

## Weekly Bulletin for IOSCO Members – 17

11-18 May 2022

### I. IOSCO Videos

- A. *Keynote Address*** by IOSCO Secretary General Martin Moloney at the ISDA 36<sup>th</sup> AGM, video, Madrid, 12 May

*“It’s time for a sheriff to come to town.”*

<https://youtu.be/5BAvwKMMfK4>

- B. *Regulating cryptoassets: balancing innovation and financial stability***, Official Monetary and Financial Institutions Forum (OMFIF) Digital Monetary Institute video, 12 May

*“On this podcast, Philip Middleton speaks to IOSCO Board Chair Ashley Alder, on regulating cryptoassets.”*

<https://www.youtube.com/watch?v=7cirOCknvTc&t=12s>

*“The Digital Monetary Institute brought together 2,000+ policy-makers, technology experts and investors on 11-12 May 2022 to push the boundaries of the discussion on practical and theoretical aspects of central bank digital currencies, stablecoins, cryptoassets and the future of money at a two day virtual symposium.”* Other videos from the symposium:

<https://www.omfif.org/dmisymposium2022/>

Agenda:

<https://www.omfif.org/wp-content/uploads/2022/05/DMI-symposium-agenda-for-website-2022-1.pdf>

### II. Member News

- A. *ESMA publishes ex-post analysis of derivatives risks in Archegos***, press release and study, The European Securities and Markets Authority (ESMA), 18 May 2022

ESMA, *“the EU’s securities markets regulator, is today publishing a [study](#) showing how regulatory reporting data can be used to identify risks in derivatives markets, such as occurred in the case of Archegos.*

*In the study, ESMA finds that the build-up of exposures by Archegos, a US family office whose collapse in March 2021 resulted in more than USD 10bn in losses, can be seen in data reported under the European Market Infrastructure Regulation (EMIR). The high level of concentration and the associated risks posed by the firm are also visible.”*

<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-ex-post-analysis-derivatives-risks-in-archegos>

- B. *Investor Protection in a Digital Age***, remarks by US SEC Chair Gary Gensler before the 2022 NASAA Spring Meeting & Public Policy Symposium, US Securities and Exchange Commission, 17 May

*“I think what we’re living through in the 2020s is as transformative as the 1990s was with the internet. What I’m referencing is the use of predictive data analytics, built upon artificial intelligence and machine learning, tapping into the veritable explosion of data on every one of us.... .”*

*.... Generally speaking, the narrower and more concentrated a particular part of the market, the less robust the competition. Thus, I’ve asked staff to examine how to improve efficiency and competition throughout our markets.”*

<https://www.sec.gov/news/speech/gensler-remarks-nasaa-spring-meeting-051722>

- C. *Actions to manage the impact of the Russian invasion of Ukraine on investment fund portfolios***, public statement, European Securities and Markets Authority, 16 May

*“The European Securities and Markets Authority (ESMA) is issuing this Public Statement to promote convergence in relation to actions taken to manage the impact of the Russian invasion of Ukraine on investment fund portfolios exposed to Russian, Belarusian and Ukrainian assets...More precisely, this Public Statement is aiming at recalling some general principles that can be derived from Union law that are of relevance to the management of the impact of the Russian invasion of Ukraine on investment fund portfolios. This includes appropriate actions to deal with valuation issues in case of exposures to Russian, Belarusian and Ukrainian assets, including where the use of liquidity management tools (LMTs), specifically side pockets, may be warranted.”*

[https://www.esma.europa.eu/sites/default/files/library/esma34-45-1633\\_public\\_statement\\_on\\_impact\\_of\\_war\\_in\\_ukraine\\_on\\_investment\\_funds.pdf](https://www.esma.europa.eu/sites/default/files/library/esma34-45-1633_public_statement_on_impact_of_war_in_ukraine_on_investment_funds.pdf)

Press release: <https://www.esma.europa.eu/press-news/esma-news/esma-reminds-fund-managers-their-obligations-investors-amid-war-in-ukraine>

**D. Canadian securities regulators authorize discontinuation of the Canadian Dollar Offered Rate**, press release, Ontario Securities Commission (OSC), 16 May

*“The Ontario Securities Commission (OSC) and the Autorité des marchés financiers (AMF) today published notices authorizing the discontinuation of the Canadian Dollar Offered Rate (CDOR), a designated critical benchmark.*

*Refinitiv Benchmark Services (UK) Limited (RBSL) is the administrator of CDOR, a domestically important interest rate benchmark. The OSC and the AMF, as co-lead authorities for RBSL and CDOR, previously designated CDOR as a designated benchmark and RBSL as its designated benchmark administrator.*

