

## **MEMORANDUM OF UNDERSTANDING**

**between  
the Bank of Italy  
and  
the Qatar Financial Centre Regulatory Authority  
concerning their cooperation  
in the field of banking and financial supervision**

**October 2014**

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**RECITALS**

- A. The Bank of Italy ("BI"), the Italian Central Bank, is constituted in the form of public law institution, and is independent from the Italian government. According to article 5, paragraph 3 and article 127, paragraph 1 of the 1993 Banking Code, BI is responsible for the supervision of banks, banking groups, non-bank financial intermediaries, electronic money institutions and payment institutions. In this responsibility, BI has regard to the sound and prudent management of supervised institutions, to the overall stability, efficiency and competitiveness of the financial system, to compliance with provisions concerning credit and to transparency of contractual conditions and fairness of dealings with customers. Moreover, according to article 5 of the 1998 Code on financial intermediation, the BI is responsible for matters related to the limitation of risks and financial stability of securities investment firms, and collective investment undertakings.
- B. The Qatar Financial Centre Regulatory Authority ("QFC Regulatory Authority") is established by the State of Qatar under the Qatar Financial Centre Law for the purposes of regulating, licensing and supervising banking, financial and insurance related businesses that conduct regulated activities in or from the Qatar Financial Centre ("QFC").
- C. The BI and the QFC Regulatory Authority wish to enter into this Memorandum of Understanding ("MOU") to provide a formal basis for cooperation, including for the exchange of information and assistance regarding Financial Institutions, to facilitate and enhance the performance of their respective functions.

**OPERATIVE PART**

***General provisions***

**Art. 1 Definitions**

- 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:

- a. relevant applicable European legislation;
- b. any rule, direction, requirement, or policy made or given by or to be taken into account by an Authority.

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

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**"Financial Institution"** means a banking, credit or financial institution 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.

**"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, Scope and Principles**

- 2.1 With the increased number of internationally active Financial Institutions there is an increased need for mutual cooperation and information exchange between supervisors. The purpose of this MOU is to establish a formal basis for cooperation between the Authorities, particularly in relation to the supervision of Financial Institutions, including the exchange of information and assistance to the extent permitted by the Applicable Law.
- 2.2 This MOU does not modify or supersede any laws or regulatory requirements in force in, 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 The scope of cooperation encompasses the licensing (both issuance and revocation), as well as the ongoing supervision of the cross-border establishments, be they subsidiaries or branches. The Authorities advise each other on cross-border establishments in or from the respective other country upon specific request to the extent allowed under the law and on any other relevant information that might be required to assist with the supervisory process.
- 2.4 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.

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**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.

***Requests for Assistance***

**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;
  - d. obtaining specified information and documents from a Person; and
  - e. conducting inspections or examinations of financial services providers or arranging for the same.

**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 11 in writing, but in cases of urgency, may be oral and confirmed in writing as soon as possible and preferably within 10 business days. To facilitate assistance, the Requesting Authority should specify in any written request:
- a. the information or other assistance requested 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;

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- d. to whom, if anyone, onward disclosure of information provided to the Requesting Authority is likely to be necessary and 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 or substantially 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 as 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;
  - 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); and
  - f. whether complying with the request may otherwise be prejudicial to the performance by the Requested Authority of its functions.
- 6.3 The Authorities recognise that assistance may be denied in whole, or in part for any of the reasons mentioned in Article 6 in 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

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Financial Institutions and/or Cross-border Establishment(s) located within their respective jurisdictions.

- 7.2 The Authorities will notify each other of their plans to inspect a Cross-border Establishment (including where a third party is appointed to conduct such an inspection on its behalf) in reasonable advance 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 Cooperation in the field of abuse of financial services, anti-money laundering and counter terrorist financing**

- 8.1 The Authorities will cooperate as closely as possible, given their respective responsibilities, in relation to financial crime or suspected financial crime activities in Cross-border Establishments. For the purposes of this MOU, financial crime includes abuse of financial services, fraud, money laundering, terrorist financing, unauthorised banking and investment business.
- 8.2 To that end, the Authorities will exchange, at their own initiative or upon request, information that is relevant to their supervisory activities.
- 8.3 To the extent permitted by law and without prejudice to domestic provisions on privacy and data protection, all information exchanged by the Authorities in the area of anti-money laundering and counter terrorist financing will be treated confidentially and used exclusively for supervisory purposes, without prejudice to cases subject to criminal law.
- 8.4 In cases where the exchanged information has to be disclosed to third parties, paragraphs from 10.1 to 10.8 will apply.

