



## Exchange of views on international coordination

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### David Wright

Good afternoon, everybody. Welcome to our next session. It is a very distinguished one because I have three outstanding people with me to discuss the exchange of views on international coordination today.

First of all is Jean-Paul Servais. We have just been discussing that we have known each other and been friends for over 25 years. He is still the chairman of the FSMA of Belgium and has been for over 20 years. He is the chair of the board of IOSCO and chairs IOSCO's European regional committee. He is the OECD corporate governance committee Chair and is a member of the board of supervisors of the European Securities and Markets Authority (ESMA). He is somebody who has just immense experience of all regulatory and supervisory issues in Europe for two decades or more.

Secondly, I would like to particularly welcome Toshi Miyoshi, who is the vice minister for international affairs at the FSA of Japan, and co-chair of the IAIS. He was appointed as vice minister on 22 July 2025. He also represents the FSA at the Financial Stability Board (FSB) in IOSCO, and chairs, as I said, the IAIS. When I was reading your CV, Toshi, I realised I am full of jealousy because not only do you have a BA in law from the University of Tokyo, but you managed to do something I did not do, which was get an MPhil in politics from the University of Oxford, which was my university, so congratulations on that, and a very warm welcome. We are deeply appreciative because of the time lag.

The third outstanding person here is a commissioner of the US SEC, Mark Uyeda. He has been on the staff of the

SEC since 2006, senior advisor to former chairman Jay Clayton and senior advisor to acting chairman Michael Piwowar. He has been in various parts of the SEC. He has served on the Senate Committee on Banking, Housing and Urban Affairs, and many other functions as well. He has a degree in business administration from the great Georgetown University, and a law degree with honours from Duke University. He is the first Asian Pacific American to serve as a commissioner at the SEC.

To all of you, a really warm welcome. We have half an hour, and we have two sets of questions. First, what is the state of international cooperation in financial services in your respective domains today? Are we seeing fragmentation with all the geopolitical tensions, or are things more or less moving along as normal? Second, what are the priorities in your respective domains looking forward? Toshi, why do you not start? Tell us how you see the current state of international cooperation in the different areas, and particularly maybe as chair of the IAIS. Thank you.

### Toshiyuki Miyoshi

Thank you very much, David, for your introduction. I am very honoured to be present here, even though it is only in a virtual format. Thank you for having me. I am chair of the executive committee of the IAIS. Risks are emerging on various fronts. Digitalisation is one, and the structural shift in the life insurance sector is another, which I will talk about later. As far as supervisory cooperation in the insurance sector is concerned, international supervisory cooperation is quite robust.

As we agreed on the insurance capital standard (ICS) for internationally active insurance groups (IAIGs) in

December 2024, our priority has shifted to the consistent implementation of the ICS and other insurance core principles across jurisdictions. That pivot is reflected in our five-year strategic plan. We see continued strong collaboration across three dimensions.

First is on cooperation and convergence based on the established foundations, such as the insurance core principles (ICPs) and the ICS for IAIGs. We also have in place a holistic framework for assessing systemic risk implications of the insurance sector. Given these foundations, and in addition to them, we have a multilateral memorandum of understanding (MMOU) in place, which enables supervisors to exchange information across borders.

With these tools, we are now advancing on analysing and responding to emerging risks and trends in the global insurance sector. For example, the annual global monitoring exercise provides a forward looking approach that has led us to the early detection of several sector themes, including artificial intelligence (AI), structural shifts in the life insurance sector, climate change, and geoeconomic fragmentation. These outcomes are reported publicly in the form of our global insurance market report and shared with the FSB.

Collaboration with other policymakers and standard-setting bodies is more important than ever, particularly with respect to the issue of natural catastrophe (NatCat) protection gaps. The IAIS takes the lead in ensuring that the topic remains firmly on the international policy agenda, such as at the G20 or the G7. Last year, we provided a joint input paper with the World Bank to the G20, outlining key steps for supervisors to take and the practical actions to be taken. I will stop here. Thank you very much.

