13 November 2026
ESMA24-225943895-425

Keynote speech

IOSCO Conference – Madrid

The interplay between regional developments and IOSCO

Carlo Comporti
Chair

Good afternoon, ladies and gentlemen,

It is a great pleasure to join you here, as we mark 25 years of IOSCO's work in international standard-setting and stakeholder engagement in Madrid.

My own relationship with IOSCO goes back many years, including through my previous role at CONSOB. I have seen standards being developed, implemented and tested from national, European and international perspectives. I am therefore particularly pleased to join you today in my new capacity as Chair of ESMA.

IOSCO and ESMA have different mandates and operate at different levels, but they face a similar challenge: bringing together diverse authorities around common solutions to common problems.

Like IOSCO, we share three fundamental objectives: protecting investors, ensuring fair, efficient and transparent markets, and reducing systemic risk. These are the three core objectives set out in IOSCO's Objectives and Principles of Securities Regulation, and they are equally central to ESMA's work.

To achieve these objectives, we all know that it is not realistic or desirable to make every market or regulatory framework identical. Even though markets are more and

more operating under common global schemes, local markets continue to differ in their structures, investor profiles and behaviours, and in their legal and institutional settings. Our task is therefore to agree on common regulatory outcomes, while respecting these local specificities and allowing for different ways of achieving them.

This balance is central to the relationship between international standard-setting and regional market development. It is a relationship that works in both directions: international standards provide the foundations for regional markets to develop, while regional experience helps inform and strengthen the evolution of global standards.

I would like to reflect on both dimensions, and on how we can strengthen this relationship further, especially as capital markets become more interconnected, data-driven and technology-dependent.

From global standards to regional markets

Let me start with the contribution international standards make to regional market development.

Capital markets depend on trust. Investors need confidence that markets are fair, information is reliable and their interests are protected. Market participants need reasonable certainty about the rules under which they operate. Regulators need confidence that their counterparts can cooperate when activities, firms or risks extend across borders.

International standards provide an important part of this foundation.

They establish commonly understood principles, reduce regulatory uncertainty and make cooperation easier. They allow regional markets to develop and integrate without becoming disconnected from the wider international system. I offer three concrete examples, among many others, based on my direct experience and personal involvement.

In 1998, at a relatively early stage in the development of financial activities on the internet, IOSCO brought together a group of experts to examine the challenges this new medium was presenting to traditional regulatory and supervisory approaches. In September of that year, IOSCO published its first Report on Securities Activity on the Internet, setting out recommendations for addressing these challenges. Many of the issues it identified remain relevant today, particularly the implications of technology for cross-border activities and the territorial reach of regulation.

Today, online platforms, investment apps and social media are transforming how financial products are marketed and how investors access information and make investment decisions. IOSCO, ESMA and other regulators have been looking at these developments, including the implications of digital marketing, financial influencers and features such as gamification in investment applications. The underlying objective remains the same: ensuring that technological innovation goes hand in hand with effective investor protection and market integrity.

Credit rating agencies provide another good early example of this dynamic. In the early 2000s, IOSCO's principles and Code of Conduct Fundamentals established common expectations around the integrity and quality of the rating process, independence and the management of conflicts of interest. The European Union subsequently established a regulatory framework for Credit Rating Agencies, with direct supervisory responsibility later entrusted to ESMA. This illustrates how international principles can inform regional regulation without determining every aspect of its institutional design, while also providing for supervisory deference (or equivalence) to avoid global market fragmentation and inefficiencies.

Financial benchmarks offer another particularly clear example. IOSCO's 2013 Principles for Financial Benchmarks established international expectations on governance, methodology, transparency and accountability. In 2016, the EU's Benchmarks Regulation explicitly recognised these principles, including in its

arrangements for the recognition and endorsement of certain third-country benchmarks.

These examples demonstrate the value of translating global commitments into practical standards that can be implemented across different national and regional systems.

But standards alone are not sufficient. They need to be supported by effective cooperation between supervisors. In this respect, the IOSCO Multilateral Memorandum of Understanding, established in 2002, stands out as one of the organisation's most successful achievements. It provides a practical mechanism for regulators to exchange information and assist one another in cross-border investigations. In 2024 alone, signatories conducted more than 6,300 information exchanges under the MMoU and its enhanced version. With 132 signatories, this is a tangible illustration of how international cooperation can support effective enforcement and help address misconduct that increasingly transcends jurisdictional boundaries.

Taken together, these achievements show how international standards and cooperation mechanisms provide trusted foundations on which regional markets can develop according to their own needs and priorities.

From regional experience to global standards

This brings me to the movement in the other direction.

International standards remain relevant and effective only if they reflect the practical experience of the authorities responsible for implementing and supervising them. Regional developments can reveal where principles work well, where implementation challenges arise and where new risks are emerging. They can also provide valuable lessons from jurisdictions that have moved earlier in addressing new developments and experienced their effectiveness.

The European experience with crypto-assets is one example.

Through MiCA (the Markets in Crypto-Assets Regulation), the EU established a comprehensive regional framework for crypto-asset issuers and service providers. MiCA and IOSCO's 2023 recommendations emerged from parallel regional and international efforts to address many of the same issues. And the experience of implementing these frameworks can now provide valuable lessons for the international community, particularly on implementation challenges and supervisory cooperation.

