



Final Communiqué of the XXVIIIth Annual Conference of the International Organization of Securities Commissions

The world's securities and futures regulators and other members of the international financial community met in Seoul, South Korea, from 14 to 17 October 2003, on the occasion of the XXVIIIth Annual Conference of the International Organization of Securities Commissions (IOSCO). The Financial Supervisory Commission/Financial Supervisory Service of South Korea hosted this year's Conference and warmly welcomed approximately 500 participants from close to 100 jurisdictions.

The theme of this year's conference was "New Challenges for Securities Markets and Regulators." This theme was chosen in recognition that recent high profile corporate failures and other world events have raised important regulatory challenges that securities regulators must address. Maintaining the integrity of international capital markets is a crucial part of securities regulators' core mission: the protection of investors. Recent events have demonstrated that the integrity of capital markets depends critically on the quality of financial disclosures made by issuers of securities and others and on the appropriate resolution of conflicts of interests faced by securities professionals. Additionally, maintaining the integrity of capital markets requires that securities regulators, working together with other authorities, prevent the use of international capital markets for money laundering, terrorist financing, and other forms of international financial crime. Stringent international regulatory standards and efficient cooperation and information sharing mechanisms are essential tools to meet those key objectives internationally. IOSCO is committed to facilitating a dialogue among national securities commissions that will assist them in responding to the issues raised by these events and in fashioning robust regulatory regimes.

The Conference was officially opened by Jungjae Lee, Chairman of the Financial Supervisory Commission and Governor of the Financial Supervisory Service of South Korea. In his remarks, Mr. Lee noted that: "With fast expanding globalization, the responsibility for safeguarding transparency and fairness in the global financial market should no longer be limited to a few countries. All IOSCO member regulators have to work together as we endeavor to restore market confidence."

Professor Fernando Teixeira Dos Santos, the Chairman of the IOSCO Executive Committee, noted in his remarks regarding regulatory cooperation that: "Building a cross-border supervisory framework that allows for the sustained growth of business worldwide is a virtuous crescendo between investor confidence and robust markets."

In discussing IOSCO's recent work, Mr. David Knott, Chairman of the IOSCO Technical Committee, noted that: "Major projects have been completed through the intensive collaboration of our membership, including active participation of member's Chairmen. This level of commitment and the quality of the resulting papers has been well noted by the Financial Stability Forum, by Governments, and by our peer group international regulators."

Dr. Dogan Cansizlar, the Chairman of the IOSCO Emerging Markets Committee, noted in his remarks regarding the challenges facing securities markets that: "One of the most important challenges for developing markets is to create a culture of public ownership through intensive investor education programs. In this regard, I believe training programs within IOSCO will provide great support in addressing this problem."

A number of important initiatives and accomplishments were announced at the Conference:

IOSCO Adopts Instrument to Enhance Securities Regulation Worldwide

IOSCO announced adoption of a new instrument to assist its members in the development of more effective securities regulations. The *IOSCO Methodology for Assessing Implementation of the IOSCO Objectives and Principles of Securities Regulation* will assist jurisdictions in identifying areas where their securities regulations do not meet the international standards set out in the IOSCO Principles, in categorizing any failures in implementation by degree of severity, in identifying areas for priority action, and in developing action plans to seek any necessary reforms.

For further information, see the Press Release dated 16 October 2003 on the IOSCO internet website.¹

IOSCO Strengthens International Cooperation to Fight Illegal Securities and Derivatives Activities

IOSCO announced that it has taken major steps forward to enhance international cooperation among securities regulators. In May 2002, IOSCO adopted the *IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information* (IOSCO MOU). The IOSCO MOU is the first multilateral arrangement of its kind among financial services regulators, setting forth a new international benchmark for cooperation. IOSCO members have made great strides in improving their ability to cooperate through the IOSCO MOU. Forty (40) of IOSCO's members have applied to undergo the rigorous screening review process to become signatories of the IOSCO MOU. Additionally, twenty-four (24) of its members have completed that process and have signed the IOSCO MOU. A list of these members is attached.

