

**1.1.5 OSC Staff Notice 11-744 IOSCO and International Joint Forum Publish Final Recommendations about Outsourcing of Financial Services**

**OSC STAFF NOTICE 11-744**

**IOSCO AND INTERNATIONAL JOINT FORUM PUBLISH FINAL RECOMMENDATIONS ABOUT OUTSOURCING OF FINANCIAL SERVICES**

**Background**

On August 2, 2004, Standing Committee 3 (SC3) of the Technical Committee of the International Organization of Securities Commissions (IOSCO) and the International Joint Forum (IJF) coordinated the simultaneous release for public comment of two consultation reports relating to the outsourcing of financial services.<sup>1</sup> SC3's Consultation Report, *Principles on Outsourcing of Financial Services for Market Intermediaries*, focused specifically on outsourcing by securities firms. The IJF's Consultation Report, *Outsourcing in Financial Services*, proposed high-level, cross-sectoral principles that would apply collectively to the banking, insurance and securities sectors.

Staff Notice 11-735 about these Consultation Reports was published in the OSC Bulletin on August 13, 2004. Both Consultation Reports were posted on IOSCO's website at [www.iosco.org](http://www.iosco.org) (Public Documents 171 and 172, respectively) and the Commission's website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca) (International Affairs – Current Consultations). The comment period closed on September 20, 2004.

To supplement the information received during the consultation process, SC3 surveyed industry participants to collect information about existing outsourcing practices in the securities industry. SC3 also continued to work closely with the IJF after the consultation period closed to ensure that each group's final recommendations were consistent with each other.

**IOSCO and IJF Finalize Recommendations**

On February 15, 2005, IOSCO and the IJF simultaneously published final reports. These reports, together with news releases issued by IOSCO and the IJF, have been posted on IOSCO's website at [www.iosco.org](http://www.iosco.org) (Public Documents 187 and 184, respectively) and the OSC's website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca) (International Affairs – Current Consultations - Recently Completed Consultations).

Both the IJF and IOSCO have also indicated how they addressed comments made during the Consultation Period. IOSCO included a summary of the comments it received and its response to those comments in its *Notice of Final Report, Survey and Summary of Comments*. It also published its *Survey Results on Outsourcing of Financial Services*. Both of these documents have been posted on IOSCO's website (Public Documents 186 and 185, respectively) and on the OSC's website (International Affairs – Current Consultations – Recently Completed Consultations). The IJF included a discussion of how it addressed certain issues raised by commenters in Section 8 (Issues in Approaching the Principles) of its final report.

Questions about IOSCO's publications on outsourcing may be referred to:

Randee Pavalow  
Director, Capital Markets  
Ontario Securities Commission  
(416) 593-8257  
[rpavalow@osc.gov.on.ca](mailto:rpavalow@osc.gov.on.ca)

Antoinette Leung  
Senior Accountant  
Market Regulation, Capital Markets  
Ontario Securities Commission  
(416) 595-8901  
[aleung@osc.gov.on.ca](mailto:aleung@osc.gov.on.ca)

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<sup>1</sup> The Commission is a member of IOSCO and its Technical Committee, and it chairs Standing Committee 3. It is also a member of the IJF, which brings together regulators from the banking, insurance and securities sectors to address cross-sectoral issues. More information about IOSCO, the IJF and the Commission's participation in these organizations can be found on the Commission's website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca) (International Affairs – Who's Who).

Questions about the IJF's publications on outsourcing may be referred to:

Janet Holmes  
Manager, International Affairs  
Ontario Securities Commission  
(416) 593 8282  
jholmes@osc.gov.on.ca

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