



MEMORANDUM OF UNDERSTANDING

Between

The Capital Markets Authority (Lebanon)

and

The Qatar Financial Centre Regulatory Authority

November 2014

**Memorandum of Understanding between the Capital Markets
Authority (Lebanon) and the Qatar Financial Centre Regulatory
Authority**

Contents

RECITALS	1
OPERATIVE PART.....	1
Art. 1 Interpretation	1
Art. 2 Purpose and Principles	2
Art. 3 Provision of Unsolicited Information	2
Art. 4 Requests for Assistance.....	3
Art. 5 Procedure for Requests	3
Art. 6 Assessing Requests.....	4
Art. 7 On-site Inspections.....	4
Art. 8 Financial Crime	5
Art. 9 Crisis Management	5
Art. 10 Contact Points.....	6
Art. 11 Costs	6
Art. 12 Permissible Uses of Information, Confidentiality and Disclosure.....	6
Art. 13 Consultation	7
Art. 14 Commencement, Termination and Amendment	8
Art. 15 Successor.....	8
Annex A - List of Contacts	9

RECITALS

- A. The Capital Markets Authority ("CMA") is established by the Republic of Lebanon under Law n. 161 of 17 August 2011 for the purpose of ensuring the protection of savings invested in financial instruments, encouraging the capital markets in Lebanon, and coordinating between the various concerned sectors.
- B. The Qatar Financial Centre Regulatory Authority ("QFC Regulatory Authority") is established by the State of Qatar under the Qatar Financial Centre Law No 7 of 2005 for the purposes of regulating, licensing and supervising banking, financial, insurance and reinsurance related businesses that conduct regulated activities in or from the Qatar Financial Centre ("QFC").
- C. The CMA and the QFC Regulatory Authority wish to enter into this Memorandum of Understanding ("MOU") to provide a formal basis for co-operation, including for the exchange of information and investigative assistance regarding Financial Institutions to facilitate and enhance the performance of their respective functions.

OPERATIVE PART

Art. 1 Interpretation

1.1 For the purposes of this MOU:

"Applicable Law" means any law, regulation, rule or requirement applicable in the jurisdiction of the Authority and where the context permits, includes any rule, direction, requirement, or policy made or given by or to be taken into account by an Authority.

"Authority" means the CMA or the QFC Regulatory Authority, jointly referred to as the Authorities;

"Financial Institution" means a financial institution, or a financial intermediary, or a bank when dealing in securities business and/or a Person regulated and supervised by either Authority;

"Cross-border Establishment" means a branch or subsidiary of a Financial Institution within one Authority's jurisdiction which falls

under the consolidated or group-wide supervision (or prospective supervision) responsibility of the other Authority's jurisdiction.

"Permitted Onward Recipient" means an agency or authority responsible for prosecuting, regulating, or enforcing the Applicable Law, falling within the areas of responsibility of either Authority;

"Person" means a natural person, legal entity, partnership or unincorporated association;

"Requested Authority" means the Authority to whom a request is made under this MOU;

"Requesting Authority" means the Authority making a request under this MOU.

- 1.2 The use of the singular in this MOU shall include the plural and vice versa.

Art. 2 Purpose and Principles

- 2.1 With the increased number of internationally active Financial Institutions there is an increased need for mutual co-operation and information exchange between supervisors. The purpose of this MOU is to establish a formal basis for co-operation between the Authorities, particularly in relation to the supervision of Financial Institutions, including the exchange of information and investigative assistance.
- 2.2 This MOU does not modify or supersede any laws or regulatory requirements in force or applying to either Authority. This MOU sets forth a statement of intent and accordingly does not create any enforceable rights. This MOU does not affect any arrangements under other MOUs.
- 2.3 Subject to Applicable Law, the Authorities will provide each other with the fullest assistance possible consistent with their regulatory functions. They will consider requests from one another seriously and reply without undue delay.

Art. 3 Provision of Unsolicited Information

- 3.1 The Authorities will make all reasonable efforts to provide information, or arrange for information to be provided, without prior request, where they consider that information will assist the other Authority in the performance of its functions.

- 3.2 The Authorities will regularly exchange information in respect of changes to their Applicable Law.

Art. 4 Requests for Assistance

- 4.1 If a request for assistance is made, each Authority will use reasonable efforts to provide assistance to the other, subject to its Applicable Law and policy. Requests for assistance may include:
- a. providing information in the possession of the Requested Authority;
 - b. confirming or verifying information provided to it for that purpose by the Requesting Authority;
 - c. exchanging information on or discussing issues of mutual interest; and
 - d. obtaining specified information and documents from a Person.

