Dr. Mohamed Farid Saleh

- > Chair of Growth and Emerging Markets Committee
- > Executive Chairman, Financial Regulatory Authority, Egypt



The Growth and Emerging Markets Committee (GEMC) is the largest Committee within IOSCO, representing over 75% of the IOSCO's Ordinary membership. The Committee seeks to promote the development and greater efficiency of emerging securities and to facilitate the exchange of information and experiences on issues of common interest.

During 2023, the GEMC advanced an ambitious agenda, in particular regarding two topics that were identified as critical to emerging markets.

Sustainable finance. This is a key priority for IOSCO and the GEMC. Given the ongoing developments in this area, the GEMC identified the need to continue its role as a forum for the exchange of experiences and peer learning for its members, in particular on sustainability-related disclosures.

It is worth recalling that IOSCO had been emphasising the urgent need for globally consistent, comparable, and reliable sustainability disclosure standards, with an initial focus on climate change-related risks and opportunities. These efforts culminated on 25 July 2023 with the IOSCO endorsement of the ISSB standards, stating that "The IOSCO Board endorses the International Sustainability Standards Board's (ISSB) final standards on General Requirements for Disclosures of Sustainability-related Financial Information (IFRS S1) and Climate-Related Disclosures (IFRS S2) (hereafter the 'ISSB Standards') and calls on members to consider ways in which they might adopt, apply or otherwise be informed by the ISSB Standards."

In this context, in April 2023 the GEMC set up a Sustainable Finance Implementation Working Group, which was tasked to conduct a stock-take amongst

the GEMC members to understand the level of readiness and the steps taken by these jurisdictions to adopt and implement the new global baseline standard for climate disclosures locally. This work made significant progress in 2023. The results of the survey are expected to be presented to the GEMC in 2024 through an internal report, which will be also shared with the IOSCO Board-level Sustainable-finance Task Force (STF).

Market Development. In 2023 the GEMC set up a Market Development Working Group (MDWG) to look into market development issues for GEMC members, including critical issues such as market liquidity, institutional investor participation, or market infrastructure.

As part of this work, the Secretariat assisted the MDWG by exploring the potential collaboration with various industry bodies, such as the International Swaps and Derivatives Association (ISDA), the International Capital Market Association (ICMA), the Standards Board for Alternative Investments (SBAI), among others. A fruitful collaboration was experienced at the GEMC meeting in Cairo, Egypt, through the GEMC Market Development Program held on 22-23 November 2023, which covered topics such as the fundamentals of capital markets; preconditions for market development; deepening market liquidity (building resilient bond markets);

developing green bonds markets in emerging market jurisdictions; increasing the diversity of available investment products and the role of investment funds; and developing efficient derivatives markets in emerging market jurisdictions. The Program benefited from the presentations made by GEMC members, ICMA, ISDA, SBAI, and the World Bank.

The market development work also delivered a key milestone through the internal report on Capacity Building in Growth and Emerging Markets. As part of this work, IOSCO conducted a survey and engaged in discussions with Reference Groups to gain a clearer understanding of the requirements/needs of members within the GEMC. The survey was conducted online (August 2023) through a questionnaire tool to collect feedback on the capacity development needs of the GEMC members. The participants were classified into four (4) development pools (Early Nascent (EN), Developed Nascent (DN), Mid-Level Emerging (ME) and Borderline Developed (BD)).

This exercise was further supported by qualitative Reference Group discussions, with members drawn from the respective levels of development pools, to compliment the feedback received from the survey tool and allow for further discussion within the reference groups on specific subject areas.

The internal report was presented to the IOSCO Board, who approved it at its meeting on 26 October 2023. The Secretariat will leverage on the report to

work on a more detailed and tailored made program aimed at addressing the needs of GEMC members.

Conclusion

I would like to thank the GEMC Vice-Chairs, Yusuf Kaya (Board Member, CMB Turkey) and Khaled Alhomoud (Board Commissioner, CMA Saudi Arabia) for their valuable support during 2023. I would also like to acknowledge the efficient and dedicated work done by the GEMC members and the IOSCO Secretariat, not only regarding the two new working groups above mentioned, but also during the GEMC meetings held during the year:

- GEMC plenary meeting, 22 November 2023, Cairo, Egypt.
- GEMC Market Development Program, 22-23 November 2023, Cairo, Egypt.
- GEMC virtual meeting, 19 October 2023,
- GEMC plenary meeting, 13 June 2023, Bangkok, Thailand.
- ISSB-GEMC Engagement Session (virtual), 23 March 2023.

I am sure that the GEMC will continue delivering in a practical and effective way in 2024.



Report from the Chair of the Affiliate Members Consultative Committee (AMCC)

Ms Karen Wuertz

- > Chair of the Affiliate Members Consultative Committee
- > Senior Vice President, External Affairs and Communications, National Futures Association



The AMCC plays an important consultative role within the IOSCO framework. The breadth, depth and diversity of the AMCC's over 70 affiliate members provide a wide lens to all areas impacting the financial markets. Over the last year, the AMCC has been proud to welcome three members, expanding the Committee's expertise. AMCC Members represent self-regulatory organizations (SROs), exchanges, market infrastructures, investor protection and compensation funds, associations of regulated entities as well as other bodies with interest in securities and derivatives regulation.

The valuable front-line regulatory expertise and market insights offered by AMCC members are critical to the important standard-setting work conducted by IOSCO.

The AMCC is engaging and contributing to just about every important IOSCO project covering topics such as sustainable finance, fintech, cybersecurity, market fragmentation and emerging risks. The IOSCO Board continually acknowledges the AMCC for the Committee's involvement and encourages future engagement with upcoming projects. This has been a growing trend throughout my tenure as Chair. This important work strives to ensure markets remain resilient and vibrant while demanding high integrity standards from all market participants.

Significant Contributions

Market Fragmentation: The AMCC's Market Fragmentation Working Group, at the request of the IOSCO Board, prepared its third annual report indicating where AMCC members have identified cases of harmful fragmentation with a cross-border

element. The 2023 report addressed nine areas such as banks' capital rules, benchmarks reforms, digital assets, market access, operational resilience, regulatory reporting, sustainability, uncleared margin and voluntary carbon credits. The most recent report highlights the need for consistent outcomes or clear and consistent policy solutions to address current market issues and encourages IOSCO to adopt the recommendations presented in the report to address these important market fragmentation issues. The AMCC greatly appreciates the continued focus of the IOSCO Board, and various policy committees, on important market fragmentation issues.

Capacity Building: Last year, the AMCC delivered its first post-COVID in-person AMCC Regulatory Staff Training Seminar. Topics covered during this seminar included: risk-based supervision and enforcement; the role of SROs; cybersecurity; regulatory issues relating to fintech, AI and sustainable finance; clearing; and investor protection measures. Engaging our IOSCO colleagues through capacity building is a cornerstone of the AMCC, and such engagement is critical for IOSCO and the AMCC.



Sustainable Finance: The AMCC STF was established to provide an interface between IOSCO members and the industry in support of the multifaceted work conducted by the IOSCO Sustainable Finance Task Force (STF). To gather important information on ongoing sustainability initiatives, the AMCC STF organized a searchable database that serves as an important response to the IOSCO STF. Additionally, AMCC members continue to work alongside the IOSCO STF to bring important information to the industry.

Thank You and Looking Ahead

At the end of 2023, I made the decision to step aside as the AMCC Chair role when my term ends at the 2024 IOSCO Annual Meeting in Athens, Greece. I have been honored to serve in this capacity for the past six years. As much as I have enjoyed working with my AMCC colleagues to enhance this Committee's role and increase our engagement on many IOSCO initiatives, it is time for new AMCC leadership. I strongly believe that sound governance principles should provide for regular turnover to bring forth new leaders with fresh ideas, perspectives, and energy.

Africa / Middle-East Regional Committee

Nezha Hayat

- > Chair of the AMERC
- > Chairperson and CEO, Autorité Marocaine du Marché des Capitaux, Morocco



Regional Committees play a key role within IOSCO, as they provide a forum for the exchange of experiences and discussion of issues of common regional interest. They also provide valuable regional insights to the global work done by the Organization.

During 2023, the Africa / Middle-East Regional Committee (AMERC) met on 20 November in Cairo, Egypt; on 13 June in Bangkok, Thailand; and on 10 May (virtual meeting), and discussed topics that members considered relevant in the region, such as: Fintech and digital assets, sustainable finance, supervisory cooperation, market development; and capacity building, among other topics.

AMERC members also conducted more specific work on the following three topics, through three AMERC Working Groups.

Sustainable Finance

The AMERC Working Group on Sustainable Finance (SFWG) was mandated to conduct a study about sustainability-related issuer disclosures and other sustainability-related policies and practices in the AMERC region. The SFWG was also aimed at understanding the level of preparedness of AMERC members to adopt the new ISSB standards and the challenges in carrying out such implementation.

To assist the preparation of the study, the SFWG conducted a survey among AMERC members. The survey covered members' initiatives in the areas of assurance, asset management, and ESG rating and data providers. The SFWG also coordinated with and provided input to the Growth and Emerging Markets

(GEMC), who was also conducting a survey in the area of sustainability-related issuer disclosures.

The SFWG presented its initial analysis of the information collected through the survey at different AMERC plenary meetings. The final internal report is expected to be finalized in 2024.

Fintech

AMERC set up a Fintech Working (FWG) to facilitate the exchange of information and experiences on the level of development of Fintech issues in the AMERC jurisdictions; the regulatory responses by members; and other initiatives (current or planned) planned by members.

In this context, during 2023 the FWG discussed different Fintech-related issues, such as trends in financial innovation and crowdfunding developments in the region. These topics were also discussed with experts in a webinar held on 4 October 2023.

Market Development

This topic is of relevance to AMERC members, given that all the jurisdictions in the region are emerging markets and they are eager to take actions that allow them to continue developing their markets. In this context, at its plenary meeting on 20 November, in

Cairo, Egypt, and following a proposal made by the AMERC Chair, a Working Group on Capital Market Development (WGCMD) was set up with the purpose of providing a forum to exchange ideas on market development-related issues and facilitate the sharing of information and practices among members.

AMERC has initially identified that some regulators in the region have established dedicated departments or units on market development, while other jurisdictions have designed specific plans or roadmaps for developing their capital markets. Hence, the WGCMD is expected to facilitate discussions on, and leverage on the experience of different strategies

that have been put in place to develop the capital markets.

Conclusion

I would like to thank the AMERC members and the AMERC Vice-chair, Ian Johnston (Chief Executive, Dubai Financial Services Authority, DIFC, Dubai) for their support to the work of AMERC during this year. I would also like to thank the team at the IOSCO Secretariat for its dedication in ensuring the smooth functioning of our Regional Committee.



Asia-Pacific Regional Committee

Shigeru Ariizumi

- > Chair of the APRC
- > Vice Minister for International Affairs, Financial Services Agency, Japan



The Asia-Pacific Regional Committee (APRC) is one of the four Regional Committees of IOSCO. It comprises 33 jurisdictions, at different levels of development. Thus, APRC's discussions and exchange of experiences benefit from a variety of perspectives on issues of common interest. In turn, the APRC members' views provide valuable input to IOSCO's global agenda.



In 2023, APRC structured its work around topics that were identified as relevant for its members, but also in line with IOSCO's priorities. In this way, the APRC work was developed around the following lines (in addition to other discussion about enhancing supervisory cooperation and addressing market fragmentation, among other topics).

Sustainable finance

The APRC held bilateral sessions with the IFRS Foundation to keep APRC members aware of the developments regarding the International Sustainability Standards Board (ISSB) standards. Members also continued exchanging their experiences and developments on sustainable finance. Moreover, the APRC shared with the IOSCO Board-level Sustainable Finance Task Force (STF) the findings of a survey conducted by the APRC Sustainable Finance Working Group (SFWG). The purpose of the survey was to understand the APRC members' progress and plans in relation to local implementation of the ISSB standard for climate disclosures, as well as the recommendations set out in the three IOSCO STF reports published in 2021.

Fintech

Given the regional developments in this area, the APRC set up a Fintech Working Group (FWG) in April 2023, which conducted a survey among APRC members with a focus on how APRC jurisdictions determine whether a crypto asset falls under the regulatory regime; what crypto assets are regulated; future plans for regulation; and future trends that members identify. The findings of this work were presented in an internal "Information Paper on Crypto and Digital Asset Regulatory Approach of APRC Member Jurisdictions" (October 2023).

Having in mind the relevance of the APRC findings for the global efforts being conducted by IOSCO, the APRC shared the Information Paper with the IOSCO Board-level Fintech Task Force (FTF). The executive summary of the Information Paper was also shared with the FSB Regional Consultative Group for Asia (RCGA) in November 2023. Furthermore, the APRC expects to enhance collaboration with other regional bodies, such as the FSB RCGA in 2024, including for instance through hosting a joint workshop.

RegTech/SupTech

The use of financial technology and financial innovation solutions is one important trend in the region. Hence, at the APRC meeting in Bangladesh (23

February), members discussed the need to undertake some work on the use of RegTech and SupTech in the securities markets, with a view to understanding the application, use cases, extent of implementation of RegTech/ SupTech across jurisdictions; as well as sharing learnings from the challenges faced, solutions adopted, and insights gained from the implementations in various jurisdictions.

To conduct this work, the APRC set up a SupTech/RegTech Working Group, who has conducted a survey among APRC members. The findings of the survey are expected to be presented to the APRC in 2024.

SME Financing through Regional Capital Markets

In view of the importance of the Small and Medium-sized Enterprises (SMEs) to the economy and the capital markets in the region, the APRC set up the APRC SME Working Group (SME WG) in March 2023 to obtain insights on regional SME financing solutions, challenges, as well as assess their impact. The SME WG launched a survey among APRC members to understand the state of play within the region. The findings from the survey will be presented to APRC through an internal report in 2024.

Others

With the development of the APRC Supervisory MoU in 2022, the APRC continued promoting a dialogue among its members around supervisory and enforcement issues with relevance in the region. This was mainly conducted through the annual APRC Supervisory Directors' and Enforcement Directors' Meetings, which were held in Bangladesh in February 2023. The annual EU-Asia Pacific Forum on Financial Regulation was also held via videoconference in 2023. Participants discussed several issues of global interest currently for financial regulators, such as cross-border regulatory developments, sustainable finance as well as digitalisation.

Conclusion

The rapid developments taking place in the APRC region require a close and practical dialogue among its members. I am pleased to see the active participation of APRC members in our meetings and on-going workstreams. The achievements made this year are due to the hard work and commitment of APRC members, the APRC Vice-Chair (Prof. Shibli Rubayat-Ul-Islam, Chairman, Bangladesh SEC), and the IOSCO Secretariat.

European Regional Committee

Mr. Jean-Paul Servais

- > Chair of the ERC
- > Chairman, Financial Services and Markets Authority, Belgium



IOSCO is an inclusive organization that promotes the sharing of regional views and peer-learning among its members. This is the case of the European Regional Committee (ERC), which brings together 57 authorities and jurisdictions from the region.

2023 was a very active year for the ERC, which met three times (19 December in Brussels, Belgium; 13 June in Bangkok, Thailand, in the margins of the Annual Meeting; and 10 February in Athens, Greece). During those meetings, ERC members discussed current and prospective market and regulatory developments in the region, as well as trends impacting their capital markets.

Some of the topics addressed by the ERC focused on market and regulatory initiatives happening at the local level; others were common to those topics being discussed by the entire organization, such as sustainable finance, Fintech and crypto assets. This means that members benefited from discussing global issues with regional and local impact, which in turn allowed the ERC to provide valuable input to IOSCO's agenda through a regional perspective.

Sustainable finance

The ERC engaged in a dialogue with the IFRS Foundation in order to keep ERC members informed about the International Sustainability Standards Board (ISSB) work and preparation of the General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and Climate-related Disclosures (IFRS S2) standards, which were endorsed by IOSCO on 25 July 2023. The ERC also kept a close dialogue with the IOSCO Board-level Sustainable Finance Taskforce (STF), chaired

by Rodrigo Buenaventura (Chair of the CNMV), thus keeping ERC members abreast of the policy work being conducted by IOSCO in this area (e.g. corporate reporting; disclosure and assurance; carbon markets; promoting good practices; transition plans; and capacity building).

Fintech and crypto

Fintech products, activities, and services, including crypto and digital assets, are becoming more relevant at both global and regional levels. Therefore, the ERC exchanged experiences extensively on how to address the challenges and opportunities posed by these technological developments, in line with members' needs and with due regard to IOSCO's policy recommendations. Hence, the presentations made by the Chair of the IOSCO Board-level Fintech Task Force (FTF) at the ERC meetings proved to be an excellent complement to the ERC discussions.

Retail investor protection

Securities regulators across Europe pay due regard to retail investor protection. During the ERC meetings in 2023 a frequent topic of discussion was members' experiences and challenges on the subject matter, as well as following up on the work that IOSCO is doing, including through the IOSCO Board-level Retail Investor Coordination Group (RICG), which is chaired

by Derville Rowland (Deputy Governor, Consumer and Investor Protection, Central Bank of Ireland).

