

Along with the increasing internationalization of securities transactions, cross-border misconduct regarding fairness in markets around the world has been occurring. As a result, regulatory and enforcement cooperation at the global level has become increasingly important to ensure the fairness of markets.

In SESC year 1996, taking this situation into consideration, as outlined below the SESC participated actively, for example, in the exchange of opinions with securities regulatory authorities overseas regarding enforcement concerns. In the future, the SESC will continue to stress activities to promote international cooperation.

1. International Organization of Securities Commissions (IOSCO)

IOSCO is an international forum that promotes international harmony in securities regulations and cooperation among securities regulatory authorities. As of July 1997, the membership of IOSCO totaled 134 institutions from 81 countries, provinces and regions around the world.

In October 1993, the SESC, as the regulatory organization in charge of legal enforcement to ensure the fairness of securities transactions in Japan, joined IOSCO. Since then, the SESC has participated regularly

in the annual conferences. In September 1996, the SESC participated in the IOSCO's 21st annual conference, held in Montreal.

Furthermore, the SESC is a member of a special committee at IOSCO that studies and proposes practical solutions for major regulation-related issues facing the global securities market. Through this committee, the SESC participates in deliberations concerning issues of enforcement and information exchange.

2. Asia-Pacific Directors of Enforcement Conference

The necessity to reinforce links among securities regulatory authorities in the Asia-Pacific region, which includes such important securities markets as Tokyo, Singapore and Hong Kong, is growing. In the context of enforcement, the furthering of mutual understanding among countries is also gaining significance.

In this environment, as the first step in promoting cooperation, the Asia-Pacific Directors of Enforcement Conference was set up in 1994, with representation from 12 countries in the region. The latest conference was held in Beijing in April 1997. The SESC, as a participant in these conferences, endeavors to promote mutual understanding by explaining the status of surveillance structures in Japan.