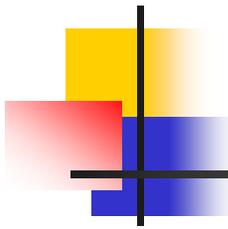


***Towards Enhanced  
Market Integrity  
- Direction of new SESC -***

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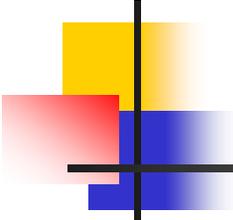
**Masayuki Yoshida  
Commissioner**

**Securities and Exchange Surveillance  
Commission (SESC), Japan**



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# I. Overview of the SESC



## *Our Mission*

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- To ensure integrity of the capital markets
- To protect investors



# *Organization of the SESC*

## *- Current SESC Commissioners- (Since Dec. 2010)*



**Chairman:**

**Mr. Kenichi Sado (reappointed)**



**Commissioner:**

**Mr. Shinya Fukuda (reappointed)**

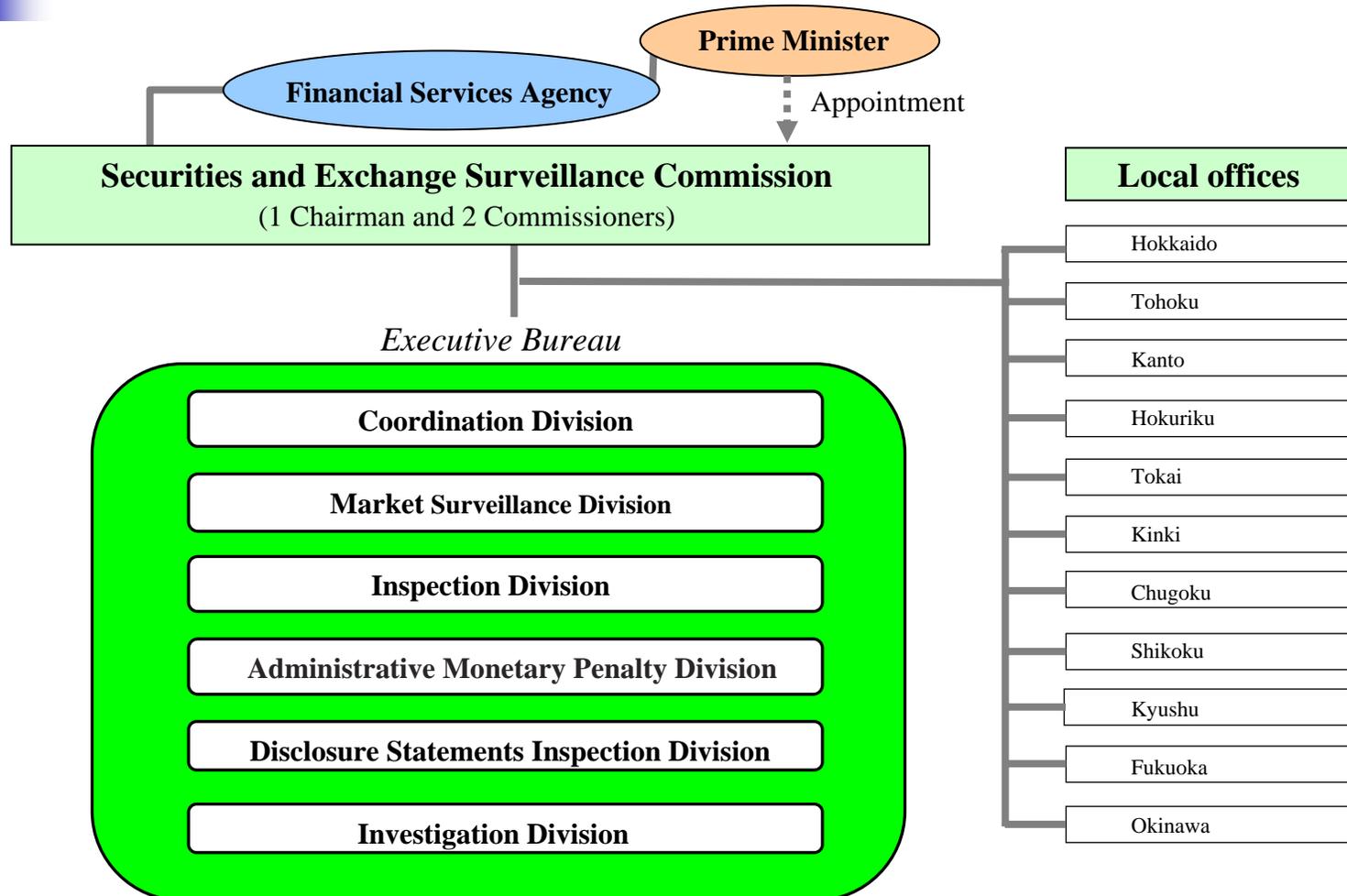


**Mr. Masayuki Yoshida (newly appointed)**

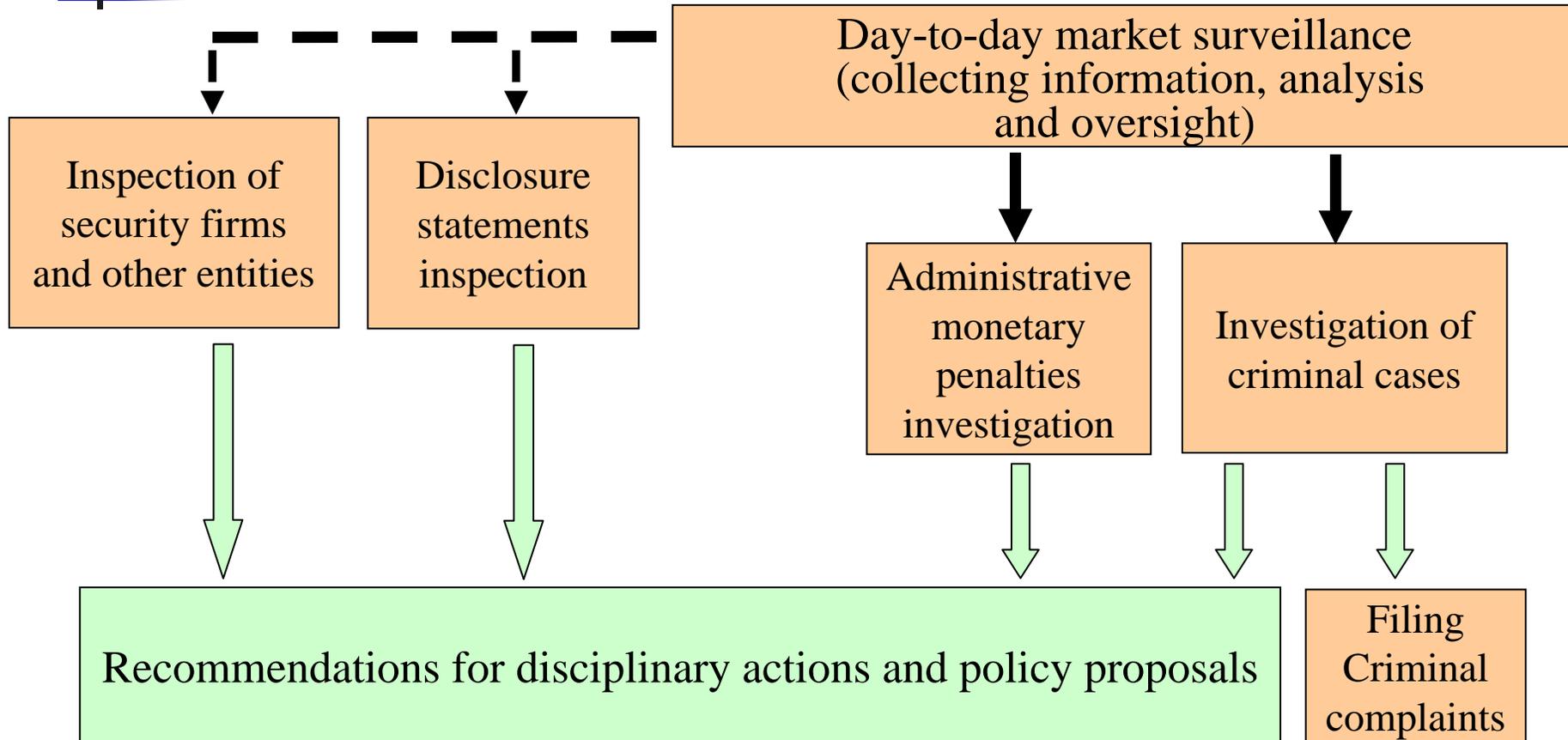


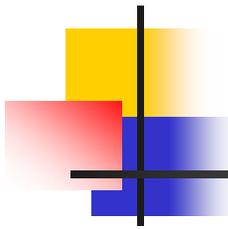
