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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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IOSCO Identifies Non-Signatories to the MMoU on the Exchange of Information

The International Organization of Securities Commissions (IOSCO) today published a list of its members who have yet to sign the [Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information](#). Established in May 2002, the MMoU is the instrument used by securities regulators around the world to combat the cross-border fraud and misconduct that can weaken global markets and undermine investor confidence.

By publishing the list, IOSCO seeks to encourage its non-signatory members to take the measures needed for them to sign the MMoU, as part of its commitment to eradicate potential safe havens for wrong doers. New signatories to the MMoU also contribute to strengthening IOSCO's international enforcement network.

Georgina Philippou, Chair of IOSCO Committee 4 on Enforcement and the Exchange of Information and Co-chair of the MMoU Screening Group, said: *"Publishing the list of non-signatories to the MMoU is an important step for IOSCO, and not one we have taken lightly. The MMoU is an essential tool in the fight against cross border market misconduct and IOSCO wants all its members to reach the high standards of enforcement and international cooperation required to sign the MMoU so that those who commit market misconduct have nowhere to hide."*

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 information. It sets out specific requirements for the

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exchange of information, ensuring that no domestic banking secrecy, blocking laws or regulations prevent the provision of enforcement information among securities regulators. Publishing the list of non-signatories also is aimed at encouraging national governments and parliaments to adopt the measures that support securities commissions in their efforts to comply with the MMoU.

The 93 members who are signatories represent approximately 95% of global securities markets. Of the 30 members who are not yet signatories, 25 are on the *Appendix B*— the list of members who have formally expressed their commitment to seek the legislative and administrative changes necessary for achieving MMoU compliance.

The increase in the number of signatories over the last decade has led to a sharp upsurge in cross-border cooperation, enabling regulators to investigate a growing number of insider traders, fraudsters and other offenders. In 2006, a total of 520 requests for assistance were made pursuant to the MMoU; the annual figure increased to 1,600 in 2010 and to 2090 in 2011. Last year, the MMoU was used by signatories to solicit the exchange of information during the LIBOR scandal.

The majority of requests made are for information related to insider dealing, market manipulation, misrepresentation of material information and other fraudulent or manipulative practices. Cross-border cases of wrong doing that could not have been investigated ten years ago can now be investigated and brought before the relevant courts and tribunals.

To further expand this network for cross-border cooperation, IOSCO in 2010 asked all its members to become signatories by 1 January 2013. It approved a resolution in May 2012 that allows it to take tougher measures to encourage compliance by its non-signatories. The resolution called for the IOSCO Board to evaluate at its first meeting in 2013 the implementation of the MMoU by member jurisdictions and to determine what additional measures might be required to attain further compliance. These issues will be considered at the IOSCO Board meeting in Sydney on 21 – 22 March.

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Jean-Francois Fortin, Co-chair of the MMoU Screening Group, said: *“IOSCO will ensure that a comprehensive program of technical assistance and political support is made available to non-signatory members who require it, but we are also considering what further steps we can take to encourage those jurisdictions to raise their game.”*

NOTES FOR EDITORS

1. IOSCO is the leading international policy forum for securities regulators and is recognized as the global standard setter for securities regulation.
2. The IOSCO Board is the governing and standard-setting body of the International Organization of Securities Commissions (IOSCO), and is made up of 32 securities regulators. Mr. Masamichi Kono, Vice Commissioner for International Affairs at the Financial Services Agency of Japan (JFSA), is the Chairman of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Argentina, Australia, Belgium, Brazil, Chile, China, France, Germany, Hong Kong, India, Italy, Japan, Korea, Malaysia, Mexico, Morocco, the Netherlands, Nigeria, Ontario, Pakistan, Portugal, Quebec, Romania, Singapore, South Africa, Spain, Switzerland, Trinidad and Tobago, Turkey, United Kingdom and the United States.
4. IOSCO aims through its permanent structures:
 - to cooperate in developing, implementing and promoting adherence to internationally recognized and consistent standards of regulation, oversight and enforcement in order to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks;

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- to enhance investor protection and promote investor confidence in the integrity of securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market intermediaries; and
- to exchange information at both global and regional levels on their respective experiences in order to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

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