

MEMORANDUM OF UNDERSTANDING



**United States Commodity Futures
Trading Commission**



Bank of England

**COOPERATION AND THE EXCHANGE OF INFORMATION
RELATED TO THE SUPERVISION OF CROSS-BORDER CLEARING ORGANIZATIONS**

October 20, 2020

**MEMORANDUM OF UNDERSTANDING CONCERNING COOPERATION
AND THE EXCHANGE OF INFORMATION RELATED TO THE SUPERVISION
OF CROSS-BORDER CLEARING ORGANIZATIONS**

In view of the growing globalization of the world's financial markets and the increase in cross-border operations and activities of regulated entities, the United States Commodity Futures Trading Commission and the Bank of England in its capacity as supervisor of Covered Clearing Organizations (together, the "Authorities") have reached this Memorandum of Understanding ("MOU") regarding cooperation and the exchange of information in the supervision and oversight of clearing organizations that operate on a cross-border basis in both the United States and the United Kingdom. The Authorities express, through this MOU, their willingness to cooperate with each other in the interest of fulfilling their respective regulatory mandates, particularly in preserving the benefits of cross-border clearing activity.

The Authorities recognize that effective supervisory cooperation enhances coordinated oversight and encourages greater clarity, certainty, and consistency in regulatory requirements and actions. Moreover, such cooperation promotes financial stability and efficiency in supervisory oversight.

The Authorities also are mindful of carrying forward the steps they have taken within their respective jurisdictions to implement regulations that reflect reforms to over-the-counter derivatives markets agreed by G20 Leaders at the September 2009 Pittsburgh Summit and upholding fundamental principles for supervisory cooperation and deference, including those set out in the internationally agreed Principles for Financial Market Infrastructures and in the G20 Leaders' declaration at the September 2013 St. Petersburg Summit.

This MOU recognizes the history of cooperation between the Authorities with respect to clearing organizations and affirms the mutual clear commitment of the Authorities to effective and efficient supervision and oversight. The Authorities will continue to coordinate their supervisory activities in an effort to maximize utilization of staff resources, reduce unnecessary duplication, and encourage consistency in supervisory practices. This MOU recognizes the benefits of strong cooperation and sustained information sharing.

ARTICLE ONE: DEFINITIONS

For purposes of this MOU:

1. "Authority" means:
 - a. In the United States, the Commodity Futures Trading Commission ("CFTC"); and
 - b. In the United Kingdom, the Bank of England in its capacity as supervisor of Covered Clearing Organizations ("BOE").
2. "Home Country Authority" means:
 - a. For Covered Clearing Organizations domiciled in the United States, the CFTC; and
 - b. For Covered Clearing Organizations domiciled in the United Kingdom, the BOE.

3. “Requesting Authority” means the Authority making a request under this MOU.
4. “Requested Authority” means the Authority to which a request is made under this MOU.
5. “Laws and Regulations” means, as may be amended, supplemented, or replaced from time to time:
 - a. For the CFTC, the Commodity Exchange Act (“CEA”), Dodd-Frank Wall Street Reform and Consumer Protection Act, CFTC regulations, and other applicable legal or regulatory requirements in the United States; and
 - b. For the BOE, the UK Financial Services and Markets Act 2000 (“FSMA”), Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories as applicable in the UK (“EMIR”) and associated level 2 binding technical standards, the Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013, BOE rules, and other applicable legal or regulatory requirements in the United Kingdom.
6. “Person” means a natural person, unincorporated association, partnership, trust, investment company, or corporation, including a Clearing Member, Clearing Participant, or Covered Clearing Organization.
7. “Covered Clearing Organization” means a central counterparty (“CCP”) organized in either the United States or the United Kingdom that satisfies both of the following criteria:
 - a. A derivatives clearing organization that is, or that has applied to be, registered as such or that has been granted, or that has applied for, an exemption from registration or other relief under the CEA; and
 - b. A clearing house or investment exchange (that provides clearing services in relation to transactions conducted on that exchange) that is, or that has applied to be, recognised as a clearing house under the FSMA or that is, or that has applied to be, authorized as a CCP or recognised under EMIR.
8. “Clearing Member” means a member of a Covered Clearing Organization that also serves as an intermediary through which market participants access the Covered Clearing Organization’s services.
9. “Clearing Participant” means a participant of a Covered Clearing Organization that does not serve as an intermediary, but trades and clears only for its own account as principal.
10. “Books and Records” means documents, electronic media, and books and records within the possession, custody, or control of, and other information about, a Covered Clearing Organization.

