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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MMoU gains 100th signatory in fight against financial misconduct

The Indonesian Financial Services Authority this week became the 100th signatory to the IOSCO Multilateral Memorandum of Understanding on cooperation and exchange of information. The MMoU is the instrument used by the International Organization of Securities Commissions (IOSCO) to combat cross-border financial services misconduct.

Securities regulators use the MMoU to share with each other essential investigative material, such as beneficial ownership information, and securities and derivatives transaction records, including bank and brokerage records. The MMoU sets out specific requirements for the exchange of information, ensuring that no domestic banking secrecy, blocking law or regulation prevents the provision of enforcement information among securities regulators.

Gaining the 100 signatories to the MMoU--out of a total of 125 eligible IOSCO members--marks a watershed for the organization. Established in 2002, the MMoU is the cornerstone of IOSCO's efforts to eradicate potential safe havens for wrong doers. As long as jurisdictions remain outside the international enforcement regime of the MMoU, they create gaps in IOSCO's global enforcement network.

Greg Medcraft, the Chair of the IOSCO Board, said: *The MMoU is the foundation on which IOSCO's proud record of regulatory cooperation is based. It is a vital instrument supporting*

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our global objectives of confident and informed investors, fair, efficient and transparent markets and reducing systemic risk. The fact we now have 100 signatories is, therefore, a significant milestone for IOSCO. I particularly welcome recent signatories from the Asia-Pacific region - Indonesia and Bangladesh.

The Chairman of Indonesia Financial Services Authority (IFSA), Muliaman D Hadad, said: *IFSA viewed this moment as a milestone in Indonesia FSA's commitment to mutual assistance and the exchange of information for the purpose of enforcing compliance with the laws and regulations of the relevant jurisdictions, emphasizing the role of securities regulators to assist each other*.

IOSCO has taken significant steps to encourage its members to introduce the measures needed to become a signatory to the MMoU. Pursuant to the 2010 and 2012 Resolutions of the IOSCO Presidents Committee, IOSCO published in 2013 a list of members who had not yet signed the MMoU. It also pledged to provide a comprehensive program of technical assistance and political support to non-signatory members who required it.

In September 2013, IOSCO adopted additional measures that gradually restrict the opportunities for non-signatory members to influence key IOSCO decisions, due to the limited support they can lend to IOSCO´s enforcement efforts.

Of the 25 IOSCO non-signatories, 20 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.

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Indonesia is the third jurisdiction to sign the MMoU in just over a month: The Bangladesh Securities and Exchange Commission became a signatory on 22 December, and the Financial Services Commission of Gibraltar signed on 20 December.

The growing number of signatories in recent years has contributed to a sharp increase in cross-border cooperation among IOSCO members, enabling regulators to investigate a growing number of inside 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 1,624 in 2010, to 2,088 in 2011 and to 2,374 in 2012.

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. The organization's membership regulates more than 95% of the world's securities markets in more than 115 jurisdictions and it continues to expand.

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 Greg Medcraft, chairman of the Australian Securities and Investments Commission, is the Chair 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, Saudi Arabia, Singapore, South Africa, Spain, Switzerland, Trinidad and Tobago, United Kingdom and the United States.

3. The Growth and Emerging Markets Committee is the largest Committee within IOSCO, representing 75 per cent of the IOSCO membership. Mr. Ranjit Ajit Singh, Chairman, Securities Commission, Malaysia, and Vice Chair of the IOSCO Board, is the Chair of the GEM. The Committee endeavours to promote the development and greater efficiency of emerging securities and futures markets by establishing principles and minimum standards, providing training programs and technical assistance for members and facilitating the exchange of information and transfer of technology and expertise.

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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;

- 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.

MEDIA ENQUIRIES

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