

# 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

IOSCO/MR/018/2008

Madrid, 12 November 2008

## **IOSCO OPEN LETTER TO G-20 SUMMIT**

The International Organization of Securities Commissions (IOSCO) today welcomed the efforts of the G-20 Heads of State to come together to address issues arising from the current financial crisis globally, and reinforced its willingness to assist in developing regulatory solutions.

In an [open letter](#) addressed to the G-20 forum signed by Jane Diplock, Christopher Cox and Guillermo Larrain, chairmen of IOSCO's Executive, Technical and Emerging Markets Committees respectively, IOSCO states that to resolve this current crisis, co-operation and coordination amongst financial regulators and policy makers, supported by the political will to make the necessary regulatory or legislative changes, are critical.

Additionally IOSCO offers the global reach and technical expertise necessary to assist policy makers develop and implement common global regulatory solutions in response to the current crisis in global capital markets.

IOSCO has already laid a solid foundation for a strong securities framework. The Objectives and Principles of Securities Regulation (IOSCO Principles) developed by IOSCO are recognised as the benchmarks for all securities markets, while IOSCO's Multilateral Memorandum of Understanding (MMoU) has been instrumental in strengthening cross-border enforcement cooperation and enabling regulators to exchange information.

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The letter calls for a galvanising of political will to ensure that the IOSCO Principles are implemented in every country and that the legislative requirements to sign on to the MMoU are also implemented in every jurisdiction.

It notes that in the face of the present crisis it has become evident that regulatory gaps, particularly those posed by certain unregulated or under-regulated parts of the global market will need to be closed and IOSCO is the appropriate vehicle to achieve this. It is also increasingly clear that, while financial regulatory structures remain national, consistent global solutions are desired by many.

Building on its existing principles for high quality securities regulation, IOSCO is already examining ways to address some of the regulatory gaps highlighted by the crisis. This work includes:

- international financial reporting standards and the accountability of the standard setter to the community of national authorities responsible for reporting by public companies;
- building investor confidence, including through measures such as strengthening cross-border enforcement cooperation and addressing concerns about abusive short-selling in current market conditions;
- transparency in markets and disclosure with respect to all financial products; and
- establishing global norms for regulators of credit rating agencies through the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies and promoting CRA compliance with rules through cooperative oversight and inspection.

## NOTES FOR EDITORS

1. A copy of the open letter addressed to the G-20 summit is available on the [IOSCO website](http://www.iosco.org).
2. IOSCO is recognized as the leading international policy forum for securities regulators. The organization's wide membership regulates more than 95% of the world's securities markets and IOSCO is the world's most important international cooperative forum for securities regulatory agencies. IOSCO members regulate more than one hundred jurisdictions and the Organization's

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membership is steadily growing.

3. Ms. Jane Diplock, Chairman of the New Zealand Securities Commission, is the Chairperson of the Executive Committee;

Mr. Christopher Cox, Chairman of the US Securities and Exchange Commission, is the Chairman of the Technical Committee; and

Mr. Guillermo Larrain, Chairman of the Superintendencia de Valores y Seguros of Chile, is Chairman of the Emerging Markets Committee.

4. The [Executive Committee](#) is the body elected by the membership of IOSCO which takes all decisions and actions, subject to the By-Laws of IOSCO, necessary to achieve the objectives of the organization. Ms. Jane Diplock, Chairperson of the Securities Commission of New Zealand, is currently Chairperson of the Executive Committee. The Executive Committee is presently composed of the following 19 members: the Chairmen of the Technical and Emerging Markets Committees, the Chairmen of each Regional Committee, 1 ordinary member elected by each Regional Committee from among the ordinary members of that region, and 9 ordinary members elected by the Presidents' Committee.
5. The [Technical Committee](#), a specialised working group established by IOSCO's Executive Committee, is made up of fifteen agencies that regulate some of the world's larger, more developed and internationalized markets. Its objective is to review major regulatory issues related to international securities and futures transactions and to coordinate practical responses to these concerns. The members of the Technical Committee are Australia, France, Germany, Hong Kong, Italy, Japan, Mexico, the Netherlands, Ontario, Quebec, Spain, Switzerland, United Kingdom and the United States.
6. The [Emerging Markets Committee](#) is a specialised working group established by IOSCO's Executive Committee, representing the world's emerging financial markets. It endeavors to promote the development and improvement of efficiency of emerging securities and futures markets by establishing principles and minimum standards, preparing training programs for the staff of members and facilitating exchange of information and transfer of technology and expertise.
7. IOSCO aims through its permanent structures:
  - to cooperate together to promote high standards of regulation in order to maintain just, efficient and sound markets;
  - to exchange information on their respective experiences in order to promote the development of domestic markets;
  - to unite their efforts to establish standards and an effective surveillance of international securities transactions;

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- to provide mutual assistance to promote the integrity of the markets by a rigorous application of the standards and by effective enforcement against offenses.

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