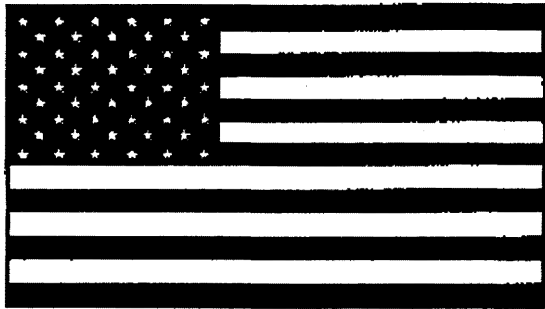
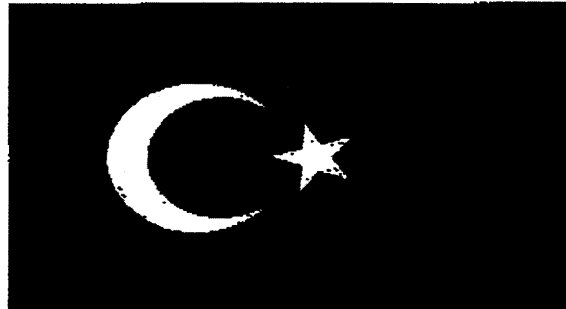


**MEMORANDUM
OF
UNDERSTANDING**



**THE UNITED STATES
COMMODITY FUTURES TRADING COMMISSION**



**CAPITAL MARKETS BOARD
OF TURKEY**

**CONCERNING CONSULTATION AND COOPERATION
AND THE EXCHANGE OF INFORMATION**

June 25, 2001

The United States Commodity Futures Trading Commission and the Capital Markets Board of Turkey, recognising increased international activity in futures transactions and the corresponding need for mutual cooperation between relevant authorities, have reached the following understanding.

DEFINITIONS

For the purposes of this Memorandum of Understanding:

1. "Authority" means:
 - (a) the Commodity Futures Trading Commission of the United States;
or
 - (b) the Capital Markets Board of Turkey.
2. "Requested Authority" means an Authority to whom a request is made under this Memorandum of Understanding.
3. "Requesting Authority" means an Authority making a request under this Memorandum of Understanding.
4. "Futures Contract" means a futures or options transaction regulated or subject to regulation by the Authorities whether transacted over-the-counter or on or subject to the rules of an exchange or market.
5. "Futures Business" includes, among others, any person involved in: the offer, purchase or sale of Futures Contracts for the account of others; the purchase or sale of Futures Contracts for one's own account; advising others for compensation, directly or through media, regarding the offer, purchase or sale of Futures Contracts; the management, promotion, offer or sale of collective investment schemes involving Futures Contracts; or equivalent activities. The definition of a Futures Business also includes persons, among others, acting in the capacity of commodity trading advisors, commodity pool operators, futures commission merchants, introducing brokers, associated persons, floor brokers and floor traders.
6. "Futures Market" means an exchange or other market, including an over-the-counter market, for Futures Contracts that is recognized, supervised or subject to regulation by the Authorities.
7. "Futures Processing Business" means a clearing organization for Futures Contracts.

8. "Laws and/or Regulations" means the provisions of the laws of the United States and/or Turkey, the regulations promulgated thereunder, and other regulatory requirements that fall within the jurisdiction of the Authorities, concerning Futures Contracts.
9. "Person" means a natural person, unincorporated association, partnership, trust, body corporate, or government - or a political subdivision, agency, instrumentality or equivalent authority of a government.
- 9.5. "Self-Regulatory Organization" means an organization empowered by a government to administer or enforce a law, rule, or regulation as it relates to a futures or options matter.

ESTABLISHMENT OF A FRAMEWORK FOR CONSULTATIONS REGARDING MATTERS OF MUTUAL INTEREST

10. The Authorities intend to consult periodically about matters of mutual concern. Such consultation will be undertaken in the interest of improving cooperation to avoid the conflicts that may arise from the application of differing regulatory laws, regulations and practices, and to enhance: the efficiency and integrity of the Futures Markets of the United States and Turkey; the protection of investors and customers; appropriate market oversight; and the effective performance by the Authorities of their respective functions regarding the Laws and/or Regulations of the United States and Turkey.

