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**THE INTERNATIONAL INFORMATION SHARING
MEMORANDUM OF UNDERSTANDING AND AGREEMENT (MOU)**

THIS MEMORANDUM OF UNDERSTANDING and AGREEMENT (MOU) is entered into the Fifteenth (15th) day of March, 1996, between:

- (1) BOARD OF TRADE OF THE CITY OF CHICAGO (CBOT) whose registered office is at 141 W. Jackson Blvd., Chicago, Illinois 60604 USA.
- (2) BOARD OF TRADE CLEARING CORPORATION (BOTCC) whose registered office is at 141 W. Jackson Blvd., Chicago, Illinois 60604 USA.
- (3) CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC) whose registered office is at 120 Adelaide Street West, Suite 1016, Toronto, Ontario M5H 1T1 Canada.
- (4) CHICAGO MERCANTILE EXCHANGE (CME) whose registered office is at 30 South Wacker Drive, Chicago, Illinois 60606 USA.
- (5) THE CITRUS ASSOCIATES OF THE NEW YORK COTTON EXCHANGE, INC. (CANYCE) whose registered office is at 4 World Trade Center, New York, New York 10048 USA.
- (6) COFFEE, SUGAR & COCOA EXCHANGE, INC. (CSC) whose registered office is at 4 World Trade Center, Suite 5298, New York, New York 10048 USA.
- (7) COMEX CLEARING ASSOCIATION, INC. (CCA), whose registered office is at 4 World Trade Center, New York, New York 10048 USA.
- (8) COMMODITY CLEARING CORPORATION (CCC) whose registered office is at 4 World Trade Center, Suite 7300 C, New York, New York 10048 USA.
- (9) COMMODITY FUTURES CLEARING CORPORATION OF NEW YORK (CFCCNY) whose registered office is at 4 World Trade Center, Suite 7300A, New York, New York 10048 USA.
- (10) DEUTSCHE TERMINBÖRSE (DTB) whose registered office is at Börsenplatz 7-11, 60313 Frankfurt am Main. (The Parties agree that certain rights and obligations created by this M.O.U. will only attach to the DTB upon their giving written notice to the other signatories of this M.O.U. that the laws and regulations of the Federal Republic of Germany, as they apply to DTB, have been changed so as to permit the DTB to assume the aforesaid rights and obligations created by this M.O.U.)

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- (11) DEUTSCHE BÖRSE AG (DBAG) whose registered office is at Börsenplatz 7-11, 60313 Frankfurt am Main, in its capacity as the clearing house for DTB. (The Parties agree that certain rights and obligations created by this M.O.U. will only attach to DBAG upon its giving written notice to the other signatories of this M.O.U. that the laws and regulations of the Federal Republic of Germany, as they apply to DBAG, have been changed so as to permit DBAG to assume the aforesaid rights and obligations created by this M.O.U.)
- (12) EUROPEAN OPTIONS EXCHANGE, which includes its subsidiaries EOE Optibeurs NV, Financiele Termijnmarkt Amsterdam NV (all EOE) whose registered office is at P.O. Box 19164, 1000 GD Amsterdam, The Netherlands
- (13) EOCC CLEARING CORPORATION BV (EOCC) whose registered office is at 49, Nes 1012 KD Amsterdam, The Netherlands.
- (14) THE FUTOP CLEARING CENTRE (FUTOP) whose registered office is at Nytorv 5, Postboks 2017, DK-1012 Copenhagen, Denmark.
- (15) HONG KONG FUTURES EXCHANGE (HKFE) whose registered office is at Suite 605, Asia Pacific Finance Tower, 3 Garden Road, Hong Kong.
- (16) HONG KONG FUTURES EXCHANGE CLEARING CORPORATION (HKCC) whose registered office is at Suite 605, Asia Pacific Finance Tower, 3 Garden Road, Hong Kong.
- (17) THE INTERNATIONAL PETROLEUM EXCHANGE OF LONDON LIMITED (IPE) whose registered office is at International House, 1 St. Katharine's Way, London E1 9UN, United Kingdom.
- (18) IRISH FUTURES AND OPTIONS EXCHANGE (IFOX) whose registered office is at Segrave House, Earisfort Terrace, Dublin 2 EIRE.
- (19) KANSAS CITY BOARD OF TRADE (KCBOT) whose registered office is at 4800 Main Street, Suite 303, Kansas City, Missouri 64112 USA.
- (20) KANSAS CITY BOARD OF TRADE CLEARING CORPORATION (KCBTCC) whose registered office is at 4800 Main Street, Suite 270, Kansas City, Missouri 64112 USA.
- (21) LIFFE ADMINISTRATION AND MANAGEMENT (LIFFE) whose registered office is at Cannon Bridge, London EC4R 3XX, United Kingdom.

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- (22) THE LONDON CLEARING HOUSE LIMITED. (LCH) whose registered office is at Roman Wall House, Crutched Friars, London EC3N 2AN, United Kingdom.
- (23) MATIF S.A. (MATIF) whose registered office is at 115 Rue Réaumur, 75083 Paris CEDEX 02, France. (The Parties agree that the rights and obligations created by this MOU will only attach to the MATIF upon their giving written notice, to the other signatories of this MOU, that the laws and regulations of the Republic of France, as they apply to the MATIF, have been changed so as to permit the MATIF to assume the aforesaid rights and obligations created by this MOU.)
- (24) MARCHÉ DES OPTIONS NÉGOCIABLES DE PARIS (MONEP) whose registered office is at 39 rue Cambon, 75001 Paris, France. (The Parties agree that the rights and obligations created by this MOU will only attach to the MONEP upon their giving written notice, to the other signatories of this MOU, that the laws and regulations of the Republic of France, as they apply to the MONEP, have been changed so as to permit the MONEP to assume the aforesaid rights and obligations created by this MOU.)
- (25) MEFF HOLDING, the holding company of MEFF RENTA FIJA whose registered office is at Via Laietana, 58, 08003 Barcelona, Spain and of MEFF RENTA VARIABLE whose registered office is at Torre Picasso, Planta 26, 28020 Madrid, Spain (all three, MEFF)
- (26) MID AMERICA COMMODITY EXCHANGE (MIDAM) whose registered office is at 141 W. Jackson Blvd., Chicago, Illinois 60604 USA.
- (27) MINNEAPOLIS GRAIN EXCHANGE (MGE) whose registered office is at 130 Grain Exchange, 400 South Fourth Street, Minneapolis, Minnesota 55415 USA.
- (28) THE MONTREAL EXCHANGE (MONTREAL EXCHANGE) whose registered office is at Tour de la Bourse, P.O. Box 61, 800 Victoria Square, Montreal, Quebec H4Z 1A9 Canada.
- (29) NEW YORK COTTON EXCHANGE (NYCE) whose registered office is at 4 World Trade Center, New York, New York 10048 USA.
- (30) NEW YORK FUTURES EXCHANGE, INC. (NYFE) whose registered office is at 4 World Trade Center, New York, New York 10048 USA.

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- (31) NEW YORK MERCANTILE EXCHANGE (NYMEX), which also includes its COMEX division, whose registered office is at 4 World Trade Center, New York, New York 10048 USA.
- (32) NEW ZEALAND FUTURES AND OPTIONS EXCHANGE LIMITED (NZFOE) whose registered office is at 10th Level - Stock Exchange Centre, 191 Queen Street, Auckland 1 New Zealand.
- (33) NORWEGIAN FUTURES AND OPTIONS CLEARING HOUSE (NOS) whose registered office is at Rådhusgt. 23, P.O. Box 246 Sentrum, N-0103 Oslo, Norway.
- (34) NV NEDERLANDSE LIQUIDATIE KAS (NLKKAS) whose registered office is at 49, Nes, 1012 KD Amsterdam, The Netherlands.
- (35) OM STOCKHOLM (OM) whose registered office is at Box 16305, S-103 26 Stockholm, Sweden.
- (36) THE OMLX EXCHANGE (OMLX) whose registered office is at 107 Cannon Street, London EC4N 5AD, United Kingdom.
- (37) THE OSLO STOCK EXCHANGE (OSL) whose registered office is at Postboks 460-Sentrum, 0105 Oslo, Norway.
- (38) ÖTOB AG-THE AUSTRIAN FUTURES AND OPTIONS EXCHANGE (ÖTOB) whose registered office is at A-1014 Vienna, Strauchgasse 1-3, PO-Box 192, Austria.
- (39) SINGAPORE INTERNATIONAL MONETARY EXCHANGE (SIMEX) whose registered office is at 1 Raffles Place, 07-00 OUB Centre, Singapore 0104.
- (40) SOUTH AFRICAN FUTURES EXCHANGE (SAFEX) whose registered office is at 105 Central Street, Houghton Estate 2198, PO Box 4408, Johannesburg 2000 South Africa.
- (41) SAFEX CLEARING COMPANY (PTY) LIMITED (SAFCOM) whose registered office is at 105 Central Street, Houghton Estate 2198, PO Box 4408, Johannesburg 2000 South Africa.
- (42) SWISS EXCHANGE which also includes its subsidiary SOFFEX - SWISS OPTIONS AND FINANCIAL FUTURES EXCHANGE LTD. (SOFFEX) whose registered office is at Selnaustrasse 32, CH-8021 Zurich, Switzerland.

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(43) SYDNEY FUTURES EXCHANGE, LIMITED (SFE) whose registered office is at Level 3, 30-32 Grosvenor Street, Sydney, N.S.W. 2000 Australia,

(44) SYDNEY FUTURES EXCHANGE CLEARING HOUSE PTY. LIMITED (SFECH) whose registered office is at 30-32 Grosvenor Street, Sydney 2000 Australia.

(45) THE TORONTO FUTURES EXCHANGE (TFE) whose registered office is at 2 First Canadian Place, Toronto, CANADA M5X 1J2.

(46) WINNIPEG COMMODITY EXCHANGE (WCE) whose registered office is at Suite 500, 360 Main Street, Winnipeg, Manitoba R3C 3Z4, Canada.

(47) WINNIPEG COMMODITY CLEARING LTD. (WCCL) whose registered office is at Suite 480, 360 Main Street, Winnipeg, Manitoba R3C 3Z3, Canada.

(48) THE LONDON COMMODITY EXCHANGE (LCE) whose registered office is at 1 Commodity Quay, St. Katharine Docks, London E1 9AX, United Kingdom.

(49) THE LONDON METAL EXCHANGE (LME) whose registered office is at 56 Leadenhall Street, London EC3, United Kingdom.

WHEREAS:

A. The CBOT administers a market for the trading and execution of futures and options contracts in Chicago.

B. The BOTCC provides clearing services in respect of transactions effected on certain futures and options exchanges.

C. The CDCC provides clearing services in respect of transactions effected on certain futures and options exchanges.

D. The CME administers a market for the trading and execution of futures and options contracts and operates a clearing house for such contracts in Chicago.

E. The CANYCE administers a market for the trading and execution of futures and options contracts in New York.

F. The CSC administers a market for the trading and execution of futures and options contracts in New York.

G. The CCA provides clearing services in respect of transactions effected on the COMEX

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division of NYMEX.

H. The CCC provides clearing services in respect of transactions effected on certain futures and options exchanges.

I. The CFCCNY provides clearing services in respect of transactions effected on the Coffee, Sugar and Cocoa Exchange, Inc, in New York.

J. DTB administers a market for the trading and execution of futures and options contracts and is operated by Deutsche Börse AG, which is also providing clearing services in respect of transactions effected on DTB.

K. DBAG is providing clearing services in respect of transactions effected on DTB.

L. EOE administers markets for the trading and execution of futures and options contracts in Amsterdam.

M. EOCC provides clearing services in respect of transactions effected on certain futures and options exchanges.

N. The FUTOP provides clearing services in respect of futures and options transactions effected on the Copenhagen Stock Exchange.

O. The HKFE administers a market for the trading and execution of futures and options contracts in Hong Kong.

P. The HKCC provides clearing services in respect of transactions effected on the HKFE.

Q. The IPE administers a market for the trading and execution of futures and options contracts in London.

R. The IFOX administers a market for the trading and execution of futures and options contracts and operates a clearing house for such contracts in Dublin.

S. The KCBOT administers a market for the trading and execution of futures and options contracts in Kansas City.

T. The KCBTCC provides clearing services in respect of transactions effected on the KCBOT.

U. The LIFFE administers a market for the trading and execution of futures and options contracts in London.

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- V. LCH provides, inter alia, clearing services in respect of transactions effected on certain futures and options exchanges in London.
- W. The MATIF administers a market for the trading and execution of futures and options contracts and operates a clearing house for such contracts in Paris.
- X. The MONEP administers a market for the trading and execution of options contracts in PARIS and technically operates a clearing house for such contracts.
- Y. The MEFF administer markets for the trading and execution of futures and options contracts in Barcelona and Madrid and operate the clearing houses for contracts traded on the markets they administer.
- Z. The MIDAM administers a market for the trading and execution of futures and options contracts in Chicago.
- AA. The MGE administers a market for the trading and execution of futures and options contracts and operates a clearing house for such contracts in Minneapolis.
- BB. The Montreal Exchange administers a market for the trading and execution of futures and options contracts in Montreal.
- CC. The NYCE, including its FINEX division, administers a market for the trading and execution of futures and options contracts in New York and Dublin, Eire
- DD. The NYFE administers a market for the trading and execution of futures and options contracts in New York.
- EE. The NYMEX, including its COMEX division, administers a market for the trading and execution of futures and options contracts and operates a clearing house for contracts traded on NYMEX in New York.
- FF. The NZFOE administers a market for the trading and execution of futures and options in Auckland.
- GG. The NOS provides clearing services in respect of transactions effected on the OSL.
- HH. NLKKAS provides clearing services in respect of transactions effected on Agarische Termijnmarkt Amsterdam BV

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II. The OM administers a market for the trading and execution of futures and options contracts and operates a clearing house for such contracts in Stockholm.

JJ. The OMLX administers a market for the trading and execution of futures and options contracts and operates a clearing house for such contracts.

KK. The OSL administers a market for the trading and execution of futures and options contracts in Oslo.

LL. ÖTOB administers a market for the trading and execution of futures and options contracts and operates a clearing house for such contracts in Vienna.

MM. The SIMEX administers a market for the trading and execution of futures and options contracts and operates a clearing house for such contracts in Singapore.

NN. SAFEX administers a market for the trading and execution of futures and options in Johannesburg.

OO. SAFCOM provides clearing services in respect of transactions effected on the SAFEX.

PP. THE SWISS EXCHANGE administers through SOFFEX a market for the trading and execution of futures and options contracts and operates a clearing house for such contracts in Zurich.

QQ. The SFE administers a market for the trading and execution of futures and options in Sydney and Auckland and operates a clearing house for both markets in Sydney.

