

**December 2022**

# **Memorandum of Understanding between**

**HONG KONG SAR**

**Securities and Futures  
Commission**

**UNITED KINGDOM**

**Bank of England**

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## **Memorandum of Understanding (MoU)**

### **Between**

### **Securities and Futures Commission      and      the Bank of England**

#### **Recitals**

- A. The Securities and Futures Commission (SFC) was established by section 3 of the repealed Securities and Futures Commission Ordinance and continues in existence under section 3 of the Securities and Futures Ordinance (SFO). The SFC's regulatory objectives, set out in section 4 of the SFO, include maintaining and promoting the fairness, efficiency, competitiveness, transparency and orderliness of the securities and futures industry and reducing systemic risks in the securities and futures industry. In furtherance of its regulatory objectives, section 5 of the SFO sets out the functions of the SFC, which include to supervise, monitor and regulate the activities carried on by recognised exchange controllers, recognised exchange companies, recognized clearing houses and other regulated persons.
- B. The Bank of England (Bank) together with the Financial Conduct Authority (FCA) forms the United Kingdom's "twin peaks" financial services regulatory structure. The Bank has an objective to promote the good of the people of the United Kingdom by maintaining monetary and financial stability. The Bank has particular responsibilities including to supervise certain market infrastructure (including recognised payment systems, securities settlement systems and central counterparties) and as the UK's resolution authority.
- C. The Prudential Regulation Authority (PRA), which is both the prudential regulator and supervisory arm of the Bank (and is overseen by the Bank's Prudential Regulation Committee), is responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms. The PRA's role is defined in terms of two statutory objectives: to promote the safety and soundness of these firms and, specifically for insurers, to contribute to the securing of an appropriate degree of protection for policyholders. The PRA has a secondary objective of facilitating competition.
- D. Banking is an international industry. Many United Kingdom/Hong Kong firms have operations overseas, and many firms domiciled overseas have subsidiaries or branches in the United Kingdom and/or Hong Kong. Deposit-takers and investment firms are therefore supervised on a co-operative international basis, and the policy framework for this supervision is to a large extent agreed globally, including by the Basel Committee on Banking Supervision (BCBS), and the Financial Stability Board (FSB), to ensure that all jurisdictions uphold appropriate standards in their collective interest. The Bank and the SFC participate actively in international supervisory fora and bilaterally with third

country partners, playing a full and active role with their counterparts in supervising cross-border firms, and seeking to be influential and persuasive participants in international policy debates. This MoU seeks to facilitate this participation and co-operation. In view of the growing globalisation of the world's financial markets and the increase in cross-border operations and activities of Regulated Entities (as defined below), the SFC and the Bank have reached this MoU regarding mutual assistance in the supervision and oversight of Regulated Entities in their respective jurisdictions. The Authorities express, through this MoU, their willingness to cooperate with each other, including by the exchange of information and, where appropriate, through enforcement-related assistance, in the interest of fulfilling their respective regulatory mandates, particularly in the areas of: investor protection; promoting the competence and integrity of Cross-Border Regulated Entities (as defined below); fostering market and financial integrity; reducing systemic risk and maintaining financial stability. The SFC and the Bank believe such co-operation will enable them each to perform their functions more effectively.

## Operative Part

### Interpretation

1. In this MoU, unless the context requires otherwise:

**“Administering”** an applicable law, regulation or requirement includes enforcing the same;

**“Applicable Laws, Regulations and Requirements”** means any law, regulation or requirement to which an Authority is subject or which it administers, and where the context permits includes:

- (a) any law, regulation or requirement applicable in Hong Kong or the United Kingdom; and
- (b) any rule, direction, requirement, guidance or policy made or given by or to be taken into account by an Authority;

**“Authority”** means in respect of Hong Kong the SFC and in respect of the United Kingdom the Bank;

**“Bank”** means the Bank of England **including when** acting in its capacity as the Prudential Regulation Authority;

**“Cross-Border On-site Visit”** means any regulatory visit by one Authority to the premises of a Cross-Border Regulated Entity located in the other Authority's jurisdiction, for the purposes of ongoing supervision and oversight;

**“Cross-Border Regulated Entity”** means (i) a Regulated Entity that is regulated by both Authorities; or (ii) a Regulated Entity, which is regulated in the jurisdiction of one Authority that is a Related Corporation of another Regulated Entity, which is regulated in the jurisdiction of the other Authority;