MUTUAL ASSISTANCE AND THE EXCHANGE OF INFORMATION

11. **General Principles regarding Mutual Assistance and the Exchange of Information**
 - (a) This Memorandum of Understanding sets forth the Authorities' intent with regard to mutual assistance and the exchange of information for the purpose of enforcing and securing compliance with the respective Laws and/or Regulations of the Authorities. This Memorandum of Understanding does not create legally binding obligations or supersede domestic laws. This Memorandum of Understanding does not create any rights enforceable by third parties, nor does it affect any arrangements under other Memoranda of Understanding.
 - (b) This Memorandum of Understanding does not prohibit an Authority from taking measures other than those described herein to obtain information necessary to ensure enforcement of or compliance with

the Laws and/or Regulations applicable in its jurisdiction. In particular, this Memorandum of Understanding does not affect any right of any Authority to communicate with, or obtain information or documents from, any Person on a voluntary basis in the jurisdiction of the other Authority.

- (c) This Memorandum of Understanding does not confer upon any Person not defined as an Authority within this Memorandum of Understanding, the 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 Memorandum of Understanding.
- (d) The Authorities recognize the importance and desirability of exchanging assistance and information for the purpose of enforcing and securing compliance with the Laws and/or Regulations applicable in their respective jurisdictions. However, a request for assistance may be denied by the Requested Authority:
 - (i) where the request would require the Requested Authority to act in a manner that would violate its domestic law;
 - (ii) where the request is not made in accordance with the provisions of this Memorandum of Understanding; or
 - (iii) on grounds of public interest.

Where a request for assistance is denied, or where assistance is not available under its domestic law, the Requested Authority will provide the reasons for not granting the assistance and consult pursuant to paragraph 17.

12. Scope of Assistance

- (a) The Authorities will, within the framework of this Memorandum of Understanding, provide each other with the fullest assistance permissible under the laws of the United States and Turkey. Such assistance will be provided in order to facilitate: market oversight including market and financial surveillance; the granting of licenses, authorizations, waivers or exemptions for the conduct of Futures Businesses and Futures Processing Businesses; the supervision of Futures Businesses and Futures Processing Businesses; the inspection of Futures Businesses and Futures Processing Businesses; the investigation, litigation or prosecution by the Authorities of activity that potentially violates the Laws and/or

Regulations applicable in their respective jurisdictions; and any other matters that the Authorities deem appropriate.

- (b) The assistance available under this Memorandum of Understanding includes, without limitation:
 - (i) providing information held in the files of the Requested Authority upon request by the Requesting Authority;
 - (ii) taking statements of Persons; and
 - (iii) obtaining information and documents from Persons.
- (c) The Authorities recognize that they may not in all circumstances possess the legal authority to provide the assistance or information referred to in paragraph 12. In such circumstances, the Authorities will use all reasonable efforts to obtain the aid of such other governmental agencies that can provide the assistance or information described in paragraph 12.

13. Requests For Assistance

- (a) Requests for assistance will be made in writing and will be addressed to the Requested Authority's contact officer listed in Appendix A.
- (b) Requests for assistance will include the following:
 - (i) a general description of both the subject matter of the request and the purpose for which the assistance or information is sought;
 - (ii) a general description of the assistance, documents, information, or statements sought by the Requesting Authority;
 - (iii) any information known to or in the possession of the Requesting Authority that might assist the Requested Authority in identifying either the Persons believed to possess the information or documents sought or the places where such information may be obtained;
 - (iv) the Laws and/or Regulations pertaining to the subject matter of the request; and
 - (v) the desired time period for the reply.

- (c) In urgent circumstances, requests for assistance, and the response to such requests, may be effected by telephone or facsimile, provided such communication is confirmed in writing.