RR. The SFECH provides clearing services in respect of futures and options transactions effected on markets in Sydney and Auckland.

SS. The TFE administers a market for the trading and execution of futures and options in Toronto.

TT. The WCE administers a market for the trading and execution of futures and options contracts in Winnipeg.

UU. The WCCL provides clearing services in respect of transactions effected on the WCE.

VV. The LCE administers a market for the trading and execution of futures and options contracts in London.

WW. The LME administers a market for the trading and execution of futures and options

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contracts in London.

XX. The parties to this MOU have certain common Members and also have Members that are directly or indirectly associated or connected with members of the other party, and

YY. The parties to this MOU wish to cooperate with each other for purposes of promoting collective market integrity and with that in view they wish to make arrangements under this MOU that permit sharing of information with each other in certain circumstances.

IT IS UNDERSTOOD among the parties as follows: -

1. Interpretation/Definitions

1.1 In this MOU unless the context otherwise requires: -

Affiliate	An individual or entity that owns or controls, is owned or controlled by or shares a common owner with a Member. For purposes of this definition a 20% control or ownership, whether direct or indirect, shall be sufficient.
Contract	A futures contract, including all its delivery months, and an option contract, including each delivery month, strike, put and call and any other similar instrument traded on or through or cleared by the facilities of a Party.
Information	Any or all information that is called for by or provided in response to any Clause of this MOU.
Member	An individual or entity recognized under the rules of a Party as subject to the rights and obligations of membership in that Party.
Open Interest	The open positions in the relevant Contract.
Oversight Authority	The statutory regulator of a Party or the primary (governmental) regulator of a Party or the Designated Agency responsible for the recognition of a Party or the banking supervisor operating within that Party's jurisdiction or the regulator of the Member in respect of which a Request has been made.
Owners' Equity	The residual interest in the assets of a Member after deducting liabilities, except those liabilities to an equity owner that are subordinated to the claims of general creditors, the remaining term of which is at least one year.

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Parties	The parties to this MOU.
Recipient Party	A Party that has received Information.
Request	A Request for Information in accordance with Clause 3.
Requested Party	A Party to which a Request has been made.
Related Exchanges And Clearing Houses	<p>a) With respect to an Exchange that is a party to this MOU, its related Clearing House shall be that Clearing House that provides clearing services in respect of transactions effected on its facilities, and which is also a Party to this MOU.</p> <p>b) With respect to a Clearing House that is a party to this MOU, its related Exchange shall be that Exchange for which it provides clearing services and which is also a Party to this MOU.</p>
Rules	“Rules” means, as the context may admit, any of the Articles of Association, rules, regulations, by-laws, contract terms, Codes of Conduct, formal guidance and administrative and other procedures of a Party as may be amended from time to time;
Variation Payment	Payment made to a clearing organization on a periodic basis in respect of the revaluation of Contracts.

1.2 Clause headings and numbering herein are for ease of reference only and shall not affect the interpretation of this MOU.

2. Scope of cooperation and indicative events permitting a request for Information

2.1 The Parties recognize that they can assist each other in the discharge of their respective regulatory duties, as market authorities and in some cases as self-regulatory organizations, by sharing information in respect of common and inter-related Members, affiliated Members and Members who have a substantial commercial relationship and their owners and employees and, in their discretion, in respect of membership applications, and agree to offer such assistance and sharing of information in the spirit of this MOU.

2.2 It is accepted that, while the Parties wish to assist each other and to cooperate

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accordingly, requests for Information shall be framed to secure the specific Information necessary to respond to particular events and developments and that, unless good cause is shown, the request shall be limited to Information respecting the Member and its Affiliates including its and its customers' trading activity, funds and collateral on deposit, cash flow, financial condition, margin and open positions.

2.3 Without wishing to restrict the scope of the cooperation, the Parties recognize the particular desirability of facilitating the exchange of Information should a Member of a Party experience any of the events listed below. In view of the differences in the markets and membership characteristics of the Parties, the interpretation of "large" and "unusually large" is left to the discretion of the Party making the Request for Information.

- (A) A large decrease in Owner's Equity in any six-month period;
- (B) Cumulative net Variation Payments over ten consecutive business days for proprietary and non-customer positions which are unusually large in relation to the Owner's Equity of the Member;
- (C) Cumulative net Variation Payments over six consecutive months for proprietary and non-customer positions which are unusually large in relation to the Owner's Equity of the Member;
- (D) Net Variation Payments for customer positions for one business day which are of unusually large size in relation to the Owner's Equity of the Member;
- (E) Total positions in a contract registered in a Member's name which represent at least 50% of the total long or short positions in that contract, the Open Interest of which is greater than 25,000 and less than 100,000;
- (F) Total positions in a contract registered in a Member's name which represent at least 25% of the total long or short positions in that contract, the Open Interest of which exceeds 100,000.

3. Form of Request for Information

A Request may be initiated in any form deemed necessary under the circumstances, including orally, but shall be confirmed immediately in writing, if requested. The written confirmation of a Request shall specify the following:

- (A) the identity of the Member of the Requested Party, if relevant; and
- (B) the event, if any, that caused the Request, including the identity of any relevant Member of the Party making the Request; and

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- (C) the specific Information sought; and
- (D) the purpose for which the Information is sought.

4. Response to Request for Information

4.1 A Requested Party shall use reasonable efforts to provide Information, related to the discharge of regulatory duties, to the other Party but only where the Requested party is of the view, in its sole opinion that the Information is sought for regulatory purposes and that it is permitted and empowered to provide Information to the other Party (a) under the law applicable in the Requested party's jurisdiction and (b) by the Requested Party's applicable Rules; but the Requested Party shall be under no obligation whatsoever to provide the other Party with Information.

4.2 A Requested Party may, but shall not be obliged to, ask its Oversight Authority to make Information available to the other Party's Oversight Authority.

5. Confidentiality of Request

Parties shall treat any Request as being confidential but Parties may notify their respective Oversight Authorities and Related Exchanges and Clearing Houses (whichever is applicable) of a Request and its contents.

6. Use of Information

IT IS AGREED between the Parties that Information provided in response to a Request shall be used solely for the purposes of carrying out the functions and/or regulatory responsibilities of a Party and its Related Exchanges and Clearing Houses (if applicable).

7. Continued dialogue and exchange of information

The Parties recognize that they have common regulatory interests and IT IS AGREED between the Parties that where a Party provides another Party with Information, the Recipient Party shall use reasonable efforts to keep the Requested Party informed of any conclusions drawn on the basis of that Information but only where the Recipient Party is of the view, in its sole opinion, that it is permitted and empowered to provide such Information to the Requested Party (a) under the law applicable in the Recipient Party's jurisdiction and (b) by the Recipient Party's applicable Rules; but the Recipient Party shall be under no obligation whatsoever to inform the Requested Party of such conclusions. The Recipient Party shall further

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use reasonable efforts to promptly advise the Requested Party if:

- (a) it suspends a Member; and/or
- (b) it finds that a Member is in default; and/or
- (c) it takes any final action against a Member or other person to protect its integrity and that of its Related Exchange and Clearing House (if applicable) on the basis of Information provided to it by the Requested Party and/or information already at its disposal.

8. Confidentiality of Information

IT IS AGREED between the Parties that:

8.1 Information provided pursuant to this MOU shall be treated as confidential and shall be available, in normal circumstances, only to officers and employees of the Recipient Party who have specific responsibility for regulatory compliance and market oversight. These officers and employees shall treat such Information in strict confidence. Only in limited circumstances shall such Information be disclosed to the Recipient Party's directors, governors or members, and only when such directors, governors and members have a role in the regulation of the marketplace and are bound by similar confidentiality undertakings.

8.2 A Party may not disclose Information it has received to a third party (save that it may be disclosed to a Party's Oversight Authority, to its professional advisers for the purpose of obtaining professional advice, and to its Related Exchanges and Clearing Houses [whichever is applicable]), other than in pursuance of a binding lawful process, without first obtaining the written consent of the Party that provided the Information;

8.3 A Party will at the earliest opportunity, inform the other Party that provided the Information of any attempt by a third party, other than its Oversight Authority, professional advisers and Related Exchanges and Clearing Houses (whichever is applicable) to secure access to the Information and shall offer the Party that provided the Information the opportunity to object to the further disclosure of such Information and assert such privileges against disclosure and shall also assert such privileges as are appropriate and available to it to protect the confidentiality of Information. Nothing herein shall be deemed to preclude any Party from disclosing confidential Information pursuant to a binding lawful process. It is also agreed between the Parties that on receipt by a Party of legal notice appertaining either to Information or this MOU that Party shall promptly advise the other of the service of such legal notice.

8.4 Termination of this MOU shall be of no effect in relation to the confidentiality of Information exchanged between either Party pursuant to this MOU.

9. No general agency or partnership

9.1 Nothing in this MOU constitutes or will be deemed to constitute: -

- (a) one Party as the agent of the other Parties for any purpose; or

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(b) a partnership or joint venture between the Parties.

9.2 None of the Parties shall have any authority or power to bind the other Parties or to contract in the name of or create any liability against the other Parties in any way or for any purpose.

10. Additional Parties

10.1 IT IS AGREED by all Parties to this MOU that any futures or options exchange or clearing organization that participated in the Futures Industry Association Global Task Force on Financial Integrity (a listing of which is appended hereto as Appendix C) may become a party to this MOU by executing the Joinder Agreement appended hereto as Appendix A.

10.2 IT IS ALSO AGREED by all Parties to this MOU that any other futures or options exchange or clearing organization that is not listed in Appendix C hereto may, upon the consent of all Parties to this MOU, become a party to this MOU by executing the Joinder Agreement appended hereto as Appendix B.

11. No Other Warranty-Limitation of Liability

Information provided pursuant to this MOU is provided on a reasonable efforts basis and no warranties, express or implied, are made by the Parties. No Party, its directors, governors, officers, employees, members or agents shall be liable to any other Party for any liability, loss or damage resulting from or claimed to have resulted from any delays, inaccuracies, errors or omissions with respect to any Information provided pursuant to this MOU. The Parties agree that none of them shall be liable for any consequential or incidental damages, including lost profits, resulting from any claim or demand against any or all of them by any broker, dealer, futures commission merchant, introducing broker, customer or any other third party.

12. No Third Party Beneficiary

No Person not a Party to this MOU shall have any interest herein or be deemed a third party beneficiary hereof.

13. Amendment

This MOU may be amended only by written Agreement among all the Parties to this MOU at the point in time of the proposed amendment(s).

14. Legal relationship

IT IS AGREED between the Parties that:

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14.1 The provisions of Clauses 5, 6, 7, 8, 9, 10,11, 12, 13 and 14 hereof together with those other statements terms and Definitions to which reference requires to be made to give effect to the provisions of Clauses 5, 6, 7, 8, 9, 10,11, 12, 13 and 14 hereof are binding provisions which each Party accepts and undertakes to adhere to, as is evidenced by the Parties execution of these presents.

14.2 Save as set out in Clause 14.1 above, this MOU does not create, and shall not be construed as creating any binding legal relationship between the Parties. A failure or refusal to comply with any provision of this MOU, other than those specified in Clause 14.1, above shall not give rise to any right of action by one Party against the other.

15. Counterparts

This MOU may be executed simultaneously in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. Execution of the Joinder Agreement in the form of either Appendix A or Appendix B shall constitute execution of this MOU. A copy of the signed Joinder Agreement shall be provided to each party to this MOU.

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16. Term and Termination

This MOU shall be effective as to the undersigned at the date first set out above. It shall be effective as to additional Parties at the date each executes the Joinder Agreement. A party may terminate its participation in this MOU by giving 30 days notice to each Party.

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APPENDIX A

JOINDER AGREEMENT

The undersigned, having participated in the Futures Industry Association Global Task Force on Financial Integrity and having given notice of its intent to participate in the MOU, hereby agrees to be bound by the terms of the MOU, as now in effect and as may be, from time to time, amended. This Declaration of Joinder shall be effective as of the date first written below.

Date: _____

By: _____

Title: _____

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APPENDIX B

JOINDER AGREEMENT

The undersigned, having given notice of its intent to participate in the MOU and having received the consent of all Parties thereto, hereby agrees to be bound by the terms of the MOU, as now in effect and as may be from time to time amended. This Declaration of Joinder shall be effective as of the date first written below.

Date: _____

By: _____

Title: _____

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APPENDIX C

**FIA GLOBAL TASK FORCE ON FINANCIAL INTEGRITY
LIST OF PARTICIPANTS**

1. Athens Derivatives Exchange Clearing House (ADECH)
2. Australian Stock Exchange Derivatives
3. Board of Trade of the City of Chicago
4. Bolsa de Mercadorias & Futuros – BM&F
5. Bourse de Montreal
6. Budapest Commodity Exchange
7. Canadian Derivatives Clearing Corporation
8. CBOE Futures Exchange
9. Chicago Climate Futures Exchange LLC
10. Chicago Mercantile Exchange
11. The Clearing Corporation
12. Copenhagen Stock Exchange
13. Dalian Commodity Exchange
14. Eurex Frankfurt AG
15. Eurex US
16. Euronext Amsterdam
17. Euronext Brussels
18. Euronext Lisbon
19. Euronext Paris S.A.
20. Euronext.LIFFE
21. FUTOP Clearing Centre
22. Hong Kong Exchanges and Clearing Limited
23. International Petroleum Exchange of London Ltd.
24. JSE Securities Exchange South Africa
25. Kansas City Board of Trade
26. Kansas City Board of Trade Clearing Corporation
27. Korea Exchange (KRX)
28. LCH.Clearnet Group
29. The London Metal Exchange
30. Malaysia Derivatives Exchange BHD
31. Malaysia Derivatives Clearing House Berhad
32. MEFF Holding, the holding company of MEFF Renta Fija and MEFF Renta Variable
33. Mexder, Mercado Mexicano de Derivados, S.A. de C.V.
34. Mid America Commodity Exchange
35. Minneapolis Grain Exchange
36. National Futures Association
37. New York Clearing Corporation

**THE INTERNATIONAL INFORMATION SHARING
MEMORANDUM OF UNDERSTANDING AND AGREEMENT (MOU)**

38. New York Cotton Exchange
39. New York Mercantile Exchange
40. New Zealand Futures & Options Exchange
41. Norwegian Futures and Options Clearing House
42. OMHEX
43. Options Clearing House Pty. Ltd
44. Osaka Securities Exchange
45. Oslo Børs
46. Rosario Futures Exchange (ROFEX)
47. SFE Clearing Corporation Pty. Ltd.
48. SFE Corporation Ltd.
49. Shanghai Futures Exchange
50. Singapore Exchange Derivatives Trading Limited (SGX)
51. Stockholmsbörsen AB
52. Taiwan Futures Exchange (TAIFEX)
53. Tokyo Commodity Exchange
54. Tokyo Grain Exchange
55. Tokyo International Financial Futures Exchange
56. Tokyo Stock Exchange
57. Wiener Börse AG
58. Winnipeg Commodity Clearing Limited
59. Winnipeg Commodity Exchange

MEMORANDUM OF UNDERSTANDING ON MUTUAL ASSISTANCE AND THE EXCHANGE OF INFORMATION BETWEEN THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND COMMODITY FUTURES TRADING COMMISSION AND THE UNITED KINGDOM DEPARTMENT OF TRADE AND INDUSTRY AND SECURITIES AND INVESTMENTS BOARD

The United States Securities and Exchange Commission and Commodity Futures Trading Commission on the one hand, and the United Kingdom Department of Trade and Industry and Securities and Investments Board on the other hand, recognising the increasing international activity in the securities, futures and investments markets and the corresponding need for mutual cooperation between the relevant national authorities, have reached the following understanding:

Definitions

1. For purposes of this Memorandum of Understanding,

(a) "Authority" means

(i) for the United States, the Securities and Exchange Commission ("SEC") or the Commodity Futures Trading Commission ("CFTC") acting with respect to their respective areas of jurisdiction;

(ii) for the United Kingdom, the Department of Trade and Industry ("DTI") or the Securities and Investments Board ("SIB") acting with respect to their respective areas of responsibility.