**“Emergency Situation”** means where an Authority (or the Authorities) is (are) seeking urgently to manage a circumstance where a Cross-Border Regulated Entity is or can reasonably be expected to be financially impaired or the operations of the Cross-Border Regulated Entity will or are likely to be affected adversely resulting in a significant increase in systemic risk or potential damage to financial stability and the wider financial system;

**“Hong Kong”** means the Hong Kong Special Administrative Region of the People’s Republic of China;

**“Onward Receiving Authority”** means:

- (a) in respect of the Bank, the FCA and the Financial Reporting Council.
- (b) in respect of the SFC, the Hong Kong Monetary Authority;

**“Person”** means a natural person, legal entity, partnership or unincorporated association;

**“PRA”** means the Bank of England acting in its capacity as the Prudential Regulation Authority (or its successor(s)), which is both the prudential regulator and the supervisory arm of the Bank;

**“Providing Authority”** means the Authority that has provided information under this MoU;

**“Receiving Authority”** means the Authority that has received information under this MoU;

**“Regulated Entity”** means a financial market participant or other entity that is regulated by one of the Authorities, but does not include any bank, restricted license bank or deposit-taking company registered with the SFC;

**“Related Corporation”** means two or more corporations where one of them is (i) a holding company of the other; (ii) a subsidiary of the other; or (iii) a subsidiary of the holding company of the other;

**“Requested Authority”** means the Authority that receives a request under this MoU;

**“Requesting Authority”** means the Authority that makes a request under this MoU;

**“SFC”** means the Securities and Futures Commission;

**“UK”** means the United Kingdom of Great Britain and Northern Ireland.

In this MoU, unless the context requires, the singular includes the plural and *vice versa*.

## Purpose and effect of this MoU

2. The purpose of this MoU is to establish a formal basis for co-operation, including the exchange of non-public information and, where appropriate, through enforcement-related assistance, in connection with the supervision and oversight of Cross-Border Regulated Entities in Hong Kong and the UK, in a manner consistent with, and permitted by, the respective Applicable Laws, Regulations and Requirements, in order to enhance the protection of investors and to promote the competence and integrity of Cross-Border Regulated Entities; and to identify risks to the financial system and, where necessary, to co-operate in and address Emergency Situations, especially in instances where Emergency Situations involve firms with cross-border operations in Hong Kong and the UK. The Authorities anticipate that cooperation will be primarily achieved through ongoing, informal, oral consultations, supplemented by more in-depth, ad hoc formal cooperation. The provisions of this MoU are intended to support such informal and oral communication as well as to facilitate the written exchange of non-public information where necessary and regular/periodic liaison to discuss, *inter alia*, issues of common interest concerning particular Cross-Border Regulated Entities.
3. This MoU does not modify or supersede any laws or regulatory requirements in force in, or applying to, Hong Kong or the UK or fetter the discretion of the Authorities. This MoU sets forth a statement of intent and accordingly does not create for either Authority any legally enforceable rights or obligations. This MoU does not affect any arrangements under other MoUs.
4. The Authorities recognise that the information sharing arrangement under this MoU is mainly intended for the supervision of Cross-Border Regulated Entities and consequently, if an Authority wishes to seek information or use the information provided under this MoU for enforcement-related purposes, the request for information or use of information provided will be subject to the terms and conditions of the arrangements referred to in paragraphs 13-14 & 26-30 and Appendix 1.
5. The Authorities acknowledge that they may provide non-public information under this MoU only to the extent that they are not prevented from doing so under Applicable Laws, Regulations and Requirements.
6. This MoU does not limit an Authority to taking solely those measures described herein in fulfilment of its functions. In particular, this MoU does not affect any right of an Authority to communicate with or to obtain information or documents from any Person subject to its jurisdiction that is located in the jurisdiction of the other Authority. However, an Authority should communicate with the other Authority prior to carrying out any Cross-Border On-site Visit (see paragraphs 20-23) in the jurisdiction of the other Authority.

## **Requests for Assistance (I – Supervision; II – Enforcement)**

### **I. Supervision**

7. If a request for supervisory assistance is made, each Authority will use reasonable efforts to provide assistance to the other, in a manner consistent with, and permitted by, Applicable Laws, Regulations and Requirements and its overall policy. Assistance may include for example:
  - (a) providing relevant non-public information in the possession of the Requested Authority;
  - (b) exchanging information on or discussing issues of mutual interest; and
  - (c) obtaining specified non-public information and documents from Persons who are subject to the Applicable Laws, Regulations and Requirements.

