

IOSCO

Agenda

Risk-based Supervision for Securities Regulators from European EMDEs

October 14 – 18, 2024

Virtual

PROGRAM DESCRIPTION

Regulators seem to have adapted well to the new environment created by the pandemic and have proven to be flexible in their approach to overall supervision. A traditional compliance-based supervisory (CBS) model, a blend of compliance and Risk Based Supervision (RBS), or a fully fledged RBS model may be suitable for jurisdictions depending on the nature of their market and economy.

All regulators recognize the need to be forward-looking, to use scarce resources more efficiently and develop plans for intervening early if a material problem appears. RBS can facilitate development or enhancement of an authority's own risk management framework and supervisory risk appetite, allow for more efficient, targeted supervision, facilitate early detection of emerging problems, enable enhanced use of new supervisory technologies allowing for measured and proportional intervention. In addition, RBS can also aid financial inclusion and responsible market development by enhancing the regulator's ability to have in place best policies and apply its interventions to enhance good practices and influence behaviour by market participants.

This five-half-day virtual program was designed to help securities supervisors and regulators from emerging markets and developing economies (EMDEs) in Europe to better understand risk-based supervision (RBS), improving their effectiveness. It covers key topics such as leadership, operational resilience, environmental, social and, governance (ESG) issues with a focus on climate disclosures, and effective communication with stakeholders – which is crucial for RBS implementation. Participants are expected to develop and present action plans for RBS implementation, drawing on their jurisdiction's specific needs and challenges.

PROGRAM OBJECTIVES

This program is designed to enhance participants' understanding and knowledge, and gain a practical perspective on:

- RBS developments to securities sector, primarily in European emerging markets and developing economies
- Fundamental concepts, principles, and strategies for effective RBS implementation
- Intersection of RBS with financial inclusion, proportionality, UN Sustainable Development Goals, and benefits to both regulators and the financial system
- Integration of climate-related risks into RBS

- Methods for identifying significant activities, evaluating risk management performance, and overseeing functions such as an internal audit
- Conducting effective on-site RBS inspections
- Early intervention strategies to strengthen securities regulators and supervisory authorities, boost public confidence, and enhance financial stability and inclusion

METHODOLOGY

This program is designed to be highly interactive and will include group activities, real-life examples and case studies.

WHO SHOULD ATTEND?

This program is designed for mid- to senior-level officials responsible for overseeing securities markets. A minimum of three years' experience in securities supervision, policy analysis, or market development is recommended.

VIRTUAL NETWORKING SESSION AND PRE-READING

An icebreaker and networking session will be held on Oct. 8. This session aims to facilitate peer interaction and prepare participants for the program's collaborative learning environment. It will emphasize leadership skills, action planning, and effective stakeholder communication, crucial for driving continuous improvement in regulatory practices.

Participants are expected to complete pre-reading materials in advance of the program.

PREREQUISITES

To enhance participants' knowledge and learning experience, this program uses a blended approach of self-paced online learning including pre-recorded videos combined with live/real-time instructor-led sessions. The live sessions will be used to highlight key elements from each RBS topic and address questions from the participants. Participants must complete the self-paced online sessions including watching the videos and pre-readings (including the case study) prior to the start of the program.

This program is held at CEST.

RBS for Securities Regulators from European EMDEs - Agenda

Introductory Event - Tuesday, Oct. 8	
12:45 pm – 1:00 pm	Registration
1:00 pm – 1:30 pm	Session 1: Introduction to Toronto Centre and Context for Change <i>Program Director, Richa Goyal</i>
1:30 pm – 1:45 pm	Session 1: Orientation to Virtual Program <i>Program Coordination Lead, Toronto Centre</i> <ul style="list-style-type: none"> • Virtual learning best practices • Questions, chats, and polls • Introduction to Toronto Centre Programs Learning Management System • Breakout room activities
2:00 pm – 4:00 pm	Session 3: Leadership Skills: Action Planning Methodology and Stakeholder Management <i>Richa Goyal, Program Director, Toronto Centre</i> <ul style="list-style-type: none"> • Toronto Centre’s Action Planning Methodology • Participants will be expected to use these leadership skills during the group activities in the program
4:00 pm	Next steps – End of Day

