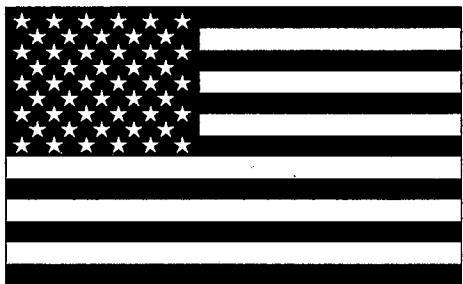
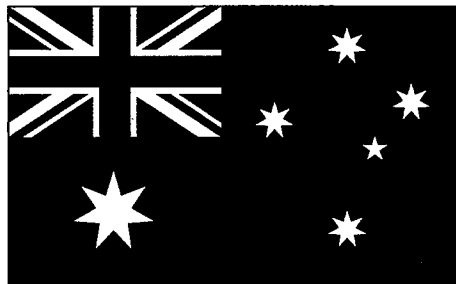


MEMORANDUM OF UNDERSTANDING

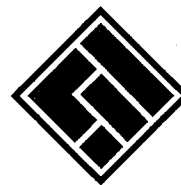
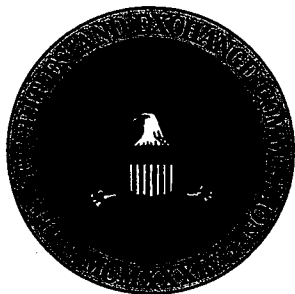
CONCERNING CONSULTATION, COOPERATION AND
THE EXCHANGE OF INFORMATION RELATED TO
MARKET OVERSIGHT AND THE SUPERVISION OF FINANCIAL SERVICES FIRMS



*The United States Securities
and Exchange Commission*



*The Australian Securities
and Investments Commission*



ASIC
Australian Securities &
Investments Commission

25 August 2008

**MEMORANDUM OF UNDERSTANDING CONCERNING
CONSULTATION, COOPERATION AND THE EXCHANGE OF INFORMATION
RELATED TO MARKET OVERSIGHT AND THE SUPERVISION OF
FINANCIAL SERVICES FIRMS**

In view of the growing globalization of the world's financial markets and the increase in cross-border operations and activities of financial services firms, the United States Securities and Exchange Commission ("SEC") and the Australian Securities and Investments Commission ("ASIC") (collectively, the "Authorities") have reached this Memorandum of Understanding ("MOU") setting forth a framework for consultation, cooperation and the exchange of information regarding the oversight of markets and the supervision of financial services firms in the United States and Australia, including but not limited to, markets and firms that may operate in light of a mutual recognition arrangement between the Authorities. The SEC and ASIC express, through this MOU, their willingness to cooperate with each other in the interest of fulfilling their respective regulatory mandates, particularly in the areas of investor protection, fostering market integrity, and maintaining confidence and systemic stability.

ARTICLE ONE: DEFINITIONS

For purposes of this MOU:

1. "Authority" means the SEC or ASIC.
 - a) "Requested Authority" means the Authority to whom a request is made under this MOU; and
 - b) "Requesting Authority" means the Authority making a request under this MOU.

2. "Firm" means a Person subject to the oversight of one or both of the Authorities, who conducts investment, securities, asset management,

securities processing, insurance, or banking business (collectively “financial services business”) in both the United States and Australia. “Firm” includes both Dually Regulated Entities and Exempted Entities, as such terms are defined below.

3. “Person” means a natural person, unincorporated association, partnership, trust, investment company or corporation.
4. “Dually Regulated Entity” means a Person that conducts financial services business and is authorized by or registered with both Authorities.
5. “Exempted Entity” means a Firm or Market that is authorized by or registered with one Authority and which conducts financial services business in the jurisdiction of the other Authority pursuant to exemptive relief under the laws and regulations of that Authority, which is granted in light of the Mutual Recognition Arrangement between the SEC and ASIC (“Mutual Recognition Arrangement”).
6. “Market” means:
 - a) For the United States, a national securities exchange registered under Section 6 of the Securities and Exchange Act of 1934 (“US Market”);
 - b) For Australia, a financial market licensed under the Corporations Act of 2001. (“Australian Market”).
7. “Affiliated Market” means a US Market and an Australian Market, affiliated through a common ownership structure located in either jurisdiction or in a third jurisdiction.
8. “Books and Records” means documents, books and records of, and other information about a Firm.