(b) "Investment Businesses" means investment businesses, investment companies, other collective investment undertakings and their equivalents, investment banks, merchant banks, brokers, dealers, jobbers, investment advisers and investor advisory services and exchanges.

(c) "Securities Processing Businesses" means clearing corporations or securities transfer agents.

(d) "Futures Businesses" means commodity trading advisors, commodity pool operators, futures commission merchants, introducing brokers, associated persons and floor brokers, floor traders, clearing corporations, futures and options brokers and dealers and exchanges.

(e) "person" means a natural person, unincorporated association, or body corporate, government, or political subdivision, agency, or instrumentality of a government.

(f) "issuer" means a person who issues or proposes to issue any security.

- (g) (1) "requested Authority" means an Authority to whom a request under this Memorandum is addressed;
- (2) "requesting Authority" means an Authority making a request under this Memorandum.
- (h) "legal rule or requirement" means:
 - (1) for securities, those laws, regulations and requirements of the United States and the United Kingdom relating to:
 - (A) insider trading in relation to any security;
 - (B) misrepresentation or the use of fraudulent, deceptive or manipulative practices in connection with the offer, purchase or sale of any security;
 - (C) the making of a false or misleading statement or any material omission in any application or report made to the Authorities;
 - (D) the conduct of Investment or Securities Processing Businesses or reporting requirements imposed on such Businesses;
 - (E) the financial and other qualifications of those engaged in or in control of Investment or Securities Processing Businesses;
 - (F) the duty to comply with reporting requirements of persons whose securities or sponsored depository receipts in respect of such securities are registered or publicly traded;
 - (G) the disclosure of interests in the securities of companies; and
 - (H) the duties of issuers of and offerors for securities to make full and fair disclosure of information relevant to investors.
 - (2) for futures, those laws, regulations and requirements of the United States and the United Kingdom relating to:
 - (A) misrepresentation or the use of fraudulent, deceptive or manipulative practices in connection with the offer, purchase or sale of any futures or options contract;
 - (B) the making of a false or misleading statement or any material omission in any application or report made to the Authorities.

- (C) the conduct of futures or options trading on, or subject to the rules of, the markets of the requesting Authority;
 - (D) the conduct of Futures Businesses or reporting requirements imposed upon such Businesses; and
 - (E) the financial and other qualifications of those engaged in or in control of Futures Businesses.
2. The parties recognise that while in their laws, regulations and requirements they may define terms differently, requests for assistance will not be denied solely on the grounds of differences in the definitions used by the requesting and requested Authorities.

Part I: Consultations on Matters of Mutual Interest

3. The Authorities intend to engage in consultations about mutually agreeable approaches designed to enhance the integrity and efficiency of the securities and futures markets of the United States and the United Kingdom, the exercise of market oversight functions and the protection of investors, while avoiding the conflicts that may arise from the application of differing regulatory laws, regulations and practices.

Part II: General Principles

4. This Memorandum sets forth the basis upon which the United States Authorities and the United Kingdom Authorities reciprocally propose to provide assistance for the purpose of facilitating the performance of their respective functions regarding the laws, regulations and requirements of the United States and the United Kingdom. Such assistance will be provided even where the subject matter of the request for assistance does not constitute a violation of the laws, regulations and requirements of the requested Authority. In these circumstances the requesting Authority will determine whether particular conduct could be a violation of its laws, regulations and requirements.
5. This Memorandum sets forth a statement of intent of the Authorities regarding mutual assistance and the exchange of information between the Authorities. Accordingly, the provisions of this Memorandum will not give rise to a right on the part of any private person, directly or indirectly, to obtain, suppress or exclude any evidence or to challenge the execution of a request for assistance under this Memorandum.

6. In response to requests that satisfy the terms of Part III of this Memorandum, and subject to the conditions set out in Part IV, each Authority will provide the fullest possible measure of mutual assistance to the other subject to its law and national policy. Such assistance may include:
 - (a) providing access to information in the files of the requested Authority;
 - (b) questioning or taking the testimony of persons designated by the requesting Authority;
 - (c) obtaining specified information and documents from persons;
 - (d) conducting compliance inspections or examinations of Investment or Futures Businesses; and
 - (e) permitting the representatives of the requesting Authority to participate in the conduct of the enquiries made by the requested Authority pursuant to (b) through (d) of this paragraph.
7. The Authorities recognise the need and desirability of providing mutual assistance and exchanging information to assist each other in securing compliance with their respective legal rules or requirements. However, assistance may be denied on grounds of public interest.
8. The Authorities have defined "legal rule or requirement" to ensure that assistance will be provided in the maximum number of circumstances. However, the Authorities acknowledge that certain requests may relate to a possible breach of laws, regulations and requirements that involve an assertion of jurisdiction not recognised by a requested Authority. Where a requested Authority considers that an assertion of jurisdiction in a matter that is the subject of a request would conflict seriously with and prejudice its sovereign interests the request will be denied.
9. The Authorities recognise that, so long as there are differences in the scope of the laws, regulations and requirements applied in each country, conduct prohibited by the Authorities in one country may not be prohibited by the Authorities in the other. The Authorities intend to engage in consultations about individual cases falling outside the scope of the definition of legal rule or requirement to determine whether assistance will be provided in such cases.

10. Either the DTI or the SIB may refer a request to the other and, if it does so, it will at the same time notify the requesting Authority.
11. This Memorandum does not extend to information held by the DTI solely by virtue of powers and functions that relate to matters other than securities, investments, futures or company law.

Part III: Requests for Information

12. Any request for information made under this Memorandum will satisfy the following requirements:
 - (a) wherever possible it will be in writing but in cases of urgency it may be oral, and confirmed in writing within 10 days;
 - (b) it will clearly specify the following:
 - (i) the information requested;
 - (ii) the general purpose for which the information is sought, indicating in particular the legal rule or requirement pertaining to the matter that is the subject of the request;
 - (iii) a description of the conduct and its connection with the jurisdiction of the requesting Authority. However, where the legal rule or requirement in question is that a person be fit or qualified to set up or carry on an Investment, Securities Processing or Futures Business, or otherwise involves the conduct or qualifications of an Investment, Securities Processing or Futures Business, it is sufficient compliance with this subparagraph to specify that information is sought for that purpose;
 - (iv) the identity of the person, if known, whose conduct causes concern. However, where the relevant rule or requirement falls within paragraph 1(h)(1)(A) through (C) or 1(h)(2)(A) and (B) above, it is sufficient compliance with this subparagraph to specify that information is sought concerning the purpose specified in accordance with (ii) above in order to identify the person(s) against whom proceedings or actions are to be, or may be, taken; and

- (v) where it is apparent to the requesting Authority that another person may obtain the information for a purpose other than securing compliance with or enforcing the legal rule or requirement specified under subparagraph (ii) above in respect of the person(s) (if any) specified under subparagraph (iv) above, to the extent permitted by the laws of the jurisdiction of the requesting Authority, the particulars of that person and that person's interest; and
 - (vi) particular procedures contemplated in Part IV of this Memorandum that it requests be utilised for questioning, taking testimony or conducting inspections;
- (c) it will be addressed to one of the requested Authority's contact officers listed in Annex I, or that person's nominee, pursuant to written notice to the requesting Authority; and
 - (d) the requested information must be reasonably relevant to securing compliance with the legal rule or requirement specified in the request.

In any case where a requested Authority is not satisfied that a request fully complies with the requirements of this paragraph, it may require the Director of the Office of International Affairs of the SEC or the Director of the Division of Enforcement of the CFTC, or the Under Secretary, Financial Services Division, DTI, or the Group Director, Compliance and Enforcement of the SIB, where applicable, to certify that the request is cognisable under the terms of this Memorandum. A requested Authority may not challenge such a certification except on substantial grounds which will be fully stated in writing.

Part IV: Procedures for questioning or taking testimony and conducting inspections

13. In accordance with paragraph 6:

- (a) questioning or taking the testimony of persons, if requested, will be conducted in the same manner and to the same extent as investigations or other proceedings under the laws of the jurisdiction of the requested Authority;
- (b) when requested by the requesting Authority, questioning or taking testimony will be conducted under oath and a transcript will be made;

- (c) a representative of the requesting Authority may be present at the questioning or testimony, may prescribe specific questions to be asked of any witness and, pursuant to paragraph 14 of this Memorandum, may otherwise participate in the examination of any witness.
14. Subject to the following conditions, a requested Authority may grant a request made by the requesting Authority that a person or persons designated by the requesting Authority, including representatives of the requesting Authority, be permitted to conduct the interrogation of any person, or participate in the inspection or examination of the books and records of an Investment or Futures Business or its custodian or agent:
- (a) the requesting Authority must specify the reasons for this request;
 - (b) the request may be granted or denied by the requested Authority in its discretion. The requested Authority may impose such conditions on the participation of the requesting Authority as it deems appropriate;
 - (c) if the request is granted and the laws of the jurisdiction of the requesting Authority require the opportunity for the witness to consult with legal counsel, or for counsel to the witness to pose questions to the witness, such participation will, subject to (b) above, be permitted; and
 - (d) if the request is denied, the Authorities agree to consult pursuant to paragraph 24 of this Memorandum concerning the reasons for the denial and the circumstances under which the request might be granted.
15. Notwithstanding any other provision of this Memorandum, any person providing testimony, information or documents as a result of a request made under this Memorandum will be entitled to all the rights and protections of the laws of the jurisdiction of the requested Authority. Where assertions are made regarding other rights and privileges arising exclusively pursuant to the laws of the jurisdiction of the requesting Authority, the Authorities will consult to determine the most appropriate way to proceed.

Part V: Permissible Uses and Confidentiality

16. Information received will be used solely for the purpose of:

- (a) securing, through enquiries, investigations or litigation, compliance with or enforcement of the legal rule or requirement specified in the request, provided that the information may be used to secure compliance with or enforcement of other applicable legal rules or requirements in proceedings in which a violation of the legal rule or requirement specified in the request is alleged;
- (b) securing compliance with or enforcement of a legal rule or requirement that was not specified in the request in proceedings in which a violation of the legal rule or requirement specified in the request is not alleged, if prior to such use, the requesting Authority informs the requested Authority of its intention to use the information for such purposes and the requested Authority does not object; or
- (c) conducting civil or administrative enforcement proceedings, assisting in a criminal prosecution, or conducting any investigation related thereto for any general charge applicable to the violation of the legal rule or requirement identified in the request.

17. The requesting Authority will keep confidential any information provided under this Memorandum subject to the terms of this paragraph, unless it is disclosed in furtherance of the purpose for which it was requested under paragraph 16 above:

- (a) except as contemplated by paragraph 16 above, the requesting Authority will not offer the information to, and will use its best efforts to ensure that it is not obtained by, any other person. Unless otherwise agreed, in the event that such information is obtained by any public body, the requesting Authority will use its best efforts to ensure that it will not be used by that body in any way that involves its disclosure to any other person;
- (b) if the requesting Authority becomes aware that the information has been or is likely to be disclosed otherwise than as contemplated by paragraph 16 above, it will inform the requested Authority of the situation; and

- (c) after the requesting Authority has terminated the matter for which assistance has been requested under this Memorandum, upon request of the requested Authority, it will return to the requested Authority, to the extent permitted by the laws of the jurisdiction of the requesting Authority, all documents and copies thereof not already disclosed in proceedings referred to in paragraph 16 above, and other material disclosing the content of such documents, other than material generated as part of the deliberative, investigative, internal or analytical process of the requesting Authority, which may be retained.
18. Any document or other material provided by an Authority in response to a request under this Memorandum and any copies or other material disclosing its content, other than material generated as part of the deliberative, investigative, internal or analytical process of the requesting Authority, will not become the property of the requesting Authority, and must be redelivered to the requested Authority without delay on demand to the extent permitted by the laws of the jurisdiction of the requesting Authority; provided that such demand may be made only if the requested Authority has reason to believe that the information has been or is likely to be disclosed or used otherwise than as contemplated by paragraph 16 above.
19. Each Authority will keep confidential to the extent permitted by law any request for information made under this Memorandum and any matters arising in the course of its operation, including consultation under this Part or Part I of this Memorandum, unless:
- (a) such disclosure is absolutely necessary to carry out the request; or
 - (b) the other Authority waives such confidentiality.

A requesting Authority may specify that if the requested Authority considers such disclosure to be absolutely necessary, then the Authorities will consult before such disclosure is made.

This paragraph does not apply to general matters of proper public interest relating to the operation of this Memorandum.

Part VI: Other Means of Obtaining Information

20. The Authorities have various powers to obtain information in the exercise of regulatory functions that are within the scope of this Memorandum. If, in the exercise of its

powers, any Authority obtains information that it recognises as clearly giving rise to a suspicion of a breach of any legal rule or requirement of any other Authority, then it will, to the extent permitted by law, offer to provide such information to such Authority for any purpose, and subject to compliance by the other with any conditions that would have been applicable had a request pursuant to this Memorandum been made.

21. Where one Authority wishes to make enquiries of, or seek information from, a person within the territory of another Authority on a voluntary basis, the enquiries will be conducted in accordance with arrangements agreed between the Authorities.
22. The execution of this Memorandum will not prejudice the respective positions of the Authorities concerning the use of procedures for obtaining information other than as provided for in this Memorandum.

Part VII: Costs

23. When the costs of providing or obtaining information under this Memorandum are substantial, the requested Authority may require the requesting Authority to undertake to pay those costs. In such an event the relevant Authorities will consult on the issue at the request of either Authority.

