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GFMA Principles for Achieving Consistent Regulatory Regimes and Supervisory Practices

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The GFMA supports the global regulatory community and national competent authorities in taking the practical steps necessary to support financial stability and promote jobs, growth and wealth creation globally by adopting:

- 1) Principles for achieving consistency of regulatory regimes and supervisory practices;**
- 2) Regulatory cooperation arrangement(s) based on the these principles and clearly defined policy objectives to promote financial stability across all sectors¹; and**
- 3) Fact-based² criteria to strengthen the existing factors of regulatory assessments.**

INTRODUCTION

This year marks the tenth anniversary of the global financial crisis and the Group of 20 (G20) response that ushered in financial regulatory reforms that have transformed global capital markets and enhanced financial stability. With these reforms now largely in place, the Global Financial Markets Association (GFMA)³ is calling on global financial regulators to design regulatory cooperation arrangement(s)⁴ aimed at achieving consistent regulatory regimes and supervisory practices.

Global standards are only as effective as their national implementation. The G20 Leaders acknowledged the risk of fragmentation, protectionism and regulatory arbitrage at the Pittsburgh Summit, and committed to mitigate these risks⁵. As the global regulatory community and the financial services industry continues the implementation and supervision of a new set of reforms, it is all the more important to focus on these G20 commitments to avoid fragmentation and protectionism⁶. This can be achieved by first adopting principles with the objective of designing regulatory cooperation arrangement(s) based on clearly defined fact-based policy objectives, which would facilitate and ensure cross-border regulatory dialogue between national competent authorities to address diverging cross-border regulations and supervisory practices.

1 'Regulatory sectors': includes, at a minimum, market, prudential, investor protection, conduct, and supervisory mandates.

2 'Fact-based': consistency of regulations and supervisory practices should be based on clearly defined policy objective supported by both quantitative and qualitative factors.

3 The Global Financial Markets Association (GFMA) brings together three of the world's leading financial trade associations to address the increasingly important global regulatory agenda and to promote coordinated advocacy efforts. The Association for Financial Markets in Europe (AFME) in London and Brussels, the Asia Securities Industry & Financial Markets Association (ASIFMA) in Hong Kong and the Securities Industry and Financial Markets Association (SIFMA) in New York and Washington are, respectively, the European, Asian and North American members of GFMA. For more information, visit <http://www.gfma.org>.

4 'Arrangement(s)': refers to bilateral, plurilateral or multilateral basis with clearly defined fact-based objectives.

5 G20 Leaders Communique, 2009, stated: "We are committed to take action at the national and international level to raise standards together so that our national authorities implement global standards consistently in a way that ensures a level playing field and avoids fragmentation of markets, protectionism, and regulatory arbitrage," <http://www.g20.utoronto.ca/2009/2009communique0925.html>.

6 G20 Leaders Declaration, 6 September 2013, stated that 'jurisdictions and regulators should be able to defer to each other when it is justified by the quality of their respective regulatory and enforcement regimes, based on similar outcomes, in a non-discriminatory way, paying due respect to home country regulation regimes'.

At this time, as all jurisdictions consider the future of cross-border regimes⁷, the policymaking community is facing an opportunity to realign policymaking with G20 agendas. Brexit could present a perfect test case for global leaders to design a more cooperative and cohesive policy process. Agreeing to design principles to support consistent standards, to use cooperation arrangement(s) with clearly defined fact-based policy objectives to reach agreements on consistent regulatory regimes and supervisory practices, and to enhance the regulatory comparability assessments are practical steps that can promote financial stability for all market participants.

The risks of fragmentation, regardless of the source, is very real cost for all market participants in the financial system⁸; for example:

- **Client Relationships:** Fragmenting bank balance sheets can, through large exposure limits, force fragmentation of client relationships and place caps on the depth of commitment banks to support for one-off projects (such as supporting a client's construction of a new factory). This reduces efficiency and quality of service that underpin investment, reduces netting benefits which will increase costs and reduce activity, and forces greater risk management responsibility into corporate treasuries where not all firms may have the capacity to secure all the skills they need. Market fragmentation harms the global economy and increases costs to market participants, including end-users, without any concomitant benefit to the global economy or reduction in risk.
- **Liquidity Fragmentation:** Divergence in regulation, overly broad territorial reach and different implementation schedules, even where rules were relatively harmonized, have resulted in market fragmentation. The result is fragmentation of a global market into distinct geographic liquidity pools that are less resilient to market shocks and less supportive of global economic growth.

