



CONSOB

COMMISSIONE NAZIONALE
PER LE SOCIETA' E LA BORSA

Contribution to the celebration of the 20th Anniversary of the MMoU – Consob's written remarks

Consob was among the first signatories of the IOSCO MMoU 20 years ago.

Since then, Consob has been making extensive use of the MMoU in various surveillance activities and investigations where international cooperation was needed. In one particular case, during the investigations relating to the Parmalat case, known as being one of the largest corporate financial fraud in national history, given the volume of savings affected and the transnational dimension of the criminal activities concerned, the close cooperation established under the IOSCO MMoU, especially with the US SEC and the UK FCA, enabled Consob to obtain evidence supporting the challenge of Parmalat's financial statements and effective collaboration with the judicial authority. In its turn, Consob provided assistance to the US SEC in the enforcement of fraudulent offers of securities issued by the Parmalat group to US investors.

Financial activities are borderless. Where perpetrators hide behind a veil of multi-jurisdictional and complex structures and transactions are executed through a multitude of actors in globally interconnected financial markets, the ability to rely on effective cooperation with foreign authorities is a prerequisite for effective enforcement. In this regard the MMoU plays a more relevant role than when it was conceived in 2002. Not only it represents the framework on which cooperation among authorities occurs, but it also complements the initiatives undertaken by IOSCO as a global standard setter, such as in the digital finance and the sustainable finance areas.

Efforts made by IOSCO to enlarge the community of MMoU signatories played a critical role in encouraging jurisdictions to seek changes in their legislation in order to avail of the minimum enforcement and cooperation powers necessary to comply with the IOSCO standards. They have contributed to build confidence among securities regulators and preserve public trust.

After 20 years, the MMoU continues to set an international benchmark for enforcement cooperation in securities and derivatives markets, a tool capable by virtue of its inherent flexibility to remain relevant and effective in face of advances in technology and developments in markets and resulting increased complexity of investigations.

It is however vital that the MMoU is used by its about 130 signatories at its fullest capacity. Authorities are encouraged to seek further efficiencies in cooperation and ensure optimal application of the principle of the fullest assistance permissible.

We trust that IOSCO will continue to promote adherence to, and effective use of, the MMoU, with a view to furthering effective investor protection and market integrity on a global scale and supporting credible deterrence, reducing opportunities for regulatory arbitrage. We hope that

such IOSCO's efforts will be accompanied by an even greater awareness of the importance of cross-border cooperation across jurisdictions and will contribute to find an appropriate balance with respect to data protection and individuals' rights and privileges.

The Chairman

