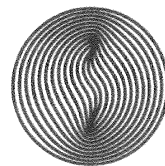




**JERSEY FINANCIAL SERVICES
COMMISSION**



Qatar
FINANCIAL CENTRE
REGULATORY AUTHORITY

Memorandum of Understanding

between the

Qatar Financial Centre Regulatory Authority

and the

Jersey Financial Services Commission

**on the Exchange of Information for Co-operation and
Consultation**

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WHEREAS:

- A. **Qatar Financial Centre Regulatory Authority** and the **Jersey Financial Services Commission**, together hereinafter referred to as “the Authorities” recognise the need for mutual co-operation between the Authorities in the carrying out of their regulatory and supervisory functions under the relevant laws, regulations and rules in their respective jurisdictions.
- B. The **Qatar Financial Centre Regulatory Authority** is the independent body established by the State of Qatar under the Qatar Financial Centre Law. It is responsible for the supervision and regulation of financial services firms that conduct regulated activities in or from the Qatar Financial Centre (“QFC”).

The Regulatory Authority’s objectives are, amongst other things:

- (1) the promotion and maintenance of efficiency, transparency and the integrity of the QFC;
 - (2) the promotion and maintenance of confidence in the QFC of users and prospective users of the QFC;
 - (3) the maintenance of the financial stability of the QFC, including the reduction of systemic risk relating to the QFC;
 - (4) the prevention, detection and restraint of conduct which causes or may cause damage to the reputation of the QFC, through appropriate means including the imposition of fines and other sanctions;
 - (5) the provision of appropriate protection to those licensed to carry on business at the QFC and their clients or customers;
 - (6) minimising the extent to which the business carried on by a Person carrying on Regulated Activities can be used for the purposes of or in connection with financial crime.
- C. The JFSC is a statutory body established under the Financial Services Commission (Jersey) Law 1998. The JFSC’s main function is the supervision of financial services providers and financial products provided in or from within Jersey. This includes the authorisation and supervision of collective investment schemes and fund functionaries under the Collective Investment Funds (Jersey) Law 1988, the licensing and supervision of banks under the Banking Business (Jersey) Law 1991, the licensing and supervision of insurance companies under the Insurance Business (Jersey) Law 1996, and the licensing and supervision of investment business, trust company business, and

insurance mediation business under the Financial Services (Jersey) Law 1998. It also incorporates the Registry of Companies.

- D. The Authorities further acknowledge the importance of compliance with relevant international standards established by international standard setting bodies such as the Basel Committee on Banking Supervision, the International Association of Insurance Supervisors, the International Organisation of Securities Commissions and the Financial Action Task Force.
- E. The arrangements outlined below are intended to enhance the existing working relationship between the Authorities.

This agreement is based upon the recognition that effective supervision in these areas can only take place in an environment where there is mutual trust, confidence, understanding and co-operation between regulatory bodies.

The Memorandum of Understanding thus establishes a general framework for mutual assistance and co-operation and sets out when consultation should take place and the type of regulatory and supervisory information that may be exchanged between the two Authorities.

1. DEFINITIONS

“Applicable Laws” means any laws, regulations, rules or requirements applicable in the Qatar Financial Centre or in Jersey.

“Requesting Authority” means the Authority that makes a request pursuant to the provisions of this Memorandum of Understanding.

“Requested Authority” means the Authority to whom a request is made pursuant to the provisions of this Memorandum of Understanding.

“Permitted Onward Recipient” means an agency or authority responsible for prosecuting, regulating or enforcing Applicable Laws falling within the areas of responsibility of the Authorities;

“Person” means a natural person, body corporate, partnership, or unincorporated association, government or political subdivision, agency or instrumentality of a government.

“Financial Institutions” mean the institutions and Persons regulated and supervised by either of the Authorities.

“Jurisdiction” means the country, state or other territory, as the case may be, in which either of the Authorities has legal authority, power and/or jurisdiction by law.

“Memorandum of Understanding” means a document containing arrangements for both mutual co-operation and exchange of information between regulatory bodies.