This has also impacted banks' hedging activities necessary to allow them to extend credit to their customers in a safe and sound manner.

- **Financial Stability:** There are different ways to define financial stability. One example is the *"ability to facilitate and enhance economic processes, manage risks, and absorb shocks"*⁹. Lack of consistency of domestic implementation of global regulations and adoption timelines, as well as geographic gold plating, reduces global financial institutions' overall flexibility to meet client demands and at the same time satisfy regulatory requirements. Fragmenting bank balance sheets results in isolating liquidity pools which can drive procyclicality—excessive lending into hot markets and shortages of liquidity in deprived markets, increasing the risk of financial disruptions. This increases pressure on macro-prudential tools to lean against these forces to maintain financial stability and global economic growth potential.

Specific examples of where risks and costs from regulation are already evident are set out in **Annex 1**.

The Business 20¹⁰ (B20) dialogue with the G20 has observed that duplicative, inconsistent, conflicting cross-border rules have adverse consequences, including: (i) market fragmentation; (ii) increased barriers to entry; (iii) a reduction in the products available to end-users; (iv) unlevel playing field; as well as (v) reduced market integrity, liquidity, efficiency, and resilience. This is despite the G20 Leaders Declaration in 2013, which stated that *'jurisdictions and regulators should be able to defer to each other when it is justified by the quality of their respective regulatory and enforcement regimes, based on similar outcomes, in a non-discriminatory way, paying due respect to home country regulation regimes'*¹¹.

7 For example, ASIC Principles for cross-border financial regulation, <http://asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-54-principles-for-cross-border-financial-regulation/>

8 Business at the OECD (BIAC) concluded that the patchwork of global financial regulation results in a \$780 billion drag on the economy. See: "Regulatory Divergence: Costs, Risks, Impacts: An International Financial Sector Study, 11 April 2018, http://biac.org/wp-content/uploads/2018/04/IFAC-OECD_Regulatory-Divergence_V9_singles.pdf.

9 Schinasi, Gary, 2004, <https://www.imf.org/en/Publications/WP/Issues/2016/12/31/Defining-Financial-Stability-17740>.

10 The B20 is an integral part of the G20 process, representing the entire G20 business community. The mission of the B20 is to support the G20 through consolidated representation of interests, concrete policy proposals, and expertise. Furthermore, the B20 promotes dialogue among policymakers, civil society, and business at the international level. See <https://www.b20germany.org/the-b20/about-b20/>

11 G20 Leaders Declaration, 6 September 2013, <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html>.

To deliver on the benefits of reforms¹², the G20 Finance Ministers, with the support of the global regulatory community, should commit to and facilitate more comprehensive routine cross-border dialogues between financial regulators across regulatory sectors, in contrast to existing siloed frameworks, to promote market integrity with the objective of achieving regulatory consistency and limit consequences to global growth from regulatory divergences¹³. Regulators should continue to advocate for mitigating the risk of market fragmentation and the importance of maintaining a level-playing field for market participants.

POLICY DRIVERS UNDERPINNING THE PROPOSED PRINCIPLES

As the International Organization of Securities Commissions (IOSCO) Task Force on Cross-Border Regulation identified *“the challenges regulators face, such as the lack of legal certainty and an early warning system as to whether a national regulator’s rules may have a cross-border element, a one-size-fits-all application of regulatory reforms initiated in one jurisdiction which may be inappropriate for others, and difficulties in regulatory coordination”* must be addressed before regulatory regimes are hard-wired.¹⁴ The GFMA looks to balance the legitimate pursuit of national interests with a genuine commitment to the global common good of a safe, open and competitive global market as outlined in the G20 agendas to support financial stability.

Cross-border regulation needs to recognize the sovereign and legislative realities that regulators

12 The Financial Stability Board (FSB) “Framework for Post-Implementation Evaluation of the Effects of the G20 Financial Regulatory Reforms” reflected on commonly identified social benefits of reforms including *“lower probability and severity of financial crises and their associated output losses, reductions in funding advantages and related distortions owing to perceptions that some institutions are too-big-to-fail, and improved resource allocation owing to reduced financial and economic cyclicality. A number of other benefits may also be considered, e.g. in terms of reducing market abuse, enhancing transparency for end users as well as enhancing innovation and efficiency.”* See: <http://www.fsb.org/2017/07/framework-for-post-implementation-evaluation-of-the-effects-of-the-g20-financial-regulatory-reforms/>.