For further information, see the Press Release dated 16 October 2003 on the IOSCO internet website.²

IOSCO welcomed the Financial Action Task Force's recent adoption of its newly revised *Forty Recommendations*³ to combat money laundering, which will greatly assist jurisdictions internationally in fashioning appropriate regulations to prevent the use of the securities sector for purposes of money laundering.

IOSCO also joined with the Basel Committee of Banking Supervisors and the International Association of Insurance Supervisors, under the auspices of the Joint Forum, in the issuance of a joint note on *Initiatives by the BCBS, IAIS and IOSCO to combat money laundering and the financing of terrorism* (June 2003),⁴ which describes ongoing initiatives undertaken in the three principal financial sectors regarding money laundering and terrorist financing.

The Technical Committee currently has two related, ongoing projects, one regarding the development of guidance/standards relating to procedures for the identification of clients and beneficial owners by securities professionals generally and another regarding the aspects of such requirements in the asset management industry.

IOSCO, through its Technical Committee, is committed to continuing its close cooperation with the FATF and other international authorities in the fight against money laundering, terrorist financing, and other forms of international financial crime.

¹ www.iosco.org

² www.iosco.org

³ Available on the FATF's website at http://www.fatf-gafi.org/pdf/40Recs-2003_en.pdf.

⁴ IOSCO Public Document No. 146, available in the Library section of the IOSCO website.

Securities Analyst Conflicts of Interest and the Activities of Credit Rating Agencies

In September 2003, the Technical Committee issued a Statement of Principles to guide securities regulators and others in addressing the conflicts of interest securities analysts may face.⁵ The Statement sets out high-level objectives that the Technical Committee believes form the basis for a robust, comprehensive regulatory structure for identifying problematic practices regarding securities analysts, and either eliminating these practices or mitigating the effects these practices may have on market integrity. Alongside the Statement of Principles, the Technical Committee also published an accompanying *Report on Analyst Conflicts of Interest* (September 2003).⁶

To address issues relating to the role of credit rating agencies in financial markets, the Technical Committee recently issued a *Statement of Principles Regarding the Activities of Credit Rating Agencies* (September 2003).⁷ Given the influence the opinions of CRAs can have on securities markets, the activities of CRAs are of interest to investors, lenders, issuers and securities regulators alike. In offering informed, independent analyses and opinions, CRAs contribute to achieving the objectives of securities regulation. Conversely, if CRAs cannot issue informed, independent analyses, the achievement of these objectives can be hindered. The Technical Committee believes this Statement will prove to be a valuable tool for securities regulators, ratings agencies and others wishing to improve how CRAs operate and how the opinions CRAs issue are used by market participants. Alongside the Statement of Principles, the Technical Committee also published an accompanying *Report on the activities of credit rating agencies* (September 2003).⁸

*For further information on the Statements of Principles and associated reports, see the IOSCO Press Releases dated 25 September 2003 on the IOSCO internet website.*⁹

Accounting, Auditing, and Disclosure

IOSCO and its members have long been committed to working to enhance arrangements to ensure that investors receive, on a timely basis, complete and accurate information regarding issuers that is material to their investment decisions. In this regard, IOSCO has and will continue to develop or promote statements of principles, standards, and best practices in the area of accounting, auditing and disclosure. In addition, IOSCO and its members will work closely with national and international standard-setters, oversight bodies, and regulatory organizations to improve the international financial reporting infrastructure and environment. The Technical Committee has been particularly active since its 2002 Annual Conference in all of these areas.

IOSCO endorsed at this conference two Statements of Principles adopted by the Technical Committee in October 2002 relating to (1) *Auditor Oversight*, and (2) *Auditor Independence*, which now represent international standards relating to these issues.¹⁰ It is fundamental to public confidence in the reliability of financial statements that external auditors operate, and

⁵ IOSCO Public Document No. 150, *IOSCO Statement of Principles for Addressing Sell-Side Securities Analyst Conflicts of Interest* (September 2003).

