



**Issue:** First Global Stocktake

**Title:** Call for inputs from Parties and observer States, UN Agencies and other international organizations and non-Party Stakeholders and observer Organizations, to the first global stocktake

**Mandate:** Decision 19/CMA.1, paragraph 19: requested the Chairs of the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation to issue a call for the inputs referred to in paragraphs 36 and 37 of the same decision, taking into account that such inputs should be submitted at least three months before their consideration in the technical assessment.

**About Aviva Investors:** This submission is from Aviva Investors, the asset management arm of Aviva, a UK domiciled financial services company. Aviva have been involved with the UN's sustainable development and finance activity for decades as part of the UN Environment Programme Finance Initiative; as a founding signatory of the PRI; as conveners of the Corporate Sustainability Reporting Coalition for Rio+20 which shaped SDG target 12.6; as co-founders of the Corporate Human Rights Benchmark – the first benchmark of corporate performance against the UN Guiding Principles on Human Rights – and as co-founders the Sustainable Stock Exchange Initiative. Representatives from Aviva have been attending the UNFCCC COP for over a decade, including through secondment into the High-Level Climate Champions' team (COP26), co-chairing workstreams within GFANZ and at the UK Transition Plan Taskforce, and most recently with a divisional CEO participating in COP27's finance day and our Group CEO chairing the finance day activity at COP15.

## Executive Summary

This submission offers technical input to the third meeting of the technical dialogue of the Global Stocktake. It is particularly focused on the need for the technical dialogue to include consideration of measures to make finance flows consistent with the goals of the Paris Agreement, including the need for review and renewal of the global financial architecture.

The effects of climate change threaten financial stability, price stability and market integrity<sup>1</sup>. An effective stocktake of progress towards the goals of the Paris Agreement should include assessment of the effectiveness of global governance of finance to support those goals.

To that end, this submission provides technical input supporting the need for a review of the mandates and work of the bodies making up the international regulatory and supervisory financial architecture. Alignment of the mandates and purpose of these institutions will be crucial to making finance flows consistent with the goals of the Paris Agreement.

## Key Points

- 1. Progress towards achievement of the Paris Agreement is not on track to achieve its aims. In particular, finance flows continue to be inconsistent with a pathway towards low greenhouse gas emissions and climate-resilient development.**
- 2. Correcting that misalignment will require changes to the regulatory and supervisory architecture that governs finance, notably those bodies that are part of the Financial Stability Board. Reform of multilateral development banks, whilst important and necessary, will not be sufficient to realign financial flows at the scale needed without systemic reform of finance.**
- 3. The Stocktake should therefore include a review of the mandates and purpose of the bodies within the international financial architecture, as well as recommendations for their renewal.**

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<sup>1</sup> <https://www.fsb.org/work-of-the-fsb/financial-innovation-and-structural-change/climate-related-risks/>

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## **Making Finance Flows Consistent with Climate Action**

The technical assessment of progress under the Paris Agreement needs to consider progress towards achievement of Article 2.1.c – “...making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.”

An essential element of assessment of progress towards the achievement of Article 2.1.c is analysis of the consistency of both public and private financial flows with those aims. The Standing Committee on Finance’s biennial assessment undertakes important work in this regard, as do a variety of NGOs, including the Climate Policy Initiative.

A comprehensive assessment of progress toward 2.1.c should not only consider the current flows, but also the barriers to closing the gap between the existing flows of finance around the global financial system and a paradigm in which all flows are consistent with the Paris goals, including the temperature goal and Article 2.1.c.

### **Finance as a catalyst to implementation**

There is currently considerable inconsistency between financial flows and the goals of the Paris Agreement. For example, while the implied temperature rise analysis of major global equity indices is not a direct measure of the flows of finance, the major equity indices of the countries within the G7 have been assessed by the Science-Based Targets Initiative as all having an implied temperature rise of in excess of 2°C by 2100, with Japan, the United States, the United Kingdom, and Canada all having implied temperature rises of 3°C or more<sup>2</sup>. Climate Action Tracker assess that current policies and action would take us to warming in the range 2.2-3.4°C by 2100, with a best estimate of 2.7<sup>o3</sup>.

