Situational Prevention Of Crimes Related To The Securities and Exchange

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Abstract:
Situational prevention or situated-oriented, refer to that kind of prevention which tries to inhibited crime statistics thorough reducing target charm and de-attraction of criminal pre-situation by mastering the environment and circumstances surrounding the offense, or through which the crime can be somewhat reduced, or prevent its occurrence. In this meantime, measures to prevent economic crimes, especially crimes in Securities and Exchange which is noticed the effectiveness on one of the two individual tendency to committing a crime or occurring the crime-causing conditions, is considered as the most important crime prevention strategy of mentioned crimes which its enforcement and implementation requires the cooperation and assistance of capital market supervisory bodies, law enforcement and self-regulation bodies, and by implementation of situational prevention strategies concerning the victims and crime in Stock Exchange field, such as transparency, control and monitoring, this important matter will be realized. On this basis, the research findings suggest that the capital market supervisory bodies thorough transaction monitoring is based on insiders information, the information exchange of capital market supervisory authorities and also training activities; law enforcement with more experience about the complexity of cases related to market crimes in particular manipulation of market or transaction rely on insiders information or abuse it which may be involves using complex financial instruments such as doing transaction or futures contracts or investment techniques similar to short selling; and finally self-discipline institutions with adoption and implementation of regulations related to the prevention of committing crimes, such as prevention of transactions based on secret information can play a role in situational prevention of crimes related to exchange of securities and their participation.

Keywords: prevention, situational prevention, securities, economic crime and stock exchange

Introduction:

Capital market offenses which is provided under any definition of economic crime, are considered as the most important examples of economic crimes. The weakness of legal system is one of the factors affecting on public withdrawing confidence in capital market in order to detect and pursue these crimes and retribution of offenders. There is no doubt that along with prosecution and punishment of offenders in capital market, appropriate and scientific actions should be considered seriously to prevent the occurrence of such crimes. The law of Islamic Republic of Iran on the securities market have special attention to transparency of capital market and attracting public confidence in criminalization in market realm. In this law, in compare with established law of Stock Exchange and other previous laws, some new criminal topics has entered to Iran’s legal system, including market manipulation, securities transaction by using inside information and misusing inside information belonging to publisher, disclosure of publisher information in other cases than prescribed by law and so on.

In recent years, a situational prevention discussion of economic crimes, especially securities crimes will be introduced. Preventive situational measures is in fact concerning on circumstances and conditions which outs offender on the eve of crime. These circumstances that is called "pre-criminal state" in criminology, will stimulate or facilitate the process of transition of thought to a criminal act, and it plays a decisive role in it, in other words the situational prevention or orbital
position of economic crimes will convince potential criminals that the "costs" of their committing a crime is beyond their power by influencing on offense situation and through taking appropriate measures.

1- However, market manipulation in former Iranian penal code was criminalizing, but the inability to apply them have caused that the legislation in 1384 with the approval of Securities Market Act, re-criminalized the manipulation of stock market.

Being difficult of discovering economic crimes on one hand and lack of appropriate access to resources for finding and prosecuting them and association of commit these crimes with enormous costs for society on the other hand, are the most important reasons for increasing preventive efforts. In this meantime, situational prevention must become more active and more widespread in order to prevent transition from thought to action criminal; because in the case of economic crimes, according to the power of social conformity, high self-confidence and ineffectiveness of social control to prevent crime, situational prevention is in priority. This approach leads us to focus on specific situations in which the crime opportunities is available, and illustrates this more than ever that situational prevention of economic crime - especially crimes related to the Securities and Exchange - is considered as a necessity.

The definition of concepts

Securities: they are documents which are published by companies, governments, and international private and public organizations in order to financing the implementation of projects or business (Micheler, 2009). Securities are very diverse in the world as new financial instruments and steadily a new species of them will be created and their numbers are increasing. But in Iran, securities traded on stock exchanges, commodity Exchange and OTC are not very diverse. Some species of these securities are as follows:

- **Common stocks**: The most common type of securities in capital market, is common stock. Common stock is published by each company and have nominal value. Basically, the listed companies in stock are selling their shares exchange through initial public offering.

- **Preferred stock**: One of stocks, in principle, a kind of certificate of ownership can be transferred that devote a limited and fixed right of company asset to its holder. Preferred shares have priority in terms of interest payments in compare with common shares and after paying preferred stock profit, common stock will receives profit (Yari, 1386: 17).