Part VIII: Consultations and Waiver

24. The Authorities will keep the operation of this Memorandum under continuous review and consult with a view to improving its operation and resolving any matters. In particular, any Authority will consult another Authority upon request in the event of:
 - (a) a request being denied in whole or in part;
 - (b) a change in market or business conditions or in the laws, regulations or requirements governing the matters mentioned in paragraph 1(h) above, or any other difficulty arising which makes it necessary to amend or extend this Memorandum in order to achieve its purposes; or
 - (c) an assertion by the requested Authority that the provision of assistance would be so burdensome as to disrupt the proper performance of its functions.
25. Where the specific conduct set out in the request for assistance may constitute a breach of a legal rule or requirement in both the territory of the requesting and the

requested Authorities, the relevant Authorities will consult in order to determine the most appropriate means for each Authority to provide assistance.

26. In cases where the requested Authority is either the SEC or CFTC, denial of a request under paragraph 7 or 8 will be made by its respective Commission after consultation with relevant officials within the United States Government, and in cases where the requested Authority is a UK Authority, such a denial will be made by the Secretary of State.
27. Any of the conditions of this Memorandum may be relaxed or waived by mutual agreement.

Part IX: Termination

28. This Memorandum will continue to have effect unless terminated by the SEC and CFTC, on the one hand, or the DTI and SIB, on the other hand, by giving 30 days advance written notice to the other Authorities that the understandings set out herein are no longer to have effect. Such notice may in particular be given in consequence of a change in the laws or regulations applicable to any matter governed by this Memorandum which is regarded by an Authority as material and in the absence of an agreed amendment to take account of the change. The SEC, CFTC, DTI or SIB may withdraw from participation in this MOU only with respect to areas of the Memorandum regarding that Authority's areas of competence and the arrangements relating thereto. Termination by the DTI may take effect with respect to the areas within the competence of the SEC and/or the CFTC and the arrangements relating thereto and will be so specified.

Part X: Entry into Effect

29. This Memorandum will be effective from the date of its signature by the United States Securities and Exchange Commission, the United States Commodity Futures Trading Commission, the United Kingdom Department of Trade and Industry and the United Kingdom Securities and Investments Board.

SIGNED THIS 2th DAY OF September 1991

SECURITIES AND
EXCHANGE COMMISSION

DEPARTMENT OF TRADE
AND INDUSTRY



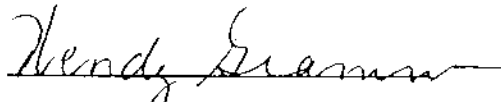
Richard C. Breeden
Chairman



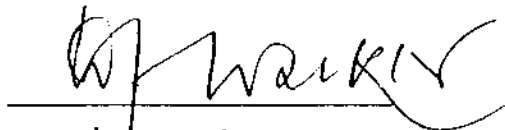
John Redwood
Minister of State for
Corporate Affairs

COMMODITY FUTURES
TRADING COMMISSION

SECURITIES AND
INVESTMENTS BOARD



Wendy Gramm
Chairman



Sir David Walker
Chairman

MEMORANDUM OF UNDERSTANDING

In view of the fact that a number of securities and futures firms and banks incorporated in the United States or the United Kingdom conduct operations in each of the respective jurisdictions, the **UNITED STATES SECURITIES AND EXCHANGE COMMISSION** (the "SEC") and the **UNITED STATES COMMODITY FUTURES TRADING COMMISSION** (the "CFTC"), on the one hand, and the **BANK OF ENGLAND** (the "Bank"), on the other hand, have reached the following understanding on the sharing of supervisory information to facilitate the performance of their respective duties:

DEFINITIONS

- 1 For purposes of this Memorandum of Understanding:
 - (a) "Authorities" means the SEC, the CFTC and the Bank. "US Authorities" means the SEC and the CFTC.
 - (b) "Relevant Firm" means a broker-dealer, a futures commission merchant or a bank, if that entity, its parent or holding company is incorporated or headquartered in the United States or the United Kingdom, and any holding companies, subsidiaries and affiliates of such entity, if that entity, alone or together with one or more of its related entities, conducts securities, futures, and/or banking transactions (including derivatives transactions) in both the United States and the United Kingdom. "Designated Relevant Firms" means those Relevant Firms designated by the SEC, CFTC, and the Bank.
 - (c) "Emergency Situation" means (i) the occurrence of an event that indicates to the SEC, CFTC, or Bank that a Relevant Firm may be experiencing or may be about to experience significant financial or operational difficulties; or (ii) a request of the SEC, CFTC, or Bank based upon reasonable grounds for concern that the financial or operational condition of a Relevant Firm may be materially affected by a related entity; or (iii) the occurrence of a market disturbance or other event that may materially affect the financial or operational condition of a Relevant Firm.

GENERAL PRINCIPLES

- 2 This Memorandum is a statement of the intent of the Authorities and does not create any binding legal obligations.
- 3 The purpose of this Memorandum is to formalise mechanisms between the US Authorities and the Bank for co-operation and sharing information to strengthen regulatory oversight of Relevant Firms. The growth of cross-border financial activity, including the globalisation of securities and futures firms

and banks, has made the sharing of supervisory and financial information critical to the ability of the Authorities to carry out their respective oversight responsibilities.

4 In light of its objective, this Memorandum is intended to apply to co-operation and the sharing of information between either of the US Authorities and the Bank. It is not intended to cover co-operation between the US Authorities.

MANAGEMENT CONTROLS

5 In view of the expanded global activities of Relevant Firms, the Authorities believe that, to enhance the effectiveness of their oversight, it is important that they work together to identify and monitor the use of management controls by Relevant Firms. In this regard, the Authorities believe that management controls that Relevant Firms must have for the global risk management of their activities include controls relating to: (i) market risk management; (ii) credit risk management; (iii) balance sheet and liquidity management; (iv) operations and systems; (v) counterparty/legal risk controls; and (vi) compliance and audit. To promote supervisory co-operation, the US Authorities and the Bank intend to consult regarding issues identified in connection with the use of management controls by Relevant Firms.

6 The Authorities aim to have each Designated Relevant Firm maintain an appropriate, current, written description of the manner in which it is implementing the management controls identified above.

7 The US Authorities and the Bank intend to inform each other promptly of any significant concerns that they may have in respect of the operation of management controls at Designated Relevant Firms, to the extent that these concerns could have implications for the activities of such Firms in the other jurisdiction. Where remedial action is called for to address any such significant concern, the US Authorities and the Bank intend to notify each other promptly once such remedial action has been taken. Where practicable and appropriate, the US Authorities and the Bank intend to consult prior to taking action.

ASSISTANCE IN OBTAINING INFORMATION

8 The Bank may request the SEC or the CFTC, to the extent that the SEC or CFTC can do so, to obtain and provide it with information in the possession of a Relevant Firm located in the United States.

The SEC and the CFTC may request the Bank, to the extent that the Bank can do so, to obtain and provide it with information in the possession of a Relevant Firm located in the United Kingdom. The relevant Authorities will consult regarding the basis and terms upon which any such information will be provided.

9 Upon written request to the SEC or CFTC signed by an authorised official of the Bank setting forth a reasonable explanation of the relevance of the information requested to the Bank's supervisory concerns, the SEC or CFTC, as appropriate, may provide to the Bank information regarding a US securities or futures subsidiary within a UK Relevant Firm. Such information normally would not include customer account information unless this is of particular relevance to the supervisory concern prompting the request.

10 Upon written request to the Bank signed by an authorised official of the SEC or CFTC setting forth a reasonable explanation of the relevance of the information requested to the SEC's or CFTC's supervisory concerns, the Bank may provide to the SEC or CFTC, as appropriate, information regarding a UK banking subsidiary within a US Relevant Firm. Such information normally would not include customer account information unless this is of particular relevance to the supervisory concern prompting the request.

11 The US Authorities and the Bank also intend to provide to the other information: (a) reasonably required by the other to facilitate a determination whether a proposed subsidiary meets the requirements for authorisation in the host country or continues to meet the requirements for authorisation; (b) regarding the extent and nature of its supervision of Relevant Firms with operations in the other country; and (c) concerning material changes or developments with respect to its supervisory regime. Such information may be supplied either upon request, to the extent that the information is readily available to the supplying Authority, or in other circumstances where either of the US Authorities and the Bank determine that it is in their mutual interest to exchange such information.

12 The Authorities believe that early detection of serious financial or operational difficulties at a Relevant Firm is critical to the effective resolution of such difficulties. Therefore, in the case of a US or UK Relevant Firm facing serious financial difficulties in the US or UK that could have a material adverse effect on the operations of such Firm in the other country, the Authorities recognise that close liaison would be mutually advantageous. Each Authority will endeavour to communicate SME/004064

information relating to a US or UK Relevant Firm as appropriate in the particular circumstances, taking into account all relevant factors, including the status of efforts to address the difficulties.

CO-OPERATION IN EMERGENCY OVERSIGHT

13 The Authorities' aim is to promote mutual consultation and the prompt and productive exchange of information in Emergency Situations. In Emergency Situations, the US Authorities and the Bank will endeavour to notify the other of the Emergency Situation and communicate such information to the other as would be appropriate in the particular circumstances, taking into account all relevant factors including the status of efforts to address the Relevant Firm's difficulties.

14 During an Emergency Situation, requests for information may be made in any form, including orally. Requests should be narrowly framed to secure information that may be useful in connection with responding to the particular Emergency Situation. In responding to requests, information about the Relevant Firm(s) should be made available on an expedited basis.

15 During an Emergency Situation, the US Authorities and the Bank will endeavour to take practical steps to assist the other in monitoring the situation on a timely basis. These will include designating a point person (and a back-up point person) who will be available and competent to discuss the Emergency Situation with the requesting Authority and endeavouring to provide the requesting Authority with relevant and timely information. The Authorities may also jointly decide that it would be appropriate for a representative of the requesting Authority to be physically present at the premises of the relevant Authority to obtain briefings and other information on a regular basis. The type of information which might be exchanged could include: current financial position (balance sheet and off-balance sheet) and income statement; portfolio and credit information, including details of major long and short positions; and counterparty exposures.

16 Throughout an Emergency Situation, the US Authorities and the Bank will endeavour to: (i) continue to make information available on a timely basis; (ii) advise each other of the actions they intend to take to address the Emergency Situation; and (iii) consult regarding the Emergency Situation for as long as the Authorities consider appropriate.

PERIODIC CONSULTATIONS

17 The Authorities intend to consult regarding the scope and operation of this Memorandum, and general supervisory developments, including any significant changes in the laws and regulatory requirements relevant to co-operation pursuant to this Memorandum. The US Authorities and the Bank will also, as appropriate, update each other on issues concerning Relevant Firms, and review whether they have disclosed to each other all relevant information. In addition, every effort will be made to encourage informal contacts between staff of the Authorities, including holding meetings where useful.

USE AND CONFIDENTIALITY OF INFORMATION

18 The Authorities recognise that effective oversight involves co-operation and the sharing of sensitive non-public information. Accordingly, information provided pursuant to this Memorandum is to be used solely for lawful supervisory purposes.

19 Each Authority intends to hold confidential all information received pursuant to this Memorandum to the fullest extent permitted by law, and not to otherwise disclose such information other than as necessary for lawful supervisory purposes.

20 All documents provided pursuant to this Memorandum shall remain the property of the Authority providing such information. Subject to the provisions of paragraphs 18 and 19 above, upon receiving a legally enforceable demand from a third party for non-public supervisory information provided pursuant to this Memorandum, the SEC, CFTC or Bank intend to notify the other relevant Authority as soon as feasible and co-operate with the other in seeking to preserve the confidentiality of such information. Upon receiving any other request from a third-party for non-public supervisory information provided pursuant to this Memorandum, the SEC, CFTC or Bank shall notify the other relevant Authority as soon as possible of the request, and shall not disclose such information without the prior consent of the providing Authority.

21 The sharing of non-public supervisory information pursuant to this Memorandum is done in reliance on the foregoing assurances and is not intended to waive any legally cognizable privilege as to any person other than the parties to this Memorandum.

22 Non-public materials provided by the SEC, CFTC and the Bank, pursuant to this Memorandum, should be marked on each page of the material provided with a legend reading as follows: "NON-PUBLIC-PROVIDED PURSUANT TO SEC/CFTC/BOE MEMORANDUM OF UNDERSTANDING".

MISCELLANEOUS PROVISIONS

23 In addition to the other terms set forth herein, the provision of, or a request for, information under this Memorandum may be denied (a) where compliance would require any of the Authorities to act in a manner that would violate applicable law; or (b) on grounds of public interest or national security.

24 By executing this Memorandum, none of the Authorities waives any immunity from suit to which it may be entitled nor submits to the jurisdiction of any court that would not have been a court of competent jurisdiction if this Memorandum had not been executed. Nothing in this Memorandum limits, expands or affects the respective jurisdiction of the SEC, CFTC or Bank.

25 No provision of this Memorandum is intended to give rise to the right on the part of any person, entity or governmental authority other than the SEC, CFTC or the Bank, directly or indirectly, to request any information or to challenge the provision of information under this Memorandum.

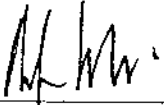
26 The Authorities recognise that the Bank's responsibilities for banking supervision, and in relation to money market institutions listed under section 43 of the Financial Services Act, will be transferred in 1998 to the Financial Services Authority (the new name for the enhanced Securities and Investments Board), which will become the single statutory financial regulator in the UK in the course of 1998-99. Co-operation under this Memorandum will continue after this transfer and its provisions will, from the time of transfer of these responsibilities, cease as between the Bank and the US Authorities and continue in effect between the Financial Services Authority and the US Authorities, as if all references to the Bank in the Memorandum were references to the Financial Services Authority in its capacity as supervisor of banks under the Banking Act 1987 as amended (and as the party responsible for maintaining the list provided for in Section 43 of the Financial Services Act). This Memorandum has accordingly been signed on behalf of the Financial Services Authority to evidence this understanding.

27 Co-operation under this Memorandum is to continue until the expiration of 30 days after any of the Authorities gives written notice to the others of its intention to terminate its co-operation hereunder. If

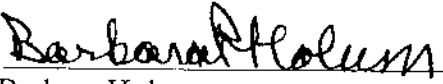
either of the US Authorities gives such notice, co-operation under this Memorandum will continue with respect to the other two Authorities. Notwithstanding the foregoing, the provisions set forth under the headings "Use and Confidentiality of Information" and "Miscellaneous Provisions" are to continue with respect to any information provided or actions taken under this Memorandum prior to the termination of co-operation hereunder.