Reorienting the global financial system will be a significant catalyst of climate action by both Parties and Non-Party stakeholders and the current profile of financial flows risks holding back ambition and implementation. Closing the gap between the current profile of global finance flows and a consistent pathway with Article 2.1.c will require policy action from Parties to correct market failures. In particular, it requires the internalisation of externalities linked to emissions onto the balance sheets and into the cashflows of companies, as well as aligning public flows with the Paris Agreement. It is necessary to create an enabling policy environment for the achievement of the Paris Agreement, including Article 2.1.c.

Voluntary action will not be sufficient to create consistency of financial flows with the Paris Goals, particularly in the face of market failures that continue to create profit incentives to continue to allocate capital inconsistently with 2.1.c. Similarly, to date, action on climate finance has focused mainly on disclosure, particularly from private parties (chiefly through the creation and implementation of the recommendations of the Taskforce on Climate-Related Financial Disclosures). Also, to support consistency of flows, disclosure needs to move beyond private issuers and cover country-level risks from sovereign and supranational issuers whose debt makes up around one third of liquid market issuance<sup>4</sup> but is not currently covered by disclosure regimes.

### **The need for the Stocktake to include review of the International Financial Architecture**

Importantly, the international financial architecture that oversees the governance of the global financial system is not set up to support the achievement of the vision of the Paris Agreement to make flows consistent with the Agreement’s aims. This architecture was not holistically designed, but rather

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<sup>2</sup> <https://sciencebasedtargets.org/resources/files/SBTi-TakingtheTemperatureReport2021.pdf>

<sup>3</sup> <https://climateactiontracker.org/global/cat-thermometer/>

<sup>4</sup> [Bond Market Size » ICMA \(icmagroup.org\)](#)

evolved over time, often in reaction to successive financial crises, most recently seeing the creation of the Financial Stability Board in the wake of the global financial crisis of 2008<sup>5</sup>.

Although the focus on forms of international financial institutions and development finance institutions, in particular the multilateral development banks, is both welcome and important, unless holistic renewal of the whole of the financial system is made a priority and technical proposals for integrating climate mitigation and resilience into mandates and purpose, there will always be parts of the system misaligned with these global imperatives, undermining the effectiveness of reforms elsewhere. This was, of course, noted by Parties in the Sharm el-Sheikh Implementation Plan, which set out that “...delivering [the \$4-6 trillion of funding for investment in the global transition] will require a transformation of the financial system and its structures and processes, engaging governments, central banks, commercial banks, institutional investors and other financial actors”<sup>6</sup>.

The technical phase of the Stocktake should include an assessment of work to date of the bodies of the architecture, an assessment of their mandates, and make recommendations (in conjunction with the G20) for reforms to enhance consistency of financial flows with a pathway to low greenhouse gas emissions and climate-resilient development so that the architecture can be fit for purpose in supporting the transition of global finance to support the financing of the transition to a low carbon economy (as set out in the Climate Action Pathway for Finance from the Marrakech Partnership<sup>7</sup>. Analysis of the extracted purpose and mandates of some of the relevant bodies in the Appendix demonstrates that all of them are focused on the efficient functioning of the financial system and the addressing of systemic risks. **These risks are so broad that they threaten the stability and functioning of the entire system such that multilateral action and cooperation is required to mitigate them. Action by a single body or jurisdiction will be insufficient.**

Climate change impacts, and, in particular, the physical impact in the second half of this century of a significantly warmer world, are arguably the biggest long-term threat to the stability and integrity of the financial system upon which sustainable development, economic growth and human thriving and prosperity depend. However, climate action is currently being viewed through the prism of the existing mandates and purpose of these bodies with significant gaps and limitations in approach. Fundamentally, with an estimated \$4-6 trillion required per annum, we need a plan to global plan to mobilise capital at pace and scale. Given that tackling the threats and impacts of climate change is the pre-eminent challenge of this century<sup>8</sup>, a technical review of these mandates is needed along with rapid action on the recommendations for mandate reform and, where appropriate, institutional reform.

