



U.S. Securities and Exchange Commission

SEC, SEBI Announce Increased Cooperation and Collaboration of Capacity Building Events in India

**FOR IMMEDIATE RELEASE
2008-3**

Washington, D.C., Jan. 8, 2008 - The Securities and Exchange Commission and the Securities and Exchange Board of India (SEBI) today announced terms for increased cooperation and collaboration.

SEC Chairman Christopher Cox and SEBI Chairman M. Damodaran elaborated the terms establishing the structure of, and agenda for, an SEC-SEBI dialogue. This new dialogue has three main objectives:

- Identify and discuss regulatory issues of common concern
- Continue and expand upon the existing program of capacity-building and technical cooperation between the SEC and the SEBI
- Improve cooperation and the exchange of information in cross-border securities enforcement matters

"As financial services and investment continue to grow and expand between the United States and India, the SEC and SEBI are increasingly working together to facilitate our aims of investor protection and healthy markets," said Chairman Cox. "The SEC has worked with SEBI over the past few years on extensive capacity-building programs as well as enforcement matters. I look forward to continuing and strengthening our regulatory and enforcement cooperation with SEBI through this high-level dialogue."

Chairman Damodaran said, "Given the role that emerging and recently emerged markets play in an increasingly globalised financial world, it is only befitting that the SEBI and SEC work closely for the protection of investors and for ensuring fair, efficient and transparent markets. The high level discussions between the two regulators, while promoting capacity building, would also enable both the SEBI and SEC to take suitable joint and collective action where needed."

Ethiopsis Tafara, Director of the SEC Office of International Affairs, said, "This framework for discussion will benefit and shape the SEC staff's continued interaction with officials from the SEBI. The SEC staff has engaged in over two dozen projects related to the Indian markets and met with over 1,000 Indian officials. The new dialogue will build upon these efforts and provide the SEC and SEBI with further opportunities to enhance securities regulation."

The dialogue will be composed of regular meetings and ad hoc information exchange at the staff level and between high-level representatives of the SEC and SEBI.

Given recent developments in both the U.S. and Indian markets, the following topics have been identified for discussion for the dialogue over the coming year:

- Oversight of dually regulated entities
- Regulatory and compliance issues relating to outsourcing
- Accounting and auditing standards
- Corporate governance standards and internal controls
- Areas for continued capacity-building and technical cooperation
- Cross-border cooperation and information sharing in securities enforcement matters

The SEC and SEBI agree that this is not an exclusive list of issues to be discussed in the dialogue and that the list may be revised as new regulatory issues affecting the India and U.S. markets emerge in the course of the year.

The SEC-SEBI dialogue was announced after completion of an extensive two-week, SEC-SEBI capacity-building and technical cooperation session on a variety of topics held in India at the end of December 2007. Highlights of the capacity-building effort were two training programs and a *CCOutreach* program for chief compliance officers of U.S. registered investment advisers located in Asia. In the *CCOutreach* program, topics included compliance risk assessment, establishing and testing compliance controls and common deficiencies found in SEC examinations.

The capacity-building programs conducted by the SEC involved a four-day training program in Mumbai on Securities Market Oversight and Enforcement which 55 Indian regulators attended. Topics included broker-dealer compliance, hedge fund regulatory concerns, broker-dealer and investment adviser inspections, insider trading, and market manipulation. The SEC also conducted a two-day training program in New Delhi on corporate finance and corporate disclosure which 25 officials for SEBI regional offices attended. Topics included the offering process, financial fraud, asset-backed securities and corporate governance.

<http://www.sec.gov/news/press/2008/2008-3.htm>