

Memorandum of Understanding

between

Commission des Opérations de Bourse

and

Guernsey Financial Services Commission

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

June 16, 2003

A handwritten signature in the bottom left corner, consisting of a stylized, cursive 'A' followed by a vertical line.A handwritten signature in the bottom right corner, featuring a large, sweeping 'C' shape followed by a vertical line and a small flourish.

The Commission des Opérations de Bourse and the Guernsey Financial Services Commission, in the light of the increasing internationalisation, harmonisation and interdependence of global financial markets, recognise the need to develop and maintain a close and co-operative relationship in order to

- promote the integrity, efficiency and soundness of financial markets;
- enhance investor protection through the strengthening of cross-border supervision; and
- facilitate the performance of supervisory functions and the effective enforcement of laws and regulations governing financial markets.

The Commission des Opérations de Bourse and the Guernsey Financial Services Commission have thus reached the following understanding:



Article 1 - Principles

The purpose of this Memorandum of Understanding is to establish a general framework for co-operation and consultation between the Authorities referred to hereinafter, in order to facilitate the fulfilling of their supervisory responsibilities.

Article 2 - Definitions

"Authority" means :

- a) the Commission des Opérations de Bourse (COB) of France,
- b) the Guernsey Financial Services Commission (GFSC) of Guernsey.

"Requested Authority" means the Authority to whom a request is made under this Memorandum of Understanding.

"Requesting Authority" means the Authority making a request under this Memorandum of Understanding.

"Laws or regulations" means any laws or regulations in force in the respective states of the Authorities.

"Person" means any natural or legal person.

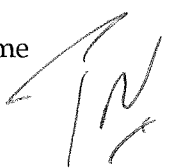
"Financial Instruments" means shares, bonds and other forms of securitised debts, futures and derivative products including commodity derivatives, units of undertakings in collective investment schemes and other financial products traded in the respective states of the Authorities.

"Regulated markets" means:

- Le premier marché et le second marché de la SBF-Bourse de Paris;
- Le marché des EDR (European Depositary Receipts)
- Le Nouveau Marché;
- Le MATIF;
- Le MONEP; and
- The Channel Islands Stock Exchange, LBG

and any other securities and derivatives market supervised by the Authorities.

"Intermediary" means any investment firm, bank, collective investment scheme and any other person acting within the scope of competence of the Authorities.



“Issuer” means a person making an offer to the public or seeking listing of a security.

Article 3 - Scope of assistance

1. The Authorities shall provide each other with the fullest mutual assistance in any matters falling within the competence of the Authorities, including in particular the following areas:
 - a) investigations and enforcement in connection with applicable laws or regulations relating to insider dealing, dissemination of false information, market manipulation and other fraudulent or manipulative practices in the securities field,
 - b) 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,
 - c) checking that the conditions for the taking up of (or continuing in) business as an Intermediary are met (including e.g. the enforcement of requirements to be authorised),
 - d) enforcing and monitoring compliance with applicable laws and regulations relating to the disclosure of interests in securities, takeover bids or the acquisition of influence over financial intermediaries,
 - e) the supervision of the financial markets, including the clearing and settlement, the monitoring and surveillance of OTC -transactions in securities listed on the Regulated Markets defined in this Memorandum,
 - f) enforcing or monitoring compliance with applicable laws relating to the duties of issuers and offerors of securities in relation to the disclosure of information.
2. In cases where the information requested may be maintained by, or available to, another authority within the country of the Requested Authority, the Authorities 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.
3. A request for assistance must be made in accordance with this Memorandum. Subject to article 5 the Requested Authority may only refuse to act on a request for assistance where communication of the information might adversely affect the sovereignty, security or public policy of the State of the Requested Authority or where judicial proceedings for the imposition of criminal penalties have already been initiated or where final judgment has already been passed or administrative sanctions have already been applied by the competent Authorities, in the jurisdiction of the requested Authority, in respect of the same actions and against the same persons.

4. To the extent permitted by their respective national laws and procedures and without prior request, each Authority should provide any other Authority with any relevant factual information available to it and 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 (unsolicited information).
5. This Memorandum constitutes a basis for cooperation between the Authorities and its execution will take place in accordance with the laws and regulations enforceable in France and Guernsey. This memorandum does not grant any obligation to be executed by third parties and can not prejudice the public policy of the State of the requested Authority.

Article 4 - Requests for Assistance

1. Requests for assistance shall be made in writing and addressed to the contact person of the Requested Authority listed in Annex A.
2. In case of emergency, requests for information and replies to such requests may be transmitted orally provided that these requests are confirmed in the manner required in this Article unless the Requested Authority agrees to waive such requirements.
3. To the extent available to the Requesting Authority and in order to facilitate the Requested Authority's work the Request should specify the following:
 - i. a description of the subject matter of the request and the purpose for which the information is sought and the reasons why this information will be of assistance;
 - ii. a description of the specific information requested by the Requesting Authority;
 - iii. in so far as the request results from investigations of violations of any laws or regulations, a short description of the relevant provisions that may have been violated and, if known to the Requesting Authority, a list of the persons or institutions believed by the Requesting Authority to possess the information sought or the places where such information may be obtained;
 - iv. in so far as the request concerns information relating to transactions in specific securities:
 - a description of the securities in question as precise as possible (including e.g. the securities code),
 - the names of the intermediaries whose dealings in financial instruments is of concern to the Requesting Authority,
 - the dates between which transactions in the securities are considered relevant for the purposes of the request,

- the names of any persons on behalf of whom relevant transactions in financial instruments are believed or suspected to have been entered into;
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- v. in so far as the request relates to an information concerning the business or activities of any person, such precise information as the Requesting Authority is able to provide so as to enable such persons to be identified;
 - vi. an indication of the sensitivity of the information contained in the request and an indication as to whether the Requesting Authority is content with the fact that the requested authority may disclose the requesting authority request to third persons whom the Requested Authority may need to approach for information;
 - vii. whether the Requesting Authority is or has been in contact with any other authority or law enforcement agency in the State of the Requested Authority in relation to the subject matter of the request;
 - viii. any other Authority whom the Requesting Authority is aware has an active interest in the subject matter of the request;
 - ix. an indication of the urgency of the request, or the desired time period for the reply.