In order to facilitate the efficient functioning of the global financial system, as well as reform and refocusing of existing institutions, a new institution should be created (for speed, preferably through the expansion or repurposing of an existing institution) to provide technical assistance and capacity building for Parties in the creation of investment plans to support their Nationally Determined Contributions. Aviva have proposed the creation of an International Platform on Climate Finance<sup>9</sup>, which is also referred to in the Climate Action Pathway<sup>10</sup>.

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<sup>5</sup> More detailed background and rationale for reform of the international financial architecture can be found in our White Paper, “Act Now” <https://www.avivainvestors.com/en-gb/views/aig-investment-thinking/2022/11/climate-emergency/>

<sup>6</sup> [https://unfccc.int/sites/default/files/resource/cma2022\\_L21E.pdf](https://unfccc.int/sites/default/files/resource/cma2022_L21E.pdf) at para 55

<sup>7</sup> <https://unfccc.int/climate-action/marrakech-partnership/reporting-tracking/pathways/finance-climate-action-pathway>

<sup>8</sup> See, for example, COP26 President Alok Sharma here: <https://www.gov.uk/government/speeches/cop-president-looking-back-and-stepping-forward-wilson-center-washington-dc>

<sup>9</sup> <https://www.avivainvestors.com/en-gb/about/responsible-investment/climate-finance-challenge/sustainable-finance-proposals-g7-g20/>

<sup>10</sup> [https://unfccc.int/sites/default/files/resource/Finance\\_ActionTable.pdf](https://unfccc.int/sites/default/files/resource/Finance_ActionTable.pdf)

**Appendix – extracts of the mandates and purpose of bodies within the international financial architecture**

| Body                      | Purpose  | Extract of mandate or constitution  |
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| Financial Stability Board | <p>The Financial Stability Board (FSB) is an international body that monitors and makes recommendations about the global financial system.</p> <p>The FSB promotes international financial stability; it does so by coordinating national financial authorities and international standard-setting bodies as they work toward developing strong regulatory, supervisory and other financial sector policies. It fosters a level playing field by encouraging coherent implementation of these policies across sectors and jurisdictions.</p> <p>The FSB, working through its members, seeks to strengthen financial systems and increase the stability of international financial markets. The policies developed in the pursuit of this agenda are implemented by jurisdictions and national authorities.</p> <p>More specifically, the FSB was established to:</p> <ul style="list-style-type: none"> <li>• Assess vulnerabilities affecting the global financial system as well as to identify and review, on a timely and ongoing basis within a macroprudential perspective, the regulatory, supervisory and related actions needed to address these vulnerabilities and their outcomes.</li> <li>• Promote coordination and information exchange among authorities responsible for financial stability.</li> <li>• Monitor and advise on market developments and their implications for regulatory policy.</li> <li>• Monitor and advise on best practice in meeting regulatory standards.</li> <li>• Undertake joint strategic reviews of the international standard-setting bodies and coordinate their respective policy development work to ensure this</li> </ul> | <p><b>FSB Charter</b></p> <p>Article 2. Mandate and tasks of the FSB</p> <p>(1) As part of its mandate, the FSB will:</p> <ul style="list-style-type: none"> <li>(a) assess vulnerabilities affecting the global financial system and identify and review on a timely and ongoing basis within a macroprudential perspective, the regulatory, supervisory and related actions needed to address them, and their outcomes;</li> <li>(b) promote coordination and information exchange among authorities responsible for financial stability;</li> <li>(c) monitor and advise on market developments and their implications for regulatory policy;</li> <li>(d) advise on and monitor best practice in meeting regulatory standards;</li> <li>(e) undertake joint strategic reviews of and coordinate the policy development work of the international standard setting bodies to ensure their work is timely, coordinated, focused on priorities and addressing gaps;</li> <li>(f) set guidelines for and support the establishment of supervisory colleges;</li> <li>(g) support contingency planning for cross-border crisis management, particularly with respect to systemically important firms;</li> <li>(h) collaborate with the International Monetary Fund (IMF) to conduct Early Warning Exercises;</li> <li>(i) promote member jurisdictions' implementation of agreed commitments, standards and policy recommendations through monitoring of implementation, peer review and disclosure; and</li> </ul> |