2. INTENTION

- 2.1 This Memorandum of Understanding sets forth a statement of intent of the Authorities to establish a framework for mutual assistance and to facilitate the exchange of information between the Authorities to enforce or secure compliance with any Applicable Laws relating to the functions and duties of the Authorities in their respective Jurisdictions.
- 2.2 The Authorities intend to provide one another with assistance under this Memorandum of Understanding to the full extent permitted by the Applicable Laws of their respective Jurisdictions.
- 2.3 This Memorandum of Understanding will serve to promote the integrity, efficiency and financial soundness of Financial Institutions by improving the effectiveness of regulation, enhancing the supervision of cross-border transactions, and preventing fraudulent and other prohibited practices in Jersey and the Qatar Financial Centre.
- 2.4 This Memorandum of Understanding does not create any binding legal obligations upon the Authorities and does not effect any agreements under other Memoranda of Understanding.
- 2.5 The provisions of this Memorandum of Understanding do not lead to the right of any person, directly or indirectly, to obtain, suppress or exclude any information or to challenge the execution of a request for assistance under this Memorandum of Understanding.
- 2.6 The Authorities will use reasonable efforts to provide each other, as permitted by the Applicable Laws of their respective Jurisdictions, with any information that they discover which leads to a suspicion of a breach or anticipated breach of Applicable Laws in the Jurisdiction of the other Authority.
- 2.7 The Authorities will use reasonable efforts to keep each other informed of any changes to their existing legal authority that affect the implementation of this Memorandum of Understanding.

3. SCOPE

- 3.1 Through the machinery set up by this Memorandum of Understanding, the Authorities agree to promote mutual assistance and exchange of information to enable the Authorities to perform their respective duties and functions effectively according to the Applicable Laws of their respective Jurisdictions.

- 3.2 In terms of this general theme, the scope of this Memorandum of Understanding includes:
- (a) assisting in the discovery of and taking of action against unlicensed business and unlawful activities and practices contrary to Applicable Laws and/or international standards subscribed to by the Authorities in relation to activities they regulate;
 - (b) enforcement of the Applicable Laws relating to Financial Institutions;
 - (c) regulation and supervision of Persons undertaking any of the following activities:
 - financial business, banking business of whatever nature, and investment business, including (without limit) all business activities that are customarily provided by investment, corporate and wholesale banking, as well as Islamic and electronic banking business;
 - insurance and reinsurance business of all categories;
 - money market, stock exchange and commodity market business of all categories, including trading in and dealing in precious metals, stocks, bonds, securities, and other financial activities derived therefrom, or associated therewith;
 - funds administration, fund advisory and fiduciary business of all kinds;
 - pension fund business and business of credit companies;
 - the business of insurance broking, stockbroking, and all other financial brokerage business;
 - financial agency business and the business of provision of corporate finance and other financial advice, investment advice and investment services of all kinds;
 - the provision of financial custodian services and the business of acting as legal trustees.
 - (d) promoting and securing the fit and proper qualities of Financial Institutions and the promotion of high standards of fair dealing and integrity in their conduct of business;
 - (e) assisting in the carrying out of responsibilities for the prevention of and enquiries relating to money laundering and terrorist financing under the Applicable Laws of the respective Jurisdictions including the proper implementation of anti-money laundering and anti-terrorist financing procedures by Financial Institutions; and
 - (f) any matters agreed upon between the Authorities from time to time.

4. INSPECTION VISITS

- 4.1 In order to facilitate the effective consolidated supervision of financial conglomerates or financial groups, each Authority is entitled to undertake inspection visits on Financial Institutions that are subordinate parts of those conglomerates or groups in the other Authority's Jurisdiction.
- 4.2 Where an Authority intends to visit a Financial Institution in the other Authority's Jurisdiction, notice of the intended visit must be given to the other Authority, together with details of the nature and scope of the visit.
- 4.3 The Authority in whose Jurisdiction a Financial Institution is being visited will afford as full co-operation as possible in facilitating such a visit.
- 4.4 In undertaking such a visit the visiting Authority will invite officers of the resident Authority to attend the visit and the resident Authority may attend as it sees fit.
- 4.5 It is recognised that if either Authority has reason to believe that an inspection or on-site visit is for non-supervisory or non-regulatory purposes, it has the right to prevent the visit taking place or to terminate it and require the surrender of all information obtained for non-supervisory or non-regulatory purposes.