Article 5 - Execution of Requests for Assistance

1. To the extent permitted by law, the Requested Authority shall take all reasonable steps to obtain and provide the information sought.
2. The Requested Authority shall use 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 a request.
3. To the extent permitted by law, the Requesting Authority shall provide the Requested Authority with such further assistance as may reasonably be required for the efficient execution of the request including the provision of further information as to the circumstances surrounding the request, staff or other resources.
4. The Authorities will consider (to the extent permitted by law) conducting joint investigations in cases where the request for assistance concerns violations of laws or regulations, where they would assist in the effective investigation of the alleged violations. The Authorities should consult to define the procedures to be adopted for conducting any joint investigation, the sharing of work and responsibilities and the follow up actions to such investigations.

Article 6 - Permissible Uses of the Information Exchanged and Confidentiality

1. The Authorities shall use the information exchanged solely for the purposes of:
 - securing compliance with or enforcement of the domestic laws or regulations specified in the Request;
 - initiating, conducting or assisting in criminal, administrative, civil or disciplinary proceedings resulting from the violation of the laws or regulations specified in the Request;
 - any of the particular purposes specified in Art. 3 (1) a.-f. to the extent that they fall within the competence of the Requesting Authority.
2. The Authorities to which unsolicited information is supplied will use this information solely for the purposes stated in the transmission letter or for the purposes of criminal or administrative proceedings or for the discharge of the obligation to report to judicial authorities.
3. To the extent permitted by law, each Authority will keep confidential any request for assistance made under this Memorandum of Understanding, the contents of such requests and the information received under this Memorandum of Understanding as well as the matter arising in the course of its operation, in particular consultations between Authorities.
4. If an Authority receives any legally enforceable demand for information received from the other Authority or acquired in the course of an on-site examination in the other Authority's jurisdiction or if it is legally required to disclose such information (for instance by legislation relating to money laundering offences), it will promptly notify the other Authority and to the extent permitted by law will co-operate in seeking to preserve the confidentiality of such information.
5. If an Authority intends to use or disclose information furnished under this Memorandum for any purpose other than those stated in this Article, it must obtain the prior written consent of the Authority which provided the information. If the Requested Authority consents to the use of the information for purposes other than those stated, it may subject it to certain conditions.
6. If an Authority decides to make public an administrative or a disciplinary sanction within the course of its duties it may, with the consent of the Authority providing the information, indicate that the successful outcome of the case has been achieved with the aid of the international co-operation mechanisms provided for in this Memorandum of Understanding.



Article 7 - Consultations

1. The Authorities will review the implementation of this Memorandum of Understanding regularly and conduct consultations in order to improve its operation and to resolve possible difficulties.

Article 8 - List of Regulated Markets and Directory of Competent Authorities

1. The Authorities will submit any changes to the list of regulated markets as referred to in this Memorandum of Understanding in Article 2 (7) and make available the relevant rules of procedures and operation of these regulated markets upon request. The Authorities might consider making available the list of regulated markets under their respective jurisdiction on their Internet homepages.
2. The Authorities will provide each other with a directory of competent authorities within their jurisdictions, setting out the responsibilities of each body. In case of any changes thereto, the respective Authority will provide the other Authority with an updated version of the directory.

Article 9 - Amendments to the Memorandum of Understanding

The Authorities may by common consent make amendments and add further Annexes to the Memorandum of Understanding they consider necessary.

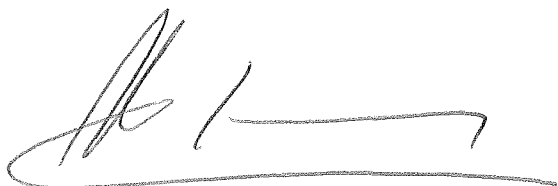
Article 10 - Entry into Effect and Termination

1. This Memorandum of Understanding shall be effective as to the undersigned at the date set out below this Article.
2. This Memorandum of Understanding shall be concluded for an unlimited period of time and may be denounced by any of the Authorities at any time by giving, at least, thirty days prior written notice to each other Authority. If the Requested Authority undertakes to denounce the Memorandum of Understanding, requests for information communicated before the effective date of denunciation will still be processed under this Memorandum of Understanding.

DONE in Paris in quadruplicate, this
text being equally authoritative.

, two in French, two in English, each

For the **Commission des Opérations de Bourse**



.....
Jean-François Lepetit, Chairman

For the **Guernsey Financial Services Commission**



.....
Peter Neville Director General

ANNEX - DESIGNATED CONTACT OFFICERS

Commission des Opérations de Bourse
17 place de la Bourse
75082 Paris Cedex 2
FRANCE

For all Enforcement supervision purposes:

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