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|                             | <p>work is timely, coordinated, focused on priorities and addresses gaps.</p> <ul style="list-style-type: none"> <li>• Set guidelines for establishing and supporting supervisory colleges.</li> <li>• Support contingency planning for cross-border crisis management, particularly with regard to systemically important firms.</li> <li>• Collaborate with the International Monetary Fund (IMF) to conduct Early Warning Exercises.</li> <li>• Promote member jurisdictions' implementation of agreed commitments, standards and policy recommendations, through monitoring of implementation, peer review and disclosure.</li> </ul>  | <p>(j) undertake any other tasks agreed by its Members in the course of its activities and within the framework of this Charter.</p> <p>(2) The FSB will promote and help coordinate the alignment of the activities of the SSBs to address any overlaps or gaps and clarify demarcations in light of changes in national and regional regulatory structures relating to prudential and systemic risk, market integrity and investor and consumer protection, infrastructure, as well as accounting and auditing.</p> <p>(3) The FSB should, as needed to address regulatory gaps that pose risk to financial stability, develop or coordinate development of standards and principles, in collaboration with the SSBs and others, as warranted, in areas which do not fall within the functional domain of another international standard setting body, or on issues that have cross-sectoral implications.</p>  |
| International Monetary Fund | <p>IMF Article I – purpose</p> <p>The purposes of the International Monetary Fund are:</p> <p>(i) To promote international monetary cooperation through a permanent institution which provides the machinery for consultation and collaboration on international monetary problems.</p> <p>(ii) To facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy.</p> <p>(iii) To promote exchange stability, to maintain orderly exchange arrangements among members, and to avoid competitive exchange depreciation.</p> <p>(iv) To assist in the establishment of a multilateral system of payments in respect of current transactions between members and in the elimination of foreign exchange restrictions which hamper the growth of world trade.</p> <p>(v) To give confidence to members by making the general resources of the Fund temporarily available to them under</p> | <p><b>Article IV</b> – obligations regarding exchange arrangements</p> <p>Section 1. General obligations of members</p> <p>Recognizing that the essential purpose of the international monetary system is to provide a framework that facilitates the exchange of goods, services, and capital among countries, and that sustains sound economic growth, and that a principal objective is the continuing development of the orderly underlying conditions that are necessary for financial and economic stability, each member undertakes to collaborate with the Fund and other members to assure orderly exchange arrangements and to promote a stable system of exchange rates. In particular, each member shall:</p> <p>(i) endeavor to direct its economic and financial policies toward the objective of fostering orderly economic growth with reasonable price stability, with due regard to its circumstances;(ii) seek to promote stability by fostering orderly underlying economic and financial conditions and a monetary system that does not tend to produce erratic disruptions;(iii) avoid manipulating exchange rates or the international monetary system in order to prevent effective</p> |