DATED this _____ day of _____ 1997


UNITED STATES SECURITIES AND EXCHANGE COMMISSION

By 
 Arthur Levitt
 Chairman

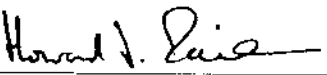
UNITED STATES COMMODITY FUTURES TRADING COMMISSION

By 
 Barbara Holum
 Commissioner

BANK OF ENGLAND

By 
 Eddie George
 Governor

SECURITIES AND INVESTMENTS BOARD [which proposes to change its name by 28 October 1997 to Financial Services Authority]

By 
 Howard Davies
 Chairman
 [to confirm the understanding set forth in paragraph 26]

ARRANGEMENT ON WAREHOUSE INFORMATION

WHEREAS the United States Commodity Futures Trading Commission ("CFTC") and the United Kingdom Financial Services Authority ("FSA") (the "Authorities") recognize that, in connection with commodities that are the subject of futures or options trading in either the United States or the United Kingdom, information concerning the operations, stocks and use of futures and options exchange or other regulated derivatives delivery markets ("regulated market") warehouse facilities ("Information") may be relevant to the detection, investigation, deterrence and/or imposition of sanctions regarding possible price manipulation or other potentially abusive conduct,

WHEREAS the CFTC and FSA may have access to Information,

WHEREAS the CFTC and FSA, as more specifically set forth herein, may exchange Information for the purpose of facilitating the performance of their respective regulatory oversight, supervisory and enforcement functions, including the sharing of information for the purposes contemplated by the *Declaration on Cooperation and Supervision of International Futures Markets and Clearing Organizations*,

WHEREAS for the purpose of sharing Information the CFTC and FSA, formerly the Securities and Investments Board ("SIB"), are parties to the *Memorandum of Understanding on Mutual Assistance and the Exchange of Information between the United States Securities and Exchange Commission and Commodity Futures Trading Commission and the United Kingdom Department of Trade and Industry and Securities and Investments Board* (September 25, 1991) (the "US/UK MOU"), and

WHEREAS certain additional procedures subject to the US/UK MOU may be desirable to facilitate the sharing of Information between the CFTC and FSA,

NOW THEREFORE the CFTC and FSA have reached the following understanding (the "Arrangement") to facilitate the exchange of information regarding the operations, stocks and use of warehouses that are identified as eligible to receive, store, and deliver commodities in connection with the performance of transactions concluded on regulated markets or through regulated clearing organisations (if separate from such markets and vested with commodity delivery functions that are executed through warehouse type facilities) ("warehouses") subject to the jurisdiction of an Authority.

1 General Principles

- 1.1 The Authorities have various powers to obtain and share information, and arrangements for doing so, in the exercise of their functions other than pursuant to this Arrangement, including the US/UK MOU. The Authorities undertake to use their best endeavours to fulfil the provisions of this Arrangement. However, nothing in this Arrangement affects the exercise of such powers or the operation of any other arrangements, including the US/UK MOU.

1.2 The provisions of this Arrangement do not give rise to a right on the part of any third party, directly or indirectly, to obtain, suppress or exclude any information that is the subject of this Arrangement as or from evidence or otherwise to challenge the execution of a request for Information under this Arrangement.

2. **Subject of Arrangement**

2.1 This Arrangement addresses requests for Information between the Authorities (individually, "Request") regarding:

- A. the operations and stocks of warehouses; and
- B. the use of warehouses by regulated market members, their licensees, or customers,

as such Information relates to commodities traded on regulated markets, or commodity transactions concluded through clearing organisations, if such organisation is separate from the market and is vested with delivery functions, subject to the jurisdiction of the Requested Authority.

2.2 For these purposes the term "commodity transaction" means a future or option on a commodity and "commodity" means any physical commodity of finite supply subject to delivery through warehouses traded on a regulated market, or clearing organization where relevant, that has executed or is the subject of an operational side letter facilitating the operation of this Arrangement.

3. **Ability to Provide Information**

3.1 As set forth in its side letter to this Arrangement, the CFTC has the authority and procedures to obtain Information from warehouses, including warehouses located outside the United States, where they are designated for delivery by regulated markets subject to the CFTC's jurisdiction.

3.2 As set forth in its side letter to this Arrangement, the FSA has the capacity and procedures to obtain Information on a voluntary basis from regulated markets subject to its jurisdiction, which may obtain Information pursuant to rules or contract from warehouses which they have designated for delivery, including warehouses located outside the United Kingdom.

3.3 To the extent permitted by law, each Authority has the power and procedures to provide the Information received by it to the other Authority for the purpose of assisting it in the exercise of its regulatory oversight, supervisory and enforcement functions.

4. **Examples of Information**

4.1 Examples of Information that may be the subject of a Request include but are not limited to:

- A. the total stocks of a commodity specified in the Request received, stored or delivered and the origin of such shipments and deliveries over a period specified in the Request in connection with the performance of commodity transactions;
- B. the grade or quality of such stocks;
- C. whether such stocks are, or may be, deliverable;
- D. information about the ownership of such stocks and, to the extent reasonable, whether warehouses, members, and customers of members hold an interest in them;
- E. the identity of the members, or other traders or brokers as appropriate, depositing or removing such stocks over a period specified in the request;
- F. the warehouse fees for storing, receiving and delivering any commodity.

5. **Publicly Available Information**

5.1 Prior to making a Request, an Authority should use reasonable efforts, consistent with the urgency of the Request, to obtain through other means any of the Information referred to in Article 4 that is publicly and readily available.

5.2 Notwithstanding Article 5.1, the Authorities understand that publicly available information may be requested under this Arrangement, and each Authority intends to assist the other Authority to obtain such publicly available information expeditiously.

6. **Requests for Information**

6.1 All requests for Information under this Arrangement shall comply with paragraph 12 of the UK/US MOU.

6.2 Without prejudice to the scope of other existing information-sharing arrangements and the US/UK MOU between the Authorities, an Authority may make a Request when that Authority has determined, at its discretion, that there are reasonable grounds for the Authority to believe that one of the following market events has occurred:

- A. unusually large price movements in a market subject to its jurisdiction and in related markets;
- B. unusual price relationships in a market subject to its jurisdiction and in related markets;
- C. abnormal movement of a commodity into or out of warehouse which is impacting the price of a commodity or commodity transaction subject to its jurisdiction; or
- D. a person may be attempting to accumulate an unusually large position which may have a substantial impact on the price of a commodity or commodity transaction subject to its jurisdiction.

6.3 Such a Request is intended to be considered by the Requested Authority to be a request to secure compliance with or enforcement of a legal rule or requirement related to manipulative or other abusive market practices provided the Requesting Authority can on further request indicate the relevant legal rule or requirement, as set out in paragraphs 12(b)(ii) and 12(d) of the US/UK MOU.

7. **Execution of Requests**

The Requested Authority may provide, or may seek to cause the relevant regulated market or clearing organisation or warehouse to provide, the requested Information to the Requesting Authority directly, or the Authorities may agree to request an inspection of a relevant warehouse in conformity with the terms set out in Part IV of the US/UK MOU.

8. **Use and Confidentiality of Information**

Information received in response to a Request is intended, consistent with applicable law, to be used by the Requesting Authority solely for the purpose of enabling or assisting it to exercise its regulatory oversight, supervisory, or enforcement functions in accordance with, and subject to the confidentiality provisions of, Part V the US/UK MOU .

9. **Contact Officers**

For purposes of Requests made under this Arrangement, the contact officers are:

CFTC:

Director, or his or her designee, Division of Economic Analysis
Director, or his or her designee, Office of International Affairs.

FSA:

Director, Division of Market Supervision/Enforcement

10. **Consultation**

The Authorities intend to consult periodically on the operation of this Arrangement in order to determine whether any adjustments to this arrangement are desirable to improve its operation or resolve any matters and in particular upon enactment of the UK Financial Services and Markets Bill into law.

11. **Scope**

11.1 This Arrangement is intended to apply to those regulated markets and clearing organisations that are or may become subject to the jurisdiction of the CFTC or FSA and that have been specifically identified by the CFTC and FSA in their operational side letters submitted as contemplated by paragraphs 3.1 and 3.2, respectively.

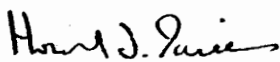
11.2 The CFTC and FSA may, from time to time, after consultation amend their side letters to add a regulated market or clearing organisation to the scope of this Arrangement.

Signed and effective this 17th day of May 2000

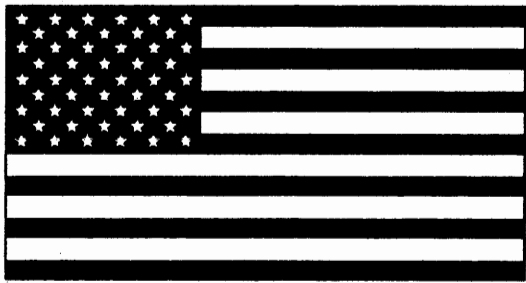
CFTC



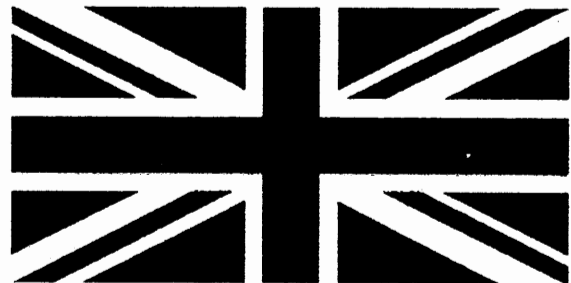
FSA



MEMORANDUM of UNDERSTANDING



***The United States
Commodity Futures Trading
Commission***



***United Kingdom
Financial Services Authority***

***Concerning Consultation, Cooperation
and the Exchange of Information
Related to Market Oversight***

**MEMORANDUM OF UNDERSTANDING CONCERNING CONSULATION,
COOPERATION AND THE EXCHANGE OF INFORMATION RELATED TO
MARKET OVERSIGHT**

In view of the globalization of the world's financial markets and the increase in the cross-border operations of derivatives exchanges, the United States Commodity Futures Trading Commission ("CFTC") and the United Kingdom Financial Services Authority ("FSA") (collectively, "the Authorities"), have entered into this Memorandum of Understanding ("MOU") on the exchange of information related to cross-border oversight of US and UK derivatives exchanges. The Authorities have developed this MOU in order to enhance their respective capabilities to address potential abusive or manipulative trading practices that may involve trading on UK and US derivatives exchanges.

ARTICLE ONE: DEFINITIONS

For purposes of this MOU:

1. "Authority" means the CFTC or FSA:
 - a) "Requested Authority" means the Authority to whom a request is ~~made~~ made under this MOU; and
 - b) "Requesting Authority" means the Authority making a request under this MOU.

2. "Exchange" means:
 - a) a US Exchange that is designated as a contract market by the CFTC and that has been recognized by the FSA as an overseas investment exchange (ROIE"); and
 - b) a UK Exchange that has been recognized as an investment exchange by the FSA and that operates in the United States pursuant to a CFTC procedure that does not require designation as a US contract market.
3. "Emergency Situation" means an on-going or threatened situation such as one that may impair the price discovery function or market integrity of an Exchange.
4. "Person" means a natural person, unincorporated association, partnership, trust, investment company or corporation.

ARTICLE TWO: GENERAL PROVISIONS

5. This MOU is a statement of intent to consult, cooperate and exchange information in connection with the routine surveillance of Exchanges, in a manner consistent with, and as permitted by, the laws and requirements that govern the Authorities. ~~The~~ Authorities contemplate that cooperation would be achieved primarily through ongoing, informal,

oral consultations, supplemented by more in-depth information sharing as implemented by the Authorities to address specific market surveillance concerns.

6. This MOU does not create any legally binding obligations, confer any rights, or supersede domestic laws. This MOU does not confer upon any person or organization 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 MOU.
7. This MOU does not limit an Authority to taking solely those measures described herein in fulfillment of its supervisory functions. In particular, this MOU does not affect the right of any Authority to communicate with, or obtain information or documents from, any Person subject to its jurisdiction that is located in the territory of the other Authority.
8. This MOU is intended to complement, but does not alter, the terms and conditions of the following existing arrangements and statements of policy concerning cooperation and information sharing between the Authorities:
 - a) The *Memorandum of Understanding on Mutual Assistance and the Exchange of Information between (among others) the CFTC and FSA* (September 25, 1991), as amended) (the "UK/US MOU"), which covers primarily information sharing in the context of enforcement matters;

- b) The *IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information*, (the “IOSCO MMOU”) to which the CFTC and FSA are signatories, which also covers primarily information sharing in the context of enforcement matters;
- c) The *Declaration on Cooperation and Supervision of International Futures Markets and Clearing Organizations*, (as amended March 1998), whereby certain agreed triggering events affecting an exchange member’s financial resources or positions, unusually large price movements or relationships on a market, or a reasonable suspicion of abusive activity prompts information sharing;
- d) The *Tokyo Communiqué on Supervision of Commodity Futures Markets* (1997), to which the CFTC and FSA are signatories, which in its *Guidance on Components of Market Surveillance and Information Sharing* enumerates the types of information that market authorities should be prepared to share for routine and for cause market surveillance purposes; and
- e) The *Arrangement on Warehouse Information* (2000), which covers information sharing regarding deliverable commodities that are common to the US and UK for surveillance and enforcement purposes.

9. The Authorities intend in particular, and to the maximum extent possible, that the cooperation and information sharing arrangements under this MOU should be

implemented in a manner which is compatible with the obligations and commitments which an Authority may have under its respective statutes and regulations.

10. The Authorities intend to review periodically the functioning and effectiveness of this arrangement between the FSA and CFTC with a view, among other things, to expanding or altering the scope of operation of this MOU, or altering the MOU to take into consideration significant change in market or business conditions, should that be judged necessary by the Authorities.
11. To facilitate cooperation and communication under this MOU, the Authorities hereby designate contact persons as set forth in Appendix A.

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

Ongoing consultations

12. The Authorities recognize the importance of close communication concerning the cross-border operations of Exchanges, and intend to consult regularly regarding general supervisory developments and issues relevant to the cross-border operations of those Exchanges.

13. Each Authority endeavors to inform the other Authority of activities taking place on an Exchange in the Authority's jurisdiction that may assist the other Authority with surveillance of manipulative or abusive trading practices.

Information to be Shared

14. To the extent necessary to supplement periodic and ad hoc oral consultations each Authority intends to provide the other Authority the fullest cooperation in assisting with the identification of manipulative or abusive trading practices. Both Authorities recognize that there may be situations where information should be shared related to exchanges that are not necessarily dually authorized as defined in Paragraph 2 of this MOU. Without limiting the scope of possible cooperation, to the extent practicable and as appropriate in the particular circumstances, each Authority intends to provide, upon request, the following types of information:

- a) terms and conditions of each derivatives contract or instrument;
- b) details of an Exchange's market regulations such as position limits, reporting obligations, and price limits;
- c) details of delivery rules and procedures or cash settlement provisions;
- d) general details about market information collected and analyzed;

- e) details of designated delivery facilities, such as warehouses;
- f) details of traders' positions;
- g) details of large positions held by members and users of the exchange in respect of on-exchange, related OTC and cash positions;
- f) inventory levels and locations of delivery stocks;
- g) audit trail data; and
- h) additional margin calls.

