

Weekly Bulletin for IOSCO Members – 14

20-27 April 2022

I. Appointments and other News

Meet Our New CEO: Three Questions with Frank La Salla, by DTCC Connection Staff, Depository Trust & Clearing Corporation (DTCC), 25 April

Frank La Salla will assume the position of President and Chief Executive Officer (CEO) of DTCC effective August 12. At that time, he will also become President and CEO of DTCC's principal operating subsidiaries, The Depository Trust Company (DTC), Fixed Income Clearing Corporation (FICC) and National Securities Clearing Corporation (NSCC), and a member of DTCC's board of directors.

La Salla joins DTCC following a 28-year career at BNY Mellon, where he held several senior-level positions, including most recently as Chief Executive Officer of its Issuer Services business and a member of the BNY Mellon Executive Committee, the senior-most leadership committee at the firm."

<https://www.dtcc.com/dtcc-connection/articles/2022/april/25/meet-our-new-ceo-three-questions-with-frank-la-salla>

II. G20 Meetings: Indonesian Presidency

G7 Finance Minister and Central Bank Governors Statement on Russia's war of aggression against Ukraine. This statement follows the G7 Finance Minister and Central Bank Governors' meeting on 20 April 2022.

International organisations and multilateral fora should no longer conduct their activities with Russia in a business-as-usual manner. We will work closely with our partners to act as appropriate, based on shared interests, as well as rules and regulations of respective institutions. As such, we regret participation by Russia in international fora, including G20, International Monetary Fund and World Bank meetings this week."

<https://www.gov.uk/government/news/g7-finance-minister-and-central-bank-governors-statement-on-russias-war-of-aggression-against-ukraine>

III. Member News

- A. ***CFTC Charges Archegos Capital Management and Three Employees with Scheme to Defraud Resulting in Swap Counterparty Losses Over \$10 Billion***, press release, Commodity Futures Trading Commission, 27 April

“Two Archegos Employees Admit Roles in Fraud and Are Cooperating.”

<https://www.cftc.gov/PressRoom/PressReleases/8520-22>

- B. ***SEC Charges Archegos and its Founder with Massive Market Manipulation Scheme***, press release, US Securities and Exchange Commission, 27 April

“Multiple Archegos Executives Charged with Misleading Counterparties.”

<https://www.sec.gov/news/press-release/2022-70>

- C. ***Food and Energy Price Shocks from Ukraine War Could Last for Years***, press release, World Bank Group, 26 April

“Shift to more costly trade patterns has begun; transition to cleaner energy could be delayed.”

<https://www.worldbank.org/en/news/press-release/2022/04/26/food-and-energy-price-shocks-from-ukraine-war>

Commodity Markets Outlook: The impact of the war in Ukraine on commodity markets, report, The World Bank Group, April 2022

<https://openknowledge.worldbank.org/bitstream/handle/10986/37223/CMO-April-2022.pdf>

- D. ***The Name’s Bond: Remarks at City Week*** by US SEC Chair Gary Gensler, US Securities and Exchange Commission, 26 April

“Together, through driving greater transparency, modernizing rule sets for electronified platforms, and enhancing financial resiliency, we can help investors and issuers in the bond markets get the same benefits as many other parts of our capital markets.”

<https://www.sec.gov/news/speech/gensler-names-bond-042622>

- E. ***SFC proposes changes to the position limit regime***, press release, Hong Kong Securities and Futures Commission (SFC), 26 April

“The Securities and Futures Commission (SFC) today launched a consultation on proposed changes to the position limit regime for listed futures and options contracts (Note 1).”

A key proposal is to set out how the statutory prescribed limits and reporting requirements should be applied to unit trusts and sub-funds under an umbrella fund (Note 2). Other proposed changes (Note 3) involve reportable positions in contracts traded on holiday trading days (Note 4) and the inclusion of a broader range of contracts which may be authorised by the SFC for excess positions (Note 5).”

