

Weekly Bulletin for IOSCO Members – 1

15 December 2021 to 13 January 2022

I. IOSCO Press Releases, Reports and other News

- A. IOSCO consults on lessons learned from the operational resilience of trading venues and market intermediaries during the pandemic**, 13 January

Press release: <https://www.iosco.org/news/pdf/IOSCONEWS631.pdf>

Report: *Operational resilience of trading venues and market intermediaries during the COVID-19 pandemic* (see capacity building below for a webcast discussion of this report)

<https://www.iosco.org/library/pubdocs/pdf/IOSCOPD694.pdf>

- B. IOSCO confirms Elisabeth Van Laere of the European Securities and Markets Authority as Committee 6 Coordinator**, 11 January

The written procedure to confirm the appointment of Elisabeth Van Laere (ESMA) as Committee 6 Coordinator ended on 31 December 2021 without any objection being raised; accordingly, the IOSCO Board appointed Elisabeth as C6 Coordinator for the remainder of the term (April 2022).

- C. IOSCO report provides new global-level data on global investment funds industry**, 4 January

Press release: <https://www.iosco.org/news/pdf/IOSCONEWS630.pdf>

Investment Funds Statistics Report

Report: <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD693.pdf>

Investment fund leverage: the known unknowns, op-ed by IOSCO SG Martin Moloney

“More work needed on first-mover redemption incentives and margin calls, says Iosco chief”

<https://www.risk.net/comment/7913971/investment-fund-leverage-the-known-unknowns>

II. Member News

- A. *FCA to review competition concerns in wholesale data markets***, press release, Financial Conduct Authority, 11 January

“The FCA will launch 2 market studies and gather further information to investigate access to wholesale data. In response to a call for input, the FCA heard concerns that limited competition in the markets for benchmarks and indices, credit ratings and trading data may increase costs for investors and affect investment choices.”

<https://www.fca.org.uk/news/press-releases/review-competition-concerns-wholesale-data-markets>

- B. *Emerging Economies Must Prepare for Fed Policy Tightening***, blog, International Monetary Fund, 10 January

“Policymakers may need to react by pulling multiple policy levers, depending on Fed actions and their own challenges at home.”

<https://blogs.imf.org/2022/01/10/emerging-economies-must-prepare-for-fed-policy-tightening/>

- C. *The AMF publishes its priorities for 2022, the last year of its five-year strategy***, press release, Autorité des marchés financiers (AMF), 5 January

“The AMF’s actions in the coming months will focus on four main areas: Europe, retail investment, sustainable finance and the modernisation of its regulatory action.”

<https://www.amf-france.org/en/news-publications/news-releases/amf-news-releases/amf-publishes-its-priorities-2022-last-year-its-five-year-strategy>

- D. *ESMA launches call for evidence on distributed ledger technology***, press release and call for evidence, European Securities and Markets Authority (ESMA), 04 January

ESMA, *“the EU’s securities markets regulator, today publishes [a call for evidence](#) on distributed ledger technology (DLT). The call for evidence seeks input from stakeholders on the use of DLT for trading and settlement and on the need for amending the regulatory technical standards (RTS) on regulatory reporting and transparency requirements.”*

<https://www.esma.europa.eu/press-news/esma-news/esma-launches-call-evidence-distributed-ledger-technology>

- E. *ESMA reports on derivatives and securities markets in 2020***, press release, European Securities and Markets Authority (ESMA), 17 December 2021

ESMA, “the EU’s securities regulator, today publishes two Annual Statistical Reports (Reports) analysing the European Union’s (EU) derivatives and securities markets. The Reports, based on data submitted under the European Markets and Infrastructure Regulation (EMIR) and the Markets in Financial Instruments Directive (MiFID), provide an overview of EU/EEA markets in 2020.”

<https://www.esma.europa.eu/press-news/esma-news/esma-reports-derivatives-and-securities-markets-in-2020>

- F. *FCA’s new rules on climate-related disclosures to help investors, clients and consumers***, press release, UK Financial Conduct Authority (FCA), 17 December

“The FCA has published two Policy Statements confirming final rules and guidance to promote better climate-related financial disclosures.”