15. It is anticipated that such requests will relate to information that is not otherwise available to the Requesting Authority.

Periodic monitoring

16. The Authorities recognize that there may be deterrent value in instituting periodic monitoring of trading with cross-border implications to identify whether suspected abusive market activity is occurring. Because the circumstances that may give rise to manipulative or abusive trading practices may vary, the Authorities intend to institute

programs periodically to share information to assist in the detection of manipulative or abusive trading practices.

17. The Authorities may, as appropriate, institute a program of a specified scope and duration to share relevant information for the purpose of detecting manipulative or abusive trading practices.

ARTICLE FOUR: EXECUTION OF REQUESTS FOR ASSISTANCE

18. To the extent possible, a request for information pursuant to Article Three should be made in writing, 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 purpose for which the information is sought; and
- c) The desired time period for reply and, where appropriate, the urgency thereof.

19. For supervisory purposes, the Authorities may request receipt of the information on a routine basis. The duration and frequency of sharing information on a routine basis is determined by mutual understanding of the Authorities.

20. Prior to making a Request, an Authority should use reasonable efforts, consistent with the urgency of the Request, to obtain through other means any of the information referred to in Article Three that is publicly and readily available.
21. Notwithstanding the above, the Authorities understand that publicly available information may be requested under this Arrangement, and each Authority intends to assist the other Authority to obtain such publicly available information expeditiously.
22. In Emergency Situations, the Authorities will endeavor to notify each other of the Emergency Situation and communicate information to the other as would be appropriate in the particular circumstances, taking into account all relevant factors, including the status of efforts to address the Emergency Situation. During Emergency Situations, requests for information may be made in any form, including orally, provided such communication is confirmed in writing.

ARTICLE FIVE: PERMISSIBLE USES AND CONFIDENTIALITY OF INFORMATION

23. Except for disclosures in accordance with this MOU, each Authority intends to keep confidential to the extent permitted by law information shared under this MOU, requests made under this MOU, the contents of such request, and any other matters arising under this MOU.
24. Information received in response to a Request is intended, consistent with applicable law, to be used by the Requesting Authority solely for the purpose of enabling or

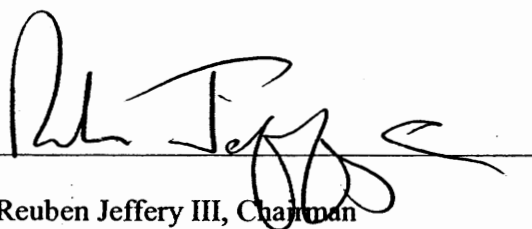
assisting it to exercise its regulatory oversight and supervisory functions.

25. As mentioned above, this MOU is intended to complement, but not alter in any way, either the US/UK MOU or the IOSCO MMOU. The Authorities recognize that the purpose of this MOU is not primarily to obtain information for enforcement purposes, although the Authorities subsequently may want to use the information obtained under this MOU for enforcement purposes. Use of information for enforcement purposes will be in accordance with the terms and conditions in Part V, Paragraph 16 of the US/UK MOU and Paragraph 10 of the IOSCO MMOU.
26. To the extent possible, the Requesting Authority intends to notify the Requested Authority of any legally enforceable demand for non-public information furnished under this MOU. Prior to compliance with the demand, the Requesting Authority intends to assert all appropriate legal exemptions or privileges with respect to such information as may be available.
27. The Authorities intend that the sharing or disclosure of such non-public information, including but not limited to deliberative and consultative materials, pursuant to the terms of this MOU, will not constitute a waiver of privilege or confidentiality of such information.

ARTICLE SIX: TERMINATION

28. 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 its cooperation under the MOU. If either Authority gives such notice, cooperation will continue with respect to all requests for assistance that were made under the MOU before the effective date of notification until the Requesting Authority terminates the matter for which assistance was requested. In the event of termination of this MOU, information obtained under this MOU will continue to be treated in the manner prescribed under Article Five.

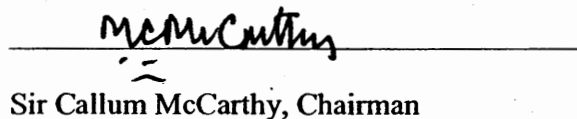
This MOU is executed in duplicate in London, England, this 17th day of November 2006.



Reuben Jeffery III, Chairman

United States Commodity Futures

Trading Commission



Sir Callum McCarthy, Chairman

United Kingdom Financial Services Authority

APPENDIX "A"
CONTACT OFFICERS

US Commodity Futures Trading Commission

1155 21st Street, N.W.
Washington, DC 20581
USA

Director

Division of Market Oversight

Tel: 202-418-5275

Fax: 202-418-5527

UK Financial Services Authority

25 The North Colonnade
Canary Wharf
London E14 5HS
UK

Head of Department

Markets Division

Tel: 44 20 7066 5906

Fax: 44 20 7066 5907

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

This Memorandum of Understanding (“MOU”) establishes a framework pursuant to which the United States Commodity Futures Trading Commission (“CFTC”) and the United Kingdom Financial Services Authority (“FSA”) (collectively “the Authorities”) express their willingness to cooperate with each other in the interest of fulfilling their statutory functions.

ARTICLE ONE: DEFINITIONS

For purposes of this MOU:

1. “Authority” means the CFTC or the FSA:
 - a) “Requested Authority” means the Authority to whom a request is made under this MOU; and
 - b) “Requesting Authority” means the Authority making a request under this MOU.
2. “Books and Records” means documents, electronic media, books and records of, and other information about, a Covered Clearing Organization.
3. “Covered Clearing Organization” means any organization that falls within either of the following categories:
 - i. Category 1 – An organization that satisfies both of the following criteria under this category:
 - a) A derivatives clearing organization registered as such under the Commodity Exchange Act (“DCO”) or a clearing organization that is the subject of an order issued by the CFTC pursuant to Section 409(b)(3) of the Federal Deposit Insurance Corporation Improvement Act 1991; and
 - b) A recognised clearing house or recognised investment exchange (that provides clearing services in relation to transactions conducted on that exchange) under the Financial Services and Markets Act 2000 (“FSMA”), which is based in the United Kingdom.
 - ii. Category 2 – An organization that satisfies both of the following criteria under this category:
 - a) A DCO; and
 - b) A recognised overseas clearing house under Section 292 of FSMA, which is based in the United States of America.

4. "Emergency Situation" means the occurrence of an event that could materially impair the financial or operational condition of a Covered Clearing Organization.
5. "Host Authority" means the Authority in whose jurisdiction a Covered Clearing Organization is located.
6. "Inspecting Authority" means the Authority performing an On-Site Visit.
7. "National Governmental Entity" means:
 - a) If the Requesting Authority is the CFTC, the U.S. Department of the Treasury or the U.S. Board of Governors of the Federal Reserve System; and
 - b) If the Requesting Authority is the FSA, Her Majesty's Treasury or the Bank of England.
8. "On-Site Visit" means:
 - a) In the case of an On-Site Visit conducted by the CFTC as described in Paragraphs 24-25, a regulatory visit to the premises of a Covered Clearing Organization in the United Kingdom; and
 - b) In the case of an On-Site Visit conducted by the FSA as described in Paragraphs 24-25, a regulatory visit to the premises of a Covered Clearing Organization in the United States.
9. "Person" means a natural person, unincorporated association, partnership, trust, investment company, or corporation.

ARTICLE TWO: GENERAL PROVISIONS

10. 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 cooperation and information sharing arrangements under this MOU should be interpreted and implemented in a manner that is permitted by, and consistent with, the laws and requirements that govern each Authority, including relevant government policies and guidelines, and obligations and commitments to other regulatory authorities. The Authorities anticipate that cooperation will be primarily achieved through ongoing informal consultations, supplemented by more in-depth, *ad hoc* formal cooperation. The provisions of this MOU are not intended to discourage or hinder such informal communication.

11. This MOU does not create any legally binding obligations, confer any rights, or supersede domestic laws. This MOU does not confer upon any Person 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 MOU.
12. This MOU is not intended to limit or condition the discretion of an Authority in any way in the discharge of its regulatory responsibilities or to 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. In particular, this MOU does not affect any right of any Authority to communicate with, conduct an On-Site Visit of, or obtain information or documents from, any Person subject to its jurisdiction that is located in the territory of the other Authority.
13. This MOU is intended to complement, but does not alter, the terms and conditions of the following existing arrangements concerning cooperation in securities and futures matters:
 - i. The *Memorandum of Understanding on Mutual Assistance and the Exchange of Information between (among others) the CFTC and FSA* (September 1991) (“US-UK MOU”), which covers primarily information sharing in the context of enforcement matters;
 - ii. The *IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information* (October 2003) (“MMOU”) to which the CFTC and FSA are signatories, which also covers primarily information sharing in the context of enforcement matters;
 - iii. The *Declaration on Cooperation and Supervision of International Futures Markets and Clearing Organizations* (as amended March 1998), to which the CFTC and FSA are signatories; and
 - iv. The *Memorandum of Understanding Concerning Consultation, Cooperation and the Exchange of Information Related to Market Oversight between the CFTC and FSA* (November 2006).

However, this MOU supersedes the *Supplemental Bilateral Side letter dated May 24, 1999 between the FSA and CFTC to the US-UK MOU*.

14. The Authorities intend periodically to review the functioning and effectiveness of cooperation arrangements between the FSA and CFTC with a view, *inter alia*, to expanding or altering the scope or operation of this MOU should that be judged necessary.

15. To facilitate cooperation under this MOU, the Authorities hereby designate contact persons as set forth in Appendix A.

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

16. The Authorities recognize the importance of close communication concerning their supervision of Covered Clearing Organizations, and intend to consult regularly, as necessary, regarding general supervisory developments and issues relevant to the operations, activities and regulation of such Covered Clearing Organizations.
17. The Authorities recognize in particular the importance of close cooperation in the event that a Covered Clearing Organization experiences, or is threatened by, a potential financial crisis or other emergency situation.

Event-Triggered Notification

18. As appropriate in the particular circumstances, each Authority endeavors to inform the other Authority promptly, and where practicable in advance of:
 - a) Pending regulatory changes or proposed regulatory actions with regard to a Covered Clearing Organization that may have a significant impact on the operations, activities, or reputation of a Covered Clearing Organization, including changes in default rules or procedures; and
 - b) Any material event that could adversely impact the financial or operational stability of a Covered Clearing Organization. Such events include a default or potential default of a clearing member firm, market or settlement bank emergencies that might adversely impact the Covered Clearing Organization, its failure to satisfy any of its requirements for continued recognition or registration, or any known material changes in the operating environment, operations, management, or systems and controls that may adversely impact its operations or financial stability; and
 - c) The status of efforts to address any material financial or operating difficulties experienced by a Covered Clearing Organization or clearing member firm.
19. The determination of what constitutes a “significant impact,” “material event,” “adverse impact,” or “material change” shall be left to the reasonable discretion of the relevant Authority that determines to notify the other Authority.
20. The above is without prejudice to any arrangements relating to specific prudential issues.

Request-Based Information Sharing

21. To the extent necessary to supplement informal consultations, upon written request, each Authority intends to provide to the other Authority 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 and ensuring compliance with the laws or regulations of the Requesting Authority. The Authorities anticipate that such requests will be made in a manner that is consistent with the goal of minimizing administrative burdens, and will relate to information that is not otherwise readily available to the Requesting Authority.
22. The assistance covered by Paragraph 21 includes, where appropriate, providing information based upon documents held in the files of the Requested Authority that is relevant to the Requesting Authority's functions relating to the operations or activities of a Covered Clearing Organization. The Requested Authority will provide maximum assistance, to the extent necessary, in interpreting such information. Such information includes, without limitation:
 - i. Information relevant to the financial and operational condition of a Covered Clearing Organization including, for example, interim and annual financial statements, information drawn from reports or filings, early warning notices that a Covered Clearing Organization is required to submit to an Authority; and
 - ii. Copies of regulatory reports (including examination reports) and filings, or information contained therein, that may be relevant to the Requesting Authority's function relating to a Covered Clearing Organization.

Periodic Meetings

23. Representatives of the CFTC and FSA will meet periodically, to update each other on their respective functions and regulatory oversight programs and to discuss issues of common interest relating to the supervision of Covered Clearing Organizations, including: contingency planning and crisis management, the adequacy of existing cooperative arrangements, any systemic risk concerns, default procedures, and the possible improvement of cooperation and coordination among the Authorities. Such meetings may be conducted over conference call or on a face-to-face basis, as judged appropriate by the Authorities.

ARTICLE FOUR: ON-SITE VISITS

24. In fulfilling their regulatory functions relating to Covered Clearing Organizations, the CFTC may need to conduct On-Site Visits of such organizations located in the United Kingdom with respect to their operations and activities as Covered Clearing Organizations and the FSA may need to conduct On-Site Visits of such organizations located in the United States with respect to their operations and activities as Covered Clearing Organizations.
25. It is anticipated that an On-Site Visit by an Authority will be conducted in accordance with the following procedure:
- a) The Inspecting Authority will notify the Host Authority of its intent to conduct an On-Site Visit and the intended time frame for, and the scope of, the On-Site Visit. Other than in exceptional circumstances, the Inspecting Authority will notify the Host Authority prior to notifying the Covered Clearing Organization.
 - b) Having due regard to each other's supervisory activities or functions, the Authorities intend to assist each other regarding On-Site Visits, including providing information 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 from directors and senior management of a Covered Clearing Organization. Following consultation with the Host Authority, the Inspecting Authority will use the information provided in informing its decisions concerning both the scope of, and the continued necessity for, the On-Site Visit.
 - c) The Host Authority may, in its discretion, accompany the Inspecting Authority during the On-Site Visit and assist in the On-Site Visit, or conduct joint inspections where appropriate.

ARTICLE FIVE: EXECUTION OF REQUESTS FOR ASSISTANCE

26. To the extent possible, a request for written information pursuant to Article Three should be made in writing, and addressed to the relevant contact person in Appendix A. To expedite requests for assistance, requests may be sent by electronic mail. 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 and the purpose for which the information is sought; and

c) The desired time period for reply and, where appropriate, the urgency thereof.

27. In Emergency Situations, the Authorities will endeavor to notify each other of the Emergency Situation and communicate information to the other as appropriate in the particular circumstances, taking into account all relevant factors, including the status of efforts to address the Emergency Situation. During Emergency Situations, requests for information may be made in any form, including orally, provided such communication is confirmed in writing.

