

MEDIA RELEASE



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores

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Montreal, 8 June 2010

Six further jurisdictions to join IOSCO's fight against cross border securities market misconduct

The International Organization of Securities Commissions (IOSCO) has today announced that six further securities regulatory authorities have been invited to become full signatories of the IOSCO Multilateral Memorandum of Understanding concerning Consultation, Cooperation and the Exchange of Information (MMoU).

This follows the acceptance of the current IOSCO members from South Korea and Uruguay as full signatories to Appendix A of the MMoU. These members were listed on Appendix B of the MMoU having previously being assessed as needing to make changes to their legal systems to allow them to comply with the requirements of the MMoU. Recent assessments found that they had both made the necessary changes to address the previously identified gaps in their powers.

Additionally, the securities regulators from Iceland, the Republic of the Maldives, the Kingdom of Saudi Arabia and Syria have been assessed, following rigorous expert reviews, as meeting the cooperation and enforcement requirements needed to become full signatories to Appendix A of the MMoU. Their accession is pending approval of their applications for IOSCO membership on Wednesday 9 June.

Jane Diplock, Chairman of the Executive Committee, said:

“It is a great privilege to announce that IOSCO has further increased the number of jurisdictions who meet the accepted international standard for securities enforcement

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cooperation as set out in the IOSCO MMoU. This is further proof of IOSCO’s members’, and their governments, commitment to protecting investors and the integrity of global capital markets from the risks posed by cross-border market misconduct. The expansion of the network of signatories will help to reduce the ability of offenders to evade detection where activities take place across different jurisdictions.”

Kathleen Casey, Chairman of IOSCO’s Technical Committee, said:

“IOSCO members’ promotion of cooperation and information exchange is a clear example of securities regulators’ commitment to the integrity of the global marketplace and gives further support to the G-20s’ aim of promoting information sharing and international standards with respect to policing and sanctioning market misconduct.”

Guillermo Larrain, Chairman of IOSCO’s Emerging Markets Committee, said:

“I am particularly pleased to see two members of the Emerging Markets Committee moving to Appendix A having gone through the process of amending their legal framework in order to meet the high standards required by the MMoU. This action by emerging markets regulators demonstrates their commitment to improving investor protection which also increases the attractiveness of their markets to inward investment.”

The number of jurisdictions which have been accepted as signatories to the MMoU now stands at 67, and will increase to with a further 43 jurisdictions which have been through the full verification process and are now expected to work to remove the impediments to full Appendix A signatory status. These full MMoU signatories can now request and share confidential information in the pursuit of cross-border securities offences.

Multilateral Memorandum of Understanding

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The MMOU provides a mechanism through which securities regulators share with each other essential investigative material, such as beneficial ownership information, and securities and derivatives transaction records, including bank and brokerage records. It sets out specific requirements for the exchange of information, ensuring that no domestic banking secrecy, blocking laws or regulations prevent the provision of securities enforcement information amongst securities regulators.

Appendix A – New Signatory:

- **Financial Services Commission/Financial Supervisory Service (FSC/FSS), Republic of Korea**
- **Banco Central del Uruguay**

Appendix A – New Signatory pending membership approval

- **Financial Supervisory Authority, Iceland**
- **Capital Market Development Authority, Republic of the Maldives**
- **Capital Market Authority, Kingdom of Saudi Arabia**
- **Syrian Commission for Financial Markets and Securities**

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NOTES FOR EDITORS

1. The list of IOSCO members from jurisdictions which are full signatories (Appendix A) and of those who have committed to removing identified impediments to becoming full signatories (Appendix B) is available on IOSCO's [website](#).
2. The text of the MMoU is available on IOSCO's [website](#).
3. IOSCO is recognized as the leading international policy forum for securities regulators. The organization's wide membership regulates more than 95% of the world's securities markets and IOSCO is the world's most important international cooperative forum for securities regulatory agencies. IOSCO members regulate more than one hundred jurisdictions and the Organization's membership is steadily growing.
4. Ms. Jane Diplock, Chairman of the New Zealand Securities Commission, is the Chairperson of the Executive Committee;

Ms. Kathleen Casey, Commissioner of the US Securities and Exchange Commission, is the Chairman of the Technical Committee; and

Mr. Guillermo Larrain, Chairman of the Superintendencia de Valores y Seguros of Chile, is Chairman of the Emerging Markets Committee.

5. The Executive Committee is the body elected by the membership of IOSCO which takes all decisions and actions, subject to the By-Laws of IOSCO, necessary to achieve the objectives of the organization. The Executive Committee is presently composed of the following 19 members: the Chairmen of the Technical and Emerging Markets Committees, the Chairmen of each Regional Committee, 1 ordinary member elected by each Regional Committee from among the ordinary members of that region, and 9 ordinary members elected by the Presidents' Committee.
6. The Technical Committee, a specialised working group established by IOSCO's Executive Committee, is made up of fifteen agencies that regulate some of the world's larger, more developed and internationalized markets. Its objective is to review major regulatory issues related to international securities and futures transactions and to coordinate practical responses to these concerns. The members of the Technical Committee are Australia, France, Germany, Hong Kong, Italy, Japan, Mexico, the Netherlands, Ontario, Quebec, Spain, Switzerland, United Kingdom and the United States.
7. The Emerging Markets Committee is a specialised working group established by IOSCO's Executive Committee, representing the world's emerging financial markets. It endeavours to promote the development and improvement of efficiency of emerging securities and futures markets

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by establishing principles and minimum standards, preparing training programs for the staff of members and facilitating exchange of information and transfer of technology and expertise.

8. IOSCO aims through its permanent structures:

- to cooperate together to promote high standards of regulation in order to maintain just, efficient and sound markets;
- to exchange information on their respective experiences in order to promote the development of domestic markets;
- to unite their efforts to establish standards and an effective surveillance of international securities transactions;
- to provide mutual assistance to promote the integrity of the markets by a rigorous application of the standards and by effective enforcement against offenses.

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