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Press Release

Developing Global Framework for Capital Markets Transactions Can Be Taken in Steps

SIFMA and IIAC Urge G7 to Support Facilitation of Cross-Border Business

WASHINGTON, D.C., October 18, 2007 – The Securities Industry and Financial Markets Association (SIFMA) and the Investment Industry Association of Canada (IIAC) called on the G7 today to explore global regulatory structures in order to address the increasingly global nature of financial markets. Specifically, the associations believe that exemptions from local licensing requirements should be provided for global firms' cross-border transactions with institutional investors.

"Tailoring reform to eligible foreign firms that serve institutional clients would create a groundbreaking pilot program among like-minded international regulators," said Marc Lackritz, president and CEO of SIFMA. "This essential initial step towards "mutual recognition" will elevate global supervisory practices and enhance investor protection."

"There is a pressing need for practical reforms to address the myriad of regulatory obstacles that hinder effective delivery of cross-border financial services," stated Ian Russell, president and CEO of the IIAC. "We understand that mutual recognition raises a host of complicated regulatory issues, but this measured approach provides a foundation for progress toward the G7's stated goal of free trade in securities."

Such reform will require a number of essential steps: (i) expanding wholesale cross-border access, (ii) adopting an expeditious and transparent implementation mechanism, (iii) avoiding impractical regulatory distinctions such as those limiting trading in mixed portfolios, and (iv) basing regulatory deference to non-domestic jurisdictions on strengthened agreements for supervisory cooperation rather than abstract "comparability" determinations.

The Securities Industry and Financial Markets Association brings together the shared interests of more than 650 securities firms, banks and asset managers. SIFMA's mission is to promote policies and practices that work to expand and perfect markets, foster the development of new products and services and create efficiencies for member firms, while preserving and enhancing the public's trust and confidence in the markets and the industry. SIFMA works to represent its members' interests locally and globally. It has offices in New York, Washington D.C., and London and its associated firm, the Asia Securities Industry and Financial Markets Association, is based in Hong Kong.

The Investment Industry Association of Canada (IIAC), formerly the industry association arm of the Investment Dealers Association of Canada (IDA), advances the position of the Canadian investment industry on regulatory and public policy issues. As the professional association for the industry, the Investment Industry Association has a mandate to promote efficient, fair and competitive capital markets for Canada while helping its member firms across the country succeed in the industry.