

IOSCO Presidents Committee

Resolution on Cross-border Cooperation to Freeze Assets Derived from Securities and Derivatives Violations

Considering the ever-increasing globalization of financial markets and that securities and derivatives violations know no boundaries;

Considering the deterrent effect of denying wrongdoers the benefit of their ill-gotten gains arising from cross-border violations of securities and derivatives laws and regulations;

Considering the benefits of more effective enforcement of these laws and regulations if national regulators within the respective jurisdiction can provide cross-border assistance to a foreign regulator or authority in freezing assets related to securities and derivatives violations;

Considering that the IOSCO Presidents Committee, at its meeting held in October 1993 in Mexico City adopted a Resolution Concerning Transnational Securities and Futures Fraud;

Considering that many jurisdictions still lack sufficient powers to freeze ill-gotten assets on behalf of a foreign regulator;

Considering, further, that it is important that mechanisms be available through which assets could be frozen thus enabling relevant parties to get hold of them;

Acknowledging that IOSCO members must take account of the legal framework in which they operate when considering cross border assistance in freezing assets, including concepts of due process;

Acknowledging that, to assist its members in considering the development of powers to provide cross border assistance in freezing assets, IOSCO intends to study, and provide guidance concerning, the procedural and substantive issues that may affect the design and implementation of such powers;

Acknowledging IOSCO's wide membership and the fact that its members regulate most of the world's securities and derivatives markets; and

Acknowledging finally that fostering cooperation among its members is a cornerstone of IOSCO's mission;

THE PRESIDENTS COMMITTEE, THEREFORE, approves the following resolution;

All member regulators are encouraged to examine the legal framework under which they operate and strive to develop, through law reform or otherwise, mechanisms by which they or another authority within their jurisdiction could, on behalf of a foreign regulator, freeze assets derived from suspected and established cross-border securities and derivatives violations and thereby deny wrongdoers the benefit of their ill-gotten gains.

Adopted during the 7 June 2006 Presidents Committee meeting.