Additional areas of work

The ERC also promoted new ways for its members to learn from each other. In this vein, one important initiative was the ERC thematic workshop on "New Suptech: exchange of experiences", which was held on 18 December 2023 in Brussels, Belgium. The workshop convened more than 80 participants and allowed for an extensive exchange of experiences between experts and regulatory staff around Suptech in social media; webscraping and social media monitoring; social media analytics; machine learning approach to support decision in insider trading detection; the use of AI in market surveillance; Suptech in the examination of corporations reports; and tackling greenwashing through technology, among other topics.

Engagement with other Regional Committees

Given the cross-border and cross-regional nature of many of the issues discussed by the ERC, members

invited the Chair of the Africa/Middle-East Regional Committee (AMERC), Nezha Hayat (Chair of AMMC Morocco) to share her views about the role of the IOSCO Regional Committees and the current priorities of the AMERC regional committee. This was a useful initiative that enhanced the perspective of the ERC discussions, while strengthening the peer-learning and collaboration across Regional Committees.

Conclusion

2023 has been a productive year for the ERC, both in terms of the topics and activities conducted by the ERC, and in terms of the active participation and engagement of its members.

Hence, I would like to thank the ERC members, the ERC Vice Chair, Derville Rowland Vasiliki Lazarakou, Chairperson, HCMC, ERC Board representative and the staff of the IOSCO Secretariat for their work and support through 2023. The ERC is in a good shape to continue enhancing the dialogue, cooperation and peer-learning in the year ahead.



Inter-American Regional Committee

Lucia Buenrostro

- > Chair of the IARC
- > Vice President of Regulatory Policy, Comisión Nacional Bancaria y de Valores, Mexico



The Inter-American Regional Committee (IARC) mirrors the composition of IOSCO, in the sense that it brings together jurisdictions at different levels of development which, notwithstanding such differences, face common issues that require dialogue, cooperation, and peer-learning. IARC provides a valuable and practical space for such engagement among its 34 members.

In this context, and despite the reminiscent challenges brought about by the global pandemic, IARC was able to continue working and gathering in 2023, both virtually (9 March and 7 November) and in-person (13 June in Bangkok, Thailand). The meeting conducted in March was also joined by members of the Council of Securities Regulators of the Americas (COSRA). Most of the IARC discussions focused on the following topics.

Fintech and crypto assets

While the developments in this area vary among the jurisdictions in the region, it was important for members to be informed about the policy work being conducted by IOSCO through its Fintech Task Force (FTF), as well as to exchange experiences on the IARC members' challenges, regulatory initiatives and prospective plans around the regulation and supervision of Fintech and crypto assets.

Sustainable finance

The market and regulatory initiatives on sustainable finance show a good level of progress in the IARC

region, although it differs among jurisdictions. Members engaged in a peer-learning dialogue around this topic, including through the angles of regulation and supervision, investor protection, and addressing greenwashing risk. Moreover, IARC also kept different communications with the IOSCO Sustainable Finance Task Force (STF) and the IFRS Foundation to follow up on the development of the International Sustainability Standards Board (ISSB) standards for Climate-related Disclosures and Sustainability-related Financial Information Disclosure.

Market developments and regulatory updates

Market developments in the jurisdictions of the IARC members require an on-going regulatory and supervisory work, as well as strategic thinking about current and emerging trends. Therefore, in 2023 IARC members continued exchanging information and experiences on a broad range of topics, which included, among others, regional initiatives for market integration, regulatory efforts to promote SME finance, supervisory initiatives to address emerging risks, as well as potential ways to enhance retail investor protection.

Engagement with the IOSCO Board Chair and the IOSCO Board

In 2023, IARC had the opportunity to welcome the IOSCO Board Chair, Jean-Paul Servais (ERC Chair and Chair of FSMA Belgium) at its meeting held on 13 June in Bangkok. The IOSCO Board Chair delivered a message to IARC, thus setting a meaningful precedent for enhancing inclusiveness in IOSCO. Likewise, the Board invited me, as IARC Chair, to attend its meeting held on 26 October, thus giving IARC the opportunity to give an update on our regional discussions and initiatives. IARC welcomed this opportunity to address the Board and look forward to having additional engagements.

Conclusion

The Inter-American region is facing many challenges and opportunities. Some of them are particular to our region, but some others are common to other regions of the world. Therefore, our Regional Committee will continue facilitating the sharing of experiences and the cooperation among its members, under the umbrella of the global work being conducted by IOSCO. I am thankful to the IARC members and the IARC Vice-Chair, Christina Rolle (Executive Director, Securities Commission of The Bahamas), for their on-going support. I would also like to acknowledge the excellent support that the IOSCO Secretariat provides to the IARC.



Committee on Emerging Risks (CER)

The Committee on Emerging Risks (CER), formerly known as the Standing Committee on Risk and Research (SCRR), was established by IOSCO in 2011 to provide a platform to discuss emerging risks and market developments. The mandate of the CER, rooted in IOSCO's Principles for Securities Markets Regulation – Principle 6 on systemic risk and Principle 7 on regulatory perimeter review – underscores its pivotal role in bridging gaps across the Policy Committees, Board Task Forces and FSEG.

Since 2017, the Committee has significantly influenced the Board's work program, particularly through the development of the Risk Outlook. This biannual horizon scan of emerging regulatory issues informs IOSCO's strategic agenda and guides the prioritization of its initiatives. The CER collaborates closely with the policy committees and task forces as part of the Risk Outlook process to ensure comprehensive coverage of emerging risks and strengthens IOSCO's proactive approach to market oversight and regulation.

The CER benefits from a deep and diverse pool of economic and risk analysis expertise, drawing from the domestic risk and research functions of its members. This expertise, and its broad membership, ensures that the CER can comprehensively engage on a broad set of regulatory issues. This capability has proven invaluable in crafting the CER's Risk Outlook and conducting thematic research projects such as those on passive investing and private finance.

In response to the risks, trends, and vulnerabilities identified in its 2023 Risk Outlook, the IOSCO Board identified Private Finance as one new priority – under the theme of "Strengthening Financial Resilience" – for inclusion in the 2023-24 Work Program. Accordingly, the CER conducted an extensive review of private finance in 2023, focusing on the rapid growth of private equity and credit markets and related risk implications.

The review highlighted concerns such as market opacity, leverage risks, and potential impacts on market integrity. Through research and engagement

with stakeholders including market participants, academics, and credit rating agencies, the CER underscored the interconnectedness between private and public markets. The resulting report, released in September 2023, emphasized the need for regulators to monitor developments in private finance markets and understand emerging risks, particularly given the more limited transparency in this evolving sector.¹⁴

During 2023, the CER convened two in-person plenary meetings that played a pivotal role in enhancing its strategic focus and operational efficiency. The plenary meeting hosted by the Securities Commission Malaysia, focused on refining the Risk Outlook process to ensure timely reporting and alignment with IOSCO Board priorities. Key decisions included optimizing the two-year research cycle, which involves extensive collaboration with academia, industry experts, and internal task forces to produce comprehensive risk assessments.

The CER also reinforced its commitment to monitoring developments in financial technology and data governance. Building on the thematic analysis of private finance, CER initiated a stocktake of private finance data availability from the perspective of regulators. This work sought to understand information that is available to regulators about this important corner of the markets.

For the 2025-26 Risk Outlook, 2023 served as the "interim year", during which the CER engaged in discussions among members and held Risk Roundtables with academics and industry experts. This allowed CER to gather input on a wide range of issues facing the marketplace, including the macroeconomy, geopolitics, climate and technology, as well as specific concerns related to financial market infrastructures, broker dealers, and asset management. The CER utilized these consultations to create a risk identification framework to capture input from IOSCO committees. The outcomes of this research phase will inform the comprehensive Risk Outlook report to be delivered to the Board in November 2024.



Activities of Policy Committees in 2023

The IOSCO Board reviews the regulatory issues facing international securities markets and coordinates practical policy responses to address the concerns they raise. Eight Policy Committees conduct substantive IOSCO work under the guidance of the Board and supported by the General Secretariat:

- Committee 1** Issuer Accounting, Audit and Disclosure;
- Committee 2** Regulation of Secondary Markets;
- Committee 3** Regulation of Market Intermediaries;
- Committee 4** Enforcement and Exchange of Information;
- Committee 5** Investment Management;
- Committee 6** Credit Rating Agencies;
- Committee 7** Derivatives; and
- Committee 8** Retail Investors.

In addition to the Policy Committees, several Board Task Forces and Working Groups examined relevant developments in the financial markets in 2023, specifically those linked to IOSCO's key priorities. These included:

- > Board-Level Financial Stability Engagement Group (FSEG)
- > Board-Level Sustainable Finance Task Force (STF)
- > Board-Level Fintech Task Force (FTF)
- > Board-level Task Force on Financial Benchmarks
- > Retail Market Conduct Task Force (RMCTF).

Following the publication of its final report in March 2023, the Board agreed to wind down the RMCTF in June 2023. Committee 3, 4, and 8 were tasked to take forward the RMCTF's recommendations for further work in 2023 and beyond. To ensure a joined-up approach, the Board established the Retail Investor Coordination Group (RICG) as an internal coordinating mechanism across the three Committees. (see further details under cross-committee work below).

The eight Policy Committees, the Board Taskforces and working groups, and the GEMC all support IOSCO in pursuit of its three main objectives of

protecting investors, maintaining fair, efficient and transparent markets and mitigating systemic risks. As always, these objectives remained high on the IOSCO agenda in 2023, as the organization continued its effort to ensure market integrity, the smooth functioning of global capital markets and investor protection. In April 2023, IOSCO published a new bi-annual work program under five themes:

1. Strengthening Financial Resilience
2. Supporting Market Effectiveness
3. Protecting Investors
4. Addressing New Risks in Sustainability and Fintech
5. Promoting Regulatory Cooperation and Effectiveness

Under these themes, IOSCO continued to focus on the follow-up work from the response to the COVID-19 pandemic and met key commitments made under the FSB's 2023 NBF workplan, notably with respect to liquidity risk and its management in open-ended funds. IOSCO also undertook the technical analysis required for the endorsement of the International Sustainability Standards Board (ISSB) Standards on General Sustainability Requirements (IFRS S1) and Climate Disclosures (IFRS S2) and called on its members to consider ways in which they may adopt, apply or otherwise be informed by those Standards. IOSCO also set out its vision for sustainability assurance, finalized its recommendations for the establishment of sound and effective compliance carbon markets and published, at COP 28 in Dubai, a consultation on Good Practices for voluntary carbon markets.

In the rapidly evolving field of financial technology and innovation, IOSCO delivered on key commitments under its Crypto-Asset Roadmap of July 2022, publishing two comprehensive sets of recommendations for the regulation of crypto and digital assets and decentralised finance.

Committee 1 on Issuer Accounting, Audit and Disclosure (C1)

C1 is devoted to delivering IOSCO's investor protection mandate by improving the development and maintenance of high-quality international accounting and auditing standards, enhancing financial reporting and audit quality and improving the quality and transparency of the disclosure and financial information that investors receive from listed companies. As of 2023, it is chaired by Paul Munter, Chief Accountant of the U.S. Securities and Exchange Commission; its Vice Chair is Cameron McInnis, Chief Accountant of the Ontario Securities Commission, and it is integrated by 35 member institutions.

To facilitate investor access to reliable and timely information, C1 develops international disclosure standards and principles that provide a framework for member jurisdictions seeking to establish, strengthen or review their disclosure regimes for entities that issue securities.

Issuer Accounting and Disclosure

In the field of accounting, C1 monitors the projects undertaken by the International Accounting Standards Board (IASB), an independent accounting standard-setting body within the International Financial Reporting Standards Foundation (IFRS Foundation). This includes observing the IFRS Interpretations Committee (IFRSIC), participating in the IFRS Advisory Council and other IASB working groups and issuing comment letters in response to IASB proposals.

The IASB's mission is to develop high quality International Financial Reporting Standards (IFRS) – IFRS Accounting Standards – that bring transparency, accountability and efficiency to financial reporting around the world. C1 contributes to the standard-setting work of the IASB through its involvement in the IASB's work streams and its comment letters on IASB proposals, providing the IASB with input that reflects the perspective of securities regulators. For example, C1 has recently provided feedback to the IASB and IFRSIC on proposals related to financial instruments, revenue, leases, intangible assets, climate-related risks in financial statements, provisions and other topics.

Integral to C1's role in monitoring the development of IASB and ISSB standards is IOSCO's involvement in the **Monitoring Board** (MB) of public authorities

which was established in 2009 to oversee the IFRS Foundation.

In March 2023, Takashi Nagaoka, Deputy Commissioner for International Affairs of the Financial Services Agency of Japan (JFSA), was appointed Chair of the MB. Members of the MB include representatives of the IOSCO Board and its Growth and Emerging Markets Committee (GEMC), the European Commission (EC), the Financial Services Agency of Japan (JFSA), Financial Conduct Authority (FCA) of the UK, US Securities and Exchange Commission (SEC), Brazilian Securities Commission (CVM), Financial Services Commission of Korea (FSC), and Ministry of Finance of the People's Republic of China (MOF).

During 2023, the MB completed a revision to its Charter and Memorandum of Understanding with the Trustees of the IFRS Foundation to add the MB's new scope of mission and operations relating to the ISSB's development of sustainability disclosure standards to its existing scope regarding the IASB's development of financial reporting standards.

Issuer Audit and Assurance

IOSCO believes that a set of international auditing standards has an important role to play in supporting investor confidence and decision making. To that end, C1 monitors the activities of two related standard-setting bodies: the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA), and it participates in their respective Stakeholder Advisory Council (SAC). Through the work of C1, IOSCO also maintains close collaboration with – and is an official observer to – the International Forum of Independent Audit Regulators (IFIAR), which provides its members, independent audit regulators from 52 jurisdictions, a platform to exchange information, experiences and insights about the audit environment.

IOSCO is a founding member and Chair of the **Monitoring Group** (MG) of international organizations committed to advancing the public interest in areas related to international audit, assurance, ethics and independence standard setting and audit quality.

Since April 2023, the MG has been chaired by Paul Munter, Chief Accountant of the U.S. Securities and Exchange Commission (US SEC). Other MG members include the Basel Committee on Banking Supervision, the EC, the Financial Stability Board, the International Association of Insurance Supervisors, IFIAR and the World Bank.

Recommendations published by the MG in 2020 led to the establishment of the International Foundation for Ethics and Audit (IFEA) in March 2023, which now houses the IAASB and the IESBA, independent from the International Federation of Accountants (IFAC). The MG also has regularly reported on the progress to implement these measures including in July 2023, and March 2023.

The MG also oversees and monitors the work of the Public Interest Oversight Board (PIOB). The PIOB is the global independent oversight body that seeks to improve the quality and public interest focus of the international audit, assurance, ethics, and independence standards formulated by the IAASB and IESBA. The MG completed the process of appointing four members of the PIOB in January 2023. Additionally, two members were reappointed in October 2023, starting their new terms in January 2024.

Other Activities in 2023

Impairment of Nonfinancial Assets Including Goodwill

IOSCO has been closely examining issues related to goodwill, as part of its effort to identify good practices for addressing the risk of unrecognized impairment on accumulated goodwill balances and related disclosures arising from business combinations. A consultation paper on the matter was published in June 2023. In December the IOSCO Board approved C1's final report on goodwill, which analyzes the status of goodwill reporting and the concerns that its members and other stakeholders have expressed, and provides a set of recommendations relating to issuers, audit committees and external auditors. The report stresses that fulfillment of the investor protection objective is tied to fairness in goodwill reporting, timely impairment loss recognition and transparent disclosure of significant judgments and key assumptions related to recoverability.

Valuation

C1 has been working on valuation-related issues in financial reporting, auditing and disclosures. This role has led to the establishment of a close working relation with the International Valuation Standards Council (IVSC). In October 2022, after conducting research on current jurisdictional requirements and practices and gathering feedback from standard setters, investors, auditors and valuation providers on existing challenges and potential ways to

mitigate them, IOSCO and the IVSC entered into a Statement of Cooperation aimed at developing a better understanding of the quality and consistency of valuations related to financial reporting. A C1 working group was formed in January 2023 to report on good practices and provide recommendations to the Board which is expected to be delivered in early 2025.

Committee 2 on the Regulation of Secondary Markets (C2)

C2 examines the structure and regulation of global capital markets and financial market infrastructure, including developments in technology and trading and oversight of trading venues.

Market Outages

Market outages occur when a technical problem or an operational issue causes the disruption of trading outright or the orderly trading of a trading venue, leading to the suspension of trading. Market outages, particularly if they occur in a listing trading venue, can be highly disruptive, impacting price discovery, market resilience and undermining the integrity of financial markets.

In June 2022, IOSCO decided to explore these issues, by identifying lessons learnt from recent outages and whether other regulatory considerations or guidance could be developed to enhance market resilience and to help ensure, to the extent possible, that orderly trading in a market can be maintained throughout an outage.

Based on data from a survey conducted in 2022, C2 published a consultation report on market outages in December 2023. The report seeks feedback on lessons learned and good practices identified, including amongst other things, the need to establish and publish an outage plan with clearly identified roles; the need to implement a communication plan and to communicate information relevant to the reopening of trading in a timely and simultaneous manner to all market participants and the need to ensure the processes and procedures that trading venues will follow to operate a closing auction and/or to establish alternative closing prices are published in the outage plan and communicated to all market participants during an outage. The final report will be published in 2024.

