



# Recommendation of the Council on International Security Issues

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## **Date(s)**

Adopted on 14/03/1972  
Abrogated on 12/07/2017

## **THE COUNCIL,**

**HAVING REGARD** to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

**HAVING REGARD** to the Resolution of the Council of 26 January 1965 concerning the Improvement of Capital Markets of Member States [C/M(65)2(Final), Item 19];

**HAVING REGARD** to the terms of reference of the Committee on Financial Markets and, in particular, paragraph 4 of the Resolution of the Council of 17 November 1969 as amended [C(69)131(Final), C(71)28(Final)], which invites the Committee to report to the Council on its work and propose to it, as necessary, recommendations on questions concerning financial markets;

**HAVING REGARD** to the Report by the Committee on Financial Markets of 29 November 1971 concerning the Market for International Issues [C(71)176 and Corrigendum 1];

**CONSIDERING** that the above-mentioned Report interprets and specifies the scope of the present Recommendation, in particular in its paragraphs 17, 26 and 31;

**CONSIDERING** that the market for international issues, existing side by side with the traditional foreign issues on domestic markets, constitutes a useful vehicle for the collection and redistribution of financial resources among countries in the form of investment in securities;

**CONSIDERING** that the efficient functioning of that market implies, in particular, the freest possible participation by borrowers and lenders, active competition between the intermediaries involved in its operation, and technical improvements designed to ensure, in particular, the protection and information of investors;

**I. RECOMMENDS** that Member Governments should endeavour, individually or in concert, to remove obstacles which can limit the buying of the securities in question by their residents or impede participation by their banks and other financial institutions in issuing syndicates and selling groups, so far as the state of their balance of payments and the orderly functioning of their domestic capital markets permit, and without prejudice to the rights conferred on them by the Code of Liberalisation of Capital Movements.

**II. NOTES** the objections of certain Member countries to the use of their currencies for international issues which do not have a direct connection with their economies and invites Governments to do all in their power to ensure that the currencies of such Member countries are not used contrary to their wishes.

**III. INSTRUCTS** the Committee on Financial Markets:

1. To follow up the trend of the international securities market by appropriate means;
2. To review the implementation of the Recommendation and to report to the Council on these matters as necessary;
3. To ascertain whether there are rules in existence providing adequate protection and information for investors in international securities, and what scope exists for making any improvements which might appear desirable;
4. To study, in collaboration with qualified representatives of the market, the possibility of obtaining periodic statistics on the activities of the international securities market, notably concerning the geographical distribution of investments at the level of issuing syndicates and turnover in secondary markets.

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