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For Immediate Release

PRESS RELEASE

The Technical Committee of the International Organization of Securities Commissions today issued statements of principles to guide securities regulators in dealing with three critical areas necessary for investor confidence in securities markets. The principles describe essential features of regulatory systems requiring transparency and disclosure by listed entities; the independence of external auditors; and the need for public oversight of the audit function.

In announcing publication of these three important principles, the Technical Committee Chairman, Mr. David Knott, stated that "Investor confidence is fundamental to the successful operation of the world's financial markets. That confidence depends on investors having credible and reliable financial information when making decisions about capital allocation".

The approval of these key principles at the international level constitutes a specific response to some of the securities regulatory issues highlighted by the bankruptcy of Enron and other high-profile business failures around the world.

Information should be disclosed on a timely basis - whether in connection with an initial public offering or listing - periodically or continuously, and in a form or manner either prescribed by accounting standards, regulations, listing rules or law, together with the information that is provided by the management under the principles of fair presentation. The Technical Committee has therefore developed a set of complementary disclosure principles to the International Disclosures Standards adopted by the Organization in September 1998.

Independent audits and effective oversight of the accounting profession are critical to the reliability and integrity of the financial reporting process.

The Technical Committee recognizes that, while regulations on auditor independence exist in many individual jurisdictions, these regulations may differ in approach, scope, terminology and substance. Accordingly, it has set forth principles relating to external auditor independence and the role played by the governance structure of an entity in monitoring and safeguarding the independence of its external auditor. The Technical Committee has also developed a list of general principles for oversight of audit firms and auditors, which audit financial statements of companies whose securities are publicly traded in the capital markets. Auditors should be subject to oversight by an independent body that acts and is perceived to act in the public interest.

IOSCO is a world-wide forum for securities regulators that promotes cooperation and high standards of regulation in order to maintain fair, efficient and sound markets. IOSCO currently regroups 171 members from more than 100 jurisdictions.

A copy of the following three papers can be downloaded from the IOSCO Internet Home Page (www.iosco.org) or obtained from the IOSCO General Secretariat:

1. *[Principles for Ongoing Disclosure and Material Development Reporting by Listed Entities](#)*;
2. *[Principles of Auditor Independence and the Role of Corporate Governance in Monitoring an Auditor's Independence](#)*;
3. *[Principles for Auditor Oversight](#)*.

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