# Organization of the SESC

## - SESC Organization Chart -



# Major Functions of the SESC

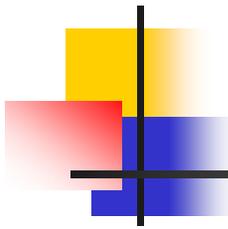




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# **II. SESC' s Policy Statement**

## **(3 years from Dec. 2010)**



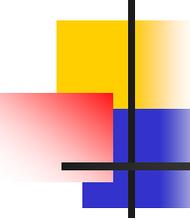
# *New Directions of SESC*

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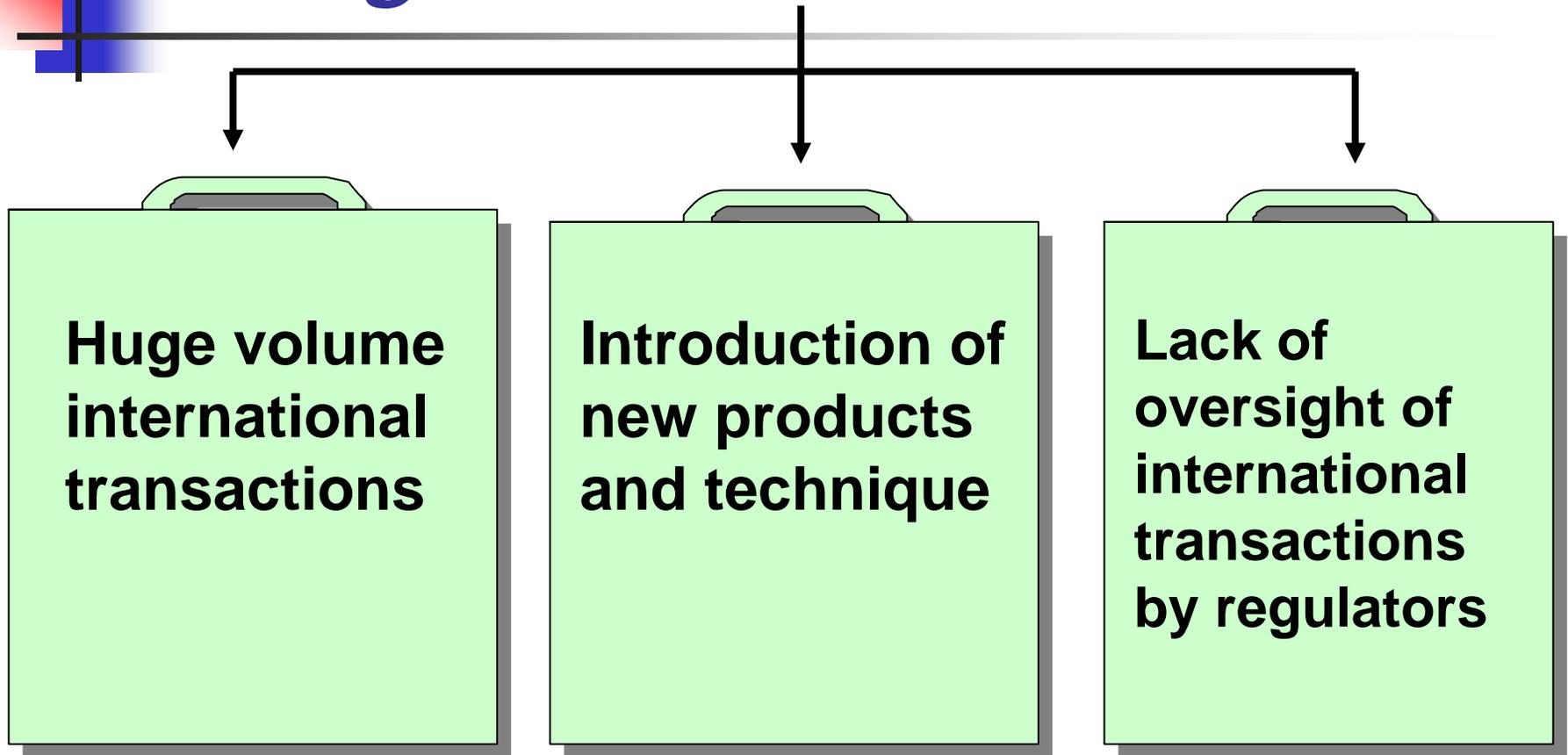
- **Market oversight with prompt and strategic actions**
- **Outreach activities for enhanced market integrity**



