



## Weekly Bulletin for IOSCO Members – 2

13 -19 January 2022

### I. IOSCO Press Releases, Reports and other News

- A. Press release: *IOSCO good practices aim to foster cooperation through global supervisory colleges*, 18 January

<https://www.iosco.org/news/pdf/IOSCONEWS633.pdf>

Report: *Lessons Learned from the Use of Global Supervisory Colleges*

<https://www.iosco.org/library/pubdocs/pdf/IOSCOPD696.pdf>

- B. Press release: *IOSCO consults on measures to address risks arising from digitalisation of retail marketing and distribution*, 17 January

<https://www.iosco.org/news/pdf/IOSCONEWS632.pdf>

Consultation Report on Retail Distribution and Digitalisation

<https://www.iosco.org/library/pubdocs/pdf/IOSCOPD695.pdf>

The deadline for comments is on or before 17 March

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

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

Consultation Report: *Operational resilience of trading venues and market intermediaries during the COVID-19 pandemic*

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

The deadline for comments is on or before 14 March 2022.

- D. For those members who would like to read SG Martin Moloney's op-ed *Investment fund leverage: the known unknowns* published in Risk.net on 5 January (and are not subscribers to the publication) may read it in full at:

<https://www.risk.net/comment/7913971/investment-fund-leverage-the-known-unknowns> thanks to an offer for an extended trial to Risk.net.



For access, please use this link: [https://www.risk.net/register/trial?tfv=member\\_iosco](https://www.risk.net/register/trial?tfv=member_iosco)

Access will last for 7 days. Any questions, please contact the Risk.net Team at [info@risk.net](mailto:info@risk.net)

## II. Member News

- A. *FCA to strengthen financial promotions rules to protect consumers***, press release, UK Financial Conduct Authority, 19 January

*“The FCA is acting to address concerns about the ease and speed with which people can make high-risk investments by proposing a significant strengthening of its rules on how high-risk financial products are marketed. This is a central element of the FCA’s Consumer Investments Strategy, published in September 2021, which aims to give consumers the confidence to invest and reduce the number of people who are investing in high-risk products that are not aligned to their needs.”*

<https://www.fca.org.uk/news/press-releases/strengthen-financial-promotions-rules-protect-consumers>

- B. *Dynamic Regulation for a Dynamic Society***, prepared remarks by US SEC Chair Gary Gensler before the Exchequer Club of Washington, D.C., US Securities and Exchange Commission (SEC), 19 January

*“Today, I’d like to share with you a couple of guiding principles I think about when it comes to making regulations “dynamic” in shaping the SEC’s agenda for 2022:*

*First, continuing to drive efficiency in our capital markets*

*Second, modernizing our rules for today’s economy and technologies.”*

<https://www.sec.gov/news/speech/gensler-dynamic-regulation-20220119>

- C. *Developing Contractual Standards for Crypto Derivatives***, derivatiViews, International Swaps and Derivatives Association (ISDA), 18 January

*“Robust contractual standards for digital asset derivatives will promote greater efficiency, deeper liquidity and reduced risk in this fast-growing market. As this work progresses, we’ll continue to engage closely with all market participants, including our crypto asset members, and we encourage other crypto market participants interested in joining the conversation to get in touch.”*

<https://www.isda.org/2022/01/18/developing-contractual-standards-for-crypto-derivatives/>

ISDA's paper: [Contractual Standards for Digital Asset Derivatives](#)

- D. *New CNMV Circular on the Advertising Of Crypto-Assets for Investment Purposes***, press release, Comision Nacional del Mercado de Valores (CNMV), Spain, 17 January

*“The Spanish Official State Gazette (BOE) has today published the new CNMV Circular on the advertising of crypto-assets for investment purposes, which establishes the rules, principles and criteria to which this advertising activity must be subject. The aim is to ensure that the advertising of the products offers true, understandable and non-misleading content, and includes a prominent warning of the associated risks. This is particularly relevant in the field of crypto-assets as the absence of a complete regulation is a challenge for investor protection.”*

<http://www.cnmv.es/Portal/verDoc.axd?t={1cbaf61c-57c2-4830-bd6a-071f806795e2}>

- E. *Spain leads European crackdown on crypto promotions***, article, Financial Times, 17 January

*“Watchdog imposes landmark restrictions amid concerns for investors in unregulated sector.”*

<https://www.ft.com/content/a119dc9e-189d-4a87-ae02-a81a37260196>

- F. *Interaction of Cyclical and Structural Systemic Risks: Insights from Around and After the Global Financial Crisis***, report, Czech National Bank, 14 January