- **Right offering**: Stock companies can raise their capital to develop their own activities. The capital increase carried out in various ways. One way to increase capital which is called capital increase of earns cash will be performed with right offering. In this method, company will publish a right offering certificates in amount of capital increase and give them to their shareholders. In this case, anyone will receive right offering in half number of their shares. Now, investors faced with three options: either in specific deadline, they will deposit specified amount per each right offering and take participate in capital increase. In second case, shareholders can sell their right offering certificate like common
shares on the stock market in specified time. In this case, they will receive the amount of their sales and they won’t take participate in capital increase and in the third case, shareholder do nothing and the company itself can sold the right offering to another person after end of the moratorium and deliver the remain of sales to shareholder after deduction of allowed amount.

- **Bonus stock**: this method which is called capital increase of receivables, is another way to increase capital. In this method, the company will make investments by their cash earned obtained in past years and consequently shareholders shouldn’t pay any amounts. Issued stocks in this case is called bonus stock.

- **Participation bonds**: is a way of financing projects in company. Company can publish and sell the participation bonds after planning and obtaining the necessary permission. Participation bonds such as preferred shares have a nominal interest rate which will be paid in specific deadlines to the buyers. Participation bonds have maturity date where the date of initial amount of participation bonds (nominal value listed on participation bonds) is paid to the bonds owner.

- **Derivatives**: Derivatives are securities that do not have their own intrinsic value and their value is determined based on another property. In other words, based on an underlying asset or underlying, subsidiary securities will be created. Although these securities have no intrinsic value but they will traded on exchanges as an independent securities. From derivatives we can pointed out to futures contracts.

**Securities Crime**:

Securities Crime is one of the subset of economic crimes, refers to offenses that involve financial incentives and seeking advantages of macro level in stock exchange (Bayat and others, 1387: 55). These type of crime that are usually planned and organized, includes items such as: transaction relies on secret information, market manipulation and executive guaranty, issuance of advertisement or underwriting announcement without the approval of organization, which are as follows:

**Transaction charges relies on secret information**:

In capital market, information is known as the market brain and have a financial value and consequences, therefore the supervisory authority must provide equal opportunity of information for all market participants. Transaction relies on secret information will occur when the holder of insiders information buy or sell these securities with knowledge of this fact that mentioned information has not yet been published and are publicly available and, if released, they will affect the price of securities companies. Like this the holder will sell its shares with awareness of the company’s adverse financial situation or upon notification of this that company have found gold and precious stone on their lands, or parliament new design either new legislation of government, resulting in significant economic growth and prosperity in company and thus its stock price will rise, they have buy shares of the company, whereas it is not reached to the public. Some legal and financial scholars have opposed opinion against trade criminalization
based on secret information due to reasons such as the theory of a crime without victim, the theory of management bonuses or efficient market theory (Alam al-Hoda, 1383: 36 -38).

The crime of abusing secret information:

Paragraph 1 of Article 46 of the Securities Market Act has state the crime of abusing secret information. Under this paragraph everyone who will abuse the "secret information" relating to securities subject to this law that have gave to him duly in the way of detriment of others or to their own benefit or for the benefit of the persons whose are behalf for public release, they will be punished to imprisonment from three months to one year or to a fine equivalent about two or five times more than profit gained or probable loss or either both.

The crime of manipulation in securities market:

Paragraph 3 of Article 46 in Securities Market of the Islamic Republic of Iran's Law, provides that: "Everyone that his actions will typically lead to a misleading appearance from trading the securities process or create false prices or luring people to conduct transactions in securities, will be punished to imprisonment from three months to one year or to a fine equivalent tow or five times more than profits gained or incurred losses or both penalties." However, the law haven’t used the word "manipulation", the mentioned definition is in accordance with the conventional term of manipulation in different countries of the world, in addition, the so-called of manipulation is commonly known among capital market participants of country.

The crime of publishing an advertisement or subscription declaration without the approval of organization:

Since the publication of noticing subscription at the community level and press and media may take place with abusing tendencies of property and people assets and also scam them in order to collect capital for individuals, not to establish or increase the capital of a company, in our country legislature with the approval of the Securities Market Act at the beginning of December 1384 and its implementation from the beginning of 1385, the Securities and Exchange as a custodian of capital markets is responsible for applicants' documents (founders or publishers) in order to verify and monitor the contract to prevent any misuse and fraud in this area. "After examining the application for registration of securities and its supplements and ensure their compliance with the rules, the organization will verify the subscription declaration" (Article 23 of the Securities Market Act). Therefore, the mentioned law will organized this process put it under organizational supervision and considered the person infringing the requirements imposed by the law as offenders and also considered some punishment for the perpetrator or perpetrators of criminal.

