



ICSA

INTERNATIONAL COUNCIL of SECURITIES ASSOCIATIONS

December 16, 2009

Mr Mario Draghi
Chairman
Financial Stability Board
Bank for International Settlements
Centralbahnplatz 2
CH-4002 Basel
Switzerland

Re: Industry Consultation with the Financial Stability Board

Dear Mr Draghi:

We are writing to you on behalf of the members of the International Council of Securities Associations (ICSA) as a follow-up to our letter of June 19th.¹ As we stated in our earlier letter, ICSA members welcome the establishment of the Financial Stability Board as it puts in place a critical institutional structure that will promote effective international coordination among national authorities, international institutions and standard setting bodies. In light of the FSB's new role and its commitment to consult widely with stakeholders as expressed in Article 3 of the new charter, we look forward to the development of a robust consultative dialogue between the FSB and the industry, including ICSA as the representative of trade associations and self-regulatory organizations for the securities industry.

ICSA is a unique organization in that it serves as a global forum for both trade associations and self-regulatory organizations that represent and/or regulate firms active in the securities market. ICSA members are located throughout the world, including in most developed economies as well as in a number of advanced emerging market economies. Because of the diversity and geographical reach of its membership, over the past several years ICSA has

¹ Established in 1988, in the aftermath of the severe stock market correction of 1987, ICSA's objectives are: (1) to encourage the sound growth of the international securities markets by promoting harmonization in the procedures and regulation of those markets; and (2) to promote mutual understanding and the exchange of information among ICSA members. ICSA's members collectively represent and/or regulate the vast majority of the world's financial services firms on both a national and international basis. More information about ICSA is available at: www.icsa.bz

developed close consultative relationships with a number of international standard setters, such as the International Organization of Securities Commissions (IOSCO) and the Financial Action Task Force on Money Laundering (FATF). These relationships, which were begun prior to the financial crisis, have proven to be fruitful for all participants.

We understand that the FSB has already begun to consult with some representative industry organizations. ICSA members strongly support this emerging dialogue. We also suggest, however, that the FSB consider expanding that dialogue to include ICSA. In almost all cases, ICSA members represent and/or regulate all securities firms located within their jurisdictions, including firms that are active internationally as well as firms that are active only within their individual domestic markets. ICSA members express, therefore, the voices of many different types of firms, ranging from those with a purely domestic focus to those with a completely global focus. In addition, since ICSA includes both trade associations and self-regulatory organizations, the views expressed by ICSA reflect input both from industry participants and private sector regulatory bodies. Given the diversity of its membership, we believe that ICSA can play an important role in helping the FSB to understand the views of different segments of the securities industry.

In light of the critical issues that the FSB is currently considering, we urge the FSB to move forward with establishing an expanded consultative dialogue with the industry as quickly as possible. An expanded consultative dialogue could take several forms. For example, such a dialogue could include annual or more frequent meetings between the FSB and ICSA to discuss issues of common concern. ICSA members also stand ready to provide comments on any consultation documents that the FSB may issue in the future, as part of its own broader consultative outreach. Finally, an expanded consultation dialogue could provide the basis in the future for pre-consultation with ICSA on specific topics and/or the formation of working groups or task forces examining specific issues which would include both FSB and ICSA members. We believe that these would all be positive developments in that they would contribute to closer collaboration between the FSB and industry bodies.

In closing, ICSA members strongly support the development of a collaborative and comprehensive consultative relationship between the FSB and industry representative and self-regulatory bodies, which we believe is essential for the development of efficient and effective global regulatory standards for the financial services industry. ICSA can make an

important contribution to the FSB's consultative dialogue with the industry and, thereby, to the development of more stable capital markets. ICSA members stand ready to work with the FSB to develop a more comprehensive consultative dialogue and we look forward to hearing from you about this proposal at your earliest convenience. We will also contact the FSB Secretariat shortly to discuss the issue. Please do not hesitate to contact Rene Karsenti (rene.karsenti@icmagroup.com) or Duncan Fairweather (dfairweather@afma.com.au) to discuss the issues contained in this letter.

Yours sincerely,



Rene Karsenti, Chairman
International Council of Securities
Associations (ICSA)



Duncan Fairweather, Chairman
ICSA Standing Committee on
Regulatory Affairs

cc: Svein Andresen
Secretary General
Financial Stability Board