5. UNSOLICITED INFORMATION

- 5.1 Where one Authority has information that will assist the other Authority in the performance of its regulatory functions, the former may provide such information, or arrange for such information to be provided voluntarily, to the extent permitted by the Applicable Laws of its respective Jurisdiction even though the other Authority has made no request. The terms and conditions of this Memorandum of Understanding will apply if the providing Authority specifies that it is passing the information under this Memorandum of Understanding.

6. REQUESTS FOR ASSISTANCE, DOCUMENTS OR INFORMATION

- 6.1 This Memorandum of Understanding does not affect the ability of the Authorities to obtain assistance, documents or information from persons on a voluntary basis, provided that the Authorities observe procedures in the Jurisdiction of each Authority in doing so.
- 6.2 To facilitate communication and ensure continuity in the co-operation between the Authorities, each Authority designates the contact persons set forth in Appendix B hereto for communications under this Memorandum of Understanding.

- 6.3 A Requesting Authority will make requests for assistance, documents or information in writing addressed to a contact officer of the Requested Authority.
- 6.4 In urgent circumstances, oral requests for assistance, documents or information may be made but must be confirmed in writing within five business days of the request being made.
- 6.5 Urgent responses to requests for assistance, documents or information may be made by telephone, e-mail or facsimile, provided such communication is confirmed in writing within five business days of the response being made.
- 6.6 The request will include -
- (a) a description of both the subject matter of the request and the purpose for which the Requesting Authority seeks the assistance, documents or information;
 - (b) a description of the assistance, documents or information sought by the Requesting Authority;
 - (c) any information in the possession of the Requesting Authority that might assist the Requested Authority in identifying the persons, bodies or entities believed by the Requesting Authority to possess the assistance, documents or information sought, or the places where the Requested Authority may obtain such documents or information;
 - (d) the Applicable Laws concerning the matter that is the subject matter of the request and the relevance of the requested assistance, documents or information to the specified Applicable Laws or regulatory requirements;
 - (e) details of any other authorities, governmental or non-governmental, that are co-operating with the Requesting Authority or seeking assistance, documents or information from the confidential files of the Requesting Authority and to whom onward disclosure is likely to be necessary;
 - (f) details of any party, if any, to whom onward disclosure of the assistance, documents or 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
 - (g) the urgency of the request and the desired period of time for the reply.

6.7 Further procedures are set out in Appendix A for actual or possible enforcement actions.

7. EXECUTION OF REQUESTS

7.1 Where the Requested Authority is satisfied in accordance with this Memorandum of Understanding and the Applicable Laws governing the Requesting Authority that the assistance should be given, the Requested Authority will, to the extent permitted by the Applicable Laws, take all reasonable steps to provide the assistance, documents or information sought.

7.2 The Requested Authority shall use all the relevant means at its disposal for the execution of the request. The Authorities shall consult and agree on the types of enquiry that may be necessary for the execution of the request, including the provision of further information as to the circumstances surrounding the request, staff and other resources.

7.3 Each request will be assessed on a case-by-case basis by the Requested Authority to determine whether the assistance, documents or information can be provided under the terms of this Memorandum of Understanding.

8. PERMISSIBLE USES OF INFORMATION

8.1 Any assistance, documents or information provided under the terms of the Memorandum of Understanding shall only be used for the purposes as stated in clause 3.2. Any other purpose is not permitted without the written consent of the Requested Authority.

8.2 Where the Requesting Authority believes that sharing the assistance, documents or information, provided by the Requested Authority under this Memorandum of Understanding with a third party is necessary, it must inform the Requested Authority of the third party's interest and it must provide the Requested Authority with the opportunity to oppose such use.

8.3 If the Requested Authority opposes the sharing of the assistance, documents or information with a third party then the assistance, documents or information shall not be shared with the third party.

8.4 The Requesting Authority may consult with the Requested Authority concerning the reasons for the objection if the Requested Authority opposes such use.