13 For example, in APAC, it was extremely beneficial from a compliance perspective that regulators in Hong Kong, Singapore and Australia coordinated their efforts when implementing margin rules in terms of timing and substantive requirements, allowing for the market to prepare and ensure counterparties did not arbitrage when facing dealers.

14 IOSCO Cross Border Regulation Task Force, 2015, <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD507.pdf>.

and supervisors have delegated national mandates and are held accountable at that level. Therefore, cooperation between regulators/supervisors must be underpinned by confidence and trust built on agreed upon principles and regulatory cooperation arrangement(s) that enhance the efficiency of communication and the transparency of policy objectives. Moreover, such channels amongst policymakers, regulators and supervisors must be operational at all stages in policy development, implementation, and supervisory practices.

In developing the proposed principles, the GFMA looks to balance--on the one hand--both national/regional regulatory and supervisory policy drivers to protect investors, maintain market integrity and competition of local markets, with--on the other--the common benefits of efficient global markets and facilitation of global capital formation.

Such policy drivers taken into consideration, include, but are not limited to:

- Balancing the needs of financial stability and investor protection in one jurisdiction with the benefits of maintaining an open integrated global financial market;
- Promoting jobs, growth and wealth creation globally;
- Managing risks originating from foreign jurisdictions, the interconnectedness of financial markets worldwide and the need to promote financial stability and improve global resilience to internal and external shocks;
- Providing borrowers and investors with a wider range of services, instruments and investment choices including those originating from third countries; and
- Facilitating cross border market access and reducing the risk of fragmentation while promoting the competitiveness of local markets, market access and capital flows, market integrity, and investor protection.

The implications of a lack of consistency between regulatory regimes results in conflicts of law, unlevel playing fields and compliance risks for multinational firms operating in a global environment. As a consequence, inconsistent regulations put at risk the use of global operating and business models which support competitive local markets and benefit local clients.

Policymakers that committed to foster efficient cross-border flows, price discovery and market access in support of global jobs, growth and financial stability have a responsibility to improve on the status quo. Reducing unnecessary additive costs due to inconsistent regimes can reduce operational complexity, support risk-based business models and avoid banks and investment firms unnecessarily exiting business lines or product offerings. It also positively impacts efficient market structure, promoting underlying liquidity of certain products, and enhancing return on equity and supporting capitalization of banks. This strengthening of the global financial marketplace would reduce transaction costs, foster competitive markets and facilitate cross-border trading and investment—benefiting end-users in agriculture, manufacturing, infrastructure financing and the rest of the service sectors.

PROPOSED PRINCIPLES FOR ACHIEVING CONSISTENT REGULATORY REGIMES AND SUPERVISORY PRACTICES

The GFMA principles collectively support the use of ex ante and ex post regulatory cooperation arrangement(s), based on clearly defined policy objectives, to achieve consistent regulatory regimes and supervisory practices across jurisdictions to promote financial stability across all financial sectors. In developing the proposed principles, the GFMA looks to balance national/regional regulatory and supervisory policy drivers to protect investors, maintain market integrity and competition of local markets, with the common benefits of efficient global markets and facilitation of global capital formation.

The principles are that regulatory cooperation arrangements should be:

- **Forward Looking:** Regulatory cooperation arrangement(s) should be proactively used to identify potential cross-border divergences when policies are being devised. Designing such ex ante cooperation arrangements to ensure early and continuous dialogue across regulatory sectors takes place between policy makers, regulatory authorities and supervisors, would reduce the chance for divergences in

regulatory design (so long as national authorities do not significantly diverge in their respective implementations and associated timescales for doing so). Early cooperation would further facilitate confidence and trust amongst the regulatory community by discussing initiatives with cross-border impacts in advance of those impacts being realized.

- **Enhances Cross-Border Investments and Market Integrity:** Regulatory cooperation needs to strike the balance between facilitating frictionless cross-border flows and price discovery and respecting the integrity of internal markets. The preservation of market integrity is a cornerstone for the functioning and attractiveness of all markets. Ex-ante and ex-post regulatory cooperation arrangement(s) help reduce operational complexity and increase the utility of supervisory oversight to foster the integrity of the market place.
- **Supportive of Similar-Outcomes:** Similar-outcomes based approach is a vital standard for policymakers, regulators and supervisors to successfully establish consistent regulatory regimes that are effective on a cross-border basis. Regulatory cooperation arrangement(s) for evaluating comparability benefit from such an approach by improving efficiency and expediency of consistency findings (as long as the fact-based policy objectives are consistently achieved). The global regulatory bodies should also develop fact-based criteria to strengthen existing comparability assessments¹⁵.

