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PRESS RELEASE

SEC and CESR Members announce efforts to continue close cooperation as national securities regulators implement new regulatory reform initiatives

Washington, DC and Paris, November 16, 2010: The Securities and Exchange Commission (SEC) and the Committee of European Securities Regulators (CESR) today convened a high-level meeting between SEC Chairman Mary L. Schapiro, CESR Chairman Carlos Tavares, and the Chairmen of 29 CESR member regulators, in Paris, to discuss regulatory reform efforts in the United States and the European Union.

Securities regulators in both the U.S. and EU are currently crafting new and wide-ranging rules designed to address regulatory concerns that arose during the recent financial crisis. Today's discussions focused on a number of topics, including the regulation of over-the-counter derivatives and oversight of credit rating agencies and managers of hedge and private equity funds. The CESR and SEC chairmen also shared views regarding market structure issues, systemic risk, and issues relating to the convergence of International Financial Reporting Standards (IFRS) and U.S. Generally Accepted Accounting Principles (GAAP).

Since so many globally active financial firms operate in both the United States and Europe and would be subject to new rules in both markets, Chairman Schapiro and CESR Members (the Chairs of Europe's Member State securities regulators) agreed to meet to discuss the cross-border implications of European and U.S. efforts. They also are considering how these efforts might be coordinated to improve their effectiveness while minimizing the likelihood of regulatory arbitrage and unnecessary conflicts of laws.

Chairman Schapiro said, *"As the activities of market participants continue to expand internationally, we need to ensure our regulatory initiatives are properly coordinated. Our ongoing dialogue with CESR is particularly important as we seek to implement our respective legislative agendas, while minimizing the burden for market participants that operate across borders."*

CESR Chairman Carlos Tavares said, *"Europe's and U.S. securities markets face today many of the same challenges. It is therefore very important to acknowledge that the regulatory measures we adopt should be as aligned as possible. The EC is currently undertaking a significant regulatory review and similarly, the Dodd-Frank Act will lead to important changes in regulatory approaches in the U.S. The differences in the respective legislative proposals, the timing of their implementation and the changes in institutional legal structure which these will bring about will require a continuous dialogue between EU and U.S. institutions in order to ensure that these regulatory initiatives avoid regulatory arbitrage and simultaneously enhance market efficiency. Today's meeting, on the eve of the creation of the European Securities Markets Authority in January 2011, will help provide a strong foundation on which our on-going discussions can build and provides an important moment for us to reiterate our commitment to address global financial challenges in a coordinated way."*

During today's discussion, the Chairs pledged to continue periodic discussion on these issues as they implement new regulations and to work collaboratively regarding possible areas for future collaboration as they oversee market participants registered in each jurisdiction.

The SEC-CESR dialogue was officially established in 2004. Its primary objectives are to:

1. Identify emerging risks in the U.S. and the EU securities markets for the purpose of improving the ability to address potential regulatory problems at an early stage; and
2. Discuss early on potential regulatory projects in the interest of facilitating converged, or at least compatible, ways of addressing common issues. Issues discussed to date include: the development of an infrastructure to support the consistent application, interpretation and enforcement of international financial reporting standards, oversight of credit rating agencies, hedge fund regulation and capital market structure issues.

The terms of reference governing the Dialogue are located at: <http://www.sec.gov/news/press/2004-75.htm> and on CESR's website via <http://www.cesr.eu/popup2.php?id=2092>

In addition to the meeting with Chairs of EU national regulators, Chairman Schapiro separately met with representatives involved in the EU legislative process, including Vittorio Grilli, Chairman of the EU Financial Services Committee (FSC) and Director General of the Treasury, Italian Ministry of Economy and Finance, and Jean-Paul Servais, member of the Financial Services Committee (FSC) and President of the Belgian Banking, Finance and Insurance Commission and senior representatives of the European Commission . The FSC and ESC are EU entities that represent the Member States in the EU legislative process, ultimately reporting to the Economic and Financial Affairs Council, commonly referred to as ECOFIN. During their meeting, they discussed a number of issues of common concern, including the regulation of over-the-counter derivatives and oversight of credit rating agencies and managers of hedge and private equity funds, as well as other issues involving market structure.