

MARKET ENFORCEMENT AND OVERSIGHT IN 2006¹

11/22/2006

The results of this survey are based on responses from eighty-nine¹ jurisdictions who participated in the Spring Market Development Institute and the Fall Enforcement Institute.

Market Regulation

1. Is the securities authority a “consolidated regulator?”

Yes **44 (50%)** No **44 (49%)** No Answer: **1 (1%)**

2. If yes, identify financial markets regulated:

Securities Banking Insurance Other

Securities: **12 (13%)**

Securities, Banking: **2 (2%)**

Securities, Banking, Insurance: **11 (10%)**

Securities, Banking, Insurance, Other: **16 (18%)**

Securities, Banking, Other: **1 (1%)**

Securities, Insurance: **1 (1%)**

Securities, Insurance, Other: **7 (8%)**

Securities, Other: **1 (1%)**

No answer: **39 (45%)**

3. Is the securities regulator “operationally independent” in its day-to-day decisions of technical matters without approval or consultation by a government minister or other authority and free from external political or commercial influence in the use of its powers and resources?²

Yes **84 (94%)** No **5 (6%)**

Market Size

¹ These survey responses are for training and reference purposes only and are not intended for any legal use. The responses should not be understood by any reader to necessarily reflect the views of any securities authority, stock exchange, or other authority.

² IOSCO Principle 2, Methodology For Assessing Implementation of the IOSCO Objectives and Principles Of Securities Regulations, October 2003 [www.IOSCO.org].

4. Do you have laws or regulations in your jurisdiction that require that traders arrange all trades in a given financial instrument (ie., bond, stock, etc.) at a particular exchange? (This question was not asked in the previous survey)

Yes **14 (34%)** No **26 (64%)** No answer **1 (2%)**

5. Are banks permitted to engage in securities activities, directly or indirectly through subsidiaries or affiliates?

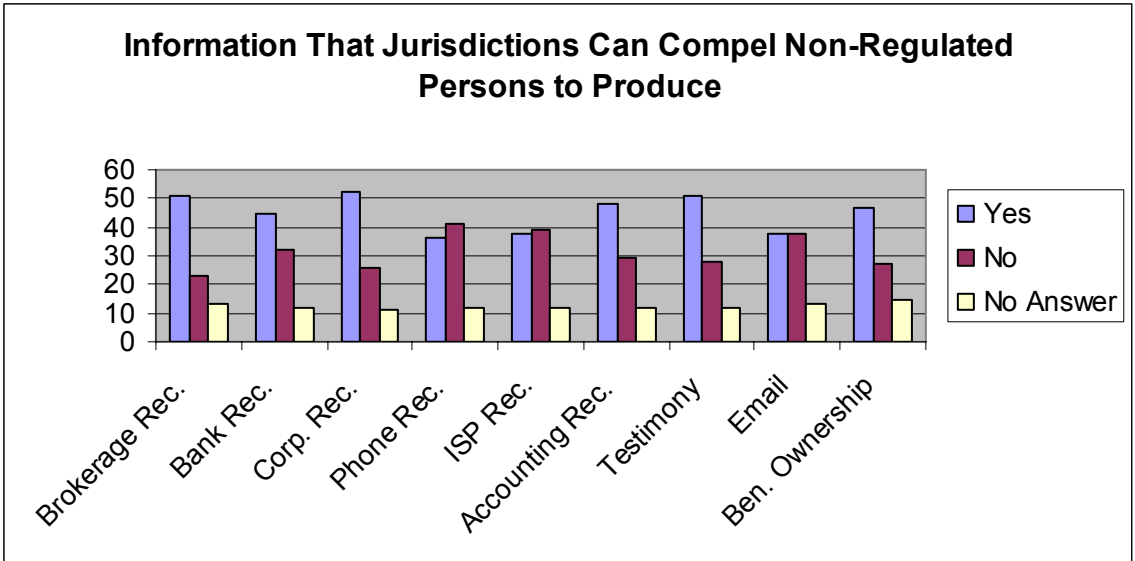
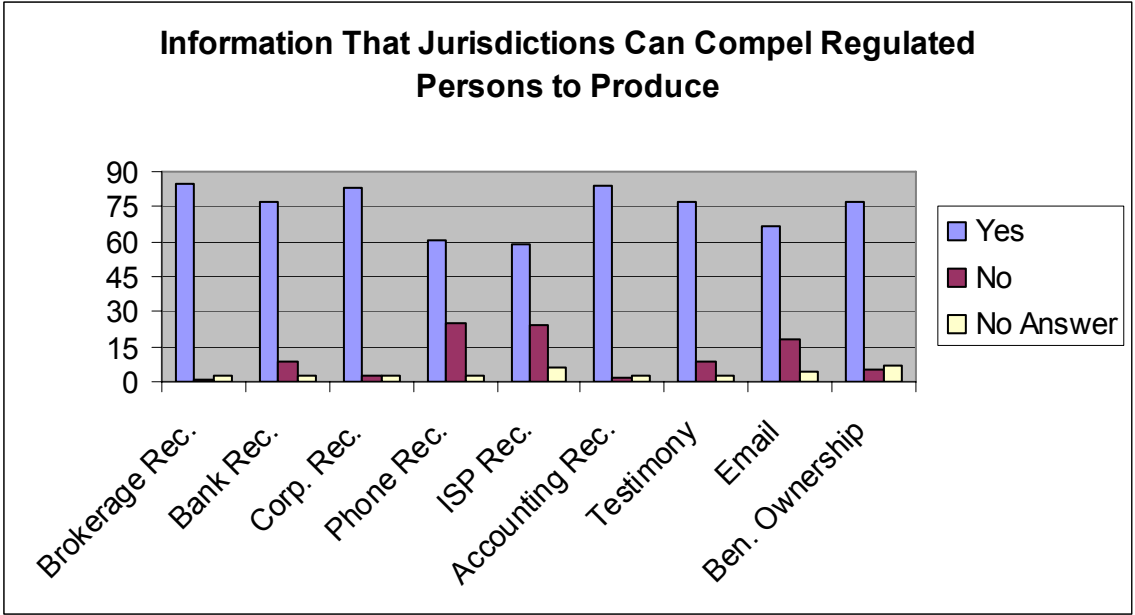
Directly **40 (45%)** Indirectly **30 (34%)** Directly & Indirectly: **15 (17%)**
 No Answer **4 (4%)**

