



MEMORANDUM OF UNDERSTANDING

BETWEEN THE

	
<p>SECURITIES AND EXCHANGE BOARD OF INDIA</p>	<p>COMISIÓN NACIONAL DE VALORES, ARGENTINA</p>

IN RELATION TO

MUTUAL CO-OPERATION

AND

TECHNICAL ASSISTANCE

2013



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1. INTRODUCTION

The Securities and Exchange Board of India (SEBI) was established under the Securities and Exchange Board of India Act, 1992 to regulate the securities markets in India. The objectives of SEBI are to protect the interest of the investors, to promote development of and to regulate the development of the securities markets in India. The main functions of SEBI include registration, regulation and supervision of intermediaries operating in the securities market, promoting and regulating self regulatory organizations, prohibiting fraudulent and unfair trade practices relating to securities markets, calling from or furnishing to other authorities, whether in India or abroad, such information as may be considered necessary by it for the efficient discharge of its functions.

The Comisión Nacional de Valores (CNV) is a self-administered agency created in 1968, with jurisdiction throughout Argentina. It is ruled by Act 26,831, being the enforcement and controlling authority of all activities related to the public offering of securities. CNV pursues to increase the investors' participation, strengthen mechanisms to prevent abuses in the capital market; promote access of small and medium-sized companies; foster the creation of a federally integrated capital market and encourage simpler trading procedures. Among its duties, CNV must monitor, regulate, inspect, supervise and impose penalties within the public offering of securities; keep relevant register, approve bylaws, issue regulations, encourage the development and strengthening of the capital market, and make national and international agreements of cooperation and exchange of information.

2. DEFINITIONS

For the purposes of this Memorandum of Understanding (hereinafter referred to as "MOU"),

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- i. "Authority" means the Securities and Exchange Board of India or the Comisión Nacional De Valores, Argentina, as the case may be;
- ii. "Person" means a natural person, body corporate, partnership, or unincorporated association, government or political sub-division, agency or instrumentality of a government;
- iii. "Requested Authority" means the Authority to whom a request is made pursuant to paragraph 5 of this Memorandum of Understanding;
- iv. "Requesting Authority" means the Authority making a request pursuant to paragraph 5 of this Memorandum of Understanding.
- v. "Securities market" means an exchange or other market, including an over-the-counter market, in respect of equity securities, debt securities, bonds, options or any other securities or securities derivatives that is recognized, regulated or supervised by the Authorities; and
- vi. "Territory" means the country, state or other territory, as the case may be, in which an Authority has legal authority, power and/or jurisdictions conferred by law.

3. PRINCIPLES

- 3.1 This MOU 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 ensure compliance with their respective securities law or regulatory requirements.
- 3.2 The Authorities will use their best endeavors to meet the terms of this MOU. This MOU does not impose any legally binding obligation on the Authority or modify or supersede any domestic laws or regulatory



requirements in force in or applying to the Authorities, nor will it affect any arrangements made or to be made under other MOU.

- 3.3 This MOU does not affect any right of any Authority under its domestic laws or any other arrangement to take measures otherwise than as provided herein to obtain information necessary to ensure compliance with, or to enforce, its domestic laws or regulations. In particular, this MOU does not affect any right of either Authority to communicate with or obtain information or documents from any other persons on a voluntary basis in the territory of other Authority.
- 3.4 This MOU will not give rise to, directly or indirectly, on the part of any person other than the Authorities, the right to obtain, suppress or exclude any information or to challenge the execution of a request for assistance under this MOU.
- 3.5 To the extent permitted by the laws and practices, each Authority will take reasonable efforts to provide the other Authority with any information that is discovered which gives rise to a suspicion of a breach or anticipated breach, of rules or laws in the territory of the other Authority.
- 3.6 The Authorities recognize the need and desirability for providing mutual assistance and exchange of information to assist each other in ensuring compliance with laws or regulations of their respective countries. However, the Requested Authority may deny assistance requested under this Memorandum of Understanding on the ground that : -
- (a) the provision of assistance would violate the national or public interest or the domestic law of the Requested Authority; or
 - (b) the request is not made in accordance with the provision of this MOU.

