

Terms of Reference for the Cooperation and Collaboration between the Japan Financial Services Agency and the US Securities and Exchange Commission

The purpose of this document is to set forth the terms of reference for the cooperation and collaboration between the Japan Financial Services Agency (JFSA) and the US Securities and Exchange Commission (SEC). The JFSA and the SEC aim to cooperate and collaborate with respect to oversight of the securities markets with a view to promoting investor protection, fostering market integrity, and promoting cross-border securities activities between Japan and the United States.

The enhanced relationship between the JFSA and the SEC has two objectives:

- to identify and discuss regulatory issues of common concern; and
- to promote cooperation in the exchange of information in cross-border securities enforcement matters.

To accomplish these objectives, the JFSA and the SEC will hold regular meetings among senior staff and high-level officials of the JFSA and the SEC (“Dialogue”).

The JFSA and the SEC have agreed to the following in respect of the Dialogue.

Timing and Venue

It is expected that the Dialogue will be held at least once a year. The location of the Dialogue will alternate between Japan and the United States unless an alternative location is mutually agreed to by both authorities.

Participants

The JFSA and the SEC will be represented at the Dialogue by senior staff and high-level officials of those agencies. The JFSA and the SEC agree that from time to time it may be beneficial if other authorities from each jurisdiction were to participate in the Dialogue. Accordingly, the agencies will consult with one another to determine if a particular meeting of the Dialogue would be benefited by the participation of those authorities.

Agenda

The agenda for the Dialogue will consist of topics pertaining to the objectives of the enhanced relationship between the JFSA and the SEC, described above and elaborated upon below. Prior to each scheduled meeting of the Dialogue, the JFSA and the SEC will consult with one another and other relevant parties to identify specific issues that will to be addressed at the upcoming meeting.

1. Identification and discussion of regulatory developments of common interest

Discussions between the JFSA and the SEC will provide the opportunity to better understand one another's regulatory regimes and to identify issues of mutual interest. This will facilitate the ability of the JFSA and the SEC to develop strategies for addressing issues of mutual concern in parallel as well as facilitate the development of compatible approaches to emerging regulatory issues. Such enhanced cooperation and collaboration between the JFSA and the SEC will greatly enhance the authorities' ability to achieve their shared goals of protecting investors and fostering market integrity in a global context.

2. Promote cooperation in cross-border enforcement matters

The JFSA and the SEC recognize that an increasingly important component of safeguarding domestic securities markets and protecting investors is the ability of securities regulators to both provide and receive assistance from their foreign counterparts in enforcement matters. Accordingly, building on the framework established in the May 2002 Statement of Intent Concerning Cooperation, Consultation and the Exchange of Information between the SEC and the JFSA, the JFSA and the SEC will work to enhance the information sharing links between the two regulators so as to increase collaboration and cooperation in enforcement as well as regulatory matters.