



GDF at the 48th IOSCO Annual Meeting, 13-15th June, Bangkok, Thailand

GDF Board Member, Greg Medcraft, attended the 48th IOSCO Annual Meeting held in Bangkok, Thailand, from 13 to 15th June 2023. This year's meetings focused on the following 3 themes:

1. Digital Finance and Cryptocurrency Regulation

Under the umbrella of digital finance, there was a strong emphasis put on the urgency of regulating cryptocurrencies and the digital asset sector globally as well as the efforts IOSCO is putting towards leading this.

IOSCO is consulting on policy recommendations for crypto-asset markets, that will establish a global baseline to promote regulatory convergence around a common set of international standards. The recommendations will be finalized by the end of this year.

IOSCO's aim is to promote greater consistency with respect to how IOSCO members approach the regulation and oversight of crypto-asset activities, given the cross-border nature of the markets, the risks of regulatory arbitrage and the significant risk of harm to which retail investors continue to be exposed. IOSCO members agree, that where Crypto-Asset Service Providers (CASPs) perform the same activities, and the crypto-assets they distribute and/or trade behave and pose the same risks as traditional financial instruments, the same regulatory outcomes are expected.

With regulators across the globe applying their existing frameworks, or taking action to adapt and/or adopt new frameworks to mitigate the risks and misconduct in these markets, this session will explore the scope and objectives of the recommendations and discuss how regulators around the globe are already taking steps to implement the essence of them, informed by the principle of *"same activities, same risks, same regulatory outcomes"*.

2. Enabling Sustainable Finance

At the IOSCO Annual Meeting, there was a deeply rooted consensus that capital markets are a driving force for a more sustainable world. Open discussions allowed participants to explore what are the key components needed to establish the foundation for healthy and efficient sustainable finance markets. These included:

- Implementing ESG disclosures and leveraging verifiable and trusted data
- Promoting a global taxonomies classification system
- Creating robust domestic policy frameworks that set action points for achieving in guiding markets and investors toward sustainable finance practices
- Increase demands in ESG-related investments and investor's stewardship through engagement with investee companies

3. Ensuring Financial Stability

Under this theme, four key recommendations were put forward:

- Reviewing the pro-cyclical nature of systemic risk in margining of derivatives
- Reviewing liquidity stress and management and resilience in open funds
- Reviewing potential stress in private markets
- Reviewing leverage in NBFIs sector, particularly CLOs and CDO

During the IOSCO Annual meeting, several workshops took place, covering a range of important topics in the financial industry, with a brief summary of some of the workshops below:

◆ Crypto-Assets: Same Activities, Same Risks, Same Regulatory Outcomes

This workshop focused on the consultation of policy recommendations for crypto-asset markets by IOSCO. The goal is to establish a global baseline that promotes regulatory convergence based on common international standards. By the end of this year, the recommendations will be finalized. Participants discussed the scope and objectives of the recommendations, and regulators shared the steps they are already taking to implement them, guided by the principle of "same activities, same risks, same regulatory outcomes."

◆ Building Healthy and Efficient Sustainable Finance Markets

The workshop addressed the increasing demand for high-quality information on sustainability-related matters from investors. A global framework for corporate sustainability disclosures is being developed to enhance transparency and combat greenwashing. Participants discussed ongoing global efforts in this area and identified critical elements required to establish the foundation for healthy and efficient sustainable finance markets.

◆ Enhancing Market Supervision and Integrity - The Use of SupTech

Supervisory technologies (SupTech) provide significant opportunities for financial markets and regulators to improve compliance, reduce costs, and drive innovation. However, they also pose risks and challenges. This workshop focused on the development of SupTech, highlighting its potential benefits and discussing the associated challenges of implementation. Participants explored how SupTech can enhance market supervision and integrity.

◆ Building a CCP in an Emerging Market (Jointly organized by IOSCO and CCP12)



Central Counterparties (CCPs) play a crucial role in financial and commodity markets, covering both exchange-traded and over-the-counter segments. As CCPs' importance continues to grow, this workshop aimed to guide emerging markets on key considerations when setting up a CCP. Participants discussed threshold questions and shared insights to support the establishment of robust CCPs in emerging markets.

These workshops provided valuable platforms for global stakeholders to collaborate, share experiences, and work towards common goals in shaping the future of the financial industry.