14. Execution of Requests for Assistance

- (a) Information held in the files of the Requested Authority will be provided to the Requesting Authority upon request.
- (b) Upon request, the Requested Authority will take the statements of any Person involved, directly or indirectly, in the activities that are the subject matter of the request for assistance or in possession of information that may assist in the execution of the request. The Requested Authority will make a transcript of any statement it takes on behalf of the Requesting Authority.
- (c) Unless otherwise decided by the Authorities, information and documents requested under this Memorandum of Understanding will be gathered in accordance with the procedures applicable in the jurisdiction of the Requested Authority and by Persons designated by the Requested Authority.
- (d) Notwithstanding paragraph 14(c), any Person providing a statement pursuant to a request for assistance under this Memorandum of Understanding will have the right to have counsel present.
- (e) Notwithstanding any other provision of this Memorandum of Understanding, any Person providing a statement, information, or documents as a result of a request for assistance under this Memorandum of Understanding will be entitled to all rights and privileges applicable in the jurisdiction of the Requested Authority. Assertions regarding rights and privileges arising exclusively under the laws applicable in the jurisdiction of the Requesting Authority will be preserved for consideration by the courts in that jurisdiction.
- (f) Upon request, the Requested Authority will inspect specified books, records, Futures Businesses, or Futures Processing Businesses.
- (g) If it appears that responding to a request for assistance under this Memorandum of Understanding will involve substantial cost, the Requested Authority may, as a condition to executing the request, ask the Requesting Authority to make a contribution to such cost in an amount decided upon by the Authorities.

15. Permissible Uses of Information

- (a) The Requesting Authority may use non-public information furnished in response to a request for assistance under this Memorandum of Understanding solely:
- (i) for the purpose stated in the request for assistance with respect to ensuring compliance with or enforcement of the Laws and/or Regulations applicable in the jurisdiction of the Requesting Authority, including the legal provisions specified in the request and related provisions; and
 - (ii) for a purpose within the general framework of the use stated in the request for assistance, including conducting a civil or administrative enforcement proceeding, assisting in a self-regulatory organization's surveillance or enforcement activities (insofar as it is involved in the supervision of trading or conduct that is the subject of the request), assisting in a criminal prosecution, or conducting any investigation for any general charge applicable to the violation of the provisions specified in the request where such general charge pertains to a violation of the Laws and/or Regulations administered by the Requesting Authority.
- (b) Before using non-public information furnished under this Memorandum of Understanding for a purpose other than those stated in paragraph 15(a), the Requesting Authority must first inform the Requested Authority of the intended use. The Requested Authority will advise its views within 14 days and, if necessary, the Authorities will consult pursuant to the provisions of paragraph 17 to discuss the reasons for any denial by the Requested Authority over such intended use and the circumstances under which the intended use might otherwise be allowed. Fourteen-day advance notification need not be provided where disclosures are made to Persons having the legal power to compel disclosure; in such cases, notification will be provided according to paragraph 16(c).

16. Confidentiality

- (a) The Requesting Authority will not disclose non-public information received under this Memorandum of Understanding, except as contemplated by paragraph 15 or pursuant to a legally enforceable demand, or in connection with an adjudicatory action or proceeding brought under the laws applicable in the jurisdiction of the

Requesting Authority to which the Requesting Authority or its government, or a political subdivision thereof, is a party.

- (b) Notwithstanding the provisions of paragraph 16(a), each Authority will keep confidential, to the extent permitted by law, requests made pursuant to this Memorandum of Understanding, consultations between the Authorities (including consultations under paragraph 10), and unsolicited assistance under paragraph 18, unless:

- (i) such disclosure is absolutely necessary to carry out a request; or

- (ii) the other Authority waives such confidentiality.

Consultations between the Authorities include, but are not limited to, correspondence and other exchanges in which the Authorities share investigative analyses, progress, procedures or strategies.

