

November 28, 2012

FINRA and JSDA Sign Cooperation Agreement

The US Financial Industry Regulatory Authority (FINRA)ⁱ and Japan Securities Dealers Association (JSDA)ⁱⁱ have entered into a Memorandum of Understanding (MOU) on November 26, 2012 to support more robust cooperation between the two regulators.

The MOU establishes a strong framework for enhancing the ability of the FINRA and JSDA to oversee the world's largest securities markets as well as firms that operate in both the United States and Japan. The agreement will facilitate the exchange of information on regulatory matters, and allow further sharing of regulatory techniques.

The agreement was signed by Richard G. Ketchum, Chairman and CEO of FINRA and Tetsuo Mae, Chairman of JSDA.

Mr. Ketchum said, "FINRA has had close ties with the JSDA for many years, but our MOU will permit the sharing of information on key matters more quickly and at a deeper level. Both FINRA and the JSDA have much in common, and we appreciate the strong relationship between our organizations. The MOU helps both FINRA and JSDA ensure market integrity and protect investors."

Mr. Mae added, "Self-regulatory organizations including FINRA and JSDA assume important responsibilities to ensure investor protection and market integrity in the markets under their competence. In order to fulfill those responsibilities, it means much to both FINRA and JSDA to exchange of information in a timely manner and to have a framework to respond quickly and jointly to any issues that may arise in the market. In this sense, this MOU will further enhance our long-lasting cooperation and bring about even more effective interaction."

ⁱ FINRA is the largest non-governmental regulator for all securities firms doing business in the United States. FINRA is dedicated to investor protection and market integrity through effective and efficient regulation and complementary compliance and technology-based services. FINRA touches virtually every aspect of the securities business – from registering and educating all industry participants to examining securities firms, writing and enforcing rules and the federal securities laws, informing and educating the investing public, providing trade reporting and other industry utilities, and administering the largest dispute resolution forum for investors and registered firms. For more information, see www.finra.org.

ⁱⁱ The Japan Securities Dealers Association (JSDA) is a self-regulatory organization (SRO) established pursuant to the Financial Instruments and Exchange Act and authorized by the Prime Minister. The mission of JSDA as a SRO is to contribute to the protection of investors ensuring fair trading in securities or other transactions. JSDA extensively regulates market intermediaries through its self-regulatory functions encompassing rule-making, enforcement, inspection, disciplinary actions, accreditation of sales representatives, and dispute mediation. To know more about JSDA, visit its website <http://www.jsda.or.jp/en/index.html>.