⁶ IOSCO Public Document No. 152.

⁷ IOSCO Public Document No. 151.

⁸ IOSCO Public Document No. 153.

⁹ www.iosco.org

¹⁰ IOSCO Public Document No. 132, *Principles for Auditor Oversight* (October 2002); and IOSCO Public Document No. 133, *Principles of Auditor Independence and the Role of Corporate Governance in Monitoring an Auditor's Independence* (October 2002);

are seen to operate, in an environment that supports objective decision-making on key issues having a material effect on financial statements. Standards of independence for auditors of listed entities should be designed to promote an environment in which the auditor is free of any influence, interest or relationship that might impair professional judgment or objectivity or, in the view of a reasonable investor, might impair professional judgment or objectivity. Effective oversight of the accounting profession and of independent audits also is critical to the reliability and integrity of the financial reporting process. Within a jurisdiction, auditors should be subject to oversight by a body that acts and is seen to act in the public interest.

IOSCO has taken steps to monitor the status of and to support reform initiatives relating to auditor oversight and auditor independence. In January 2003, the Technical Committee conducted an initial survey to take stock of members' initiatives to implement the IOSCO Statements of Principles. Rules, regulations and other measures implementing the principles contained in the IOSCO Statements are important to improving the quality of audits and protecting investors by providing them with accurate and timely financial information about the issuers in which they invest.

The Technical Committee has participated in the discussions that have been taking place between the International Federation of Accountants (IFAC) and the international regulatory community regarding processes for the development of international auditing standards, including the discussions on the formation of a Public Interest Oversight Board (PIOB). IOSCO strongly supports IFAC's efforts in this regard and looks forward to the completion of its deliberations on the institution of improved arrangements for the setting of international standards on audits and for the oversight, in the public interest, of the audit profession internationally. IOSCO looks forward to its role in the appointment of members to the PIOB to be organized by IFAC. The Technical Committee otherwise is continuing its efforts relating to an assessment of international standards on audits and expects to continue its interaction with the IFAC aiming at considering their endorsement.

IOSCO also endorsed at this conference the Statement of Principles on Ongoing *Disclosure and Material Development Reporting by Listed Entities*¹¹ adopted by the Technical Committee in October 2002. In addition to the role relating to disclosure played by external auditors, listed entities themselves should have an ongoing obligation to disclose all information that would be material to an investor's investment decision. As a complement to this Statement of Principles, the Technical Committee also issued a statement of *General Principles Regarding Disclosure of Management's Discussion and Analysis of Financial Condition and Results of Operations* (February 2003).¹²

The Technical Committee also is continuing its close cooperation with the International Accounting Standards Board (IASB). The Technical Committee and the IASB have developed ongoing arrangements for the Technical Committee to provide input on IASB projects as they are developed and initiated and to monitor IASB work on an ongoing basis. IOSCO welcomes the efforts of accounting standard setting bodies towards convergence of international accounting standards. Looking ahead, IOSCO encourages the IASB and national standard setters to continue to work cooperatively and expeditiously to achieve convergence in order to facilitate cross-border offerings and listings and encourages regulators to address the broader issues of consistent interpretation, application and enforcement of accounting standards.

¹¹ IOSCO Public Document No. 134, *Principles for Ongoing Disclosure and Material Development Reporting by Listed Entities* (October 2002).

¹² IOSCO Public Document No. 141.

Regulation of Secondary Markets

The IOSCO Emerging Markets Committee published a Report entitled *Insider Trading - How Jurisdictions Regulate It* (May 2003).¹³ The prevention of insider trading is critical to the operation of fair markets. The analysis of insider trading regimes in this report is intended as an aid to jurisdictions in the development and enhancement of their insider trading regulations. The report surveys the regulations prohibiting insider trading in the jurisdictions of IOSCO members and sets out guidelines for the creation or amendment of such regulations.

