



**MEMORANDUM OF UNDERSTANDING
on Mutual Assistance and the Exchange
of Information**

between

The Isle of Man Insurance and Pensions Authority

and

The Qatar Financial Centre Regulatory Authority

1. Introduction

- 1.1 This Memorandum of Understanding is made between the Insurance and Pensions Authority (the 'IPA'), and the Qatar Financial Centre Regulatory Authority (the 'QFC Regulatory Authority').
- 1.2 The IPA and the QFC Regulatory Authority recognising the increasing international activity in insurance and pensions markets and the corresponding need for mutual co-operation between the relevant supervisory authorities as a means for improving their effectiveness in administering and enforcing the insurance laws of their respective jurisdictions, have reached the understanding set out below.
- 1.3 This Memorandum of Understanding will serve to promote the integrity and efficiency of the Authorities respective insurance markets and the exercise of insurance market supervisory functions.

2. Responsibilities

- 2.1 The IPA is responsible for the authorisation and ongoing regulation and supervision of companies carrying out insurance business in or from the Isle of Man, insurance companies incorporated on the Island, and for the regulation of pension schemes. It is also responsible for the registration of insurance management companies and insurance intermediaries carrying on general business. The IPA is constituted as a Statutory Board governed by the Statutory Boards Act of 1987 (an act of Tynwald).
- 2.2 The QFC Regulatory Authority was established under Qatar Financial Centre Law No. 7 of 2005 and is the independent financial services regulator of the Qatar Financial Centre ('QFC'). The QFC Regulatory Authority administers the QFC Financial Services Regulations No. 1 of 2005 and related QFC Rulebooks which provide, among other things, for the authorisation and supervision of all financial service providers, in the QFC.

3. Definitions

For the purposes of this Memorandum of Understanding, the terms set out below have the assigned meanings unless the context requires otherwise:

- a. 'Authority' means the IPA or the QFC Regulatory Authority, as the case may be, together referred to as 'the Authorities';
- b. 'Requested Authority' means the Authority to whom a request under this Memorandum is addressed;
- c. 'Requesting Authority' means the Authority making a request under this Memorandum;
- d. 'Authorised Institution' means any institution authorised to carry on business by either or both Authorities;

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- e. 'Cross-Border Establishment' means a Branch or Subsidiary of an Authorised Institution within one jurisdiction which falls under the consolidated or group wide supervisory (or prospective supervisory) responsibility of the other jurisdiction. Cross-border establishments include those entities where the IPA and QFC Regulatory Authority are host country supervisors;
 - f. 'Branch' means an organisational unit of an Authorised Institution incorporated in the QFC which has been granted a licence or an authorisation in the Isle of Man or an organisational unit of an Authorised Institution incorporated in the Isle of Man which has been granted a licence or an authorisation in the QFC;
 - g. 'Subsidiary' means an Authorised Institution incorporated in the QFC which is controlled by an Authorised Institution incorporated in the Isle of Man or an Authorised Institution incorporated in the Isle of Man which is controlled by an Authorised Institution incorporated in the QFC;
 - h. 'Person' means a natural person, unincorporated association, partnership, body corporate, government or government agency;
 - i. 'Laws, regulations and requirements' means any law or requirements applicable in the Isle of Man and/or the QFC and administered by the IPA or QFC Regulatory Authority, including any rule, direction, requirement, guidance or policy made or given by or to be taken into account by either Authority.;
 - j. "Permitted Onward Recipient" means an agency or authority responsible for prosecuting, regulating or enforcing applicable laws, regulations and requirements falling within the areas of responsibility of the Authorities;
 - k. 'On-Site Inspection' means an official inspection carried out at the premises of an Authorised Institution or a Cross-Border Establishment through duly authorised officers of either Authority and/or commissioned auditors and/or examiners.

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.

4. Principles

- 4.1 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 relevant laws or regulations in the jurisdictions of the Authorities.
- 4.2 The Authorities intend to provide one another with assistance under this Memorandum of Understanding to the full extent permitted by the laws, regulations and rules applicable to their respective statutory functions. Assistance from one Authority to the other will not, to the extent permitted by law, be limited to information

concerning institutions authorised, licensed, registered or recognised in the respective jurisdictions, or to applications made or being made, by an entity wishing to become an Authorised Institution.