8.5 The Requested Authority may choose to attach specific conditions to the provision of the assistance, documents or information that are not otherwise established by this Memorandum of Understanding. This

must be done in writing and acknowledged in writing by the Requesting Authority, which must comply with the conditions thus established.

- 8.6 Notwithstanding the restrictions in the use of assistance, documents or information received under the terms of the Memorandum of Understanding referred to in clause 8.1, the Authorities recognise that disclosure of such assistance, documents or information may occur where an enforceable demand is made on the Requesting Authority to disclose or where there is a statutory obligation on the Requesting Authority to do so. In such circumstances, the Requested Authority should notify the other Authority that a disclosure has been made, such notification to be made in advance where this is possible.

9. CONFIDENTIALITY

- 9.1 The Authorities will, to the full extent permitted by the Applicable Laws of their respective Jurisdictions, keep confidential:-
- (a) any request for assistance, documents or information pursuant to this Memorandum of Understanding;
 - (b) any confidential assistance, documents or information received or provided pursuant to this Memorandum of Understanding; and
 - (c) any matter arising during the operation of this Memorandum of Understanding, including consultations and unsolicited assistance.
- 9.2 Subject to clause 8.6, the Requesting Authority shall not disclose the assistance, documents or information obtained pursuant to this Memorandum of Understanding to third parties without the prior consent of the Requested Authority.
- 9.3 Notwithstanding the provisions of clauses 9.1 and 9.2, the confidentiality provisions of this Memorandum of Understanding shall not prevent the Authorities from informing the law enforcement or regulatory bodies in their respective jurisdictions of a request or from passing assistance, documents or information received pursuant to a request provided that:-
- (a) such agencies or bodies have responsibility for prosecuting, regulating or enforcing the Applicable Laws falling within the scope of this Memorandum of Understanding; or
 - (b) the purpose of passing on such assistance, documents or information to such an agency or body falls within the scope of this Memorandum of Understanding; and

- (c) an undertaking has been obtained from the recipient by the Requested Authority that it will maintain the confidentiality of the assistance, documents or information.

9.4 The Authorities' confidential treatment of assistance, documents and information will continue when either Authority gives notice of its intent to cease co-operation under this Memorandum of Understanding. The Authorities understand that the Applicable Laws of their respective Jurisdictions place limitations on use and disclosure of non-public assistance, documents or information obtained pursuant to this Memorandum of Understanding.

10. RIGHTS OF REQUESTED AUTHORITY

10.1 The Requested Authority may deny requests for assistance under the Memorandum of Understanding -

- (a) where the request would require the Requested Authority to act in a way that would violate the Applicable Laws of the Jurisdiction of the Requested Authority;
- (b) where the request is not in accordance with the provisions of this Memorandum of Understanding;
- (c) where corresponding assistance would not be given in the country or territory of the Requesting Authority;
- (d) where the request involves a breach of an Applicable Law or other requirement which has no close parallel in the country or territory of the Requested Authority or involves the assertion of a Jurisdiction not recognised in the country or territory of the Requested Authority;
- (e) on the grounds of public interest; or
- (f) where the request would obstruct an ongoing investigation or impair the operation of the Requested Authority.

10.2 Where the Requested Authority denies a request for assistance, or where assistance is not available under the Applicable Law of the Jurisdiction of the Requested Authority, the Requested Authority will provide the reasons why it is not granting the assistance. The Authorities will then consult pursuant to clause 11.

10.3 The Authorities recognise that they intend nothing in the Memorandum of Understanding to either limit or enhance the powers of the Authorities under the Applicable Laws of their respective Jurisdictions.

11. CONSULTATION

11.1 The Authorities will consult with each other to improve the operation of the Memorandum of Understanding and resolving any matters that may arise, including but not limited to -

- (a) matters of mutual interest to enhance co-operation and to protect investors and depositors by ensuring the stability, efficiency and integrity of the financial services industry in their respective jurisdictions,
- (b) the co-ordination of the regulation and supervision of Financial Institutions; and
- (c) the administration of the Applicable Laws of their respective Jurisdictions.

The purpose of such consultations is to assist in the development of mutually agreeable approaches for strengthening the financial services industries of their respective Jurisdictions whilst avoiding, whenever possible, conflicts that may arise from the application of differing regulatory practices.