The evolution of Market Structures

Exchanges are the lynchpins of the financial system; they are the organized marketplaces through which most equities (as well as many other financial instruments) are traded. Consequently, how exchanges are organized and run is of critical interest to regulators – both with respect to how exchanges operate and the effect of the exchanges' operations on the wider financial market.

To analyze changes in the structure and organization of exchanges, C2 conducted two rounds of surveys: the first between November 2022 and January 2023, and the second between June and July 2023. Based on the survey findings, a consultation report will be published in early 2024.

Committee 3 on the Regulation of Market Intermediaries (C3)

C3 seeks to promote investor protection and market efficiency through its policy work on issues related to market intermediaries.

C3 initiated an important project in June 2023 to assess the observed vulnerabilities in pre-hedging practices by market intermediaries and how such vulnerabilities can be mitigated, with a focus on disclosure and transparency to clients. The Committee surveyed its members and market participants and organized outreach with industry representatives. The aim is to consult on a global definition of pre-hedging and the possible circumstances when the practice may be acceptable and provide guidance to IOSCO members on how to mitigate the identified risks in 2024.

C3 is also actively involved in the RICG, with consultations planned in 2024 on influencers, copy trading, broker dealer conflicts of interest, and digital engagement practices. The Committee will also develop an analysis of fractional asset trading, to be discussed at the IOSCO Board in the first instance and will also take part in activities led by other committees under the RICG umbrella such as the prevention of online illegal activities and increasing awareness of online harm, and better supervision of online fraud (**see section below on cross-committee work**).

Finally, C3 has also co-led IOSCO's work on Leveraged Loans (LL) and Collateralized Loan Obligations (CLO) with Committee 5 on Investment Management (**see section below on cross-committee work**).

Committee 4 on Enforcement and the Exchange of Information (C4)

C4 on Enforcement and the Exchange of Information encourages dialogue among members relating to the investigation of violations of securities and derivatives laws, and good practices for investigation and international cooperation in investigations. It provides a platform for members to share experiences in identifying and addressing emerging types of misconduct.

Additionally, members share best practices to facilitate the process of requesting and providing international assistance on enforcement matters, using the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (MMoU) and the Enhanced Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (EMMoU) as the benchmarks for cooperation. Being mindful of the need to share important thematic lessons with the wider IOSCO membership, C4 from time-to-time issues publications on relevant enforcement topics to IOSCO members

Enforcement Cooperation

C4 continues to focus its work on how to facilitate the exchange of information and the provision of mutual assistance among IOSCO members in enforcement. Members recognize the importance of good practices in enhancing international cooperation under the MMoU/EMMoU. In 2023, C4 held numerous discussions on ways regulators could better facilitate international assistance and support enforcement functions at a practical level. Key areas of focus include how regulators can cooperate more effectively and work closer with third parties (such as internet services providers), investigate illegal activity involving novel products (including crypto), and tackle online harm and misconduct (including websites conducting securities fraud).

Credible Deterrence

C4 published its report on Credible Deterrence in the Enforcement of Securities Regulation in 2015. The report identified seven factors that could deter misconduct in securities and derivatives markets and encouraged regulators to consider these factors within their credible deterrence strategy.

In September 2020, C4 agreed to update the report's examples of investigative and prosecutorial tools used by members, given the developments regarding new technologies and products and cyber issues. After working on the issues throughout 2021 and 2022, C4 published the updated report in 2023.

IOSCO Board Statement on Online Harm

In March 2022, C4 formed the view that the publication of a statement by the IOSCO Board addressing the significance of securities and derivatives related online harm would have great value in mitigating the harm caused by this threat. The threefold aim of such a statement is to: first, warn the public about the imminence and pervasiveness of the serious dangers of online harm and direct them to resources which they can tap into; second, call to action to securities and derivatives regulators to respond holistically and innovatively to online harm; and third, highlight the importance of efficient collaboration amongst law enforcement agencies and constructive engagement with all relevant stakeholders in the broader online ecosystem including private third parties, such as internet service providers and other facilitators to effectively counter online harm. The IOSCO Board Statement on Online Harm was published on 15 December 2023.

Conference on the use of Technology in Securities Market Enforcement

In September 2023, C4 organized the second edition of the conference on "The Use of Technology in Securities Market Enforcement" for the benefit of all IOSCO members.

This conference is one of C4's initiatives for raising members' awareness of the importance of the application of technology in enforcement, and the current and emerging technological tools for combating securities fraud and misconduct. The intention was to spark interest amongst members in developing and adopting their own tools and sharing their experience with others. It responded to the need for securities regulators to leverage technology to enhance their investigative capabilities in the delivery of more timely and effective enforcement outcomes, especially in the fast-evolving digital world.

The second edition of the conference featured presentations on rethinking enforcement approaches in a digitized securities industry, machine learning

approaches to support decisions in insider trading detection, how to effectively conduct online investigations using open-source intelligence, and a case study on "Using Data Analytics and Advanced Technological Tools in Crypto Assets Investigations.

For the joint committee work coordinated through the RICG on finfluencers, copy trading, broker dealer conflicts of interest, fractional asset trading and digital engagement practices, the prevention of online illegal activities and increasing awareness of online harm and better supervision of online fraud, **see section below on cross-committee work.**

Committee 5 on Investment Management (C5)

C5 addresses issues relating to investment management. Its remit encompasses both collective investments schemes and private funds, including hedge, private equity, and venture capital funds, and the advisers to such funds. Its recent work responds to addressing issues related to non-bank financial intermediation ("NBF") activities, including progressing work on liquidity risk management in Open-Ended Funds (OEFs).

Management of Liquidity Risk in Open-Ended Funds

On liquidity risk management in open-ended funds, the FSB and IOSCO carried out follow-up policy work to enhance the existing international recommendations and related guidance.

A consultation report with proposed revisions to the 2017 FSB Recommendations was published in July. At the same time, C5 developed detailed guidance to support greater and more consistent use of antidilution liquidity management tools by responsible entities for open-ended funds – in both normal and stressed market conditions. The final FSB report was published in December 2023 and is addressed to financial regulatory authorities with the aim of setting out the key objectives of an effective regulatory and supervisory framework to address vulnerabilities arising from liquidity mismatches in open-ended funds. In 2024, IOSCO will work towards a Consultation Report on the revised 2018 Liquidity Risk Management Recommendations and associated Implementation Guidance.

Exchange Traded Funds (ETFs)

Following publication in April 2022 of its consultation report Exchange Traded Funds – Good Practices for Consideration,² IOSCO published its final report with Good Practices Relating to the Implementation of the 2013 IOSCO Principles for Exchange Traded Funds³ on 12 May 2023. The Good Practices are designed to supplement and operationalize the 2013 ETF Principles, highlighting issues for consideration as to how the 2013 ETF Principles may be put into practice. They respond to significant recent global ETF market growth, and the increasing number of new products with exposure to novel and less liquid asset classes and more complex investment strategies.

The Good Practices address product structuring (including means of facilitating effective arbitrage and range of assets and strategies for ETF offerings), disclosure (regarding potential risks of the arbitrage mechanism, secondary market trading and differentiating ETFs from other exchange traded products and collective investment schemes), liquidity provision and volatility control mechanisms. In developing these Good Practices, IOSCO undertook a comprehensive review of the ETF market, surveying regulators and industry participants, conducting extensive stakeholder outreach, reviewing recent academic literature, considering major market events affecting ETFs including the COVID-19- related market volatility in March and April 2020, and engaging with the Financial Stability Board. In particular, IOSCO published a Thematic Note – Findings and Observations during COVID-19 Induced Market Stresses, summarizing its findings regarding the operation and activities of the primary and secondary ETF markets during COVID-19.

Index Providers

Due to the significant increase in the use of indices (and index providers) by the asset management industry, the IOSCO Board approved a conduct-focused mandate in 2019 to examine (1) the role of asset managers in relation to indices and index providers, and (2) the role and processes of index providers in the provision of indices, including the potential impact of administrative errors on funds and identifying potential conflicts of interest that may exist at index providers in relation to funds.

In June 2023, the final report on conduct related issues in Index Provision was approved by the IOSCO Board and subsequently shared with ordinary and associate members. An abbreviated version of the report was shared with the AMCC, which has set up a dedicated group to follow-up on the work.

Investment Funds Statistics Report

Since 2010, IOSCO has undertaken a biennial data collection exercise for the IOSCO Hedge Funds Survey. In 2021, the scope of the data collection expanded beyond hedge funds to include data for the open-ended and closed-ended funds industry. Based on these figures, IOSCO published its first Investment Funds Statistics Report (IFSR) in January 2022 to gain new insights into the global investment funds industry and the potential systemic risks this industry may pose to the international financial system. The second IFSR was published in January 2023.

Committee 6 on Credit Rating Agencies (C6)

C6 currently has a watching brief status

Committee 7 on Derivatives (C7)

C7 focuses on issues related to all types of derivatives products and markets.

Post Trade Risk Reduction Services

Post Trade Risk Reduction Services (PTRRS) are increasingly being used by market participants to increase efficiency in the way they manage their OTC derivatives trades. Given the sheer volume of derivatives contracts that are exposed to "portfolio compression" and "counterparty risk optimisation services" and the possible material impact of these services on the overall amount of Initial Margin (IM), IOSCO's Board approved a mandate in December 2021 for C7 to assess the possible risks associated with the increased use of PTRRS and concentration of PTRRS providers, particularly in the areas of "portfolio compression" and "counterparty risk optimization". In December 2023, IOSCO published a Consultation Report proposing sound practices to mitigate the challenges and risks identified. The Final Report is expected to be published in Q4 2024.

Single-Name Credit Default Swaps Transparency

The Financial Stability Board (FSB) asked IOSCO in its 2023 NBF Progress Report to examine liquidity and transparency in the single-name CDS market



as a follow-up to the March 2023 banking sector turmoil, which led to Credit Suisse's acquisition by UBS. The project has two phases. In Phase 1, C7 will explore and understand the single-name CDS related market events that occurred in March 2023 by asking IOSCO member authorities to gather information, including from other authorities and institutions within their jurisdictions, to the extent possible. C7 will also assess current levels of market transparency, including potential ways to encourage greater post-trade transparency, and the pros and cons of increased transparency, consistent with the 2015 Report. Depending on the findings of Phase 1, IOSCO will make a decision as to whether any further work is required in this area at global level.

Targeted implementation review of the revised "Principles for the Regulation and Supervision of Commodity Derivatives Markets" (The Principles)

Recent commodity market volatility and the price spikes in energy and agricultural derivatives markets have highlighted the importance of the proper implementation of the Principles which were updated in 2023.

In December 2023, the IOSCO Board approved a mandate to carry out a targeted implementation review to assess jurisdictions' progress in implementing five Principles, namely Principle 9, 12, 14, 15 and 16 (the Selected Principles) on the basis that an appropriate implementation of the Selected Principles would help mitigate the impact of external factors which may disrupt commodity markets, as recently experienced. The assessment comprises of two surveys, one to gather responses from the governmental regulator or self-regulatory organizations (SROs) (the regulators' survey) and the other to gather responses from the operator of the regulated markets (or exchanges) (the exchanges' survey) from the responding jurisdictions. The final deliverable will be a report to the IOSCO Board setting out for each Selected Principle: i) a description and assessment of implementation of the Selected Principle during recent unexpected market disruptions and a description of any gaps and inconsistencies between current rules, policies and practices and the Selected Principle; and ii) as appropriate, recommendations to the IOSCO Board on the basis of the results of the Review as to whether any further steps are necessary at global level.

Committee 8 on Retail Investors (C8)

Crypto-assets and investor education and protection

C8 initiated a policy project in July 2023 to update the 2020 IOSCO report on investor education concerning crypto-assets for retail investors, in view of developments since the publication of the 2020 report. The updated report will be published in Q4 2024 and will include information on the behavior, demographics, and experiences of retail investors in member jurisdictions concerning crypto-assets. In addition, taking into account the risks and challenges that retail investors face when considering investing in crypto-assets, the report will include examples of educational materials developed by C8 members for possible use by other IOSCO members in designing their investor education and protection initiatives for retail investors.

For the joint committee work coordinated through the RICG on influencers, copy trading, broker dealer conflicts of interest, fractional asset trading and digital engagement practices, the prevention of online illegal activities and increasing awareness of online harm and better supervision of online fraud, **see section below on cross-committee work.**

World Investor Week

IOSCO held its seventh World Investor Week from 2 to 8 October 2023. Securities regulators, stock exchanges, international organizations, investor associations and other IOSCO stakeholders from jurisdictions around the world participated in this campaign in favor of financial literacy and investor education and protection. Coordinated by C8, this annual event serves to raise awareness worldwide about the importance of investor education and protection. Activities during the week range from workshops and conferences to local and national investor education campaigns, games and contests. In addition to highlighting the importance of investor education and protection, a key objective of the WIW is to help investors understand and respond to rapid technological change and the challenges posed by increasingly interconnected financial markets. The 2023 WIW campaign focused on three main themes: Investor Resilience, Crypto Assets, and Sustainable Finance. Other themes cover Frauds and Scams Prevention, Basics of Investing, Technology and Digital Finance.

Task Forces, Information-Sharing Networks and Cross-Committee Work

Board-Level Task Forces

Board-Level Financial Stability Engagement Group (FSEG)

Financial stability is critical in ensuring the proper functioning of the capital markets, and in March 2020, IOSCO established the Financial Stability Engagement Group (FSEG). FSEG is a Board-level group represented by 22 principals, to enhance IOSCO's approach to financial stability issues in the capital markets, including its engagement with the Financial Stability Board (FSB), international standard setting bodies, and other organizations.

In 2023, FSEG held eight principals' meetings, which included three in-person meetings (two Deep Dive discussions and an in-person meeting prior to the Board meeting during the Annual Meetings in Bangkok).

The FSEG is co-chaired by Nikhil Rathi of the UK Financial Conduct Authority and Marie-Anne Barbat-Layani of the French Autorité des Marchés Financiers, and through regular dialogue of principals, discuss market conditions, changes, emerging risks and threats.

Topics covered included the impact of higher interest rates on securities markets, the contagion risks related to the collapse of several regional banks such as Silicon Valley, impact of CDS markets and equities and the rising geopolitical tensions, and their impact to capital markets with the escalation of the middle east conflict and the ongoing war in Ukraine, the impacts on commodities derivatives and broader markets.

In 2023, FSEG continued to focus on addressing issues related to NBFIs activities under the theme of

strengthening financial resilience, including making significant contributions to FSB work on the topic. Under FSEG's stewardship, IOSCO was closely involved

in the FSB's work to review its 2017 Policy Recommendations to Address Structural Vulnerabilities from Liquidity Mismatch in Open-Ended Funds and completed several project milestones under this theme, not least the publication of IOSCO's Anti-dilution Liquidity Management Tools – Guidance for Effective Implementation of Recommendations for Liquidity Risk Management for Collective Investment Schemes. IOSCO also published its Thematic Analysis: Emerging Risks in Private Finance and linked to that, consulted on "good practices" aimed at mitigating identified vulnerabilities in the Leveraged Loan (LL) and Collateralised Loan Obligation (CLO) sectors. FSEG reviewed, provided input and contributed to work of different committees at IOSCO, including overseeing significant work on both Short Term Funding Markets and Margin Practices. The first was a joint IOSCO-FSB undertaking which culminated in a consultation report on CP and CD market structure and vulnerabilities, and the second oversaw work by the joint IOSCO-BCBS-CPMI working group on increasing transparency in centrally cleared markets.

In addition, FSEG routinely discussed significant market structure developments, leveraging FSEG's biannual Deep Dive discussions. In October, IOSCO brought together the senior principal leaders of securities regulators, industry experts and academics to convene the first ever senior regulatory meeting on the increasing use of artificial intelligence, and the impact of generative AI, Large Language Models and increased model-driven trading in financial markets. This was in addition to a Deep Dive discussion held in April 2023 in Washington DC to discuss the effects of hidden leverage, which remains prominent on the

current NBFIs agenda. This paved the way for the joint IOSCO-FSB Working Group on Leverage that is now currently engaged in addressing financial stability risks associated with the use of excessive leverage. This high-level engagement also furthers IOSCO's goal in Promoting Regulatory Cooperation and Effectiveness.

Board-Level Sustainability Task Force

The Sustainable Finance Task Force is chaired by the Spain Comision Nacional de Mercados y Valores (CNMV) through its president and IOSCO Board Member, Rodrigo Buenaventura.

In 2021, the IFRS Foundation established the International Sustainability Standards Board (ISSB) as a sister board to the IASB. The ISSB is responsible for developing IFRS Sustainability Disclosure Standards to further inform economic and investment decisions. In June 2023, the ISSB issued its final standards on General Requirements for Disclosures of Sustainability-related Financial Information (IFRS S1) and Climate-Related Disclosures (IFRS S2).

IOSCO undertook a timely and thorough review of the IFRS International Sustainability Standards Board (ISSB) Standards on climate and general sustainability disclosure requirements and in July 2023, IOSCO endorsed the ISSB standards as "appropriate for the purpose of helping globally integrated financial markets accurately assess relevant sustainability risks and opportunities" and called on its members to consider ways in which they may adopt, apply or otherwise be informed by the standards.