- 4.3 This Memorandum of Understanding does not create any binding legal obligations upon the Authorities and does not modify or supersede any laws, regulations and requirements in force in the Isle of Man or the QFC. It does not, nor is it intended to, alter in any way the separate statutory constitution and responsibilities of the Authorities.
- 4.4 This Memorandum of Understanding does not prohibit an Authority from taking measures other than those identified in this Memorandum to obtain information necessary to ensure enforcement of, or compliance with, the laws, regulations and requirements in its jurisdiction.
- 4.5 This Memorandum of Understanding does not confer upon any Person not an Authority, the right or ability, directly or indirectly to obtain, suppress or exclude any information or to challenge the execution of a request for assistance under this Memorandum of Understanding.
- 4.6 The Authorities intend, where legal authorisation is lacking, to actively pursue all avenues towards obtaining, by law, all the necessary powers for the effective achievement of the objectives of the Memorandum of Understanding. The Authorities intend to inform each other of matters affecting their existing legal authority to effectively implement this Memorandum of Understanding.

5. Scope of Assistance

- 5.1 Each Authority proposes to ensure that information or other assistance is provided to the other, subject to its laws and overall policy, in relation to the administration and enforcement of the following responsibilities of the Authority:
 - a. administration of legislative provisions dealing with proposals for the establishment, acquisition and take-over of entities (including Authorised Institutions) conducting activities that the Authorities regulate;
 - b. monitoring, auditing, inspection and examination of Authorised Institutions for compliance with prudential, financial reporting and other supervisory requirements;
 - c. administration and enforcement of financial and other eligibility requirements for key positions of responsibility (including ownership) in Authorised Institutions;
 - c. administration and enforcement of the laws, regulations and requirements relating to insurance management business/pensions administration/ general insurance intermediaries;
 - d. the conduct of specific inquiries into the activities of Authorised Institutions;
 - e. ensuring compliance with disclosure and marketing requirements;

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- f. assisting in the discovery of and taking action against unlicensed businesses, or fraudulent practices in relation to financial products, relating to activities that the Authorities regulate;
 - g. any matters agreed upon between the Authorities from time to time evidenced in writing.
- 5.2 In response to requests for assistance, each Authority will use reasonable efforts to provide assistance to the other, subject to its laws and overall policy. Assistance may include, without limitation:
- a. providing information in the possession of the Requested Authority, including information about a financial group which may be relevant to the supervisory functions of the Requesting Authority (whether the Authorities share a home-host relationship or host-host relationship)
 - 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 persons;
 - e. questioning or taking testimony of persons designated by the Requesting Authority;
 - f. conducting inspections including On-Site Inspections or examinations of Persons or arranging the same; and
 - g. providing full support to a Requesting Authority wishing to conduct an On-Site Inspection of an Authorised Institution, including a Cross-Border Establishment, located in the jurisdiction of the Requested Authority.

6. Procedure for Making Requests

- 6.1 To facilitate communication and ensure continuity in the co-operation between the Authorities, each Authority designates the contact officers set forth in Appendix A. These persons will be the first point of contact for communications made under this Memorandum of Understanding.
- 6.2 A Requesting Authority will make requests for provision of information or other assistance in writing, or orally and confirmed in writing within ten business days, addressed to the contact officer of the Requested Authority. In cases of urgency the response to the requests for assistance may be effected by telephone, facsimile or e-mail provided such communication is confirmed in writing as soon as practically possible.

6.3 The request will include:-

- a. a general description of both the subject matter of the request and the purpose for which the Requesting Authority seeks the assistance or information;
- b. a general description of the information or other assistance sought by the Requesting Authority;
- c. the legal provisions concerning the subject matter of the request;
- d. 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 information sought, or the places where the Requested Authority may obtain such information;
- e. if the request for assistance is for the purposes of actual or possible enforcement action, the matters set out in paragraph 1 of Appendix B;
- f. if information is provided by the Requesting Authority for confirmation or verification, the information and the kind of confirmation or verification sought;
- g. whether any other authority, governmental or non-governmental, is co-operating with the Requesting Authority or seeking information from the confidential files of the Requesting Authority;
- h. 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;
- i. the urgency of the request and the desired period of time for the reply;
- j. any other matters specified by the Requested Authority and by the Laws, Regulations and Requirements applicable to the Requested Authority.

7. Procedure for Assessing Requests

7.1 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 the Memorandum. In any case where the request cannot be fulfilled in part or whole, the Requested Authority will consider whether there may be other assistance which can be given by itself or by any other authority in its jurisdiction. In particular, the Requested Authority will consider in appropriate cases whether the request might be dealt with via channels for mutual assistance in criminal matters.

7.2 The Requested Authority may, as a condition of agreeing that assistance is given under this Memorandum of Understanding, require the Requesting Authority to make a contribution to costs. Such a contribution may, in particular, be required where the cost of a request is substantial or where a substantial imbalance has arisen in the cumulative costs incurred.