<https://apps.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=22PR27>

- F. ***Critical issues in financial regulation: The FCA's perspective***, speech by UK FCA CEO Nikhil Rathi, delivered at City Week 2022, UK Financial Conduct Authority (FCA), 26 April 2022

Highlights:

- Cost of living crisis means consumers are more exposed to risk and more reliant on financial services.
- New consumer duty will ensure firms take into account ‘good outcomes’ for consumers and clear rules will in future cut costs for firms.
- Supporting innovation to encourage long-term economic growth and international competitiveness:
 - Extending an early oversight scheme to give 300 newly authorised firms guidance on regulatory issues as they grow
 - Over 500 applications to attend our first ever CryptoSprint event in May
- Post-Brexit, if you are a predominantly UK business, your regulated entity should be here to protect investors and the integrity of the markets.”

<https://www.fca.org.uk/news/speeches/critical-issues-financial-regulation-fca-perspective>

- G. ***A Reflection on the Research Brief: Financial Education Matters***, Dr. Billy Hensley - President and CEO, National Endowment for Financial Education® (NEFE®), Gerri Walsh - President, FINRA Investor Education Foundation (FINRA Foundation), 21 April

*“The FINRA Investor Education Foundation (FINRA Foundation), the National Endowment for Financial Education® (NEFE®) and the study’s authors collaborated to elevate this research through the brief *Financial Education Matters: Testing the Effectiveness of Financial Education Across 76 Randomized Experiments*, which can be found on both the [FINRA Foundation](#) and [NEFE](#) websites. This brief is an important milestone for our community and merits the attention of teachers, researchers and anyone who advocates for financial education.*

The research clearly shows that financial education is a cost-effective way to increase financial knowledge and improve a host of behaviors related to budgeting, saving, credit, insurance and more. In fact, its impact is comparable to that of core school curricula and diverse programs, such as smoking cessation efforts, that help individuals manage personal issues.

Financial education cannot solve every challenge in people’s financial lives. Rather, it is just one, albeit critical, component of the Personal Finance Ecosystem. We believe a combination of effective legislation, regulation, consumer-friendly choices, and efforts to expand inclusion and equity also are required to foster financial well-being.”

<https://www.finra.org/media-center/blog/reflection-research-brief-financial-education-matters>

H. *A Greener Labor Market: Employment, Policies, and Economic Transformation*,

Chapter 3 of *World Economic Outlook April 2022*, International Monetary Fund

“This chapter examines the labor market implications of the green economic transition. Analyzing a sample of largely advanced economies, the empirical analysis indicates that both greener and more polluting jobs are concentrated among small subsets of workers. Individual workers face tough challenges in moving to greener jobs from more pollution-intensive jobs. Stronger environmental policies help green the labor market and appear more effective when reallocation incentives are not blunted. Model simulations suggest that a policy package incorporating a green infrastructure push, carbon prices, an earned income tax credit, and training, could put an economy on a path to net zero emissions by 2050 with an inclusive transition.”

<https://www.imf.org/-/media/Files/Publications/WEO/2022/April/English/ch3.ashx>

I. *The Swap: The CFTC’s Priorities*, Podcast, International Swaps and Derivatives Association, 21 April

“The US Commodity Futures Trading Commission (CFTC) has a full agenda, with climate change, crypto assets, benchmark reform and swap reporting requirements just a few of the issues on the to-do list. CFTC chair Rostin Behnam talks with ISDA about the commission’s priorities.”

<https://www.isda.org/2022/04/21/episode-21-the-cftcs-priorities/>

J. *Policy Considerations for Decentralised Finance*, Discussion Paper, No 1 of 2022, The Financial Services Regulatory Authority of Abu Dhabi Global Market, 13 April

“The Financial Services Regulatory Authority (FSRA) of Abu Dhabi Global Market (ADGM) has issued a discussion paper to seek comments on policy considerations for Decentralized Finance.”

<https://www.adgm.com/documents/legal-framework/discussion-paper/2022/discussion-paper-no-1of-2022-decentralised-finance-apr-2022-final.pdf>

IV. Financial Stability Board/Bank for International Settlements

- A. *US Dollar Funding and Emerging Market Economy Vulnerabilities***, report and press release, Financial Stability Board, 26 April 2022.

“The growth in external USD financing from non-bank financial institutions following the 2008 global financial crisis has created new financial stability challenges for emerging market economies.”

