MEMORANDUM OF UNDERSTANDING

BETWEEN THE

UNITED STATES COMMODITY FUTURES TRADING COMMISSION	AND	SUPERINTENDENCIA DE VALORES Y SEGUROS DE CHILE

REGARDING FUTURES REGULATORY COOPERATION
AND TECHNICAL ASSISTANCE

1. The United States Commodity Futures Trading Commission (CFTC) was created by the United States Congress as an independent agency with the mandate to supervise and oversee commodity futures and options markets in the United States.

2. The Superintendencia de Valores y Seguros (SVS) de Chile, the Chilean securities and insurance supervisor, is the designated agency under Decree Law N°3,538, of 1980, for the supervision, surveillance and regulation of the national securities, insurance and futures markets in Chile.

3. The CFTC and the SVS (collectively the Authorities), are jointly committed to maintaining open, fair, efficient and sound futures and options markets; recognize that the development and maintenance of domestic legal and regulatory structures is essential to market integrity and investor protection; believe that international cooperation can facilitate the development and effective operation of futures and options markets; and desire to establish a mutually acceptable basis for cooperation, consultation and the provision of technical assistance. The CFTC and the SVS have reached the following understanding with respect to cooperation, consultation, and the provision of technical assistance.

CLAUSE I CONSULTATION REGARDING MATTERS OF MUTUAL INTEREST

Section 1. General Principles

1. This Memorandum of Understanding Regarding Futures Regulatory Cooperation and Technical Assistance (MOU) describes the intent of the Authorities and does not create legally binding obligations or supersede domestic law of either Authority.

2. The Authorities recognize the need and desirability of providing assistance, as set forth in Clauses II and III, to each other pursuant to this MOU. The provision of any such assistance should be consistent with the domestic laws of the Authorities and the availability of resources. Where the provision of assistance would be contrary to the public interest of an Authority, such assistance may be denied.

3. The Authorities intend to engage in a dialogue on all aspects of futures and options regulation and on the development and operation of their futures and options markets.

Section 2. Consultation

The Authorities intend to consult periodically about matters of mutual interest in order to promote cooperation and market integrity, and to further the protection of futures and options market participants. Such consultation may cover, among other things, the development of prudential standards and conduct of business standards for the operation of futures businesses (brokers, dealers and markets), the development of clearance and settlement and other market systems, market oversight, and the administration of the Authorities' futures and options laws, rules, and regulations. The purpose of such consultation is to assist in the development of effective approaches to strengthening domestic and international futures and options markets.

Section 3. Information Sharing

The Authorities intend to share information on each other's laws, rules and regulations pertaining to futures markets and futures options markets, if applicable, and how those laws, rules and regulations are implemented and interpreted.

CLAUSE II PROVISION OF TECHNICAL ASSISTANCE FOR THE DEVELOPMENT OF THE SUPERINTENDENCIA DE VALORES Y SEGUROS DE CHILE

Section 1. Technical Assistance

The CFTC intends to consult with and provide advice to the SVS for the development, administration, and operation of the futures and options markets in the Republic of Chile. Such consultation should identify specific types of technical assistance the Authorities believe are desirable and reasonable. The technical assistance may include the training of personnel as well as the provision of information and advice relating to the development of:

a. Systems to improve and/or promote the risk management, price discovery and hedging functions of markets;

b. Futures and options products and the basics of designing contracts not readily susceptible to manipulation;

c. Order handling systems;

d. Trade recording and comparison systems;

e. Quotation and transaction data transmission systems;

f. Clearance and settlement mechanisms;

g. Regulatory requirements and best practices relating to market professionals, products and markets;

h. Systems and related regulatory mechanisms relating to financial surveillance;

i. Systems for effective market surveillance and enforcement programs;

j. Disclosure and other procedures and practices to inform and protect futures and options customers and market participants; and

k. Information on transparency.

Section 2. Specific Technical Assistance

Specific technical assistance may be provided in the following manner:

a. Comment by CFTC staff on draft laws and regulations;

b. Availability of CFTC staff and other relevant experts to provide consultation regarding futures and options markets;

c. General training sessions concerning futures and options regulation; and

d. Internship programs of short duration for SVS personnel at the CFTC, conditioned upon the requisite legal authority to do so and the entering into of any necessary confidentiality agreements.

Section 3. Availability

The Authorities recognize that specific technical assistance is subject to the availability of resources.

CLAUSE III COOPERATION

Each Authority may, subject to Clause IV, Section 2, give assistance as to:

a. The granting of licenses, waivers, or exemptions for the conduct of futures business;

b. The laws and regulations applicable to futures business;

c. The laws and regulations applicable to futures exchanges and other types of markets;

d. The oversight of futures exchanges by regulatory and market authorities;

e. The prevention and detection of futures and options fraud and other irregularities or unlawful activities in connection with the offer, purchase or sale of any futures or options contract; and

f. The prevention and detection of market manipulation.

CLAUSE IV OPERATIONS

Section 1. Laws, Rules and Requirements

The Authorities have exchanged general information on the laws, rules and requirements applicable to the confidentiality and use of information and intend to abide by same.

Section 2. Requests

Requests for assistance under Clause III, procedures for making and executing such requests, permissible uses of information, confidentiality requirements, costs and other matters not explicitly included in this MOU should be addressed on a case-by-case basis.

Section 3. Official Contacts

To further ensure the effective operation of this MOU, and to facilitate communication between the Authorities, the Authorities hereby designate the contact officials set forth in Attachment A.

CLAUSE V FUTURE UNDERSTANDINGS

1. The Authorities plan to regularly review their efforts pursuant to this MOU with a view toward improving communication between them. In this regard, when material additions or amendments to new United States and/or Chile futures and options laws take effect, the Authorities intend to consider whether this MOU should be supplemented or superseded.

2. The Authorities intend to move toward more formal information sharing arrangements after they have some experience with the operation of this MOU.

CLAUSE VI EFFECTIVE DATE AND TERMINATION

Section 1. Effective Date

This MOU is effective from the date of its signing by the Authorities.

Section 2. Termination

This MOU may be terminated at any time by either Authority giving thirty days' written notice to the other Authority. If such notice is given, this MOU continues to have effect with respect to all requests for assistance that are made before the effective date of notification until the requesting Authority terminates the matter for which assistance was requested.

This MOU is executed in duplicate in English and Spanish in on 2002.

FOR THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION:	FOR THE SUPERINTENDENCIA DE VALORES Y SEGUROS DE CHILE:
_____ JAMES E. NEWSOME CHAIRMAN	_____ ALVARO CLARKE CHAIRMAN

ATTACHMENT A

The United States Commodity Futures Trading Commission designates as its contact official:

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3 Lafayette Centre
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USA

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The Superintendencia de Valores y Seguros de Chile designates as its contact official:

Director
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