### David Wright

Thank you very much, Toshi. That was very interesting and encouraging. Mark, can you keep us in a good frame of mind here? Are you seeing good cooperation being extended in the securities area?

### Mark Uyeda

I think we have, David. The challenge that the United States has always had, especially when we deal with our counterparts around the world, is that we have domestic fragmentation within the United States. For instance, in the capital markets, not only do you have my agency, the SEC, but you have the Commodity Futures Trading Commission. Then we have multiple banking regulators, whether it is the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National

Credit Union Administration, the Board of Governors or the Federal Reserve.

Regardless of who is the president, it has always been a challenge dealing with US regulators, but what I am pleased to say is that we have done, under our current secretary of the treasury, Scott Bessent, a terrific job of coordinating all of our policy responses. One of the things that we at the SEC are doing is working very closely, for instance, with vice chair Miki Bowman at the Federal Reserve on multilateral engagement at the FSB, so there is a consistent voice across financial regulation by the US.

In our particular space, the capital markets, one of the things that we have done is to work for enforcement and supervisory cooperation. One of the tools that IOSCO has is the MMOU, and then we have an enhanced version of that as well. We find it one of the most important tools that we have to coordinate across the globe, since a lot of activity spans multiple countries and continents.

On policy matters, it is also very important that we continue to engage with our counterparts, on both a bilateral and a multilateral basis. One of the things that we did in the United States was to provide additional transparency in the trading activities of corporate directors and officers. We previously carved out foreign companies that were listed in the United States, but our Congress changed the law to now require all companies in the US to provide this information.

One of the things that we did is we used our ability to exempt a lot of jurisdictions, including the entire European Economic Area (EEA) and Switzerland, because we found that their corporate disclosure regime for insiders was comparable to the United States, and so we did that to a number of other countries around the world, including Chile and South Korea. It is very important that we continue engagement on both fronts – the policymaking and the enforcement side.

### David Wright

Thank you very much, Mark. These are encouraging, big issues here to work together on. Jean-Paul, you are right at the heart of global coordination at IOSCO. Are you seeing business as usual or is it getting a little bit more difficult?

### Jean-Paul Servais

Thanks for your question, David.

I do not have to say to a former and outstanding secretary general of IOSCO that IOSCO is the global standard-setter for financial markets. We act as a bridge

builder by providing global solutions to global challenges to financial markets, so I am pleased to be here for this discussion.

This means that our role is to be helpful to all of our 131 members, including the Japan FSA and the US SEC, with their distinguished representatives that you rightfully invited to the Eurofi conference. In the other direction, the FSA and the US SEC are very important in order to help us for the quality of our workstreams, so it is a win-win approach.

Over the past 2 decades, the financial sector has gone through fundamental shifts. One of these fundamental shifts is the internationalisation of the financial sector in areas such as crypto assets, DeFi, AI, corporate disclosure, and the rise of NBFIs including private finance.

These developments present opportunities and risks that are relevant to our objectives and that are inherently cross-border. The role of IOSCO is, therefore, to bring our members to the table to build a collective view on these challenges, with an open mind to seek consensus. We aim to ensure that financial innovations are met with proportionate and high-quality responses, and flexibility in their use in member jurisdictions.

We do not have any political legitimacy, but the best way to avoid fragmentation is to do what we are doing at IOSCO – high-level, principle-based, and non-binding, and then up to jurisdictions to use that if they think that it can be useful. It means, in other words, David, that all resources are dedicated to deliver progress on a balanced mix of objectives composed of vulnerability assessments, policy development in the general interest and, of course, promotion of the implementation of standards. Amongst others, this is accompanied by a capacity-building programme that is available to our members from both developed and from growth and emerging markets.

Let me highlight four areas of focus that bring value to our members.