11. “Emergency Situation” means the occurrence of an event that could materially impair the financial or operational condition of a Covered Clearing Organization, including a crisis scenario leading to the potential recovery or resolution of the Covered Clearing Organization.
12. “On-Site Visit” means any regulatory visit to the premises of a Covered Clearing Organization as described in Article Five for the purposes of ongoing supervision and oversight including the inspection of Books and Records.
13. “Local Authority” means the Authority in whose jurisdiction a Covered Clearing Organization that is the subject of an On-Site Visit is physically located.
14. “Visiting Authority” means the Authority conducting an On-Site Visit.
15. “Governmental Entity” means:
 - a. The U.S. Department of the Treasury, the Board of Governors of the Federal Reserve System, or the Securities and Exchange Commission (“SEC”), where the CFTC receives non-public information from the BOE; and
 - b. Her Majesty’s Treasury (“HM Treasury”) or the Financial Conduct Authority (“FCA”), where the BOE receives non-public information from the CFTC.

ARTICLE TWO: GENERAL PROVISIONS

16. This MOU is a statement of intent to consult, cooperate, and exchange information in connection with each of the Authorities’ functions relating to Covered Clearing Organizations. The consultation, cooperation, and information sharing arrangements under this MOU will be interpreted and implemented in a manner and to the extent that is permitted by, and consistent with, the laws and requirements that govern each Authority. As of the date of this MOU and subject to its terms, with respect to consultation and cooperation, no domestic secrecy or blocking laws or regulations would prevent an Authority from providing assistance to the other Authority. The Authorities anticipate that cooperation between the Authorities primarily will be achieved through ongoing informal consultations, supplemented as needed by more formal cooperation. Cooperation may include oral communication, periodic meetings, written requests and exchanges of information, and other arrangements as may be developed by the Authorities. The provisions of this MOU are intended to support both informal consultations and formal cooperation, as well as to facilitate the written exchange of non-public information in accordance with applicable laws.
17. This MOU does not create any legally binding obligations, confer any rights, or modify or supersede domestic laws or regulations. This MOU does not confer upon any Person a legally enforceable right or ability directly or indirectly to obtain, suppress, or exclude any information or to challenge the execution of a request for assistance under this MOU.

18. This MOU does not limit or condition the discretion of an Authority in any way in the discharge of its regulatory and supervisory responsibilities or prejudice the individual responsibilities or autonomy of any Authority. This MOU does not limit an Authority to taking solely those measures described herein in fulfillment of its supervisory functions or preclude Authorities from sharing information or documents with respect to Persons that are not Covered Clearing Organizations, Clearing Members, or Clearing Participants but may be subject to regulatory requirements in the United States and in the United Kingdom. In particular, this MOU does not affect any right of any Authority with respect to any Person subject to its jurisdiction that is physically located in the territory of another Authority.
19. This MOU is intended to complement, but does not alter except where explicitly noted, the following existing arrangements:
- a. The *Memorandum of Understanding on Mutual Assistance and the Exchange of Information* between the SEC and CFTC and, as successors in interest, the FCA and BOE (September 25, 1991), amended to include HM Treasury (May 9, 1994) (“1991 MOU”);
 - b. The *Memorandum of Understanding* between the SEC and CFTC and, as successors in interest, the FCA and BOE (October 28, 1997);
 - c. The *Arrangement on Warehouse Information* between the CFTC and, as successors in interest, the FCA and BOE (May 17, 2000);
 - d. The *Memorandum of Understanding Concerning Consultation, Cooperation and the Exchange of Information Related to Market Oversight* between the CFTC and, as successors in interest, the FCA and BOE (November 17, 2006);
 - e. The *LCH Ltd Framework Arrangement among Crisis Management Group Members* to which the Authorities are signatories (July 14, 2017); and
 - f. The *ICE Clear Europe Ltd Framework Arrangement among Crisis Management Group Members* to which the Authorities are signatories (November 29, 2018).