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|            | <p>adequate safeguards, thus providing them with opportunity to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity.</p> <p>(vi) In accordance with the above, to shorten the duration and lessen the degree of disequilibrium in the international balances of payments of members.</p> <p>The Fund shall be guided in all its policies and decisions by the purposes set forth in this Article.</p>                                    | <p>balance of payments adjustment or to gain an unfair competitive advantage over other members; and(iv) follow exchange policies compatible with the undertakings under this Section.</p> <p>Section 3. Surveillance over exchange arrangements</p> <p>(a) The Fund shall oversee the international monetary system in order to ensure its effective operation, and shall oversee the compliance of each member with its obligations under Section 1 of this Article.(b) In order to fulfill its functions under (a) above, the Fund shall exercise firm surveillance over the exchange rate policies of members, and shall adopt specific principles for the guidance of all members with respect to those policies. Each member shall provide the Fund with the information necessary for such surveillance, and, when requested by the Fund, shall consult with it on the member's exchange rate policies. The principles adopted by the Fund shall be consistent with cooperative arrangements by which members maintain the value of their currencies in relation to the value of the currency or currencies of other members, as well as with other exchange arrangements of a member's choice consistent with the purposes of the Fund and Section 1 of this Article. These principles shall respect the domestic social and political policies of members, and in applying these principles the Fund shall pay due regard to the circumstances of members.</p> |
| World Bank | <p>The World Bank promotes long-term economic development and poverty reduction by providing technical and financial support to help countries implement reforms or projects, such as building schools, providing water and electricity, fighting disease, and protecting the environment. World Bank assistance is generally long-term and is funded by member country contributions and by issuing bonds. World Bank staff are often specialists on specific issues, such as climate, or sectors, such as education.</p> | <p><b>IBRD Article I: purposes</b></p> <p>The purposes of the Bank are:</p> <p>(i) To assist in the reconstruction and development of territories of members by facilitating the investment of capital for productive purposes, including the restoration of economies destroyed or disrupted by war, the reconversion of productive facilities to peacetime needs and the encouragement of the development of productive facilities and resources in less developed countries.</p> <p>(ii) To promote private foreign investment by means of guarantees or participations in loans and other investments made by private investors; and when private capital is not</p>  |

