

**MEMORANDUM OF  
UNDERSTANDING**

**BETWEEN**

**THE SECURITIES AND FUTURES  
COMMISSION OF HONG KONG**

**AND**

**THE MONETARY AUTHORITY OF  
SINGAPORE**

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Introduction

- 1 The Securities and Futures Commission of Hong Kong (SFC) and the Monetary Authority of Singapore (MAS) [the signatories], recognising the increasing international activity in the securities, futures and options markets and the corresponding need for mutual cooperation between the two regulatory authorities, have reached the following understanding.

Principles

- 2 The signatories will use their best endeavours to meet the terms of the Memorandum of Understanding (MoU). The MoU does not impose any legally binding obligation on the signatories or modify or supersede any laws, or regulatory requirements in force in, or applying to, Hong Kong or Singapore including the rules and by-laws of the respective signatories' securities and futures exchanges, the clearing and settlement houses and the central depository corporations. The MoU does not supersede or modify any terms or common law obligations expressly or impliedly provided for in a contract between two or more parties to a securities or futures transaction. The MoU does not create any rights enforceable by third parties. The MoU does not affect any arrangements under other MoUs.

- 3 The purpose of the MoU is to enhance the protection of investors and to promote the integrity of the securities and futures markets by providing a framework for cooperation, increased mutual understanding and the exchange of information, to the extent permitted by the laws of Hong Kong and Singapore.

### Scope

- 4 The signatories endeavour to promote mutual assistance by the exchange of information in relation to the following areas:
- (a) (i) market manipulation and other deceptive, fraudulent and manipulative practices in relation to securities and futures contracts which are listed or traded on the respective exchanges of the signatories; and
  - (ii) insider dealing in relation to securities which are listed or traded on the respective securities exchanges of the signatories;
  - (b) regulation - and supervision of securities and futures businesses in the areas of:-
    - (i) enforcement of the laws and regulatory requirements relating to dealing in, managing of and advising on listed securities and futures contracts;
    - (ii) promoting and securing the fitness and properness of persons authorised, licensed or registered to conduct securities and futures business and promoting high standards of fair dealing and integrity in their carrying on of that business.

## Requests

- 5 Requests will be made in writing in the English language. In urgent cases, requests may be in summary form to be followed within 10 calendar days by a full request.
- 6 Requests will specify:
- (a) the information requested (including the identity of persons, etc);
  - (b) the purpose for which the information is sought (including details of the laws or regulatory requirements pertaining to the matter which is the subject of the request);
  - (c) a description of the conduct or suspected conduct which gives rise to the request;
  - (d) the link between the specified laws or regulatory requirements and the regulatory function of the requesting signatory;
  - (e) the relevance of the requested information to the specified laws or regulatory requirements; and
  - (f) to whom, if anyone, onward disclosure of information is likely to be necessary and the reason(s) for such disclosure.
- 7 The signatories may provide information, or arrange for information to be provided, on a voluntary basis even though no request has been made and the terms and conditions of this MoU will apply if the signatory providing the information specifies that the information is passed under the MoU.

- 8 Each request will be assessed by the requested signatory to determine whether information can be provided under the terms of the MoU. In any case where the request cannot be accepted completely, the requested signatory will consider whether there may be any relevant information which can be given.
- 9 In deciding whether to accept or decline a request, the following considerations may, in particular, be taken into account:
- (a) whether the request relates to a breach of laws or regulatory requirements which have no close parallel in the territory of the requested signatory;
  - (b) whether broadly equivalent assistance would be available from the territory of the requesting signatory;
  - (c) whether the request involves an assertion of jurisdiction not recognised by the territory of the requested signatory;
  - (d) whether it would be contrary to the public interest or other essential interests of the requested signatory to give the assistance sought; and
  - (e) whether it would be contrary to the law or regulatory requirements of the requested signatory to give the assistance sought.
- 10 The requested signatory may, as a condition of providing assistance require the requesting signatory to make a contribution to costs. Such a contribution may, in particular, be required where the cost of a request is substantial or where a substantial imbalance has arisen in the cumulative costs incurred.

## Confidentiality

- 11 Each signatory will keep confidential:
- (a) any request for information made under the MoU and any matters arising in the course of its operation. Where disclosure to third parties is necessary to carry out the request by the requested signatory, the requested signatory shall without exception obtain the prior written consent of the requesting signatory; and
  - (b) any information passed under the MoU. Where disclosure to third parties (including a court, tribunal or disciplinary body) is necessary in furtherance of a purpose set out in paragraph 14 below pursued by a signatory or a recipient identified in paragraph 15 below, prior written consent from the requested signatory shall be obtained for such disclosure without any exceptions in this regard.
- 12 The requesting signatory shall inform the requested signatory at the time of each request whether the information requested and to be passed under the MoU will be or is likely to be subject to a legally enforceable action or demand to disclose to a third party.
- 13 For the avoidance of doubt, nothing in this MoU shall permit the disclosure of information received from the requested signatory in any civil proceedings.

- 14 Information passed under the MoU shall only be used, either by a signatory or a recipient identified in paragraph 15 below, solely for one or more of the following purposes:
- (a) securing compliance with or enforcement of the laws or regulatory requirements in relation to which the information was provided by initiating or assisting in criminal prosecution arising out of the breach of such laws or requirements; and
  - (b) taking regulatory action or imposing regulatory requirements within the areas set out in paragraph 4 above.
- 15 Information passed under the MoU may not be disclosed, unless:
- (a) the recipient has been designated by mutual written agreement of all the signatories; or
  - (b) (i) the provider has confirmed in writing that it has no objection to the recipient being so informed; and
  - (ii) adequate confidentiality provisions are in place to avoid the information being disclosed by the recipient for a purpose other than one for which it was provided.

- 16 If a signatory becomes aware that information passed under the MoU has been or is likely to be disclosed otherwise than is contemplated by paragraph 15 above, it will inform the other signatory of the situation immediately.
- 17 All documents and other materials provided by the requested signatory to the requesting signatory under the MoU shall remain the property of the requested signatory. The requesting signatory may not make copies of such documents or materials without the written consent of the requested signatory.
- 18 Where the requested signatory gives written notice to the requesting signatory to do so, the requesting signatory shall return any and all documents and materials provided under the MoU (including copies made by the requesting signatory) within two business days of such notice.
- 19 Where the requesting signatory passes any documents or materials provided by the requested signatory under the MoU pursuant to paragraph 11(b) to a recipient or third party identified in paragraph 15, the requesting signatory shall undertake to ensure that the recipient or third party complies with the provision in paragraphs 17 and 18 mutatis mutandis.

### Termination

- 20 The MoU will continue to have effect unless terminated by any one of the signatories by giving 30 days' advance written notice to the other signatory that the understanding set out herein is no longer to have effect.



Contact Points

- 21 All communications between signatories should be between the principal points of contact unless otherwise agreed.
- 22 The Executive Director, Enforcement, is the principal point of contact in the Securities and Futures Commission, Hong Kong.
- 23 The Deputy Managing Director, Banking & Financial Institutions Group is the principal point of contact in the Monetary Authority of Singapore.
- 24 Addresses for contact points are given in Annex A.
- 25 This MoU will be effective from the date of its signature by the Securities & Futures Commission of Hong Kong and the Monetary Authority of Singapore.

SIGNED THIS 16TH DAY OF JANUARY 1997

THE MONETARY AUTHORITY  
OF SINGAPORE

SECURITIES AND FUTURES  
COMMISSION, HONG KONG



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Lee Ek Tieng  
Managing Director



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Anthony Neoh  
Chairman