



**Memorandum of Understanding (“MOU”)**

**Between**

the AUTORITÉ DES MARCHÉS FINANCIERS (AMF)

**and**

the NATIONAL FUTURES ASSOCIATION (NFA)

## **Recitals**

- A. National Futures Association (NFA) was granted designation as a "registered futures association" by the U.S. Commodity Futures Trading Commission (CFTC) in September 1981, and NFA began its regulatory operations on October 1, 1982. As the industrywide, self-regulatory organization for the U.S. futures industry, NFA provides innovative regulatory programs and services that ensure futures industry integrity, protect market participants and assist its Members meet their regulatory responsibilities.
  
- B. The French Autorité des marchés financiers (AMF) was created by law No. 2003-706 of August 1<sup>st</sup> 2003 article 2 "to deal with protection of the savings invested in financial instruments and all other investments which give rise to public offerings, the information provided to investors, and the proper functioning of the market of financial instruments".
  
- C. NFA and the AMF wish to enter into this MOU to provide a formal basis for the exchange of market surveillance and financial regulatory information to perform more effectively their regulatory functions and ongoing supervision of regulated firms.

## **Operative Part**

### **Definitions**

- 1. In this MOU, unless the context requires otherwise:
  - a. "Administering" an applicable law, regulation or requirement includes enforcing the same;
  - b. "Laws" means any law, regulation, or regulatory rules or requirement applicable in the United States of America and/or in France and, where the context permits, includes any rule, guidance or policy made or given by or to be taken into account by an Authority;
  - c. "Authority" means NFA or the AMF;
  - d. "Authorities" means NFA and the AMF;
  - e. "Requesting Authority" means the Authority making a request under this MOU;
  - f. "Requested Authority" means the Authority to whom the request is made under this MOU;
  - g. "AMF" means the Autorité des marchés financiers;
  - h. "NFA" means the National Futures Association;
  - i. "Agency" or "Agencies" means a national governmental or non-governmental public agency responsible for prosecuting, regulating or enforcing Laws falling



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within the areas of responsibility of the Authority, and with respect to the AMF, this shall also include the Public Prosecutor;

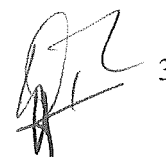
- j. "Third party" means a third party natural person, legal entity, partnership or unincorporated association;
- k. "Information" means either Authority's confidential, proprietary and non-public information, including any and all intellectual property rights, title, and interest. For example, this could include any relevant information relating to the activities of the individuals or bodies regulated and supervised by the Authorities, in particular, the registration and licensing information of supervised individuals or bodies, their disciplinary history, and with respect to supervisory examination and inspections, the substance of inspection reports (any and all issues identified and addressed during such examinations or inspections, actions (and action plans) taken in response to issues identified, and all outstanding issues), information on the transactions (name of client buy side/sell side, name of intermediary, and reason for operation), and any other information mutually agreed upon by the Authorities on a case-by-case basis.

### **Purpose and Principles**

- 2. The purpose of this MOU is to establish a formal basis for co-operation between the Authorities, including the exchange of Information.
- 3. This MOU does not modify or supersede any Laws in force and applying to the Authorities. This MOU sets forth a statement of intent and accordingly does not create any enforceable rights, any legally binding obligations or agreement. Provided however, the provisions set forth in Sections 13, 14 and 15 shall be binding upon the Authorities and survive the termination of the MOU.
- 4. The Authorities acknowledge that they may provide Information under this MOU only if permitted or not prevented under any Laws or Agency.

### **Scope of Assistance**

- 5. NFA and the AMF agree that the scope of assistance shall be as follows:
  - a. The Authorities shall endeavour to provide each other with full assistance in any matters falling within their competence, including in particular the following areas:
    - i. Investigations and enforcement in connection with applicable laws or regulations relating to insider dealing, market manipulation and other fraudulent or manipulative practices in the securities and futures fields;



- ii. Investigation and enforcement of, and monitoring compliance with, applicable laws and regulations relating to dealing in, advising on and the management, administration and safekeeping of securities and futures;
  - iii. Licensing and registration of individuals and bodies under the regulation and supervision of the Authorities;
  - iv. To the extent relevant, enforcing and monitoring compliance with applicable laws and regulations relating to the disclosure of interests in securities and futures, takeover bids or the acquisition of influence over financial intermediaries; and,
  - v. The supervision of the financial markets.
- b. In cases where the information requested may be maintained by, or available to, another authority within the country of the Requested Authority, NFA and the AMF will endeavour to provide full assistance in obtaining the information requested to the extent permitted by law. If necessary, the Requested Authority shall provide the Requesting Authority with sufficient information to establish direct contact between the Requesting Authority and the other authority.
- c. The Requested Authority shall endeavour to assist the Requesting Authority, through reasonable measures, in correcting inaccurate Information if such assistance is requested by the Requesting Authority.
- d. A request for assistance may be denied by the Requested Authority:
- i. Where the request would require the Requested Authority to act in a manner that would violate domestic law;
  - ii. 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 the subject of the 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;
  - iii. Where the request is not made in accordance with the provisions of this MOU;
  - iv. Where the provision of assistance would be so burdensome as to disrupt the proper performance of the Requested Authority's functions;