### **Procedure for Supervisory Requests**

8. Requests for supervisory assistance will be made in writing to the nominated contact points as listed in **Appendix 2** (including by email). In an Emergency Situation, requests for information may be made in any form, including orally, provided that such communication is confirmed in writing within ten business days. To facilitate assistance, the Requesting Authority should specify in any written request:
  - (a) the information or other assistance requested (identity of Persons, specific questions to be asked etc.);
  - (b) the purpose for which the information or other assistance is sought;
  - (c) the desired time within which the information sought should be provided;
  - (d) 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 an Onward Receiving Authority, the purpose such disclosure would serve; and
  - (e) any other matters specified by the Requested Authority and by the Applicable Laws, Regulations and Requirements in relation to the Requested Authority.

### **Assessing Supervisory Requests**

9. Each request for supervisory assistance will be assessed on a case-by-case basis by the Requested Authority, to determine whether assistance can be provided (either in part or in whole) under the terms of this MoU. In any case where the request cannot be fulfilled in part or whole, the Requested Authority will consider whether there may be other

assistance that can be given by itself or by any other authority in its jurisdiction and, wherever possible, will endeavour to provide this.

10. In an Emergency Situation, the Authorities will each endeavour to notify the other of its nature and communicate information to the other as would be appropriate pertaining to the particular circumstances, taking into account all relevant factors, including the status of efforts to address the Emergency Situation in question. Wherever and to the extent possible, the Authorities will co-operate in seeking potential solutions, especially in instances where Cross-Border Regulated Entities (that have their head offices or parent companies located in either Authorities' jurisdictions) are adversely affected by the situation.
11. In deciding whether and to what extent to fulfil a request for supervisory assistance, the Requested Authority may take into account:
  - (a) whether the request conforms with this MoU;
  - (b) whether the request involves the administration of any laws, regulations and requirements which have no close parallel in the jurisdiction of the Requested Authority;
  - (c) whether the co-operation would require an Authority to act in a manner that would violate its domestic law;
  - (d) whether the provision of assistance would be so burdensome as to disrupt the proper performance of the Requested Authority's functions;
  - (e) whether it would be otherwise contrary to the public interest of the Requested Authority's jurisdiction to give the assistance sought;
  - (f) any other matters specified by the Applicable Laws, Regulations and Requirements of the Requested Authority's jurisdiction (in particular those relating to confidentiality and professional secrecy, data protection and privacy, and procedural fairness);
  - (g) the reason for the request; and
  - (h) whether complying with the request may otherwise be prejudicial to the performance of by the Requested Authority's functions.
12. The Authorities recognise that supervisory assistance may be denied in whole or in part for any of the reasons mentioned in paragraph 11 at the discretion of the Requested Authority.

## **II Enforcement**

13. The Authorities agree to provide each other with appropriate enforcement assistance, subject to the grounds for denial of requests for assistance as set out in Appendix 1. The



Authorities recognise that there may be circumstances where they should coordinate their enforcement efforts and resources to effectively protect the interests of the investors in both jurisdictions with the aim of promoting high standards of regulatory behaviour and sending a clear signal to a Cross-Border Regulated Entity and to the regulated community more widely, about the circumstances in which the Authorities consider a Cross-Border Regulated Entity's behaviour to be unacceptable; and deterring future misconduct.

14. The Authorities recognise that there may be circumstances in which one or the other of them wishes to take enforcement action in situations where the other Authority has a regulatory interest. **Appendix 1** sets out in more detail what the Authorities have agreed with respect to such cases, and in relation to requests for assistance in enforcement matters. For the avoidance of doubt, paragraphs 31 and 32 do not apply to information obtained pursuant to enforcement-related requests, which cannot be disclosed to any third parties unless with the prior written consent of the Requested Authority. Prior written consent of the Requested Authority is not required for use of information obtained pursuant to an enforcement-related request under paragraphs 13, 14 and Appendix 1 if it is used for a purpose stated in clause 8 of Appendix 1.

### **Rights of Persons preserved**

15. Any Person providing testimony, information or documents as a result of a request made under this MoU 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 jurisdiction of the Requesting Authority, the Authorities will consult to determine the most appropriate way to proceed.

