



MEMORANDUM OF UNDERSTANDING

BETWEEN

THE CAPITAL MARKETS AUTHORITY (CMA)
(Lebanon)

AND

THE AUTORITE DES MARCHES FINANCIERS (AMF)
(France)

IN RELATION TO

ASSISTANCE AND MUTUAL CO-OPERATION

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1. Introduction

- 1.1. The Capital Markets Authority" (CMA - Lebanon), was established under the Law 161 of August 17, 2011. The CMA ensures the protection of savings invested in Financial Instruments, encourages the capital markets in Lebanon, and coordinates between the various concerned sectors.
- 1.2. The Autorité des marchés financiers (AMF - France) was formed on August 1st 2003 from the merger of the Commission des opérations de bourse (COB), the Conseil des marchés financiers (CMF) and the Conseil de discipline de la gestion financière (CDGF) "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".
- 1.3. Desiring to provide one another with the fullest mutual assistance possible to facilitate the performance of the functions with which they are entrusted within their respective jurisdictions to enforce or secure compliance with their laws and regulations as those terms are defined herein,

Have reached the following understanding:

2. Definitions

For the purposes of this Memorandum of Understanding:

- 2.1 "Authority" means the French Autorité des marchés financiers (AMF) or the Capital Market Authority of Lebanon (CMA), as the case may be.

"Authorities" means the French Autorité des marchés financiers (AMF) and the Capital Market Authority of Lebanon (CMA).
- 2.2 "Requested Authority" means the Authority to whom a request for assistance or information is made pursuant to article 3 of this Memorandum of Understanding.
- 2.3 "Requesting Authority" means the Authority making a request for assistance or information is made pursuant to article 3 of this Memorandum of Understanding.
- 2.4 "Laws and Regulations" mean the provisions of the laws of the jurisdictions of the Authorities, the regulations promulgated thereunder, and other regulatory requirements that fall within the competence of the Authorities, concerning the following:

- a. insider dealing, market manipulation, misrepresentation of material information and other fraudulent or manipulative practices relating to securities and derivatives, including solicitation practices, handling of investor funds and customer orders;
- b. the registration, issuance, offer, or sale of securities and derivatives, and reporting requirements related thereto;
- c. market intermediaries, including investment and trading advisers who are required to be licensed or registered, collective investment schemes, brokers, dealers, and transfer agents; and
- d. markets, exchanges, and clearing and settlement entities.

2.5 "Person" means a natural or legal person, or unincorporated entity or association, including corporations and partnerships.

3. Preamble

The purposes of this Memorandum of Understanding are for (i) establishing a framework for mutual assistance between both Authorities and (ii) providing technical assistance between both Authorities.

MUTUAL ASSISTANCE AND THE EXCHANGE OF INFORMATION

4. General principles regarding mutual assistance and the exchange of information

This Memorandum of Understanding sets forth the Authorities' intent with regard to mutual assistance and the exchange of information for the purpose of enforcing and securing compliance with the respective Laws and Regulations of the jurisdictions of the Authorities.

This MOU is a statement of intent and doesn't create any legally binding obligations on the parties or supersede domestic laws and regulations.

- 4.1 This Memorandum of Understanding does not authorize or prohibit an Authority from taking measures other than those identified herein to obtain information necessary to ensure enforcement of, or compliance with, the Laws and Regulations applicable in its jurisdiction.

- 4.2 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.
- 4.3 The Authorities recognize the importance and desirability of providing mutual assistance and exchanging information for the purpose of enforcing, and securing compliance with, the Laws and Regulations applicable in their respective jurisdictions. A request for assistance may be denied by the Requested Authority:
- a) where the request would require the Requested Authority to act in a manner that would violate domestic Laws and Regulations ;
 - b) 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 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.
 - c) where the request is not made in accordance with the provisions of this Memorandum of Understanding; or
 - d) on grounds of public interest or essential national interest.

