

**Participation Arrangement
on the
Regulatory Interpretation and Enforcement
of
Financial Reporting Standards**

Preamble

1. This Participation Arrangement is made on 23rd May 2012 between British Columbia Securities Commission, and the International Organization of Securities Commissions (IOSCO).
2. Regulators throughout the world share a common interest in strengthening international co-operation to ensure consistent regulatory interpretation and enforcement of International Financial Reporting Standards (IFRSs).
3. Although IOSCO itself is not directly involved as an operational regulator, it can play a useful role in facilitating consistent supervision and application of the IFRSs.
4. This Participation Arrangement sets out the specific conditions agreed between IOSCO and British Columbia Securities Commission in relation to the maintenance, access and use of the Global IFRS Coordination Database (GICD).

Interpretation

5. In this Participation Arrangement:
 - (a) "Participating Regulator" means a regulator that regulates compliance with IFRSs and which is party to an arrangement with IOSCO that arrangement is, or is substantially, in the same form as this Participation Arrangement; and
 - (b) "Global IFRS Coordination Database" (GICD) means the database of information established by IOSCO for use by Participating Regulators under this Participation Arrangement and similar arrangements.
6. In this Participation Arrangement, the plural has a meaning consistent with the meaning of the singular.

Operative clauses

7. This Participation Arrangement includes by reference the principles and guidance in IOSCO "Statement of Principles – Regulatory Interpretation and Enforcement of Financial Reporting Standards and Appendix – Guidance for Implementation" (SOP).
8. The IOSCO General Secretariat agrees to establish and maintain a secure electronic GICD database that is readily accessible by, and only by, the IOSCO General Secretariat and any Participating Regulator who enters into a Participation Arrangement.
9. The IOSCO General Secretariat agrees to review each individual decision submitted for inclusion on the GICD for completeness and compliance with the database format prescribed in the SOP.

10. The IOSCO General Secretariat agrees to take all reasonable steps to ensure that a decision is accessible only to the IOSCO General Secretariat and Participating Regulators. Access to particular decisions may be given to other relevant parties, subject to the prior written consent being obtained from the Participating Regulator that contributed the decision.
11. The Accounting Subcommittee of the IOSCO Technical Committee Standing Committee 1 on Multinational Disclosure and Accounting (SC1) will review, on a regular basis, common and/or frequently raised issues or decisions where there are inconsistent outcomes that may indicate difficulties in applying a particular IFRS. SC1 will determine whether the issue should be referred to the International Accounting Standards Board or International Financial Reporting Interpretations Committee for review. SC1 will also review the database to remove decisions that have become obsolete.
12. British Columbia Securities Commission agrees to use its best endeavours to ensure that its officers will refer to the GICD as a source of information in regulatory activities involving the regulatory interpretation and enforcement of IFRSs. The use of such information will reflect the principles and guidance in the IOSCO SOP.
13. British Columbia Securities Commission is expected to use its best endeavours to provide input to the GICD in accordance with the principles and format contained within the SOP and to implement a quality control process to ensure the factual accuracy of that input, including where possible, a dedicated resource to support the process. The success of the database will be dependent upon regulators contributing to the database.
14. British Columbia Securities Commission agrees to identify a specific officer or officers as the contact point for enquiries about the input to the GICD by IOSCO and/or other Participating Regulators on specific decision inputs. The identity of the officer(s) and any replacement officer(s) must be notified to the IOSCO General Secretariat as soon as is reasonable after the officer is identified.
15. British Columbia Securities Commission agrees to co-operate with, and exchange relevant information through personal contact and discussion with, identified representatives of other Participating Regulators.
16. Any information obtained by British Columbia Securities Commission in accordance with the principles of this Participation Arrangement is confidential and is to be used exclusively for lawful regulatory purposes. British Columbia Securities Commission accepts that it is responsible for the manner in which it uses the information on the database and that it has no right of recourse of any type against the other Participating Regulator that contributed the database information or against the IOSCO General Secretariat.
17. In situations where British Columbia Securities Commission wishes to disclose information from the GICD to a third party for a legitimate regulatory activity, British Columbia Securities Commission will consult with and obtain the prior written consent of the Participating Regulator who provided that information. In the event that the British Columbia Securities Commission is legally compelled to disclose information obtained under this Participation Arrangement, British Columbia Securities Commission will seek to preserve the confidentiality of the information to the extent permitted by law and advise the Participating Regulator that provided the information.

Ongoing participation

18. British Columbia Securities Commission agrees that continuing participation in the GICD is conditional upon meeting the obligations contained in this Participation Arrangement. British Columbia Securities Commission agrees that its compliance with the terms of this Participation Arrangement can be subject to review or monitoring by the IOSCO Technical Committee (TC).

Termination

19. If the TC determines that British Columbia Securities Commission has not complied with the terms of this Participation Agreement, the TC may terminate this Participation Arrangement by written notice to the other parties to the agreement. Before such a determination is made, British Columbia Securities Commission must be given reasonable opportunity to provide appropriate explanations and to discuss the matter with a representative of the TC.
20. British Columbia Securities Commission may terminate this Participation Arrangement at any time by providing written notice addressed to the IOSCO Secretary General.
21. This Participation Arrangement ceases to have effect in relation to British Columbia Securities Commission when the written notice is received by British Columbia Securities Commission pursuant to clause 19 or by the IOSCO General Secretariat pursuant to clause 20, except insofar as British Columbia Securities Commission agrees that:
- (a) the IOSCO General Secretariat may continue to retain any information provided by British Columbia Securities Commission on the GICD after the termination of this Participation Arrangement; and
 - (b) British Columbia Securities Commission must continue to comply with paragraphs 14 and 15 of this Participation Arrangement in relation to any information previously obtained from the GICD after the termination of this Participation Arrangement.

Signed by



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Brenda M. Leong

Chair and Chief Executive Officer

for British Columbia Securities
Commission
on

04/18/12
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Signed by


.....
David Wright

Secretary General

for IOSCO
on

29/1/2012
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