<https://www.fca.org.uk/news/news-stories/new-rules-climate-related-disclosures-help-investors-clients-consumers>

- G. *CFA Institute Publishes First Global ESG Disclosure Standards***, blog, CFA Institute, 16 December

“The Standards are intended to address current issues with ESG investing, such as inaccurate disclosure practices, and aim to support investors with complete, reliable, consistent, clear and accessible information. The Standards have been designed to accommodate the full range of investment vehicles, asset classes and ESG approaches offered in markets around the world.”

https://www.bennettjones.com/Blogs-Section/CFA-Institute-Publishes-First-Global-ESG-Disclosure-Standards?utm_source=Mondaq&utm_medium=syndication&utm_campaign=LinkedIn-integration

- H. *U.S. Senate Unanimously Confirms Behnam as Chairman***, statement, US Commodity Futures Trading Commission, 16 December

“The U.S. Senate last night voted unanimously to confirm Rostin Behnam as Chairman of the U.S. Commodity Futures Trading Commission. Behnam has served as Acting Chairman since January....”

<https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement121621>

- I. CMA launches revised Capital Market Master Plan in the wake of COVID-19**, press release, The Capital Markets Authority Kenya, 15 December 2021

CMA “has completed the review of the Capital Market Master Plan (CMMP, 2014-2023), with the support of FSD Africa. The blueprint was developed in close collaboration with capital markets industry stakeholders with the aim of mobilizing savings and stimulating investments to the levels necessary to realize the Vision 2030 aspirations.”

<https://www.cma.or.ke/index.php/news-highlights/446-press-release-launch-of-revised-capital-market-master-plan-15-12-2021>

- J. SBAI Publishes an Updated Review of Global Responsible Investment Regulations**, resource, Standards Board for Alternative Investments (SBAI), 14 December 2021

The SBAI, “a global alliance of alternative investment managers and allocators, and custodian of the Alternative Investments Standards, released an update of “Responsible Investment – Review of Regulatory Expectations”.

Globally, there has been a substantial increase in RI regulation. In most RI regulations, disclosure is required rather than prescriptive approaches to implement RI. Global RI regulations increased from less than 50 in 2000 to more than 750 in 2021.

Asset managers and allocators need to understand the global regulatory landscape now more than ever. This Toolbox Memo provides a global overview of RI regulations and guidance including enacted and proposed legislation. It looks at these regulations through three perspectives: allocators, investment managers, and issuers.”

The Toolbox Memo is available here: <https://www.sbai.org/resource/responsible-investment---review-of-regulatory-expectations---2021-update.html>

- K. SBAI Publishes a Guide to Operational Due Diligence of Crypto Assets**, resource, Standards Board for Alternative Investments, November 2021

The SBAI, “a global alliance of alternative investment managers and allocators, and custodian of the Alternative Investments Standards, released a new Toolbox memo providing guidance on Operational Due Diligence (ODD) on crypto assets, catering to the increased interest from institutional allocators and asset managers in the asset class.



Crypto assets operate using different infrastructure than more traditional asset classes, therefore, any Operational Due Diligence of the investment managers and the funds they invest in must take account of certain risks that are more prominent within this asset class, including in areas such as counterparties, valuation, and conflicts of interest.

This toolkit was produced with input from both allocators and asset managers. The SBAI community is made up of over 150 asset managers representing over \$2 trillion in AUM and over 90 institutional investors overseeing \$4 trillion in assets.”

The Toolbox memo is available here: <https://www.sbai.org/resource/operational-due-diligence-on-crypto-assets.html>

III. Financial Stability Board/Bank for International Settlements

- A. *BIS Board elects François Villeroy de Galhau as new Chair***, press release, Bank for International Settlements, 16 January

“The Board of Directors of the Bank for International Settlements (BIS) yesterday elected as its new Chair, François Villeroy de Galhau, Governor of the Bank of France. His term is for a period of three years, commencing on 12 January 2022.

Mr Villeroy de Galhau succeeds Jens Weidmann who served as Chair of the Board until the end of December 2021 when he concluded his tenure as President of the Deutsche Bundesbank.”

<https://www.bis.org/press/p220113a.htm>

- B. *FSB publishes papers on funding and interconnectedness practices to aid resolution planning for insurers***, press release and reports, Financial Stability Board, 10 January

“The Financial Stability Board (FSB) today published two papers: on practices for funding in resolution; and on internal financial and operational interconnectedness designed to facilitate effective resolution planning for insurers.”