This MOU supersedes the *Memorandum of Understanding Concerning Cooperation and the Exchange of Information Related to the Supervision of Cross-Border Clearing Organizations* between the CFTC and, as successor in interest, the BOE (September 14, 2009) (“CFTC-FSA Clearing MOU”), and execution of this MOU serves as notice of termination of the CFTC-FSA Clearing MOU.

20. To facilitate cooperation under this MOU, the Authorities hereby designate contact persons as set forth in Appendix A, which may be amended from time to time by an Authority notifying the other Authority and transmitting revised contact information in writing to the other Authority.

ARTICLE THREE: SCOPE OF SUPERVISORY CONSULTATION, COOPERATION AND EXCHANGE OF INFORMATION

General

21. The supervision of Covered Clearing Organizations that operate in both the United States and the United Kingdom is based upon close cooperation and the Authorities' mutual respect for each jurisdiction's regulatory regime and each Authority's supervisory practices. Given the comprehensiveness of the supervisory regime and regulatory framework of each Home Country Authority, the presumption should be that the Authorities would rely upon the supervision of the Home Country Authority, and should endeavor to rely upon the regulatory framework of the Home Country Authority, to the greatest extent appropriate and permitted by applicable Laws and Regulations. The Authorities, taking into account which is the Home Country Authority, should coordinate supervision with respect to functions of the Covered Clearing Organization, including risk management matters, system safeguards, recovery and wind-down, financial resources, and liquidity management. The Authorities also should endeavor to consult with each other on changes to regulatory status of, relief granted to, or supervisory treatment of a Covered Clearing Organization as set out in Paragraph 26 below.
22. The Authorities recognize that the Home Country Authority is accountable in its jurisdiction for the resilience of a Covered Clearing Organization under its supervision. Where the CFTC is the Home Country Authority, the BOE's oversight of the Covered Clearing Organization generally would focus on the clearing activity of UK market participants and material risks that the Covered Clearing Organization's activities can pose in the United Kingdom. Where the BOE is the Home Country Authority, the CFTC's oversight of the Covered Clearing Organization generally would focus on the clearing activity of U.S. market participants and material risks that the Covered Clearing Organization's activities can pose in the United States.
23. The Authorities recognize the importance of close communication concerning their supervision of Covered Clearing Organizations and intend to share information and consult regularly, as appropriate, regarding:
 - a. General supervisory issues, including developments as to regulatory or oversight matters;
 - b. Relevant Laws and Regulations, including proposals to materially change regulatory requirements applicable to Covered Clearing Organizations;
 - c. Issues relevant to the operations, activities, and regulation of Covered Clearing Organizations; and
 - d. Any other areas of mutual supervisory interest.
24. Cooperation will be most useful in, but is not limited to, the following circumstances where issues of common regulatory concern may arise:

- a. The initial application for authorization, recognition, registration, exemption therefrom, or other relief by a Covered Clearing Organization that has regulatory status in the other jurisdiction;
 - b. The ongoing supervision and oversight of a Covered Clearing Organization with respect to compliance with applicable Laws and Regulations, exemptive or other relief, or international standards;
 - c. Coordination related to Covered Clearing Organizations in connection with prospective and ongoing supervisory activities and practices, planning and conducting any On-Site Visits, and the nature of the potential reliance on the supervision of the Home Country Authority; and
 - d. Regulatory or supervisory actions or approvals taken in relation to a Covered Clearing Organization that may impact the operations of the entity in the jurisdiction of the other Authority.
25. The Authorities recognize in particular the importance of close cooperation, robust consultation, and information sharing in the event that a Covered Clearing Organization experiences, or is threatened by, a potential financial crisis or other Emergency Situation. The Home Country Authority should lead in an Emergency Situation. In fulfilling this role, the Home Country Authority should provide notification to the other Authority consistent with Paragraphs 28 through 30 below, keep the other Authority appropriately informed throughout the Emergency Situation, and consult with and take account of the views of the other Authority to the greatest extent possible.
26. In order to seek to reduce potential disruption in cross-border clearing arrangements, the Authorities should endeavor to consult with one another before proposing or adopting measures that could result in a change in the regulatory status of, relief granted to, or supervisory treatment of a Covered Clearing Organization. The Authorities should endeavor to cooperate to manage adjustments as necessary and appropriate, for example, by consideration of a reasonable transition period, in relation to both the Covered Clearing Organization as well as the day-to-day supervisory cooperation between the Authorities.
27. The Authorities will endeavor to reach an understanding on the interpretation and application of this MOU. Where the Authorities encounter material differences of views related to supervision of a Covered Clearing Organization or the interpretation of a provision of this MOU, they should endeavor to make good faith efforts, through cooperation, consultations, and discussions, to resolve such differences in order to reach mutually acceptable resolution of the issues raised. To efficiently resolve material differences that may arise, the Authorities intend to apply clear processes for engagement including:
- a. An Authority that disagrees with a matter related to the supervision of a Covered Clearing Organization, or interpretation of this MOU, should provide the other Authority with a reasoned notice explaining its concerns;
 - b. The Authority receiving the notice should respond in a timely manner and provide an opportunity for discussion; and