*The authorization notices issued today by the OSC and the AMF authorize the request by RBSL to cease publication of CDOR after June 28, 2024.*

<https://www.securities-administrators.ca/news/canadian-securities-regulators-authorize-discontinuation-of-the-canadian-dollar-offered-rate/>

RBSL’s news release on the cessation of CDOR: <https://www.refinitiv.com/en/media-center/press-releases/2022/may/rbsl-issues-canadian-dollar-offered-rate-cessation-notice>

International Swaps and Derivatives Association (ISDA), statement, 16 May

<https://www.isda.org/2022/05/16/isda-statement-on-rbsl-cdor-announcement/>

**E. ESMA publishes Final Reports on CCP resolution regime**, press release, European Securities and Markets Authority (ESMA), 16 May

ESMA “today published [six Final Reports](#) on the central counterparties (CCPs) resolution regime under the CCP Recovery and Resolution Regulation (CCPRRR). The Final Reports set out proposals for Regulatory Technical Standards (RTSs) on:

- the content of CCP resolution plans;
- resolution colleges;
- valuation of CCPs’ assets and liabilities in resolution; and
- safeguards for clients and indirect clients.

*The Final Reports also cover Guidelines on the circumstances under which a CCP is deemed to be failing or likely to fail as well as on the methodology to value each contract prior to termination.”*

<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-final-reports-ccp-resolution-regime>

**F. ISDA keynote speech – ESMA’s priorities for transparency** by Verena Ross, ESMA Chair, European Securities and Markets Authority, ISDA AGM: 12 May

*“Drawing on ESMA’s recent work, I will be focussing in particular on three areas to highlight how transparency can contribute to better market functioning:*

- the non-equity transparency regime of MiFIR with a focus on derivatives;*
- enhancing transparency through new technologies; and*
- transparency in the EU carbon market and beyond.”*

[https://www.esma.europa.eu/system/files\\_force/library/esma70-445-372\\_verena\\_ross\\_speech\\_isda\\_agm.pdf?download=1](https://www.esma.europa.eu/system/files_force/library/esma70-445-372_verena_ross_speech_isda_agm.pdf?download=1)

**G. Opening Remarks at the ISDA Annual General Meeting by Scott O’Malia**, ISDA Chief Executive Officer, International Swaps and Derivatives Association, 11 May

*“As we face up to the challenges of climate and crypto, I am proud that ISDA is now taking the lead in promoting standards and best practices in these markets, as well as advocating for risk-appropriate capital. This is what we have always done to deepen liquidity, manage risk and promote market resilience.”*

<https://www.isda.org/2022/05/11/isda-agm-2022-day-1-scott-omalialia-opening-remarks/>

### **III. Financial Stability Board/Bank for International Settlements**

**A. Banking in the shadow of Bitcoin? The institutional adoption of cryptocurrencies**, BIS Working Papers, No 1013, Bank for International Settlements, 18 May

*“The phenomenal growth of cryptocurrencies raises important questions about their footprint on the financial system. What role are traditional financial intermediaries playing in cryptocurrency markets and what drives their engagement? Are new nodes emerging? We help answer these questions by leveraging a novel global supervisory database of banks’ cryptocurrency exposures and by synthesising a range of complementary data sources for other types of institutions. We find that major banks’ exposures currently remain at very modest levels. Across countries, higher innovation capacity, more advanced economic development, and greater financial inclusion are associated with a higher likelihood of banks taking on cryptocurrency exposures. We show that substantial activity is concentrated in lightly regulated crypto exchanges. This “shadow crypto financial system” serves both retail and institutional clients, such as dedicated investment funds. An uneven regulatory treatment across banks and crypto exchanges and significant data gaps suggest that a proactive, holistic and forward-looking approach to regulating and overseeing cryptocurrency markets is needed.”*

<https://www.bis.org/publ/work1013.htm>

- B. *Extending and aligning payment system operating hours for cross-border payments***, report, Bank for International Settlements (BIS), 12 May 2022

*“This final report – issued as part of the G20 cross-border payments programme – focuses on the operating hours of real-time gross settlement (RTGS) systems, as systems that are key to enhancing cross-border payments. It builds on the public consultation conducted in late 2021.”*

<https://www.bis.org/cpmi/publ/d203.pdf>

- C. *Improving access to payment systems for cross-border payments: best practices for self-assessments***, report, Bank for International Settlements (BIS), 12 May 2022