Regulatory and Enforcement Authority

6. Does your Securities Authority have investigative or other authority to *compel* production of the following information from both regulated and non-regulated persons and entities:

<u>Information</u>	<u>Regulated persons</u>	<u>Non-regulated persons</u>
Brokerage Records	Yes 85 No 1 NA 3	Yes 51 No 25 NA 13
Bank Records	Yes 77 No 9 ³ NA 3	Yes 45 No 32 NA 12
Corporate Records	Yes 83 No 3 NA 3	Yes 52 No 26 NA 11
Telephone Records	Yes 61 No 25 NA 3	Yes 36 No 41 NA 12
Internet Service Records	Yes 59 No 24 NA 6	Yes 38 No 39 NA 12
Accounting Records	Yes 84 No 2 NA 3	Yes 48 No 29 NA 12
Testimony	Yes 77 No 9 NA 3	Yes 51 No 28 NA 12
Email	Yes 67 No 18 NA 4	Yes 38 No 38 NA 13
Beneficial Ownership	Yes 77 No 5 NA 7	Yes 47 No 27 NA 15

³ One country chose Yes and No



7. Does your securities authority have authority to order, or seek an order, freezing the proceeds of securities fraud?

Regulated persons

Yes **60 (68%)** No **27 (30%)** NA **2 (2%)**

Non-regulated persons

Yes **42 (47%)** No **37 (42%)** NA **11(13%)**

8. Does your securities authority have authority to order, or seek an order, to disgorge illegal gains from securities law violators?