¹⁵ Financial Stability Board Peer Reviews, <http://www.fsb.org/what-we-do/implementation-monitoring/peer-reviews/>; Basel Committee, Regulatory Consistency Assessment Programme (RCAP), https://www.bis.org/bcbs/implementation/rcap_role.htm; Methodology For Assessing Implementation of the IOSCO Objectives and Principles of Securities Regulation <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD562.pdf>; International Monetary Fund Financial Sector Assessment Program (FSAP), <http://www.imf.org/external/NP/fsap/fsap.aspx>

- **Predictable:** Clearly defined fact-based policy objectives will facilitate cooperation at the design, implementation, and ongoing monitoring stages, especially as new regulatory developments and supervisory practices are created to respond to ever changing market dynamics. Predictability is integral to market certainty; global regulators should agree on a fact-based ‘review and monitoring process’ to assess whether other jurisdiction’s regulatory frameworks are still consistent, including an efficient dispute resolution mechanism to mitigate risks of market disruption.
- **Transparent:** While both ex-ante and ex-post arrangement(s) are designed to better discern key issues and areas of concern, it is also important to provide for a consistent means of public consultation and dialogue with market participants and industry bodies, with reasonable timelines for market participants to respond. As policymakers, regulators and supervisors work toward consistent objectives, well-defined public timetables for the implementation and supervision of regulations between jurisdictions are crucial; for example, effective integration of regulations into risk management operating systems of global institutions.
- **Evidence-based:** Understanding the consequences of proposed regulatory policies domestically and internationally should be paramount; the Financial Stability Board (FSB) and other bodies should encourage such fact-based analysis to properly incorporate global consequences prior to finalizing policies, making determinations or issuing supervisory guidance¹⁶.
- **Proportionate:** Due regard should be considered where policies are designed to restrict cross-border financial activity to address identifiable local risk to market integrity and financial stability. Such measures are legitimate but should be designed in as targeted a manner as necessary to remedy a domestic concern.

They should also account for the rapid changes in the technological landscape underpinning financial services and end-user demands for financial services continues to know no borders. Any measures put in place to address domestic financial stability should follow a risk-based approach and go no further than that which is necessary to address the financial stability concern in an effort to support continued customer choice. The need for a proportionate approach may also depend on the market segment or the products offered on a cross-border basis. Other factors to consider include differences between the wholesale market and the retail market, the value for open access to financial market infrastructures (that are by nature shared across countries), and the ability to efficiently serve end-user global business demands.

- **Enhance Market Certainty:** Regulatory cooperation arrangement(s) should include clear timelines for making consistency findings. Transitional arrangements should be used, where necessary, to improve predictability, market certainty, avoid market disruption, and mitigate any adverse impact on end-users of delayed determinations.
- **Strengthened Supervisory Cooperation:** Regulatory cooperation arrangement(s) can enhance communication channels between national competent authorities in order to achieve a similar outcomes-based approach to the interpretation, implementation and enforcement of international and domestic standards, including more timely and comprehensive information sharing.
- **Supportive of conflict mitigation:** While important and useful dialogues do exist between regulators, there is no established regulatory cooperation arrangement in cross-border financial regulation to systematically address divergences once policies are finalized. Plus, the absence of flexibility by supervisory agencies to employ forbearance, no-action letters, or other regulatory tools potentially prevents countries from moving towards mutually satisfactory consistent and timely outcomes.

¹⁶ International standard-setting bodies launch surveys on incentives to centrally clear OTC derivatives trades, <http://www.fsb.org/2017/12/international-standard-setting-bodies-launch-surveys-on-incentives-to-centrally-clear-otc-derivatives-trades/> is an example of ex-post review of whether intent of regulations has been achieved.

To translate these principles into effective and improved cross-border cooperation, they will need to underpin regulatory cooperation arrangement(s) for achieving consistent regulatory regimes and supervisory practices which should be based on a model Memorandum of Understanding (MOU)¹⁷ or other indicative form of guidance. This could be adopted on a bilateral, plurilateral or multilateral basis with clearly defined fact-based policy objectives. Further clarification and support for the use of principles for achieving consistency of regulatory regimes and supervisory practices, helps build the foundation for designing a new regulatory cooperation standard of review.