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|  |  | <p>available on reasonable terms, to supplement private investment by providing, on suitable conditions, finance for productive purposes out of its own capital, funds raised by it and its other resources.</p> <p>(iii) To promote the long-range balanced growth of international trade and the maintenance of equilibrium in balances of payments by encouraging international investment for the development of the productive resources of members, thereby assisting in raising productivity, the standard of living and conditions of labor in their territories.</p> <p>(iv) To arrange the loans made or guaranteed by it in relation to international loans through other channels so that the more useful and urgent projects, large and small alike, will be dealt with first.</p> <p>(v) To conduct its operations with due regard to the effect of international investment on business conditions in the territories of members and, in the immediate postwar years, to assist in bringing about a smooth transition from a wartime to a peacetime economy.</p> <p>The Bank shall be guided in all its decisions by the purposes set forth above.</p> <p><b>ICF Article I: purpose</b></p> <p>The purpose of the Corporation is to further economic development by encouraging the growth of productive private enterprise in member countries, particularly in the less developed areas, thus supplementing the activities of the International Bank for Reconstruction and Development (hereinafter called the Bank). In carrying out this purpose, the Corporation shall:</p> <p>(i) in association with private investors, assist in financing the establishment, improvement and expansion of productive private enterprises which would contribute to the development of its member countries by making investments, without guarantee of repayment by the member government concerned, in cases where sufficient private capital is not available on reasonable terms;</p> <p>(ii) seek to bring together investment opportunities,</p> |
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|  |  | <p>domestic and foreign private capital, and experienced management; and</p> <p>(iii) seek to stimulate, and to help create conditions conducive to, the flow of private capital, domestic and foreign, into productive investment in member countries.</p> <p>The Corporation shall be guided in all its decisions by the provisions of this Article.</p> <p><b>IDA Article I: purposes</b></p> <p>The purposes of the Association are to promote economic development, increase productivity and thus raise standards of living in the less-developed areas of the world included within the Association's membership, in particular by providing finance to meet their important developmental requirements on terms which are more flexible and bear less heavily on the balance of payments than those of conventional loans, thereby furthering the developmental objectives of the International Bank for Reconstruction and Development (hereinafter called "the Bank") and supplementing its activities.</p> <p>The Association shall be guided in all its decisions by the provisions of this Article.</p> <p><b>MIGA convention</b></p> <p>Article 2 – objective and purposes</p> <p>The objective of the Agency shall be to encourage the flow of investments for productive purposes among member countries, and in particular developing member countries, this supplementing the activities of the EBRD and IFC and other DFIs. To serve the objective, the Agency shall issue guarantees, carry out appropriate complementary activities to promote the flow of investments, and exercise such other incidental powers as shall be necessary or desirable.</p> |
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| <p>Bank of International Settlements</p>                             | <p>Mission: Our mission is to support central banks' pursuit of monetary and financial stability through international cooperation, and to act as a bank for central banks.</p> <p>To pursue <a href="#">our mission</a>, we provide central banks with:</p> <ul style="list-style-type: none"> <li>• a forum for dialogue and broad international cooperation</li> <li>• a platform for responsible innovation and knowledge-sharing</li> <li>• in-depth analysis and insights on core policy issues</li> <li>• sound and competitive financial services</li> </ul>   | <p><b>BIS Statutes Article 3:</b></p> <p>The objects of the Bank are: to promote the co-operation of central banks and to provide additional facilities for international financial operations; and to act as trustee or agent in regard to international financial settlements entrusted to it under agreements with the parties concerned.</p>   |
| <p>Organisation for Economic Co-operation and Development (OECD)</p> | <p>The Organisation for Economic Co-operation and Development (OECD) is an international organisation that works to build better policies for <a href="#">better lives</a>. Our goal is to shape policies that foster prosperity, equality, opportunity and well-being for all. We draw on <a href="#">60 years of experience</a> and insights to better prepare the world of tomorrow.</p> <p>Together with governments, policy makers and citizens, we work on establishing evidence-based international standards and finding solutions to a range of social, economic and environmental challenges. From improving economic performance and creating jobs to fostering strong education and fighting international tax evasion, we provide a unique forum and knowledge hub for data and analysis, exchange of experiences, best-practice sharing, and advice on public policies and <a href="#">international standard-setting</a>.</p> | <p><b>OECD Convention Article 1</b></p> <p>The aims of the Organisation for Economic Co-operation and Development (hereinafter called the "Organisation") shall be to promote policies designed:</p> <ul style="list-style-type: none"> <li>(a) to achieve the highest sustainable economic growth and employment and a rising standard of living in Member countries, while maintaining financial stability, and thus to contribute to the development of the world economy;</li> <li>(b) to contribute to sound economic expansion in Member as well as non-member countries in the process of economic development; and</li> <li>(c) to contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations.</li> </ul> <p><b>Article 2</b></p> <p>In the pursuit of these aims, the Members agree that they will, both individually and jointly:</p> <ul style="list-style-type: none"> <li>(a) promote the efficient use of their economic resources;</li> <li>(b) in the scientific and technological field, promote the development of their resources, encourage research and promote vocational training;</li> <li>(c) pursue policies designed to achieve economic growth and internal and external financial stability and to avoid developments which might endanger their economies or</li> </ul> |

