

**Presidents Committee
of the
International Organization of Securities Commissions
Resolution on IOSCO Multilateral Memorandum of Understanding
Concerning Consultation and Cooperation and the Exchange of Information**

CONSIDERING that in May 2002 the Presidents Committee endorsed the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (hereafter “the IOSCO MMoU”) and its related appendices and encouraged IOSCO member regulators to take the necessary steps to become signatories;

CONSIDERING that IOSCO Principles on Enforcement and Cooperation, the related sections of the IOSCO Methodology and Enforcement Resolutions are encapsulated in the benchmark articulated in the IOSCO MMoU;

CONSIDERING that in 2005 the Presidents Committee confirmed the IOSCO Principles on Cooperation, the related sections of the Methodology and Enforcement Resolutions, as interpreted and applied by the IOSCO MMoU, as the international benchmark for enforcement-related cooperation and exchange of information;

Considering that in 2005 the Presidents Committee asked applicants for ordinary membership in IOSCO and applicants for associate membership with primary responsibility for securities regulation in their jurisdictions, to apply to become signatories to the IOSCO MMoU and to sign it as a condition of membership;

CONSIDERING that in 2010 Presidents Committee resolved:

To pursue full implementation of the IOSCO MMoU by asking all IOSCO ordinary members and associate members, with primary responsibility for securities regulation in their jurisdictions to become signatories to the IOSCO MMoU:

- With regard to non-applicant members of IOSCO:
 - The Executive Committee was asked to intensify efforts to provide technical assistance to the non-applicants to encourage them to apply as well as to comply with the requirements; and
 - The Executive Committee was asked to create a *watch list* of non-applicant members which should be maintained and disclosed in the public area of the IOSCO website.
- With regard to Appendix B members:
 - All such members were asked to apply to become full signatories to the IOSCO MMoU by 1 January 2013;
 - The Executive Committee was asked to ensure that a program of technical assistance and advice is made available to such members to make the changes necessary to become signatories to the IOSCO MMoU; and
 - The Executive Committee was asked to create a *watch list* after 1 January 2013 for members who fail to make an application to advance to Appendix A of the IOSCO MMoU.
- With regard to building on the IOSCO MMoU after 1 January 2013, the Executive Committee was asked to consider if a further standard beyond the existing IOSCO MMoU should be developed, taking into account developments in markets and supervisory and enforcement practices.

CONSIDERING that 82 members of IOSCO have now become signatories to the IOSCO MMoU, with 40 members still remaining non-signatories, efforts to build a strong international network of cooperation and

exchange of information through the IOSCO MMoU are progressing and the IOSCO MMoU has already proved to be a very effective tool to combat cross-border financial crime;

CONSIDERING that IOSCO, as an international organization, achieves its objectives by fostering consensus and providing assistance to its members;

CONSIDERING that the transitional IOSCO Board that will be set up at the Annual Conference in Beijing in May 2012 has been asked by the Presidents Committee¹ to recommend the constitution of the IOSCO Board to the Presidents Committee as anticipated for 2014:

RECOGNIZING that the Executive Committee has set-up the IOSCO MMoU Assistance Program to help members complete the application and screening processes and, wherever necessary, thereafter remove any identified impediments preventing them from joining the IOSCO MMoU network of signatories;

RECOGNIZING that there is a need to increase the related assistance provided to IOSCO members;

RECOGNIZING the strategic goal to maintain and improve the international regulatory framework for securities markets via the setting of international standards, especially through supporting the development of the enforcement and surveillance framework;

IT IS AGREED:

In order to reach full implementation of the IOSCO MMoU, all IOSCO non-signatory ordinary and associate members with primary responsibility for securities regulation in their jurisdictions are requested to intensify their efforts throughout 2012 to become signatories to the IOSCO MMoU by the agreed date of 1 January 2013. To facilitate the best possible outcome:

- **The IOSCO transitional Board will ensure that a comprehensive program of technical assistance and political support is made available to non-signatory members to enable them to make the changes necessary to become signatories to the IOSCO MMoU.**
- **The IOSCO transitional Board is requested to closely monitor progress towards complying with the 1 January 2013 deadline and, following the 2010 Resolution of the Presidents Committee, disclose on a *watch list* on the IOSCO website from 1 January 2013 those members who have not become MMoU signatories.**
- **After the 1 January 2013 deadline, the transitional IOSCO Board is requested at its first meeting thereafter to evaluate the overall situation and, if necessary, propose to the Presidents Committee graduated additional measures to encourage those members who have failed to become MMoU signatories. In the longer term, taking into account that all future Members of IOSCO must be signatories of the MMoU to qualify for membership, the transitional Board may want to propose to the Presidents Committee that an appropriate response for members who are not MMoU signatories could be, *inter alia*, to limit those members` opportunities to influence key IOSCO decisions.**
- **From 1 January 2013, IOSCO calls on its members to take into account, when exercising their responsibilities, the more limited enforcement co-operation that regulators who are non-signatories to the MMoU are able to provide.**

¹ The related Resolution for the constitution of the transitional IOSCO Board is at <http://www.iosco.org/library/resolutions/pdf/IOSCORES29.pdf>