



Enforcement Cooperation

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BM&BOVESPA
Sao Paulo, 4 November 2014

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Agenda

Start and growth of enforcement cooperation

IOSCO MMoU in practice

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Start and growth of enforcement cooperation

- 1983- IOSCO creation
- 1986- Rio Declaration
- 1989- Resolution on Cooperation
- 1997- Two additional Resolutions
- 1998- Publication of IOSCO Principles
- 2002- IOSCO MMoU
- 2005- MMoU as the international benchmark on cooperation & the exchange of information
- 2010-2015 strategy: from aspiration to prescription
- 2013- Graduated additional measures (restricting membership rights)

Start and growth of enforcement cooperation

IOSCO Multilateral Memorandum of Understanding (MMoU):

- To strengthen implementation of existing resolutions and agreements on information exchange
- To reinforce a message to the markets that regulators are co-operating and watching out for potential securities and derivatives fraud
- Launched as a “key initiative to tackle global challenges” following 9/11
- Because of increasing international activity in the securities and derivatives markets, and the corresponding need for mutual co-operation among securities regulators

Start and growth of enforcement cooperation

IOSCO MMoU:

- A document signed by 103 IOSCO members facilitating the sharing of information when investigating possible securities violations
- A commitment among signatories to provide each other with mutual assistance and co-operation
- A practical tool which describes the particular types of information to be shared between securities regulators

Start and growth of enforcement cooperation

IOSCO MMoU:

- Not an international treaty
- No legal obligations are imposed
- Not legally binding

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Start and growth of enforcement cooperation

IOSCO MMoU in practice

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Commitment 1: Ability to lawfully obtain information

The signatory represents it has the legal power to compel persons located in its home jurisdiction to provide information in response to a request for assistance from another signatory within a reasonable amount of time and without recourse to the judicial system

IOSCO MMoU in practice

Commitment 2: Nature of information

- Transaction data
- Banking records including information about beneficial owners
- Brokerage account records
- Communications data e.g. Bloomberg chats
- Oral evidence
- Telecoms data to the extent permitted by law
- Information from its own in-house investigation files
- Other information relevant to market misconduct

IOSCO MMoU in practice

Commitment 3: Ability to lawfully transmit information

The signatory represents that it is permitted to lawfully transmit information abroad for the purpose of assisting another signatory with its investigation in relation to potential violations of financial services laws and regulations e.g. insider dealing, market manipulation, material misrepresentation and other fraudulent or manipulative market abuse practices.

IOSCO MMoU in practice

Commitment 4: Permissible uses of information

The signatory represents that recipient signatories may use the information to enforce compliance with the securities laws of their own jurisdictions.

IOSCO MMoU in practice

Commitment 5: Ability to preserve the confidentiality of information received from other signatories

The signatory represents it will comply with the confidentiality restrictions set out in the MMOU including preserving the confidentiality of the information it receives from another signatory. In the context of a legally enforceable demand for the confidential information, the signatory should provide notice to the requesting signatory and assert all available legal exemptions or privileges as may be appropriate.

IOSCO MMoU in practice

Commitment 6: Extent of assistance provided to other signatories

The signatory agrees to provide other signatories with the fullest permissible assistance within the framework of the MMOU.

IOSCO MMoU in practice

