



# ICSA

INTERNATIONAL COUNCIL of SECURITIES ASSOCIATIONS

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March 22, 2007

Michel Prada, President  
Autorité des marchés financiers  
17 place de la Bourse  
75082 Paris, Cedex 02  
France

Dear Mr. Prada,

I am writing to you on behalf of the members of the International Council of Securities Association (ICSA), which is composed of trade associations and self-regulatory organizations active in the world's major securities markets. ICSA members would like to thank you for your invitation to participate in an informal meeting with members of IOSCO's Technical Committee on March 26<sup>th</sup>. I have already confirmed ICSA's participation in that meeting with the IOSCO Secretariat. This letter provides some general background on ICSA, as well as our views on a more structured consultation process between ICSA and IOSCO.

In anticipation of the upcoming meeting, I would like to take this opportunity to briefly describe ICSA to members of IOSCO's Technical Committee. As you are aware, ICSA is the global body for trade associations and self-regulatory organizations that represent and/or regulate the securities industry in their respective jurisdictions. ICSA's primary objective is to aid and encourage the sound growth of the international capital market by: (1) promoting international regulatory convergence and, where appropriate, mutual recognition of regulatory regimes; and (2) encouraging the mutual understanding and exchange of information among ICSA members. To accomplish its objectives ICSA is actively engaged in developing and promulgating global principles and best practices on a broad range of issues affecting firms active in the capital market. To that end, over the past several years ICSA members have developed and endorsed:

- Statement on Regulatory and Self-Regulatory Consultation Practices
- Best Practices for Business Continuity Planning
- Principles and Best Practices for Investor Education
- Anti-Money Laundering Principles for Securities Firms
- Best Practices for Self-Regulatory Organizations
- Principles for Governance of Market Infrastructure
- Principles for Better Regulation

ICSA members are committed to promoting these various principles and best practices among their member firms and, when relevant, with their regulatory authorities.

As you are also aware, ICSA members are very interested in pursuing a more structured consultation process with IOSCO. A delegation of ICSA members has met annually on an informal basis with members of IOSCO's Technical and Executive Committees for the past three years. ICSA members have greatly appreciated the opportunity to exchange information with IOSCO regarding each organization's activities. However, ICSA members definitely welcome the opportunity to engage in a more formal and structured dialogue with IOSCO going forward.

To that end, ICSA members would like to suggest that one founding principle for the dialogue between IOSCO and the industry should be that the industry is able to help shape the agenda for the dialogue and bring its own issues to the table. This would include helping to set the agenda for meetings between IOSCO and the industry, in concert with IOSCO members. It would also mean that the industry would have the opportunity to provide input into IOSCO's work program before it is set, as well as the already existing opportunity to comment on IOSCO's documents once they are issued.

In terms of structuring the dialogue, ICSA members believe that it would be important that regularly scheduled meetings take place between IOSCO members and industry representatives. At least one meeting could be scheduled each year to coincide with the Technical Committee's High-Level Conferences, if those conferences are expected to be continued. A second meeting could be scheduled for earlier in the year. In addition to scheduled consultation meetings, it would be useful to develop a formal mechanism that would allow industry representatives to easily communicate with both the Technical Committee and the individual Standing Committees. One way to do this might be to have one or more representatives from the industry serve as "liaison" between the Technical Committee and the industry and between the individual Standing Committees and the industry. Finally, it would be useful to structure a process whereby the industry could present its views and concerns to IOSCO's membership as a whole. One way to do this may be for IOSCO to schedule a public panel at its AGM where industry participants could make presentations on issues they think would be relevant for IOSCO members.

In closing, I would like to emphasize again that ICSA members welcome the opportunity to engage with IOSCO in a concrete dialogue about issues of mutual concern. I would also like to note that ICSA members are very appreciative of the role that you and the other members of IOSCO's Technical Committee have played in promoting IOSCO's increased engagement with the private sector. We look forward to participating in the meeting on March 26<sup>th</sup> and the subsequent dialogue between IOSCO and the industry.

Best regards,



Marilyn Skiles  
Secretary General

*The following associations are members of ICSA:*

Association of Capital Market Intermediary Institutions of Turkey (TSPAKB)

Australian Financial Markets Association (AFMA)

Bond Exchange of South Africa (BESA)

French Association of Investment Firms (AFEI)

International Capital Market Association (ICMA)

Investment Dealers Association of Canada (IDA)

Italian Association of Financial Intermediaries (Assosim)

Japan Securities Dealers Association (JSDA)

Korea Securities Dealers Association (KSDA)

London Investment Banking Association (LIBA)

NASD

Securities and Financial Markets Association (SIFMA)

Swedish Securities Dealers Association (SSDA)

Taiwan Securities Association (TSA)