- v. Where compliance with the request may otherwise be prejudicial to the performance by the Requested Authority of its functions or business objectives;
  - vi. On grounds of public interest or essential national interest; and,
  - vii. Where the Authorities, after consultation, mutually agree that compliance with the request would not be in the best interests of either or both Authorities.
- e. Assistance will not be denied based on the fact that the type of conduct under investigation would not be a violation of the Laws and Regulations of the Requested Authority.
  - f. Where a request for assistance is denied, or where assistance is not available under domestic law, the Requested Authority will provide the reasons for not granting the assistance in writing to the Requesting Authority.

#### **Provision of Unsolicited Information**

- 6. The Authorities may provide to each other or arrange to be provided, to the extent permitted by their respective national law and procedures, without prior request and solely on a voluntary basis, Information which it believes to be helpful to the other Authority for the discharge of its functions and for the purposes, which it may specify in the communication.

#### **Requests for Assistance**

- 7. If a request for assistance is made, each Authority will use reasonable efforts to provide assistance to the other, subject to the Laws and overall internal Authority policy. Assistance may include, but is not limited to, for example:
  - 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; or
  - c. Exchanging Information on or discussing issues of mutual interest.

In the event that the Requesting Authority seeks additional Information beyond (a)-(c) above, the Authorities will discuss the request on a case by case basis and may take additional steps provided that they are in furtherance of the Authorities' respective regulatory purposes.

#### **Procedure for Requests**

- 8. Requests for the provision of Information shall be made in writing. To facilitate assistance, the Requesting Authority should specify in any request:



- a. The specific Information or other regulatory assistance requested. This should include reference to relevant rules and/or a description of the supervisory review and/or the facts underlying the investigation that are subject of the request and the purpose for which the assistance is sought;
- b. Any information known to, or in the possession of, the Requesting Authority that might assist the Requested Authority in identifying either the persons believed to possess the information or documents sought or where places where such information may be obtained;
- c. An indication of any special precautions that should be taken in collecting the information due to investigatory considerations, including the sensitivity of the information;
- d. If Information is provided by the Requesting Authority for confirmation or verification, the Information and the kind of confirmation or verification sought;
- e. The purpose for which the Information or other assistance is sought and the reference to applicable laws and regulations that may have been violated;
- f. Those Agencies, if any, including the Public Prosecutor, to whom onward disclosure of Information provided to the Requesting Authority is likely to be necessary;
- g. Any other matters specified by the Requesting Authority and by the applicable laws, regulations and requirements in relation to the Requested Authority; and,
- h. In instances of urgent circumstances, requests for assistance may be effected by telephone or facsimile, provided such communication is confirmed through an original, signed document.

### **Costs**

9. If the cost of fulfilling a request is likely to be substantial (i.e., entail extraordinary efforts, or is outside the ordinary course of business), 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.

### **Permissible Use of Information**

10. The Requesting Authority may use non-public information and non-public documents furnished in response to a request for assistance under this MOU solely for:
  - a. The purposes set forth in the request for assistance, including ensuring compliance with the Laws and Regulations related to the request; and

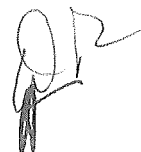


- b. A purpose within the general framework of the use stated in the request for assistance, including conducting a civil or administrative enforcement proceeding, assisting in a self-regulatory organization's surveillance or enforcement activities (insofar as it is involved in the supervision of trading 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 Laws and Regulations administered by the Requesting Authority. This use may include enforcement proceedings which are public.
- c. In the event that information provided by NFA to the AMF leads the AMF to submit a request for assistance to the US Commodities and Futures Trading Commission (CFTC), NFA expressly authorizes the AMF to use the information provided by NFA in connection with its communications with the CFTC in an appropriate manner. In this event, the AMF will provide notice to NFA either prior to, or simultaneously with, its request to the CFTC.

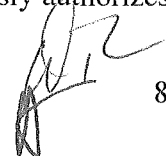
If a Requesting Authority intends to use information furnished under this MOU for any purpose other than those stated in (a) – (b) above, it must obtain the written consent of the Requested Authority.