### **General Notification Procedure**

16. Each Authority, to the extent practicable and as appropriate in the particular circumstances, and in compliance with Applicable Laws, Regulations and Requirements, endeavours to notify the other Authority in advance of, or as soon as possible thereafter of:
  - (a) any material changes in the Authorities' respective Applicable Laws, Regulations and Requirements; and
  - (b) enforcement or regulatory actions or sanctions, including the revocation, suspension or modification of the regulatory status of a Cross-Border Regulated Entity, which may, in its reasonable opinion, have a material effect on the Cross-Border Regulated Entity.

17. To the extent permitted by Applicable Laws, Regulations and Requirements, each Authority will use reasonable efforts as far as practicable to provide the other Authority, on a timely basis, with any information that is in its possession concerning:
  - (a) a Cross-Border Regulated Entity's serious financial and operational difficulties that could have a significant impact on its operations and activities;
  - (b) a breach by a Cross-Border Regulated Entity of its Applicable Laws, Regulations and Requirements;
  - (c) any other matter that could have a significant adverse impact on the operations or activities of a Cross-Border Regulated Entity; or
  - (d) any Emergency Situation that may affect the operations or activities of a Cross-Border Regulated Entity.
18. The determination of what constitutes a "material change", "material effect", "significant impact" or "significant adverse impact" shall be left to the reasonable discretion of the Authority making the notification.
19. Where the specific conduct set out in a request for assistance may constitute a breach of an Applicable Law, Regulation and Requirement in both the territory of the Requesting and the Requested Authorities, the Authorities will consult to determine the most appropriate means for each Authority to provide assistance.

### **Cross-Border On-site Visits**

20. An Authority should communicate with the other Authority prior to carrying out any Cross-Border On-Site Visits. The Authorities should also discuss and reach an understanding on the terms regarding Cross-Border On-site Visits, taking into full account each other's jurisdiction, legal framework and statutory obligations in particular in determining the respective roles and responsibilities of the Authorities. Generally, the Authorities will act in accordance with the following procedure before conducting a Cross-Border On-site Visit.
  - (a) When establishing the scope of any proposed visit, the Authority seeking to conduct the visit will give due and full consideration to the supervisory activities of the other Authority in whose jurisdiction the visit will take place (local Authority) and any information that was made available or is capable of being made available by the local Authority.
  - (b) The local Authority will endeavour, if so requested, to explain or elaborate on the contents of public and non-public documents to the Authority seeking to conduct the visit with a view to assisting it to perform its supervisory functions; and assist it to obtain information from a Cross-Border Regulated Entity.
21. The Authorities will consult with a view to reaching an understanding on the intended timeframe for and scope of any Cross-Border On-site Visit. The Authority seeking to

conduct a Cross-Border On-Site Visit will provide advance notice to the local Authority of its intent to conduct a Cross-Border On-Site Visit, by itself or by a third party commissioned by it. The Authorities will consult, and, where desired, may conduct concurrent visits with a view to possibly leveraging resources in the oversight of the Cross-Border Regulated Entity, in which case these will be carried out under the control of the local Authority.

22. The local Authority will endeavour to share with the Authority conducting the Cross-Border On-site Visit any relevant examination reports or compliance reviews it may have undertaken regarding the Cross-Border Regulated Entity.
23. The Authorities will communicate with each other, including meetings as appropriate during the Cross-border On-site Visit. After concluding the Cross-Border On-site Visit, the Authority conducting the visit will communicate any major issues to the local Authority that may impact negatively upon the regulatory status of the Cross-Border Regulated Entity.

### **Provision of Unsolicited Information**

24. The Authorities may, to the extent permitted by Applicable Laws, Regulations and Requirements, provide non-public information, or arrange for non-public information to be provided, on a voluntary basis, even though no request has been made. The terms and the conditions of this MoU will apply if the Providing Authority specifies that the information is provided under the MoU.

### **Regular / Periodic Liaison**

25. To facilitate each Authority in performing its respective supervisory functions, the Authorities intend to liaise with each other concerning the following matters from time to time as far as their Applicable Laws, Regulations and Requirements permit.
  - (a) any updates on their respective functions, and regulatory oversight programs, including supervisory priorities and 'best practices' on a regular basis. This may also include, but is not limited to, discussions on conduct risk and control culture, risk trends, thematic and/or cross-sector issues, contingency planning/crisis management and systemic risk concerns; and
  - (b) general supervisory developments where considered necessary.

