

“2015, Año del Generalísimo José María Morelos y Pavón”



Contribution to the IOSCO Annual Report IARC Meetings and activities

The Inter-American Regional Committee (IARC) met twice in 2014 and discussed relevant issues for the region’s securities regulators and supervisors. In our first meeting, held in Mexico City in May, my peers elected the region’s three representatives to the IOSCO Board for the period 2014-2016 (Trinidad and Tobago, Peru, and Mexico). We also discussed substantive issues, such as the need to improve coordination between IARC and the Council of Securities Regulators of the Americas (COSRA) and how to enhance current corporate governance practices in the region. Thus, two working groups were established and, in the future, they will provide useful guidance to the entire committee.

In September, the committee met in Rio de Janeiro. Members were updated on IOSCO’s key initiatives and members presented their key regulatory developments and market trends.

In 2014, several conference calls were held in preparation for each IOSCO Board meeting. In them, members were informed on relevant issues tabled for the Board’s agenda such as the initiatives on IOSCO 2020, Capacity Building and the prioritization of IOSCO’s work. These calls also allowed IARC’s representatives receive feedback and, thus, transmit regional perspectives to the Board.

There was also a constant flow of electronic communication with IARC members. In particular, when consulted regarding IOSCO priorities for 2015, members expressed their interest on the MMoU issues. The position of IARC members has been transmitted to the Board and we are confident that further discussions will be very useful and productive.

Capacity building issues and technical assistance matters are crucial concerns to the regional membership. In this regard, the CNBV hosted, in the third quarter of 2014, the IARC Seminar Training Program *“Going Forward: Future Challenges in Securities Regulation and Practical Solutions for Meeting Those Challenges”*, which was attended by 64 officers from different jurisdictions. This program examined issues and challenges securities regulators currently face such as: insider trading investigations and litigation,

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market manipulation, investor education, investor protection, helping investors avoid fraud, conducting regulatory investigations, inspections and transparency and disclosure in financial markets.

New MMoU signatories

Regarding the progress made by IARC members to become signatories of the IOSCO MMoU, in June 2014, the CNV of Argentina became a full signatory. Other IARC jurisdictions are making good progress in their applications and there is an expectation that more IARC members will become signatories of this Multilateral Memorandum in 2015.

Challenges and issues going forward

Numerous discussions have been held on international fora encouraging countries to integrate their financial markets. Some IARC jurisdictions continue to move in this direction. The Latin-American Integrated Market (MILA) originally founded by the Chilean, Colombian and Peruvian stock markets, welcomed the Mexican equity market as its fourth member in 2014. The cooperation and supervisory agreements were signed and the first transaction under this new framework took place on December 2nd, 2014. We foresee the likelihood for other IARC equity markets joining the MILA in the near future.

Going forward, our domestic financial markets face additional challenges. One of the most relevant is to continue to grow and expand our markets: as in other regions, our markets should contribute further to the financial needs of our businesses, particularly small and medium enterprises.

Other areas of interest include cross border cooperation, improving market conduct rules, raising financial literacy throughout the region, addressing the increased complexity in financial products; the emerging alternative investments mechanisms and unregulated products and markets. Cybercrime and social media investment fraud have also been identified as important risk sources for financial markets. All these challenges will be further analyzed and discussed on the forthcoming IARC meetings.

To conclude, this year has been an interesting year for the region. We reiterate IARC members' readiness to work together and continue to participate in IOSCO's projects and initiatives.