7.3 A request for assistance may be denied by the Requested Authority:

- a. where the request does not substantially conform to this MOU;
- b. where the request would require the Requested Authority to act in a manner that would violate domestic law;
- c. where a criminal proceeding has already been initiated in the jurisdiction of the Requested Authority based upon the same facts and against the same Persons, or the same Persons have already been subject of final punitive sanctions on the same charges by the competent authorities of the jurisdiction of the Requested Authority, unless the Requesting Authority can demonstrate that the relief or sanctions sought in any proceedings initiated by the Requesting Authority would not be of the same nature or duplicative of any relief or sanctions obtained in the jurisdiction of the Requested Authority;
- d. where disclosure would interfere with an ongoing investigation
- e. on the grounds of public interest, taken to include issues affecting sovereignty, national security, and other essential interests.
- f. where the request, or some part of it, may relate to a possible breach of laws, regulations and requirements that involve an assertion of jurisdiction not recognised by the 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.

7.4 The Authorities recognise that assistance may be denied in whole or in part for any of the reasons mentioned in paragraph 7.3 in the discretion of the Requested Authority. Assistance will not be denied solely because the type of conduct under investigation would not be a violation of the Laws, Regulation and Requirements of the Requested Authority.

7.5 Where a request for assistance is denied the Requested Authority will provide the reasons for not granting the assistance and consult with the Requesting Authority whether there are may be other assistance that can be given by itself or by any other authority in its jurisdiction.

8. Undertaking of On-site Inspections

8.1 The Authorities shall give advance notice of an intention to undertake an On-Site Inspection of an Authorised Institution or a Cross-Border Establishment in the other Authorities jurisdiction. The Authority proposing to undertake an On-Site Inspection will confirm, in advance, the nature and scope of the visit and the other Authority will afford as full co-operation as possible in facilitating such a visit.

8.2 The Authority undertaking an On-Site Inspection shall invite officers of the other Authority to attend and that Authority may attend as it sees fit.

- 8.3 In other cases, assistance under this Memorandum of Understanding may include permitting the representatives of the Requesting Authority to participate in the conduct of enquiries made by the Requested Authority.
- 8.4 The main findings of On-Site Inspections undertaken by an Authority in the other Authority's jurisdiction, together with details of any action to be taken, to which the On-Site Inspection's findings have contributed, will be made available to the other Authority after the conclusion of the On-Site Inspection.

9. Unsolicited Information

- 9.1 Where one Authority has information that will assist the other Authority in the performance of its statutory functions, the former may provide such information, or arrange for such information to be provided, on a voluntary basis 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.
- 9.2 In the process of supervising Authorised Institutions and/or their Cross-Border Establishments an Authority may identify, and provide to the other Authority on a voluntary basis, information about, but not limited to:
- a. a suspicion of a breach or anticipated breach of rules or laws relevant to the statutory responsibilities of the other Authority;
 - b. concerns relating to an Authorised Institution both on a solo and consolidated basis;
 - c. applications by Authorised Institutions to establish a Cross-Border Establishment;
 - d. significant changes to ownership structures or the scope of business operations;
 - e. concerns about financial soundness (e.g. failure to meet capital adequacy or other financial requirements, significant losses, rapid decline in profits or a deterioration in profitability);
 - f. concerns arising from inspections, receipt of reports or from and meetings or other communications;
 - g. concerns arising from late and/or unreliable reporting;
 - h. concerns relating to annual audit reports and special audit reports, especially with regard to deficiencies concerning the safeguards against money laundering and terrorist financing; and
 - i. concerns relating to associated Persons including directors, senior managers, auditors or actuaries.

10. Consultation

- 10.1 The Authorities will endeavour to consult with each other to enhance regulatory cooperation, to improve the operation of the Memorandum of Understanding and to strive to resolve any matters that may arise.
- 10.2 Each Authority will advise the other if there is a significant change in market or business conditions or in legislation where such change is relevant to the operation of this Memorandum of Understanding.
- 10.3 Where the specific conduct set out in the request for assistance may constitute a breach of the laws, regulations or requirements in the jurisdictions of the Requesting and the Requested Authorities, the Authorities will consult to determine the most appropriate way to provide assistance.

11. Permissible Uses of Information

- 11.1 Any assistance or information provided under the terms of this Memorandum of Understanding should be used by the recipient only for the purpose of performing its regulatory and supervisory functions.
- 11.2 The Requesting Authority may not use information furnished for any purpose other than that notified to the Requested Authority.
- 11.3 The Authorities agree that a permitted purpose within the general framework of the use stated in the request for assistance includes:
- a. conducting a civil or administrative enforcement proceeding or enforcement activities (insofar as it is involved in the supervision of insurance activities or conduct that is the subject of the request), assisting in a criminal prosecution, or conducting any investigation for any general charge applicable to the violation of the provision specified in the request where such general charge pertains to a violation of the Applicable Laws administered by the Requesting Authority. This use may include enforcement proceedings which are public; and
 - b. providing information obtained under this Memorandum of Understanding to a Permitted Onward Recipient.
- 11.4 If the Requesting Authority wishes to use the information obtained for any purpose other than that notified to the Requested Authority in the original request, the Requesting Authority must, subject to section 14 of this Memorandum of Understanding, seek and obtain the consent in writing of the Requested Authority prior to the use of such information.

