



Panel 1 - Asia Securities Forum 2011

‘New Regime of Securities Market Regulation: Roles of Industry Associations’

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■ *Types of Securities Associations*

- ***Trade and/or Advocacy Associations***
 - Domestic
 - Global
 - Regional
- ***Self-regulatory Organizations (SROs)***
 - Non-exchange SROs
 - Exchanges
- ***Association for Specific Purposes***
 - *Standard setting organization (e.g. ISDA)*
 - *Product-line based association (e.g. AIMA, IIFA)*
 - *Intermediation and dispute settlement*
 - *Financial literacy and education (e.g. IFIE, AFIE)*

■ ***IOSCO Principles for Self-Regulation (Principle 9)***

Where the regulatory system makes use of Self-Regulatory Organizations (SROs) that exercise some direct oversight responsibility for their respective areas of competence, such SROs should be subject to the oversight of the Regulator and should observe standards of fairness and confidentiality when exercising powers and delegated responsibilities.

■ ***Main Functions of SROs***

- *Rule making*
- *Supervision*
- *Enforcement*

■ ***Advantages of SROs***

- *Adjacent to markets*
- *Agile and less costly*
- *Can incorporate ethical standards*

■ ***IOSCO SROCC***

New regulatory regimes are being debated and introduced to prevent recurrence of the crisis, mitigate systemic risk and appropriately regulate complex financial products.

■ Reform Initiatives

- Global – G20, FSB, Basel Committee
- Regional – e.g. ABMI
- Individual Jurisdictions

■ Specific Works

- G20 Initiatives
- Dodd Frank Act
- Legal Entity Identifier (LEI)
 - FSB welcomed the industry-led LEI initiatives and holds the workshop on September 28, inviting trade associations.
- MiFID Review
- Basel Committee on Banking Supervision (BCBS)

■ International Cooperation

Amid the on-going changes in the regulatory environment,

- ✓ ***What are the expected roles of securities associations including as SROs and trade associations in the new regulatory environment ?***
- ✓ ***How can securities associations further contribute to enhancing efficiency and transparency in securities markets ?***
- ✓ ***How can they cooperate with each other ?***