

Mirosław Kachniewski

Chairman of the IOSCO EMC WG 4

Co-chairman of the Screening Group

Secretary of the Polish Securities and Exchange Commission

IOSCO activities towards increasing international co-operation

26-30 April 2004, Istanbul

Enforcement and Exchange of Information

↑ IOSCO EMC WG 4

↑ Standing Committee 4

↑ Issues Raised for Securities and Futures Regulators by Underregulated and Uncooperative Jurisdictions, 1994

↑ Joint Cross-Border Investigations and Related Proceedings, 2001

↑ Information Sharing and Co-operation Following the Institution of Proceedings, 2004

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„Rio Declaration”

Resolution Concerning Mutual Assistance

November 1986

Securities regulators agreed solutions:

- ↑ **providing assistance**
- ↑ **protection against fraudulent securities transactions**
- ↑ **designating a contact person**

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Resolution on Co-operation

June 1989

Securities regulators agreed solutions:

↑ negotiation of bilateral and/or multilateral agreements



Mutual co-operation



Assistance



Exchange of information

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Resolution on Self-Evaluation

October 1994

Securities regulators agreed solutions:

↑ co-operation

↑ exchange of information

↑ unified standards and effective surveillance

↑ mutual assistance

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Resolution on Principles for Record Keeping, Collection of Information, Enforcement Powers and Mutual Co-operation

November 1997

Resolution indicated:

- ↑ significant differences between IOSCO members**
- ↑ importance of record keeping, collection of information and enforcement powers**

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Objectives and Principles of Securities Regulation

September 1998

- ↑ Principles for Co-operation in Regulation**
- ↑ Domestic Co-operation**
- ↑ International Co-operation**
- ↑ Scope of co-operation**
- ↑ Co-operation on Financial Conglomerates**

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Objectives and Principles of Securities Regulation

Principles for Co-operation in Regulation

- ↑ sharing information
- ↑ information sharing mechanisms
- ↑ regulatory system allowing for assistance

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Creation of a Special Project Team

12 October 2001

The activities of the Special Project Team were focused on:

↑ Contingency Planning

↑ Expanded Co-operation and Information Sharing

↑ Client Identification

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Contingency Planning

↑ contingency plans for markets,
market participants and regulators

↑ regulatory measures

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Expanded Co-operation and Information Sharing

- ↑ effective investigation of crimes
- ↑ high quality standards on information sharing
- ↑ expansion of the standards

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Client identification

- ↑ combating financial crime
- ↑ components of identification regime
- ↑ practical implications for the industry

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Resolution on the IOSCO MoU

May 2002

Multilateral Memorandum of Understanding



Multilateral approach



Demanding requirements



Easier and more effective co-operation in combating transborder crime

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General MMoU Principles

↑ Scope of assistance

↑ Confidentiality

↑ ~~Independent interest in the matter~~

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Scope of assistance

- ↑ providing information and documents
- ↑ obtaining information and documents
(including banking data) enabling:
 - ↑ reconstruct transactions
 - ↑ identify the beneficial owner and controller

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How to become IOSCO MoU signatory?

- ↑ **fulfill the questionnaire**
- ↑ **designate a contact person**
- ↑ **provide copies of required laws, rules and regulations**
- ↑ **send the set of documents to IOSCO Secretary General**

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Screening Group Procedure

- ↑ verifying the questionnaire responses by VT
- ↑ preparing report by VT and providing it to Screening Group after applicant's approval
- ↑ discussion and recommendation of Screening Group
- ↑ Committee of 3 Chairmen decision
- ↑ Monitoring process

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Composition of the Verification Teams

- ↑ members of the EMC WG 4 and TC SC 4
- ↑ geographic location
- ↑ language skills
- ↑ experts in particular types of legal systems
- ↑ experts in enforcement and cross border information sharing

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Designation of a Verification Team

↑ designation a VT by Secretary General
according to the order of receiving documents

↑ procedure of designation a VT in case of
conflict of interest

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Advantages of signing MMoU

↑ easier access to information

↑ one-stop shop

↑ multilateral approach

↑ increased credibility

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Advantages of MMoU Appendix B

↑ identifying the MoU provisions for which the applicant lacks legal authority

↑ greater influence on decision-making process in applicant's country

↑ commitment to become a signatory - better perception of applicant by IOSCO members

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Statistical data

↑ 46 jurisdictions submitted their applications
(including 22 EMC members)

↑ 25 signatories of MMoU (including 8 EMC
members)

↑ 2 members listed in the IOSCO MoU Annex B
(including 1 EMC Member)

↑ Statistics on the use of IOSCO MoU

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