



COMISION  
NACIONAL  
BANCARIA Y  
DE VALORES

**UNITED MEXICAN  
STATES**

**National Banking  
and Securities  
Commission**



**CAYMAN ISLANDS**

**Cayman Islands  
Monetary Authority**

**MEMORANDUM  
OF  
UNDERSTANDING  
FOR THE  
EXCHANGE OF INFORMATION  
AND  
COOPERATION**

**Memorandum of Understanding ("MOU")  
for the exchange of information and cooperation  
between**

**Cayman Islands Monetary  
Authority ("CIMA")**

**and**

**National Banking and Securities  
Commission ("CNBV")**

**Recitals**

- A. The Cayman Islands Monetary Authority ("CIMA") was established as a body corporate on 1 January 1997 as a result of the merger of the former Financial Services Supervision Department and Cayman Islands Currency Board. Its statutory functions as set out in the Monetary Authority Law (2008 Revision) include (a) currency management, (b) regulation and supervision of financial services business carried on from or within the Islands in accordance with the regulatory laws, (c) advice to the government and (d) liaison and cooperation with overseas regulators as well as monitoring procedures for the prevention of money laundering.
- B. The National Banking and Securities Commission ("CNBV") is the United Mexican States' national banking and securities supervisor and regulator under the National Banking and Securities Commission Law (LCNBV). The CNBV supervises and regulates, within its jurisdiction, the financial entities regulated under the LCNBV, with the sole purpose of assuring their stability and fine performance, as well as maintaining and fostering a sound and balanced development of the financial system as a whole, while protecting the interests of the public. The CNBV also regulates and supervises natural and legal persons that carried out those activities foreseen in the legal framework applicable to the financial system. The CNBV is authorised to assist and cooperate with similar foreign supervisory authorities, under the terms of a signed Memorandum of Understanding (MOU) in accordance with the LCNBV.
- C. CIMA and the CNBV wish to enter into this MOU to provide a formal basis for co-operation, including for the exchange of information, on-site inspections, visits and investigative assistance, as well as cooperation in matters related to training, technical assistance and internships, to the extent permitted by Applicable Laws, Regulations and Requirements entrusted to CIMA and the CNBV. CIMA and the CNBV believe such co-operation will enable them more effectively to perform their functions.
- D. The Authorities acknowledge that they may only provide information under this MOU, if permitted or not prevented under applicable laws and regulations.

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## 1. Interpretation

In this MOU, unless the context requires otherwise:

**"Applicable Laws, Regulations and Requirements"** means any law, regulation or requirement applicable in the Cayman Islands and/or in the United Mexican States and where the context permits includes:

- (a) any law, regulation or requirement applicable in the Cayman Islands or the United Mexican States; and
- (b) any rule, direction, requirement, guidance or policy made or given by or to be taken into account by an Authority.

**"Authority"** means CIMA or the CNBV and **"Authorities"** means CIMA and the CNBV;

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

**"Requested Authority"** means an authority to whom a request is made under this MOU;

**"Requesting Authority"** means an authority making a request under this MOU.

**"Home Supervisor"** means the supervisor located in the Cayman Islands or in the United Mexican States, respectively, responsible for the supervision on a consolidated basis of a Banking Organization or a Financial Institution.

**"Host Supervisor"** means the supervisor located in the Cayman Island or in the United Mexican States, respectively, in which a Banking Organization is authorized to carry out banking activities through its Cross-Border Establishment or a financial activity through its Financial Institution in the other Authority's jurisdiction.

**"Banking Organization(s)"** means the institution carrying out banking activities in the Cayman Islands and/or in the United Mexican States through its head office and Cross-Border Establishments, that are subject to the supervision and regulation of any of the Authorities in accordance with the Applicable Laws, Regulations and Requirements in their respective jurisdictions. In its case, Banking Organization will include any holding company and its bank subsidiaries duly incorporated and placed under the supervision of any of the Authorities.

**"Cross-Border Establishment(s)"** means an organizational unit carrying out banking activities authorized in the Cayman Islands or in the United Mexican States of a Banking Organization which is authorized in the other jurisdiction, or an institution carrying out banking activities authorized in the Cayman Islands or in the United Mexican States controlled by a Banking Organization which is authorized in the other jurisdiction. A Cross-Border Establishment is also an institution that by virtue of direct or indirect investment by a Banking Organization

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established in the home jurisdiction is subject to supervision by any of the Authorities.

**“Financial Institution(s)”** means those entities different from a Banking Organizations or a Cross-Border Establishment, subject to the supervision by any of the Authorities and which are controlled by a Financial Institution or a Banking Organization authorized in the other jurisdiction. A Financial Institution is also an organization that by virtue of direct or indirect investment by a Financial Institution established in the home jurisdiction is subject to supervision by any of the Authorities.