9. "On-Site Visit" means any routine, sweep, or for-cause regulatory visit to, or inspection of the books, records, and premises of, a Dually Regulated Entity.
10. "Host Authority" means the Authority in whose jurisdiction a Dually Regulated Entity is located.
11. "Inspecting Authority" means the Authority performing an On-Site Visit.
12. "Emergency Situation" means the occurrence of an event that could materially impair the financial or operational condition of a Firm or Market.
13. "Governmental Entity" means:
 - a) The US Treasury Department or the US Federal Reserve Board, if the Requesting Authority is the SEC; and
 - b) The Australian Minister for Superannuation and Corporate Law, the Australian Department of Treasury, the Australian Prudential Regulatory Authority, or the Reserve Bank of Australia, if the Requesting Authority is ASIC.

ARTICLE TWO: GENERAL PROVISIONS

14. This MOU is a statement of intent to consult, cooperate and exchange information in connection with the supervision of Firms and the oversight of Markets in the United States and Australia, including those Firms and Markets exempted in light of the Mutual Recognition Arrangement between the Authorities, in a manner consistent with, and permitted by, the laws and requirements that govern the Authorities. It is anticipated that cooperation would be primarily achieved through ongoing, informal, oral consultations, supplemented by more in-depth, ad hoc cooperation.

The provisions of this MOU are not intended to discourage or hinder such informal and oral communication.

15. This MOU does not create any legally binding obligations, confer any rights, or supersede domestic laws. This MOU does not confer upon any Person 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 MOU.
16. This MOU does not limit an Authority to taking solely those measures described herein in fulfillment of its supervisory functions. In particular, this MOU does not affect any right of any Authority to communicate with, conduct an On-Site Visit of, or obtain information or documents from, any Person subject to its jurisdiction that is located in the territory of the other Authority.
17. This MOU is intended to complement, but does not alter the terms and conditions of the following existing arrangements concerning cooperation in securities matters: (i) the Memorandum of Understanding Concerning Consultation, Cooperation and the Exchange of Information related to the Enforcement of Securities Laws between the SEC and ASIC dated [insert date] 2008, which covers primarily information-sharing in the context of enforcement investigations; and (ii) the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information, to which the SEC and ASIC are signatories, which also covers information-sharing in the context of enforcement investigations. This MOU supersedes the Memorandum of Understanding on Cooperation and Consultation in the Administration and Enforcement of Securities Laws between the SEC and the Australian Securities Commission dated October 20, 1993.

18. The Authorities intend periodically to review the functioning and effectiveness of cooperation arrangements between ASIC and SEC with a view, inter alia, to expanding or altering the scope or operation of this MOU should that be judged necessary.
19. To facilitate cooperation under this MOU, the Authorities hereby designate contact persons as set forth in Appendix A.

**ARTICLE THREE: SCOPE OF SUPERVISORY CONSULTATION,
COOPERATION AND THE EXCHANGE OF INFORMATION RELATED TO
ENTITIES EXEMPTED IN LIGHT OF MUTUAL RECOGNITION**

20. In light of the Mutual Recognition Arrangement between the SEC and ASIC, and where the SEC and ASIC have determined to grant exemptive relief to certain Firms and Markets in one another's jurisdictions, the Authorities recognize the importance of close coordination and cooperation with respect to the oversight of Exempted Entities and to working collaboratively in the operation of the Mutual Recognition Arrangement as well as in initial and subsequent comparisons of one another's regulatory regimes, where appropriate.
21. The Authorities intend to consult regularly at the staff level regarding the operation of the Mutual Recognition Arrangement as well as on general supervisory developments and issues relevant to the operations, activities and regulation of Exempted Entities. As set forth in the Mutual Recognition Arrangement, such consultation also will include periodic meetings between the Chairmen of the SEC and ASIC.
22. To the extent practicable and as appropriate in the particular circumstances, including the status of efforts to address any difficulties

experienced by an Exempted Entity, each Authority endeavors to inform the other Authority in advance of:

- a) pending regulatory changes that may have a significant impact on the operations, activities, or reputation of a Exempted Entity in the other jurisdiction; and
- b) any material event or operational change that could adversely or significantly impact each other's Markets or the stability of an Exempted Entity in the other jurisdiction. Such events include known changes in the operating environment, operations, management, systems and controls, governance structure, or trading system; and
- c) enforcement or regulatory actions or sanctions, including the revocation, suspension or modification of relevant licenses or registration, concerning or related to an Exempted Entity.