In parallel, IOSCO pushed forward work to develop assurance standards. IOSCO identified independent assurance of the quality of corporate reporting of sustainability information as a key element of building trust in sustainability reporting and, in March 2023, set out its vision for sustainability assurance. Publishing a report with key considerations to promote an effective global assurance framework for sustainability-related corporate reporting. In doing so, IOSCO encouraged timely and high-quality profession-agnostic standard-setting outcomes responsive to the public interest; called for early engagement with preparers, investors and providers; and supported capacity building across the entire sustainability reporting ecosystem. In 2024, IOSCO will continue its engagement with the IAASB and IESBA as they develop those Standards.

IOSCO also committed to an in-depth review of carbon markets and, in 2023 finalised its recommendations on

compliance carbon markets (CCMs). The report looks at the specific characteristics of CCMs compared to traditional financial markets and outlines a set of recommendations aimed at making these markets efficient and ensuring they function with integrity, learning from the experience of others. In December 2023, IOSCO also published a consultation report on voluntary carbon markets (VCMs) to promote integrity and orderly functioning of VCMs via a series of Good Practices. The Good Practices draw on existing good practices and principles for well-functioning markets, such as IOSCO's Objectives and Principles of Securities Regulation (including the derivatives markets).

IOSCO also continued its engagement with jurisdictions and market participants, with a view to see its recommendations on ESG ratings and data product providers implemented globally.

Board-Level Fintech Task Force

The Board-level Fintech Task Force (FTF) was established in early-2022. It is chaired by Monetary Authority of Singapore (MAS) Board Member LIM Tuang Lee. The FTF is tasked with developing and implementing IOSCO's regulatory agenda for Fintech. In 2023, the FTF continued to prioritize policy-focused work on crypto-asset markets and activities under IOSCO's crypto-asset roadmap of July 2022 to respond to market integrity and investor protection concerns in the sector. The policy work was conducted through two workstreams. The first, on Crypto and Digital Assets (CDA), the second on Decentralised Finance (DeFi). IOSCO published a Consultation Report for CDA Markets in May 2023,⁵ targeting acute investor protection and market integrity risks attached to the activities – and inherently conflicted business models – of the centralized actors in crypto-asset markets. IOSCO consulted on a complimentary set of policy measures for DeFi in September.⁶ The final CDA Recommendations were published in November 2023.⁷⁽⁴⁾ The final recommendations on DeFi were published in December 2023 together with an umbrella note that explains the interoperability between the two sets of policy recommendations.⁹ These recommendations provide a coherent and robust policy framework to tackle the core risks posed by crypto-asset markets.

Following delivery of the CDA and DeFi policy work in 2023 that fulfil the public commitments made under the crypto-asset roadmap, through its Fintech Task Force, the IOSCO Board agreed in December 2023 to a three-year crypto-asset implementation roadmap to maintain momentum on the crypto-assets sector

by monitoring and promoting timely and effective implementation of the CDA recommendations across the IOSCO membership IOSCO going forward.

Board Level Task Force on Financial Benchmarks

Benchmarks are vital for pricing and allocating capital and risk in financial products and derivatives. In 2012, IOSCO established a Task Force to improve benchmark transparency, methodology, governance, and oversight. The Financial Stability Board (FSB) followed in 2013, creating the Official Sector Steering Group to facilitate the transition from LIBOR to more robust benchmarks. Since then, the FSB and IOSCO have continued their efforts, emphasizing the need for benchmarks based on deep, credible, and liquid markets. In this regard, the Secured Overnight Financing Rate (SOFR) is now the preferred alternative to USD LIBOR, with growing adoption in 2023.

Also in 2023, following on the 2021 Statement on Credit Sensitive Rates (CSRs),¹⁰ IOSCO reviewed several alternative benchmarks to LIBOR, finding weaknesses in some CSRs similar to those in LIBOR. In July, IOSCO issued a subsequent statement on alternatives to USD LIBOR¹¹ that recommended that administrators should

- consider and clearly disclose how they have considered applying the “concept of proportionality” in assessing compliance with the IOSCO Benchmark Principles for Financial Benchmarks;
- consider licensing restrictions for use of CSRs and Term SOFR rates in a manner to prevent widespread usage which would be disproportionate to the underlying markets the benchmark seeks to measure (Term SOFR rates are advised for limited use to maintain sustainability);
- consider whether to improve the transparency of their rates, either through their methodology documentation, or by making underlying statistical data more readily available; and
- along with their auditors and independent consultants, refrain from any representation that the CSRs reviewed are “IOSCO-compliant”.

By June 2023, the USD LIBOR panel was largely phased out, leaving only three settings in synthetic form until September 2024. This transition, requiring extensive coordination, has bolstered financial

stability. The transition highlighted the importance of robust fallback provisions in contracts, with significant progress made by industry bodies such as ISDA. These provisions ensure continuity in financial agreements.

Looking forward, the FSB and IOSCO encourage the adoption of suitable, robust reference rates, avoiding excessive reliance on CSRs or term rates outside recommended scenarios. Benchmark administrators should enhance transparency by clearly disclosing methodologies and input data while contracts should include robust fallback mechanisms for smooth transitions. To assure the adoption of stable and transparent benchmarks, and maintain financial stability and market integrity, IOSCO and the FSB will continue the monitoring of financial benchmarks.

Information-Sharing Networks

Special Purpose Acquisition Companies Network (SPACs)

While Special Purpose Acquisition Companies (SPACs) have long existed, transactions involving them surged in 2020 and 2021, drawing increased regulatory attention to the issues raised by SPACs’ capital raising and de-SPAC transactions, in particular with respect to investor protection and market integrity. The IOSCO Board therefore established a SPAC Network in June 2021 to facilitate the sharing of information about SPACs and monitor developments in this area. The SPAC Network informed the Board about its activities and findings in February 2022 and the Board then asked the SPAC Network to carry out further work and examine three focus points: (1) retail investor participation, (2) dilution and (3) the relationship between SPACs and IPOs with the objective of synthesizing its findings. In May 2023, the IOSCO Board approved for publication the final report of the SPAC Network with its key findings on these focus points. The final IOSCO report on SPACs was published on 10 May 2023¹² with the aim of helping IOSCO members review or improve their approach to oversight and investor protection related to these capital-raising and acquisition vehicles. The report includes a set of considerations for SPAC regulatory frameworks that may be used by IOSCO members looking to review their existing rules or to develop a regime that further regulates SPACs.

Primary Markets Network (PMN)

In May 2023 the SPAC network was converted into a Primary Markets Network (PMN) under the governance of Committee 1, in order to build on the

work of the SPAC network that was completed by the publication of the final report on 10 May 2023 and facilitate the sharing of information on the wider functioning of primary markets. The PMN is chaired by the Chair of C1, Paul Munter of the US SEC. The first meeting of the group took place at the end of October 2023.

Cross-Committee work

Retail Investor Coordination Group (RICG)

In March 2023, IOSCO published the Final Report of the Retail Market Conduct Task Force (RMCTF).¹³ The report covers a broad range of popular recent retail market trends and issues giving rise to deepening challenges to investor protection in the context of increasingly digital and cross border delivery of services to retail clients. The report provides a “global point-in-time view” of an evolving area and includes a toolkit for regulators to consider in developing their respective approaches to address emerging retail market conduct issues. In June 2023, the Board agreed to wind down the RMCTF. It tasked Committee 3, 4, and 8 to take forward the RMCTF’s recommendations for further work in 2023 and beyond. To coordinate the inputs across the three expert committees on this next phase of the work, the IOSCO Board approved the establishment of an internal coordination mechanism: the retail investor coordination group (“RICG”).

The RICG aims to enhance IOSCO’s response to the increasing participation of retail investors in digital markets and digital product distribution, which raises significant concern around retail online

harm and misconduct exacerbated by cross-border implications. It is composed of the Chairs of C3, C4 and C8 as members, and a senior Board member, Derville Rowlands of the Central Bank of Ireland, as the Chairperson. The scope of RICG work can be categorized under two main themes: 1) Emerging retail market conduct issues projects, looking at issues such as influencers, copy trading, broker dealer conflicts of interest, fractional asset trading and digital engagement practices; and 2) Combatting online retail fraud, including work related to the prevention of online illegal activities and increasing awareness and investor education. Policy work will begin in earnest in 2024 on those aspects.

Project on Leveraged Loans (LL) and Collateralized Loan Obligations (CLO)

In September 2023, IOSCO published a consultation paper with “good practices” aimed at mitigating identified vulnerabilities in the LL and CLO sectors. The consultation report provides (1) an overview of the LL and CLO markets and their evolution since the GFC, (2) explains why the vulnerabilities identified in the LL and CLO markets could impact IOSCO’s objectives of (i) protecting investors, (ii) ensuring that markets are fair, efficient and transparent, and (iii) reducing systemic risk, and (3) describes in detail twelve proposed good practices for market participants to consider covering (i) origination and refinancing based on a sound business premise; (ii) EBITDA and loan documentation transparency; (iii) strengthening alignment of interest from loan origination to end investors; (iv) Addressing interests of different market participants throughout the intermediation chain; and (v) Disclosure of information on an ongoing basis. The final report will be published by June 2024.



Inter-Agency Work

IOSCO work with the Committee on Payments and Market Infrastructures (CPMI)

CPMI and IOSCO work together to enhance the coordination of standard and policy development and implementation related to clearing, settlement and reporting arrangements, covering financial market infrastructures (FMIs) worldwide. FMIs, which include systemically important payment systems (PSs), central counterparties (CCPs), trade repositories (TRs), central securities depositories (CSDs), and securities settlement systems (SSSs), play an essential role in the global financial system. The disorderly failure of an FMI could lead to severe systemic disruption if it caused markets to cease to operate effectively.

Policy work on CCP Risk

Following the publication in August 2022, of *A Discussion Paper on Central Counterparty Practices to Address Non-Default Losses*¹⁵, in August 2023 – taking into account the comments received in response to this discussion paper – CPMI-IOSCO published a consultation report updating the discussion paper with a more thorough description of current practices that CCPs employ to address NDLs in business as usual (BAU), recovery and orderly wind-down scenarios. The report does not create additional standards for CCPs or other financial market infrastructures (FMIs), nor does it provide guidance on existing standards. It is intended to facilitate the sharing and understanding of these practices and to improve CCPs' plans for managing NDLs. It also aims to assist relevant authorities to better understand the current state of CCPs' practices for addressing NDLs, including areas where further improvements might be helpful. Given the wide range of practices reported and the different views expressed by industry the Steering Group for CPMI-IOSCO work approved a NDL Stage 2 mandate for additional work on NDLs across all Financial Market Infrastructure ("FMI") types, including an assessment of the implementation of the PFMI and guidance on general business risks ("GBRs") with a consultation paper on CCP practices to address non-default losses due by the end of 2024.

Policy work on Stablecoins

In July 2022, CPMI and IOSCO issued final guidance on stablecoin arrangements, confirming that the Principles for Financial Market Infrastructures apply to systemically important stablecoin arrangements. The guidance was a major step forward in applying same risk, same regulation to stablecoins and extending the international standards for payment, clearing and settlement systems to cover systemically important stablecoin arrangements.]

The final guidance, which followed the October 2021's proposals for consultation, reconfirms that if a stablecoin arrangement performs a transfer function and is determined by authorities to be systemically important, the stablecoin arrangement as a whole would be expected to observe all relevant principles of the PFMIs. In 2023, CPMI-IOSCO continued to work on further clarifications to the 2022 guidance, which will be further developed in 2024.

Work on Climate

In October 2023, a small group of CPMI-IOSCO Steering Group volunteers presented an internal note that described climate change-related risk transmission channels and how CCR is captured within the PFMI framework. The Steering Group endorsed the CCR small group's proposal to organise two virtual workshops: one for FMIs and one for the authorities in order to gather information about existing and planned practices. The Steering Group asked in September 2024 the small group to continue and draft a document on how the PFMIs can be used as a basis for incorporating climate change risk in the risk management frameworks.

Other CPMI-IOSCO Work

Implementation Monitoring of the PFMI

In 2023, the Implementation Monitoring Standing Group (IMSG), co-Chaired by the ECB and the US SEC, advanced its implementation monitoring program of the *Principles for financial market infrastructures* (PFMI), at three levels.

The IMSG updated the information on the Level 1 in April 2023 (with information as of January 2023), based on the self-assessment made by the two jurisdictions that were still to achieve the rating of "4"

under the Level 1 methodology. The IMSG concluded that no changes in current ratings were need, so the ratings remain as follows:

Level 1 (January 2023) ¹								
	Principles				Responsibilities			
Jurisdiction	PSs	CSDs & SSSs	CCPs	TRs	PSs	CSDs & SSSs	CCPs	TRs
Argentina	4	3 / 4	3	4	4	4	4	4
US	4	4	4	1 / 4	4	4	4	4

¹ When FMIs within an FMI type are under different authorities' jurisdictions and the implementation status varies depending on the jurisdiction, a split rating is assigned.

The IMSG also continued its peer-review of the implementation measures adopted by the European Union and the United Kingdom, to assess whether those measures are complete and consistent with the PFMI for systemically important payment systems and CSD/SSS. The IMSG also continued its discussions around the Level 2 program to guide the sequence of the assessment for the jurisdictions that are still pending to be assessed under the Level 2 methodology.

Finally, the IMSG advanced its assessment Principle 15 (General business risk) for the exercise covering 34 FMIs from 27 jurisdictions, including 3 systemically important payment systems, 18 central counterparties, 9 central securities depositories (CSDs) / securities settlement systems, and 4 trade repositories. The assessment was launched through a L3 GBR survey in August 2023. It will also provide input to the CPMI-IOSCO PSG Subgroup on non-default losses (NDL).

BCBS-CPMI-IOSCO work on Margin Practices

The BCBS, CPMI and IOSCO established an ad hoc group, the Joint Steering Group on Margins (JSGM) –

as part of the Financial Stability Board's (FSB's) work program on non-bank financial intermediation (NBFII) –, to examine the margin calls in March and April 2020, margin practice transparency, predictability and volatility across various jurisdictions and markets, as well as market participants' liquidity management preparedness to meet margin calls.

In September 2022, IOSCO-CPMI-BCBS published its final report on the *'Review of margining practices'*¹⁶ building on the consultative report published in October 2021. It presents a data driven analysis of margin calls during the high market volatility and "dash for cash" in March and April 2020. It also reviews margin practices transparency, predictability and volatility across various jurisdictions and markets, as well as market participants' preparedness to meet margin calls.

The final report identified five areas of follow-up work (see table 1 below). The JWGM is working on two of these areas: (i) increasing transparency of initial margins in centrally cleared markets; and (ii) evaluating the responsiveness of initial margin models to market stresses with a focus on impacts and implications for CCP resources and the wider financial system. The CPMI-IOSCO Policy Standing Group (PSG) is

undertaking another area of the work on streamlining Variation Margin (VM) processes in centrally cleared markets. The BCBS-IOSCO Working Group on Margin Requirements (WGMR) is operationalizing the follow-up work on (i) streamlining IM and VM processes in the non-centrally cleared markets and (ii) evaluating the responsiveness of non-centrally cleared Initial

Margin models to market stresses. These groups are coordinating as they proceed, considering potential practical policy proposals and/or recommendations that take into account the perspectives of regulators, CCPs, clearing members, clients, and other relevant stakeholders.

Margining practices follow-up work

Table 1

Area	Centrally cleared markets	Non centrally cleared markets
Increasing transparency	BCBS-CPMI-IOSCO Margin Group	
Enhancing liquidity preparedness of market participants as well as liquidity disclosures	FSB – Standing Committee on Supervisory and Regulatory Cooperation – Working Group on Margin Preparedness	
Identifying data gaps in regulatory reporting	FSB – Standing Committee on Supervisory and Regulatory Cooperation – Working Group on Margin Preparedness	
Streamlining variation margin (VM) processes	CPMI-IOSCO Policy Standing Group	BCBS-IOSCO Working Group on Margin Requirements
Evaluating the responsiveness of IM models to market stresses	BCBS-CPMI-IOSCO Margin Group	BCBS-IOSCO Working Group on Margin Requirements

Work on transparency and responsiveness of initial margin models in centrally cleared markets

In 2023, the BCBS-CPMI-IOSCO joint working group on margins (JWGM) developed the consultation proposals to increase the resilience of the centrally cleared markets in times of market stress, to operationalize the Review of margining practices report recommendations to increase IM transparency on centrally cleared markets; and evaluate initial margin model responsiveness to market stress in centrally cleared markets with a focus on impacts and implications for CCP resources and the wider financial system.¹⁷ The proposals are designed to improve market participants' understanding of centrally cleared initial margin calculations and potential future margin requirements. They cover aspects of central counterparty (CCP) transparency, governance and review of initial margin models, as well as clearing member transparency for clients and CCPs. The consultation report on 'Transparency and Responsiveness of initial margin in centrally cleared markets: review and policy proposals' will be published in January 2024 and responses will be taken into consideration for a final report. In May 2023, the BCBS-CPMI-IOSCO also published

a report on *Margin dynamics in centrally cleared commodities markets in 2022*. More specifically, the report analyses margin dynamics in centrally cleared commodity markets during the high volatility episode in 2022 following the Russian invasion of Ukraine. The report examines the dynamics of CCPs' margin models, the use of discretion and its effect on margin procyclicality and the other way CCPs adapted their risk management during this period. It also investigates market participants' preparedness to meet margin calls during these stress events based on the level of transparency and predictability of these margin practices.

