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International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores

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Marrakesh, 21 October 2022

The IOSCO MMOU: 20 Years of Facilitating Cross-Border Enforcement Cooperation

Members of the International Organization of Securities Commissions are commemorating the 20th anniversary of the Multilateral Memorandum of Understanding (MMoU) at their 47th Annual Meeting in Marrakesh. Securities regulators use the MMoU to exchange information, ensuring effective global enforcement cooperation and strengthening international securities markets.

Created in 2002, the MMoU has provided securities regulators with the tools for combating cross-border fraud and misconduct that can weaken global capital markets and undermine investor confidence. In its first year, the MMoU had only eight signatories; today it has 129, underscoring its importance as the *gold standard* for cross-border regulation. With more than 5,500 cross-border requests for information made through this mechanism last year, the MMoU is recognized by members as the leading instrument for regulatory enforcement cooperation and information sharing in the world.

Jean-Paul Servais, IOSCO Board Chair and Chairman of Belgium's Financial Services and Markets Authority, said: *“The MMoU enables regulators to cooperate rapidly and effectively. It has increased the supervision and enforcement capabilities of members for combating cross-border market abuse, including financial fraud and insider trading. In this way, the MMoU has been crucial to helping members increase investor protection and safeguard market integrity.”*

Securities regulators share essential investigative material through the MMoU, including beneficial ownership information, and securities and derivatives transaction records, such as bank and brokerage records. The MMoU sets out specific requirements for the exchange of information, ensuring that no

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domestic banking secrecy laws or regulations block the interchange of enforcement information among securities regulators.

Mohamed Farid Saleh, Chair of the IOSCO Growth and Emerging Markets Committee and Executive Chairman of the Financial Regulatory Authority, Egypt said: *“The significant extent to which signatories rely upon the Multilateral Memorandum of Understanding (MMoU) with its fullest assistance permissible principle confirms the IOSCO MMoU as the international benchmark for securities enforcement and collaboration of which market integrity is promoted and cross-border financial crime, fraud and misconduct is combated.”*

In fact, the MMoU is so important to IOSCO that securities regulators are required to become signatories to qualify for full IOSCO membership, known as Ordinary membership. The annual statistics collected by the MMoU Monitoring Group suggests that the number of information exchanges increased almost 100-fold in eight years, from 56 in 2003 to 5,532 in 2021.

Before the launch of the MMoU, some jurisdictions succeeded at creating a complicated network of bilateral MoUs, which proved cumbersome to use without an overarching framework to set the rules.

In the 20 years of its existence, the MMoU *“has provided its ever-growing numbers of signatories with a clear and secure vehicle for sharing information. As modern communications and other technologies have made our economies and markets increasingly interconnected, the MMoU has become an indispensable tool in investigating violations and enforcing securities laws, especially in cross-border contexts,”* said IOSCO Secretary General Martin Moloney.

Takashi Nagaoka, Deputy Commissioner for International Affairs at the Japan Financial Services Agency and Chair of the MMoU governance body, the MMoU Monitoring Group, said: *“In times of great uncertainty, information exchange and cooperation among IOSCO members are becoming increasingly important.”*

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Despite the success of the MMoU, securities markets are continuously undergoing sweeping changes, driven by new technologies and the growing role of non-bank financial intermediation. These developments led IOSCO in March 2017 to establish an enhanced standard on cross-border information exchange with additional enforcement powers to deter misconduct and fraud and which built on the success of the MMoU.

Although members are expected to sign either the MMoU or the EMMoU, the objective is for all MMoU signatories to migrate eventually to the EMMoU, a move that should further strengthen cooperation, supervision and enforcement

At the Annual Meeting in Marrakech, IOSCO organized a Signing Ceremony for the 15 members that had met the requirements for signing the MMoU or the EMMoU during the past three years but had no formal signing ceremony at an Annual Meeting due to the COVID-19 pandemic.

The new signatories to the MMoU who participated in the Signing Ceremony in Marrakesh were the following:

- Astana Financial Services Authority, AIFC Nur Sultan, Kazakhstan
- National Bank of Georgia, Georgia
- Securities and Exchange Commission, Ghana
- International Financial Centers Authority, India
- Commission de Contrôle des Activités Financières, Monaco

In addition, the Superintendencia General de Valores, Costa Rica, participated virtually through a recorded video.

The following new signatories to the Enhanced MMoU participated in the Signing Ceremony in Marrakesh:

- Astana Financial Services Authority, AIFC Nur Sultan, Kazakhstan
- Financial Services Regulatory Authority (FSRA), Abu Dhabi

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- Alberta Securities Commission, Alberta, Canada
- Comissão de Valores Mobiliários, Brazil
- Dubai Financial Services Authority, DFIC, UAE
- Securities and Exchange Board of India
- Israel Securities Authority
- Financial Markets Authority, New Zealand
- Superintendencia del Mercado de Valores, Peru
- Financial Market Supervisory Authority, Switzerland

About IOSCO

IOSCO is the leading international policy forum for securities regulators and is recognized as the global standard setter for securities regulation. The organization's membership regulates more than 95% of the world's securities markets in some 130 jurisdictions, and it continues to expand.

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