- c. The Authorities should engage in good faith efforts to resolve differences in an amicable and equitable manner among the appropriate senior staff members.

Event-Triggered Notification

28. As appropriate in the particular circumstances, each Authority endeavors to inform the other Authority promptly, and where practicable in advance, of:
- a. Any permission or approval granted to a Covered Clearing Organization to provide clearing services to Clearing Members, Clearing Participants, trading venues or, when known to the Covered Clearing Organization, clients established in the other Authority’s jurisdiction, including in respect of branches of entities established in the other Authority’s jurisdiction;
 - b. Pending regulatory changes that may have a significant impact on the regulation, operations, activities, or reputation of a Covered Clearing Organization, including those that may significantly affect the rules or procedures of a Covered Clearing Organization;
 - c. Any material event of which the Authority is aware that could adversely impact the financial or operational resilience of a Covered Clearing Organization including such events as a default or potential default of a Clearing Member or Clearing Participant; a major disruption in the functioning of a Covered Clearing Organization resulting from, for example, a severe operational or market event; market or settlement bank difficulties that might adversely impact the Covered Clearing Organization; failure by a Covered Clearing Organization to satisfy any of its requirements for continued authorization, recognition, registration, exemption therefrom, or other relief where that failure could have a material adverse effect in the other jurisdiction; any action taken within a resolution procedure or the implementation of a recovery plan by a Covered Clearing Organization; or any known adverse material change in the ownership, operating environment, operations, financial resources, management, or systems and controls of a Covered Clearing Organization;
 - d. The status of efforts of which the Authority is aware to address any material event that could adversely impact the financial or operational condition of a Covered Clearing Organization, Clearing Member, or Clearing Participant; and
 - e. Enforcement actions or sanctions or significant regulatory actions, including the revocation, suspension, or modification of authorization, recognition, registration, exemption therefrom, or other relief concerning a Covered Clearing Organization.

For the purposes of subparagraphs (b)-(e) above, references to a Covered Clearing Organization will include, where the context so permits in accordance with Laws and Regulations and consistent with Paragraph 32 below, a member of the Covered Clearing Organization’s group physically located in the jurisdiction of the notifying Authority.

29. The determination of what constitutes “significant impact”, “significantly affect”, “material event”, “adversely impact”, “major disruption”, “difficulties”, “material adverse effect”, “adverse material change”, “significant regulatory actions”, or “where

the context so permits” for purposes of Paragraph 28 will be left to the reasonable discretion of the relevant Authority that determines to notify the other Authority.

30. In an Emergency Situation, notification by an Authority to the other Authority should occur as soon as practicable after becoming aware of the Emergency Situation and should cover:
 - a. General information on the nature of the Emergency Situation, action taken or likely to be taken by a Covered Clearing Organization as far as known to each Authority, including actual or prospective use of the Covered Clearing Organization’s default protections or recovery plans;
 - b. In the event of a major Clearing Member’s default, implications of the default, as well as recovery or resolution actions for the Covered Clearing Organization and its non-defaulting Clearing Members;
 - c. Details of settlement in and/or use of failure-to-settle procedures;
 - d. Implications of operational disruptions for the continuity of services provided by a Covered Clearing Organization; and
 - e. If the Covered Clearing Organization is in financial distress, exposures to the Covered Clearing Organization of Clearing Members and interoperable financial market infrastructures in the other Authority’s jurisdiction.
31. Paragraphs 28-30 will not preclude the Authorities from entering into any further arrangements relating to notification regarding specific financial or operational issues related to a Covered Clearing Organization.