Following up on issues addressed in its report on *Transparency and Market Fragmentation* (November 2001),¹⁴ the Technical Committee published a *Report on Transparency of Short Selling* (June 2003).¹⁵ Short sales offer benefits to market users and can assist pricing efficiency. However, largely as a result of their capacity to add incremental weight to selling pressure, they may at times increase the risk of a disorderly market and increase the scope for market abuse. Additionally, inadequate arrangements for delivery in respect of short sales have the potential to cause settlement disruption. Short sales contain information that may be of value to both market users and regulators. Disclosure and transparency regarding short selling tends to improve understanding of market processes and build confidence in them. However, achieving appropriate transparency in the case of short selling requires careful consideration of the fact that the information message from a short sale may be ambiguous, and possibly open to various interpretations. Overall, the report encourages regulators to consider the appropriate level of transparency in this area.

The Technical Committee issued a report entitled *Indexation: Securities Indices and Index Derivatives* (February 2003).¹⁶ In this report, the Technical Committee reviews the issues raised for market regulators by the increased influence of index-related investment strategies and index-related products on the orderliness and efficiency of secondary markets and updates IOSCO's recommendations in this area.

The Technical Committee issued two reports addressing issues relating to market interruptions in November 2002: a *Report on Trading Halts and Market Closures* (November 2002)¹⁷ and a report on *Suspending Redemptions: A Case-Study from 11 September 2001 and General Principles* (November 2002).¹⁸ The first report addresses the risks associated with differing regulatory approaches to trading halts and the necessity of having efficient communication processes in place relating to trading halts regarding securities listed in multiple jurisdictions. The second report examines past events that have necessitated a trading halt and develops a set of general principles which should guide CIS operators and regulators in defining the circumstances which justify a suspension of CIS redemption rights and the manner in which those suspensions are instituted.

Regulation of Market Intermediaries

The Technical Committee issued a report on *Regulation of Intermediaries in a Cross-Border Environment* in September 2003.¹⁹ This report addresses regulatory issues relating to the increased provision of cross-border services by market intermediaries which do not have a physical presence in the jurisdiction in which the service is provided.

¹³ IOSCO Public Document No. 145.

¹⁴ IOSCO Public Document No. 124.

¹⁵ IOSCO Public Document No. 147.

¹⁶ IOSCO Public Document No. 143.

¹⁷ IOSCO Public Document No. 138.

¹⁸ IOSCO Public Document No. 135.

¹⁹ To be posted on the IOSCO website.

Collective Investment Schemes and Asset Management

To address regulatory issues arising from the increased participation of retail investors in hedge funds and fund-of-hedge-funds, the Technical Committee issued a report on *Regulatory and Investor Protection Issues Arising from the Participation by Retail Investors in (Funds-of) Hedge Funds* (February 2003).²⁰ Two guidelines were developed to address concerns in this area: hedge funds should make adequate disclosures to ensure that investors are able to know the risks associated with investing in the fund; and hedge funds that are permitted to sell products to retail investors should be managed by persons with the requisite skills and expertise to administer the fund in a manner that helps protect investors.

To address issues relating to the use of simplified prospectuses in the sale of collective investment schemes, the Technical Committee issued a report on *Investor Disclosure and Informed Decisions: Use of Simplified Prospectuses by Collective Investment Schemes* (July 2002).²¹ This report examines how CIS regulators can facilitate informed investor decision-making through prospectus simplification initiatives. Requirements for simpler prospectuses encourage CIS industry participants to pay increased attention to clearly informing CIS investors about their investments. This report explores key themes arising out of the use of simplified prospectuses and outlines the common responses to various regulatory issues.