INCENTIVES FOR COOPERATION

As supervisory practices are developed, for the effective implementation of cross-border regulatory reforms, it is more important than ever to strive to mitigate areas where fragmentation is already occurring and to reestablish confidence, trust and co-operation between jurisdictions to address the ever-changing global landscape. Fragmentation is not just a consequence of differing implementation of global standards, but also of unilateral actions that impact global market participants. The International Monetary Fund October 2017 Financial Stability report stated the *'Directors stressed that a cooperative multilateral framework remains vital for amplifying the mutual benefits of national policies and minimizing any cross-border spillovers. Common challenges include maintaining the rules-based, open trading system; preserving the resilience of the global financial system; avoiding competitive races to the bottom in taxation and financial regulation; and further strengthening the global financial safety net.'*¹⁸

Regulatory cooperation arrangement(s) that address divergences based on globally agreed upon principles and clearly defined fact-based policy objectives will result in lower overhead costs, as globally regulated entities would be able to comply with a more streamlined set of requirements as well as benefit from economies of scale instead of being forced to comply with multiple, conflicting,

and overlapping requirements. Some cost savings would be passed on to clients and can be put to more productive use (e.g., investment, lending, etc.) leading to higher economic growth. For example, derivatives reporting obligations were implemented in a fragmented manner across multiple jurisdictions where there were different products in scope across different markets and different trade repositories, causing global firms to stagger efforts and build infrastructure that could cope with each reporting regime. Aligning the timing of implementation and the provision of substituted compliance (where regulators can share data amongst themselves) would substantially reduce the cost and resources that need to be allocated to complying with each unique regulatory regime.

Greater global regulatory consistency would also result in market participants' use of centralized risk management, resulting in reduction of systemic risk, operational burdens, and transaction costs. Consistent regulatory requirements would enhance end-users' and financial institutions' ability to use fewer legal entities to enter into risk-mitigating transactions, allowing them to net exposures and reduce operational complexity. Barriers to entry would also decrease increasing local competition, market efficiency and supporting cross-border investment.

In addition, as technology advances the ability for end-users to access financial services from any jurisdiction in real time, it is paramount that authorities have confidence and trust in their peers to supervise banking groups and markets effectively, as well as rely on enhanced fact based criteria for the Basel Committee's Regulatory Consistency Assessment Programme (RCAP), IOSCO peer reviews, IMF's Financial Sector Assessment Programme Reviews (FSAP) and FSB Peer Reviews to reflect the success of achieving consistency through cooperation arrangement(s).

¹⁷ The IOSCO, Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information is an example of a multilateral cooperation arrangement that should be replicated across all regulatory sectors for evaluating consistency of regulations and supervisory practices; <https://www.iosco.org/about/?subSection=mmou&subSection1=signatories>.

¹⁸ International Monetary Fund, *GLOBAL FINANCIAL STABILITY REPORT: IS GROWTH AT RISK?* https://www.imfconnect.org/content/dam/imf/Spring-Annual%20Meetings/AM17/Documents%20and%20Publications/gfsr_final.pdf

CONCLUSION

The GFMA supports the ongoing work of the International Monetary Fund's FSAP reviews, the Basel Committee's RCAP reviews, and IOSCO and FSB peer reviews and evaluations, where appropriate. Developing and adopting principles for achieving consistency of regulatory regimes and supervisory practices with the objective of designing a new cooperation arrangement to address divergences is a necessary next step in the regulatory reform agenda. The lack of effective regulatory cooperation arrangement(s) based on globally agreed upon principles and clearly defined fact-based policy objectives to achieve consistent regulatory regimes and supervisory practices across all sectors is very much a financial stability issue.

The GFMA calls on policymakers, regulators and supervisors to agree to global principles. Promoting the market integrity within an internal market while balancing market access and free flows of funding is integral to global economic growth. Global financial services firms have operations that are naturally interconnected across locations and legal entities. The importance of an internal market openness to external parties is not to be undervalued to bring complementary sources of funding to local economies and financial services to customers. As such, it is critical for the functioning of any internal market to remain attractive for external parties. However, the benefits resulting from this openness should be balanced with the integrity of an internal market and risks to financial stability.