Regulated persons

Yes **49 (55%)** No **32 (43%)** NA **2 (2%)**

Non-regulated persons

Yes **34 (38%)** No **46(52%)** NA **9 (10%)**

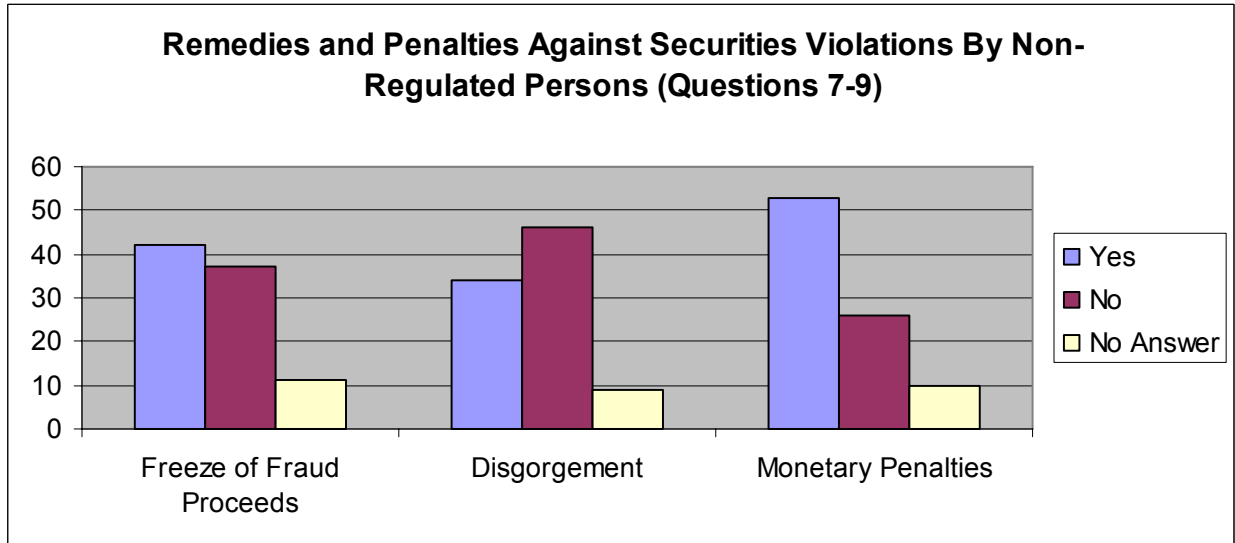
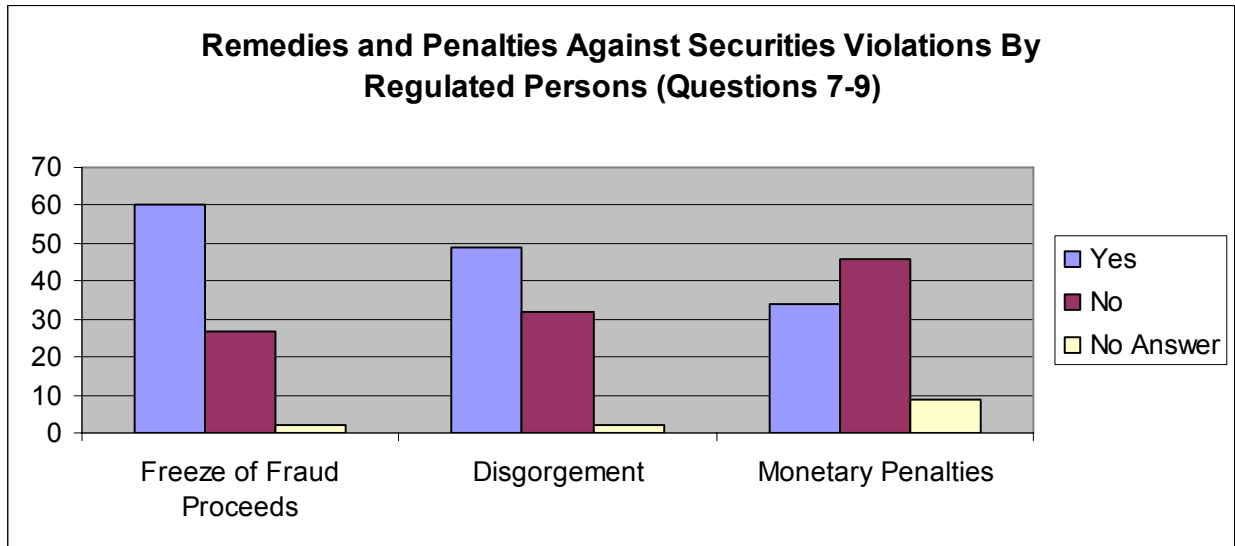
9. Does your securities authority have authority to order, or seek an order, assessing monetary penalties against securities law violators?