Information Sharing

32. To supplement informal consultations, each Authority intends to provide the other Authority with the fullest possible cooperation subject to the terms in this MOU in assisting the other Authority’s exercise of its functions relating to a Covered Clearing Organization, including assistance in obtaining and interpreting information that is not otherwise available to the other Authority and that is relevant to ensuring compliance by the Covered Clearing Organization with the Laws and Regulations of the other Authority, exemptive or other relief granted by the other Authority, or applicable international standards.
33. A Requesting Authority may request, from the Requested Authority, information that relates to a member of a Covered Clearing Organization’s group physically located in the jurisdiction of the Requested Authority and that is in the possession of the Requested Authority in connection with the Requested Authority’s supervision of the Covered Clearing Organization or of another clearing organization that is a member of the same group, where the information from the other clearing organization in the group is relevant to supervision of the Covered Clearing Organization and where the Requesting Authority specifies the purpose for which the information is necessary to assist it in assessing compliance by the Covered Clearing Organization with the Laws and Regulations of the Requesting Authority, exemptive or other relief granted by the

Requesting Authority, or applicable international standards. Such requests will be made pursuant to Article Four of this MOU, and the Authorities anticipate that such requests will be made in a manner that is consistent with the goal of minimizing administrative burdens.

34. The information covered by Paragraph 32 includes:
- a. Information relevant to the financial and operational condition of a Covered Clearing Organization including, for example, financial resources, risk management, and internal control procedures;
 - b. Relevant regulatory information and filings that a Covered Clearing Organization is required to submit to an Authority including, for example, interim and annual financial statements and event-specific notices; and
 - c. Regulatory reports prepared by an Authority, including, for example, examination reports, findings, or information contained in such reports, regarding Covered Clearing Organizations.
35. Any request for information will be assessed on a case-by-case basis by the Requested Authority, to determine whether the information can be provided (either in part or in whole) under the terms of this MOU and in accordance with Laws and Regulations. In any case where a request cannot be fulfilled in part or in whole, the Requested Authority will consult with the Requesting Authority and discuss whether other information could be provided or whether the requested information may be maintained by another authority in the jurisdiction of the Requested Authority.

Periodic Meetings

36. Representatives of the Authorities intend to meet periodically, as appropriate, to update and discuss their respective functions and regulatory oversight programs and to identify and discuss issues of common interest relating to the supervision of Covered Clearing Organizations, including: contingency planning and crisis management, systemic risk concerns, default procedures, the adequacy of supervisory coordination and existing cooperation arrangements, and the possible improvement of cooperation and coordination between the Authorities. The signatories to this MOU, or their successors, may meet as appropriate to discuss the effectiveness of the MOU and cooperation between the Authorities. Any periodic meetings may be conducted by conference call or on a face-to-face basis, as appropriate.

ARTICLE FOUR: EXECUTION OF REQUESTS, RESPONSES, AND NOTIFICATIONS

37. To the extent possible, a request for information pursuant to Article Three should be made in writing (which may be transmitted electronically), and addressed to the relevant contact person in Appendix A. A request generally should specify the following:
- a. The information sought by the Requesting Authority;
 - b. A general description of the matter that is the subject of the request;

- c. The purpose for which the information is sought; and
 - d. The desired time period for reply and, where appropriate, the urgency thereof.
38. Notification to an Authority pursuant to any provision of this MOU and information provided by an Authority in response to a request or notification, as well as any subsequent communication between Authorities, may be transmitted electronically. Any electronic transmission should use means that are appropriately secure in light of the confidentiality of the information being transmitted. Any transfer of personal data will be consistent with applicable legal requirements for the protection of personal data.
39. During an Emergency Situation, notifications or requests for information may be made in any form, including orally, provided such communication is confirmed in writing as promptly as possible following such notification or request.