4. SCOPE

Through the machinery set up by this MOU, the Authorities agree to promote mutual assistance and exchange of information to enable the Authorities to effectively perform their respective duties according to the law. Under the foregoing general theme, the scope of this MOU will include the following:-

- (a) assisting in discovery of and taking action against insider trading, market manipulation and other fraudulent practices in dealing in relation to companies, securities, future contracts, options and collective investment schemes;
- (b) enforcement of laws, rules and regulations relating to dealing in, arranging deals in, managing and advising on securities, futures contracts, options and collective investments;
- (c) supervising and monitoring securities and futures markets and clearing and settlement activities and their compliance with the relevant laws and regulations;
- (d) promoting and securing the fitness and properness of licensed or registered persons and promoting high standards of fair dealing and integrity in their conduct of business;
- (e) the compliance by issuer of securities and director, officers, shareholders and professional advisers of companies listed or applying for listing, on the respective securities markets pertaining to the Authorities with any duties under any relevant laws and rules and any obligations to make full, accurate and timely disclosure of information relevant to investors;
- (f) enforcement of laws, rules and regulations relating to issuing of, dealing in, arranging deals in, managing and advising on securities, futures and other investment products;

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- (g) take-overs and mergers; and
- (h) any other matter agreed upon between the Authorities from time to time.

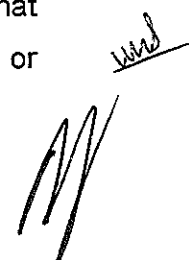
5. REQUESTS AND EXECUTION

5.1. This MOU does not affect the ability of the Authorities to obtain information from persons on a voluntary basis, provided that existing procedures in the territory of each Authority for the obtaining of such information are observed.

5.2 The requests for information or other assistance will be made in English language and addressed to the Requested Authority's contact person(s) referred to in paragraph 15 herein. In urgent cases, requests may be made in summary form to be followed within a full request within five (5) business days there from.

5.3 Requests for information should specify:

- (a) the information required (identity of persons, specific questions to be asked etc.)
- (b) the purpose for which the information is sought (including details of the rule or law pertaining to the subject of the request),
- (c) the link between the specified rules or laws and the regulatory functions of the Requested Authority;
- (d) the relevance of the requested assistance to the specified rule or law;
- (e) to whom, onward disclosure of information is likely to be necessary, and in this context, the reason for such disclosure;
- (f) any information in the possession of the Requesting Authority that might assist the Requested Authority in identifying the persons or

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entities believed by the Requested Authority to possess the information sought, or the place where such information may be obtained;

(g) any other matter specified by the laws and regulations in the territory of the Requested Authority.

(h) the desired time period for the reply;

5.4 Any document or other material provided in response to a request under this MOU must be returned on request, to the extent permitted by the laws of the Requested Authority.

5.5 Each request will be assessed on a case-by-case basis by the Requested Authority to determine whether assistance can be provided under the terms of this MOU. In any case where the request cannot be accepted completely, the Requested Authority will consider whether there may be any other assistance, which can be given, to the extent permitted by the laws of the Requested Authority.

5.6 In deciding whether to accept or decline a request, the Requested Authority will take account of:

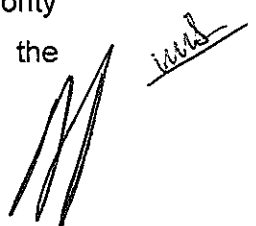
(a) matters specified by the laws and regulations in the territory of the Requested Authority;

(b) whether the request involves an assertion of a jurisdiction not recognized by the territory of the Requested Authority, and

(c) whether it would be contrary to national or public interest to give the assistance sought.

6. EXECUTION OF REQUESTS

Access to information held in the possession of the Requested Authority will be provided upon the request of the Requesting Authority, to the

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extent permitted by the domestic laws and internal policies of the Requested Authority.