■ **Response to the globalization of Markets**



# *Background of New Direction*

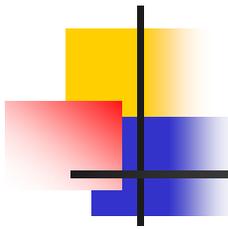


# Background -Statistic-

Stock trading volume of foreign investors in agency trades in the 1st section of Tokyo Stock Exchange

	2008		2009		2010	
	sell	buy	sell	buy	sell	buy
Stock trading volume of foreign investors	58.0%	56.0%	44.9%	44.7%	54.1%	55.0%

(Source : TSE)



# *Response to the globalization of Markets*

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**Closer cooperation with overseas regulators**

**Further developments of human resources  
and organizational structures**

# *Enhanced Cooperation with Overseas Regulators*



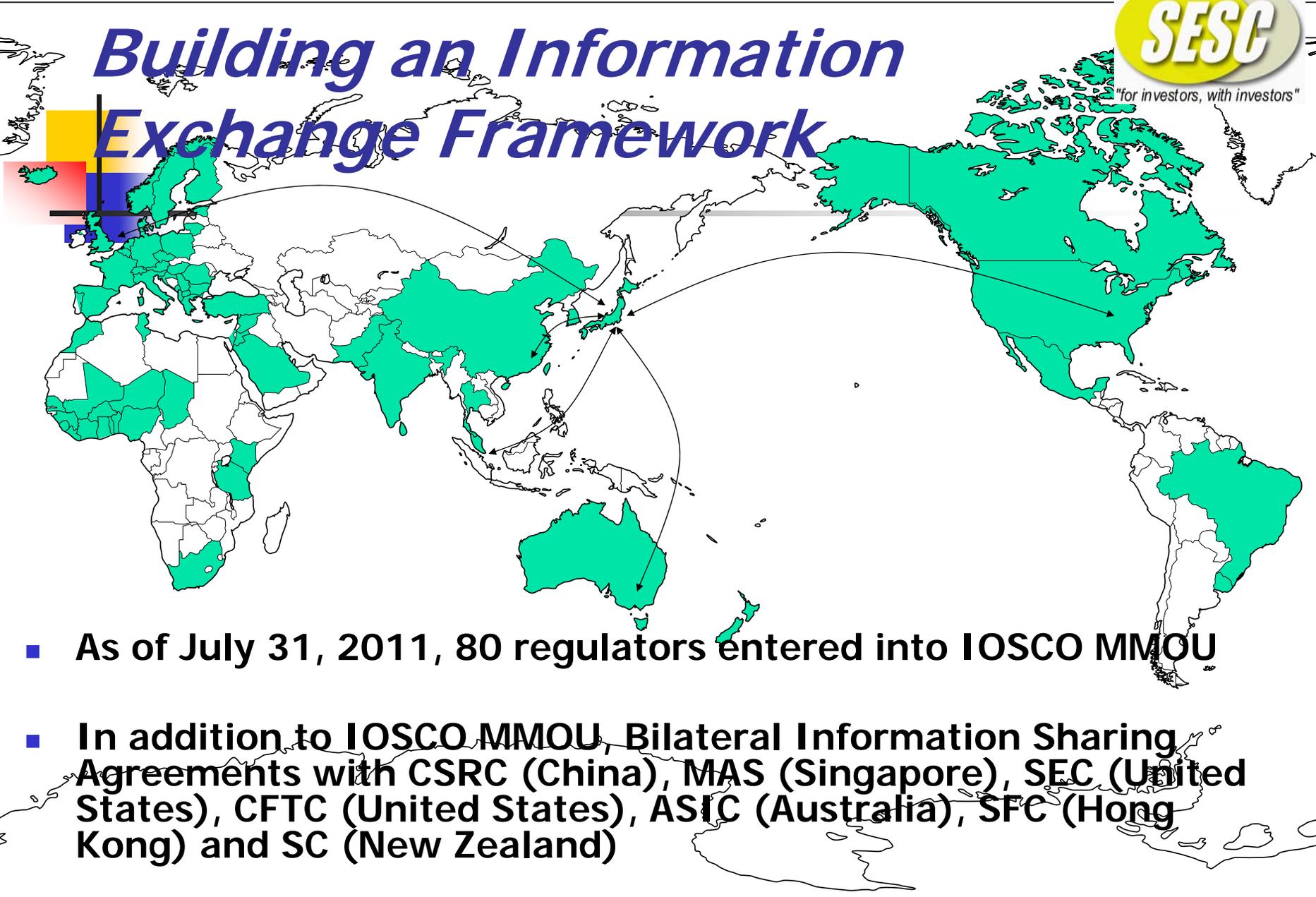
- **Past results of cooperation with overseas regulators**
- **Building an information exchange framework**

# *Past Results of Cooperation With Overseas Regulators*



	<b>Regulators punishing or filing criminal complaints</b>	<b>Cooperated with</b>
<b>Oct 2004</b>	<b>Monetary Authority of Singapore (MAS)</b>	<b>SESC</b>
<b>Aug 2006</b>	<b>UK Financial Services Authority (FSA)</b>	<b>SESC</b>
<b>Dec 2006</b>	<b>Hong Kong Securities and Future Commission (SFC)</b>	<b>SESC</b>