First, as already stressed by Mark, we enable international cooperation between market supervisors in their enforcement actions. As you know, our Multilateral Memorandum of Understanding (MMOU) is working better than ever before. Last year, we enabled over 6,000 exchanges of information amongst our members. 20 years ago, we started, as you know David, with 50 requests for information per year. It demonstrates that it works.

Second, we develop policies. To give you some examples, we recently published recommendations and policy tools for the regulation of crypto and digital assets,

influencers, neobrokers, pre-hedging, liquidity management, anti-dilution tools of collective investment schemes, and many more. We are also working on AI, in particular looking at how firms are using it, setting own governance rules and disclosing their use of AI.

The third aspect is on market monitoring and vulnerabilities assessment. We are also keeping a close eye on market developments around tokenisation and private finance. We are doing that via our Financial Stability Engagement Group (FSEG), through which we liaise with the FSB.

As an example, the very first international report on private funds was published in 2023, by IOSCO. To some extent, that is the foundational work that the International Monetary Fund (IMF) and now the FSB are building on. One of the key aspects relates to the valuation of collective investment schemes. We are, therefore, finalising the review of our longstanding valuation principles. The revisions are meant to reflect the growing importance of funds holding less liquid and illiquid assets, including private assets, as well as increased retained investments in such funds. We aim to publish a final report this year, in 2026.

Finally, on the implementation of our standards. We are supporting our members like never before through monitoring and assessment exercises, peer learning and dedicated capacity-building and training. We trained more than 3,700 colleagues from our members.

To conclude, I will say that, from my perspective, IOSCO is quite successful in providing multilateral solutions to the benefit of all our members.

### David Wright

Thank you very much, Jean-Paul, and to all of you. It is encouraging to feel that the level of coordination, despite all that is going on in the world, is still very positive and forthcoming. Toshi, take us now into the future and give us one or two thoughts, briefly, on what your priorities are looking forward over the next years.

### Toshiyuki Miyoshi

Thank you, David. In the current environment of rapid changes in the digitalisation themes and the rising emerging risks, being alert to the risks and trends is critical for insurance supervisors. One area that we are paying particular attention to is the monitoring of structural shifts in the life insurance sector, as I said earlier, because it is driven by increasing allocation to alternative assets and the rising adoption of asset-incentive reinsurance agreements. While these

developments may present opportunities such as diversification, higher potential returns and better risk-pooling, they also could pose insurance risks such as risk concentration, leading to financial instability because of concentration, and possible regulatory arbitrage.

Building on the issues paper that the IAIS published in November last year, the association plans to enhance data collection and explore in-depth systemic risk analysis of the impact of these kinds of phenomena. We also review our supervisory material to ensure that they remain relevant and effective in addressing emerging risks and challenges posed by these structural shifts.

Second is consistent implementation of our standards and principles. Particular emphasis is placed on assessing implementation of our framework for the supervision of IAIGs following the adoption of the insurance capital standards in 2024, starting with self-assessment, which will be followed by in-depth and jurisdictional assessment by the IAIS, perhaps from 2027.

Third, we will continue to support our members in enhancing supervisory practices, particularly with regard to addressing the NatCat protection gaps, by collaborating with the World Bank to develop practical tools for supervisors. Adopting digital innovation continues to be a key priority. We have significantly increased our focus on operational resilience in that respect due to rising cyber risks, accelerated digital innovation, and increasing reliance on third parties. Not only in the insurance sector, but there is a general understanding among supervisors about the need to ensure that supervised firms prioritise robust operational resilience practices. This is, of course, important in the context of current geopolitical tensions and geoeconomic fragmentation.

Finally, as Jean-Paul mentioned in the context of IOSCO, IAIS has a broad-based membership, and one of the important priorities for IAIS is to help members, particularly from emerging markets and developing economies in terms of enhancing their capacity for them to address emerging risks from the insurance sector. I will stop here. Thank you.

