

[Securities Regulation Daily Wrap Up, INTERNATIONAL NEWS—IOSCO releases 2020 work program, \(Jan. 30, 2020\)](#)

Securities Regulation Daily Wrap Up

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The organization will continue work on its 2019 priorities and begin to focus on a new priority concerning rising levels of corporate debt and leveraged loans.

The Board of the International Organization of Securities Commissions has published its 2020 annual work program describing how it will further its core objectives of protecting investors, maintaining fair, efficient, and transparent markets, and addressing systemic risks. The organization will continue its focus on last year's priorities: (1) crypto-assets; (2) artificial intelligence and machine learning; (3) passive investing and index providers; (4) market fragmentation; and (5) retail distribution and digitalization. However, IOSCO also will be taking on a new priority addressing rising levels of corporate debt and leveraged loans and potential market risks.

"By publishing an annual work program, IOSCO brings greater transparency and efficiency to its work, benefiting both members and stakeholders," IOSCO Board Chairman Ashley Alder [said](#).

Continuing priorities. In the [report](#), IOSCO notes that it has examined how crypto-asset trading platforms are regulated and is finalizing a report setting out key considerations for regulators in evaluating these platforms within the context of their regulatory frameworks. The organization also is working on a regulatory risk review examining considerations for investment funds with exposures to crypto-assets, including custody, valuation, liquidity, and disclosure. IOSCO will continue development of a support framework to assist its members in deciding how to address domestic and cross-border issues stemming from ICOs and will also examine regulatory issues arising from so-called "Global Stablecoins."

IOSCO examined the supervision of market intermediaries that use artificial intelligence and machine learning (AIML) and the potential ethical challenges that may arise. IOSCO has established a network to facilitate discussions regarding Fintech developments and issued a report to its members exploring the potential risks, benefits, and opportunities of AIML. IOSCO has developed proposed guidance for regulators on issues to consider when regulating market participants that use AIML and will be consulting on these measures in early 2020.

IOSCO is developing a thematic analysis of the impact of the growth of passive investing on equity capital markets and will survey its members to explore issues related to the roles of asset managers in relation to indices and index providers. The organization also plans to develop a toolkit of policy measures to address and mitigate the risks posed by online cross-border marketing and distribution and provide guidance on enforcement approaches. IOSCO will continue to assess potentially harmful market fragmentation and identify "good practices" to assist regulators establishing processes for deference and increased supervisory cooperation.

New priorities. IOSCO will enhance its focus on corporate debt and leveraged finance in light of its concerns about the potential conduct-related risks that may exist in these markets. The organization will consider the risks created by current origination practices and chains of intermediation in the corporate debt market, as well as conflicts of interest. IOSCO will be working with other organizations currently investigating potential financial stability concerns in these markets.

Through 2020, IOSCO will maintain its focus on systemic risk in capital markets and continue to collaborate with other standard-setting bodies. The organization also will further its efforts through the Sustainable Finance

Network and the Fintech Network and will examine matters of particular importance to growth and emerging markets.

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