*“This report – issued as part of the G20 cross-border payments programme – introduces a framework of best practices to self-assess the access arrangements of key payment systems, especially real time gross settlement (RTGS) systems. Access to key payment systems is a foundational element in the safe and efficient provision of cross-border payment services.”*

<https://www.bis.org/cpmi/publ/d202.pdf>

#### **IV. Other News**

- A. *ISSB outlines actions required to deliver global baseline of sustainability disclosures***, press release, IFRS Foundation, 18 May

*“The IFRS Foundation’s International Sustainability Standards Board (ISSB) today outlined the necessary steps required to establish a comprehensive global baseline of sustainability disclosures. The ISSB’s global baseline presents a unique opportunity to reduce the existing and further fragmentation of sustainability disclosure requirements. Widespread use of the baseline will reduce the costs for data preparers and improve information usability for data users.*

*The ambition of the ISSB is to have completed by the end of 2022 the necessary institutional and technical standard-setting work to establish the core elements of the global baseline, subject to feedback received from its ongoing consultation.”*

<https://www.ifrs.org/news-and-events/news/2022/05/issb-outlines-actions-required-to-deliver-global-baseline-of-sustainability-disclosures/>

- B. *J. Christopher Giancarlo Named Chevalier in National Order of Merit by French Government: Honored for Financial Acumen and Support of French Culture***, PR Newswire, 18 May

*“Known as "CryptoDad" for his celebrated call on the U.S. Congress to respect a new generation's interest in cryptocurrency, the Honorable J. Christopher Giancarlo served as 13th Chairman of the United States Commodity Futures Trading Commission. Considered one of the most influential individuals in financial regulation, Giancarlo also served as a member of the U.S. Financial Stability Oversight Committee, the President's Working Group on Financial Markets, and the Executive Board of the International Organization of Securities Commissions.*

*Giancarlo is the author of CryptoDad: The Fight for the Future of Money (Wiley, 2021), an account of his oversight of the world's first regulated market for Bitcoin derivatives and the coming transformation of financial services.”*

<https://latintrade.com/press-releases/?rkey=20220518NY62723&filter=15602&J.%20Christopher%20Giancarlo%20Named%20Chevalier%20in%20National%20Order%20of%20Merit%20by%20French%20Government>

- C. Keynote address - The Glasgow Financial Alliance for Net Zero**, by Mark Carney (video), UN Special Envoy on Climate action and Finance, and Co-Chair, The Glasgow Financial Alliance for Net Zero (GFANZ), 11 May

*“Coming six months after the COP26 Summit in Glasgow, this session updates on the progress being made by GFANZ members to deliver on their commitments to transition to net zero. GFANZ’s work programme and deliverables for this year are highlighted and set in the broader context of the opportunities and challenges of transitioning the global economy to net zero.”*

<https://www.theglobalcity.uk/net-zero-delivery-summit/catch-up?viewmode=0>

## **V. Annual Meeting 2022**

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

The 2022 AM will be held on 17-19 October 2022 in Marrakesh and will be preceded by an AMMC Public Conference on 20 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 shortly the format of the 2022 AM.

*Should you have any questions, please contact the Secretariat’s Meeting and Events Team ([met@iosco.org](mailto:met@iosco.org))*

## VI. IOSCO Capacity Building Activities 2022

Stay tuned for additional capacity building activities that will be announced after they are confirmed, including the following:

- **Asia Pacific Hub Webcast on “Crypto-Assets: Latest Developments and Regulatory Implications”**, to be released in May/June
- **Virtual Case Study Session on Theranos**, 6 July
- **3<sup>rd</sup> IOSCO/PIFS – Harvard Law School Global Policy Development Seminar**, Virtual, 22 September
- **14<sup>th</sup> AMCC Regulatory Training Seminar**, Virtual, November (TBC)
- **C4 Training Webinar on the Use of Technology in Securities Markets Enforcement**, Date TBC

**IOSCO AMCC Webinar and PPTs on *Cybersecurity under the Pandemic and beyond***, held on 20 April 2022, is 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](https://www.iosco.org/members_area/training/index.cfm?subSection=iosco_training_programs&subSection1=webcasts&subSection2=2022)

**24<sup>th</sup> IOSCO Seminar Training Program, Virtual**, 26-28 April 2022, is available on demand

The 24<sup>th</sup> edition of the Annual IOSCO Seminar Training Program took place on 26-28 April 2022 and was delivered in a virtual format. The theme of this year’s program was *A Critical Examination of Today’s Crypto Space and the Resulting Regulatory Challenges for Securities Regulators* and was attended by over 350 IOSCO members from 100 jurisdictions. The



program materials and recordings can be accessed on the Members Area of the IOSCO Website.

