

**Report of the U.S. Securities and Exchange Commission (SEC) to the  
U.S. Agency for International Development (USAID)  
Concerning Technical Assistance to USAID Cooperating Countries  
Interagency Agreement (IAA) Between USAID and the SEC  
for the Quarter Ending December 31, 2007**

**Technical Assistance under the Global Agreement – Global B**

**Program Title:** Technical Assistance and Training through SEC – Phase II  
**Strategic Obj. Title and No:** 933 – 08 Open, Competitive Economies Promoted  
**Appropriation Symbol:** 723/41021                      **Fund Code:** DV03/04  
**A&A Request Number:** 12015/577                      **Initial FY:** 2003  
**Completion Date:** Sept. 30, 2009  
**Annex B-1, EGAT/OEG**

The SEC provides technical assistance to USAID Cooperating Countries pursuant to an IAA with USAID dated July 18, 2003. This report describes the SEC's activities under the IAA for the quarter ending December 31, 2007.

**ACTIVITIES DURING THE QUARTER**

**Brazil, October 22-26, 2007**

Four US SEC staff conducted major Capital Market Development and Oversight Training Program for Latin America and the Caribbean, held in Rio De Janeiro, from October 22-26, 2007. The program was conducted by Scott Birdwell, SEC OIA Branch Chief, Dr. Robert Fisher, OIA Assistant Director, Kurt Gresenz, Division of Enforcement Branch Chief, and Kimberly Garber, Associate Regional Director over the Examination Program in the SEC's Fort Worth Regional Office. The program was attended by 76 participants, including CVM staff, public prosecutors, self regulatory organizations, central bank officials and other financial services regulators from Brazil, Chile, Bahamas, and Uruguay. The program was hosted by the Comissao de Valores Mobiliarios. The week long program included intensive training on the inspection of market intermediaries as well as methods for conducting investigations of market misconduct, insider trading, financial fraud, and market manipulation.

Roberto Tadeu Antunes Fernandes, Chief Executive Officer of the CVM, said:

“It is with great satisfaction that the CVM and the U.S. SEC have again co-sponsored a second Latin American and Caribbean Securities Enforcement and Market Oversight Training Program. The CVM considers this seminar an excellent opportunity to become acquainted with the enforcement methods of the U.S. regulators. We are sure that all participants will benefit from this seminar for years to come, especially now that the CVM is in the process of remodeling its administrative structure, giving even more emphasis to our enforcement division.”

**Serbia, November 12 -14, 2007**

Two US SEC staff, Michael Garrity, Assistant District Administrator of US SEC's Boston Regional Office and Laura Magyar, Branch Chief US SEC Office of Compliance Inspections and Examinations, and Mr. Robert Strahota, USAID Senior Consultant on Securities Market issues, conducted an Investment Management and Broker-Dealer Examination and Oversight Program, held from November 12 -14 at the Belgrade Stock Exchange Brokers' Club. The program was sponsored by the Serbian Securities Commission and attended by 48 participants.

In an effort to deepen cooperation between the Serbian Securities Commission and the industry, industry representatives presented their views on the main regulatory issues relating to the Serbian capital market. Moreover, the meeting hosted guests from the Croatian Agency for Financial Services Supervision - HANFA. This was intended to enhance regional cooperation and exchange of experiences between regulatory entities that are supervising capital markets with similar characteristics.

**Mexico, November 5-7, 2007**

Four US SEC staff, Rose Romero, Regional Director for the Fort Worth Regional Office, Alberto Arevalo, OIA Assistant Director, Teresa Verges, and Jeri Dresner, conducted the Enforcement and Market Oversight Program, held in Mexico City, from November 5 – 7, 2007. The program was attended by 38 participants and was developed to assist the Mexican CNBV to:

- develop methods and strategies for the implementation and enforcement of the new Mexican securities law;
- present a forum where a four- person team of SEC attorneys from OIA, Market Surveillance and Enforcement Division can present securities regulators in Mexico with overview of the legal mechanisms and investigative techniques, which the SEC uses to combat financial fraud, insider trading and other securities related violations and to give examples of "lessons learned" from the SEC's experiences;
- provide an overview of how securities markets are regulated in the USA and the regulatory methods used in the USA to police the players in the financial markets;
- illustrate the parallel provisions between the new Mexican securities law and US federal securities law and the practical application of such provisions in the US and in Mexico.

The program was hosted by the Comisión Nacional Bancaria Y De Valores.

**Dominican Republic, December 3 – 5, 2007**

Three US SEC staff, Rose Romero, Regional Director for the Fort Worth Regional Office, Scott Birdwell, OIA Branch Chief, and David Bloom, Branch Chief, Office of Compliance Inspections and Examinations, conducted a major anti-money laundering program held in Santo Domingo, Dominican Republic, from December 3-5, 2007. The program was hosted by the Superintendencia de Valores de la Dominican Republic.

The three day program was designed to share best practices and form partnerships among regulatory and law enforcement officials, as well as compliance officers and other industry professionals. The program was attended by 150 participants from 18 Latin American and

Caribbean countries. The program featured intensive training on effective AML compliance programs, customer identification, monitoring for suspicious activity, examining securities market participants for AML compliance, best practices for coordination between regulators and law enforcement authorities, tracing and restraining proceeds of fraud, and appropriate penalties for AML violations.

Haivanjoe Ng Cortiñas, Superintendent of Securities of the Dominican Republic, said:

The Superintencia is proud to have provided a forum where delegates from both the public and private sector came together to share best practices and future strategies for a regulatory system that will both maximize capital development and ensure that the securities markets are not a source of finance for fraud or terror. This exceptional program was characterized by intense interest of the delegates and was an example of how the public and private sector can work together to address common problems and goals. There is tremendous economic benefit available to our region from a deepening of our securities markets. The regulators and law enforcement authorities can foster economic growth by working with all involved to maintain a regulatory system that instills confidence, transparency, and has the necessary tools and techniques to address the market abuses that were discussed so thoroughly during this program.

#### **REIMBURSABLE SEC EXPENSES**

The SEC will submit a claim for reimbursement of **\$28,221** under the IAA for the quarter ending December 31, 2007.

January 14, 2008

Respectfully submitted, \



Dr. Robert Fisher  
Assistant Director  
SEC Office of International Affairs

**FINANCIAL REPORT FOR THE QUARTER ENDING December 31, 2007**

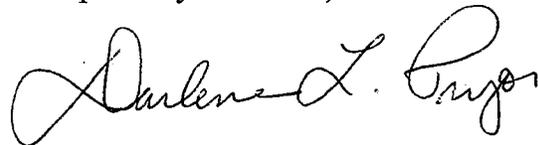
Attached is the financial report, providing information regarding SEC reimbursable technical assistance expenditures for the current period and cumulatively.

Report:

Technical Assistance Under the Global "B" Agreement (Annex B-1) – Summary Report

January 14, 2008

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Darlene L. Pryor". The signature is written in a cursive style with a large, looping initial "D".

Darlene Pryor  
Management Analyst  
SEC Office of the Executive Director