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International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
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IOSCO Technical Committee launches Task Forces to support G-20 aims

The International Organization of Securities Commissions' (IOSCO) Technical Committee met by teleconference on 24 November to craft a detailed work program to address the continuing market turmoil, focused on strengthening financial markets and investor protections.

Christopher Cox, Chairman of IOSCO's Technical Committee, said:

“IOSCO's Technical Committee is taking urgent action to coordinate global regulatory measures at abusive short selling, including reporting requirements for short positions and trading activity.

“Being representative of over one hundred securities regulators worldwide, IOSCO is central to developing coordinated regulatory solutions to deal with the current financial crisis. To be effective, the regulation of trading abuses must be coordinated across major markets. This is equally true not only of short selling, but also derivatives trading and activity by currently unregulated entities such as hedge funds. The three task forces the Technical Committee is forming on each of these topics will help ensure that global capital markets address the current turmoil on a sound basis and in a well-coordinated way.”

The Technical Committee Task Forces will consider the following issues:

- **Short Selling** – the Task Force will work to eliminate gaps in various regulatory approaches to naked short selling, including delivery requirements and disclosure of short positions. In this connection, the Task Force will also examine how to minimize adverse impacts on legitimate securities lending, hedging and other types of transactions that are critical to capital formation

Calle Oquendo 12
28006 Madrid
ESPAÑA
Tel.: (34.91) 417.55.49 • Fax: (34.91) 555.93.68
mail@oicv.iosco.org • www.iosco.org

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and to reducing market volatility. The Task Force will be chaired by the Securities and Futures Commission of Hong Kong;

- **Unregulated Financial Markets and Products** – given the impact unregulated financial markets and products have had on global capital markets, the Task Force will examine ways to introduce greater transparency and oversight to unregulated market segments, such as OTC markets for derivatives and other structured financial products. The Task Force will be co-chaired by the Australian Securities and Investments Commission and the Autorité de Marché Financiers of France; and
- **Unregulated Financial Entities** – the Task Force will examine issues surrounding unregulated entities such as hedge funds, including the development of recommended regulatory approaches to mitigate risks associated with their trading and traditional opacity. The Task Force will be chaired by the CONSOB of Italy and the Financial Services Authority of the United Kingdom.

The Task Forces will present their reports at the next Technical Committee meeting in February 2009 and this will be input into the next G-20 summit in Spring 2009.

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NOTES FOR EDITORS

1. IOSCO [open letter](#) to the G-20 participants published on 12 November 2008.
2. [IOSCO Technical Committee Members' Initiatives Relating To Restrictions on Short Sales](#) published on 2 October 2008.
3. [IOSCO Urges Greater International Coordination in the Oversight of Credit Rating Agencies](#) published on 17 September 2008
4. IOSCO is recognized as the leading international policy forum for securities regulators. The organization's wide membership regulates more than 95% of the world's securities markets and IOSCO is the world's most important international cooperative forum for securities regulatory agencies. IOSCO members regulate more than one hundred jurisdictions and the Organization's membership is steadily growing.
5. The [Technical Committee](#), a specialised working group established by IOSCO's Executive Committee, is made up of fifteen agencies that regulate some of the world's larger, more developed and internationalized markets. Its objective is to review major regulatory issues related to international securities and futures transactions and to coordinate practical responses to these concerns. Mr. Christopher Cox, Chairman of the US Securities and Exchange Commission is the Chairman of the Technical Committee. The members of the Technical Committee are Australia, France, Germany, Hong Kong, Italy, Japan, Mexico, the Netherlands, Ontario, Quebec, Spain, Switzerland, United Kingdom and the United States.
6. IOSCO aims through its permanent structures:
 - to cooperate together to promote high standards of regulation in order to maintain just, efficient and sound markets;
 - to exchange information on their respective experiences in order to promote the development of domestic markets;
 - to unite their efforts to establish standards and an effective surveillance of international securities transactions;
 - to provide mutual assistance to promote the integrity of the markets by a rigorous application of the standards and by effective enforcement against offenses.

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David Cliffe
Outside office hours

+ 34 91 787 0419
+ 34 679 969 004

Calle Oquendo 12
28006 Madrid
ESPAÑA
Tel.: (34.91) 417.55.49 • Fax: (34.91) 555.93.68
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Email:

d.cliffe@iosco.org

Website:

www.iosco.org