<https://www.fsb.org/2022/04/us-dollar-funding-and-emerging-market-economy-vulnerabilities/>

- B. *Remarks by Pablo Hernández de Cos, Chair of the Basel Committee on Banking Supervision and Governor of the Bank of Spain***, at City Week's 12th Annual International Financial Services Forum, London, 26 April 2022.

“Mr. Hernandez de Cos discusses Basel III, crypto assets and climate-related financial risks.”

<https://www.bis.org/speeches/sp220426.htm>

- C. *BIS and Bank Indonesia invite global innovators to take up CBDC challenges***, press release, Bank for International Settlements, 25 April

- *A new global hackathon competition focuses on solving technology challenges related to wholesale and retail central bank digital currencies (CBDCs)*
- *The G20 TechSprint invites development of solutions for issuing, distributing and transferring CBDCs; deepening financial inclusion; and finding ways to link up domestic payment systems*
- *Shortlisted teams to showcase their prototypes in July; winners to be chosen in October by an independent panel*

“The Bank for International Settlements (BIS) Innovation Hub and Bank Indonesia today launched the third G20 TechSprint Initiative as one of the side events of Indonesia's G20

Presidency, focusing on developing new solutions for central bank digital currencies (CBDCs).

The G20 TechSprint Initiative 2022 is an international competition to explore innovation and develop cutting-edge sustainable technological solutions. It is open to participants from around the world. This year's "hackathon" invites global innovators to develop new solutions for issuing and distributing CBDCs; use them to advance financial inclusion and improve interoperability between payments systems following successful initiatives on regulatory and supervision compliance and green finance solutions in previous years."

<https://hackolosseum.apixplatform.com/h1/g20techsprint>

V. Other News

A. ISSB establishes working group to enhance compatibility between global baseline and jurisdictional initiatives, press release, IFRS Foundation, 27 April

"The International Sustainability Standards Board (ISSB) today announced the formation of a working group of jurisdictional representatives to establish dialogue for enhanced compatibility between the ISSB's exposure drafts that are currently open for comment and ongoing jurisdictional initiatives on sustainability disclosures."

<https://www.ifrs.org/news-and-events/news/2022/04/issb-establishes-working-group-to-enhance-compatibility-between-global-baseline-and-jurisdictional-initiatives/>

B. A critical look at the ESG market, report, Centre for European Policy Studies, 27 April

"Environmental, social and governance (ESG) investing has been practised in Europe for more than two decades, during which it has moved from niche to the mainstream market. The rapid growth in the number of sustainability-related financial products and service providers over the past decade has also attracted regulators' attention. The EU's regulatory capacity on sustainability represents a hidden treasure that echoes the realisation that to achieve the EU's environmental and social goals, a sharp departure from the current predominant model of capitalism and corporate governance is required. It has been argued that an increasing amount of capital is misallocated due to the inadequacy of ESG criteria and the ESG services market's lack of transparency. The rankings produced by ESG rating agencies create a false sense of security, and investors who buy into ESG funds with dubious credibility need protection. Considering the potential implications of ESG exposures for long-term financial stability, it is in the public interest to critically evaluate ESG criteria and reporting requirements to clear a path for more meaningful and more operational corporate objectives that contribute to the green, digital

and just transition. Whilst in the context of the EU sustainable finance package many regulatory measures are already underway, it is imperative that the Commission fixes the blind spots and completes the additional steps needed.”

<https://www.ceps.eu/ceps-publications/a-critical-look-at-the-esg-market/>

C. *Business Risks Stemming from Socio-Economic Inequality*, Columbia Law School's Blog, April 2022

“We analyze the ways that socio-economic inequality creates material risks to business and how, despite these risks, there are very few ways for companies to consistently and effectively disclose them to investors. To address this challenge, we look for guidance to another systemic risk facing business: climate change.”

<https://clsbluesky.law.columbia.edu/2022/04/15/business-risks-stemming-for-socio-economic-inequality/>

D. *EFRAG welcomes its new Sustainability Reporting Technical Expert Group*, press release, European Financial Reporting Advisory Group, 25 April

“The EFRAG Sustainability Reporting Board has appointed the members of the EFRAG Sustainability Reporting Technical Expert Group (EFRAG SR TEG). This completes the main steps of integrating the EFRAG Sustainability Reporting Pillar in the EFRAG structure.”