<https://www.fsb.org/2022/01/fsb-publishes-papers-on-funding-and-interconnectedness-practices-to-aid-resolution-planning-for-insurers/>

- C. *Platform-based business models and financial inclusion***, press release, Bank for International Settlements, 10 January

“New players in finance include fintech and big tech firms with digital platforms in e-commerce, search or social media. Increasingly, incumbent financial institutions are also adopting platform-based business models. Digital platforms operate in multi-sided markets, using big data to match different groups of customers (e.g., users and providers). This paper assesses how these models can affect financial inclusion, competition, financial stability and consumer protection.”

<https://www.bis.org/publ/work986.htm>

- D. *BIS appoints Raphael Auer as Head of the Innovation Hub Eurosystem Centre***, press release, Bank for International Settlements, 6 January

“The Bank for International Settlements (BIS) today announced that Raphael Auer will join the BIS Innovation Hub (BISIH) team as the head of the upcoming Eurosystem Centre, expected to open in the first half of 2022. Mr Auer is currently a principal economist in the BIS' Monetary and Economic Department, working with the unit dedicated to Innovation and the Digital Economy.”

<https://www.bis.org/press/p220106.htm>

- E. *Sustainable finance data for Central Banks, 2021 survey conducted by the Irving Fisher Committee on Central Bank Statistics (IFC)***, Bank for International Settlements (BIS), 17 December 2021

“This IFC report summarises the results of a survey conducted on sustainable finance statistics among its members (with 63 answers, providing detailed information for 28 AEs and 31 EMEs). The objective was to identify related data needs, availability and gaps from the perspective of the central banking community, in close coordination with other international statistical initiatives. Sustainable finance is defined as integrating a wide range of environmental, social and governance (ESG) aspects when making investment decisions.

https://www.bis.org/ifc/publ/ifc_report_14.htm

- F. *FSB reports on global trends and risks in non-bank financial intermediation***, press release and report, Financial Stability Board, 16 December

“In contrast to the trend over the past decade, the NBFIs sector grew less than the banking sector in 2020.”

<https://www.fsb.org/2021/12/global-monitoring-report-on-non-bank-financial-intermediation-2021/>

IV. Other News

- A. *Trading Venue Outages: A Framework for Industry-wide Standard Protocols in Equity Markets, blog and framework***, Federation of European Securities Exchanges (FESE), 12 January

“While trading venue outages are rare, they require an appropriate response. With the objective of a more harmonised framework in Europe that builds on the broad consensus in place and to support market participants, FESE supports the adoption of an industry-wide standard protocol to harmonise communication and outage procedures. The adoption of outage standard protocols would give the entire market and its participants the confidence, awareness and transparency needed in these exceptional, yet incredibly rare, circumstances.

With the contribution of FESE members of a proposed framework for the outage standard protocols, FESE and its members look forward to an ongoing and constructive discussion with all our stakeholders, from our clients, market participants through to regulators and policymakers.”

<https://www.fese.eu/blog/trading-venue-outages-a-framework-for-industry-wide-standard-protocols-in-equity-markets/>

<https://www.fese.eu/app/uploads/2022/01/Trading-Venue-Outages-A-Framework-for-Industry-wide-Standard-Protocols-in-Equity-Markets.pdf>

- B. *UK launches consultation on domestic implementation of global minimum tax for large multinational groups***, news story, UK HM Treasury, 11 January

“The UK government has today published a consultation seeking views for how a worldwide 15% minimum corporation tax should be domestically implemented.”

<https://www.gov.uk/government/news/uk-launches-consultation-on-domestic-implementation-of-global-minimum-tax-for-large-multinational-groups>

- C. *Climate Change an ‘Emerging Threat’ to U.S. Financial Stability***, Regulators Say, article, New York Times, 17 December

“The Financial Stability Oversight Council issued a formal warning on the economic damage that global warming could inflict.”

https://www.nytimes.com/2021/12/17/us/politics/climate-change-us-financial-threat.html?campaign_id=57&emc=edit_ne_20211217&instance_id=48179&nl=evening-

[briefing®i_id=69526145&segment_id=77362&te=1&user_id=54e7064c0e490d2d518fe699391c2662](https://www.iosco.org/news-and-events/news/2021/12/emmanuel-faber-appointed-to-lead-the-issb/)

D. Emmanuel Faber appointed to lead the International Sustainability Standards Board,
press release, IFRS, 16 December

“The Trustees of the IFRS Foundation today announced the appointment of Emmanuel Faber to serve as Chair of the International Sustainability Standards Board (ISSB), effective 1 January 2022.

