



**ICSA**

INTERNATIONAL COUNCIL of SECURITIES ASSOCIATIONS

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June 19, 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) to provide our views on the expanded role and mandate of the FSB.<sup>1</sup> 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 Financial Stability Board's new role, we respectfully urge the FSB to provide opportunities for consultation with private sector representatives such as ICSA.

The coordinating work being done by the Financial Stability Board will be crucial for helping to resolve the current market turmoil while also building a framework that will enhance financial market stability and encourage global economic growth and job creation. As part of the Financial Stability Board's ongoing work, a robust dialogue with the industry will help the FSB to identify those policy measures that would be most effective in the marketplace.

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<sup>1</sup> ICSA is composed of trade associations and self-regulatory organizations that collectively represent and/or regulate the vast majority of the world's financial services firms on both a national and international basis. ICSA members represent and/or regulate the financial services firms active in their domestic capital markets as well as firms that operate on an international basis. 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. More information about ICSA and a list of ICSA members is available at: [www.icsa.bz](http://www.icsa.bz)

ICSA and its members stand ready to work with the Financial Stability Board in developing an enhanced dialogue with the industry, which in turn will assist in the process of developing an effective and coherent international regulatory system.<sup>2</sup>

There has already been substantial progress in developing an enhanced dialogue and collaboration between the industry and regulatory and governmental authorities at the national, regional and international levels. This dialogue and collaboration has played an important role in developing the global response to the current market turmoil. In particular, the financial services sector has been complementing the work done by regulatory and governmental authorities to strengthen regulatory systems by putting in place measures that enhance the operation of financial markets on a national, regional and international level. These industry efforts are ongoing. An important aim of this work has been to ensure that regulatory reforms and industry initiatives are coordinated in order to address specific issues that the market turmoil has revealed in different market sectors. As part of this collaborative effort, ICSA has also developed close working relationships with a number of global regulatory bodies, such as the International Organisation of Securities Commissions (IOSCO) and the Financial Action Task Force (FATF).

We would also note that the recent market turmoil has highlighted to financial institutions the importance of operating within a regulatory system that is able to recognize and effectively respond to systemic risk. ICSA members strongly support measures to improve international supervisory cooperation, so that the oversight of financial firms and other financial entities can be better coordinated among national regulators. We understand that global financial markets need a clear and coherent regulatory framework at the international level so that market participants are able to efficiently and effectively allocate capital in a manner that supports economic growth. To achieve this objective, it is of course essential that policy recommendations from international bodies such as the Financial Stability Board are proportionate and practical from an administrative and commercial point of view and work together to create an effective and holistic regulatory system.

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<sup>2</sup> In this regard some of ICSA's member associations have already collectively written to you with thoughts on certain regional and national regulatory proposals and how they relate to the G20's goals of promoting coordinated, consistent and efficient regulation.

We firmly believe that forming a collaborative relationship between the Financial Stability Board and industry bodies will greatly facilitate the development of regulatory standards that will enhance efficiency and economic growth while also ensuring stable development of financial markets. We believe that ICSA can play an important role in helping the FSB to communicate with other industry bodies on a global basis, given the diversity and geographical reach of its membership, and look forward to working closely with the FSB in the future in order to assist in the development of reforms that will benefit the global community as a whole. Please do not hesitate to contact Jonathan Taylor ([jonathan.taylor@liba.org.uk](mailto:jonathan.taylor@liba.org.uk)) or Duncan Fairweather ([dfairweather@afma.com.au](mailto:dfairweather@afma.com.au)) to discuss the issues contained in this letter.

Yours sincerely,



Jonathan Taylor, Chairman  
International Council of Securities  
Associations (ICSA)



Duncan Fairweather, Chairman  
ICSA Standing Committee on  
Regulatory Affairs

cc: Svein Andresen  
Secretary General  
Financial Stability Board