Regulated persons

Non-regulated persons

Yes 75 (85%) No 11 (12%) NA 3 (3%)

Yes 53(60%) No 26(29%) NA 10 (11%)



10. Does your securities authority conduct examinations of market participants?

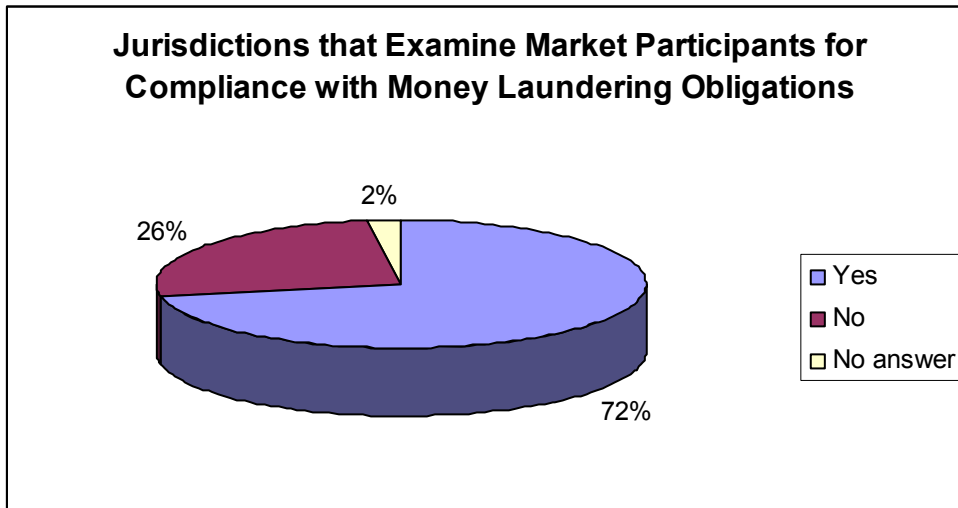
Yes 82 (93%)

No 4 (4%)

No Answer 3 (3%)

11. Does your securities authority examine market participants for compliance with money laundering obligations?

Yes **64 (72%)** No **23 (26%)** No Answer **2 (2%)**



12. Is your country a member of the OECD Convention on Combating Bribery?

Yes **34 (38%)** No **46 (52%)** No Answer **9 (10%)**

13. Does your jurisdiction have laws prohibiting public companies from paying bribes to foreign government officials to obtain business?

Yes **58 (65%)** No **24 (27%)** No Answer **7 (8%)**

14. Does your jurisdiction have a “blocking statute” or other law that prohibits or restricts voluntary cooperation between your citizens and foreign law enforcement officials?

