

FOREWORD

The increasingly global nature of financial services and the rapid growth of new products create increasing opportunities for business and challenges for regulators.

For securities markets regulators the ideal world would have universally consistent and appropriate standards of securities regulation. It would also be a world in which regulators exchange information swiftly and effectively to enforce that regulation. This would enable the benefits of global economic integration to be widely shared and continue to increase. This ideal is the focus of the International Organisation of Securities Commissions. IOSCO's members regulate more than 90% of the securities markets and they are committed to achieving this vision.

IOSCO is recognised as the international standard setter for securities regulation. This reputation springs from the *IOSCO Objectives and Principles of Securities Regulation* which are based on three objectives – protecting investors, ensuring markets are fair, efficient and transparent, and reducing systemic risk. These carefully devised, high level principles are flexible enough to be applied in all types of jurisdictions and legal frameworks. They provide a means to achieving consistent, high quality securities regulation literally worldwide.

The *IOSCO Principles* have added value as a benchmark for measuring the standard of a country's securities regulation. The IMF and World Bank use the *IOSCO Principles* in their Financial Sector Assessment Programme to test a country's financial stability.

Transactions involving securities know no jurisdictional boundaries. It is vital that regulators can work together to

combat international fraud. IOSCO developed the Multilateral Memorandum of Understanding, based on the *IOSCO Principles*, to facilitate cooperation. The aim is a worldwide network which enables a seamless and speedy exchange of information in enforcement investigations.

In 2005 IOSCO members agreed to a bold new strategic direction. It has three strands:

- to encourage and assist jurisdictions to implement the *IOSCO Principles*;
- to increase the number of signatories to the IOSCO MMOU; and
- to improve communications with the industry.

IOSCO has set itself a challenge by agreeing a deadline for all its members to join the MMOU, or at least commit to doing so, by 2010. The 34 current signatories make regular and effective use of the MMOU. Achieving the standards required to implement the *IOSCO Principles* and to become a signatory to the MMOU can present challenges for jurisdictions. Often law changes are required to strengthen a regulator's power to acquire, hold, and exchange information. IOSCO helps jurisdictions through training programmes, appointment of experts, and by obtaining funding for law reform projects.

IOSCO works closely with other organisations in the global financial community, notably the World Bank, the International Monetary Fund, the Basel Committee on Banking Supervision and the International Association of Insurance Supervisors. There is mutual respect and cooperation between these bodies, and a willingness to share ideas and information and a commitment to

targeting and addressing appropriate areas of risk in global markets.

IOSCO's communications with the industry have increased significantly. Conferences between regulators and industry have been held in New York, Frankfurt and London over the past two years. We listen to industry's views on matters such as the risks inherent in the global economy, the most appropriate regulatory responses, and the likely burden of any new regulatory initiatives. These events provide useful dialogue, exchanges of views, and ideas.

IOSCO will continue its efforts to raise standards and improve communications. This will bring great value to individual jurisdictions and collective benefits to regulators and industry to assist in the growth and stability of capital markets around the world.

This directory of international regulators is a useful tool for enabling communications that will benefit us all.

Jane Diplock AO
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Executive Committee of IOSCO