<b>Apr 2009</b>	<b>Securities and Exchange Surveillance Commission (SESC)</b>	<b>MAS</b>

# *Building an Information Exchange Framework*

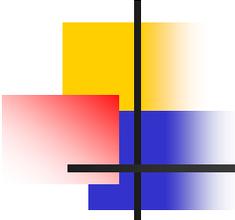


- As of July 31, 2011, 80 regulators entered into IOSCO MMOU
- In addition to IOSCO MMOU, Bilateral Information Sharing Agreements with CSRC (China), MAS (Singapore), SEC (United States), CFTC (United States), ASIC (Australia), SFC (Hong Kong) and SC (New Zealand)

# *Further developments of human resources and organizational structures*

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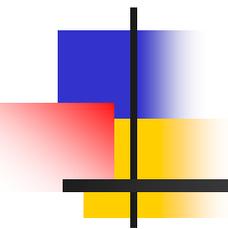
- **Establishing new office to deal with cross-border cases**
- **Staff education and professional recruiting in the fields of legal expertise, accounting and securities transactions**



# *Future Challenges*

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- **Utilizing proactively exchange-of-information framework among securities regulators against suspicious cross border transactions**
- **Active enforcement actions against cross border fraudulent transactions**



# Thank you

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website : <http://www.fsa.go.jp/sesc/english/index.htm>