Day 1- Monday, Oct. 14	
12:00 pm – 12:30 pm	Action Planning – Group 1 (Morning)

RBS for Securities Regulators from European EMDEs - Agenda

Day 1- Monday, Oct. 14	
	<i>Program Leaders</i>
12:30 pm – 12:45 pm	<p>Welcome and Opening Remarks</p> <p><i>Babak Abbaszadeh, President and CEO, Toronto Centre and Tajinder Singh, Acting Secretary General, International Organization of Securities Commissions (IOSCO)</i></p> <ul style="list-style-type: none"> • Group photo
12:45 pm – 1:45 pm	<p>Session 1: Roundtable: RBS landscape in the European securities sector</p> <p><i>Raluca Tircoci-Craciun, Director Standards Implementation, IOSCO, Ms. Mimoza Kaçi, General Executive Director, Albanian Financial Supervisory Authority, Ms. Ekaterine Mikabadze, Vice-Governor, National Bank of Georgia, and Ms. Jasna Smileva, Chief of Staff, Securities and Exchange Commission of the Republic of North Macedonia</i></p> <ul style="list-style-type: none"> • Securities regulation and supervision in the region • Challenges and potential solutions
1:45 pm – 1:50 pm	Break
1:50 pm – 2:30 pm	<p>Session 2: Risk-Based Supervision Key Concepts</p> <p><i>Jean Lorrain, Securities Advisory Board Chair, Toronto Centre</i></p> <ul style="list-style-type: none"> • Key concepts of RBS in the context of IOSCO Principles • Why adopt an RBS approach? • Challenges in adopting RBS • RBS versus CBS methodology • RBS created in the context of large financial institutions • Can it be adapted to securities regulation/supervision?

RBS for Securities Regulators from European EMDEs - Agenda

Day 1- Monday, Oct. 14	
2:30 pm – 2:35 pm	Break
2:35 pm – 4:15 pm	<p>Session 3: RBS Process and Essential Elements for Effective Implementation of RBS</p> <p><i>Bert Chanetsa and Jennifer Long, Program Leaders, Toronto Centre</i></p> <ul style="list-style-type: none"> • RBS process • Main elements to be considered • Organization structure and human resources strategies • Supervisory tools that may include SupTech and RegTech • Quality assurance (risk management, independent e.g. Internal Audit) • Financial Innovation • Proportionate supervisory approach to incorporate Environmental, Social and Governance objectives (ESG) • How can RBS promote ESG, in particular climate change risk, financial inclusion, and gender equality? • ESG ratings and disclosure obligations
4:15 pm	<p>Wrap-up thoughts for the day</p> <p>Evaluation</p>
4:15 pm – 4:45 pm	<p>Action Planning – Group 2 (Afternoon)</p> <p><i>Program Leaders, Toronto Centre</i></p>
4:45 pm	End of Day

Day 2 - Tuesday, Oct. 15	
12:00 pm – 12:30 pm	<p>Action Planning – Group 1 (Morning)</p> <p><i>Program Leaders, Toronto Centre</i></p>