*“We investigate the extent to which various structural risks exacerbate the materialization of cyclical risk. We use a large database covering all sorts of cyclical and structural features of the financial sector and the real economy for a panel of 30 countries over the period 2006 Q1–2019 Q4. We show that elevated levels of structural risks may have an important role in explaining the severity of cyclical and credit risk materialization during financial cycle contractions. Among these risks, private and public sector indebtedness, banking sector resilience and concentration of real estate exposures stand out. Moreover, we show that the elevated levels of some of the structural risks identified may be related to long-standing accommodative economic policy. Our evidence implies a stronger role for macroprudential policy, especially in countries with higher levels of structural risks.”*

<https://www.cnb.cz/en/economic-research/research-publications/research-and-policy-notes/Interaction-of-Cyclical-and-Structural-Systemic-Risks-Insights-from-Around-and-After-the-Global-Financial-Crisis-00001/>

- G. Updated terrorism and proliferation of weapons of mass destruction sanctions guidance**, press release, Jersey Financial Services Commission (JFSC), 14 January

*“We have updated our sanctions pages to give more context to the Financial Action Task Force’s (FATF) Recommendations 6 and 7.*

*These updates are in relation to the implementation of targeted financial sanctions (TFS) to comply with United Nations Security Council Resolutions (UNSCRs).*

*The purpose of the TFS regime is to ensure that designated persons involved in terrorism and the proliferation of weapons of mass destruction are prevented from raising, moving and using funds, assets and other resources.”*

<https://www.jerseyfsc.org/news-and-events/updated-terrorism-and-proliferation-of-weapons-of-mass-destruction-sanctions-guidance/>

- H. Financial literacy: European Commission and OECD-INFE publish joint framework to improve individuals' financial skills**, press release, European Commission and the OECD International Network on Financial Education (OECD-INFE), 11 January

*“The European Commission and the OECD International Network on Financial Education (OECD-INFE) have today published the joint EU/OECD-INFE financial competence framework for adults. This framework aims to improve individuals' financial skills so that they can make sound decisions regarding their personal finances. It will support the development of public policies, financial literacy programmes and educational materials by Member States, educational institutions and industry. It will also support the exchange of good practices by policy makers and stakeholders in the EU.”*

[https://ec.europa.eu/commission/presscorner/detail/en/IP\\_22\\_283](https://ec.europa.eu/commission/presscorner/detail/en/IP_22_283)

- I. Closer Capital Markets Cooperation for Greater Synergy between the Mainland and Hong Kong**, speech at the 15th Asian Financial Forum 2022, by Dr. Fang Xinghai, Vice Chairman of China Securities Regulatory Commission (CSRC), 10 January 2022

*“The CSRC will continue to support Hong Kong in cementing its status as an international financial hub and will work to create greater synergy for market development on both sides by leveraging respective advantages. We sincerely welcome*

*more concrete and constructive suggestions from you on the ways to deepen capital markets cooperation between the mainland and Hong Kong.”*

[http://www.csrc.gov.cn/csrc\\_en/c102031/c1759507/content.shtml](http://www.csrc.gov.cn/csrc_en/c102031/c1759507/content.shtml)

**J. *Investment Scams Study***, report, Autorité des Marchés Financiers, December 2021

*“Thanks to a highly conducive economic environment and health context (low returns on traditional savings products + lockdowns + extra savings), investment scams were on the rise again in 2020.*

*Taking increasingly sophisticated and diversified forms thanks to digital communication methods, scams affected an even broader population (youngpeople, savers, etc.).”*

[https://www.amf-france.org/sites/default/files/private/2021-12/the-french-and-investment-scams-bva-survey-for-the-amf-december-2021\\_0.pdf](https://www.amf-france.org/sites/default/files/private/2021-12/the-french-and-investment-scams-bva-survey-for-the-amf-december-2021_0.pdf)

**K. *Risk Outlook – December 2021***, press release, Finanstilsynet, Norway, December 2021

*“Climate change and the transition to a low-emission society will entail a significant restructuring of the Norwegian economy and cause a decline in earnings in industries and firms that are negatively affected by the changes. Finanstilsynet has analysed two possible pathways for the Norwegian economy. In the first scenario, the transition to a low-emission society starts immediately and takes place with no major costs to the real economy. In the alternative scenario, the restructuring starts later and is characterised by a sudden and disorderly transition both in Norway and internationally. This heightens the risk of misinvestment and a fall in the value of existing production equipment. Finanstilsynet's calculations indicate that in such a scenario, banks will suffer significant losses on corporate loans. Estimated losses are nevertheless considered to be manageable for Norwegian banks.”*