The crime of lack of providing important information to the organization or the relevant stock exchange:

Paragraph 4 of Article 45 is defined the important information as follows: "The information that have influence or affect in the price of securities and investment decisions." Paragraph 2 of Article 49 in market have listed criminal executive guaranty of non-disclosure important information. Of course, the purpose of legislator from information is not merely documents, but
its purpose is simply "important" documents and information (the Alam al-Hoda, 84 1383: 36-38).

**Situational prevention measures supervising on offenders**

Basically, situational prevention of crime based on several measures are as follows:

1. **Monitoring and Control**
   
   This is the most scaries, most visible and most influential method of crime prevention, that refers to environmental observation which economic crimes committed in them; it can have also a technical aspect and could be done through things and necessary equipment, and it can also have a human face (Mirkhalili, 1385: 112). It should be noted that monitoring and control have some level as follows:

   - **Individual control**: The purpose of individual control is monitoring citizens’ performance and in this meantime the bank action control for direct connection with economic crimes will be in priority. Since that a significant amount from revenues received from economic crimes, including corruption and money laundering that is underway through banking and monetary system and have enter to country's economic structure, therefore, noticing to these institutions application by establishing a comprehensive system of monitoring and control, and implementation of these system can be considered as an important preventive factor. Thus, business owners know that there is a risk of disclosure violation. Nevertheless, in some countries, opening an account with false name is not considered a crime. These banks refuse to obtain full identification papers or to report suspected cases to authorities. While international efforts in past two decades have led the international community to ban the opening of such accounts and customer identification. In this regard, we can say that publishing anonymous bonds which is attractive to criminals, especially money laundering should be limited due to the lack of customer identification and their holder, and legislators should revise in this field (Farhadipoor, 1385: 79).

   - **Governmental monitoring**: Governmental monitoring means control and supervision of state institutions on financial and economic relationships and behaviors. And unlike the individual control that person, whether real and legal, is the issue of control; in governmental monitoring, persons are monitoring subject, but applying this title in this paragraph is based on institutions responsible for prevention. Although governmental monitoring is used in a more general sense than individual control and its monitoring is along with individual control and other institutions. So in governmental monitoring, the public and state institutions are also under control (target and economy weekly, 07.22.1382: 4), which these supervisions are generally from the competent institution like, headquarters of fighting with economic corruption, administrative system staff for health promotion and fight against corruption and ... These two institutions have been
created more with directing approach and policy making, however they have monitoring mode in macro level, but it doesn’t deal with control and supervision matter in case mode and directly, and also organizational monitoring that is based on internal monitoring and external monitoring must be found from other agencies. Thus, internal monitoring will be conduct thorough control and supervision of subset institutions and by the relevant supervision, while the external supervision take place through independent regulatory bodies such as inspection organization and government suspended (Farhadipour, 1385: 184).

2. Transparency

Including the examples of situational preventive strategies for effective control of the crime which seeks deterring people from violating law and prevent economic crimes is promoting transparency in activities and government transactions (shaftoe, 2004: 99), that is refer to real and comprehensive informing in field of economic activities and clarify that mechanisms governing on economic relations, means production and distribution of wealth in society. Economic transparency in addition to informing through mass media and the press, including notification arising from the proper functioning of economic mechanisms is such as pricing mechanism which is give accurate information about scarcity status of producers and consumers in competitive market system and leads them to rational decision making and efficient allocation of resources (economic policy, 1382: 16). Importance of transparency in governmental transactions and preventing corruption is the extent that it have been addressed in paragraph (i) of Article 33 of the Fourth Development and paragraph (23) Article 97 of the Fifth Development Plan, Article 3 of the administrative system act of health promotion and fight against corruption Act 1390, and it have refers to important aspects of it such as resolving the conflicts of interest (Practice of illegal using a person from influence or its position in public sector, to gain arbitrary benefits or applying a discriminatory behavior to the benefit of other which is usually along with bribes paid by that person) (Tavasolyzadeh, 1392: 165), reporting (Predict the possibility of forming report criminal act committed by informants and Whistleblower to officials and regulatory authorities, in its terms will create feel threatened of commission and crime detection by potential offender and increasing the cost of its commission, can be considered as a deterrent agent from crime, especially economic crime) (Golsen, 1384: 19), modification (which the most prominent methods include privatization and liberalization, transmission and delegate administration tasks to market forces) (Ardeshiri, 1386: 353), administrative restructuring, financial modification, modifying rules related to banking confidentiality, develop a data bank relating to public transactions and creation of the financial information unit).