<https://www.efrag.org/Assets/Download?assetUrl=%2Fsites%2Fwebpublishing%2FSiteAssets%2FPress%2520release%2520SR%2520TEG%252025%2520april.pdf>

E. *A Sustainable Future: Alain Deckers, European Commission DG-FISMA, on Regulating the Transition to a Sustainable Economy*, podcast and transcript, Man Group, 19 April

“One of my big concerns is that, in a number of cases, funds are essentially being rebadged. Not because the nature of the assets underlying those funds are necessarily more sustainable, but because it's just a commercial imperative to become more visible and more active in the sustainability space....

...Now, internationally, we have conversations and very productive conversations with counterparts across the world, whether it's the SEC or others. We try to learn from each other, try to align our approaches to the greatest extent possible. There are various fora that exist for that purpose, also, not just among regulators, but also among supervisors. IOSCO, G20 and the Financial Stability Board and so on.”



<https://www.man.com/maninstitute/ri-podcast-alain-deckers>

VI. Annual Meeting 2022

The Autorité Marocaine du Marché des Capitaux (AMMC) of Morocco will host the 47th IOSCO Annual Meeting (AM) this year.

The 2022 AM will be held on 17-19 October (instead of 18-20 October) 2022 in Marrakesh and will be preceded by an AMMC Public Conference on 20 October (not 17 October) 2022.

IOSCO/AMMC plan to hold the 2022 AM as an in-person meeting; however, we will monitor the evolution of the pandemic worldwide, and will **confirm the format of the 2022 AM in mid-May 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)

VII. IOSCO Capacity Building Activities 2022

AMCC Webinar on *Securities and Derivatives Clearing and the role of CCPs*, 19 May 2022 (13.00 - 14.30 CEST)

Registration is now open for the *AMCC Clearing Webinar II* titled "*Securities and Derivatives Clearing and the role of CCPs*". Please register by **Friday 13 May 2022** via this [link](#).

The registration portal is located in the members' areas of the IOSCO website and, therefore, log-in will be required. If you do not already have log-in details to the members' area, you can request via this [link](#). If you already have log-in details but have forgotten your password, you can recover your password via this [link](#).

As previously announced, the webinar will take place on 19 May 2022 (13.00 - 14.30 CEST) and will be conducted through the BlueJeans platform. The webinar is open to all IOSCO members free of charge.

Please note that for this webinar, we have not fixed any registration limit per member organization. However, we expect member organizations to exercise moderation in terms of the number of participants they register for the webinar.

Also note that upon registration, participants will receive an automatic email including join instructions and a calendar invite attached. We recommend saving the attached calendar invite to have the event reflected in your calendars

The agenda for this webinar will be circulated and posted to the "Training" section of the IOSCO Webpage in due course.

If you have any questions, please contact the AMCC Team at AMCCTeam@iosco.org



IOSCO AMCC Webinar and PPTs on “Cybersecurity under the Pandemic and beyond”, held on 20 April 2022, is now available to members on demand.

The IOSCO Affiliate Members Consultative Committee (AMCC) organized this webinar as part of the AMCC Learning Series and contribution to IOSCO’s capacity building projects. IOSCO.

The AMCC chose to begin its learning series with cybersecurity, considering how critical it is to the activities of regulators and industry players in the securities market. Effective cybersecurity has become increasingly vital for governments, and public and private entities over the past decade. Cyber-attacks experienced an uptick during the pandemic as many financial sector participants began working from home. Now more than ever, governments, regulators, regulated entities, and other firms need to strengthen their capacity to deal with ever evolving cyber-threats. The recording and PPTs used for the webinar are available on the IOSCO members-only website, at:

https://www.iosco.org/members_area/training/index.cfm?subSection=iosco_training_programs&subSection1=webcasts&subSection2=2022

6th IOSCO/PIFS – Harvard Law School Global Certificate Program for Regulators of Securities Markets – Phase I, Virtual, 6-10 June 2022 & Phase II, Cambridge (MA), US, 12-16 December 2022

IOSCO and the Program on International Financial Systems at Harvard Law School (PIFS-HLS) jointly developed this two-phase program to offer IOSCO members an executive education program that is exclusively tailored for regulators of securities markets. Attendees have up to three years to complete both phases of the Global Certificate Program. Successful attendees will be awarded a joint certificate of participation issued by IOSCO and PIFS-Harvard Law School. Also, IOSCO members may attend any part of the program on a non-certificate basis. This year marks the 6th edition of the program which was inaugurated in 2016.