To facilitate consideration of the risks associated with the CIS operator, the Technical Committee has produced a series of reports on investment management risk assessment: a general framework paper to identify areas that may concern the regulator in fulfilling investor protection objectives, and two reports to examine specific risk areas in more detail; to describe how members assess those risk areas; and to examine the regulatory responses relating to those risk areas.²²

To address issues relating to the responsibilities of CIS as shareholders, the Technical Committee issued a report on *Collective Investment Schemes as Shareholders: Responsibilities and Disclosure* (September 2003).²³ CIS operators are subject to general responsibilities and obligations at law governing their actions in managing CIS. A CIS operator should consider these responsibilities in deciding whether it will exercise voting and other shareholder rights attached to CIS portfolio securities. In making these decisions, CIS operators should be aware that the shareholder rights associated with securities held by a CIS, including voting rights, are important rights that belong to the CIS and should be considered and exercised in its best interests alone. CIS investors should receive summary information about the voting and other corporate governance-related policies of CIS operators.

In February 2003, the Technical Committee issued a consultation document on *Performance Presentation Standards For Collective Investment Schemes: Best Practice Standards*²⁴ to suggest best practice standards for the presentation of CIS performance in advertisements. This report follows up on the Technical Committee's earlier report on *Performance Presentation Standards for Collective Investment Schemes* (May 2002).²⁵ The Technical Committee anticipates issuing a final best practices paper on this topic in 2004.

²⁰ IOSCO Public Document No. 142.

²¹ IOSCO Public Document No. 131.

²² IOSCO Public Document No. 136, *Investment Management: Areas of Regulatory Concern and Risk Assessment Methods* (November 2002); IOSCO Public Document No. 137, *Investment Management Risk Assessment: Management Culture and Effectiveness* (November 2002); and *Investment Management Risk Assessment: Marketing and Selling Practices* (September 2003) (to be posted on the IOSCO website).

²³ To be posted on the IOSCO website.

²⁴ IOSCO Public Document No. 144.

²⁵ IOSCO Public Document No. 130.

The Technical Committee recently published a report on *Fees and commissions within the CIS and asset management sector: Summary of Answers to questionnaire* (September 2003)²⁶ summarizing the results of a survey of its members concerning management fees and other costs of asset management services, including collective investment schemes. The summary of the survey results outlines the regulatory approaches taken in member jurisdictions to the disclosure and regulatory controls on fees and commissions charged to CIS investors. It describes in detail the means of disclosure; the use of total expense ratios; any regulation controlling the types of fees that may be charged; the use of performance fees; the transparency of fees charged by funds of funds; disclosure of transaction costs; and regulatory approaches to soft commissions.

Roundtables on the Use of the Internet in Securities Related Activity

The Technical Committee hosted a series of roundtable discussions in 2002 and 2003 to consider the implications of the use of the Internet in securities related activities. Financial services regulators, consumer groups, financial services firms, and relevant information services firms, such as Internet service providers, attended. The purpose of the Roundtables was to provide regulators and the industry with an opportunity to discuss existing and emerging practices and risks to consumers and firms and the concerns of regulators that arise from the use of Internet-enabled technologies in the securities industry. IOSCO adopted at this conference a *Report on Securities Activity on the Internet III* (September 2003)²⁷ summarizing the discussions at the Roundtables.

The Joint Forum

IOSCO is pleased to have continued its collaboration with the Basel Committee on Banking Supervision (BCBS) and the International Association of Insurance Supervisors (IAIS) in the Joint Forum. The existence of large, complex financial groups, developments in the delivery of financial services that blur distinctions across financial sectors, and the development of new products used to allocate risks across sectors requires that regulators and supervisors enhance their levels of communication and cooperation, both domestically and internationally. In 2003, IOSCO was pleased to join in the issuance of two Joint Forum reports: *Trends in Risk Integration and Aggregation* (August 2003)²⁸ and *Operational Risk Transfer Across Financial Sectors* (August 2003).²⁹ IOSCO is committed to its close cooperation with the BCBS and IAIS to address issues of common concern.