RBS for Securities Regulators from European EMDEs - Agenda

Day 2 - Tuesday, Oct. 15	
12:30 pm – 12:45 pm	Ideas I Will Use
12:45 pm – 2:00 pm	<p>Session 4: Consideration of Macroprudential/microprudential elements</p> <p><i>Bert Chanetsa, Program Leader, Toronto Centre</i></p> <ul style="list-style-type: none"> • Macroprudential vs microprudential supervision • Main elements of macroprudential supervision in the context of securities regulation • Macroprudential supervision tools • Main elements of consolidated/group-wide supervision
2:00 pm – 2:05 pm	Break
2:05 pm – 3:05 pm	<p>Session 5: Panel Discussion: Inherent Risks for Capital Markets</p> <p><i>Sherman Boone, Senior Policy Advisor, IOSCO, Jean Lorrain, Securities Advisory Board Chair, Toronto Centre, and Toronto Centre Program Leaders</i></p> <ul style="list-style-type: none"> • Key elements of IOSCO standards and related risks • Review of objectives, requirements and how they link to risks • Assessing inherent risks and the IOSCO Risk Outlook
3:05 pm – 3:10 pm	Break
3:10 pm – 4:15 pm	<p>Session 6: Steps in RBS – Knowledge of Business</p> <p><i>Bert Chanetsa, Program Leader, Toronto Centre</i></p> <ul style="list-style-type: none"> • Impact of macroeconomic, environmental and industry factors • Sources of macroeconomic information <p>Group Activity</p> <ul style="list-style-type: none"> • Participants will work in groups to develop knowledge of business using a case study on a securities market intermediary

RBS for Securities Regulators from European EMDEs - Agenda

	Day 2 - Tuesday, Oct. 15
4:15 pm	Wrap-up thoughts for the day Evaluation
4:15 pm – 4:45 pm	Action Planning – Group 2 (Afternoon) <i>Program Leaders, Toronto Centre</i>
4:45 pm	End of Day

RBS for Securities Regulators from European EMDEs - Agenda

Day 3 - Wednesday, Oct. 16	
12:00 pm – 12:30 pm	<p>Action Planning – Group 1 (Morning)</p> <p><i>Program Leaders, Toronto Centre</i></p>
12:30 pm – 12:45 pm	<p>Ideas I Will Use</p>
12:45 pm – 2:00 pm	<p>Session 7: Operational Resilience</p> <p><i>Jean Lorrain, Securities Advisory Board Chair, Toronto Centre</i></p> <ul style="list-style-type: none"> • IOSCO and other international organizations’ principles and guidance • What is operational resilience and how does it impact the securities sector? • Impact of cyber risk on the securities sector • Supervisory expectations for organizations to mitigate cyber risk • Role of service providers and off-shore services
2:00 pm – 2:05 pm	<p>Break</p>
2:05 pm – 3:05 pm	<p>Session 8: Steps in RBS – Identifying Areas of Risk Focus or Significant Activities</p> <p><i>Jennifer Long, Program Leader, Toronto Centre</i></p> <ul style="list-style-type: none"> • How to identify areas of risk focus or significant activities
3:05 pm – 3:10 pm	<p>Break</p>
3:10 pm – 4:15 pm	<p>Session 8: Continued - Group Activity</p> <p><i>Jennifer Long, Program Leader, Toronto Centre</i></p>

RBS for Securities Regulators from European EMDEs - Agenda

Day 3 - Wednesday, Oct. 16	
	<ul style="list-style-type: none"> Participants will work in groups to further develop knowledge of business and identify significant activities using a case study on a securities market intermediary
4:15 pm	<p>Wrap-up thoughts for the day</p> <p>Evaluation</p>
4:15 pm to 4:45 pm	<p>Action Planning – Group 2 (Afternoon)</p> <p><i>Program Leaders, Toronto Centre</i></p>
4:45 pm	<p>End of Day</p>