ARTICLE FIVE: ON-SITE VISITS

40. The Authorities will cooperate in the scoping of any On-Site Visits and will consult and work collaboratively in conducting any On-Site Visit. An Authority may conduct appropriate On-Site Visits to a Covered Clearing Organization physically located in the jurisdiction of the other Authority in fulfilling its supervision and oversight responsibilities pursuant to Laws and Regulations and to ensure compliance by a Covered Clearing Organization with such Laws and Regulations, exemptive or other relief granted by the Authority, or applicable international standards. Where a Covered Clearing Organization outsources material functions to another entity that is physically located in the jurisdiction of the Local Authority, an On-Site Visit by a Visiting Authority could include a visit to the premises of that entity if the Covered Clearing Organization is unable to provide the requested information at its premises.
41. Any On-Site Visit by an Authority will be conducted in accordance with the following procedure:
- a. The Visiting Authority provides reasonable advance notice to the Local Authority of its intent to conduct an On-Site Visit and the intended time frame for, and the purpose and scope of, the On-Site Visit. Other than in exceptional circumstances, the Visiting Authority will notify the Local Authority prior to notifying the Covered Clearing Organization.
 - b. The Local Authority will endeavor to share any relevant reports, or information contained therein, related to examinations it may have undertaken of the Covered Clearing Organization.
 - c. The Authorities intend to assist each other regarding On-Site Visits, including providing information that the Visiting Authority may request and that is available prior to the On-Site Visit; cooperating and consulting in reviewing, interpreting, and analyzing the contents of public and non-public Books and Records; and obtaining information as permitted by Laws and Regulations from directors and senior management of a Covered Clearing Organization.

- d. The Authorities will consult with each other, and the Local Authority may in its discretion accompany or assist the Visiting Authority during the On-Site Visit, or the Authorities may conduct joint On-Site Visits where appropriate.

ARTICLE SIX: PERMISSIBLE USES OF INFORMATION

42. An Authority may use non-public information obtained under this MOU solely for the purposes of supervision and oversight of Covered Clearing Organizations pursuant to Laws and Regulations and to ensure compliance with such Laws and Regulations, exemptive or other relief granted by the Authority, or applicable international standards, or for purposes that advance the Authority's supervisory goals or enhance financial stability pursuant to its statutory obligations.
43. The Authorities recognize that, while this MOU is not intended to enable the Authorities to gather information for enforcement purposes, the Authorities subsequently may want to use the non-public information provided pursuant to this MOU for enforcement purposes. In cases where an Authority seeks to use non-public information obtained pursuant to the MOU for enforcement purposes, including in conducting investigations or taking enforcement action, use of the non-public information will be in accordance with the terms and conditions in Paragraph 16 of the 1991 MOU.
44. Before using non-public information furnished under this MOU for any purpose other than those stated in Paragraphs 42 and 43, the Authority receiving such non-public information first must consult with and obtain the written consent of the other Authority for the intended use. If consent is denied by the other Authority, the Authorities will consult to discuss the reasons for withholding approval of such use and the circumstances, if any, under which the intended use might be allowed.
45. If an Authority ("Receiving Authority") receives, via a party that is not a signatory to this MOU, non-public information originally provided by the other Authority ("Disclosing Authority") that is related to the Disclosing Authority's supervision and oversight of a Covered Clearing Organization and that the Receiving Authority is aware was obtained by the third party from the Disclosing Authority on a confidential basis, the Receiving Authority will use and treat the information in accordance with the terms of this MOU.
46. The restrictions in this Article Six do not apply to an Authority's use of information it obtains directly from a Covered Clearing Organization, whether during an On-Site Visit or otherwise. However, where non-public information is provided by an Authority to the other Authority pursuant to this MOU, the restrictions in this MOU apply to the use of such information by the Authority receiving the information.

