



Exchange of views on the prospects of global regulatory coordination

Jean-Paul Servais – Chair of the Board, IOSCO

David Wright – President, EUROFI

David Wright

Welcome, Jean Paul Servais, a long-standing friend. He has just mentioned that he is now in his 18th year as Chairman of the Financial Services and Markets Authority in Belgium – surely a record. He should be regarded as the doyen of European financial services regulation. In addition, he currently chairs IOSCO, having previously served three mandates as Vice Chair. As the former Secretary General of IOSCO, it was no surprise to me that he was reappointed for a second mandate in May 2024. Under his leadership, IOSCO has strengthened its influence and become increasingly dynamic.

His CV is extensive: he is also Chair of the OECD Corporate Governance Committee, represents Belgium on the ESMA Board, and serves on the European Systemic Risk Board. There is arguably no one in Europe with greater experience and knowledge of regulation.

Today, our focus will mainly be on IOSCO. Jean Paul, you chair both IOSCO and the OECD Corporate Governance Committee, giving you a unique perspective. At the same time, we face a turbulent and, I would say, dangerous geopolitical environment. How is this context affecting IOSCO, and how can the organisation help reduce fragmentation globally?

Jean Paul Servais

Good morning, everyone, and thank you, David, for your kind introduction, which I may not deserve. It is always a pleasure to return to Eurofi, the essential forum for discussions on financial regulation. I am grateful to Didier and his team for their consistent courtesy in inviting me.

Allow me to share a few thoughts. As you know, I sometimes prefer to be outspoken, even if not always politically correct. Unlike many, I am not overly pessimistic. The real question is what stakeholders – companies, markets, investors, and consumers – need. When people say it is a new era for IOSCO, my reaction is positive.

In my view, IOSCO has four main roles. First, to focus on policy areas where it can add value. The goal is not to produce endless new regulations – I am not seeking a place in the Guinness Book for the largest number of rules – but rather to be as useful as possible. Increasingly, IOSCO is prioritising vulnerability assessments, risk identification and implementation.

A notable example is our work on sustainable finance. In my first mandate as IOSCO Chair, IOSCO endorsed the ISSB standards – a call for action. From day one, jurisdictions were free to decide whether and how to adopt or use these standards. Three years later, 60 jurisdictions across all continents implemented them. That is more than I would realistically have expected at the outset.

The next step is to provide meaningful support to those who need practical guidance. In sustainable finance, for example, preparers, users, and consolidators of financial statements want clarity. Hence our shift from standard-setting towards capacity building.

The same applies to our toolkit for crypto and digital -assets, which the IMF now uses in its Financial Sector Assessment Programme (FSAP). Cooperation with the FSB and volunteering jurisdictions has been vital. It is equally important to recognise and respect the role of

industry, investors, and the media in building knowledge. Sharing experiences and good practices is crucial.

Recent examples illustrate this approach. We heard from the new UK Economic Secretary to the Treasury about efforts to streamline and simplify regulation – valuable lessons for others. I welcome such initiatives: no one benefits from thousands of pages of unnecessary regulation. IOSCO also cooperates increasingly with other global bodies. During David's time as IOSCO Secretary General, the FSB was newly created. Today, IOSCO works closely with the FSB, notably on liquidity management and leverage.

Thanks to colleagues such as Sarah Pritchard at the FCA and Cornelia Holthausen at the ECB, we have achieved significant progress. A subgroup involving IOSCO and its members is now examining data issues in non-bank financial intermediation (NBFII), recognising that "to measure is to know". Similar partnerships extend to the OECD, the World Bank, and the IMF, with whom we are preparing our third joint conference.

What distinguishes IOSCO, compared with other organisations as ECOFIN, is its practical, collaborative approach. It is not simply about delivering political messages, but about working inclusively with its 130 member organisations. Our Memorandum of Understanding on enforcement cooperation enables active information-sharing and cooperation. Enforcement cooperation among our members is critical, and IOSCO is moving firmly in the right direction.

David Wright

Thank you, Jean Paul. You have indeed strengthened IOSCO's focus on implementation – not only agreeing broad principles but also monitoring how they are applied. I also recall my own efforts to broaden IOSCO's cooperation with institutions such as the OECD and money-laundering authorities. This is encouraging.

Let us now turn to another subject close to your heart: retail investor protection. How is IOSCO progressing here, and what are your objectives?

Jean Paul Servais

An excellent question. The starting point is to acknowledge that regulators cannot work in an ivory tower. The younger generation engages with finance in very different ways. They rarely visit a physical bank branch or read lengthy documentation. They interact through their phones, digital platforms, and trading apps. This requires us to adapt.

This shift is why we launched work at IOSCO under the leadership of Derville Rowland. We must address the behavioural changes driven by technology. The popularity of crypto-assets, for example, lies partly in their simplicity of access – just a click. In contrast, investing in long-term assets is more complex.

We therefore need to facilitate diversification for young investors while ensuring transparency, speed, and control. IOSCO has been at the forefront of analysing this transformation. Our recently redesigned website reflects this priority, with publications on retail distribution, digital engagement practices, and the role of influencers in shaping investor behaviour.

Financial literacy also remains essential. I often use the analogy of Lego: building a model is a gradual process, piece by piece starting with the easiest one. That principle should also apply to investing. We need to explain to younger generations that patience is a virtue, and that chasing quick returns exposes them to false promises and risks.

Historically, IOSCO focused more on wholesale markets and technical issues. Today, however, we are increasingly addressing the needs of ordinary retail investors. This shift is both necessary and positive.

David Wright

That is indeed encouraging. Let us conclude by discussing technology more broadly. How is IOSCO addressing developments such as crypto-assets, tokenisation, and artificial intelligence?

Jean Paul Servais

Technology is a key focus. We have launched a taskforce that looks at financial technology such as tokenisation, crypto-assets, distributed ledger technology (DLT), and artificial intelligence, chaired by our colleague from Singapore, Tuang Lee Lim.

Markets are moving rapidly from proof of concept to real-world applications, particularly with tokenised assets. These innovations have the potential to improve efficiency and transparency. Our task is to strike the right balance: supervisors must protect investors while facilitating the benefits of new technology.

In Belgium, I created a specialised AI team of PhD-level economists, statisticians, and mathematicians. Their work has transformed supervision, providing new tools to detect market abuse and assess value for money. Increasingly, supervisors are asking industry a

simple but important question: does this product offer adequate returns relative to its costs?

More generally speaking, IOSCO's principle-based approach has proven effective: our recommendations often pave the way for later legislative action at EU level, as seen with UCITS, rating agencies after the subprime crisis, the AIFMD, benchmarks, The same approach is now being applied to crypto-assets.

IOSCO brings together 130 jurisdictions, representing supervision of 95% of global financial markets. This requires understanding the "red lines" of each jurisdiction. International cooperation depends on this. Avoiding fragmentation demands compromise and added value – sometimes, as we say in Belgium, finding a middle ground. I am optimistic that we can achieve this.

David Wright

Jean Paul, it has been a great pleasure to have you with us. Your strong commitment to cooperation across jurisdictions and to ensuring IOSCO remains ahead of the curve is widely appreciated. Under your leadership, IOSCO is more influential and forward-looking.

I also want to acknowledge another valued colleague here with us today: Tajinder Singh, Deputy Secretary General of IOSCO – the encyclopaedia and wise man of the organisation.

Thank you both very much.