7. UNSOLICITED INFORMATION

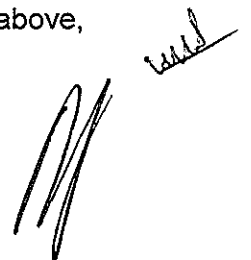
Where one Authority has information, which will assist another Authority in the performance of its regulatory functions, the former may provide such information, or arrange for such information to be provided, on a voluntary basis even though no request has been made by the other Authority. The terms and conditions of this MOU will apply if the providing Authority specifies that the information is passed under this MOU.

8. PERMISSIBLE USES OF INFORMATION

8.1 Any assistance or information will be provided by the Authority only for the purposes of assisting the other Authority in the performance of its regulatory functions. Any assistance or information provided under this MOU should be used by the recipient only for:-

- (a) the purpose of performing its regulatory functions; or
- (b) the purposes stated in the requests, including ensuring compliance with or enforcement of the laws or regulations of the Requested Authority specified in the request, by initiating or assisting in criminal prosecutions arising out of the breach of such rule or law; or
- (c) conducting or assisting in civil proceedings brought by the Authorities or other law enforcement or regulatory bodies within the territory of the Requesting Authority in taking regulatory action or imposing regulatory requirements within the scope stated in paragraph 4 above arising out of the breach of the rule or law specified in the request.

8.2 In the event that the Requesting Authority desires to use the information obtained for any purpose other than that stated in paragraph 8.1 above,

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the Requesting Authority must notify and seek the written consent of the Requested Authority for such use of the information.

9. CONFIDENTIALITY

9.1 The assistance or information obtained pursuant to this MOU will not be disclosed to third parties without the prior consent of the Requested Authority. Each Authority will establish and maintain such safeguards as are necessary and appropriate to protect the confidentiality of such information or assistance.

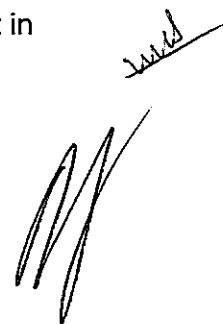
9.2 Each Authority will keep confidential, to the extent permitted by law,

(a) Any request for information made under this MOU and any matter arising in the course of the operation of this MOU, including consultation between the Authorities and unsolicited assistance, unless such disclosure is necessary to carry out the request or the other Authority waives such confidentiality.

(b) Any information received pursuant to this MOU unless it is disclosed in furtherance of the purpose for which it was requested.

9.3 Notwithstanding the provisions of paragraph 9.1 and 9.2, the confidentiality provisions of this MOU shall not prevent the Authorities from informing the law enforcement or regulatory bodies in their territory, such as the registrar of companies or stock exchanges, about the request or passing information received pursuant to a request, provided that the obligation of confidentiality continues to attach to that information and provided that:-

(a) such agencies or bodies have responsibility for prosecuting, regulating or enforcing rules or laws falling within the ambit of the areas set out in paragraph 4; or

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(b) the purpose of passing such information to such agency or body fall within the areas set out in paragraph 4 herein.

9.4 If any Authority becomes aware that information passed under this MOU may be subject to a legally enforceable demand to disclose, it will to the extent permitted by law, inform the other Authority of the situation. The Authorities will then discuss and determine the appropriate course of action.

10. CONSULTATION

10.1 The Authorities may consult one another informally at any time about a request or proposed request.

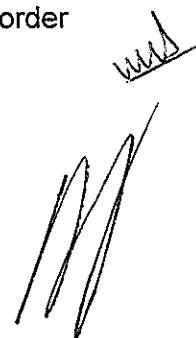
10.2 The Authorities may consult and revise terms of the MOU in the event of a substantial change in the laws, practices, market or business conditions affecting the operation of this MOU.

10.3 Any dispute regarding the interpretation or application of this MOU will be resolved amicably by consultation between the Authorities.