Art. 5 Procedure for Requests

- 5.1 Requests for the provision of information or other assistance will, wherever possible, be made to the contact points stated in Article 10, in writing, but in cases of urgency, may be oral and confirmed in writing within 10 business days. To facilitate assistance, the Requesting Authority should specify in any written request:
- a. the information or other assistance requested (identity of a Person, specific questions to be asked etc) and desired time period for the reply;
 - b. if information is provided by the Requesting Authority for confirmation or verification, the information and the kind of confirmation or verification sought;
 - c. the purpose of which the information or other assistance is sought;
 - d. to whom, if anyone, onward disclosure of information provided to the Requesting Authority is likely to be necessary and, in relation to onward disclosure to a Person who is not a Permitted Onward Recipient, the purpose such disclosure would serve; and

- e. any other matters specified by the Requested Authority and by the Applicable Law in relation to the Requested Authority.

Art. 6 Assessing Requests

- 6.1 Each request for assistance will be assessed on a case-by-case basis by the Requested Authority, to determine whether assistance can be provided under the terms of this MOU. In any case where the request cannot be fulfilled in part or whole, the Requested Authority will cooperate to the fullest extent possible and will consider whether there may be other assistance which can be given by itself, or by another Authority in its jurisdiction.
- 6.2 In deciding whether and to what extent to fulfil a request, the Requested Authority may take into account:
 - a. whether or not the request conforms with this MOU;
 - b. whether the request involves the administration of a law, regulation or requirement which has no close parallel in the jurisdiction of the Requested Authority;
 - c. whether the provision of assistance would be so burdensome or prejudicial to disrupt the proper performance of the Requested Authority's functions;
 - d. whether it would be otherwise contrary to the public interest, or the national interest of the Requested Authority's jurisdiction to give the assistance sought; and
 - e. any other matters specified by the Applicable Law of the Requested Authority's jurisdiction (in particular those relating to confidentiality, professional secrecy, data protection, privacy, and procedural fairness).
- 6.3 The Authorities recognise that assistance may be denied in whole, or in part for any of the reasons mentioned in Article 6 at the discretion of the Requested Authority.

Art. 7 On-site Inspections

- 7.1 Each Authority will assist each other as far as practicable and in the spirit of mutual trust, with the carrying out of on-site inspections of Financial Institutions and/or Cross-border Establishment(s) located within their respective jurisdictions.

- 7.1 The Authorities will notify each other of their plans to inspect a Financial Institution and/or its Cross-border Establishment (including where a third party is appointed to conduct such an inspection on its behalf) and shall indicate the purpose and scope of the inspection. The Authorities will keep each other informed of the results of the inspections in a timely manner.

Art. 8 Financial Crime

The Authorities will co-operate as closely as possible, given their respective responsibilities, and to the extent they are authorised to do so by their Applicable Law in relation to financial crime or suspected financial crime activities in Cross-border Establishments. For the purposes of this MOU, financial crime includes fraud, money laundering, terrorist financing and unauthorised banking, investment, insurance or reinsurance business.

Art. 9 Crisis Management

- 9.1 The Authorities will work together to develop common tools for crisis management in accordance with international best practice. The Authorities will consult as necessary to discuss issues concerning Cross-border Establishments in their respective jurisdictions, particularly where a Financial Institution in one Authority's jurisdiction faces financial difficulties that could have a material adverse impact on the operations of a Financial Institution in the other Authority's jurisdiction.
- 9.2 The Authorities will develop and maintain coordinated plans and tools for effectively dealing with the resolution of Cross-border Establishments.
- 9.3 The Authorities will share, at a minimum, and to the extent they are authorised to do so by their Applicable Law, the following information on the Financial Institution's:
- a. group structure (including legal, financial and operational intragroup dependencies);
 - b. interlinkages between the Cross-border Establishment and the financial system in each jurisdiction where it operates; and
 - c. potential impediments to a coordinated solution.

- 9.4 The Authorities will do their best to inform each other as soon as one of them becomes aware of a potential crisis. They will cooperate to find internationally coordinated, timely and effective solutions.

Art. 10 Contact Points

Information or requests for information, or assistance, under this MOU should be directed to the contact points that are set out in Annex A of this MOU.

Art. 11 Costs

The Requested Authority may, as a condition of agreeing to give assistance under this MOU, require the Requesting Authority to make a contribution to costs, especially if the cost of fulfilling a request is likely to be substantial.