The appointment follows the [announcement at COP26](#) in November about the creation of the ISSB; the consolidation of the Climate Disclosure Standards Board and the Value Reporting Foundation (which houses the Integrated Reporting Framework and the SASB Standards) into the IFRS Foundation; and the publication of prototype general disclosures and climate disclosure requirements developed by the [Technical Readiness Working Group](#).”

<https://www.ifrs.org/news-and-events/news/2021/12/emmanuel-faber-appointed-to-lead-the-issb/>

V. Annual Meeting 2021

The IOSCO Board elected the Autorité Marocaine du Marché des Capitaux (AMMC) of Morocco as the host of the 47th IOSCO Annual Meeting (AM).

The 2022 AM is planned to be held on 18-20 October 2022 in Marrakesh and will be preceded by an AMMC Public Conference on 17 October 2022.

Please pencil these dates into your diaries. The 2022 AM is planned to be held as an in-person meeting; however, we will monitor developments of the pandemic worldwide, and a confirmation on the format of the 2022 AM will be communicated in April 2022.

Should you have any questions, please contact Tajinder Singh (t.singh@iosco.org) or the Secretariat’s Meeting and Events Team (met@iosco.org).

VI. IOSCO Capacity Building Activities 2021

IOSCO Asia Pacific Hub Webcast on Operational Resilience is **now available for viewing**. In conjunction with the publication of IOSCO’s consultation report on the *Operational resilience of trading venues and market intermediaries during the COVID-19 pandemic* (see *item I.A above*), the webcast discusses challenges faced by trading venues and intermediaries



during the COVID-19 pandemic, key operational risks arising, and guidance on the operational resilience of trading venues and market intermediaries.

The discussants in this webcast are Tracey Stern, Vice Chair of IOSCO's Committee 2 on Regulation of Secondary Markets (at the time of recording) and Calissa Aldridge, Vice Chair of IOSCO's Committee on Regulation of Market Intermediaries (Committee 3). The webcast is moderated by Giles Ward, Senior Policy Advisor from the IOSCO General Secretariat.

The webcast is available for viewing at <https://www.iosco.org.my/news-media/webcasts-podcasts>. This webcast is made publicly available to reach a broader audience, and we encourage IOSCO members to share the webcast with relevant stakeholders in their jurisdictions as they deem appropriate.

IOSCO WIW Webcast on Regional Developments in Investor Education and Protection: Frauds and Scams Prevention

IOSCO Asia Pacific members from the Investor and Financial Education Council of Hong Kong, the Securities and Exchange Board of India, Securities Commission Malaysia and the Monetary Authority of Singapore discuss observations on investment scams, financial education initiatives and other measures undertaken to address some of the challenges, and areas of focus going forward for investor education and protection in relation to frauds and scams prevention.

The webcast is available for viewing at www.iosco.org.my/news-media/webcasts-podcasts.

IOSCO Asia Pacific Hub Webcast on Remaining Challenges in Benchmarks Transition

The transition away from LIBOR presents unique and difficult challenges for regulators and market participants. As the end date for LIBOR becomes clearer, 2021 continues to be a critical year in benchmarks transition. This webcast discusses the remaining challenges in benchmarks transition, particularly related to USD LIBOR, to help regulators and market participants plan the steps they need to take in the coming months.

<https://www.iosco.org.my/news-media/webcasts-podcasts>

5th IOSCO/PIFS – Harvard Law School Global Certificate Program for Regulators of Securities Markets – more information to be available in due time.

- **Phase I**, hosted by IOSCO, consists of three components: online learning materials; an in-person module on regulation; and an in-person module on compliance. Under normal circumstances, the in-person modules are conducted at IOSCO's premises in Madrid (Spain) and cover the fundamentals and intricacies of securities regulation and compliance.



- **Phase II**, hosted by PIFS-HLS, consists of a one week-long in-person module that, under normal circumstances, is conducted on campus at the Harvard Law School in Cambridge (Massachusetts, US).

5th IOSCO/PIFS-HLS Global Certificate Program Phase II, Virtual, 13-17 December 2021

The 5th edition of Phase II of the Global Certificate Program for Regulators of Securities Markets, jointly organized by IOSCO and the Program on International Financial Systems at Harvard Law School, took place in a virtual format between 13-17 December 2021.