### **Confidentiality and treatment of information received**

26. Subject to paragraph 27, non-public information provided under this MoU may be used by the Receiving Authority only for the purposes of performing its regulatory functions which may include monitoring and assessing compliance by Cross-Border Regulated

Entities with the Applicable Laws, Regulations and Requirements of the Receiving Authority and identifying whether or not any Cross-Border Regulated Entities constitute a risk to the orderly functioning of the financial markets or the financial stability of its jurisdiction. The Receiving Authority will comply with any restrictions on the use of information that are agreed when the information is provided.

27. The Authorities recognise that where non-public information has been obtained under this MoU for any of the supervisory purposes referred to in paragraph 7 it is intended to be used only for such purposes. In the event that the Receiving Authority wishes to use any such non-public information for enforcement purposes the Receiving Authority must request enforcement assistance under paragraphs 13 & 14 of this MoU and any use of the non-public information will be governed by that procedure.
28. Except for disclosures in accordance with this MoU, each Authority will keep confidential to the fullest extent permitted by its Applicable Laws, Regulations and Requirements any non-public information disclosed under this MoU.
29. Subject to its Applicable Laws, Regulations and Requirements, the Receiving Authority will notify the Providing Authority of any legally enforceable demand for the non-public information as soon as reasonably practicable, and provide reasonable assistance in preserving the confidentiality of the non-public information by taking appropriate measures and cooperating with the Providing Authority in any actions or proceedings which seek to safeguard the non-public information. The Receiving Authority intends to assert all appropriate legal exemptions or privileges with respect to such non-public information as may be available.
30. The Receiving Authority will otherwise consult with the Providing Authority if it proposes to pass on non-public information to another Person and must obtain the prior written consent of the Providing Authority (and such consent may be subject to restrictions or conditions with which the Receiving Authority or the Person shall comply) before passing on the information.
31. Notwithstanding paragraph 30, the Receiving Authority may disclose non-public information it received under this MoU without the prior written consent of the Providing Authority, to an Onward Receiving Authority, where this is necessary in order for the Receiving Authority or the Onward Receiving Authority to perform its supervisory functions, provided that:
  - (a) the Receiving Authority notifies the Providing Authority about what non-public information it intends to disclose each time this occurs;
  - (b) such disclosure is made in accordance with the Applicable Laws, Regulations and Requirements;
  - (c) such disclosure is for the purposes of the lawful functions of the Receiving Authority making the disclosure and/or the Onward Receiving Authority;
  - (d) the relevant Onward Receiving Authority is required to maintain a level of confidentiality in respect of the non-public information that is at least equivalent to that which the Receiving Authority is subject to (including,

where relevant, restrictions or conditions imposed on it by the Providing Authority); and

- (e) the relevant Onward Receiving Authority undertakes to use the information for the purposes of performing its supervisory functions and not to further disclose the information to any third party without first receiving the written consent of the Providing Authority.

- 32. The list of Onward Receiving Authorities may be updated by agreement of both Authorities.

### **Contact Points**

- 33. The Authorities will provide a list of contact points to which information or requests for information or assistance under this MoU should be directed. This is detailed in **Appendix 2** and each Authority may amend its list by written notice to the other Authority.

### **Commencement**

- 34. This MoU will take effect when both Authorities have signed this document. It may be amended by agreement in writing.

### **Publication of this MoU**

- 35. The parties agree to this MoU being made publicly available.

### **Review of this MoU and of supervisory developments**

- 36. The Authorities will keep the operation of this MoU under review and will consult when necessary with a view to improving its operation and resolving any matters, where they arise, that hinder its operation. The Authorities will endeavour to meet at least annually to discuss general supervisory developments.

### **Termination of MoU**

- 37. This MoU will continue to have effect until terminated by either Authority giving 30 days' advance written notice to the other Authority.

38. In the event of termination of this MoU, information obtained under its terms will continue to be treated in the manner as prescribed by paragraphs 15 and 26-32 and paragraphs 8 and 9 of Appendix 1.