Art. 12 Permissible Uses of Information, Confidentiality and Disclosure

- 12.1 The existence and content of any request for information made under this MoU will be treated as confidential by both the Requested Authority and the Requesting Authority, unless both Authorities agree otherwise in writing.
- 12.2 Any confidential information exchanged belongs to and will remain the property of, the Requested Authority. The Requested Authority will decide according to its Applicable Law whether or not the information requested and provided under this MOU qualifies as confidential and shall mark clearly all such information as confidential.
- 12.3 Where a Requesting Authority receives confidential information pursuant to this MOU, it shall treat such information as confidential in accordance with the provisions of this MOU and its Applicable Law. The Requesting Authority will take all actions necessary to preserve, protect and maintain the confidentiality of information received from the Requested Authority.
- 12.4 An Authority that receives confidential information under this MoU may use that information only for the purposes specified in the request and to carry out its lawful functions in accordance with its Applicable Law.

- 12.5 Should the Requesting Authority seek to use confidential information received pursuant to this MOU for any purpose other than as set out in the request, or should the Requesting Authority seek to pass this information onto any third party who is not a Permitted Onward Recipient, it will first consult with and seek the written consent of the Requested Authority.
- 12.6 Before disclosing the information obtained pursuant to this MOU to third parties, the Requesting Authority will seek a commitment from them to keep the information confidential.
- 12.7 The Requesting Authority will undertake to comply with any restrictions on the use or disclosure of information that are agreed with the Requested Party.
- 12.8 If the Requesting Authority is subject to a mandatory disclosure requirement, or receives a legally enforceable demand for information supplied under this MOU, the Requesting Authority will notify the Requested Authority of its obligation to disclose and will endeavour to seek written consent from the Requested Authority before making a disclosure, unless this is not practicable for reasons of urgency. Where consent to disclose the information is not given, the Requesting Authority will assert the appropriate legal exemptions or privileges with respect to the information, as may be available and shall endeavour to protect the confidentiality of information received under this MOU.
- 12.9 The Authorities agree to treat the confidential information received under this MOU as confidential even after this MOU is terminated to the extent permitted by Applicable Law.

Art. 13 Consultation

- 13.1 Where the conduct of a Cross-border Establishment may constitute a breach of a law, regulation or requirement in the jurisdiction of the Requesting Authority and/or of the Requested Authority, the Authorities will consult with each other to determine the most appropriate means for each Authority to provide assistance.
- 13.2 The Authorities will also endeavour to consult with each other regarding the effectiveness of co-operation arrangements including this MOU. In particular, the Authorities will consult in the event of:
- a. a significant change in market or business conditions or in legislation where such change is relevant to the operation of this MOU;

- b. a demonstrated change in the willingness or ability of an Authority to meet the provisions of this MOU; and
- c. any other circumstance that makes it necessary or appropriate to consult, amend or extend this MOU in order to achieve its purposes.

13.3 The Authorities intend, where practical, to promote their co-operation by visits for informational purposes.

Art. 14 Commencement, Termination and Amendment

This MOU will take effect when both Authorities have signed it and will remain in effect unless terminated by either Authority upon 14 business days written notice. Where the requested Authority gives such notice, all requests for assistance received before the date of the receipt of the notification shall be honoured by the parties if possible and under the conditions set forth under this MOU. The MOU may only be amended by either Authority with the agreement of the other Authority and all amendments shall be made in writing.

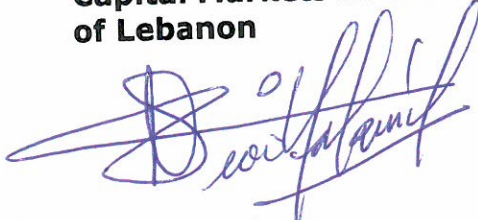
This MOU shall be enacted in two originals in English and either copy shall constitute an original.

Art. 15 Successor

The Authorities agree that any entity that becomes the successor in interest, or otherwise legally assumes the functions, powers and duties, of an Authority shall, at the date it becomes such successor or assumes such functions, powers and duties, become a party to this MOU.

Signatories:

**Capital Markets Authority
of Lebanon**



Mr. Riad Salame
Chairman

Date: 15 December 2014

**Qatar Financial Centre
Regulatory Authority**



Mr. Michael G. Ryan
Chief Executive Officer

Date: 6 November 2014

Annex A - List of Contacts

Qatar Financial Centre Regulatory Authority

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