Agreeing on principles and adoption of regulatory cooperation arrangement(s) could support greater confidence, trust and co-operation in the financial system. Embracing the proposed principles to design effective regulatory cooperation arrangement(s) to mitigate the risk of fragmentation to global markets, protectionism and regulatory arbitrage, as well as support market access, market efficiency, development, and other G20 objectives, such as infrastructure investment, jobs and growth, is a necessary piece of the post crisis reform agenda.

ANNEX

The International Monetary Fund, Global Financial Stability Report: Is Growth at Risk? Directors summary reflected that a *'review of the unintended consequences of the post-crisis regulatory reforms will likely lead to some streamlining in the implementation of banking regulations, but it is essential that the overall high level of capital and liquidity be preserved, regulatory uncertainty be avoided, and the global financial regulatory reform agenda be completed. Equally essential is continuing international regulatory cooperation'*.¹⁹

Outlined below are illustrative examples of the implications of a lack of consistent regulations and supervisory practices for global financial services firms

- 1. Open Access:** Increasing expectation by supervisors over local boards, requiring capital and liquidity in subsidiaries rather than the flexibility of bank branches, are important cases in point where lack of trust and confidence can lead to policies that increase risk concentration for global markets and local supervisors.

Examples include:

- UK ring-fencing of retail banking/activities
- U.S. Intermediate Holding Company for Foreign Based Organization
- Singapore local incorporation of material foreign bank branches
- Access to market infrastructure: recognition of CCPs and trading venues enhanced supervision frameworks for third-country CCPs must foster efficient cross-border access to clearing to offer diverse risk management choices for end-users, deepen market liquidity, and preserve incentives to clear derivatives to support financial stability.
- EU proposals for IPU for foreign subs and ECB proposals for local incorporation of major branches would not be proportionate or would conflict with bank structural requirements for non-EU headquartered banks, which may result in either a withdrawal from certain financing activities or reduced access to non-EU bank funding.

- European Union design of Simple, Transparent and Standardised (STS) Securitisation Framework does not include a third-country equivalence regime for potential non-EU STS securitisations. Enabling the participation of securitisations from third countries would provide EU investors with an expanded range of investment opportunities, make it more likely that third countries would extend STS treatment to EU securitization and generally create a larger, more liquid and less volatile securitization markets in the EU.

- 2. Market Fragmentation** Broad extraterritorial reach by market regulators has also increased fragmentation impacting market liquidity, stability, efficiency and resiliency.

Examples include:

- CFTC requirements for non-US firms across the globe to register as swap dealers and comply with US derivatives requirements regardless of whether the firms have a US nexus, inconsistent with Congressional intent to only regulate derivatives activities with a direct and significant impact on the US
- Hong Kong, Singapore and Australian derivatives reporting rules impose reporting requirement on trades where a locally based trader or salesperson is involved, even if between two offshore market participants
- US registration requirements for non-US clearing and trading venues that allow US persons to clear or trade on them, potentially shutting out US firms from using such platforms (and where local clearing or trading mandates are in place, shuts out US firms entirely) or eliminates US liquidity as a source of liquidity for such platforms, impeding platforms' ability to offer clearing and execution services.
- Local Data Privacy Laws, Cross border personal data transfers limitations, and data localization requirements erect barriers to competition and innovation without enhancing data security and privacy. Limitations on cross-border data access undermine financial services firms' abilities to meet regulatory requirements and support regulatory supervisory practices. Examples of where this materializes includes in cybersecurity controls, Know Your Client and Anti-Money Laundering requirements.

¹⁹ Supra

- EU Benchmarks Regulation does not provide a workable third country regime to allow for the use of benchmarks provided by third country administrators in the EU.

3. Ability to Achieve Regulatory Intent As regulations are developed on a jurisdiction by jurisdiction basis, consistency of minimum standards is necessary, especially for institutions operating across borders and sectors.

Examples include:

- Cybersecurity: IOSCO Task Force stated *'more international coordination would be helpful to share good practice, identify emerging risks, and raise standards across the entire global system—including, as needed, broader cross-border cooperation and information sharing with intelligence and other agencies outside the financial sector, among others'*²⁰.
- Recognition of resolution actions to support Single Point of Entry
- BRRD Moratorium Tools: The proposed moratoria go beyond the global standard under the FSB Key Attributes of Effective Resolution Regimes
- Consistent implementation of the Basel Committee's final Basel III framework

²⁰ Supra