The measures of situational prevention supervising on victims and crime in stock exchange field

After explaining the situational prevention measures supervising on victims of economic crimes, in discussions ahead, only prevention appropriate measures supervising on victims of crime in
Stock Exchange areas will be examined. Measures where the role of capital market supervisory bodies, law enforcement and the role of self-discipline institutional can be seen.

1. The role of supervisory authority on capital market

Basically, in order to situational prevention in the field of stock exchange crime, its necessary to state an organization supervisory on the appropriate regulations for prevention of committing crimes in capital market, and did their best to other market participants, including exchanges, OTC, clubs and financial institutions approve such provisions within the scope of their duties. The supervisory authority may also create and establish an effective system in prevention from crime in capital market in particular transactions relies on secret information through the adoption of binding regulations for members and their staff and in order to punish offenders. In this regard, Article 7 of the Securities Market Act, considers taking necessary measures to prevent the occurrence of violations in securities market, announcing those violations in securities market which their announcement according to the law is under "organization" responsibility to competent authorities and keep track of them, adopt the necessary measures and take the necessary measures to protect the rights and interests of investors in securities market, establishing a necessary coordination and cooperation with other institutions in the securities market policy and monitoring and supervising the disclosure of important information listed companies to "organization" as duties and authorities of 'organization' directors’ board. Automating the monitoring and implementation of informative systems and internet monitoring, removal of administrative bureaucracy in market set, interaction with regulatory, the judiciary and the police bodies, holding specialized training courses for market participants, printing and distribution of books and scientific journals, publication of criminal final decision and announcing disciplinary, civil and criminal reactions of offenders (Offenders or disciplinary offenders) to markets is consider as prevented strategies for committing crimes.

In following, some tasks of capital market supervisory bodies are examined and planned:

A) Monitoring on trade based on secret Information:

Including areas that a capital market supervisory authority must monitored, is transactions based on secret information, and include gathering information about suspicious transactions, authenticating suspicious transactions, analyzing authenticated individual transaction records, identification and analysis of people relations who have access to secret Information, analyze the relationships between people who have been in contact with suspicious transactions of parties and so on (http://www.sena.ir).

B) Information exchange of capital market supervisory authorities:

Following the globalization of capital markets, information exchange between capital market supervisory agencies in different countries have become as a very important issue. This issue have been started from many years ago by the International Organization of Securities Commissions (IOSCO). The members of this organization have concluded hundreds of bilateral agreements and a multilateral agreements about the cooperation and exchange of information and
consultation. According to mentioned multilateral agreements, sharing and exchange of information will be done easily. Article 7 of Securities Market Law in Islamic Republic of Iran have mentioned also one of the duties of the board in organization as collaboration with international bodies and join to regional and international organizations. So far, Organization of securities and exchange is not a member of international organization of securities commissions, however, capital market supervisory bodies from different countries such as Malaysia (1386), Indonesia (1386), Kyrgyzstan (1387) etc. has signed a cooperation agreement.

C) Educational activities

Article 7 of Securities Market Law in Islamic Republic of Iran in terms of organization board of directors, will adopt the necessary measures to prevent violations in securities market and taking necessary measures and take the necessary measures to protect the rights and interests of investors in the securities market.

Regulatory commissions and organizations and self-revenge institutions should take appropriate training measures about prevention from capital market crime, and transaction relies on secret information. The target groups are such extensive training and include not only investors, but also all market participants and law enforcement officials.

It is natural that how much investor is trained, his potential involved in crime of market will goes down. Trained investors are less be misled by rumors and secret information, especially when there is a clear way of disseminating information. Such investors are likely weak buy or sell something on the basis of secret information, especially when there is a clear way of disseminating information. Thus an educated investor can’t claim that he doesn’t have information from confidential nature and secret information’ significant or from the prohibition of transactions relies on secret information.