- (c) To the extent possible, the Requesting Authority will notify the Requested Authority of any legally enforceable demand for non-public information furnished under this Memorandum of Understanding prior to compliance, and will assert such appropriate legal exemptions or privileges with respect to such information as may be available.
- (d) To the extent permitted by law, the Authorities may by mutual written consent make an exception to the principles set forth in paragraph 16(a) and (b).
- (e) In response to a request by the Requested Authority, and to the extent permitted by law, as soon as the Requesting Authority has terminated the matter for which assistance has been requested under this Memorandum of Understanding, it will return to the Requested Authority all documents and copies thereof not already disclosed in proceedings referred to in paragraph 15(a) and other material disclosing the contents of such documents, other than material that is generated as part of the investigative, deliberative or internal analytical process of the Requesting Authority.

17. Consultation Regarding Mutual Assistance and the Exchange of Information

- (a) In any case of dispute over the interpretation of this Memorandum of Understanding, the Authorities will consult each other with a view to reaching a mutually acceptable interpretation.

- (b) The Authorities will consult with each other regarding this Memorandum of Understanding with a view to improving its operation and resolving any matters that may arise. In particular, the Authorities will consult in the event of:
 - (i) an Authority's denial of a request made by the other Authority pursuant to this Memorandum of Understanding;
 - (ii) a change in market or business conditions or in the legislation governing the matters set forth in paragraph 8; and
 - (iii) any other circumstance that makes it necessary or appropriate to amend or extend this Memorandum of Understanding in order to achieve its purposes.
- (c) The Authorities may agree on such practical measures as may be necessary to facilitate the implementation of this Memorandum of Understanding.
- (d) Any of the conditions of this Memorandum of Understanding may be amended or waived by mutual written consent.

18. Unsolicited Assistance

To the extent permitted by the Laws and/or Regulations of its respective jurisdiction, each Authority will use reasonable efforts to provide the other Authority with any information it discovers that gives rise to a suspicion of a breach or an anticipated breach of the Laws and/or Regulations applicable in the jurisdiction of the other Authority.

FINAL PROVISIONS

19. Effective Date

Cooperation in accordance with this Memorandum of Understanding will begin on the date of its signing by the Authorities.

20. Termination

Cooperation and assistance in accordance with this Memorandum of Understanding will continue until the expiration of 30 days after any Authority gives written notice to the other Authority of its intention to discontinue cooperation and assistance hereunder. If any Authority gives a termination notice, cooperation and assistance in accordance with this


Cooperation in accordance with this Memorandum of Understanding will begin on the date of its signing by the Authorities.

20. Termination


Cooperation and assistance in accordance with this Memorandum of Understanding will continue until the expiration of 30 days after any Authority gives written notice to the other Authority of its intention to discontinue cooperation and assistance hereunder. If any Authority gives a termination notice, cooperation and assistance in accordance with this Memorandum of Understanding will continue with respect to all requests for assistance that were made or information provided before the effective date of notification (as indicated in the notice but no earlier than the date the notice is sent) until the Requesting Authority terminates the matter for which assistance was requested. The provisions of this Memorandum of Understanding concerning confidentiality will continue thereafter with respect to information in the possession of the Requesting Authority.

SIGNED IN DUPLICATE IN ENGLISH AND TURKISH AT Stockholm, Sweden THIS 25th DAY OF JUNE, 2001.

**FOR THE COMMODITY FUTURES
TRADING COMMISSION OF
THE UNITED STATES:**


James E. Newsome
Acting Chairman

**FOR THE CAPITAL MARKETS
BOARD OF TURKEY:**


Dr. Doğan Cansızlar
Chairman

APPENDIX A

CONTACT OFFICERS

**US Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581
USA**

For all information:

**Director, Division of Enforcement
Chief Counsel, Division of Enforcement**

**Tel: (202) 418-5320
Fax: (202) 418-5523**

**Capital Market Board
Doc. Dr. Bahriye Uçok Cad. No: 13
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For all information:

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