



SEBI signs MoU with 27 European regulators

Securities and Exchange Board of India and securities market regulators of 27 member States of the European Union ("EU") / European Economic Authority ("EEA") signed bilateral Memorandum of Understanding (MoU) concerning consultation, cooperation and the exchange of information related to the supervision of the Alternative Investment Fund Managers (AIFMs). The bilateral MoUs were signed on July 28, 2014.

The MoUs were signed in pursuance of the EU Alternative Investment Fund Managers Directive (AIFMD) that was adopted by the European Council and Parliament in July 2011 which requires that adequate supervisory cooperation arrangements are put in place between EU and non-EU supervisory authorities including SEBI.

Under the framework of AIFMD, the existence of such co-operation arrangements between EU and non- EU authorities is a precondition for allowing greater market access and cross border functioning of the AIF business. These MoUs would thus enable Indian fund managers to manage or market AIFs in the EU region and the EU fund managers to manage or market AIFs in India. As such, these MoUs would mutually benefit the Alternative Investment Funds Industry of the two jurisdictions.

Through these MoUs, SEBI and the EU authorities expressed their willingness to cooperate with each other in the interest of fulfilling their respective regulatory mandates, particularly in the areas of investor protection, fostering market and financial integrity, and maintaining confidence and systemic stability.

The text of the MoU was finalized by SEBI and the European Securities and Markets Authority (ESMA), the independent EU Authority that works in close co-ordination with the EU in standard setting and international supervisory co-operation. While ESMA negotiated these MoUs centrally on behalf of the EU/EEA securities regulator, the said MoUs will operate as bilateral arrangements between SEBI and each of the said securities regulators.

These bilateral arrangements mark a crucial step in SEBI's commitments towards enhancing mutual co-operation with the securities markets' regulatory authorities world over. So far, SEBI has signed 20 bilateral MoUs and one letter of Intent for mutual assistance and cooperation. SEBI is also a signatory to the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information. (MMoU).

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