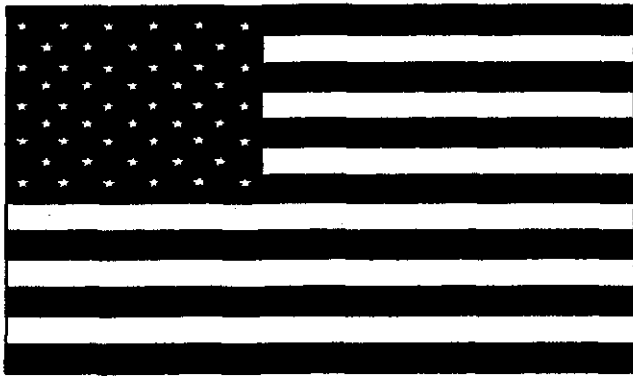
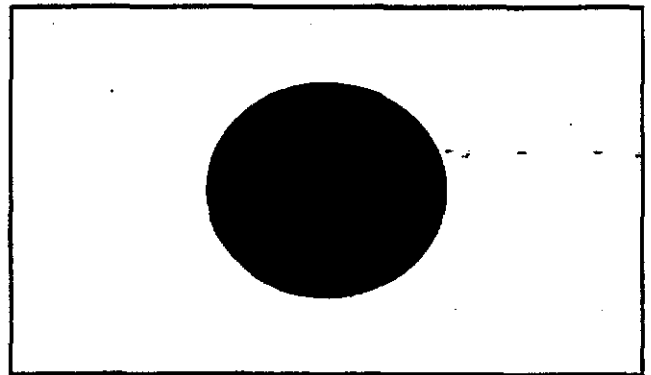


# UNDERSTANDING



*The United States  
Securities and Exchange Commission*



*The Securities Bureau of the  
Japanese Ministry of Finance*

*on the  
Sharing of  
Information*

*Washington, D.C.  
May 23, 1986*

Memorandum of the United States Securities and Exchange  
Commission and the Securities Bureau of the Japanese Ministry  
of Finance on the Sharing of Information

The Securities Bureau of the Japanese Ministry of Finance (hereafter referred to as the "Securities Bureau") and the United States Securities and Exchange Commission believe it is in the best interest of all nations to expose and prosecute those who would abuse the integrity of the international securities markets. The parties recognize that the growing internationalization of the securities markets has resulted in significant trading of securities of one country in the other. For example, there are now eight Japanese securities traded on the New York Stock Exchange, more than any foreign country except Canada, and eighteen Japanese securities quoted in the NASDAQ system. In addition, there are fifteen United States securities traded on the Tokyo Stock Exchange.

It is the expectation of both parties that the interaction of the Japanese and United States securities markets will continue to grow. The parties believe that this is a positive development that should be encouraged. As the interaction between these securities markets grows, however, it is of increasing importance that there be established procedures for the two parties to share surveillance and investigative information as each government discharges its responsibility to enforce its securities laws. This would no doubt serve us in improving the protection of investors, in securing adequate supervision of securities companies and other securities-related businesses, and in preventing fraudulent securities transactions in the respective countries.

For this reason, the Securities Bureau and the Securities and Exchange Commission agree to facilitate each agency's respective requests for surveillance and investigatory information on a case-by-case basis.


In order to ensure the timely processing of requests, the Securities Bureau appoints as the contact person:


Director of the Coordination Division  
Securities Bureau  
Ministry of Finance  
3-1-1, Kasumigaseki, Chiyoda-Ku  
Tokyo 100  
(Telex: J24980)

The Securities and Exchange Commission appoints as the contact person:

Director of Enforcement  
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549  
(202) 272-2900

The Securities Bureau and the Securities and Exchange Commission look forward to an increasingly close and productive relationship and agree to negotiate in good faith additional procedures for the exchange of surveillance and investigative information if such procedures should prove to be necessary or appropriate.

  
Shunsuke Kishida  
Director-General  
Securities Bureau  
Ministry of Finance  
Japan

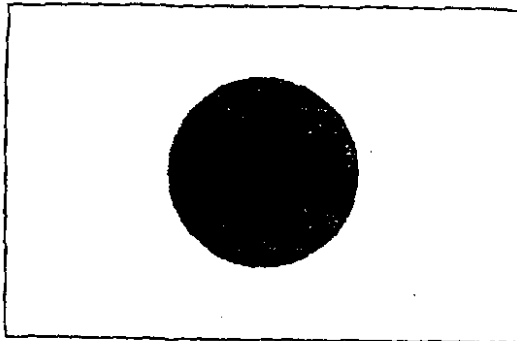
  
John Shad  
Chairman  
Securities and Exchange Commission  
United States of America

May 23, 1986

**STATEMENT  
OF  
INTENT**



*THE UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
COMMODITY FUTURES TRADING COMMISSION*



*THE FINANCIAL SERVICES  
AGENCY OF JAPAN*

**CONCERNING COOPERATION, CONSULTATION  
AND THE EXCHANGE OF INFORMATION**

**May 17, 2002**

**STATEMENT OF INTENT CONCERNING COOPERATION, CONSULTATION AND THE EXCHANGE OF INFORMATION**

*The Securities and Exchange Commission of the United States and the Commodity Futures Trading Commission of the United States, on the one hand and the Financial Services Agency of Japan, on the other hand, recognizing increased international activity in securities and futures transactions and the corresponding need for mutual cooperation between relevant authorities, state hereby the intentions to cooperate, consult and exchange information in connection with supervisory and enforcement matters as follows.*

**DEFINITIONS**

For the purposes of this Statement of Intent:

1. "Authority" means:
  - (a) the Securities and Exchange Commission of the United States;
  - (b) the Commodity Futures Trading Commission of the United States;  
or
  - (c) the Financial Services Agency of Japan.
2. "Requested Authority" means an Authority to whom a request is made under this Statement of Intent.
3. "Requesting Authority" means an Authority making a request under this Statement of Intent.
4. "Market" means an exchange or other market, including an over-the-counter market, that is recognized, supervised or subject to regulation by an Authority.
5. "Laws and Regulations" mean:
  - (a) for securities, the provisions of the laws of the United States and Japan, the regulations promulgated thereunder, and other regulatory requirements that fall within the jurisdiction of the Authorities, concerning securities; and
  - (b) for futures, the provisions of the laws of the United States and Japan, the regulations promulgated thereunder, and other regulatory requirements that fall within the jurisdiction



