Where a request for assistance is denied, or where assistance is not available under domestic laws and regulations, the Requested Authority will provide the reasons for not granting the assistance and consult pursuant to paragraph 9.

5 Scope of Assistance

- 5.1 The Authorities will, within the framework of this Memorandum of Understanding, provide each other with the fullest assistance permissible to secure compliance with the respective Laws and Regulations of the Authorities.
- 5.2 The assistance available under this Memorandum of Understanding includes, without limitation:

- a) providing information and copies of documents held in the files of the Requested Authority regarding the matters set forth in the request for assistance;
- b) obtaining information and documents regarding the matters set forth in the request for assistance, including, to the extent reasonable and subject to the provisions of the laws and regulations:
- c) contemporaneous records sufficient to reconstruct all securities and derivatives transactions, including records of all funds and assets transferred into and out of bank and financial institution trading accounts relating to these transactions;

5.3 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.

6 Request for Assistance

6.1 Requests for assistance will be made in writing and addressed to the Requested Authority's contact office listed in Appendix A.

6.2 Requests for assistance will include the following:

- a) a description of the facts underlying the investigation that are the subject of the request, and the purpose for which the assistance is sought;
- b) a description of the assistance sought by the Requesting Authority, and why the information sought will be of assistance;
- c) 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 the places where such information may be obtained;
- d) an indication of any special precautions that should be taken in collecting the information due to investigatory considerations, including the sensitivity of the information;
- e) the Laws and Regulations that may have been violated and that relate to the subject matter of the request.

- 6.3 In urgent circumstances, requests for assistance may be affected by facsimile, provided such communication is confirmed, within five business days, through an original, signed document.

7 Execution of Request for Assistance

- 7.1 Information and documents held in the files of the Requested Authority will be provided to the Requesting Authority upon request.
- 7.2 Upon request, the Requested Authority will require the production of documents identified in 4.2(b) from (a) any Person designated by the Requesting Authority, or (b) any other Person who may possess the requested information or documents. Upon request, the Requested Authority will obtain other information relevant to the request.
- 7.3 Upon request, the Requested Authority will seek responses to questions from any Person involved, directly or indirectly, in the activities that are the subject matter of the request for assistance or who is in possession of information that may assist in the execution of the request.
- 7.4 Unless otherwise arranged by the Authorities, information and documents requested under this Memorandum of Understanding will be gathered in accordance with the procedures applicable in the jurisdiction of the Requested Authority and by persons designated by the Requested Authority.

Where permissible under the Laws and Regulations of the jurisdiction of the Requested Authority, a representative of the Requesting Authority may be present at the taking of statements and testimony and may provide, to a designated representative of the Requested Authority, specific questions to be asked of any witness.

- 7.5 In urgent circumstances, the response to requests for assistance may be effected by facsimile, provided such communication is confirmed, within five business days, through an original, signed document.

8 Permissible Uses of Information

8.1 The Requesting Authority may use non-public information and non-public documents furnished in response to a request for assistance under this Memorandum of Understanding 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) When an Authority is legally compelled to disclose information provided in accordance with this MOU to a Criminal Public Prosecutor, the Authority has, prior to passing it to the Criminal Public Prosecutor, to promptly notify the other party in writing, indicating what information it is compelled to release and the circumstances of surrounding its release. The Authorities expect each other, if requested to do so, to use its best endeavors to preserve the confidentiality of the information to the extent permitted by law.
- d) When an Authority wishes to disclose information received under this MOU to any other third party, without being legally compelled to do so, the Authority has to notify the other authority and must obtain its prior consent in writing. The Authority which has received the information is expected, in consultation with the Authority providing the information, to consider imposing conditions on the release and subsequent use en the information. In any event, so far as possible, the Authority releasing the information to a third party is expected to impose on the third party a condition that the information must be kept confidential and not be further released without its prior consent.