ARTICLE SIX: PERMISSIBLE USES AND CONFIDENTIALITY OF INFORMATION

28. Except for disclosures in accordance with this MOU, including permissible uses of information under this Article, each Authority intends to keep confidential to the extent permitted by law information shared under this MOU, requests made under this MOU, the contents of such requests, and any other matters arising under this MOU.

29. Subject to Paragraphs 30, 32, 33, 34, 35 and 36 below, the Requesting Authority may use non-public information obtained under this MOU solely for exercising its functions in relation to Covered Clearing Organizations and seeking to ensure compliance with the laws or regulations of the Requesting Authority.

30. In cases where a Requesting Authority seeks to onward share non-public information obtained pursuant to this MOU with a third securities, futures, insurance, banking or other regulatory authority in its jurisdiction (third authority), the Requesting Authority may only do so provided that it is for the purpose of its exercise of its regulatory function and undertakes to consult with the Requested Authority prior to providing the information to the third authority and:

- a) Provides assurances to the Requested Authority that the third authority has confirmed that it requires the non-public information for a relevant supervisory purpose related to a Covered Clearing Organization; and
- b) Obtains confirmation from the Requested Authority that the third authority has in place an information sharing arrangement with the Requested Authority related to supervisory matters, which governs the use and confidentiality of any non-public information shared under such arrangement.

31. If the conditions described in (a) and (b) of Paragraph 30 are not met, the Requesting Authority must obtain consent from the Requested Authority prior to providing non-public information obtained under this MOU to a third

authority. The Requested Authority will take into account the level of urgency of the request and respond in a timely manner.

32. If an Authority receives, via a third party, information related to the Authority's functions relating to a Covered Clearing Organization provided by the other Authority, the first Authority will treat the information in accordance with the terms of this MOU.
33. Before using non-public information furnished under this MOU for any purpose other than those stated in Paragraphs 29 and 34, the Requesting Authority must first inform and gain the approval of the Requested Authority of the intended use. As necessary, the Authorities will consult to discuss the reasons for any denial by the Requested Authority of such use and the circumstances under which such use might be allowed.
34. The Authorities recognize that, while this MOU is not intended to gather information for enforcement purposes, the Authorities subsequently may want to use the information for law enforcement. Use of information for enforcement purposes will be in accordance with the terms and conditions in Part V, Paragraph 16 of the US-UK MOU and Paragraph 10 of the IOSCO MMOU. It is anticipated that the Requesting Authority would use best endeavors to notify the Requested Authority before making use of the information provided for enforcement purposes.
35. To the extent possible, the Requesting Authority intends to notify the Requested Authority of any legally enforceable demand for non-public information furnished under this MOU. Prior to compliance with the demand, the Requesting Authority intends to assert all appropriate legal exemptions or privileges with respect to such information as may be available.
36. In extraordinary circumstances, it may become necessary for a Requesting Authority to share information obtained under this MOU with other National Governmental Entities. In these circumstances and to the extent permitted by law:
 - a) The Requesting Authority intends to notify the Requested Authority; and
 - b) Prior to the Requesting Authority passing on the information, the Requested Authority will receive adequate assurances concerning the National Governmental Entity's use and confidential treatment of the information, including, as necessary, assurances that the information will not be shared with other parties without getting the prior consent of the Requested Authority.
37. The Authorities intend that the sharing or the disclosure of non-public information, including but not limited to deliberative and consultative materials,

pursuant to the terms of this MOU, will not constitute a waiver of privilege or confidentiality of such information.

38. The restrictions in this Article 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 that information is provided to the Requesting Authority pursuant to an information-sharing request under this MOU, the restrictions in this MOU apply to the use of the information by that Requesting Authority.

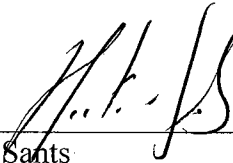
ARTICLE SEVEN: TERMINATION

39. 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 either Authority gives such notice, cooperation will continue with respect to all requests for assistance that were made under the MOU before the effective date of notification until the Requesting Authority terminates the matter for which assistance was requested. In the event of termination of this MOU, information obtained under this MOU will continue to be treated in the manner prescribed under Article Six.

This MOU is executed in duplicate, this 14th day of September 2009



Gary Gensler
Chairman
U.S. Commodity Futures Trading Commission



Hector Sants
Chief Executive Officer
U.K. Financial Services Authority

APPENDIX A

CONTACT PERSONS

In addition to the following contact information, the CFTC and FSA will exchange confidential emergency contact telephone information.

FSA

Sarah Harris
Manager, Clearing and Settlement
Market Infrastructure & Policy Department
25 The North Colonnade
Canary Wharf
London
1314 5HS
United Kingdom

Phone: +44 (0) 20 7066 9306
Fax: +44 (0) 20 7066 9307
Email: sarah.harris@fsa.gov.uk

CFTC

Ananda Radhakrishnan
Director, Division of Clearing and Intermediary Oversight
Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, DC

Phone: 01-202-418-5188
Fax: 01-202-418-5547
Email: aradhakrishnan@cftc.gov

FINANCIAL INFORMATION SHARING
MEMORANDUM OF UNDERSTANDING

ARTICLE I: GENERAL

The United States Commodity Futures Trading Commission ("CFTC"), an independent regulatory agency of the U.S. government, the Securities and Investments Board ("SIB"), a "designated agency" to which statutory powers have been transferred under the Financial Services Act of 1986 ("FSA") of the government of the United Kingdom and the self-regulatory organizations in the United States ("U.S. SROs") and in the United Kingdom ("U.K. SROs"), as defined in Article II and subscribed hereto, have reached the following understanding with respect to futures commission merchants ("FCMs") that are applicants or designated members, as defined in Article II.

Section 50 of the FSA and parallel provisions in the Rulebooks of the U.K. SROs provide authority for the SIB or a U.K. SRO to waive application of those Financial Regulation Rules that deal with capital adequacy, where it finds that compliance would be unduly burdensome and waiver would not result in undue risk to customers. As part of their responsibilities under the Commodity Exchange Act ("CEA"), the CFTC and U.S. SROs monitor the capital adequacy of the aforesaid FCMs consistent with financial requirements promulgated under the CEA, and parallel financial requirements of the U.S. SROs, which have been approved by the CFTC. In consideration of these responsibilities, the

wly

applicability of such requirements and the understanding with respect to the exchange of information set forth below, the SIB and the U.K. SROs will not require designated member FCMs to comply with their respective capital adequacy requirements and any reporting standards relating solely to the measure or maintenance of capital adequacy. This understanding does not prevent a party from requesting other information from a designated member or the other parties hereto.

ARTICLE II: DEFINITIONS

1. For purposes of this Financial Information Sharing Memorandum of Understanding ("FISMOU"):

- (a) "Applicant" means an FCM registered with the CFTC that is a member of a U.S. SRO that is a party to this FISMOU, that is a person that has requested authorization from its relevant U.K. regulator to establish a branch or to otherwise carry on an investment business in the United Kingdom ("U.K.") and that has requested that those Financial Regulation Rules that deal with capital adequacy be waived by the SIB and the relevant U.K. SRO. In order to be an applicant, an FCM must complete three originals of a signed consent in the form of the consent annexed as Exhibit 1 hereto and made a part hereof, addressed to the relevant U.K. regulator, such FCM's designated U.S. SRO and the CFTC.

- (b) "Designated member" means an FCM registered under the CEA that is a member of a U.S. SRO that is a party to this FISMOU, that has a branch or otherwise carries on an investment business in the U.K., that is an authorized or interim authorized person under the FSA for which those Financial Regulation Rules that deal with capital adequacy have been waived by the SIB or the relevant U.K. regulator. In order to be a designated member, an FCM must complete three originals of a signed consent in the form of the consent annexed as Exhibit 1 hereto and made a part hereof, addressed to the relevant U.K. regulator, such FCM's designated U.S. SRO and the CFTC.
- (c) "Designated U.S. self-regulatory organization" or "designated U.S. SRO" means a U.S. SRO that has primary responsibility for examining a member FCM for compliance with minimum financial and related reporting requirements under CFTC oversight (i) pursuant to Section 4f(2) of the CEA and Rule 1.52 promulgated thereunder, and in accordance with a joint audit plan approved by the CFTC under that rule, or (ii) because the member FCM is a member solely of that U.S. SRO.
- (d) "Form 1-FR-FCM filing" means the financial report filed pursuant to Rule 1.10 under the CEA by an FCM on at least a semiannual basis with its designated U.S. SRO.

- (e) "Joint Audit Committee" means that certain committee of representatives of all U.S. SROs which was established to coordinate audit and financial surveillance, plans, policies and procedures, particularly with respect to FCMs that are members of more than one U.S. SRO.
- (f) "Relevant U.K. regulator" means (i) where the FCM has been authorized under the FSA through membership in a single U.K. SRO, the U.K. SRO of which the FCM is a member, (ii) where the FCM has been authorized under the FSA through membership in more than one U.K. SRO, the U.K. SRO that the U.K. SROs have agreed should be the recipient of information under this FISMOU, or (iii) the SIB, where the FCM has been interim authorized or authorized by SIB under the FSA.
- (g) "Rule 1.12 telegram" means the telegraphic or written notice filed by an FCM with its designated U.S. SRO and the CFTC pursuant to Rule 1.12 promulgated under the CEA if the FCM's (i) adjusted net capital falls below the minimum required by an applicable capital rule, (ii) adjusted net capital falls below 150 percent of the minimum required by an applicable capital rule, (iii) books and records are not current, (iv) accounting system, accounting controls, procedures for safeguarding customer and firm assets or the practices and procedures specified in Rule 1.16(d)(1) promulgated under the CEA, contain a material inadequacy, as

defined in Rule 1.16(d)(2) promulgated under the CEA, or (v) carried accounts include an account which is undermargined by an amount which exceeds the firm's adjusted net capital.

- (h) "U.S. self-regulatory organization" or "U.S. SRO" means the Board of Trade of the City of Chicago, the Chicago Mercantile Exchange, the Commodity Exchange, Inc., New York Mercantile Exchange, National Futures Association or any other self-regulatory organization as defined in Rule 1.3(ee) promulgated under the CEA that becomes a party to this FISMOU in accordance with Article VII.
- (i) "U.K. self-regulating organisation" or "U.K. SRO" means the Association of Futures Brokers and Dealers, The Securities Association or any other self-regulating organisation that has been recognized pursuant to Section 10 of the FSA and is or becomes a party to this FISMOU in accordance with Article VII.

ARTICLE III: EXCHANGE OF INFORMATION

1. (a) Each U.S. SRO will provide to the relevant U.K. regulator, commencing with the first filing due after the effective date hereof as to that U.S. SRO, as promptly as practicable after receipt of the relevant report, the following information with respect to a designated member for which it is the designated U.S. SRO.

- (i) Copies of the cover sheet used by the U.S. SRO in its review of each Form 1-FR-FCM filing. The U.S. SRO will

represent that it has reviewed the Form 1-FR-FCM filing and that, based solely on its review of the information in that filing, it has no reason to believe (or it has reason to believe) that there exists a violation of the minimum adjusted net capital requirement set forth in Rule 1.17 promulgated under the CEA. The U.S. SRO also will provide a copy of the Form 1-FR-FCM upon request of the relevant U.K. regulator.

- (ii) Copies of Rule 1.12 telegrams.
- (iii) Notification if the designated member is classified as high risk under the Joint Audit Committee criteria, e.g., the ratio of customers' equities to the firm's adjusted net capital as calculated pursuant to the applicable capital rule exceeds 15 to 1.

(b) Each U.S. SRO will provide the relevant U.K. regulator as promptly as practicable upon request the following information with respect to an applicant for which it is the designated U.S. SRO.

- (i) Copies of the cover sheet used by the U.S. SRO in its review of the most recent Form 1-FR-FCM filing. The U.S. SRO will represent that the copy provided is the cover sheet with respect to the most recent Form 1-FR-FCM filing, that it has reviewed such filing and that, based solely on its review of the information in that filing, it has no reason to believe (or it has reason to believe) that there exists a violation of the

minimum adjusted net capital requirement set forth in Rule 1.17 promulgated under the CEA. The U.S. SRO will also provide a copy of the most recent Form 1-FR-FCM upon request of the relevant U.K. regulator.

(ii) Copies of Rule 1.12 telegrams since the "as of" date of the most recent 1-FR-FCM filing.

(iii) Notification if the applicant is classified as high risk under the Joint Audit Committee criteria, e.g., the ratio of customers' equities to the firm's adjusted net capital as calculated pursuant to the applicable capital rule exceeds 15 to 1.

2. (a) Notwithstanding any other provision of this FISMOU, if information is provided by a U.S. SRO to the relevant U.K. regulator pursuant to paragraph 1(a) of this Article III, such information need not be provided by that U.S. SRO to any other U.K. SRO or U.K. regulator; provided further, however, that subject to Article IV, such U.K. SRO directly may furnish such information to another U.K. SRO or U.K. regulator.

(b) If any relevant U.K. regulator agrees to indemnify any regulatory or self-regulatory authority in the United States or any other country in connection with the receipt of information or representations similar to that described in paragraphs 1(a) or 1(b) of this Article III, the relevant U.K. regulator must make such indemnity arrangement available to each U.S. SRO providing it with information under paragraphs 1(a) or 1(b) of this Article III.

3. (a) The CFTC will use its best efforts to notify the SIB if it becomes aware, through a U.S. SRO or otherwise, that an event has occurred that, in the sole judgment of the CFTC, materially and adversely affects the financial or operational viability of an applicant or a designated member.

(b) The relevant U.K. regulator will use its best efforts to notify and discuss with the CFTC if it becomes aware, through a U.K. SRO or otherwise, of a substantial financial, operational or other problem at a United Kingdom branch of, or as a result of investment business conducted in the U.K. by, a designated member. The CFTC may make information received pursuant to this paragraph available to a U.S. SRO.

(c) The SIB or the relevant U.K. SRO will use its best efforts to notify and discuss with the CFTC if it becomes aware, through a U.K. SRO or otherwise, of any information which in its respective judgment affects the financial or operational viability of a U.K.-domiciled firm doing business in the U.S. under a comparability exemption granted pursuant to Rule 30.10 promulgated under the CEA which may defer to the financial regulation rules of the SIB and the relevant U.K. SRO. The CFTC may make information received pursuant to this paragraph 3(c) available to National Futures Association.