11. TECHNICAL ASSISTANCE

In furtherance of the objective of promoting the development of sound securities regulatory mechanisms, the Authority may, upon a request by the other Authority, consult with and provide advice to the other Authority, with a view to establishing and implementing an ongoing technical assistance program. In this regard, the Authorities intend to work together to identify and address, subject to the availability of personnel and other resources, training and technical assistance needs to facilitate the development of a regulatory framework for the offer, purchase and sale of securities or securities derivatives, in India as well as the cross border offering of securities or securities derivatives, including:

(a) laws and regulations to protect investors;

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(b) standards for offering securities, including disclosure standards, accounting and auditing principles and standards, and methods and standards to be used in valuing securities;

(c) market oversight and enforcement mechanisms; and

(d) systems of supervision and standards of conduct for market professionals, including brokers, dealers and investment advisers.

12. COST OF INVESTIGATION OR ASSISTANCE

The Requested Authority may as a condition of agreeing that assistance be given under this MOU, require the Requesting Authority to make a contribution to costs. Such a contribution may, in particular, be required where the cost of executing a request is substantial.

13. ENTRY INTO EFFECT

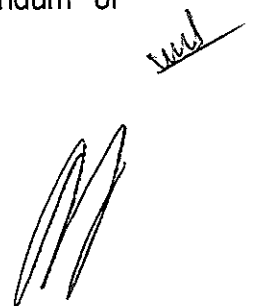
This MOU will be effective from the date of signing by the Authorities.

14. TERMINATION

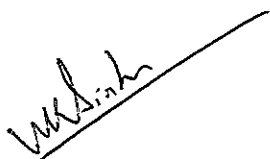
This MOU will continue in effect until expiry of thirty (30) days after either Authority gives written notice to the other Authority of its intention to terminate. This MOU will continue to have effect with respect to all requests for assistance that were made before the effective date of termination.

15. CONTACT PERSONS

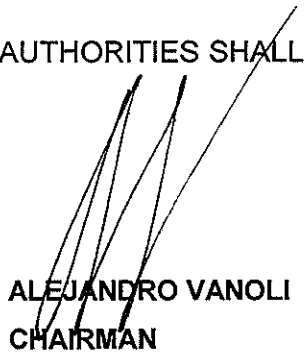
All communications between the Authorities should be between the principal points of contact as set out in Appendix A unless otherwise agreed. Appendix A may however be amended by written notice from either Authority without the need for revising this Memorandum of Understanding.

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IN WITNESS WHEREOF THE UNDERSIGNED FOR AND ON BEHALF OF AND BY AUTHORITY OF THEIR RESPECTIVE AGENCIES, HAVE SIGNED THIS MEMORANDUM OF UNDERSTANDING ON THIS 16th DAY OF SEPTEMBER IN 2013 IN TWO ORIGINALS IN THE ENGLISH LANGUAGE EQUALLY AUTHENTIC. IN THE EVENT OF ANY DISCREPANCY CONTAINED IN THIS MEMORANDUM OF UNDERSTANDING, THE RULES AND REGULATIONS OF THE AUTHORITIES SHALL PREVAIL.



U. K. SINHA
CHAIRMAN
SECURITIES AND EXCHANGE
BOARD OF INDIA



ALEJANDRO VANOLI
CHAIRMAN
COMISIÓN NACIONAL DE VALORES,
ARGENTINA

APPENDIX A

LIST OF CONTACT PERSONS

Securities and Exchange Board of India designates as its contact official:

**Ashish Kumar
Deputy General Manager
Office of International Affairs
Securities and Exchange Board of India
'SEBI Bhavan',
Plot C4-A, 'G' Block,
Bandra Kurla Complex,
Bandra (East)
Mumbai 400 051
INDIA.**

**Tel. No. : + 91 22 26449615
Fax No. : + 91 22 26449025
Email : oia@sebi.gov.in**

Comisión Nacional De Valores, Argentina designates as its contact official:

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Head of International Affairs
Comisión Nacional de Valores de Argentina
25 de Mayo 175
C1002ABC Buenos Aires
Argentina**

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