23. To the extent necessary to supplement periodic and ad hoc oral consultations, upon written request, each Authority intends to provide to the other Authority the fullest possible cooperation in assisting with the oversight of an Exempted Entity. The assistance covered by this Paragraph includes, as appropriate to each Exempted Entity, providing information based on documents held in the files of the Requested Authority relevant to the terms and conditions of an exemption afforded by the Requesting Authority to an Exempted Entity.

It is anticipated that such requests will relate to information that is not otherwise available to the Requesting Authority. The Requested Authority will provide maximum assistance in interpreting such information. Such information includes, without limitation:

- a) Information relevant to the financial and operational condition of a Firm or Market, including, for example, capital structure, liquidity and funding profiles, and internal controls procedures;
- b) Relevant regulatory information, including, for example: interim and annual financial statements; and regulatory reports, filings and examination reports or information drawn from such reports as may be deemed appropriate or relevant by the Requested Authority.
- c) Information relating to the trading activities of Exempted Entities in the United States and Australia, including, for example, audit trail and reporting of trading information; and
- d) Any other information that an Exempted Entity may be required to maintain or provide to the Requesting Authority pursuant to the terms and conditions of its exemption.

**ARTICLE FOUR: SCOPE OF SUPERVISORY CONSULTATION,
COOPERATION AND EXCHANGE OF INFORMATION RELATED TO DUALY
REGULATED ENTITIES**

24. The Authorities recognize the importance of close communication concerning the global operations of Dually Regulated Entities, and intend to consult regularly regarding general supervisory developments and issues relevant to the operations, activities and regulation of such entities.
25. To the extent practicable and as appropriate in the particular circumstances, including the status of efforts to address any difficulties experienced by a Dually Regulated Entity, each Authority endeavors to inform the other Authority in advance of:
 - a) pending regulatory changes that may have a significant impact on the operations, activities, or reputation of a Dually Regulated Entity, in the other jurisdiction; and

- b) any material event that could adversely impact each other's Markets or the stability of a Dually Regulated Entity, in the other jurisdiction. Such events include known changes in the operating environment, operations, management, or systems and controls.

The above is without prejudice to any arrangements relating to specific prudential issues.

26. To the extent necessary to supplement periodic and ad hoc oral consultations, upon written request, each Authority intends to provide to the other Authority the fullest possible cooperation in assisting with the oversight of a Dually Regulated Entity, and ensuring compliance with the laws or regulations of the Requesting Authority. It is anticipated that such requests will relate to information that is not otherwise available to the Requesting Authority. The assistance covered by this Paragraph includes, as appropriate to each entity, providing:

- a) Information based upon documents held in the files of the Requested Authority relevant to the Requesting Authority's oversight of the operations or activities of a Dually Regulated Entity. The Requested Authority will provide maximum assistance in interpreting such information. Such information includes, without limitation:
 - i. Relevant regulatory information, including, for example: interim and annual financial statements; information drawn from regulatory reports and filings; and information drawn from examination reports as may be deemed appropriate or relevant by the Requested Authority.

- b) With respect to asset management, the Authorities agree that they will provide each other, upon request, copies of inspection reports of Dually Regulated Entities that are involved in asset management, including investment advisers, investment fund managers, fund administrators, fund trustees, investment companies and investment funds.

On-Site Visits of Dually Regulated Entities

- 27. The SEC may conduct On-Site Visits of Persons located in Australia that are Dually Regulated Entities. ASIC, may conduct On-Site Visits of Persons located in the United States that are Dually Regulated Entities.
- 28. The Authorities intend to comply with the following procedures before conducting an On-Site Visit:
 - a) The Inspecting Authority will notify the Host Authority of its intent to conduct an On-Site Visit, by itself or by a third party commissioned by it, the intended time frame for and the scope of the On-Site Visit. If practicable, the Inspecting Authority will attempt to notify the Host Authority at least one week prior to notifying the Dually Regulated Entity covered by this Article.
 - b) The Authorities intend to assist each other regarding On-Site Visits, including cooperation and consultation in reviewing, interpreting and analyzing the contents of public and non-public Books and Records; and obtaining information from directors and senior management of a Dually Regulated Entity covered by this Article.
 - c) The Host Authority may, in its discretion, accompany the Inspecting Authority during the On-Site Visit and assist in the On-Site Visit.

ARTICLE FIVE: FRAMEWORK FOR COOPERATION RELATED TO AFFILIATED MARKETS

29. In view of the growing trend toward cross border affiliation of markets, the SEC and ASIC recognize the importance of establishing a framework for coordination and cooperation with respect to the oversight of Affiliated Markets at an early stage and to working collaboratively to fulfill their respective regulatory mandates.