Over 160 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 COVID-19; crypto and fintech; ESG standards; issues in issuance, trading and market liquidity; and enforcement, market fragmentation and cross-border cooperation.

Close to 140 of these participants also had completed Phase I of the program, either in June 2021 or in a previous year, and as such received their Certificate of completion at the end. This brings the total number of IOSCO members who have completed the full two-phase program to 320. Congratulations to all. The 2022 dates of the program will be announced in due course.

VII. The 2022 Work Calendar:

https://www.iosco.org/members_area/events/?subSection=event-calendar&p=event-calendar-print

VIII. Latest Investor Alerts

https://www.iosco.org/investor_protection/?subsection=investor_alerts_portal

IX. Recommended Reading

- A. *Green Upheaval: The New Geopolitics of Energy***, article, Foreign Affairs, January/February 2022

“It is true that clean energy will transform geopolitics—just not necessarily in the ways many of its champions expect. The transition will reconfigure many elements of international politics that have shaped the global system since at least World War II, significantly affecting the sources of national power, the process of globalization, relations

among the great powers, and the ongoing economic convergence of developed countries and developing ones. The process will be messy at best.”

<https://www.foreignaffairs.com/articles/world/2021-11-30/geopolitics-energy-green-upheaval>

B. *How an open climate club can generate carbon dividends for the poor, opinion*, Bruegel Think Tank, 11 January

“The German-led G7 can accelerate decarbonisation while tackling climate justice.”

<https://www.bruegel.org/2022/01/how-an-open-climate-club-can-generate-carbon-dividends-for-the-poor/>

C. *Is democracy failing and putting our economic system at risk?* Paper, Brookings Institute, 4 January

“This paper explores the state of American democracy and whether it constitutes a systemic risk that impacts fiduciary duties.”

“.....As we have argued, the greatest threat to democracy in America is not that a majority of Americans will turn against democracy. It is that strategically placed state and local majorities will collude with an organized and purposeful national minority to seize control of key electoral institutions and subvert the will of the people. In this context, the responsibility of large investment institutions is clear: to remain vigilant in the face of ongoing threats to democracy, to do everything in their power to urge corporate leaders to remain involved in the fight for democracy, and to reward them when they do. This responsibility can be discharged most effectively when investment institutions establish the framework for ongoing consideration of this issue—and when they act collectively in defense of the democratic institutions without which prosperity as well as liberty is at risk.

<https://www.brookings.edu/research/is-democracy-failing-and-putting-our-economic-system-at-risk/>

D. *Are Stablecoins In or Out? Regulators Have to Decide*, Bloomberg Opinion, 20 December

“The real reason people use stablecoins is regulations make it difficult to convert crypto assets to traditional assets. Stablecoins are a creature of regulation in the same sense that money market funds were created in the 1970s to get around government limits on interest banks could pay retail depositors while the economy was running at double-digit inflation. But regulators always see the potent.”

<https://www.bloomberquint.com/gadfly/crypto-regulators-are-taking-the-wrong-approach-to-stablecoins>

- E. *Benoît Cœuré says regulators likely to agree crypto framework in 2022***, interview, Financial Times, 19 December 2021

“BIS innovation hub chief calls year ‘wake-up’ call for watchdogs, saying consistent regulation is needed”

<https://www.ft.com/content/7c6b2573-7a8e-48c3-8fd9-2f5d5d524772>

- F. *ESG Standards Platform To Be Ready In 2022” Says IOSCO Secretary General***, interview, The Corner, Spain, 17 December

The organisation has accelerated its work so that next year investors will have a global platform or baseline with which to operate safely in the variegated and confusing world of ESG products and standards.

<https://thecorner.eu/interviews/esg-standards-platform-to-be-ready-in-2022-says-iosco-secretary-general/99577/>

- G. *The private-markets party reaches fever pitch, article: As valuations surge and interest-rate rises loom, can it last?*** The Economist, 16 December

“Rising interest rates are a concern, however, as they can deflate asset prices, impose stress on indebted companies and make it harder to raise debt to finance deals.”

<https://www.economist.com/finance-and-economics/the-private-markets-party-reaches-fever-pitch/21806772>

- H. *Libor, Long the Most Important Number in Finance, Dies at 52***, summary, New York Times, 12 December

“Bankers used it until the end. Regulators say good riddance after its infamous fall.”

[Libor, Long the Most Important Number in Finance](#)