### David Wright

Thank you so much, Toshi. Mark, from the perspective of the SEC, what are the priorities that you see going forward, briefly, if you can?

### Mark Uyeda

An important priority is regulatory modernisation, both here in the US domestically, but also at the global level.

It is hard to believe, but the global financial crisis started 18 years ago. We had a lot of new rules and standards that were put in place in very short order in the years after, and so it is now appropriate for us to take a look and determine whether or not they are achieving the outcomes that we had hoped for, what the unanticipated effects are and, more importantly, where there are potentially highly costly and burdensome regulations that, it turns out, are not providing the level of benefits and protection that we had anticipated. We are very supportive of what the FSB is doing under Fed vice chair Miki Bowman. This is also a priority for the US during this year while we have the presidency of the G20. Those are things that we are looking for.

What we will also be doing domestically is thinking about how to make the capital markets more attractive for companies to go public. We have about half the number of companies that are public than we did 30 years ago, and then also on crypto and digital assets. That is going to be a very important part of our agenda over the next year or two.

### David Wright

Thank you so much, Mark. I am sure that your priorities will affect global priorities as well. Jean Paul, we have five minutes, and no more. Tell us how you look forward. You mentioned some of the issues. AI comes to mind, as do 24-hour trading and tokenisation. Those are among your priorities going forward, as well as developing the MMOU.

### Jean-Paul Servais

Let me try to give a summary of all our priorities that have just been published on the IOSCO website. First, it is important to keep in mind that it is a shared responsibility to find solutions where they can be found at the respective levels. It was already stressed by Toshi as Chair of the IAIS, but also the link with the FSB and the modernisation agenda that was raised by Mark.

Yes, multilateralism is being tested, but the cohesive spirit that characterises IOSCO is unabated. This mutual sentiment of trust is what enables us to press ahead. The market events in past years and more recently have not shaken financial stability, and they have not shaken market trust. Precisely our role as securities regulators is to ensure that investors have smooth access to markets, with fair access to information, and that markets operate resiliently and with integrity, while mitigating systemic risk.

At the same time, the financial system itself is transforming. This comes with new and complex

challenges. There is a role for IOSCO to keep monitoring ongoing trends, particularly those arising from technological breakthroughs like tokenisation, AI or quantum computing. All these trends underscore the importance of openness and innovation. These trends underscore the importance of modernising our regulatory frameworks to ensure adequacy with the new realities of the markets. These trends also underscore the importance of focusing our energy and resources where they are most useful to our members.

One of the key elements is that markets need to thrive stability. We must remember that financial stability remains the essential precondition and collective good that markets need to tap into these opportunities and contribute to economic growth.

Beyond policy, we have also launched an internal SupTech forum to support our members with the use of technology for supervising purposes, to learn from each other and to keep enhancing our respective supervisory capabilities with the help of technology.

We are also educating investors about AI with a TechSprint initiative. Yes, AI offers extraordinary opportunities to foster financial inclusion and investor understanding, and to improve the quality of services for investors. But AI also introduces new vulnerabilities like sophisticated fraud, deepfakes and misinformation that can erode confidence and harm consumers. The objective at the end of the day is to identify how we can help retail investors identify and avoid AI-enabled fraud and scams. That is what we are trying to achieve together, working hand in hand with Toshi, Mark and many more at IOSCO.

### **David Wright**

Thank you all very much. I am conscious that we need more time to discuss these issues, and we will try to arrange that for our next meeting, in Dublin. We hope you will all be with us. It has been a very interesting discussion, with very interesting forward pointers, and it is very encouraging that, in spite of everything, we are managing to work together as much as possible and, indeed, work with emerging market countries as much as possible. I thank you all. I am going to have to log off right away; otherwise, I shall be in serious trouble. More important is that Toshi can get some rest in Tokyo. Thank you all very much, and I look forward to seeing you all in Dublin, if not before. Thank you.