ARTICLE SEVEN: CONFIDENTIALITY OF INFORMATION AND ONWARD SHARING

47. Except as provided in Paragraphs 48 or 49 below, each Authority will keep confidential, to the extent permitted by law, non-public information shared under this MOU, requests made under this MOU, the contents of such requests, and any other matters arising under this MOU.
48. As required or otherwise permitted by law, it may become necessary or appropriate for an Authority to share non-public information obtained under this MOU with a Governmental Entity in its jurisdiction. In these circumstances and to the extent permitted by law:
- a. The Authority intends to notify the other Authority; and
 - b. Prior to the Authority sharing the non-public information with the Governmental Entity, the Authority will provide adequate assurances to the other Authority concerning the Governmental Entity's use and confidential treatment of the information, including, as necessary, assurances that:
 - i. The Governmental Entity has confirmed that it requires the information for a purpose within the scope of its jurisdiction; and
 - ii. The information will not be shared by the Governmental Entity with other parties without getting the prior written consent of the other Authority that provided the information under the MOU.
49. Except as provided in Paragraph 48, an Authority must obtain the prior written consent from the other Authority before sharing non-public information received under this MOU with any non-signatory to this MOU. The other Authority will take into account the level of urgency of the request to onward share the information and will respond in a timely manner. During an Emergency Situation, consent may be obtained in any form, including orally, provided such communication is confirmed in writing as promptly as possible following such notification. If consent is denied by an Authority, the Authorities will consult to discuss the reasons for withholding approval of such disclosure and the circumstances, if any, under which the intended disclosure by the Authority receiving the information under the MOU might be allowed.
50. To the extent possible, each Authority intends to notify the other Authority of any legally enforceable demand for non-public information furnished by the other Authority under this MOU. Prior to complying with the demand, the Authority intends to assert all appropriate legal exemptions or privileges with respect to such information as may be available.
51. The Authorities intend that the sharing or disclosure of non-public information, including deliberative and consultative materials, such as written analysis, opinions, or recommendations relating to non-public information that is prepared by or on behalf of an Authority, pursuant to the terms of this MOU, will not constitute a waiver of privilege or confidentiality of such information.

ARTICLE EIGHT: AMENDMENTS

52. The Authorities will periodically review the functioning and effectiveness of the cooperation arrangements between the CFTC and the BOE with a view, *inter alia*, to expanding or altering the scope or operation of the arrangements should that be judged necessary. This MOU may be amended with the written consent of the Authorities referred to in Paragraph 1, including in consideration of changes in the regulatory status of, relief granted to, or supervisory treatment of one or more Covered Clearing Organizations or in the relevant regulatory regime in either jurisdiction.

ARTICLE NINE: EXECUTION OF MOU

53. Cooperation in accordance with this MOU will become effective on the date this MOU is signed by the Authorities.

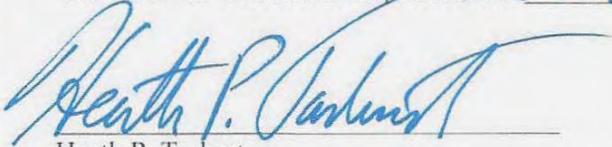
ARTICLE TEN: SUCCESSOR AUTHORITIES

54. Where the relevant functions of an Authority are transferred or assigned to another authority or authorities, each successor authority will become an Authority under Paragraph 1 and the terms of this MOU will apply to such successor authority or authorities performing those relevant functions without the need for any further amendment to this MOU and notice will be provided to the other Authority. This succession will not affect the ability of the successor authority or authorities or any other Authority to give written notice as provided in Paragraph 55 that it no longer wishes to be a signatory to this MOU if it determines to do so.

ARTICLE ELEVEN: TERMINATION

55. Cooperation in accordance with this MOU will continue until the expiration of 30 days after either Authority gives written notice to the other Authority of its intention to terminate the MOU. If an Authority gives notice of termination, the Authorities will consult concerning the disposition of any pending requests. If an understanding cannot be reached through consultation, cooperation will continue with respect to all requests for assistance involving a terminating Authority that were made under this MOU before the expiration of the 30-day period until all such requests are fulfilled or the Requesting Authority withdraws such request(s) for assistance. In the event of termination of this MOU, information obtained under this MOU will continue to be treated in the manner described under Articles Six and Seven.

This MOU is executed in duplicate, this 20th day of October 2020.



Heath P. Tarbert
Chairman & Chief Executive
U.S. Commodity Futures Trading Commission



Jon Cunliffe
Deputy Governor, Financial Stability
Bank of England