Investor Education

The IOSCO Emerging Markets Committee issued a report on *Investor Education* (January 2003),³⁰ the general objective of which was to survey current investor education programs in emerging market jurisdictions and, in particular, to identify the reasons why regulators undertake investor education initiatives, their funding sources, the perceived needs of investors in terms of investment strategies and the corresponding risks involved, the methodology used to process investor complaints, and the problems resulting from cross-border offerings through the Internet. There is general agreement within IOSCO that investor education is a way of enhancing investor protection. An important concept underlying investor education efforts is the improvement of the ability of investors to make by

²⁶ To be posted on the IOSCO website.

²⁷ To be posted on the IOSCO website. See also IOSCO Public Document No. 83, *Report on securities activity on the Internet*, Technical Committee (September 1998); and IOSCO Public Document No. 120, *Report on Securities Activity on the Internet II*, Technical Committee (June 2001).

²⁸ IOSCO Public Document No. 149.

²⁹ IOSCO Public Document No. 148.

³⁰ IOSCO Public Document No. 140.

themselves informed investment decisions that suit their specific needs, thereby increasing confidence in securities markets, while improving the general performance of those markets.

IOSCO Training and Technical Assistance

IOSCO and its members conduct a wide variety of seminars and training programs throughout the year. These programs take place in all regions of the world and benefit from the participation of IOSCO members and the expertise of their staffs.

The IOSCO General Secretariat, in conjunction with the Comisión Nacional de Bancos y Seguros de Honduras, organized a regional training seminar, in Tegucigalpa, Honduras, on 25-27 June 2003. Similarly, IOSCO and the Instituto Iberoamericano de Mercados de Valores jointly will shortly be presenting the “Quinto Curso de Regulación y Supervisión de Mercados Sudamericanos de Valores” in Bolivia. The objective of these seminars is to review the requirements that must be met to adhere to the IOSCO MOU and to review the content of the new IOSCO Assessment Methodology and its possible uses by regulators.

The 2003 IOSCO Seminar Training Program, organized by the IOSCO General Secretariat, will take place in Madrid, Spain on 17-21 November 2003. This year’s program will provide training and assistance to members relating to the organization of investor education programs and the uses of the new IOSCO Assessment Methodology.

Further seminars are planned in other regions of the world, such as in Mumbai, India and Istanbul, Turkey.

Following up on its adoption of the IOSCO MOU and the new IOSCO Assessment Methodology, IOSCO will shortly be launching assistance programs to provide expert support to requesting members relating to the adoption of the IOSCO MOU and to members’ self-assessment of their compliance with the international standards set out in the IOSCO Principles.

The SRO Consultative Committee

The SRO Consultative Committee, which represents important self-regulatory organizations, reiterated its continuing commitment to working with the Technical and Emerging Markets Committees on issues of common interest and to provide input from the industry.

Public Panels at the Conference

Panel discussions were held on a variety of issues of interest to both regulators and practitioners:

Increasing Disclosure – A Key to Improving Investor Confidence

A series of high profile corporate bankruptcies and financial restatements have raised doubts about the reliability of audited financial statements of public issuers and about the transparency of their activities. Equity markets have simultaneously experienced sharp declines and an increased level of volatility. While increasing market surveillance, securities regulators have been reviewing international accounting and auditing standards as well as closely looking into the existing regulatory regimes of the accounting and auditing industry. Periodic and continuous disclosure practices are also being scrutinized, along with the transparency of short-selling and stock repurchase programs. Panelists discussed related developments from a global perspective and focused on the key measures that need to be taken to improve investor confidence.

Combating Financial Crime Globally

The visibility and depth of financial crime and market abuse have increased significantly during the past few years. The September 11, 2001 events have also raised serious issues about the use of financial markets internationally for terrorist financing. Major corporate failures have involved financial fraud. Financial crime and market abuse involving under-regulated and uncooperative jurisdictions also remain important problems. During the past 18 months regulators have launched key international initiatives to combat financial crime and market abuse. Panelists reviewed those initiatives and explored new ones.