**Securities and Futures Commission**



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**Ashley Alder, Chief Executive Officer  
Securities and Futures Commission**

Date: 13 December 2022

**Bank of England**



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**Sam Woods, Deputy Governor, Prudential  
Regulation, Bank of England  
For and on behalf of the Bank of England  
(and in its capacity as the Prudential  
Regulation Authority)**

Date: 15 December 2022

## **Appendix 1: Procedures for Requests Concerning Enforcement Matters**

### **Details to be contained in requests for enforcement-related assistance**

1. If a request for assistance as described in this MoU relates to an actual or possible investigation/ enforcement action, the following details should be contained in the request:
  - (a) the information, documents or other assistance requested;
  - (b) the purpose for which the information or other assistance is sought and relevance of the requested assistance to the specified Applicable Laws, Regulations and Requirements;
  - (c) a description of the conduct or suspected conduct which gives rise to the request;
  - (d) details of the Applicable Laws, Regulations and Requirements to the administration of which the request is relevant;
  - (e) the link between the specified Applicable Laws, Regulations and Requirements and the regulatory functions of the Requesting Authority;
  - (f) whether it is desired that, to the extent permitted by the Applicable Laws, Regulations and Requirements of the Requested Authority, any Person who is a natural person from the jurisdiction of the Requesting Authority should be present during interviews which form part of an investigation, and whether it is desired that such persons should be permitted to participate in the questioning (as to which see clause 3 below);
  - (g) to whom, if anyone, onward disclosure of information provided to the Requesting Authority is likely to be necessary and the purpose such disclosure would serve; and
  - (h) any other matters specified by the Requested Authority and by the Applicable Laws, Regulations and Requirements in relation to the Requested Authority.

### **Grounds for denial of request**

2. If a request for assistance, as described in this MoU, relates to an actual or possible enforcement action, the following matters may be taken into account by the Requested Authority in determining whether to fulfil the request in whole or in part:
  - (a) whether the request conforms with this MoU;

- (b) whether the request involves the administration of any laws, regulations and requirements which have no close parallel in the jurisdiction of the Requested Authority;
- (c) where the co-operation would require an Authority to act in a manner that would violate its domestic law;
- (d) whether the provision of assistance would be so burdensome as to disrupt the proper performance of the Requested Authority's functions;
- (e) whether it would be otherwise contrary to the public interest of the Requested Authority's jurisdiction to give the assistance sought;
- (f) any other matters specified by the Applicable Laws, Regulations and Requirements of the Requested Authority's jurisdiction (including but not limited to those relating to confidentiality and professional secrecy, data protection and privacy, and procedural fairness);
- (g) the reason for the request;
- (h) whether complying with the request may otherwise be prejudicial to the performance of the Requested Authority's functions; and
- (i) 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, whether 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.

### **Requests to Sit in**

3. Following a request from the Requesting Authority, where the Requested Authority conducts an interview of any person, the Requested Authority may permit a representative of the Requesting Authority to attend such an interview and to ask questions subject to the Applicable Laws, Regulations and Requirements of the Requested Authority. Requests for such assistance should conform to any published guidance for the making of such requests issued by the Requested Authority.

### **Joint Investigations**

4. The Authorities acknowledge that, subject to secrecy and confidentiality issues, an investigation, where it concerns suspected breaches of the Applicable Laws, Regulations and Requirements of both jurisdictions, may be conducted more effectively by the establishment of a joint investigation involving members from both Authorities.



5. The Authority suggesting the joint investigation will advise the other Authority of the background to the request for a joint investigation, and will 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 soon as possible as to whether it will agree to such an investigation.
6. 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.
7. Suggestions to the SFC for a joint investigation should be made to the Executive Director of the Enforcement Division of the SFC. Suggestions to the Bank should be made to the Head of the Enforcement and Litigation Division within the Prudential Legal Function in the Bank.

### **Use of information**

8. The Requesting Authority may use non-public information (including non-public documents) obtained in response to an enforcement related request under this MoU solely for:
  - (a) the purpose set out in the request for assistance, including investigating suspected violations of, ensuring compliance with and enforcing the Applicable Laws, Regulations and Requirements to which the request is relevant; and
  - (b) a purpose within the scope of the use stated in the request for assistance, including conducting a civil or administrative enforcement proceeding, assisting in a self-regulatory organisation's surveillance or enforcement activities, 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, Regulations and Requirements administered by the Requesting Authority. For the avoidance of doubt, this paragraph covers enforcement proceedings which may or may not be public.
9. If a Requesting Authority intends to use information obtained in response to an enforcement related request under this MoU for any purpose other than those stated in clause 8 of this Appendix, it must obtain the prior written consent of the Requested Authority.