- 8.2** If a Requesting Authority intends to use information furnished under this Memorandum of Understanding for any purpose other than those stated in Paragraph 8.1, it must obtain the consent of the Requested Authority to such use of information.

9 Confidentiality

- 9.1 Each Authority will keep confidential requests for information or documents made under this Memorandum of Understanding, the contents of such requests, and any matters arising under this Memorandum of Understanding, 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.
- 9.2 The Requesting Authority will not use non-public documents and information received under this Memorandum of Understanding, except as contemplated by paragraph 8.1 (a) and (b) or in response to a legally enforceable demand. In the event of a legally enforceable demand, the Requesting Authority will notify the Requested Authority prior to complying with the demand as per paragraph 8.1(c), and will assert such appropriate legal exemptions or privileges with respect to such information as may be available. The Requesting Authority will use its best efforts to protect the confidentiality of non-public documents and information received under this Memorandum of Understanding. Prior to providing information to a self-regulatory organization in accordance with paragraph 8.1 (b) the Requesting Authority will ensure that the self-regulatory organization is able and will comply on an ongoing basis with the confidentiality provisions set forth in paragraph 9.1 et 9.2 of this Memorandum of Understanding, and that the information will be used only in accordance with paragraph 8.1 (a) and (b) of this Memorandum of Understanding, and will not be used for competitive advantage.

10 Consultation Regarding Mutual Assistance and the Exchange of Information

10.1 The Authorities will consult periodically with each other regarding this Memorandum of Understanding about matters of common concern with a view to improving its operation and resolving any issues that may arise. 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 Memorandum of Understanding;
- b) a demonstrated change in the willingness or ability of an Authority to meet the provisions of this Memorandum of Understanding; and
- c) any other circumstance that makes it necessary or appropriate to consult, amend or extend this Memorandum of Understanding in order to achieve its purposes.

10.2 The Requesting Authority and Requested Authority will consult with one another in matters relating to specific requests made pursuant to this Memorandum of Understanding (*e.g.*, where a request may be denied, or if it appears that responding to a request will involve a substantial cost). These Authorities will define the terms herein in accordance with the relevant laws of the jurisdiction of the Requesting Authority unless such definition would require the Requested Authority to exceed its legal authority or otherwise be prohibited by the laws applicable in the jurisdiction of the Requested Authority. In such case, the Requesting and Requested Authorities will consult.

11 Unsolicited Assistance

Each Authority will make all reasonable efforts to provide, without prior request, the other Authority with any information that it considers is likely to be of assistance to the other Authority in securing compliance with Laws and Regulations applicable in their jurisdiction.

12 Technical Assistance

The Authorities intend to cooperate and collaborate with a view to promoting mutual regulatory understanding and knowledge of each other's regulatory system. To that end, the authorities will exchange information through seminars or study visits, dedicated to specific technical topics of interest to one or both authorities, within the remit of the Authorities (e.g. Asset management, issuers, intermediaries, enforcement, administrative organization, etc.). Each Authority will ensure a confidential treatment of the information exchanged within technical assistance initiatives.

13 Effective Date

Cooperation in accordance with this Memorandum of Understanding will begin on the date of its signing by the Authorities.

14 Termination

The Authorities will continue to honor the terms of this MOU unless one of the parties requests its termination in writing. However, the last and existing request for information made prior to the notification shall be honored by the parties if possible and under the conditions set forth under this MOU.

All information obtained under this MOU will continue to be treated confidentially, in the event of its termination.

This MOU shall be enacted in two originals in English and either copy shall constitute an original.

Signed in Paris on 12 May 2014

<p>Chairman of the Capital Markets Authority</p> <p>Riad T. Salamé</p>	<p>Chairman of the Autorité des Marchés Financiers</p> <p>Gérard Rameix</p>
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APPENDIX

LIST OF CONTACT PERSONS

CAPITAL MARKETS AUTHORITY

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Secrétaire Général

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Executive Board Member

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