The report concludes that, in general, CCPs have approaches that are designed to respond to elevate volatility and can, if necessary, be adapted during stress events. CCPs are also sensitive to the stresses that margin can place on market participants, with many having measures which can help mitigate the procyclicality of margin calls through hard or soft targets for maximum IM increases and/or through one or more anti-procyclicality tools embedded in the model. At the same time, there is a considerable variety of practices; information that can inform the policy development work in relation to evaluating the responsiveness of IM models and enhancing transparency of margin requirements in centrally cleared markets.



Work on Streamlining Variation Margin Processes

In 2023, the CPMI-IOSCO Policy Standing Group (PSG) developed the consultation proposals to operationalize the Review of Margining Practices report recommendation on streamlining Variation Margin (VM) processes in centrally cleared markets. The aim of the proposals was to identify effective practices that address CCPs and clearing members' variation margin processes and transparency by providing examples of how standards set out in the PFMI and CCP resilience guidance can be met. They are intended to inform CCPs in designing their VM call and collection processes. The discussion paper 'Streamlining Variation Margin (VM) processes in centrally cleared markets; examples of effective practices' will be published in January 2024 and responses will be taken into consideration for a final report.

in the Review of Margining Practices Report on (i) streamlining Variation Margin processes to consider ways to foster market participants' preparedness for above-average VM calls through the efficient collection and distribution of VM (as well as by other means), and (ii) Initial Margin responsiveness of margin models in non-centrally cleared markets. The consultation proposals are designed to encourage the widespread implementation of good market practices by participants in non-centrally cleared markets related to (i) variation margin processes; and (ii) the responsiveness of initial margin models. The consultation report on 'Streamlining VM processes and IM responsiveness' will be published in January 2024 and responses will be taken into consideration for a final report.

BCBS-IOSCO Working Group on Margin Requirements

In 2011, the G20 Leaders called upon the Basel Committee on Banking Supervision (BCBS) and IOSCO to develop consistent global standards for margin requirements for non-centrally cleared derivatives, as part of the global financial reform agenda. In response, the BCBS and IOSCO released in September 2013 the final framework for margin requirements for non-centrally cleared derivatives. Under the globally agreed standards, financial firms and systemically important non-financial entities that engage in non-centrally cleared derivatives would be required to exchange initial and variation margin commensurate with the counterparty risks arising from such transactions. The framework was designed to reduce systemic risks related to OTC derivatives markets and to provide firms with appropriate incentives for central clearing and managing the overall liquidity impact of the requirements. In February 2014, the BCBS and IOSCO approved the creation of a monitoring group – the Working Group on Margin Requirements (WGMR).

In 2023, the WGMR developed consultation proposals to operationalize the recommendations

Joint work by BCBS, CPMI, FSB and IOSCO

Central Counterparty Financial Resources for Recovery and Resolution

In March 2022, the FSB, CPMI and IOSCO published a report on *Central Counterparty Financial Resources for Recovery and Resolution*. The report focuses on the financial resources and tools available for central counterparties (CCPs) to manage recovery and resolution scenarios. It highlights the importance of CCPs in maintaining global financial stability and examines both default and non-default loss scenarios to assess the adequacy of existing financial resources. On the basis of the report, the FSB agreed to conduct further work on CCP financial resources for resolution in 2023. In September 2023, the FSB published a consultation paper on potential alternative financial resources for CCP resolution, which will result in a final report in 2024. This paper explores various financial resources and tools that could be used in the resolution of CCPs, ensuring they have sufficient resources to manage extreme loss scenarios without causing broader financial instability. This includes evaluating existing resources and identifying potential gaps that might necessitate additional measures.

Monitoring the Implementation of Standards

Assessment Committee

AC Chair: **Sharon Kelly, Strategic Advisor, National and International Affairs, Autorité des marchés financiers, Québec**

The IOSCO Assessment Committee (AC) monitors the implementation of the IOSCO Objectives and Principles of Securities Regulation ('Principles') and other IOSCO standards ('Standards'). IOSCO's effectiveness as a standard setting body ultimately lies on the actual implementation of its Principles and Standards. Unless implemented, international standards remain ineffective. The AC therefore has the critical role of ensuring that IOSCO Principles and Standards are implemented in IOSCO's member jurisdictions, in a consistent and effective way.

This year has been an active year for the AC. Indeed, as part of its IOSCO Standards Implementation Monitoring (ISIM) program, the AC had finalized the ISIM Review on Principles 1-5 applicable to the Regulator. The report was published on 15 February 2023. Following up on its 2022-2023 workplan, the AC has also progressed the Thematic Review on Technological Challenges to Effective Market Surveillance Issues and Regulatory Tools and had also advanced work on an initiative aimed at offering practical guidance to the users of the IOSCO Methodology for Assessing Implementation of the IOSCO Objectives and Principles of Securities Regulation.

Additionally, as has been the practice for several years, the AC has conducted annual updates on its Securitization and Money Market Funds reports^[1]. Summarized key findings are reflected in the FSB's Annual Report on Implementation and Effects, which is submitted to G20 leaders.

The AC conducted an ISIM review of IOSCO Principles 1 through 5 which 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. An independent and accountable regulator with appropriate powers and resources is essential to ensuring the achievement of the three core objectives of securities regulation: the protection of investors; ensuring that markets are fair, efficient and transparent; and the reduction of systemic risk.

The final report, published on 15 February 2023, is based on a review of 55 IOSCO member jurisdictions from both emerging and advanced markets. The final report 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.

In 2023 the AC also launched its ISIM for IOSCO Principles 6-7, which refer to the regulator's contribution to a process to identify, monitor, mitigate and manage systemic risk as well as to review the perimeter of regulation regularly. More than 50 participating jurisdictions from both emerging and advanced markets are taking part in the review. The final report for this ISIM review is aimed at Q1 2025.

Thematic Review on Technological Challenges to Effective Market Surveillance. The AC had also launched a Thematic Review based on the recommendations made in the IOSCO report on "Technological Challenges to Effective Market Surveillance Issues and Regulatory Tools" published in April 2013. More than 30 member jurisdictions are participating in this Review which gives due consideration to the level of development and complexity of participating jurisdictions. The final report for this ISIM review is aimed at Q1 2025.

Conclusion

I wish to highlight that serving as the Chair of the Assessment Committee has been a privilege, allowing me to contribute to IOSCO's mission of fostering sound and sustainable capital markets globally.

In 2022, little would have been accomplished in this area had I not benefited from the unwavering support

and collaboration of AC members, the AC Vice Chair and the IOSCO General Secretariat. I wish to express my appreciation to them for their dedication and hard work in accomplishing the AC's numerous initiatives. I am especially thankful to the AC Vice-chair, Antonio Mas, Comisión Nacional del Mercado de Valores, Spain, and the IOSCO Secretariat's Team, led by Raluca Tircoci-Craciun. Their commitment and diligence were invaluable to the Committee's efforts.



[1] Peer Review of Implementation of Incentive Alignment Recommendations for Securitisation: Final Report; Peer Review of Regulation of Money Market Funds: Final Report

Cooperation and Exchange of Information

IOSCO MMoU/EMMoU Screening Group

Securities regulators around the world use the IOSCO Multilateral Memorandum of Understanding^[2] (MMoU) and its updated version, the Enhanced MMoU (EMMoU), to help ensure effective global securities markets regulation. The MMoU and EMMoU represent a common understanding of how signatories should consult, cooperate, and exchange information to strengthen regulatory enforcement in securities markets.

Since 2005, IOSCO has required securities regulators with primary responsibility for securities regulation in their jurisdictions to sign the IOSCO MMoU to become ordinary members, underscoring the importance of this standard for enforcement purposes. The MMoU supports IOSCO members in discharging their functions of detecting and prosecuting illegal conduct, deterring wrongdoing, and preventing regulatory arbitrage by facilitating information sharing and cooperation.

The Screening Group (SG) reviews applications from authorities seeking to become MMoU or EMMoU signatories and is responsible for ensuring that members seeking accession to these cooperation instruments meet all necessary requirements. When requested to do so, the SG also conducts preliminary assessments of draft legislation prepared by applicants. The SG comprises seven Verification Teams that perform the assessment of applicants' compliance with the MMoU or EMMoU and report their findings to the SG for further assessment and approval.

In discharging its duties, the SG is supported by the IOSCO General Secretariat staff, which conducts formal checks on MMoU and EMMoU applications for completeness and clarity. The Secretariat also offers guidance and technical assistance to non-signatories to help them advance their applications.

MMoU Signatories

As of 31 December 2023, there were 129 signatories to the MMoU (124 ordinary members and five associate members), out of 153 eligible members (129 ordinary and 24 associate).

Seven ordinary members out of 129 remained non-signatories to the MMoU at the end of 2023, six of them are listed on Appendix B. Appendix B lists ordinary members having applied to become MMoU signatories (unsuccessfully), but which have also formally expressed their commitment to seek the legislative changes necessary to meet the standards of the MMoU. One ordinary member remained in the non-signatory, non-Appendix B listed category, given that it had not yet committed to seeking legislative changes necessary to achieve MMoU compliance.

Enhanced MMoU

Since it was established in 2002, the MMoU has been the pre-eminent standard for international enforcement cooperation and information sharing among securities regulators.

Since 2002, financial markets have undergone sweeping changes, driven by new technologies, regulation, and the growing role of market-based finance in the global economy. In 2017, IOSCO established an enhanced MMoU to respond to the impact of these developments on regulators' enforcement efforts. The EMMoU provides for additional enforcement powers that IOSCO believes are necessary for continuing to safeguard the integrity and stability of capital markets, protect investors and detect and deter illegal activity.

The Secretariat began accepting EMMoU applications from members in April 2017 and by the end of 2023, the Secretariat had received EMMoU applications from a total of 32 jurisdictions (three applicants subsequently withdrew their submissions). Of the

remaining jurisdictions, 23 had become EMMoU signatories by the end of 2023 while three remained under the SG's assessment. In 2023, the Thailand Securities and Exchange Commission (SEC) signed the EMMoU.

All authorities that have submitted EMMoU applications are signatories to the MMoU, although non-MMoU signatories believing that they meet the requirements for signing the EMMoU can apply to sign both instruments at the same time.

The MMoU will remain in effect for as long as any signatory wishes to use it. While the MMoU remains in effect, jurisdictions will co-operate with their counterparts under the instrument to which they are both signatories. The long-term expectation, however, is for all MMoU signatories to migrate to the EMMoU.

Encouraging more EMMoU Applications

Since October 2019, the SG has been considering practical ways of encouraging more MMoU signatories to submit EMMoU applications. To advance its consideration of this matter, the SG established a working group to consider why eligible members are not applying as fast as expected to sign the EMMoU and to articulate strategies for encouraging more applications.

The SG is now considering and developing actions to encourage more EMMoU applications.

MMoU/EMMoU Statistics

IOSCO collects annual statistics on how signatories use the MMoU to exchange information. These statistics help IOSCO track the use of the MMoU while determining which jurisdictions are the largest users globally, and which are the largest within each of the four IOSCO regions.

Statistics collected over the years indicate that the growing number of signatories has led to greater cross-border cooperation, enabling regulators to advance more enforcement matters. In 2006, a total of 526 requests for assistance were made pursuant to the MMoU. By the end of 2023, the number of MMoU requests made by signatories reached 6,176^[3]. This trend is expected to continue its upward course as more members become signatories, and as more signatories avail themselves of these information-sharing mechanisms. In addition, requests for assistance made under the EMMoU, totaled 1,438 exchanges of information in 2023.

Administrative Arrangement (AA) on Data Protection

A Board-level Sub-Group was established in 2016 to develop an IOSCO-wide strategy for addressing data protection issues arising from the European Data Privacy Regime, the General Data Protection Regulation (GDPR), that came into effect in May 2018.

The IOSCO Sub-Group and the European Securities and Markets Authority (ESMA) negotiated with the European Data Protection Board (EDPB) an Administrative Arrangement (AA) for the transfer of personal data between European Economic Area (EEA) financial supervisory authorities and non-EEA supervisory authorities under the new data regime.

The AA was ready for signing in April 2019 and since then, the IOSCO Secretariat has been taking steps to encourage members to sign the AA to guarantee their continued ability to exchange personal data between EEA and non-EEA authorities. In this regard, the Secretariat organized educational events to raise awareness about the impact of the GDPR on the exchange of information in the context of the IOSCO cooperation instruments as well as the role of the AA in that regard. In March 2021, the Secretariat organized an MMoU/EMMoU virtual workshop which featured a presentation on *Signing the Administrative Arrangement and the implications for the exchange of information with the EEA Authorities under the AA*.

As of the end of 2023, 62 IOSCO members had signed the AA (30 EEA authorities and 32 non-EEA authorities).

Biennial Survey of the AA

In 2022, the AA Assessment Group issued the first biennial survey on the AA to signatories pursuant to Paragraph 6 of the AA Oversight Mechanism, to identify any specific issues or concerns with the implementation of the data protection safeguards consistent with the AA. The purpose of the survey was to provide the AA Assessment Group with the necessary material to discharge its responsibility in relation to the implementation of the safeguards consistent with the AA, and to remind signatories that each of them should report as necessary to the Assessment Group in the periods between the survey. Signatories filled in the survey during 2023 and a report has been prepared based on the responses received.

[2] The formal name for the MMoU is the Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information.

[3] Figure confirmed at the Monitoring Group meeting which took place in May 2024.

Capacity Building

In 2023, IOSCO continued to work intensely to meet the capacity building needs of its members, notably those from emerging market jurisdictions. By strengthening the regulatory and supervisory proficiency of its members, IOSCO aims to ensure their ability to implement globally agreed standards and maintain robust securities markets that help drive sustained economic growth.

In 2023, IOSCO has expanded its collaborations with various institutions and increasingly held in-person capacity building activities to replace and complement the virtual format used during the previous years as a result of the COVID-19 pandemic. A total of twenty-one capacity building events and programs have been delivered to IOSCO members during 2023. As part of the IOSCO's capacity building effort, the Asia-Pacific Hub, in Kuala Lumpur, has organized seven events on critical issues that regulators are currently facing.

Importantly, in the last part of the year IOSCO has carried out a comprehensive review of the capacity building needs and priorities of the growth and emerging market (GEM) jurisdictions, which resulted in the launch of NEXTGEN, which is IOSCO's enhanced capacity building program starting in 2024. NEXTGEN stands for Nurturing Excellence Through Growth, Education and Networking.

With an increased number of programs and wide variety of capacity building offerings that give due consideration to the diversity of the IOSCO membership and the different levels of development of their markets, NEXTGEN looks to leverage technology and develop new training solutions to ensure a significant impact and outreach of IOSCO's capacity building activities. To deliver its ambitious program, IOSCO will partner with a variety of stakeholders such as the World Bank, International Monetary Fund, Financial Stability Institute, IFRS Foundation, Toronto Centre, the Program on International Financial Systems and Harvard Law School, University of Cambridge Judge Business School, and Wharton University. The first year of NEXTGEN roll-out will start in 2024.

The activities below summarize the capacity building activity in 2023.

1. Global Certificate Program

IOSCO/PIFS-Harvard Law School Global Certificate Program for Regulators of Securities Markets

Since 2016, IOSCO has organized, jointly with the Program on International Financial Systems and the Harvard Law School (PIFS-HLS), the annual *Global Certificate Program for Regulators of Securities Markets*, an executive education program tailored exclusively to the needs and circumstances of securities markets regulators.

The initiative is divided into two phases: a one-week session at IOSCO's Madrid headquarters and a one-week session at Harvard Law School in Cambridge, Massachusetts. Speakers are experienced securities regulators, academics specialized in financial markets and others with extensive legal or technical knowledge of international financial systems.

By end-2023, around 1000 IOSCO members had enrolled in the program, of whom 508 earned a certificate by completing both sessions. In 2023 and previous years, a limited number of growth and emerging markets members received scholarship grants to cover the tuition fee of Phase II of the program; there is no tuition for the Madrid-based Phase I. Also going forward Harvard will continue to try to secure grant funding to help defray the program cost for IOSCO's growth and emerging market members.

Following several virtual editions, the 7th edition of the IOSCO/PIFS-HLS Global Certificate Program Phase I was held again in-person in Madrid, on 22-26 May 2023 and covered the fundamentals and intricacies of securities regulation and compliance and related

current critical issues. It was attended by some 90 IOSCO members from close to 50 jurisdictions.

Phase II was delivered again in-person at Harvard Law School, from 11-15 December 2023. Some 70 IOSCO members took part in the capstone Phase II of the program in which leading academics, regulators and public-policy makers discussed current and future regulatory challenges and emerging issues related to the role of capital markets in promoting economic growth and sustainability; as well as to digital assets, FinTech and RegTech; issues in trading and market structure; and market fragmentation and international coordination.

2. Capacity Building Program on Sustainable Finance

Sustainable Finance is one of IOSCO's key priority areas. Establishing a global baseline for corporate sustainability disclosures is a key ambition of IOSCO's Workplan for Sustainable Finance, aimed at increasing transparency and mitigating greenwashing in financial markets. IOSCO's endorsement in July 2023 of the standards issued by the International Sustainability Standards Board (ISSB) for corporate sustainability disclosures is envisaged to be a crucial step towards increased comparability in sustainability reporting regimes.