11.2 The Authorities may take practical measures as may be necessary to facilitate the implementation of the Memorandum of Understanding. As such, the Authorities may amend, relax or waive any of the terms of the Memorandum of Understanding.

12. TERMINATION

12.1 This Memorandum of Understanding will continue in effect until the expiration of 30 days after either Authority gives written notice to the other Authority of its intention to terminate the Memorandum of Understanding. If either Authority gives such notice, this Memorandum of Understanding will continue to have effect with respect to all requests for assistance that the Authorities made before the effective date of notification until the Requesting Authority terminates the matter for which it requested assistance.

13. PUBLICATION

13.1 The Authorities agree that this Memorandum of Understanding can be published by either Authority.

14. EFFECTIVE DATE

14.1 This Memorandum of Understanding will be effective from the last date of its signing by the Authorities.

SIGNED on behalf of the Regulatory Authority in Doha, Qatar
on this 1st day of June 2006

**FOR AND ON BEHALF OF
QATAR FINANCIAL CENTRE REGULATORY AUTHORITY**



Phillip Thorpe - Chairman & Chief Executive Officer

SIGNED on behalf of the Jersey Financial Services Commission in St. Helier,
Jersey on the *BTH* day of *JUNE* 2006

**FOR AND ON BEHALF OF
THE JERSEY FINANCIAL SERVICES COMMISSION**



David Carse, OBE – Director General

APPENDIX A

1. ENFORCEMENT ACTION

- 1.1 If a request for assistance as described in this Memorandum of Understanding relates to actual or possible enforcement action, the following further details will be contained in the request:
- (a) a description of the conduct or suspected conduct which gives rise to the request;
 - (b) details of the Applicable Laws to which the request is relevant;
 - (c) the link between the specified Applicable Laws and the regulatory functions of the Requesting Authority;
 - (d) the relevance of the requested assistance to the specified Applicable Laws;
 - (e) the details of any Permitted Onward Recipient (if applicable); and
 - (f) whether it is desired that, to the extent permitted by the Applicable Laws applying to the Requested Authority, any persons from the Jurisdiction of the Requesting Authority should be present during, and participate in, interviews which form part of the investigation (see clause 4.7 below).
- 1.2 If, following a request from the Requesting Authority, the Requested Authority conducts an interview of any person, the Requested Authority may permit representatives of the Requesting Authority to attend such an interview and to ask questions. Such requests will be in accordance with the Applicable Laws of the Requested Authority and permission will be subject to the agreement of the interviewee.
- 1.3 The Authorities acknowledge that, subject to secrecy and confidentiality issues, an investigation, where it concerns suspected breaches of the Applicable Laws of both Jurisdictions, may be conducted more effectively by the establishment of a joint investigation involving members from both Authorities.

2. JOINT INVESTIGATIONS

- 2.1 The Authority suggesting a joint investigation will advise the other Authority of the background to the request for a joint investigation, and liaise with the other Authority to determine the likely objectives of the joint investigation, the expected resources required and the approximate duration of the proposed joint investigation. Each

Authority will advise the other as a soon as possible as to whether it will agree to such an investigation.

- 2.2 If the Authorities agree to take part in a joint investigation, an agreed initial action plan will be prepared setting out, among other things, the objectives, expected duration, funding, publicity and accountability arrangements, management of the joint investigation, and allocation of responsibilities.

3. COSTS OF INVESTIGATION

- 3.1 If it appears that the Requested Authority will incur substantial costs in responding to a request for assistance under this Memorandum of Understanding, the Requested Authority may, as a condition to executing the requests, require the Requesting Authority to contribute to its costs in an amount agreed upon by the Authorities.
- 3.2 Where work on a request for assistance is commenced without a cost sharing agreement and it subsequently becomes apparent that substantial costs have been, or will be, incurred, the two Authorities will enter into a cost sharing arrangement to cover these costs.

4. RIGHTS OF PERSON PRESERVED

- 4.1 Any person providing testimony, information or documents as a result of a request made under this Memorandum of Understanding 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 Requesting Authority, the Authorities will consult to determine the most appropriate way to proceed.