30. In the event of an affiliation of a US Market and an Australian Market, the SEC and ASIC will endeavor to enter into written practical arrangements, governing the scope and the terms and conditions for consultation, cooperation and the exchange of information related to the oversight of the Affiliated Markets. Such arrangements once concluded and signed by the Authorities will become part of this MOU.

ARTICLE SIX: EXECUTION OF REQUESTS FOR ASSISTANCE

31. To the extent possible, a request for written information pursuant to Article Three or Four should be made in writing, and addressed to the relevant contact person in Appendix A. A request generally should specify the following:
 - a) The information sought by the Requesting Authority;
 - b) A general description of the matter which is the subject of the request and the purpose for which the information is sought; and
 - c) The desired time period for reply and, where appropriate, the urgency thereof.

32. In Emergency Situations, the Authorities will endeavor to notify each other of the Emergency Situation and communicate information to the other as would be appropriate in the particular circumstances, taking into account all relevant factors, including the status of efforts to address the Emergency Situation. During Emergency Situations, requests for information may be made in any form, including orally, provided such communication is confirmed in writing.

ARTICLE SEVEN: PERMISSIBLE USES AND CONFIDENTIALITY OF INFORMATION

33. Except for disclosures in accordance with this MOU, including permissible uses of information under this Article, each Authority intends to keep confidential to the extent permitted by law information shared under this MOU, requests made under this MOU, the contents of such requests, and any other matters arising under this MOU.
34. Subject to paragraphs 37-40 below, the Requesting Authority may use non-public information obtained under this MOU solely for conducting oversight of Firms and Markets, and seeking to ensure compliance with the laws or regulations of the Requesting Authority.
35. Except as described in Paragraph 37, in cases where an Authority seeks to onward share for supervisory purposes non-public information obtained pursuant to this MOU with a third securities, insurance, banking or other regulatory authority, including a relevant self-regulatory organization, the Requesting Authority undertakes to consult with the Requested Authority prior to providing the information to the third authority and:

- a) provide assurances that the third authority has confirmed that it requires the non-public information for a relevant supervisory purpose related to a material affiliate of a Firm; and
- b) obtain confirmation from the Requested Authority that the third authority has in place an information sharing arrangement with the Requested Authority related to supervisory matters, which governs the use and confidentiality of any non-public information shared under such arrangement.

If the conditions described in (a) and (b) of this Paragraph are not met, the Requesting Authority must obtain consent from the Requested Authority prior to providing non-public information obtained under this MOU to a third authority.

- 36. If an Authority receives, via a third party, non-public information related to the oversight of Firms or Markets provided by the other Authority, the first Authority will treat the information in accordance with the terms of this MOU where appropriate.
- 37. In certain circumstances, it may become necessary for the Requesting Authority to share information obtained under this MOU with other Governmental Entities. In these circumstances and to the extent permitted by law:
 - a) The Requesting Authority intends to notify the Requested Authority.
 - b) Prior to passing on the information, the Requested Authority will receive adequate assurances concerning the Governmental Entity's use and confidential treatment of the information, including, as necessary, assurances that the information will not be shared

with other parties without getting the prior consent of the Requested Authority.

38. Before using non-public information furnished under this MOU for any purpose other than those stated in Paragraph 33, the Requesting Authority must first inform the Requested Authority of the intended use. As necessary, the Authorities will consult to discuss the reasons for any denial by the Requested Authority of such use and the circumstances under which such use might be allowed.
39. As mentioned above, this MOU is intended to complement, but not alter in any way, either the Memorandum of Understanding Concerning Consultation, Cooperation and the Exchange of Information related to the Enforcement of Securities Laws between the SEC and ASIC dated [insert date] 2008 or the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information. The Authorities recognize that while information is not to be gathered under the auspices of this MOU for enforcement purposes, subsequently the Authorities may want to use the information for law enforcement. In cases where an Authority seeks to use information obtained under this MOU for enforcement purposes, including in conducting investigations or bringing administrative, civil or criminal proceedings, prior consent must be sought from the other Authority. Use will be subject to the terms and conditions of the arrangements referred to above concerning cooperation in enforcement matters.
40. To the extent possible, the Requesting Authority will notify the Requested Authority of any legally enforceable demand for non-public information furnished under this MOU. Prior to compliance with the demand, the Requesting Authority intends to assert all appropriate legal exemptions or privileges with respect to such information as may be available.