To prepare its members for the new ISSB standards, IOSCO has developed a capacity-building program on disclosure requirements for corporate issuers targeted at securities regulators. Following a two-pronged approach, IOSCO is collaborating with (A) the IFRS Foundation to build awareness and understanding of the standards so that jurisdictions can come to a conclusion on their preferred approach as to whether they should "adopt, apply or otherwise be informed by" the ISSB Standards and (B) with the World Bank to help IOSCO members from growth and emerging markets prepare adoption roadmaps for their jurisdictions to implement the preferred approach.

IOSCO-IFRS Foundation Workshops on Disclosure Requirements for Corporate Issuers

The program with the IFRS Foundation on disclosure requirements for corporate issuers was launched in September 2022 with a high-level virtual roundtable

session for decision makers and an in-person technical training workshop for GEM members in the Africa/Middle-East region.

Building on this initial phase, a training workshop was organized for GEM members in the Asia-Pacific region, hosted by the IOSCO Asia Pacific Hub in Kuala Lumpur, Malaysia, on 2 and 3 May 2023. This workshop, attended by some 50 specialists and directors from over 20 jurisdictions, provided an overview of the ISSB Standards and focused on the role of securities regulators in adopting and implementing these standards and the enabling ecosystem and critical steps of this journey.

IOSCO-World Bank Workshops on Sustainability Reporting Adoption Roadmaps for Growth and Emerging Markets

Complimentary to the collaboration with the IFRS Foundation, IOSCO is collaborating with the World Bank on workshops on sustainability reporting adoption roadmaps for growth and emerging markets. These practical workshops seek to assist select groups of GEM members from the various regions consider the key decision points and actions in developing an adoption approach for their jurisdictions.

The workshops don't aim to identify a single roll out model for markets, instead participants are supported to leave with the building blocks of a customized roadmap for their own jurisdictions, and an action plan for the adoption process.

With preparations starting in 2023, the first workshop was targeted at selected jurisdictions in the Asia Pacific region and hosted by the IOSCO Asia Pacific Hub in Kuala Lumpur, Malaysia, on 29-30 April 2024.

3. IOSCO Programs

Seminar Training Programs

For over 20 years, IOSCO has organized an annual three to four-day seminar training program at its headquarters in Madrid. Designed for junior to mid-level securities regulators, the program typically focuses on topics that reflect members' needs as identified in IOSCO evaluations.

In 2023, the 25th IOSCO Seminar Training Program, titled *The Use of Supervision, International Enforcement Cooperation, and Credible Deterrence by Securities Regulators to Protect Investors*, was held again in-person at IOSCO's premises in Madrid, Spain, on 26-28 September 2023. Topics included the use of the IOSCO MMoU, the major components of investor protection, ethics, elements of securities market offenses, the role of compliance officers, case studies on conducting inspections and investigations, the use of technology for market surveillance, and research on and practical examples of credible deterrence. The program was attended by 90 IOSCO members representing 40 jurisdictions.

GEMC Market Development Program

During the GEMC Annual Meeting in Cairo, Egypt, a Market Development Program was organized on 22 and 23 November 2023. The program was delivered in collaboration with the World Bank, the International Capital Market Association (ICMA), the Standards Board for Alternative Investments (SBAI) and the International Swaps and Derivatives Association (ISDA) and supported by several GEMC members. The program discussed the fundamentals of capital markets, deepening market liquidity by building resilient bond markets, developing green bonds markets, increasing the diversity of available investment products and the role of investment funds, and developing efficient derivatives markets in emerging market jurisdictions.

Regulatory Workshops

As part of the IOSCO Annual Meeting in Bangkok, Thailand, four Regulatory Workshops were organized on 14 June 2023. The workshops were attended by some 270 IOSCO members and focused respectively on Crypto Assets – Same Activities, Same Risks, Same Regulatory Outcomes; Building Healthy and Efficient Sustainable Finance Markets; Enhancing Market Supervision and Integrity – The Use of SupTech; and Building a CCP in an Emerging Market.

AMCC Training

IOSCO's Affiliate Members Consultative Committee (AMCC), building on the expertise available within its diverse membership, has been providing training opportunities to IOSCO members since 2008. These programs offer regulators and industry representatives the opportunity to exchange ideas and experiences and consider regulatory issues and events from different market perspectives.

Following a virtual edition in November 2022, the 14th edition of the IOSCO AMCC Regulatory Staff Training Seminar took place in-person at IOSCO's premises in Madrid, Spain, on 30-31 January 2024. The Training Seminar featured panels and presentations on a variety of topics related to the role of SROs, cyber-security, investor protection, clearing, risk-based supervision and emerging markets. The event brought together close to 80 participants from 40 organizations.

4. IOSCO Capacity Building Online Toolkit

The Online Toolkit aims to assist IOSCO members in their efforts to develop and implement effective regulatory frameworks for capital markets regulation. The Online Toolkit has been designed to offer IOSCO members information in one readily available place, to inform and guide their own regulatory efforts. At present, the Online Toolkit is comprised of six components: Risk Based Supervision; Enforcement; Secondary Markets; Market Infrastructures; Collective Investment Schemes and Intermediaries. The Online Toolkit is used extensively by members – to date more than 1,700 unique users from 215 IOSCO member organizations.

5. Joint Programs

IMF/IOSCO Training Workshops on Cyber Resilience

Cybersecurity threats pose a significant risk to consumers and the orderly functioning and confidence of markets, and they can threaten financial stability. To help securities regulators, mitigate exposure to cyber risks by enhancing their cyber resilience and incident response capabilities, IOSCO is collaborating with the International Monetary Fund (IMF) on joint training workshops on cyber resilience that are being rolled out through the various regions. The first five-day training workshop was hosted by the IOSCO Asia Pacific Hub in Kuala Lumpur, Malaysia, from 8 – 12 May 2023. Over the first three days, the workshop delved into emerging cyber risks, governance structures and best practices for regulators. Participants gained insights into current standards and developed situational awareness in the realm of cybersecurity. The subsequent two days focused on exploring the enhanced supervisory role of regulators in ensuring cyber resilience in



financial market infrastructure. It also covered the necessary steps to be taken by parties in the event of a cybersecurity incident. The workshop brought together over 50 participants from 20 jurisdictions.

Virtual TC/IOSCO Risk-Based Supervision Program

Together with the Toronto Centre (TC), IOSCO developed a virtual training program on risk-based supervision (RBS), targeted at regulators in the various regions. The program is designed to help securities regulators better understand the concept of RBS and increase their effectiveness. The program also incorporates cross-cutting themes such as leadership skills, Environmental, Social and Governance (ESG) issues and, more particularly, climate disclosure-related developments. It also includes training on action planning and communication with key stakeholders, which is viewed as an essential component to implementing RBS.

Building on the first edition of the program that was held in 2022 and targeted at the Africa and Middle-East region, the 2023 program was targeted at middle- to senior-level officials involved in the regulatory oversight of securities market participants in the Inter-American region. Around 30 regulators from 9 jurisdictions participated in the virtual program that was held on 25 October 2023 and between 6 and 10 November 2023.

IOSCO-Financial Stability Institute (FSI) Conferences

Since 2006, IOSCO has organized an annual conference with the Financial Stability Institute of the Bank for International Settlements, targeted at securities regulators and banking supervisors. The program generally covers securities trading issues, market infrastructures and other topics of common interest on a cross-sectoral basis.

The 18th edition of this joint program was held again in-person at IOSCO's premises in Madrid, Spain, on 10-11 October 2023, and was attended by 100 securities regulators and banking supervisors from 60 jurisdictions. Topics that were covered included financial stability challenges in 2023; non-bank financial intermediation; risks in central counterparties; margin dynamics in cleared and uncleared markets; developments and emerging challenges in securities and derivatives markets; policy developments in

digital assets; operational resilience and third-party risks; and disclosure of sustainability-related financial information.

In addition to this annual conference, IOSCO and FSI jointly developed a suite of online tutorials on the IOSCO Principles. These tutorials are accessible on FSI Connect, which is the e-learning library developed by the FSI for central banks and other financial sector authorities, as well as on the members area of the IOSCO website.

IOSCO/PIFS-Harvard Law School Global Policy Development Seminar

Since 2020, PIFS-HLS and IOSCO have been organizing an annual Global Policy Development Seminar (GPDS), which focuses on cutting-edge policy issues. The target audience comprises senior policy makers from capital markets authorities from across the globe.

The fourth edition of this joint initiative, held on 29 November 2023, focused on *The Regulation of Digital Assets*. Some 130 IOSCO Board members and the leadership of IOSCO Committees and Task Forces and other senior regulators participated in this invitation-only virtual event to discuss the principles for the regulation of digital assets and regulatory approaches, as well as the market view and the potential consequences of diverging regulatory approaches.

IOSCO-ISDA Workshop on Policy Framework for Safe and Efficient Derivatives Activity in Emerging and Developing Markets

IOSCO is collaborating with the International Swaps and Derivatives Association (ISDA) on workshops on developing frameworks for building safe and efficient derivatives markets for emerging and developing jurisdictions. The first workshop was hosted by the IOSCO Asia Pacific Hub in Kuala Lumpur, Malaysia, from 20 – 21 September 2023.

During the two-day workshop, over 50 participants from 20 jurisdictions discussed legal requirements related to derivatives activity and learned from practical case studies about the implementation of G-20 derivatives markets reforms, the risk management and governance frameworks, as well as how to overcome challenges related to netting and law reform.

6. Enforcement and Cooperation

Virtual IOSCO MMoU Workshop

Supported by the IOSCO MMoU Screening Group and MMoU Monitoring Group, IOSCO has been organising practical workshops on the use of the IOSCO MMoU. The 2023 edition of the workshop titled *The MMoU in Practice*, was delivered in a virtual format on 31 May 2023. Topics covered included: exchanging information relating to unregulated persons, cooperation and new products, timelines of responses to MMoU requests, independent interest and confidentiality. The workshop targeted MMoU signatories as well as prospective signatories and attracted over 250 participants from 70 jurisdictions.

C4 Virtual Conference on The Use of Technology in Securities Markets Enforcement

The IOSCO Committee 4 on Enforcement and the Exchange of Information (C4) established a virtual conference on *The Use of Technology in Securities Markets Enforcement* for the benefit of IOSCO members. Following a successful first edition in September 2022, the second edition was held on 21 September 2023 and was directed at securities enforcement, data analytics, and investigative technology professionals from IOSCO member authorities. It was attended by over 200 professionals from securities and derivatives regulators.

This conference is one of C4's initiatives for raising members' awareness of the importance of technology in enforcement and use of the current and emerging technological tools for combating securities fraud and misconduct. It is also intended to spark interest among members in developing and adopting their own tools and sharing their experiences with others, and for securities regulators to leverage technology to enhance their investigative capabilities and deliver more timely and effective enforcement outcomes, in the fast-evolving digital world.

7. Technical Assistance Program

IOSCO's Technical Assistance Program (TAP) is designed to provide modular technical assistance

programs to help regulators implement IOSCO Principles and meet the requirements of the IOSCO MMoU.

The modules serve as the basis for delivering technical assistance programs that are tailored to members' needs. The TAP is organized in three modules covering: onsite inspection manuals; enforcement manuals and the MMoU.

In addition to the modules, the TAP offers workshops on the practical application of the onsite inspection and enforcement manuals. The objective is to encourage members to use the manuals in their daily activities to enhance the efficiency and effectiveness of supervision and enforcement in the participating jurisdictions.

Module 1 – Onsite Inspection Manuals

Here, the aim is to develop manuals for IOSCO members in different regions to use during the *on-site inspection* process for the supervision of investment firms and asset managers. The manuals include, among other things, the templates and the steps for the inspection team to follow when preparing, performing and following-up on the onsite inspections.

Based on the TA for selected jurisdictions from the Africa/Middle-East region, an in-person regional TA Workshop on Developing On-Site Inspection Manuals for GEM members from the Africa/Middle-East region was hosted by the Financial Services Authority of Oman on 5-6 March 2024.

Module 2 – Enforcement Manuals

The objective of this module is to develop enforcement manuals for IOSCO members in different regions to use during the enforcement process in each one's specific jurisdiction. The manuals include detailed information about the approach to enforcement, conduct of investigations, investigative practices, cooperation, privileges and protection and settlement.

Based on the TA program targeted at selected jurisdictions from the Asia-Pacific region, an in-person regional TA Workshop on Developing Enforcement Manuals for GEM members from the Asia-Pacific region was held in Kuala Lumpur, Malaysia, on 17-18 October 2023.

Module 3 – MMoU

Securities regulators around the globe use the IOSCO MMoU to address cross-border fraud and misconduct, which can weaken global markets and undermine investor confidence. Established in May 2002, the MMoU sets out specific requirements for the exchange of information and provides a mechanism through which IOSCO members share essential investigative material.

Signing the IOSCO MMoU is a prerequisite to becoming an IOSCO ordinary member. But becoming an MMoU signatory often proves to be a challenge for many members, particularly for emerging markets that may need outside expertise to propose needed legal reforms.

Responding to this need, IOSCO assists members in their efforts to sign the MMoU by guiding them through the process.

8. IOSCO Asia Pacific Capacity Building Hub

IOSCO inaugurated its Asia Pacific Hub in Kuala Lumpur in March 2017. Hosted by the Securities Commission Malaysia, this initiative allows IOSCO to offer capacity building activities to securities markets regulators in the region and beyond.

Under the supervision of the IOSCO Secretary General, the Hub enables IOSCO to leverage on the experience, expertise and infrastructure of its membership to promote market development and enhance connectivity and inclusiveness in the Asia Pacific region. It also serves to strengthen the regulatory and supervisory capacity of the region's securities regulators.

Since becoming operational in mid-2017, the Hub has initiated a wide variety of capacity building activities. By end-2023, some 1,900 IOSCO members from over 115 jurisdictions across all regions have benefitted from the Hub's in-person programs and live webinars, and many more have accessed the on-demand webcasts on the Hub's website.

In 2023 the Hub organized six in-person workshops and a webinar attended by many IOSCO members from around the world. These included hosting the IOSCO Capacity Building Program on Sustainable Finance with the IFRS Foundation and the IMF-

IOSCO Training Workshop on Cyber Resilience, as well as the IOSCO-ISDA Workshop on Derivatives, all of which are covered above.

Workshop on IOSCO Risk Outlook 2023: Current & Emerging Risks in Global Capital Markets (9 February 2023)

In collaboration with IOSCO's Committee on Emerging Risks, the workshop provided a comprehensive discussion on the global macro-financial conditions, focusing on key themes outlined in the IOSCO Risk Outlook 2023 report as well as IOSCO's risk assessment methodology and scoring framework. The workshop discussed current and emerging risks in global capital markets, covering changing capital market dynamics, financial innovation and investor protection.

Webinar on Retail Market Conduct: Drivers & Current Regulatory Approaches (13 April 2023)

In conjunction with the publication of IOSCO's Retail Market Conduct Task Force report, the Hub conducted a webinar to discuss emerging trends in the retail market space given the rapid growth in digitalisation. These include risks due to the impact of new technologies, the influence of gamification and the evolving role of Artificial Intelligence. The webinar also discussed effective regulatory approaches to combat fraudulent activities.

IOSCO Technical Assistance Workshop on Developing Enforcement Manuals (17-18 October 2023)

This workshop aimed to facilitate discussions on a roadmap for participants to implement a tailored enforcement manual in their jurisdictions. The workshop drew close to 30 participants from over 10 jurisdictions, mainly comprising heads/directors or legal advisors in enforcement departments, each with extensive practical experience to share with fellow IOSCO members. Part of the workshop was dedicated to case studies, fostering active participation among participants.

Workshop on Finfluencer Regulation: Retail Investor Protection in the Age of Social Media (16 November 2023)

The workshop was held in conjunction with IOSCO's World Investor Week and discussed the role of influencers and their impact on investment decisions as well as the challenges associated with regulating influencers.

9. Other Capacity Building Initiatives

Virtual Case Study Session on FTX

A Virtual Case Study Session on *Sam Bankman-Fried and FTX: A Current Examination of Court Filings and the Potential Regulatory Implications of Various Legal Proceedings*, took place on 12 April 2023 and was attended by 300 members representing 90 jurisdictions.

This session examined and discussed selected court filings made in at least four different legal proceedings: the SBF criminal case brought by the

U.S. Department of Justice as well as the guilty pleas rendered by three former senior executives who worked with SBF; the civil suits brought by the U.S. SEC as well as the CFTC; and the FTX Bankruptcy being held in the state Delaware.