Phase I, hosted by IOSCO, consists of the following components: online learning materials and in-person modules on regulation and compliance. Under normal circumstances, the in-person modules will be conducted at IOSCO’s premises in Madrid (Spain) and will cover the fundamentals and intricacies of securities regulation and compliance. This year, Phase I will be delivered in a virtual format and will consist of virtual live sessions to be held on 6-10 June 2022 (between 13:00 and 16:00 CEST), as well as pre-recorded on-demand presentations and other online content to be studied in advance. These sessions will be delivered primarily by current or former securities regulators.



Phase II, hosted by PIFS-HLS, consists of a one week-long in-person module that will be conducted on campus at the Harvard Law School in Cambridge (Massachusetts, US) from 12-16 December 2022. (Note: depending on the circumstances, Phase II may be delivered in a virtual format.) This one week-long session will examine current and future regulatory challenges and emerging issues and will be delivered by leading academics, securities regulators and public policy makers. While any IOSCO member employee may attend the program, it is specifically designed for regulatory staff with strong leadership potential and approximately five to seven years of regulatory experience.

For all details, please visit the [Members Area](#).

For questions, please contact globalcertificateprogram@iosco.org.

17th FSI-IOSCO Conference on Securities Trading Issues and Market Infrastructure, 5-6 October 2022

The Financial Stability Institute (FSI) of the Bank for International Settlements (BIS) and IOSCO are jointly organizing the annual Conference on Securities Trading Issues and Market Infrastructure, in Basel, Switzerland, on 5 and 6 October 2022. (Note: depending on the circumstances, the Conference may be delivered in a virtual format.) This Conference, which is intended for bank supervisors and securities regulators, marks the seventeenth year that FSI and IOSCO are organizing this important joint program.

For all details, please visit the [Members Area](#).

For questions, please contact capacitybuilding@iosco.org.

VIII. Other Events

A. *Toronto Centre's annual Virtual International Leadership Program for Securities Supervisors* will take place June 13-17, 2022.

This virtual program was developed with guidance from IOSCO Board member Jean Lorrain, Chair, Toronto Centre's Securities Advisory Board. It aims to provide an opportunity for securities supervisors to acquire sound knowledge of the key trends relating to financial innovation, operational resilience, environmental, social and governance (ESG) issues, and attendant risks to their supervisory objectives. The program will also equip the participants to enhance their supervisory capabilities by providing various approaches, tools and practices for effective supervision of risks arising from those trends. The theme of this year's program is "New Frontiers in Securities Supervision: Innovation, Operational Resilience and ESG". The topics covered include:

- Operational resilience post pandemic
- Growth of ESG, sustainability and biodiversity: New challenges for regulators and supervisors
- Regulatory and supervisory challenges posed by Financial Innovation
- Financial technology (Suptech and Regtech) as a facilitator for Supervision
- How to address cyber-risks in the context of this innovative environment
- Digital assets and digital asset trading platforms
- Emerging Risks in securities sector
- Critical leadership skills and action planning

WHO SHOULD ATTEND?

The program is designed for mid and senior-level staff and managers and commissioners involved in securities regulation and supervision. We encourage interested officials to find out more about the program and register here early. For additional information, please contact Ms. Richa Goyal, Program Director, Toronto Centre at rgoyal@torontocentre.org

B. IFRS Foundation Conference 2022, Leonardo Royal Hotel, near London's Tower Bridge, on 23–24 June 2022.

“This is our first annual conference at which we’ll be presenting and discussing the work of two standard-setting boards—the International Accounting Standards Board (IASB) and the recently created International Sustainability Standards Board (ISSB).”

