

**BY-LAWS OF THE SECURITIES REGULATORY AUTHORITIES OF NORTH,
SOUTH, AND CENTRAL AMERICA AND THE CARIBBEAN**

(As amended, 2006)

PREAMBLE

**THE SECURITIES REGULATORY AUTHORITIES OF NORTH, SOUTH, AND
CENTRAL AMERICA AND THE CARIBBEAN**

CONSIDERING

That securities markets are fundamental to the development of private enterprises, the formation of savings and investments, the efficient allocation of resources, and the promotion of economic growth;

That the increasing internationalization of the world's securities markets adds a new and dynamic dimension to the economies of all nations;

That maintaining securities markets with integrity is important for sustaining growth of the economies of the region;

That it is desirable to promote the continuing development of securities markets to benefit all people in the Americas and to establish a new organization to assist those efforts;

**HEREBY STATE THEIR INTENTION TO COOPERATE TO ENHANCE THEIR
MUTUAL EFFORTS TO DEVELOP AND FOSTER THE GROWTH OF
SECURITIES MARKETS THAT ARE OPEN AND FAIR TO ALL INVESTORS.**

TO THIS END, the Authorities have identified the following areas in which they intend to concentrate their principal activities:

- The proposal and implementation of regulatory, legal and structural reforms to facilitate broad-based participation in the securities markets;
- The protection of investors, through the establishment and enforcement of provisions on general principles of accounting and auditing, and full and fair disclosure, as well as the conduct of securities business and transactions in the Americas in an ethical manner;
- The maintenance of securities markets with integrity through coordination of and cooperation in market surveillance and the enforcement of the laws and regulations of the countries of the Americas;
- The development of measures and mechanisms to stimulate capital formation in the Americas;
- That identification and where appropriate, following the applicable legal procedure, the removal of barriers that have no regulatory purpose and impede cross-border investment opportunities and securities market development in the Americas; AND
- The development of trading systems based on the principles of enhanced transparency, and efficient clearance and settlement for all participants in the securities markets in the Americas.

In order to achieve these objectives, the Authorities HEREBY DETERMINE to assemble together in the Council of Securities Regulators of the Americas, governed by the following By-laws.

Chapter 1 - General Provisions

1. For the purposes of this document, the following terms have the meaning set out below:

(A) "Securities Regulatory Authorities" or "Authorities": the principal securities commission or other body with responsibility for market oversight;

(B) "Council of Securities Regulators of the Americas": COSRA or Council;

(C) "Americas": North, South, and Central America and the Caribbean.

2. The Authorities are joined together in the Council to enhance their ability to carry out their missions through discussion and cooperation.

The purpose of COSRA is to enable members to exchange information, with a view to developing securities markets within the countries of the Americas and improving their efficiency; to coordinate the development of standards of market conduct; to review accounting, disclosure, and other issues of concern to investors throughout the Americas; and to promote the growth of liquid and efficient securities markets within the Americas.

To this end, the membership shall meet annually and from time to time, as necessary. In order to address matters of common concern, the meetings shall include the active participation of the members.

3. The Secretariat of the Organization shall be located at the offices of the Chairman of COSRA. The archives of the official documents of COSRA shall be located at the offices of one of its members.

Chapter 2 - Members

4. There are three categories of membership: ordinary, associate and affiliate.

(A) The principal securities commission or other body with responsibility for market oversight of any country in North, South, or Central America or the Caribbean is eligible to become an ordinary member of the organization. Each country shall have only one member organization, except where there is not one single entity with national authority. Where there is more than one such entity within a country, each entity shall be entitled to join as an ordinary member.

(B) Any Securities Regulatory Authority of a country outside the Region that is willing to participate in COSRA's activities or to cooperate with COSRA Members is eligible to become an associate member. Associate membership will be conferred following an ordinary member vote without objection.

(C) Organizations that are active in the fields of economic cooperation, financial market oversight, self-regulatory activities, or any other field related to the mission and purpose of COSRA may be recognized by COSRA as affiliate members. Affiliate membership will be conferred following an ordinary member vote without objection.

5. Each ordinary member shall have one vote, except where a country has more than one ordinary member, in which case the collective members from that country shall have one vote.

(A) The associate and the affiliate members have no vote. However, they may be invited to participate in discussions and deliberations of the organization and contribute to establishing a consensus on issues.

(B) An absent member may cast its vote electronically or in writing.

(C) A meeting of the General Assembly of COSRA shall be considered to be a valid meeting of a regional committee of an international organization of securities regulators with overlapping membership, provided there is no objection from any COSRA member also belonging to the regional committee of the other organization.

6. The presence of half of the members of the Council, plus ONE shall constitute a quorum. Decisions of COSRA shall be made by the consensus of the ordinary members, except for the election or re-election of the Chairman and Vice Chairman of the Council and for the modification of the by-laws, as established in Chapters Three and Four.

7. Each member shall be represented at annual meetings and in committee or working group sessions, of which they are a member, by the head of the Authority, or by any other person within the Authority, appointed by him or her. The vote may be exercised only by the person representing the member.

Chapter 3 - Structure and Operation of the Organization

8. The organization shall have a Chairman and a Vice Chairman. The Chairman shall be the spokesperson for the organization.

9. At the Annual Meeting held in every even-numbered year, elections for the Chair and Vice Chair shall be held. The Chair and Vice-Chair shall serve an approximately two-year term, which will begin upon election. The term of service for the Chair and Vice Chair shall end at the next even-numbered year Annual Meeting. The Chair and Vice Chair shall be elected or re-elected from among the membership in their official, and not individual, capacities by a majority of the ordinary members. The Chair and Vice Chair shall, in the manner of other COSRA members, vote on behalf of the Authority that they represent.

10. The Chairman shall call an annual meeting of the members, and such other plenary sessions as shall be desirable.

11. The Chairman shall conduct the meetings of the organization. In the absence of the Chairman, the Vice Chairman shall conduct any such meetings.

12. The Chairman and Vice Chairman shall make decisions relating to the routine operations of COSRA. To this end, the Chairman and Vice Chairman may form committees or working groups and undertake projects and activities in furtherance of the goals of COSRA. At the discretion of the Chairman and Vice Chairman, leadership of the committees or working groups may be delegated to another member of COSRA.

13. The Chairman shall act as a liaison among the members of the organization.

Chapter 4 - Modifications

14. Any modification of these by-laws shall be made by the vote of two-thirds of the ordinary members.

Chapter 5 - Legal Effect

15. These by-laws constitute a statement of intent by each member of COSRA with respect to the organization and operations of COSRA. As such, these by-laws shall not be construed, in whole or in part, to be legally binding on any COSRA member.

Adopted 24th day of June, 1994. Revised 2006.