**Art. 9 Crisis Management**

The Authorities will inform each other without delay if they learn of an incipient crisis relating to any supervised institution that has cross-border establishments in the other country. The Authorities will cooperate to find internationally coordinated, timely and effective solutions.

***Confidentiality and use of information***

**Art. 10 Permissible Uses of Information, Confidentiality and Disclosure**

- 10.1 The existence and content of any request for information made under this MoU will be treated as confidential by both the



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- Requested Authority and the Requesting Authority, unless both Authorities agree otherwise.
- 10.2 To the extent permitted by the Applicable Law, each Authority will hold as confidential all information (other than publicly available information) received from the other authority pursuant to this agreement and will not disclose such information other than as necessary to carry out its lawful supervisory responsibilities. The Requesting Authority will take all actions necessary to preserve, protect and maintain the confidentiality of information received from the Requested Authority.
- 10.3 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.
- 10.4 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, it will first consult with and seek the consent of the Requested Authority.
- 10.5 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.
- 10.6 The Requesting Authority will undertake to comply with any restrictions on the use or disclosure of information that are agreed with the Requested Party.
- 10.7 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, to the extent permitted by the Applicable Law, notify the Requested Authority of its obligation to disclose and will endeavour to seek 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 take reasonable steps to resist disclosure and protect the confidentiality of information received under this MoU, including by employing legal means to challenge the order, by asserting the appropriate legal exemptions or privileges with respect to the information, as may be available.
- 10.8 The Authorities agree to treat the confidential information received under this MoU as confidential to the extent permitted by law even after this MoU is terminated.



***Operational dispositions***

**Art. 11     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. The Authorities are responsible for keeping the contact list updated and informing each other of any changes in a timely manner.

**Art. 12     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, if the cost of fulfilling a request is likely to be substantial.

**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 to the extent permitted by the Applicable Law.
- 13.2 The Authorities will also endeavour to consult with each other regarding the effectiveness of cooperation 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**

- 14.1 This MOU will take effect when both Authorities have signed it and will remain in effect unless terminated by either Authority upon thirty (30) days written notice. Where the requested Authority gives

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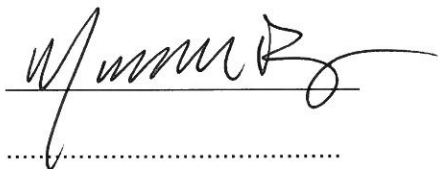
such notice, this MOU will continue to have effect with respect to all requests for assistance made before the date of the receipt of the notification, particularly Article 10 regarding confidentiality.

- 14.2 The MOU may only be amended by either Authority with the agreement of the other Authority and all amendments shall be made in writing. The BI and the QFC Regulatory Authority undertake to revise the present MOU in the light of future developments in national and EU legislation.

**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, unless otherwise stated by the Applicable Law.

Signatories:

  
.....  
.....

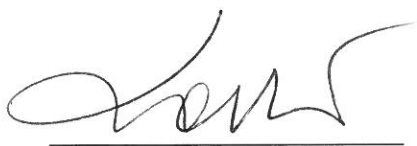
Date: 28.12.2014

Qatar Financial Centre Regulatory  
Authority

Mr. Michael Ryan

Chief Executive Officer

Date:

  
.....  
.....

Date: 02.12.2014

Bank of Italy

Mr. Salvatore Rossi

Senior Deputy Governor

Date:

## **Annex A - List of Contacts**

### **Qatar Financial Centre Regulatory Authority**

**For supervision and authorisation matters:**

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