### **Confidentiality**

- 11. The Authorities shall maintain strict confidentiality in respect to any Information, including but not limited to, non-public document, data or Information which has become known to them in connection with this MOU.
  - a. The Authorities agree that they will keep confidential all non-public information shared under this MOU, including but not limited to, any requests made under this MOU, the contents of such requests, and any matters arising under this MOU, including consultations between or among the Authorities, and unsolicited assistance. After consultation with the Requesting Authority, the Requested Authority may disclose the fact that the Requesting Authority has made the request if such disclosure is required to carry out the request.;
  - b. A Requesting Authority will provide prior written notice to the Requested Authority if the Requesting Authority discloses any non-public information received from the Requested Authority to a Third party. However, the Authorities shall not use, disclose, copy or publish any Information for any purpose other than as provided under this MOU without the prior written approval of the disclosing party unless or until the Information is:
    - i. Lawfully in receiving party's possession prior to this MOU and not under a duty of non-disclosure;



- ii. Voluntarily disclosed by a third party so long as that party is not under a duty of non-disclosure;
  - iii. Voluntarily disclosed to the public by the disclosing party; or
  - iv. Generally known to the public.
- c. The permitted disclosures in section 11 shall not apply to any intellectual property disclosed by one Authority to the other, but rather that a Requesting Authority understands and agrees that it will hold such Information in confidence, and that prior to disclosing such intellectual property to any Agency or Third party, the Requesting Authority will request and obtain the prior written consent of the Requested Authority, such consent to be at the Requested Authority's sole discretion.
- d. All intellectual property rights, title and interest associated with each Authority's Information, including without limitation, patent, trademark, copyright, trade secret rights, and moral rights shall remain in the respective Authority. Further, neither Authority will use, in any manner, including advertising or publicity or in any way related to this MOU or the subject matter hereof, the name of the other Authority or its affiliates or any of their directors, officers, managers, employees, consultants or agents or any trade name, trademark, service mark, logo, symbol or copyright, whether any of the above are registered or unregistered, of the other Authority or its affiliates, except with the express written consent of such other Authority. Notwithstanding anything set forth above, the Authorities may use the name of the other Authority in preparing its investigative or examination reports as well as include information submitted to the respective Authority in its official files.
- e. If there is a legally enforceable demand for Information supplied under this MOU, the Requesting Authority who has received the demand will, to the extent permitted by law, notify the Requested Authority that supplied the Information subject to the demand and receive its consent prior to disclosing such information, unless this is not practicable for reasons of urgency. In the event of a legally enforceable demand, the Requesting Authority will notify the Requested Authority prior to complying with the demand. If the Requested Authority that supplied the Information does not consent to such disclosure, then the Requesting Authority receiving the demand will use all reasonable legal means to resist such a demand, including asserting such appropriate legal exemptions or privileges with respect to that information as may be available. Notwithstanding anything otherwise set forth herein, NFA may disclose Information: a) to the extent revealed to a government agency with regulatory or oversight legal competence over NFA; or b) in the course of fulfilling any of NFA's regulatory responsibilities, including responsibilities under the Commodity Exchange Act or other applicable law. In the event that the AMF provides information to NFA that leads NFA to believe it should inform other SROs of the facts revealed by this information in order for these to carry out their disciplinary responsibilities, the AMF expressly authorizes





NFA to use the information provided by the AMF in connection with its communications with the other SROs in an appropriate manner. In this event, NFA will provide notice to the AMF prior to its transmission of information so that the AMF may in particular check that no confidential information of commercial nature is transmitted to an SRO also operating a market. Notwithstanding anything otherwise set forth herein, AMF may disclose Information to the institutions listed in article L. 631-1 of the Monetary and Financial Code.

Where the specific conduct set out in the request for assistance may constitute a breach of a law, regulation or requirement in both the territory of the Requesting and the Requested Authorities, the relevant Authorities will consult to determine the most appropriate means for each Authority to provide assistance.

### **Warranty Disclaimer and Limitation of Liability**

12. The Authorities hereby disclaim and make no representations or warranties, expressed or implied, as to merchantability, non-infringement, data accuracy, accuracy of informational content, data handling capabilities, or otherwise, with respect to this MOU. Except for any breach of Section 11 Confidentiality, NFA and the AMF will not be liable for, nor will the measure of damages include, any indirect, incidental, special or consequential damages, including lost profits or savings, arising out of or relating to its actions or omission under this MOU, even if NFA and the AMF has been advised of the possibility of such losses or damages.

### **Commencement and Termination**

13. This MOU will take effect when both Authorities have signed it and will continue to have effect until terminated by either Authority giving thirty (30) days advance written notice to the other Authority.

### **Disputes and Changes**

14. The Authorities shall use reasonable efforts to settle amicably all disputes arising out of or in connection with the Agreement or its interpretation. All changes or modifications to this Agreement must be agreed to in writing between the Authorities.

### **Contact Points**

15. The Authorities will provide a list of contact points to which Information or requests for information or assistance under this MOU should be directed, and which should be updated when necessary.



NFA


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National Futures Association  
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AMF

Jean-Pierre Jouyet  
Président  
Autorité des marchés financiers  
17 Place de la Bourse  
75002 Paris cedex 2

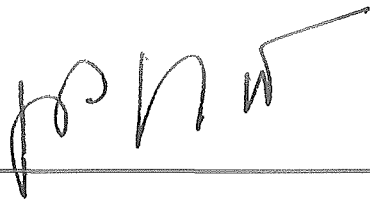
**Executed by the Authorities:**

**For NFA:**

  
\_\_\_\_\_  
[Signature]

Date: October 18, 2010

**For the AMF:**

  
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[Signature]

Date: Le 14 octobre 2010