Yes **11 (12%)** No **73 (82%)** No Answer **5 (6%)**

15. What type of tribunal reviews enforcement cases brought by your securities authority?

Criminal **37 (42%)** Civil **37 (42%)** Administrative **45 (51%)**

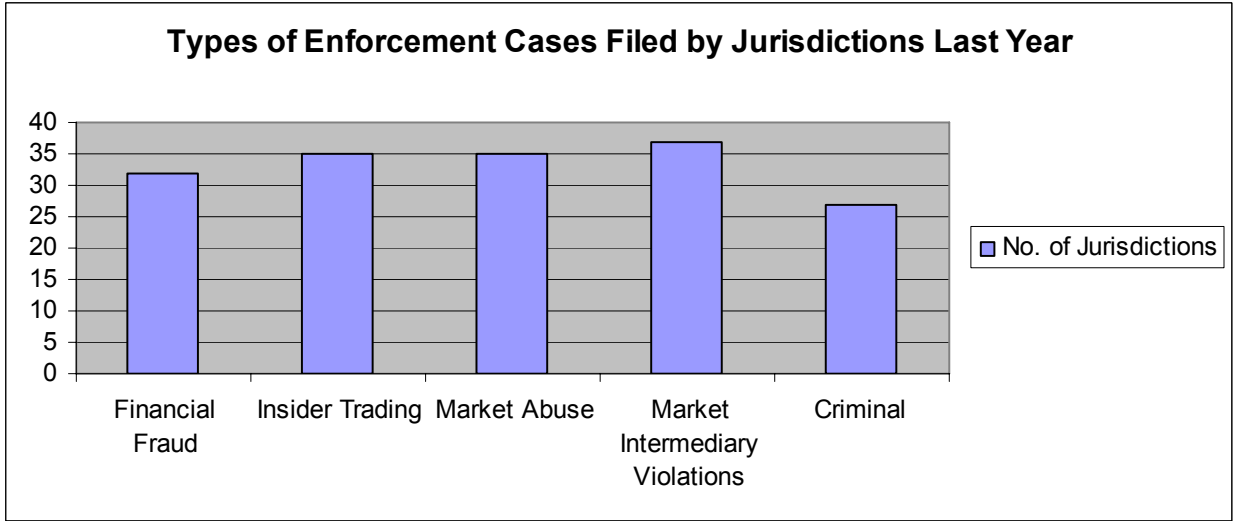
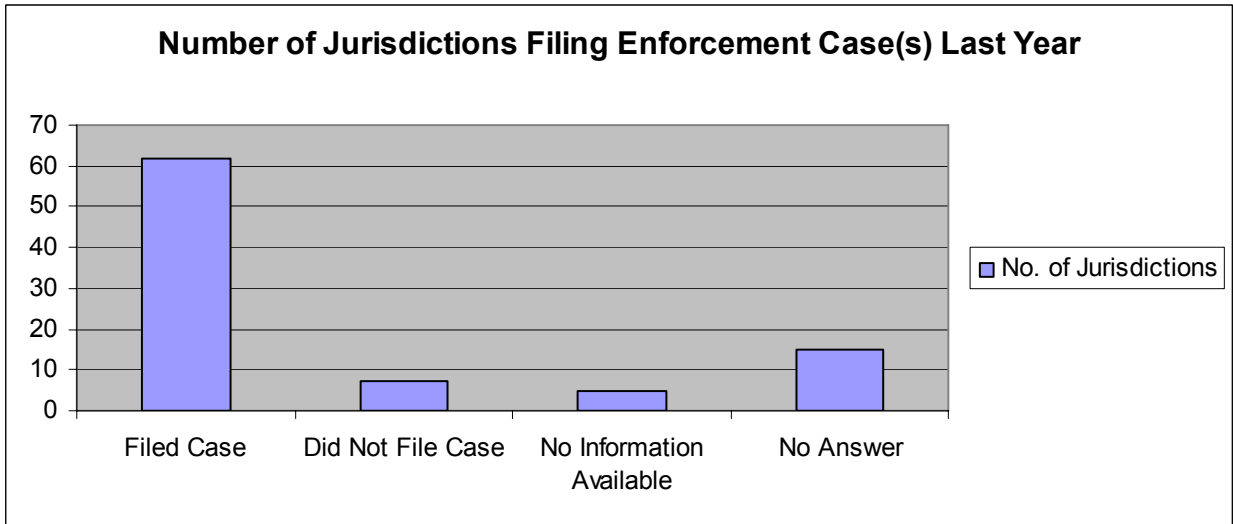
Specialized Securities Tribunal **17 (19%)** Other **11 (12%)**

16. How many total enforcement cases did your securities authority file in the last year?

No. of Jurisdictions That Filed Cases: **62 (70%)**

No. of Jurisdictions That Did Not File Any Cases: 7 (8%)
No. of Jurisdictions That Had No Information Available: 5 (5%)
No. of Jurisdictions That Gave No Answer: 15 (17%)

Number of financial fraud cases?	Total: 576	32 Jurisdictions
Number of insider trading cases?	Total: 491	35 Jurisdictions
Number of market abuse cases?	Total: 934	35 Jurisdictions
Number of cases involving violations by market intermediaries?	Total: 1623	37 Jurisdictions
Number of criminal prosecutions for securities law violations?	Total: 425	27 Jurisdictions



17. Do you have prohibitions or restrictions on the sharing of regulatory or investigatory information with other domestic law enforcement authorities for use in criminal proceedings?

Yes 17 (19%) No 70 (79%) No Answer 2 (2%)

18. Do you have prohibitions or restrictions on the sharing of regulatory or investigatory information with foreign law enforcement authorities for use in foreign law enforcement proceedings?