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|  |   | <p>those of other countries;</p> <p>(d) pursue their efforts to reduce or abolish obstacles to the exchange of goods and services and current payments and maintain and extend the liberalisation of capital movements; and</p> <p>(e) contribute to the economic development of both Member and non-member countries in the process of economic development by appropriate means and, in particular, by the flow of capital to those countries, having regard to the importance to their economies of receiving technical assistance and of securing expanding export markets.</p>  |
| <p>The International Association of Insurance Supervisors (IAIS)</p> | <p>The International Association of Insurance Supervisors (IAIS) is the global standard-setting body responsible for developing and assisting in the implementation of principles, standards and guidance as well as supporting material for the supervision of the insurance sector.</p> | <p><b>IAIS Bylaws Article 2: The mission of the IAIS is to:</b></p> <ul style="list-style-type: none"> <li>• Promote effective and globally consistent supervision of the insurance industry in order to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders; and to</li> <li>• Contribute to global financial stability.</li> <li>• In furtherance of its mission, the Association will, in particular:</li> <li>• develop principles, standards and guidance for the supervision of insurance markets;</li> <li>• support the implementation and practical application of its principles and standards;</li> <li>• develop methodologies for the assessment of the observance of its principles and standards, and facilitate assessment processes;</li> <li>• encourage broader contacts and co-operation amongst insurance and other supervisors and facilitate mutual assistance, education and training on insurance supervision and the exchange of supervisory information;</li> <li>• engender awareness of common interests and concerns amongst insurance and other supervisors and identify potential risks that may affect insurance supervision;</li> <li>• liaise and co-operate with other international organisations, particularly those involved in issues of</li> </ul> |

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|  |  | <p>financial markets supervision and promotion of financial growth, stability and integrity; and</p> <ul style="list-style-type: none"> <li>represent a body of informed opinion within the field of insurance supervision and, where appropriate, communicate such views, ideas and experience to third parties.</li> </ul>  |
| <p>The Basel Committee on Banking Supervision (BCBS)</p> | <p>The Basel Committee on Banking Supervision (BCBS) is the primary global standard setter for the prudential regulation of banks and provides a forum for regular cooperation on banking supervisory matters. Its 45 members comprise central banks and bank supervisors from 28 jurisdictions.</p> | <p><b>BCBS Charter:</b><br/> <b>Purpose and role</b></p> <p>1. Mandate<br/> The BCBS is the primary global standard setter for the prudential regulation of banks and provides a forum for cooperation on banking supervisory matters. Its mandate is to strengthen the regulation, supervision and practices of banks worldwide with the purpose of enhancing financial stability.</p> <p>2. Activities<br/> The BCBS seeks to achieve its mandate through the following activities:</p> <ol style="list-style-type: none"> <li>exchanging information on developments in the banking sector and financial markets, to help identify current or emerging risks for the global financial system;</li> <li>sharing supervisory issues, approaches and techniques to promote common understanding and to improve cross-border cooperation;</li> <li>establishing and promoting global standards for the regulation and supervision of banks as well as guidelines and sound practices;</li> <li>addressing regulatory and supervisory gaps that pose risks to financial stability;</li> <li>monitoring the implementation of BCBS standards in member countries and beyond with the purpose of ensuring their timely, consistent and effective implementation and contributing to a "level playing field" among internationally active banks;</li> <li>consulting with central banks and bank supervisory authorities which are not members of the BCBS to benefit from their input into the BCBS policy</li> </ol> |

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|   |  | <p>formulation process and to promote the implementation of BCBS standards, guidelines and sound practices beyond BCBS member countries; and</p> <p>7. coordinating and cooperating with other financial sector standard setters and international bodies, particularly those involved in promoting financial stability.</p>  |
| <p>The International Organization of Securities Commissions (IOSCO)</p> | <p>The International Organization of Securities Commissions (IOSCO) is the international body that brings together the world's securities regulators and is recognized as the global standard setter for the securities sector. IOSCO develops, implements and promotes adherence to internationally recognized standards for securities regulation. It works intensively with the G20 and the Financial Stability Board (FSB) on the global regulatory reform agenda.</p> | <p>The objective of the Organization is to enable members to exchange information with a view to: (a) developing securities markets and improving their efficiency; (b) coordinating the enforcement of securities regulation; and (c) implementing common standards</p> <p>IOSCO has 30 principles of securities regulation, based on three objectives:</p> <ul style="list-style-type: none"> <li>• The protection of investors;</li> <li>• Ensuring that markets are fair, efficient and transparent;</li> <li>• The reduction of systemic risk</li> </ul> |