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PRESS RELEASE

For immediate release

IOSCO Strengthens International Cooperation to Fight Illegal Securities and Derivatives Activities

The International Organization of Securities Commissions (IOSCO) highlighted today at its 2003 Annual Conference in Seoul, South Korea, the *IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information* (IOSCO MOU), the first global information-sharing arrangement among securities regulators. The IOSCO MOU sets a new international benchmark for cooperation critical to combating violations of securities and derivatives laws. It expresses a commitment by IOSCO members to put in place efficient and effective arrangements for information-sharing to address illegal use of the securities and derivatives markets, including market abuse and fraud. Applicants to become signatories to the IOSCO MOU must undergo a rigorous screening process to verify their ability to cooperate as provided in the IOSCO MOU. A monitoring group, comprised of all MOU signatories, also has been constituted to monitor signatories' compliance with the terms of the IOSCO MOU.

Although the arrangement was first agreed to last year, IOSCO is highlighting the IOSCO MOU today in recognition of the MOU's role over the past year in successfully encouraging securities regulators around the world to enhance their abilities to cooperate and share enforcement-related information with their counterparts in other countries.

Professor Fernando Teixeira Dos Santos, the Chairman of the IOSCO Executive Committee and President of Portugal's Comissão do Mercado de Valores Mobiliários, noted that, "The assistance IOSCO members offer each other through the MOU mechanism will prove valuable to investigations on the illegal use of securities and futures markets." Professor Teixeira Dos Santos also stated that several of the twenty-four (24) current signatories to the IOSCO MOU had to seek from their governments changes to their legal authority to share information with their foreign counterparts to meet the standards in the IOSCO MOU. Professor Teixeira Dos Santos continued, "The MOU truly reflects an international consensus among securities and derivatives regulators that effective regulation of globalized capital markets requires a high degree of cooperation among the world's regulators."

Although a number of securities authorities have set up their own bilateral agreements over the past decade to cooperate with each other on cross-border securities fraud investigations, the IOSCO MOU is the first agreement of its kind whereby a group of securities regulators have agreed to share information relating to enforcement investigations, on an equal basis, with all other signatories. Under the MOU procedures, those IOSCO members that are unable to meet the MOU requirements today cannot become signatories, but still may express their specific commitment to obtaining the necessary legal authority.

The IOSCO MOU provides for the exchange of essential information in investigating cross-border securities and derivatives law violations, including bank, brokerage, and client identification records. The MOU also enables regulators to use that information to enforce compliance with securities and derivatives laws and regulations, including through civil and criminal prosecutions.

A list of the IOSCO MOU signatories is attached.

IOSCO Adopts Instrument to Enhance Securities Regulation Worldwide

IOSCO also today announced adoption of a new instrument to assist its members in drafting more effective securities regulations. The *IOSCO Methodology for Assessing Implementation of the IOSCO Objectives and Principles of Securities Regulation* will assist jurisdictions in identifying areas where their securities regulations do not meet the international standards set out in the IOSCO Principles, in categorizing failures in implementation by degree of severity, in identifying areas for priority action, and in developing action plans to seek any necessary reforms.

Professor Fernando Teixeira Dos Santos, the Chairman of the IOSCO Executive Committee, noted: “Promoting implementation of the IOSCO Principles is one of IOSCO’s highest priorities. IOSCO members have resolved to promote high standards of regulation in order to maintain fair, efficient and financially sound securities markets, and to provide mutual assistance to protect the integrity of markets throughout the world through a rigorous application of those standards. Enhancing the quality of securities regulation facilitates the process of capital formation and promotes the protection of investors, thereby stimulating economic development and job creation. The new Methodology is an important tool by which expertise and know-how relating to the regulation of securities markets can be translated into improving overall opportunities for global investment.”

IOSCO anticipates that its Assessment Methodology may be used in a variety of contexts, including in internal or external assessments by IOSCO members; by the International Monetary Fund and World Bank in a variety of capacities, including their Financial Sector Assessment Program; and as a tool to provide training and technical assistance to both developed and emerging markets.

IOSCO, based in Madrid, Spain, is the primary forum for international cooperation among securities regulators and is recognized as the international standard-setter for the securities sector. IOSCO currently has 181 members from more than one hundred jurisdictions.

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**List of Signatories to the IOSCO Multilateral Memorandum of Understanding
Concerning Consultation and Cooperation and the Exchange Of Information
(16 October 2003)**

ALBERTA

Alberta Securities Commission

AUSTRALIA

Australian Securities and Investments Commission

BRITISH COLUMBIA

British Columbia Securities Commission

FRANCE

Commission des opérations de bourse

GERMANY

Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)

GREECE

Capital Market Commission

HONG KONG

Securities and Futures Commission

HUNGARY

Hungarian Financial Supervisory Authority

INDIA

Securities and Exchange Board of India (SEBI)

ITALY

Commissione Nazionale per le Società e la Borsa

JERSEY

Jersey Financial Services Commission

LITHUANIA

Lithuanian Securities Commission

MEXICO

Comisión Nacional Bancaria y de Valores

NEW ZEALAND

New Zealand Securities Commission

ONTARIO

Ontario Securities Commission

POLAND

Polish Securities and Exchange Commission

PORTUGAL

Comissão do Mercado de Valores Mobiliários

QUEBEC

Commission des valeurs mobilières du Québec

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SPAIN

Comisión Nacional del Mercado de Valores

SOUTH AFRICA

Financial Services Board

TURKEY

Capital Markets Board

UNITED KINGDOM

Financial Services Authority

UNITED STATES OF AMERICA

United States Securities and Exchange Commission

UNITED STATES OF AMERICA

Commodity Futures Trading Commission (CFTC)