Assistance provided through the IOSCO General Secretariat to non-signatories of the IOSCO MMoU

The MMoU team provides procedural guidance to non-signatories and encourages them to move forward with their applications as soon as possible. The MMoU team contacts those who have made little or no progress over time and suggests that members go through a preliminary assessment process or seek political support from the General Secretariat, or from IOSCO more generally, for the enactment of their new legislation. IOSCO also offers the following programs, assistance and other capacity building tools:

- Technical Assistance (TA) for members and non-members
- Data Sharing Platform
- Capacity Building for Self-Assessments



IOSCO Members

Ordinary Members (120)

Albania	Albanian Financial Supervisory Authority
Alberta	Alberta Securities Commission
Algeria	Commission d'Organisation et de Surveillance des Opérations de Bourse
Andorra	Autoritat Financera Andorrana
Angola	Comissão do Mercado de Capitais
Argentina	Comisión Nacional de Valores
Armenia	Central Bank of Armenia
Australia	Australian Securities and Investments Commission
Austria	Financial Market Authority
Bahamas	Securities Commission of The Bahamas
Bahrain, Kingdom of	Central Bank of Bahrain
Bangladesh	Bangladesh Securities and Exchange Commission
Barbados	Financial Services Commission
Belgium	Financial Services and Markets Authority
Bermuda	Bermuda Monetary Authority
Bolivia	Autoridad de Supervisión del Sistema Financiero
Bosnia and Herzegovina, Federation of	Securities Commission of the Federation of Bosnia and Herzegovina
Brazil	Comissão de Valores Mobiliários
British Columbia	British Columbia Securities Commission
British Virgin Islands	British Virgin Islands Financial Services Commission
Brunei	Brunei Darussalam Central Bank
Bulgaria	Financial Supervision Commission
Cabo Verde	Auditoria Geral do Mercado de Valores Mobiliários, Banco Central of Cabo Verde
Cayman Islands	Cayman Islands Monetary Authority
Central Africa	Commission de Surveillance du Marché Financier de l'Afrique Centrale (Securities and Exchange Commission of Central Africa)
Chile	Comisión para el Mercado Financiero (Financial Market Commission)
China	China Securities Regulatory Commission
Chinese Taipei	Financial Supervisory Commission
Colombia	Superintendencia Financiera de Colombia
Costa Rica	Superintendencia General de Valores
Croatia, Republic of	Croatian Financial Services Supervisory Agency
Cyprus	Cyprus Securities and Exchange Commission
Czech Republic	Czech National Bank
Denmark	Danish Financial Supervisory Authority

DIFC, Dubai	Dubai Financial Services Authority
Dominican Republic	Superintendencia del Mercado de Valores
Ecuador	Superintendencia de Compañías, Valores y Seguros
Egypt	Financial Regulatory Authority
El Salvador	Superintendencia del Sistema Financiero
Estonia	Finantsinspeksioon
Finland	Financial Supervision Authority
France	Autorité des marchés financiers
Georgia	National Bank Of Georgia
Germany	Bundesanstalt für Finanzdienstleistungsaufsicht
Ghana	Securities and Exchange Commission
Gibraltar	Gibraltar Financial Services Commission
Greece	Hellenic Capital Market Commission
Guernsey	Guernsey Financial Services Commission
Hong Kong	Securities and Futures Commission
Hungary	Magyar Nemzeti Bank (The Central Bank of Hungary)
Iceland	The Central Bank of Iceland
India	Securities and Exchange Board of India
Indonesia	Indonesia Financial Services Authority
Iran	Securities and Exchange Organization
Ireland	Central Bank of Ireland
Isle of Man	Isle of Man Financial Services Authority
Israel	Israel Securities Authority
Italy	Commissione Nazionale per le Società e la Borsa
Jamaica	Financial Services Commission
Japan	Financial Services Agency
Japan	Ministry of Agriculture, Forestry and Fisheries
Japan	Ministry of Economy, Trade and Industry
Jersey	Jersey Financial Services Commission
Jordan	Jordan Securities Commission
Kazakhstan, Republic of	Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market
Kenya	Capital Markets Authority
Korea, Republic of	Financial Services Commission/Financial Supervisory Service
Kuwait	Capital Markets Authority
Kyrgyz Republic	State Service for Financial Market Regulation and Supervision under the Government of the Kyrgyz Republic
Latvia, Republic of	Latvijas Banka
Liechtenstein	Financial Market Authority
Lithuania	Bank of Lithuania

Luxembourg	Commission de Surveillance du Secteur Financier
Malawi	Reserve Bank of Malawi
Malaysia	Securities Commission
Maldives	Capital Market Development Authority
Malta	Malta Financial Services Authority
Mauritius	Financial Services Commission
Mexico	Comisión Nacional Bancaria y de Valores
Monaco, Principality of	Commission de Contrôle des Activités Financières
Mongolia	Financial Regulatory Commission
Montenegro	Capital Market Authority of Montenegro
Morocco	Autorité Marocaine du Marché des Capitaux
New Zealand	Financial Markets Authority
Nigeria	Securities and Exchange Commission
North Macedonia, Republic of	Securities and Exchange Commission of the Republic of North Macedonia
Norway	Finanstilsynet (The Financial Supervisory Authority of Norway)
Oman, Sultanate of	Capital Market Authority
Ontario	Ontario Securities Commission
Pakistan	Securities and Exchange Commission
Palestine	Palestine Capital Market Authority
Panama	Superintendencia del Mercado de Valores
Papua New Guinea	Securities Commission of Papua New Guinea
Peru	Superintendencia del Mercado de Valores
Philippines	Securities and Exchange Commission
Poland	Polish Financial Supervision Authority
Portugal	Comissão do Mercado de Valores Mobiliários
Qatar	Qatar Financial Markets Authority
Quebec	Autorité des marchés financiers
Romania	Financial Supervisory Authority
Russia	The Bank of Russia
Saudi Arabia	Capital Market Authority
Serbia, Republic of	Securities Commission
Singapore	Monetary Authority of Singapore
Slovak Republic	The National Bank of Slovakia
Slovenia	Securities Market Agency/Agencija Za Trg Vrednostnih Papirjev
South Africa	Financial Sector Conduct Authority
Spain	Comisión Nacional del Mercado de Valores
Sri Lanka	Securities and Exchange Commission of Sri Lanka
Srpska, Republic of	Securities Commission of the Republic Srpska
Sweden	Finansinspektionen
Switzerland	Swiss Financial Market Supervisory Authority
Syria	Syrian Commission on Financial Markets and Securities
Tanzania	Capital Markets and Securities Authority
Thailand	Securities and Exchange Commission
The Netherlands	The Dutch Authority for the Financial Markets
Trinidad and Tobago	Trinidad and Tobago Securities and Exchange Commission

Tunisia	Conseil du marché financier
Türkiye	Capital Markets Board
Turks & Caicos	Turks & Caicos Islands Financial Services Commission
Uganda	Capital Markets Authority
Ukraine	National Securities and Stock Market Commission
United Arab Emirates	Securities and Commodities Authority
United Kingdom	Financial Conduct Authority
United States of America	Commodity Futures Trading Commission
United States of America	Securities and Exchange Commission
Uruguay	Banco Central del Uruguay
Uzbekistan	Ministry of Finance of the Republic of Uzbekistan
Vietnam	State Securities Commission
West African Monetary Union	Autorité des Marchés Financiers de l'UMOA
Zambia	Securities and Exchange Commission
	Palestine Capital Market

Associate Members (33)

Abu Dhabi	Financial Services Regulatory Authority
Africa	African Development Bank Group
AIFC, Astana	Astana Financial Services Authority
Arab Union	Union of Arab Securities Authorities
Asia	Asian Development Bank
Azerbaijan, Republic of	Central Bank of the Republic of Azerbaijan
Belarus, Republic of	Ministry of Finance of the Republic of Belarus
Botswana	Non-Bank Financial Institutions Regulatory Authority
Cambodia	Securities and Exchange Regulator of Cambodia
Curaçao	Centrale Bank van Curaçao en Sint Maarten
Eastern Caribbean Currency Union	Eastern Caribbean Securities Regulatory Commission
Eswatini	Financial Services Regulatory Authority
European Union	European Commission
European Union	European Securities and Markets Authority
Fiji, Republic of	Reserve Bank of Fiji
Guatemala	Securities and Commodities Market Registry
India	International Financial Services Centres Authority
International	International Bank for Reconstruction and Development
International	International Monetary Fund
Iraq	Iraq Securities Commission
Japan	Securities and Exchange Surveillance Commission
Korea, Republic of	Korea Deposit Insurance Corporation
Labuan	Labuan Financial Services Authority
Lao People's Democratic Republic	Lao Securities Commission

Lebanon	Capital Markets Authority
Mozambique	Banco de Moçambique
Namibia	Namibia Financial Institutions Supervisory Authority
Nepal	Securities Board of Nepal
Paraguay	Comisión Nacional de Valores
Qatar	Qatar Financial Centre Regulatory Authority
Rwanda	Capital Market Authority
Seychelles	Financial Services Authority
South Africa	Prudential Authority
Zimbabwe	Securities and Exchange Commission of Zimbabwe

Affiliate Members (72)

Bahamas	Bahamas International Securities Exchange
Bahrain, Kingdom of	Bahrain Bourse
Bermuda	The Bermuda Stock Exchange
Brazil	B3 – Brasil, Bolsa, Balcão
Brazil	Brazilian Financial and Capital Markets Association
Brazil	BSM Market Supervision
Canada	Canadian Investment Regulatory Organization (CIRO)
Cayman Islands	Cayman Islands Stock Exchange
Channel Islands	The International Stock Exchange
China	Asset Management Association of China
China	China Financial Futures Exchange
China	China Securities Depository and Clearing Corporation Limited
China	China Securities Investor Protection Fund Co., Ltd.
China	Securities Association of China
China	Shanghai Stock Exchange
China	Shenzhen Stock Exchange
Chinese Taipei	Taipei Exchange
Chinese Taipei	Taiwan Futures Exchange
Chinese Taipei	Taiwan Stock Exchange Corp.
Colombia	Autorregulador del Mercado de Valores de Colombia
Egypt	MISR for Clearing, Depository and Central Registry
European Union	European Fund and Asset Management Association
Germany	Deutsche Börse AG
Germany	German Derivatives Association
Hong Kong	Accounting and Financial Reporting Council
Hong Kong	Hong Kong Exchanges and Clearing Limited
India	BSE Limited

India	Multi Commodity Exchange of India Limited
India	National Stock Exchange
Indonesia	Indonesia Stock Exchange
International	CCP12 – The Global Association of Central Counterparties
International	CFA Institute
International	FIA
International	Financial Planning Standards Board Ltd.
International	GBBC Digital Finance Limited
International	Global Financial Markets Association
International	ICI Global
International	International Capital Market Association
International	International Swaps & Derivatives Association, Inc.
International	Standards Board for Alternative Investments (SBAI)
International	The Alternative Investment Management Association Limited
International	World Federation of Exchanges Ltd.
Italy	Organismo di vigilanza e tenuta dell'albo unico dei Consulenti Finanziari
Japan	Japan Exchange Group, Inc.
Japan	Japan Securities Dealers Association
Kazakhstan, Republic of	Central Securities Depository JSC
Korea, Republic of	Korea Exchange
Kuwait	Bursa Kuwait Securities Company
Kuwait	Kuwait Clearing Company
Malaysia	Bursa Malaysia
Nigeria	Central Securities Clearing System Plc
Nigeria	FMDQ Group
Nigeria	Nigerian Exchange Group (NGX Group)
Russia	National Association of Securities Market Participants
Saudi Arabia	Saudi Stock Exchange
Singapore	Singapore Exchange Limited
South Africa	Johannesburg Stock Exchange
Spain	Bolsas y Mercados Españoles
Switzerland	SIX Exchange Regulation AG
Thailand	The Stock Exchange of Thailand
Türkiye	Turkish Capital Markets Association
United Arab Emirates	Dubai Gold & Commodities Exchange
United Kingdom	London Stock Exchange Group
United Kingdom	The Investment Association
United States of America	Cboe Global Markets
United States of America	CME Group
United States of America	Depository Trust & Clearing Corporation (DTCC)
United States of America	Financial Industry Regulatory Authority
United States of America	National Futures Association
United States of America	Options Clearing Corporation
United States of America	Securities Investor Protection Corporation



Alcalá, 63
28014 - Madrid

+34 915 624 030
www.mazars.es

Independent Auditor's Report

To the members of International Organization of Securities Commissions (IOSCO):

Opinion

We have audited the financial statements of International Organization of Securities Commissions (the Organization), which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year ended, as well as the explanatory notes to the financial statements that include a summary of significant accounting policies.

In our opinion, the accompanying financial statements express, in all material respects, the true and fair view of the Organization's financial position as at December 31, 2023, as well as of its results and cash flows, corresponding to the year therein ended, in agreement with the bases of presentation and measurement rules detailed in note 2.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Secretary General and the Audit Committee for the financial statements

The Secretary General is responsible for the preparation of these financial statements in accordance with the criteria for financial reporting described in note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

The audit Committee is responsible for overseeing the Organization's financial reporting process.

Offices in: Alicante, Barcelona, Bilbao, Madrid, Malaga, Valencia, Vigo.

MAZARS Auditores, S.L.P. Corporate address: Calle Diputación, 290 - 08007 Barcelona
Mercantile Registry of Barcelona, Book 30.734, Folio 212, Page B-180111, Inscription 1, VAT no. B-61622262



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management of the Organization regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



MAZARS AUDITORES, S.L.P.

2024 Núm. 01/24/03239

SELLO CORPORATIVO: 96,00 EUR

Informe de auditoría de cuentas sujeto a la normativa de auditoría de cuentas española o internacional

Madrid, 6th May 2024

MAZARS AUDITORES, S.L.P.

Carlos Marcos Corral

International Organization of Securities Commissions
Year ended at 31st December 2023

Financial Statements

Statement of Comprehensive Income (in Euros)

Year ended December 31, 2023

Notes 1 and 2

	2023	2022
ASSETS		
Current Assets		
Cash (Note 6)	4,792,408	10,682,124
Term Deposits (Note 6)	6,044,675	-
Accounts Receivable (Note 8)	2,026	72,833
Prepaid Expenses (Note 9)	191,339	194,351
	11,030,448	10,949,308
Capital Assets (Note 7)	66,496	88,215
Total Assets	11,096,944	11,037,523
LIABILITIES		
Accounts Payable and accrued liabilities (Note 8)	731,625	562,973
Contributions received in advance (Note 3)	449,001	362,141
Total Liabilities	1,180,626	925,114
Members' Funds		
Excess of revenue over expenses net of tax (expenses over revenue)	(196,091)	389,321
Unrestricted members' funds	10,112,409	9,723,087
Total members' Funds	9,916,318	10,112,409
Total liabilities and members' Funds	11,096,944	11,037,523

Statement of Comprehensive Income (in Euros)

December 31, 2023

Notes 1 and 2

	2023	2022
REVENUE		
Contributions from members (Note 3)	6,107,658	6,017,426
Exchange Gain	-	1,914
Other	95,107	25,086
Total Revenue	6,202,764	6,044,426
EXPENSES		
Salaries and employee benefits (Note 4)	4,203,904	4,227,419
Rental and maintenance (Note 13)	151,630	129,462
Travelling	514,201	153,212
Office Supplies	25,722	12,224
Organization and follow up of meetings	51,111	23,330
Telecommunications	94,051	80,452
Delivery and communication	3,451	3,565
Printing and Annual Report	16,180	9,385
Information Technology	278,696	260,527
Professional fees	482,309	427,139
Educational programs and Technical Assistance (Note 15)	308,188	133,102
Miscellaneous	56,579	46,754
Exchange loss	7,260	-
PIOB Funding (Note 5)	150,000	100,000
Amortization of capital assets (Note 7)	55,574	48,534
Total Expenses	6,398,855	5,655,105
Taxation (Note 11)	-	-
Total comprehensive income for the year net of tax	(196,091)	389,321

Statement of Changes in Net Assets (in Euros)

Year ended December 31, 2023

Notes 1 and 2

	2023		2022	
	Unrestricted	Total	Total	
ASSETS				
Balance, beginning of year	10,112,409	10,112,409	9,723,087	
Excess of revenue over expenses net of tax (expenses over revenue)	(196,091)	(196,091)	389,321	
Balance, end of year	9,916,318	9,916,318	10,112,409	

Statement of Cash Flows (in Euros)

December 31, 2023

Notes 1 and 2

	2023		2022	
OPERATING ACTIVITIES				
Total comprehensive income for the year net of tax	(196,091)	389,321		
Depreciation of capital assets (Notes 7)	55,574	48,534		
Decrease (increase) in working capital items (Note 10)	284,653	43,436		
Net cash generated	144,137	481,291		
INVESTING ACTIVITIES				
Term deposits transactions (Note 6)	(6,000,000)	-		
Capital expenditures (Note 7)	(38,853)	(40,305)		
Net cash used	(6,033,853)	(40,305)		
Net increase (decrease) in cash and cash equivalents	(5,889,716)	440,986		
Cash and cash equivalents, beginning of period	10,682,124	10,241,138		
Cash and cash equivalents, end of period	4,792,408	10,682,124		
CASH AND CASH EQUIVALENTS				
Cash (Note 6)	4,792,408	10,682,124		
	4,792,408	10,682,124		

1 Governing Statutes and Purpose of the Organization

The International Organization of Securities Commission (hereinafter IOSCO or "the Organization") is an association of securities regulatory organizations. It was incorporated as a non-profit organization under a private act in Canada (L.Q. 1987, Chapter 143) sanctioned by the Quebec National Assembly, is recognized by the Spanish Government by means of the Third Additional Disposition of Law 55/1999 and whose legal framework is constituted, mainly, by the "Headquarters Agreement between the Kingdom of Spain and the International Organization of Securities Commissions" published in the Spanish Official State Bulletin on 17 December 2011 (HQA), and having its domicile in Madrid.