Also, if capital market participants are aware from executive guarantees of criminal, civil and administrative penalties in market capitalization, it is unlikely that they will commit them. Educational activities should be conducted in order to promote ethical standards and awareness from possible consequences of violation. Market participants should be aware that the securities market crimes are considered as public crimes and they can’t be neglected. In addition, transaction crime relies on secret information is a unacceptable violation, not only because the perpetrator deserves punishment, but because the broad interests of investors in the market, market participants and institutional investors association should be emphasized that an essential element for efficient civil society, meet the requirements of professional ethics in market in general form and specifically in relation to lack using secret information.

2. The role of law enforcers (judicial authorities, etc.)

Experience level of prosecutors and courts is a very important criterion in the effectiveness of enforcement actions and judicial authorities. The complexity of claims related to market crimes in particular market manipulation or transaction relies on secret information or misuse it which may involve applying complex financial instruments such as transaction or futures contracts or
investment techniques is like short selling, recognizing that how the defendant committed a crime or has benefited from this scheme or prevent a loss from itself will be difficult for lay people. In this regard, law enforcer must be aware from harmful nature of buying and selling based on secret information and scope of destruction that enter to public confidence in functioning of market. Thus, holding continuous training courses for law enforcement agencies, including judges, law enforcement, implementation etc. is essential. These period will be more effective and more efficient when prosecutors of court will purchase and sell securities action to be familiar objectively with market participants and persons involved in the process of buying or selling and administrative tools needed for action and mechanisms of trading and post-trading (trading systems and settlement funds), in order to vote issued by them will be accepted market public opinion in terms of legal certainty and strength. Potential offenders won’t entered to executive operations of committing a crime by viewing the verdict that arose from the issuer with full knowledge from trading process and mechanisms before and after it, and shouldn’t stop in the process of criminal intent.

3. The role of Self-regulatory organizations

Self-regulatory formations and organizations in approving and implementation of regulations related to the prevention of market crime, including the prevention of transactions based on secret information can act in following cases:

A) Requirements for disclosure of information by publishers: Fundamental provisions of countries leads publishers of securities listed on official markets in general declaration of events within the company which probably has a significant impact on the price of their securities. Such events usually related to field activity of company which is affected on business capital and its revenues. Related to bonds publishers, events can be related to the capacity and ability of publisher to fulfill its obligations. Publisher whose securities are accepted in a public market for trading, are responsible for reporting such incidents to the capital market supervisory authority and the related exchange. Executive order of registered companies disclosure of information to the organizations approved in 03/05/86 by the board provides that the publisher must send the information of this instructions on specific deadline, in accordance with desired forms of organization electronically or in paper or in official letterhead which is approved by authorized signatory holders, and publish it to the public at the same time in way that organization determines. Cases, requirements and methods of disclosure that has been emphasized in the guidelines, is the minimum requirements in field of information disclosure. Identifying other information that is important and should be an immediate disclosure, is the responsibility of publisher.

Some examples of important information include: Events affecting on activity, financial condition and results of publisher operations such as suspend or stop all or part of publisher activities, the change in the type of publisher activity, acquisition or transferring the shares of other companies directly or indirectly which has an important impact on current and future performance condition of publisher, holding or participation in important tenders and auctions and its result, changes in accounting methods and procedures, along with the reasons and
financial effects arising from it, decisions and conditions affecting on capital structure and financing of publishers such as: increase or decrease the capital of publisher or controlled companies, issuing new securities, changes in dividend policy of the issuer, factors affecting on other capital structure components such as leasing contracts, offer important banking guarantees or warranties and off-balance sheet financing, borrowing or repayment of a significant amount compared to the turnover of publisher's financial operations, changes in ownership structure of publisher, such as: major change in publisher ownership structure so that the control of the company will change, changes in the structure of publisher as merging, acquisition and combination, important purchase or selling assets of publisher, authenticating a substantial portion of publisher assets, create or excludes the contingent liabilities and...

B) **Prevent the transaction based on secret information by brokers:** The most important issue that is concerned to brokers’ action for transaction based on secret information, is accepting orders to buy or sell securities associated with tacit information. This issue is very delicate, because the broker have two appropriate reasons for accepting orders: A) receive transaction fees, and B) customer benefit and satisfaction and also that lack of possibility of broker lawsuit for compensation for damages caused by his action. Broker have two good reasons for non-acceptance of such order: A) lack of assists in a transaction crime based on secret information and b) avoid doing business with people lacking professional ethics and damaging public confidence in the market. Since that some brokers may accepted customer orders due to the aforementioned reasons and committed the assistance in transaction crime based on secret information, many countries have regulatory approval for the prevention of brokers participation in executing orders based on secret information provided and appropriate punishment of criminal, administrative and disciplinary actions. A good example to avoid broker’s assistant in charge of the transaction based on secret information, is the provisions of Denmark, which stipulates: "If securities trader has a knowledge or suspicion that a person who wants to buy or sell securities, is holder of secret information, he shouldn’t implement an order with him."