Ashley Alder, Chair of the Board of IOSCO will deliver the Keynote address on 23 June, 10:30.

<https://informaconnect.com/ifrs-foundation-europe/letter-from-the-chair/>

<https://informaconnect.com/ifrs-foundation-europe/speakers/ashley-alder/>

IX. Essay Competition

Essay Competition on *How can Climate-Related Risks be integrated into Risk-Based Supervision?* Toronto Centre

Entry Details:

- The competition is open to financial sector supervisors and regulators from ODA (OECD Official Development Assistance) recipient countries. ([Click here to check your eligibility](#)). Female supervisors and regulators are strongly encouraged to submit essays.
- Submissions are due by **29 July**. The winners will be announced on **7 October 2022**.



- Please submit your essay as an email attachment saved in PDF format to Ms. Demet Canakci (dcanakci@torontocentre.org). Please provide your full name, organization and title.
- The essay must not exceed 4,000 words (not including diagrams, tables of data, footnotes or bibliography).
- The winning essays will be published as a Toronto Centre Note and promoted through Toronto Centre’s social media accounts and website.

The winners will receive a tuition scholarship to attend a 2023 Toronto Centre International Leadership Program of their choice.

X. The 2022 Work Calendar:

<https://www.iosct-calendar-print>

XI. Latest Investor Alerts

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

XII. Recommended Reading

A. *Cryptoasset regulation depends on answers to central questions*, commentary, Official Monetary and Financial Institutions Forum, 27 April

“These differences heighten the need for common global standards and approaches, including the taxonomy issue of how to decide whether a particular digital asset is a security, commodity, currency or collectible.

It’s too early to say whether these assets will fulfil the promises of their backers, but [the market is too big and the potential ramifications and trade-offs are too great to ignore](#). The war in Ukraine has thrown some of these issues into stark relief, with activists promoting the use of cryptocurrencies to send humanitarian aid to the affected population while US and European governments [seek to limit their use to evade financial sanctions](#).

With the pace of change in the digital transformation of money accelerating, a broad debate is needed to forge a consensus on the key questions of how to regulate this activity. The future of money is ours for the taking.”

<https://www.omfif.org/2022/04/cryptoasset-regulation-depends-on-answers-to-central-questions/>

B. *The cost of climate regulation*, article, Politico, 21 April

In addition to informing markets, disclosure is expected to prod public companies to live up to their net-zero pledges. Failure to curb greenhouse gas emissions could cost the U.S. economy \$14.5 trillion over the next 50 years, according to the [Deloitte Economics Institute](#). Globally, the effects of climate change could reduce economic output by \$23 trillion a year, according to [researchers at insurance giant Swiss Re](#).”

<https://www.politico.com/newsletters/the-long-game/2022/04/21/the-cost-of-climate-regulation-00026694>

C. *I Spoke to the Experts. Bitcoin Isn't Going to Change*, article, New York Times, 20 April

“Pressure on Bitcoin to switch to a less energy-intensive approach is coming from several directions. Ethereum, the No. 2 cryptocurrency, is switching from proof of work, which Bitcoin uses, to proof of stake, which requires much less computing power and therefore does less damage to the environment. Briefly, you prove your work by doing those quintillions of calculations. You prove your stake by pledging cryptocurrencies that you own. As in a company's shareholder vote, the people with the most coins have the biggest say.”

<https://www.nytimes.com/2022/04/20/opinion/bitcoin-mining-climate-change.html>

D. *Stars align for fintech, but regulators are wary of dangerous risks*, article, Pittsburgh Post-Gazette, 20 April

“Ms. Barefoot said the technology is offering a utopian versus dystopian moment. “New financial technologies, broadly defined, are either going to make financial services a lot better or a lot worse, depending on how we regulate them,” she said.

“Every innovation, from AI to encryption to blockchain, has potential to bring breakthroughs in fixing longstanding problems like financial access, inclusion and fairness,” she said. “They also could make everything worse by introducing or exacerbating bias and eroding privacy.”

<https://www.post-gazette.com/business/tech-news/2022/04/20/Stars-align-for-fintech-but-regulators-are-wary-of-dangerous-risks/stories/202204200058>