IOSCO is the international body that brings together the world's securities regulators and is recognized as the global standard setter for the securities sector. Its current membership comprises regulatory bodies from over one hundred and thirty jurisdictions who have day-to-day responsibility for securities regulation and the administration of securities laws. IOSCO develops, implements and promotes adherence to internationally recognized standards for securities regulation. It works intensively with the G20 and the Financial Stability Board (FSB) on the global regulatory reform agenda.

The IOSCO Objectives and Principles of Securities Regulation have been endorsed by both the G20 and the FSB as the relevant standards in this area. They are the overarching core principles that guide IOSCO in the development and implementation of internationally recognized and consistent standards of regulation, oversight and enforcement. They form the basis for the evaluation of the securities sector for the Financial Sector Assessment Programs (FSAPs) of the International Monetary Fund (IMF) and the World Bank.

By providing high quality technical assistance, education and training, and research to its members and other regulators, IOSCO seeks to build sound global capital markets and a robust global regulatory framework.

The IOSCO objectives are:

- > to cooperate in developing, implementing and promoting adherence to internationally recognized and consistent standards of regulation, oversight and enforcement in order 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 in order to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

2 Accounting policies

Basis of preparation

The financial statements have been elaborated according to the bases of presentation and measurement rules detailed in notes 2 below of the accompanying explanatory notes, considered most appropriate to allow reaching the true and fair view.

The financial statements are prepared in Euros which is the organization's functional currency.

These financial statements were authorized for issue by the Secretary General of the Organization on 30 April 2024.

Measurement bases

The financial statements have been prepared on an accrual basis with all assets and liabilities, valued at cost or at amortized costs.

Accounting estimates

The preparation of these financial statements, which are in conformity with notes indicated below and in line with IFRS, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates are based on management's best knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

Revenue and cost recognition

Revenue is recognised on an accrual basis, except for membership contributions due which are recognised upon receipt, under a strict prudence criterion, to better reflect the actual economic resources available to the organization at the end of the year, and to take into account the deferrals in the payments received.

Additionally, when contributions are received in advance and designated for future reporting periods, they are recognized as liabilities (revenue received in advance) and will be registered as revenue in the profit and loss account, in the year of accrual.

Operating costs are recognized as an expense when incurred.

Employee entitlements

Employee salaries, social security and other related benefits are recognized in the Statement of the Comprehensive Income when they are earned. Contributions to staff pension plans and retirement entitlements are recognized when they become due.

Capital assets

Capital assets are recorded at cost less accumulated depreciation. Any impairment in the net recoverable amount as compared to the net carrying amount is recognized immediately.

Gains and losses on disposal are included in the Statement of Comprehensive Income.

Capital assets are depreciated over their estimated useful lives according to the following methods and annual rates:

	Methods	Rates
Furniture and fixtures	Straight-line	20%
Computer equipment		
Computers and Software	Straight-line	33%
Servers and Printers	Straight-line	20-25%
Audio-visual	Straight-line	14-20%

Foreign currency translation

Given that the Organization's functional and presentational currency is Euros, foreign currency transactions are accounted for in Euros at the rates of exchange prevailing at the transaction date. Exchange gains or losses on settlement of balances are recognized in the Statement of Comprehensive Incomes when they arise.

Monetary assets and liabilities denominated in foreign currencies are recognized in Euros at the foreign exchange rate at the end of the reporting period. Foreign exchange differences arising on translation are included in the Statement of Comprehensive Income.

3 Revenue

Contributions from members include: (1) membership fees collected during the year, corresponding to contributions due for the reporting period, (2) previous reporting periods and (3) contributions from agencies applying for membership.

Other revenue comprises primarily interest accrued from term deposits (see Note 6), other revenue from the disposal of aging equipment and the remainder funds from for the 2015 Capacity Building Online Toolkit which has been allocated to other revenue and recognized during 2022. (See note 14)

The account "Contributions received in advance" of the statement of financial position at 31 December 2023 includes funding received from members in 2023, amounting to €449,001 which is designated for subsequent periods (contributions of €362,141 received in advance during 2022). These contributions correspond to membership fees and contributions received in advance associated to the Secondments Program.

The detail of contributions received in advance is provided in the chart below:

(in Euros)	2023	2022
Members' contributions	449,001	362,141
Total contributions received in advance	449,001	362,141

4 Salaries and employee benefits. Secondment program

The average staff of the General Secretariat in 2023 and 2022 is shown in the chart below:

	2023			2022		
	Men	Women	Total	Men	Women	Total
Permanent staff	13	12	25	15	13	28
Secondees	5	7	12	4	4	8
Intern	2	1	3	-	1	1
Total Staff	20	20	40	19	18	37

Total salary and employee benefits' cost are shown in the chart below:

(in Euros)	2023	2022
Gross salaries	3,282,492	3,333,390
Spanish social security	477,031	472,030
Other social benefits	444,381	421,999
Total salaries and employee benefits	4,203,904	4,227,419

Other social benefits include the contributions to employees' medical insurance, moving and relocation costs and the contributions made by IOSCO to employees' defined contribution pension plans. On an annual basis, the IOSCO Board approves the Organization's budget, including a line item related to salaries and employee benefits, which includes a provision for pension plan contributions for permanent staff. The pension contribution was operationalized in a Unit Linked managed by Aegon España, S.A.U. de Seguros y Reaseguros. This, along with other staff pension allowances amounted to € 260,718 (€ 258,942 in 2022).

In 2023, the Organization had the benefit of seconded staff from the Financial Services Agency of Japan (JFSA), the Financial Supervisory Service of Korea (FSS), Financial Services Commission of Mauritius, the Central Bank of Ireland, the Securities and Exchange Commission of Thailand, Commissione Nazionale per le Società e la Borsa of Italy (CONSOB), Ontario Securities Commission of Canada, Capital Markets Board of Türkiye, the Financial Conduct Authority of United Kingdom (FCA) and the United States Securities and Exchange Commission (US SEC).

To extend to secondees the benefits granted to IOSCO staff by the HQA, the Organization typically enters, as part of the secondment program into a trilateral agreement with the sponsoring member and the secondee, whereby it offers the secondee an employment contract in Spain.

Secondment program revenue includes contributions from members sponsoring staff to join the General Secretariat on a temporary basis. These contributions generally cover a portion of the seconded staff's salary costs paid through the Organization. Revenue is recognized based on the terms, amounts and payment schedule determined by the Secondment agreement between the Organization and the sponsoring member. The amounts payable to the secondee as part of the respective employment contract are recognized and accrued as an expense. To enhance comparability, the amounts corresponding to the secondment program, both in terms of revenue and expenditure, have been offset in the Statement of Comprehensive Income. Consequently, the net difference between revenue and subsidized costs arising from social security adjustment is recognized on a net basis in the income statement under the "Salaries and employee benefits" account, as shown in the chart below:

(in Euros)	2023	2022
Revenue associated to the Secondment Program	455,441	229,633
Subsidized expenditure associated to the Secondment Program	(581,669)	(298,628)
Net as at December 31	(126,228)	(68,996)

In addition, as part of the secondment agreements and in compliance with the IOSCO Secondment Program, IOSCO assumes certain costs, which are also recognized in the income statement in the "Salaries and employees benefits" account, including costs related to the moving and relocation of the secondees from their country of origin to Madrid, amounting to € 231,775 (€ 161,510 for the year 2022).

In a minority of cases no trilateral agreement is executed because the sponsoring member continues to provide all the employment, administrative and financial requirements with respect to the secondee. When this occurs, IOSCO has no direct, formal employment link with the secondee and has no financial obligation. Accordingly, revenue and the related expenditure are not accrued.

5 PIOB Funding

The Public Interest Oversight Board (PIOB) was formally established in February 2005 as part of the IFAC Reform Proposals with the objective to increase investor and other stakeholder confidence that IFAC's public interest activities, including standard setting by IFAC's independent boards, are properly responsive to the public interest.

With a view to diversifying funding sources for the PIOB, the IOSCO Executive Committee decided in October 2011 to provide the PIOB with a direct financial contribution of one hundred thousand Euros per year, starting in 2013.

IOSCO contributed €150,000 to the PIOB in 2023 (€100,000 in 2022).

6 Cash and Term deposits

Cash is held in non-remunerated current bank accounts and bank term deposits denominated in Euros in Caixa-bank, Santander Private Banking, Bankinter and BBVA, all EU entities with an upper medium credit rating. Cash balances include a small portion held in US dollar amounts.

The basic terms of the banks deposits as of 31 December 2023 and 2022 are shown in the charts below:

(in Euros)					2023
Counterparty	Currency	Contract date	Maturity date	Annualized interest rate	Amounts
Banco Santander	Euro	29/09/2023	30/12/2023	3.15%	3,000,000
Bankinter	Euro	09/10/2023	09/01/2024	3.00%	1,000,000
Bankinter	Euro	09/10/2023	09/01/2024	3.00%	1,000,000
Bankinter	Euro	09/10/2023	09/01/2024	3.00%	1,000,000
Total as at December 31, 2023					6,000,000

(in Euros)					2022
Counterparty	Currency	Contract date	Maturity date	Annualized interest rate	Amounts
No deposits issued in 2022					0,00
Total as at December 31, 2022					0,00

The interests accrued booked at the end of the exercise 2023 amounts to 44,675 euros.

7 Capital Assets

(in Euros) 2023

	Furniture and fixtures	Computer equipment	Total
At the lower of recoverable value and cost			
Balance, beginning of year	289,743	809,506	1,099,249
Additions	10,103	22,451	32,554
Disposals			
Balance, end of year	299,846	831,957	1,131,803
Accumulated depreciation			
Balance, beginning of year	(250,407)	(760,628)	(1,011,035)
Depreciation	(25,592)	(29,982)	(55,574)
Disposals		1,301	1,301
Balance, end of year	(275,999)	(789,309)	(1,065,308)
Net as at December 31, 2023	23,848	42,648	66,496

(in Euros) 2022

	Furniture and fixtures	Computer equipment	Total
At the lower of recoverable value and cost			
Balance, beginning of year	289,744	771,616	1,061,360
Additions	-	37,890	37,890
Disposals	-	-	-
Balance, end of year	289,744	809,506	1,099,250
Accumulated depreciation			
Balance, beginning of year	(226,492)	(738,424)	(964,916)
Depreciation	(23,915)	(24,619)	(48,534)
Disposals	-	2,415	2,415
Balance, end of year	(250,407)	(760,628)	(1,011,035)
Net as at December 31, 2022	39,337	48,878	88,215

8 Accounts receivable and accounts payable and accrued liabilities

a) Accounts receivable

(in Euros)	2023	2022
Secondment contributions (See Note 4)	-	70,808
Other	2,026	2,025
Total Accounts receivable	2,026	72,833

b) Accounts payable and accrued liabilities

(in Euros)	2023	2022
Professional services	182,001	129,586
Occupancy (See Note 13)	93,300	75,958
Spanish Taxes (employee's income tax withheld) and Social Security	168,787	178,280
Contractual staff commitments (See Note 4)	72,230	42,089
Travel	30,830	6,129
Other	184,477	130,931
Total Accounts payable and accrued liabilities	731,625	562,973

9 Prepaid expenses

Prepaid expenses comprise advance payments in the reporting period relating to services to be rendered in subsequent periods. They are carried on the balance sheet until the service is rendered and expenses are recognized in the income statement.

Detail of prepaid expenses at 31 December 2023 and 2022 is as follows:

(in Euros)	2023	2022
Travel booked in advance for subsequent periods	9,980	16,695
Professional fees and IT	168,286	163,368
Other	13,073	14,288
Total Accounts payable and accrued liabilities	191,339	194,351

10 Information Included in the Statement of Cash Flows

The (increases) decreases in working capital items are detailed as follows:

(in Euros)	2023	2022
Accounts receivable	70,807	(72,329)
Prepaid expenses	3,012	(7,670)
Interest accrued	(44,675)	-
Accounts payable and accrued liabilities	168,652	83,048
Contributions received in advance	86,857	40,387
(Increases) decreases in working capital	284,653	43,436

11 Taxation

On 29 December 1999, the Spanish Parliament passed legislation (Law 55/1999), to exempt the Organization from Spanish income tax. On 23 November 2011, IOSCO signed a Headquarters Agreement with the Kingdom of Spain which also incorporates the same income tax exemption.

12 Government Assistance

Under the headquarters agreement, the Spanish Authorities grant IOSCO the right to use a 56% share of the 12 Oquendo premises free of charge, exclusive of non-structural maintenance costs (e.g., electricity, water, elevator maintenance). The estimated revenue in kind associated with the 56% share is € 334,233 for 2023 (€328,364 for 2022.)

IOSCO has also entered into an agreement with the Spanish securities regulator, Comisión Nacional del Mercado de Valores (CNMV), under which the parties agreed that the CNMV would be responsible for meeting the costs of security and maintenance of security systems on the IOSCO premises; insuring the premises; and covering municipal and local property taxes. These revenues in kind have been estimated at € 108,563 for 2023 (€99,763 in 2022).

13 Rental and Maintenance

(in Euros)	2023	2022
Estimated Spanish Authorities' charges for non-structural maintenance costs (see Note 12)	93,300	76,031
Other external maintenance services	58,330	53,431
Total rental and maintenance	151,630	129,462

14 2015 Capacity Building Program

In June 2014, the IOSCO Board approved a pilot program for additional capacity building activities to be carried out by the General Secretariat. These activities included the creation of an Online Toolkit and the organization of two additional regional training seminars. These capacity building activities for IOSCO members are in addition to the long-standing and on-going IOSCO education and training activities.

The Board also agreed that the pilot program would be funded by a one-off contribution of €15,000 from each nominated member to the IOSCO Board, to be paid in 2015 as a supplement to their 2015 annual membership contribution fees. The IOSCO Presidents Committee ratified this agreement in its resolution 2/2014.

IOSCO received a total of €240,000 in 2015 from 16 nominated Board members.

The total costs incurred since the approval of the pilot program for CB activities is €228,056. During the course of 2017, the Board agreed to use the unspent funds to further enhance the pilot program. In 2019 IOSCO spent €105,575 to support and develop the pilot program. No costs have been incurred in 2020 and 2021.

The remainder of the 2015 CB program (€11,944) were allocated to other revenue in the 2022 budget, with the expenditure being added to the regular Capacity Building budget.

These funds of €11,944 were used to support the Capacity Building regular activities, and have been recognized as Other Income during 2022 (see note 3).

15 Capacity Building: Education and Training and Technical Assistance

The total costs incurred in Capacity Building activities in 2023, covering both Education and Training and Technical Assistance, is €308,188 (€133,102 in 2022). The expenditure in 2023 shows a strong recovery IOSCO was able to resume the activity in a significant number of projects and events.

IOSCO runs on an annual basis a comprehensive capacity building program aimed to assist IOSCO members with their training needs and to help them implement the IOSCO Principles and meet the requirements of the IOSCO Multilateral Memorandum of Understanding on Cooperation and Exchange of Information (MMoU).

These programs leverage on the experience and expertise at the IOSCO Secretariat and the IOSCO membership to promote market development and strengthen the regulatory and supervisory capacity of securities regulators.

In the area of education and training, IOSCO holds several important annual events, including the IOSCO/PI-FS-Harvard Law School Global Certificate Program for Regulators of Securities Markets, the IOSCO Seminar Training Program, the Joint IOSCO-Financial Stability Institute Conference, the IOSCO Affiliate Members Consultative Committee Training Seminar and several workshops tailored to the Growth and Emerging Markets Committee of IOSCO.

IOSCO's Technical Assistance Program encompasses several programs, assistance and other capacity building tools, including: (i) technical assistance for members and non-members, (ii) Data Sharing Platform, (iii) Capacity Building Online Toolkit, and (iv) Capacity Building for Self-Assessments. It consists of modular technical assistance-

ce programs covering: (i) onsite inspection manuals, (ii) enforcement manuals, and (iii) the MMoU. The modular programs are designed to assist IOSCO members with the on-site inspection process for the supervision of investment firms and asset managers, during the enforcement process in their specific jurisdictions with detailed information about the approach to enforcement, conduct of investigations, investigative practices, cooperation, privileges and protection, and settlement.

In the area of enforcement and information exchange, IOSCO assists non-signatories of the IOSCO MMoU in their efforts to sign the MMoU by guiding them through the process. The assistance provided through the IOSCO General Secretariat provides procedural guidance and assists with progressing with their applications as soon as possible.

Additionally, IOSCO inaugurated its Asia Pacific Hub in Kuala Lumpur (the Hub) in March 2017. Hosted by the Securities Commission (SC) Malaysia, this initiative established IOSCO's first regional hub to deliver capacity building activities to securities markets regulators in a specific region. The running of the Hub does not have any financial implications for IOSCO. All costs related to the activities and operations of the Hub, including personnel, physical premises and facilities, maintenance, IT and other operating costs are supported by the host.

16 Auditors' remuneration

The total remuneration to be paid by IOSCO to its auditors in 2023 is € 11,132 VAT included (€11,132 VAT included in 2022).

17 Subsequent Events

From the closing of the financial year 2023 to the date of preparation of these Financial Statements and explanatory notes, no relevant subsequent event has occurred that requires mentioning.

iosco

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