In this case that market conditions and atmosphere indicates that someone is doing transaction based on secret information, publisher must disclose secret information for market, thus, other investors make decision in accordance with that information and finally this method of dealing with people, relying on secret information is prevented. It is also worth noting that in a similar situation, if market conditions will be for dealing individuals based on secret information, while there is not any secret information, publisher shall confirm the absence of such information so that prevent the possible manipulation of stock prices.

C) **Monitoring on stocks short selling:** In common, stock trades of short selling refers to a contract whereby the seller sells securities for delivery in future, in fact short selling is a general transferring a certain number of securities to deliver at the certain time in future. Seller on delivery time of securities, borrows them from another person and submitted them to the purchaser.
D) **Monitoring on securities price**: In order to prevent formal changes in stock prices and the creation of unrealistic and artificial prices, laws governing the securities markets or the stock market regulators have allowed that in certain circumstances will prevent from price change in stock boards and keep it at a stable level. Since that price stability prevents the movement of stock prices based on supply and demand law, applying this authority from the exchanges or regulators shall be subject to the exact rules and regulations to prevent its leading to market manipulation by these institutions.

**Conclusion**

Economic crimes refers to a wide range of illegal behavior against the economic system which generally, its examples are different depending on the types of economic system and even sovereignty. However, the globalization has started and evolves with economy, but on the contrary, economic offenses are heavily dependent on indigenous rights and criminal policy of countries; In other words, prevention of economic crime - especially crimes in Securities and Exchange area – is foremost under the legal status of these crime in a criminal political system on the one hand and is the possibility of preventive measures against them on the other hand; because in order to prevent economic crime, criminal behavior can’t be removed, but the acceptable aim can be reducing the crime rate, that in the case of aforementioned crimes, these rate or the threshold related to stability of the system. Therefore, maintaining the stability and sustainability of system will create an enforcement measures. Accordingly, it can be said that economic crime is the result of an incentive which is generate from interaction between "individual desire" and "status". So crime prevention measures to realize one of two alternatives tend to affect individual for committing a crime and the crime situation can be applied in the case of these crimes and may disrupt the person's tendency to commit a crime and consequently crime situation from which the situational prevention referred in that, is the best strategy for prevention of economic crimes.

However, situational prevention or position-oriented is dominate on circumstances surrounding the crime (overlooking the crime situation) and is sought to reducing the target charm and decreasing attraction of criminal situation, crime statistics, and through which we can control reducing crime, securities, or prevent its occurrence to some extent. Remarkably, this important matter can be achieved by applying preventive measures relating to offenders and victims, on the other hand.

On this basis, monitoring and control, which is divided into individual control and state control, is one of the most important preventive measures relating to criminal situation in securities crime, therefore the government can partly identify the securities crimes and stifled it through monitoring and control. Of course, we shouldn’t neglect the impact of monitoring transaction based on secret information; because if the Securities and Exchange Organization of Iran have the secret information related to suspicious transactions, suspicious authentication transactions, transaction records of individual authentication, identification them or who have access to secret
information, they will certainly have a better regulation on capital market transactions in this market and in the field of Securities and Exchange.

Finally, this paper highlights this important matter that undoubtedly further cooperation of executive and judicial branches in the prevention of mentioned crime, will lead to achieving significant results. Although the judiciary is officer of crime prevention and its following-up with respect to a particular job defined for it, but if about economic crimes, especially crimes related to the Securities and Exchange - in the matter of "crime prevention", the executive branch will take action, not only the constitution will get practical aspects but also actions taken, will be more fruitful; Because it should be noted that the root of economic corruption is in the first place of the country's administrative system and reform this system in order to eliminate grounds of abuse in government and economic centers etc. have a major role in removing economic corruption and its features. And duty of the judiciary is to combat with corruption, mainly through decisive judicial attitude which although is effective and cause to reducing economic corruption in short time but its beneficial and long-term outcome depends on the actions of executive branch to review the financial system and close the bottlenecks of economic corruption and eliminate its inflationary policy.

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