**6<sup>th</sup> 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 6<sup>th</sup> 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.

**The online registration for Phase I is open.** Please register online by 24 May 2022, using the following link.

[https://www.iosco.org/members\\_area/meeting-registration/?MeetingID=242&virtual=1](https://www.iosco.org/members_area/meeting-registration/?MeetingID=242&virtual=1)

Agenda:[https://www.iosco.org/members\\_area/file.cfm?file=members\\_area\training\library\gcp\2022-05-03\pdf\Agenda.pdf](https://www.iosco.org/members_area/file.cfm?file=members_area\training\library\gcp\2022-05-03\pdf\Agenda.pdf)

**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 more details, please visit the Members Area.





For questions, please contact [globalcertificateprogram@iosco.org](mailto:globalcertificateprogram@iosco.org).

**17<sup>th</sup> 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 more details, please visit the [Members Area](#).

For questions, please contact [capacitybuilding@iosco.org](mailto:capacitybuilding@iosco.org).

## VII. Other Events

***Driving ESG standards and transition: the role of the regulator***, roundtable, London, OMFIF, 25 May

*“This roundtable with the Financial Conduct Authority will discuss the role of the regulator in driving convergence in ESG standards. Transparency, trust and driving a market-led transition have been key themes of the FCA’s work on climate change and ESG.”*

Link includes access to the report: ***Forging the path to international standards in sustainable finance***.

[https://www.omfif.org/events/driving-esg-standards-and-transition-the-role-of-the-regulator/?utm\\_source=newsletter&utm\\_id=SPIupdate](https://www.omfif.org/events/driving-esg-standards-and-transition-the-role-of-the-regulator/?utm_source=newsletter&utm_id=SPIupdate)

***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. For additional information, please contact Ms. Richa Goyal, Program Director, Toronto Centre at [rgoyal@torontocentre.org](mailto:rgoyal@torontocentre.org)

Registration deadline 27 May: <https://www.torontocentre.org/Programs/Sectors/Securities/750>

***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/>

<https://informaconnect.com/ifrs-foundation/special-interest-sessions/>

### **VIII. The 2022 Work Calendar:**

<https://www.iosct-calendar-print2>

### **IX. Latest Investor Alerts**

[https://www.iosco.org/investor\\_protection/?subsection=investor\\_alerts\\_portal](https://www.iosco.org/investor_protection/?subsection=investor_alerts_portal)

## **X. Recommended Reading (and videos)**

- A. *How a Trash-Talking Crypto Founder Caused a \$40 Billion Crash***, article, New York Times, 18 May

*“Do Kwon, a South Korean entrepreneur, hyped the Luna and TerraUSD cryptocurrencies. Their failures have devastated some traders, though not the investment firms that cashed out early.”*

<https://www.nytimes.com/2022/05/18/technology/terra-luna-cryptocurrency-do-kwon.html>

- B. *The Great Crypto Grift May Be Unwinding***, article, The New Yorker, 17 May

*“As an inevitable crash occurs, many of the swindles and alleged swindles are coming to light.”*

<https://www.newyorker.com/news/our-columnists/the-great-crypto-grift-may-be-unwinding>

- C. *Stablecoins need to be tethered by real-world rules***, article, Financial Times, 15 May

*“Shocks to the cryptosphere’s vital cog can reverberate to financial markets.”*

<https://www.ft.com/content/b0cd5c6d-479f-4cd0-bacc-3094d3d492d3>

- D. *A Stablecoin ‘Death Spiral’***, article, New York Times, 12 May

*“Some crypto insiders say they saw the implosion of TerraUSD coming. Other stablecoins could also run into trouble.”*

<https://www.nytimes.com/2022/05/12/business/dealbook/terra-crypto-stablecoin.html?searchResultPosition=1>

- E. *Crypto’s Chainsaw Massacre Bloodies Digital Exchanges***, article, Bloomberg, 12 May

*“The platforms that have promoted Bitcoin and other new currencies have a lot to answer for.”*

[https://www.bloomberg.com/opinion/articles/2022-05-12/bitcoin-crypto-s-chainsaw-massacre-bloodies-digital-exchanges?utm\\_medium=email&utm\\_source=newsletter&utm\\_term=220512&utm\\_campaign=sharetheview](https://www.bloomberg.com/opinion/articles/2022-05-12/bitcoin-crypto-s-chainsaw-massacre-bloodies-digital-exchanges?utm_medium=email&utm_source=newsletter&utm_term=220512&utm_campaign=sharetheview)