12. Confidentiality

- 12.1 The Authorities will, to the full extent permitted by the laws, regulations and requirements, keep confidential:-

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- a. any request for assistance or information pursuant to this Memorandum of Understanding;
 - b. any information received pursuant to this Memorandum of Understanding; and
 - c. any matter arising during the operation of this Memorandum of Understanding, including consultations and unsolicited assistance.

12.2 The Requesting Authority shall not disclose the assistance or information obtained pursuant to this Memorandum of Understanding to third parties without the prior written consent of the Requested Authority.

12.3 Where the Requesting Authority believes that sharing confidential information with a third party is necessary, it must inform the Requested Authority of the third party's interest in this information and it must provide the Requested Authority with the opportunity to oppose such use. The Requesting Authority may consult with the Requested Authority concerning the reasons for the objection if the Requested Authority opposes such use.

12.4 Notwithstanding the confidentiality provisions of this Memorandum of Understanding an Authority will not be prevented from informing the law enforcement bodies in its jurisdiction when disclosure is required pursuant to a legally enforceable demand.

12.5 If any Authority becomes aware that information passed under this Memorandum of Understanding may be subject to a legally enforceable demand to disclose, it will, to the extent permitted by laws, regulations and requirements, inform the other Authority of that demand. The Authority subject to the demand will assert the appropriate legal exemptions and privileges with respect to that information as may be available and will consult with the Authority that supplied the information subject to the demand, before complying with any such demand unless this is not practicable for reasons of urgency.

12.6 The Authorities confidential treatment of assistance and information will continue, in relation to information passed under this Memorandum of Understanding, when either Authority gives notice of its intent to cease cooperation under this Memorandum of Understanding. The Authorities understand that the laws, regulations and requirements may place limitations on the use and disclosure of non-public information obtained pursuant to this Memorandum of Understanding.

13. Costs

Without limiting paragraph 7.2, if the cost of fulfilling a request is substantial, the Requested Authority may require the Requesting Authority to make a contribution to costs.

14. Waiver

Any of the conditions of this Memorandum of Understanding may be relaxed or waived by mutual agreement.

15. Termination

15.1 This Memorandum of Understanding will continue to have effect unless terminated by one of the Authorities by giving thirty days advance written notice to the other Authority that the understandings set out herein are no longer to have effect.

15.2 Termination of this Memorandum of Understanding does not affect obligations under this Memorandum of Understanding relating to confidentiality of information, which shall continue to have effect.

16. Entry into effect

This Memorandum will be effective from the date of its signature below.

SIGNED on this 4 day of June 2007

FOR THE INSURANCE AND PENSIONS AUTHORITY



.....
D A Vick – Chief Executive

FOR THE QATAR FINANCIAL CENTRE REGULATORY AUTHORITY



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Phillip Thorpe – Chairman & CEO

APPENDIX A

Contacts

For: Insurance and Pensions Authority

| | | Email |
|--------------------------------|---|---------------------------|
| Chief Contact: | David A Vick <i>Chief Executive</i> | david.vick@ipa.gov.im |
| Life Assurance and Pensions | Mrs Suzanne M Collins suzanne.collins@ipa.gov.im <i>Manager Life Assurance & Pensions</i> | |
| Financial Matters | Mr Martin Elliott Manager Finance and Development | martin.elliott@ipa.gov.im |

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Appendix B

Enforcement Matters

Further details to be contained in requests for assistance:

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 law, regulation, or requirement to the administration of which the request is relevant;
 - (c) the link between the specified rule or law and the regulatory functions of the requesting Authority;
 - (d) the relevance of the requested assistance to the specified rule or law; and
 - (e) whether it is desired that, to the extent permitted by the 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 an investigation (see clause 3 below).

Request to sit in

2. If, following a request from the Requesting Authority, the Requested Authority conducts an interview of any person the Requested Authority may seek the consent of the person being interviewed for a representative of the Requesting Authority to attend such interview and to ask questions. Such requests will be in accordance with the legislation of the Requested Authority.

Joint Investigations

3. The Authorities acknowledge that, subject to secrecy and confidentiality issues, an investigation, where it concerns suspected breaches of the law of both jurisdictions, may be conducted more effectively by the establishment of a joint investigation involving members from both Authorities.
4. The Authority suggesting the joint investigation will advise the other Authority of the background to the request for a joint investigation, and liaise with the 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 soon as possible as to whether it will agree to such an investigation.

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5. 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.

Rights of Persons

6. The Authorities will consult about the rights and protections a Person will be entitled to when providing testimony, information or documents as a result of a request made under this Memorandum of Understanding.