<https://www.finanstilsynet.no/en/news-archive/press-releases/2021/risk-outlook--december-2021/>

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

**A. *Digital currencies and the soul of money***, speech by Agustín Carstens, General Manager of the Bank for International Settlements, at the 10th ILF Conference on the *Future of the Financial Sector, Data, Digitalization, Decentralized Finance and Central Bank Digital Currencies: The Future of Banking and Money*, 18 January

*“Agustín Carstens reflects on the future of currencies in the digital currency era.”*

<https://www.bis.org/speeches/sp220118.htm>

**B. *Central bank digital currencies (CBDCs) in Latin America and the Caribbean***, press release and report, Bank for International Settlements, 13 January

*“While much research has examined the pros and cons of central bank digital currencies (CBDCs), there has been less focus on the relative merits of CBDCs in particular economies or global regions. We attempt to fill that gap for the Latin American and Caribbean (LAC) economies.”*

<https://www.bis.org/publ/work989.htm>

**C. *IAIS Roadmap sets workplan for the next two years***, press release, International Association of Insurance Supervisors (IAIS), 18 January

- *Roadmap reflects progress made in the IAIS’ strategic pivot from policy development to a stronger focus on issues of financial stability and implementation assessment.*
- *Despite the continued challenges of Covid-19, the IAIS maintains momentum on key post-financial crisis reforms, including the Holistic Framework and Insurance Capital Standard.*
- *IAIS remains ahead of curve on supervisory issues, by advancing work related to key trends such as climate change, digital transformation, cyber risk and diversity, equity and inclusion.”*

<https://www.iaisweb.org/news/iais-roadmap-sets-workplan-for-the-next-two-years>

## **IV. Other News**

**A. *Canadian securities regulators publish guidance on ESG-related investment fund disclosure***, press release, the Canadian Securities Administrators (CSA), 19 January 2022

The CSA *“today published guidance for investment funds on their disclosure practices that relate to environmental, social and governance (ESG) considerations, particularly funds whose investment objectives reference ESG factors and other funds that use ESG strategies (ESG-Related Funds).*

*The guidance is based on existing regulatory requirements and addresses areas of disclosure, including investment objectives, fund names, investment strategies, risk disclosure, continuous disclosure and sales communications.”*



<https://www.securities-administrators.ca/news/canadian-securities-regulators-publish-guidance-on-esg-related-investment-fund-disclosure/>

- B. UK Government to strengthen rules on misleading cryptocurrency adverts**, press release, HM Treasury, 18 January

*“Plans to strengthen the rules on cryptoasset advertisements and protect consumers from misleading claims were published by the Government today.”*

<https://www.gov.uk/government/news/government-to-strengthen-rules-on-misleading-cryptocurrency-adverts>

- C. ASC publishes report on digitalisation and the future of banking**, press release and report, European Systemic Risk Board, 18 January 2022

*“In a new [report](#) entitled “Will video kill the radio star?”, the ESRB’s Advisory Scientific Committee (ASC) takes stock of the many forces currently affecting Europe’s banking system (including climate change, the growth of non-banks, overbanking and the COVID-19 pandemic) and looks at how digitalisation could change the way that financial and banking services are provided in the future.*

*Digitalisation could give rise to new financial products and services, resulting in benefits for customers. However, it could also mean that banks face greater competition from new providers of financial services in the form of fintech companies and big tech firms. That could result in the emergence of new risks, both financial and non-financial. The impact that those risks have on the overall level of systemic risk will depend on how banks interact with fintech companies and big tech firms – something that is still the subject of considerable uncertainty.”*

<https://asic.gov.au/about-asic/news-centre/articles/warning-self-managed-super-funds-and-crypto-investments/>

- D. Outlook 2022: biodiversity is rising up the agenda**, commentary, Official Monetary and Financial Institutions Forum (OMFIF) 18 January 2022

*“As well as jurisdiction-specific reporting requirements, the International Sustainability Standards Board launched at COP26 by the International Finance Reporting Standards Foundation offers the potential for much-needed standardisation of corporate disclosure. The first draft ISSB standards will be published in 2022 with an initial focus on climate-related disclosure.*

*Given the level of focus on other environmental and social issues, there will no doubt be pressure to expand this fairly rapidly to improve data availability along the investment chain. Several jurisdictions have already indicated they are likely to use the ISSB standards as a baseline for reporting on environmental and social factors.”*

<https://www.omfif.org/2022/01/outlook-2022-biodiversity-is-rising-up-the-agenda/>

**E. Canadian securities regulators issue warning about fraudulent investment solicitations involving crypto assets**, press releases, Canadian Securities Administrators (CSA), 17 January