Different jurisdictions have taken different approaches to regulating crypto-asset markets, but there is increasing recognition of common risks relating to governance, conflicts of interest, market abuse, custody and operational resilience. IOSCO's recommendations provide a useful international reference point, based on the principle that similar activities and risks should lead to similar regulatory outcomes.

And as markets like these continue to evolve, it is important to learn from different approaches and identify where greater consistency and cooperation are needed. IOSCO's 2025 implementation review, covering 20 advanced and emerging-market jurisdictions, found substantial progress but illustrated that this remains a work in progress.

Regional leadership can therefore make an important contribution to global standard-setting. But where the underlying activity is inherently cross-border, moving first also brings a responsibility to remain internationally connected. Artificial intelligence may provide the clearest test of this relationship.

Financial firms in different jurisdictions may rely on the same AI models, technology providers, cloud infrastructure and sources of data. Fundamentally incompatible approaches could therefore create fragmented requirements for firms and gaps in supervisory cooperation.

This is where IOSCO can again play an essential role, without necessarily prescribing one global approach to AI.

IOSCO's AI Supervisory Toolkit illustrates how practical, non-prescriptive tools can support authorities operating under different regulatory models. Compatible expectations around governance, responsibility, transparency, recordkeeping and oversight can make supervisory cooperation more effective, without requiring every jurisdiction to adopt identical frameworks.

This illustrates how regional experience can inform a broader international understanding of risk, while international cooperation can help prevent incompatible expectations from developing across jurisdictions.

Beyond AI, there is also an important contribution that regional authorities can make to global fora through their supervisory capabilities and data expertise.

The ability to collect, process and analyse information is increasingly central to identifying cross-border exposures and systemic vulnerabilities. This is particularly relevant to non-bank financial intermediation, where fragmented information can make it difficult to obtain a comprehensive picture of risks.

At ESMA, we have been working towards a more integrated approach to regulatory data, aimed at improving standardisation, reducing duplication and facilitating the sharing and reuse of information across authorities.

This is one practical example of how regional expertise can contribute to a collective effort to build a more consistent picture of global markets, interconnections and risks.

Strengthening the regional-global relationship

But regional experience can contribute to global outcomes only if there are effective channels through which it can be shared. This brings me to how we can strengthen the regional-global relationship.

IOSCO's institutional structure already provides important foundations. Its four Regional Committees and the Growth and Emerging Markets Committee (GEMC) are

essential fora for sharing experiences, identifying common challenges and ensuring that different regional perspectives inform global discussions.

The GEMC is particularly important in connecting the experiences of larger and smaller markets, representing more than three-quarters of IOSCO's membership. Its work goes beyond standard setting to include peer learning, regulatory cooperation and support for market development.

This brings me to capacity-building. The credibility of international standards depends not only on their technical quality, but also on whether regulators have the expertise and resources to implement them effectively. Smaller jurisdictions may face particular challenges in developing the supervisory capabilities needed to address increasingly complex markets and technologies.

IOSCO's NEXTGEN programme makes an important contribution here. More than 3,600 supervisory staff participated in its capacity-building activities during 2025. This kind of technical assistance and exchange of expertise is essential to ensuring that the benefits of international standards extend across the membership, rather than being concentrated in jurisdictions with the greatest resources.

Looking ahead, I see several opportunities to strengthen this feedback loop further.

We should encourage regular dialogue between IOSCO's global and regional structures, so that emerging developments and supervisory concerns can inform the international agenda at an early stage.

We should also facilitate greater exchanges of supervisory expertise, including through SupTech, data analytics and market-monitoring tools. Exploring opportunities for coordinated supervisory initiatives and cross-border regulatory sandboxes could also help authorities better understand products and services that operate across multiple jurisdictions.

These are opportunities to build on the institutional relationships and cooperation mechanisms IOSCO has developed over many years, making them even more effective in responding to today's market realities.

Conclusion

Ladies and gentlemen,

The relationship between international standards and regional market development is not a one-directional process.

International standards support trust, cooperation and the development of credible regional markets. Regional experience, in turn, provides the practical knowledge and evidence needed to keep those standards relevant, effective and responsive to different market realities.

The strength of the system depends on both directions working well.

As markets become increasingly interconnected, digital and fast-moving, common foundations matter more, not less. A gap in standards, implementation or supervisory cooperation is unlikely to remain a purely local issue. The consequences can quickly extend beyond the jurisdiction in which it first emerges.

In my new role, I see the partnership between ESMA and IOSCO as particularly important. By combining IOSCO’s global reach with ESMA’s regional regulatory and supervisory experience, this partnership can help protect investors, preserve market integrity and financial stability, and support responsible innovation in open and competitive capital markets.

Ultimately, our ambition should be to ensure that markets of different sizes and structures can develop and interact on the basis of common principles, mutual confidence and effective cooperation.

IOSCO has spent decades building these foundations. Our collective responsibility is to continue strengthening them, and to ensure that the experience and perspectives of all jurisdictions help shape the global regulatory framework.

Thank you.