Yes 29 (33%) No 56 (63%) No Answer 4 (4%)

International Standards

19. Is the securities regulator a signatory to the IOSCO Multilateral Memorandum of Understanding?

Yes 36 (40%) No 50 (57%) No Answer 3 (3%)

20. If not, are there any plans to apply to become a signatory?

Yes 50 (91%) No 2 (4%) No Answer 3 (5%)

21. Is your exchange(s) a member of the Intermarket Surveillance Group?

Yes 13 (14%) No 63 (70%) No Answer 13 (16%)

Accounting and Auditing Standards for Public Companies

22. Do you require compliance with International Auditing Standards?

Yes 72 (81%) No 13 (15%) No Answer 4 (4%)

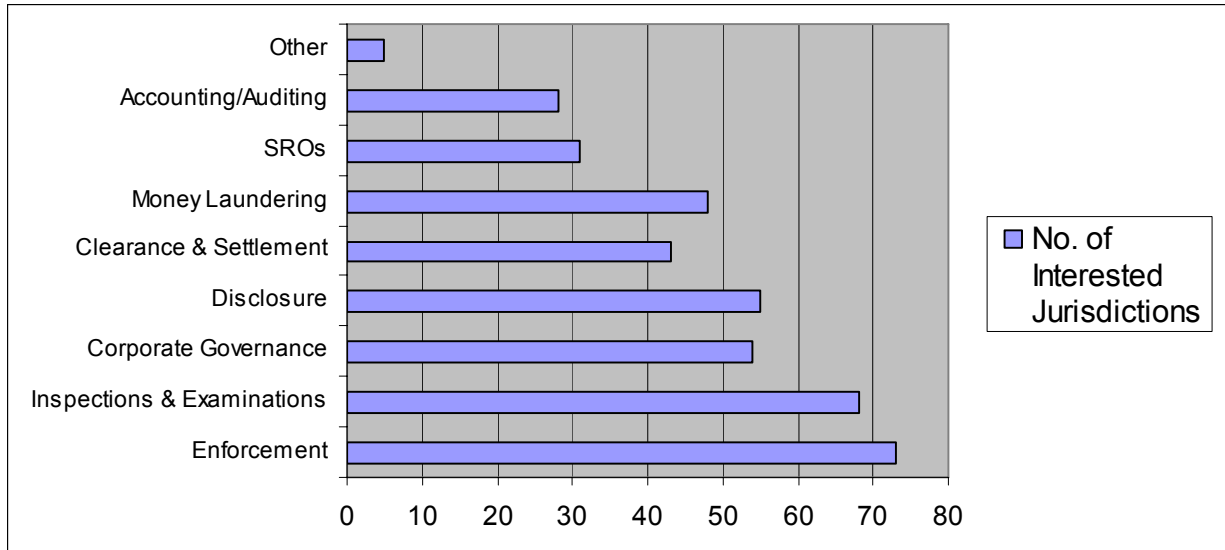
23. Are public companies required to revise or restate financial statements that are not presented in accordance with prescribed accounting standards, or audited in accordance with prescribed auditing standards?

Yes 71 (80%) No 9 (10%) No Answer 9 (10%)

Technical Assistance

24. If the SEC organized a training program in your region, please identify the areas in which your organization would want the SEC to cover:

Enforcement	73(82%)	Money laundering	48 (54%)
Disclosure	55(62%)	Corporate Governance	54 (61%)
Inspections and Examinations	68(76%)	Clearance and Settlement	43 (48%)
Accounting/Auditing	28 (31%)	Self Regulatory Organizations	31 (35%)
Other (please specify below)	5 (5%)	No Answer	6 (7%)



¹ Albania, Antigua and Barbuda, Armenia, Australia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Belgium, Bermuda, Bosnia, Botswana, Brazil, Cameroon, Canada (British Columbia Securities Commission), Canada (Ontario Securities Commission) Cayman Islands, Chile, China, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Dominican Republic, Ecuador, El Salvador, Estonia, Fiji, Finland, France, Gabon, Germany, Ghana, Greece, Guernsey, Guyana, Hong Kong, Hungary, Iceland, India, Indonesia, Iraq, Ireland, Israel, Jamaica, Japan, Jersey, Jordan, Kenya, Korea, Lithuania, Luxembourg, Malaysia, Mauritius, Mexico, Mongolia, Morocco, Nepal, Netherlands, Nigeria, Norway, Oman, Pakistan, Panama, Philippines, Poland, Romania, Russia, Saudi Arabia, Serbia & Montenegro, Slovenia, South Africa, Spain, St. Kitts-Nevis, Sweden, Taiwan, Tanzania, Thailand, Trinidad & Tobago, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom, Uruguay, Venezuela, Zambia.