*“The CSA warns the public about investment schemes involving fraudulent websites that solicit investments in foreign exchange (often referred to as “forex”), binary options and/or crypto assets.*

*In particular, fraudsters continue to capitalize on market interest in crypto assets to lure investors into scams, using high-pressure sales tactics and promises of high returns with little or no risk.”*

<https://www.securities-administrators.ca/news/canadian-securities-regulators-issue-warning-about-fraudulent-investment-solicitations-involving-crypto-assets/>

## V. Annual Meeting 2021

The IOSCO Board elected the Autorité Marocaine du Marché des Capitaux (AMMC) of Morocco as the host of the 47<sup>th</sup> 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](mailto:t.singh@iosco.org)) or the Secretariat’s Meeting and Events Team ([met@iosco.org](mailto: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 at 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](http://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](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](https://www.iosco.org/investor_protection/?subsection=investor_alerts_portal)

## **IX. Recommended Reading**

- A. *EU should ban energy-intensive mode of crypto mining, regulator says***, article, Financial Times, 19

*“Esma vice-chair criticises method of minting bitcoin that is using more renewable energy.”*

<https://www.ft.com/content/8a29b412-348d-4f73-8af4-1f38e69f28cf>

***Crypto-assets are a threat to the climate transition – energy-intensive mining should be banned***, press release, Finansinspektionen, Sweden, November 2021

<https://www.fi.se/en/published/presentations/2021/crypto-assets-are-a-threat-to-the-climate-transition--energy-intensive-mining-should-be-banned/>

- B. *EU plans 3 -year extension to UK clearing system access***, article, Financial Times, 18 January

*“Brussels is planning to extend its temporary permit allowing European banks and fund managers to use UK clearing houses until June 2025, warding off a threat to financial market stability when the arrangement was set to lapse later this year.”*

<https://amp.ft.com/content/7bacef7c-60ac-4c0c-94df-a544fb9109d4>

- C. *Kosovo’s Bitcoin Miners Selling Equipment After Government Ban***, article, Bloomberg, 17 January

*“Soaring energy prices and power blackouts in Kosovo, one of the poorest countries in Europe, led to a government ban on Bitcoin mining. Now, some miners are selling their equipment or trying to move abroad, industry participants say.*

*The landlocked Balkan state is only the latest to crackdown on crypto mining after being buffeted by high energy prices. Kazakhstan, which had become a popular base for miners who fled China, took similar measures late last year.”*

[https://www.bloomberg.com/news/articles/2022-01-17/kosovo-s-bitcoin-miners-selling-equipment-after-government-ban?cmpid=BBD011822\\_TECH&utm\\_medium=email&utm\\_source=newsletter&utm\\_term=220118&utm\\_campaign=tech](https://www.bloomberg.com/news/articles/2022-01-17/kosovo-s-bitcoin-miners-selling-equipment-after-government-ban?cmpid=BBD011822_TECH&utm_medium=email&utm_source=newsletter&utm_term=220118&utm_campaign=tech)

- D. *It’s Not ‘Woke’ for Businesses to Think Beyond Profit, BlackRock Chief Says***, article, New York Times, 19 January

*“Larry Fink’s latest annual letter to corporate America clarifies, and defends, his approach to social and environmental issues at the world’s largest money manager.”*

[It’s Not ‘Woke’ for Businesses to Think Beyond Profit, BlackRock Chief Says](#)

**LARRY FINK'S 2022 LETTER TO CEOS: *The Power of Capitalism***,

<https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter>

**Moral Money**, Financial Times, 19 January

*“It’s been two years since BlackRock chief executive Larry Fink set corporate alarm bells ringing with a [promise](#) that the world’s biggest asset manager would no longer invest in companies that ignored climate threats. Since then, the amount of capital flowing into sustainable funds has surged — as has BlackRock’s own clout, with more than \$10tn now under management. Yet, in his latest annual letter to company bosses, published yesterday, Fink was careful to stress the limits of what investor pressure can achieve. ”*

**E. Latin America’s currencies signal economic damage despite commodities boom**, article, Financial Times, 17 January

*“Divergence reflects political risk and deep-seated structural problems.”*

<https://www.ft.com/content/1784bcd6-63ac-4a70-8a9a-f87a0b4c128c>

**F. Investor Case Studies Show Paths to Net Zero Transition**, article, ESG Investor, 15 January

*“Engagement highlighted as key facet towards decarbonising portfolios across global efforts by investors.”*

<https://www.esginvestor.net/engagement-highlighted-as-key-towards-decarbonising-portfolios/>