New Stringent Avenues of Corporate Governance

Corporate governance of major securities issuers has been the object of strong criticism on the part of retail and institutional investors worldwide. Perception of excessive management remuneration, diffuse board versus CEO responsibilities, failing audit and remuneration committees have – in a context of high profile corporate failures - contributed to shareholder resentment. Panelists discussed essential elements of a new accountability regime to restore investor and shareholder confidence.

Regulating Credit Rating Agencies

The role of credit rating agencies in today's international financial environment is important. The performance of credit rating agencies, like that of financial analysts, has been the object of criticism during the past few years. Panelists discussed the current regulatory environment in which credit rating agencies operate and expressed their views about the need to modify the current regulation for credit rating agencies.

Admission of New Members

During the conference, IOSCO admitted five new ordinary members:

Brunei International Financial Center
National Banks and Securities Commission of Honduras
Stocks and Commodities Authority of the United Arab Emirates
Reserve Bank of Malawi
Securities and Exchange Commission of Mongolia

IOSCO also admitted one new associate member:

Labuan Offshore Financial Services Authority

IOSCO also admitted seven new affiliate members:

Cayman Islands Stock Exchange
Channel Islands Stock Exchange
Bahamas International Securities Exchange
Association of Capital Market Intermediary Institutions of Turkey
Amman Stock Exchange
Malta Stock Exchange
Securities Depository Center of Jordan

As a result of these new admissions, the membership of IOSCO now stands at 181.

Appointment of Interim Technical Committee Chairman

Regretfully, IOSCO announces that, due to his retirement from the Australian Securities and Investments Commission (ASIC), Mr. David Knott has resigned as Chairman of the IOSCO Technical Committee. IOSCO is pleased to announce that Mr. Andrew Sheng, Chairman of the Hong Kong Securities and Futures Commission, has been appointed Interim Chairman of the IOSCO Technical Committee to serve until the end of the next IOSCO Annual Conference to be held in May 2004.

Future Conferences

IOSCO will hold its next Annual Conference in Amman, Jordan, hosted by the Jordanian Securities Commission. IOSCO will hold its 2005 Annual Conference in Colombo, Sri Lanka, hosted by the Securities and Exchange Commission of Sri Lanka and its 2006 Annual Conference in Hong Kong, hosted by the Hong Kong Securities and Futures Commission.

For further information on IOSCO's activities, contact the IOSCO Secretary General, Mr. Philippe Richard, at 34 (91) 417-5549 or by e-mail at: mail@oicv.iosco.org.

**List of Signatories to the IOSCO Multilateral Memorandum of Understanding
Concerning Consultation and Cooperation and the Exchange Of Information
(16 October 2003)**

ALBERTA

Alberta Securities Commission

AUSTRALIA

Australian Securities and Investments Commission

BRITISH COLUMBIA

British Columbia Securities Commission

FRANCE

Commission des opérations de bourse

GERMANY

Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)

GREECE

Capital Market Commission

HONG KONG

Securities and Futures Commission

HUNGARY

Hungarian Financial Supervisory Authority

INDIA

Securities and Exchange Board of India (SEBI)

ITALY

Commissione Nazionale per le Società e la Borsa

JERSEY

Jersey Financial Services Commission

LITHUANIA

Lithuanian Securities Commission

MEXICO

Comisión Nacional Bancaria y de Valores

NEW ZEALAND

New Zealand Securities Commission

ONTARIO

Ontario Securities Commission

POLAND

Polish Securities and Exchange Commission

PORTUGAL

Comissão do Mercado de Valores Mobiliários

QUEBEC

Commission des valeurs mobilières du Québec

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SPAIN

Comisión Nacional del Mercado de Valores

SOUTH AFRICA

Financial Services Board

TURKEY

Capital Markets Board

UNITED KINGDOM

Financial Services Authority

UNITED STATES OF AMERICA

United States Securities and Exchange Commission

UNITED STATES OF AMERICA

Commodity Futures Trading Commission (CFTC)