

**Terms of Reference for Cooperation and Collaboration between the
US Commodity Futures Trading Commission and the
China Securities Regulatory Commission**

The US Commodity Futures Trading Commission (CFTC) and the China Securities Regulatory Commission (CSRC) aim to enhance cooperation and collaboration with a view to promoting investor protection, fostering market integrity, and facilitating the supervision of exchange-traded derivatives business that operates on a cross-border basis between China and the United States. To this end, this document sets forth terms of reference for cooperation and collaboration between the CFTC and the CSRC.

The collaboration between the CFTC and the CSRC takes into account a number of global trends, including the following:

- The derivatives markets in China and the United States have grown exponentially in size;
- Market users will be able to make more informed choices and to more effectively manage their risks if they have readily available access to regulatory and market information, including information concerning the type of conduct that may require authorization, the ability of particular types of market participants and intermediaries to trade particular products, and on which markets such products can be traded; and
- The electronic integration of global markets and the demand by market users for open and efficient access to such markets challenge market authorities to explore cooperatively practical measures to facilitate such access while maintaining appropriate customer and market protections.

The enhanced relationship between the CFTC and the CSRC has the following objectives:

- Identify and discuss regulatory developments in derivatives markets of common interest, particularly as such issues might relate to cross-border market access and enhanced transparency and clarity of regulatory requirements;
- Building on existing arrangements, improve cooperation and the exchange of information in cross-border derivatives enforcement matters; and
- Continue and expand upon the existing program of training and technical assistance provided by the CFTC and the CSRC.

The CFTC and the CSRC intend to identify specific areas of work under these objectives and to accomplish this work through regular contacts among senior staff and between the Chairmen of the CFTC and the CSRC, as well as an annual meeting of the respective agencies where the full range of regulatory issues could be addressed. In addition, the CFTC and the CSRC will take steps to facilitate input of the derivatives industry and end-users, both for the purposes of identifying issues to be addressed and the crafting of possible solutions.

Signed, this 12th day of February, 2008

Commodity Futures Trading Commission

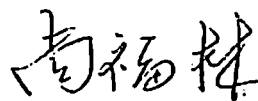
China Securities Regulatory Commission

by



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by



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