4. Where an indemnity, or other mutually acceptable arrangement, for protecting the exchange of information is in place between a designated U.S. SRO and a relevant U.K. SRO, notification, information, and representations by the relevant

U.K. SRO under paragraphs 3(b) of this Article III, and notification and information as to an event which in a designated U.S. SRO's sole judgment materially and adversely affects the financial or operational viability of an applicant or designated member also may be exchanged directly between the designated U.S. SRO and relevant U.K. SRO. A copy of the applicable agreement will be provided to the CFTC by the designated U.S. SRO and to the SIB by the relevant U.K. SRO.

5. Where SIB or a U.K. SRO intends to take action in relation to a designated member or an applicant on the basis of information supplied by the CFTC, or a designated U.S. SRO, pursuant to this FISMOU, SIB or such U.K. SRO, as appropriate, will to the extent practicable give prior notice to the CFTC and the designated U.S. SRO.

ARTICLE IV: CONFIDENTIALITY OF INFORMATION

1. (a) Each party to this FISMOU has advised the other parties of the rules, regulations and procedures which govern the maintenance of confidentiality of information exchanged hereunder. Each party will comply with its procedures for maintaining confidentiality and will advise the SIB or the CFTC as appropriate of any changes therein.

(b) Each party to this FISMOU will keep confidential to the extent permitted by law any information exchanged between the parties pursuant to this FISMOU under Article III, provided that such information may be disclosed in appropriate circumstances in accordance with this FISMOU and otherwise under applicable law to

any person associated with or employed by the U.S. Congress, CFTC, SIB, Bank of England, the U.K. Department of Trade and Industry [Insurance Division] (U.K.), the Serious Fraud Office (U.K.), Board of Governors of the Federal Reserve System, U.S. Department of the Treasury, U.S. Department of Justice, U.S. Securities and Exchange Commission, U.S. Securities Investor Protection Corporation, a receiver, any agency of the federal government or of a state government in the U.S., U.S. self-regulatory organizations (as defined in Rule 1.3(ee) promulgated under the CEA) or U.K. self-regulating organisations (that are recognized pursuant to Section 10 of the FSA) pursuant to their use for the purpose of:

- (i) securing compliance with or enforcement of or conducting any investigation relating to the statutes, rules and requirements of the United States or the United Kingdom or the rules of the U.S. self-regulatory organization (as defined in Rule 1.3(ee) promulgated under the CEA) or U.K. self-regulating organisation (that is recognized pursuant to Section 10 of the FSA) or
- (ii) conducting a civil or administrative enforcement or receivership proceeding or other U.S. self-regulatory organization (as defined in Rule 1.3(ee) promulgated under the CEA) or U.K. self-regulating organisation (that is recognized pursuant to Section 10 of the FSA) disciplinary proceeding, assisting in a criminal

prosecution, or conducting any investigation related thereto for any possible violation related to the statutes, rules or requirements specified in subparagraph 1(b)(i) of this Article IV.

(c) The SIB will keep confidential and will not disclose to other parties to this FISMOU or otherwise any information received from the CFTC pursuant to this FISMOU under paragraph 3(a) of Article III, provided that such information may be disclosed in connection with an adjudicatory action or proceeding brought under the laws of the U.K. or the rules and requirements of the SIB in the U.K. or the SIB is a party thereto or, provided further, that such information may be provided by the SIB to a U.K. SRO if applicable U.S. and U.K. law permits or if the designated member provides such consents to the CFTC and the SIB as may be legally effective to permit such disclosure.

2. Except as contemplated in paragraph 1(b) of this Article IV, if any party to this FISMOU receiving information pursuant to this FISMOU becomes aware that such information has been received by any person that is not a party to this FISMOU, it shall inform the party providing the information and will thereafter use its best efforts to ensure that such information will not be used in any way that involves disclosure not permitted by this FISMOU.

3. If a party which receives information pursuant to this FISMOU receives any legally enforceable demand for such information, such party will to the best of its ability, prior to complying with the demand, promptly notify the party who provided such

information, and assert appropriate legal exemptions or privileges with respect to such information as may be available.

4. Upon the execution of this FISMOU, the CFTC and the SIB will exchange lists of the designated members and applicants and the designated U.S. SRO and relevant U.K. regulator with respect to each. Thereafter, the SIB and CFTC will report any changes as to the relevant U.K. regulator and the designated U.S. SRO. When an applicant applies to a relevant U.K. regulator for a waiver of its financial regulation rules, the relevant U.K. regulator will advise the CFTC and the designated U.S. SRO reported by the applicant. The designated U.S. SRO will confirm in writing to the SIB its status as such.

ARTICLE V: LIMITATIONS OF LIABILITY

1. The parties to this FISMOU and their respective commissioners, directors, officers, employees or agents shall not be liable to the other parties to this FISMOU and their respective commissioners, directors, officers, employees or agents for any liability, loss or damage resulting from or claimed to have resulted from any delays, inaccuracies, errors or omissions with respect to the provision of information or any representation regarding that information as provided hereby or the failure to provide any such information or representation. It is understood that the information is being supplied on a best efforts basis and no warranties, expressed or implied, are made by the parties with respect to the information to be furnished hereunder.

2. The provisions of this FISMOU shall not give rise to the right on the part of any non-party to this FISMOU, directly or indirectly, to obtain any information or to challenge the execution of a request for information or the furnishing of any information or representation under this FISMOU. Nothing in this FISMOU shall entitle any person, entity or government authority to any rights as a third party beneficiary.

ARTICLE VI: DISPUTES AND CONSULTATIONS

1. The parties will engage in consultations with respect to this FISMOU with a view to improving its operation and resolving any issues that may arise. The parties will also use their best efforts to notify each other of significant financial rule changes.

2. Except for the limitation on disclosure of information set forth in paragraph 1(c) of Article IV of this FISMOU, any of the conditions of this FISMOU may be amended, relaxed or waived by mutual agreement of the CFTC, SIB, the relevant U.K. regulator and the designated U.S. SRO. Any such amendment, relaxation, or waiver shall be confirmed in writing among the affected parties as soon as practicable.

ARTICLE VII: EXECUTION

1. This FISMOU will be effective from the date of its execution by the SIB, the CFTC and any U.S. SRO and relevant U.K. SRO; thereafter, it shall be effective as to each U.S. SRO or U.K. SRO from the date of its execution by such U.S. SRO or U.K. SRO.

2. Any U.S. self-regulatory organization (as defined in Rule 1.3(ee) promulgated under the CEA) or U.K. self-regulating organisation (that is recognized pursuant to Section 10 of the FSA) may become a party to this FISMOU by executing a counterpart hereof together with the CFTC and SIB and providing notice to the other U.S. SROs and U.K. SROs thereof that are parties to this FISMOU. The executed counterpart shall be deemed to be a part of the original FISMOU.

ARTICLE VIII: CONTACT OFFICERS

Information shall be exchanged pursuant to this FISMOU through the contact officers identified in Appendix A or their designees.

ARTICLE IX: TERMINATION

Any party may terminate its participation in this FISMOU provided it furnishes the other parties with at least 120 days prior written notice.

DATED this 1st day of Sep., 1988

United States Commodity
Futures Trading Commission

by Wendy L. Gamm

Board of Trade of the City
of Chicago

by _____

Chicago Mercantile Exchange

by _____

Securities and Investments
Board

by _____

The Association of Futures
Brokers and Dealers Limited

by _____

The Securities Association
Limited

by _____

2. Any U.S. self-regulatory organization (as defined in Rule 1.3(ee) promulgated under the CEA) or U.K. self-regulating organisation (that is recognized pursuant to Section 10 of the FSA) may become a party to this FISMOU by executing a counterpart hereof together with the CFTC and SIB and providing notice to the other U.S. SROs and U.K. SROs thereof that are parties to this FISMOU. The executed counterpart shall be deemed to be a part of the original FISMOU.

ARTICLE VIII: CONTACT OFFICERS

Information shall be exchanged pursuant to this FISMOU through the contact officers identified in Appendix A or their designees.

ARTICLE IX: TERMINATION

Any party may terminate its participation in this FISMOU provided it furnishes the other parties with at least 120 days prior written notice.

DATED this 1st day of Sep, 1988

United States Commodity
Futures Trading Commission

Securities and Investments
Board

by _____

by _____

Board of Trade of the City
of Chicago

The Association of Futures
Brokers and Dealers Limited

by Thomas K. Donovan, Pres.

by _____

Chicago Mercantile Exchange

The Securities Association
Limited

by William J. Broderick, Pres.

by _____

2. Any U.S. self-regulatory organization (as defined in Rule 1.3(ee) promulgated under the CEA) or U.K. self-regulating organisation (that is recognized pursuant to Section 10 of the FSA) may become a party to this FISMOU by executing a counterpart hereof together with the CFTC and SIB and providing notice to the other U.S. SROs and U.K. SROs thereof that are parties to this FISMOU. The executed counterpart shall be deemed to be a part of the original FISMOU.

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ARTICLE IX: TERMINATION

Any party may terminate its participation in this FISMOU provided it furnishes the other parties with at least 120 days prior written notice.

DATED this 1st day of Sep., 1988

United States Commodity
Futures Trading Commission

by _____

Board of Trade of the City
of Chicago

by _____

Chicago Mercantile Exchange

by _____

Securities and Investments
Board

by *[Signature]*

The Association of Futures
Brokers and Dealers Limited

by *A. J. Anand*

The Securities Association
Limited

by *[Signature]*

Commodity Exchange, Inc.

by

[Signature]
New York Mercantile Exchange

by

[Signature]
National Futures Association

by _____

Investment Management
Regulatory Organisation Ltd.

by _____

Commodity Exchange, Inc.

by _____

New York Mercantile Exchange

by _____

National Futures Association

by Robert W. Bennett Pres.

Investment Management
Regulatory Organisation Ltd.

by _____

WJ
JD
PKL

Commodity Exchange, Inc.

by _____

New York Mercantile Exchange

by _____

National Futures Association

by _____

Investment Management
Regulatory Organisation Ltd.

by J. H. Fangan

Commodity Exchange, Inc.

by _____

New York Mercantile Exchange

by _____

National Futures Association

by _____

Coffee Sugar & Cocoa Exchange Inc.

by *Brent*

Investment Management
Regulatory Organisation Ltd.

by _____

Commodity Exchange, Inc.

by _____

New York Mercantile Exchange

by _____

National Futures Association

by _____

Investment Management
Regulatory Organisation Ltd.

by _____

wly

Commodity Exchange, Inc.

by _____

New York Mercantile Exchange

by _____

National Futures Association

by _____

Coffee, Sugar & Cocoa Exchange Inc.

by _____

New York Futures Exchange, Inc.

by Leon J. Murray

Investment Management
Regulatory Organisation Ltd.

by _____

ADDENDUM DATED May 15, 1989
TO THE FINANCIAL INFORMATION
SHARING MEMORANDUM OF UNDERSTANDING

1. We refer to the Financial Information Sharing Memorandum of Understanding ("FISMOU") entered into on 1 September 1988 by, among others, the Securities and Investments Board ("SIB"), Commodity Futures Trading Commission ("CFTC"), United Kingdom Self-Regulating Organisations ("SROs") and United States SROs, as defined in the FISMOU.

2. We further refer to the Order of the CFTC dated May 15, 1989 granting an exemption under Rule 30.10 of the CFTC's rules to the SIB and certain U.K. SROs and to those firms which they designate pursuant to which the CFTC will, among other things, defer to the financial regulation rules of the relevant U.K. regulator.

3. In consideration of the foregoing, and of the need to share financial information from time to time and on a regular basis with respect to firms in the United Kingdom granted an exemption under Rule 30.10, the undersigned parties hereby agree to this Addendum as permitted by paragraph (2) of Article VI of FISMOU:

(a) In accordance with paragraph 3(c) of Article III of FISMOU, the SIB or the relevant U.K. SRO will use its best efforts to notify and discuss with the CFTC if it becomes aware, through a U.K. SRO or otherwise, of any information which in its respective judgment materially and adversely affects the financial or operational viability of any firm domiciled in the United Kingdom and doing business in the United States under a comparability exemption granted pursuant to Rule 30.10 of the CFTC's rules.

(b) The SIB or the relevant U.K. SRO will provide to the CFTC, commencing with the first filing due after the effective date of this Addendum, as promptly as practicable after receipt of the relevant report, the following information with respect to a firm domiciled in the United Kingdom doing

business in the United States under a comparability exemption granted pursuant to Rule 30.10:

- (i) Copies of: (A) on an annual basis, a statement containing, with respect to such firm, financial information analogous to that set forth in the cover sheet required to be provided by U.S. SROs to the relevant U.K. regulator pursuant to Article III of FISMOU concerning an FCM; or (B) the annual audited financial statement, including the annual auditors report, required under the rules of the SIB or the relevant U.K. SRO. In either case, the SIB or relevant U.K. SRO will represent that it has reviewed the annual audited financial statement and that, based solely on its review of the information in that filing, it has no reason to believe (or it has reason to believe) that there exists a violation of the financial resources requirements of the SIB or relevant U.K. SRO promulgated under the FSA. If the SIB or relevant U.K. SRO provides the cover sheet in accordance with (A) above, the SIB or relevant U.K. SRO will provide a copy of the firm's annual audited financial statement upon request of the CFTC.
- (ii) Details of any notifications received under the rules of the SIB or relevant U.K. SRO regarding any breach of the financial resources requirements.
- (c) The SIB or relevant U.K. SRO will provide the Commission simultaneously with its notification of the sponsorship of a firm domiciled in the United Kingdom wishing to do business in the United States under a comparability exemption pursuant to Rule 30.10 with the following information:

Copies of: (i) a statement containing, with respect to such firm, financial information analogous to that set forth in the cover sheet required to be provided by U.S. SROs to the relevant U.K. regulator pursuant to Article III of FISMOU concerning an FCM; or (ii) the most recent annual audited financial statement, including the annual auditors report, required under the rules of the SIB or the relevant U.K. SRO. In either case, the SIB or relevant U.K. SRO will represent that it has reviewed the annual audited financial statement and that, based solely on its review of the information in that filing, it has no reason to believe (or it has reason to believe) that there exists a violation of the financial resources requirements of the SIB or relevant U.K. SRO promulgated under the FSA. If the SIB or relevant U.K. SRO provides the cover sheet in accordance with (i) above, the SIB or relevant U.K. SRO will provide a copy of the

firm's annual audited financial statement upon request of the CFTC.

- (d) The CFTC may make information received pursuant to this Addendum available to National Futures Association.
- (e) Except as otherwise provided herein, the provisions of the FISMOU shall apply to this Addendum, to the extent relevant.

Signed this 15th day of May 1989.

United States Commodity
Futures Trading Commission

by _____

National Futures Association

by _____

Securities and Investments
Board

by [Signature]

The Securities Association

by [Signature]

The Association of Futures
Brokers and Dealers Limited

by [Signature]

Investment Management
Regulatory Organisation Ltd.

by [Signature]