RBS for Securities Regulators from European EMDEs - Agenda

Day 4 - Thursday, Oct. 17	
12:00 pm – 12:30 pm	<p>Action Planning – Group 1 (Morning)</p> <p><i>Program Leaders, Toronto Centre</i></p>
12:30 pm – 12:45 pm	<p>Ideas I Will Use</p>
12:45 pm – 2:00 pm	<p>Session 9: Steps in RBS – Identifying and Assessing Key Risk Drivers or Inherent Risks in the Significant Activities</p> <p><i>Jennifer Long, Program Leader, Toronto Centre</i></p> <ul style="list-style-type: none"> • Identifying and assessing risks inherent in the activities • Building expectations for the quality of risk management required to mitigate risks inherent in the activities <p>Group activity</p> <ul style="list-style-type: none"> • Participants will work in groups to identify and assess key inherent risks in significant activities using a case study on a securities market intermediary <ul style="list-style-type: none"> ○ Apply action planning methodology
2:00 pm – 2:05 pm	<p>Break</p>
2:05 pm – 3:05 pm	<p>Session 10: Steps in RBS – Assessing Quality of Risk Management and Governance Functions and Net Risk in the Significant Activity</p> <p><i>Bert Chanetsa, Program Leader, Toronto Centre</i></p> <ul style="list-style-type: none"> • Assessing risk mitigation at the operational management level • Assessing effectiveness of oversight over each activity • Assessing net risk in each activity • Share real life examples
3:05 pm – 3:10 pm	<p>Break</p>

RBS for Securities Regulators from European EMDEs - Agenda

Day 4 - Thursday, Oct. 17	
3:10 pm – 4:15 pm	<p>Session 11: Group Activity</p> <p><i>Bert Chanetsa, Program Leader, Toronto Centre</i></p> <ul style="list-style-type: none"> • Participants will work in groups to assess quality of risk management and net risk in significant activities using a case study on a securities market intermediary <ul style="list-style-type: none"> ○ Apply action planning methodology
4:15 pm	<p>Wrap-up thoughts for the day</p> <p>Evaluation</p>
4:15 pm – 4:45 pm	<p>Action Planning – Group 2 (Afternoon)</p> <p><i>Program Leaders, Toronto Centre</i></p>
4:45 pm	<p>End of Day</p>

RBS for Securities Regulators from European EMDEs - Agenda

	Day 5 - Friday, Oct. 18
12:30 pm – 12:45 pm	Ideas I Will Use
12:45 pm – 2:00 pm	<p>Session 12: Steps in RBS – Assessing Overall Net Risk, Risk Profile and Level of Supervisory Intervention</p> <p><i>Bert Chanetsa, Program Leader, Toronto Centre</i></p> <ul style="list-style-type: none"> • Assessing the risk profile and overall net risk • Assessing residual risks • Assessing the stability of the risk profile • Types of approaches to assessing the level of intensity of regulatory/supervisory intervention and actions <p>Group Activity</p> <ul style="list-style-type: none"> • Participants will work in groups to assess overall net risk, risk profile and intervention stages using a case study on a securities market intermediary <ul style="list-style-type: none"> ○ Apply Action planning methodology
2:00 pm	Break
2:05 pm – 3:05 pm	<p>Session 13: Interviewing Techniques (On site and Off site)</p> <p><i>Jennifer Long, Program Leader, Toronto Centre</i></p> <ul style="list-style-type: none"> • Importance of interviewing skills in RBS • Preparing for the interview and conducting the interview • Quantitative versus qualitative interviews <p>Group Activity</p> <ul style="list-style-type: none"> • Participants will perform role play in groups to interview senior management/risk management <ul style="list-style-type: none"> ○ Apply stakeholder communication skills

RBS for Securities Regulators from European EMDEs - Agenda

Day 5 - Friday, Oct. 18	
3:05 pm – 3:10 pm	Break
3:10 pm – 4:15 pm	<p>Session 14: Final Action Plan Presentations <i>Bert Chanetsa, Program Leader, Toronto Centre</i></p> <ul style="list-style-type: none"> • Participants will work in groups to assess quality of risk management and net risk in significant activities using a case study on a securities market intermediary <ul style="list-style-type: none"> ○ Apply action planning methodology
4:15 pm	Program Evaluation
4:15 pm	<p>End of Program and Closing Ceremony</p> <ul style="list-style-type: none"> • Tajinder Singh, Acting Secretary General, International Organization of Securities Commissions (IOSCO) • Jean Lorrain, Toronto Centre Securities Advisory Board Chair