

MEDIA RELEASE



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores
المنظمة الدولية لبيانات الأوراق المالية

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IOSCO Finalises its Policy Recommendations for Decentralized Finance

IOSCO, the global standard setter for securities market regulators, has today published its [Final Report with Policy Recommendations for Decentralized Finance \(DeFi\)](#).

The nine Policy Recommendations aim to address market integrity and investor protection concerns arising from DeFi by supporting greater consistency of regulatory frameworks and oversight in member jurisdictions.

The Recommendations cover six key areas: (1) Understanding DeFi Arrangements and Structures, (2) Achieving Common Standards of Regulatory Outcomes, (3) Identification and Management of Key Risks (4) Clear, Accurate and Comprehensive Disclosures (5) Enforcement of Applicable Laws, and (6) Cross-Border Cooperation.

The DeFi Policy Recommendations are complementary to the [Policy Recommendations for Crypto and Digital Assets \(CDA\) Markets](#) issued in November 2023. The two sets of IOSCO recommendations have been developed in accordance with [IOSCO's Crypto-Asset Roadmap 2022/2023](#), and the interoperability between the two sets of Recommendations is detailed in the [Umbrella Note](#) which has been published alongside the DeFi Final Report.

With delivery of these Recommendations, IOSCO is now shifting attention towards implementation monitoring, capacity building and technical assistance needs of its members.

IOSCO recognises that jurisdictions are at different stages of tackling the risks presented by crypto-asset markets and decentralized finance. Some have existing regimes in place while others must develop new, bespoke frameworks.

Jean-Paul Servais, IOSCO Chair said:

I am pleased that IOSCO has delivered on the policy ambitions outlined in our Crypto-Asset Roadmap in less than eighteen months. The risks of crypto-asset markets are real and we are tackling these in a coordinated manner, seeking consistent implementation of these IOSCO Recommendations across our membership to best protect investors globally.

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Tuang Lee Lim, Chair of the IOSCO Board-Level Fintech Task Force, set up to develop the policy measures, said:

The two sets of policy recommendations on CDA and DeFi provide a coherent and robust policy framework to tackle the core risks posed by crypto-asset markets. This will help facilitate a fair and transparent playing field where responsible innovation can occur while ensuring investor protection and market integrity outcomes.

NOTES TO THE EDITORS

1. IOSCO is the leading international policy forum for securities regulators and is recognized as the global standard setter for securities regulation. The organization's membership regulates more than 95% of the world's securities markets in some 130 jurisdictions, and it continues to expand.
2. The IOSCO Board is the governing and standard-setting body of IOSCO and is made up of 35 securities regulators. Mr. Jean-Paul Servais, the Chair of Belgium's Financial Services and Markets Authority (FSMA) is the Chair of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Australia, Bahamas, Bangladesh, Belgium, Brazil, China, Egypt, France, Germany, Greece, Hong Kong, India, Ireland, Italy, Japan, Korea, Kuwait, Malaysia, Mauritius, Mexico, Morocco, the Netherlands, Oman, Ontario, Peru, Quebec, Saudi Arabia, Singapore, Spain, Sweden, Switzerland, Türkiye, the United Kingdom and the United States of America (both the U.S. Commodity Futures Trading Commission and U.S. Securities and Exchange Commission). The Chair of the European Securities and Markets Authority and the Chair of IOSCO's Affiliate Members Consultative Committee are also observers.
3. IOSCO aims through its permanent structures:
 - to cooperate in developing, implementing and promoting internationally recognized and consistent standards of regulation, oversight and enforcement to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks;
 - to enhance investor protection and promote investor confidence in the integrity of securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market

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intermediaries; and

- to exchange information at both global and regional levels on their respective experiences to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

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