**“Visit(s)”** means the visits carried out at the Banking Organizations or a Financial Institution located in the other Authority’s territory with the purpose to revise and supervise the systems and process related to the operation of the Banking Organizations or Financial Institutions, subcontracted by the Cayman Islanders or Mexican companies supervised by CIMA or the CNBV, respectively. Furthermore, visits can be for cooperation and/or technical assistance purposes.

**“On-Site Inspections(s)”** means the official visits of inspection carried out at a Cross-Border Establishment or at a Financial Institution by the Home Supervisor, through duly authorized officers, to verify its financial condition and otherwise carry out consolidated supervision.

## 2. Purpose and Principles

- 2.1. The purpose of this MOU is to assist the Authorities to carry out their responsibilities and functions more effectively, by providing a framework for co-operation, including the exchange of information, channels for communication, increased mutual understanding, on-site inspections, visits and the provisions of investigative assistance, as well as matters related to training, technical assistance and internships to the extent permitted by Applicable Laws, Regulations and Requirements.
- 2.2. The Authorities acknowledge that the gathering and furnishing of information and documentation referred to under this MOU, shall be carried out under Applicable Laws, Regulations and Requirements.
- 2.3. The Authorities acknowledge that they may only provide information under this MOU if permitted or not prevented under Applicable Laws, Regulations and Requirements.
- 2.4. This MOU does not confer upon any Person or 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 MOU.

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### 3. Provision of Unsolicited Information

The Authorities may provide information, or arrange for information to be provided, on a voluntary basis even though no request has been made.

### 4. Requests for Assistance

If a request for assistance is made, each Authority will use reasonable efforts to provide mutual assistance to the other, subject to its Applicable Laws, Regulations, and Requirements.

Assistance may include for example:

- a) providing information in the possession of the Requested Authority;
- b) confirming or verifying information provided to it for that purpose by the Requesting Authority;
- c) exchanging information on or discussing issues of mutual interest;
- d) obtaining specified information and documents from persons;
- e) questioning or taking testimony of persons designated by the Requesting Authority, in accordance with the Applicable Laws, Regulations and Requirements of the Requested Authority;
- f) conducting On-site inspections or Visits of financial services providers or arranging for the same;

### 5. Procedure for Requests

Requests for the provision of information or other assistance shall be made in writing (and addressed to the contact point indicated by each Authority). In cases of urgency, the requests can be made orally or by other means, and shall be confirmed in writing within ten (10) 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) if information is provided by the Requesting Authority for confirmation or verification, the information and the kind of confirmation or verification sought;
- c) the purpose for which the information or other assistance is sought;
- d) if the request for assistance is for the purpose of actual or possible enforcement action; and

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- e) any other matters specified by the Requested Authority and by the Applicable Laws, Regulations and Requirements in relation to the Requested Authority.

## 6. Assessing Requests

6.1 Each request for assistance 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 fulfilled in part or whole, the Requested Authority will consider whether there may be other assistance which can be given by itself or by any other authority in its jurisdiction

6.2 In deciding whether and to what extent to fulfil a request, the Requested Authority may take into account:

- a) whether the request conforms with this MOU;
- b) whether the provision of assistance would be so burdensome as to disrupt the proper performance of the Requested Authority's functions;
- c) whether it would be otherwise contrary to the public interest or the essential national interest of the Requested Authority's jurisdiction to give the assistance sought;
- d) if the request for assistance is for the purpose of actual or possible enforcement action;
- e) any other matters specified by the 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); and
- f) whether complying with the request may otherwise be prejudicial to the performance by the Requested Authority of its functions.

6.3 Authorities recognise that assistance may be denied in whole or in part for any of the reasons mentioned in paragraph 6.2 at the discretion of the Requested Authority.

## 7. Supervisory Cooperation

7.1 The Authorities acknowledge that cooperation provided to each other is particularly useful in carrying out On-Site Inspections to the Banking Organizations, Cross-Border Establishments and the Financial Institutions, in the Cayman Islands or in the United Mexican States. On-Site Inspections will be carried out with prior written notice, according to the Applicable Laws, Regulations and Requirements at the jurisdiction where the On-Site Inspection will be carried out and according to the terms agreed by the Authorities for such purpose.

  
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7.2 The Home Supervisor would notify the Host Supervisor at least with thirty (30) days in advance of plans to inspect or verify information concerning a Financial Institution or a Cross-Border Establishment in the host jurisdiction, indicating the purpose of the inspection and the specific aspects of the Financial Institution and/or the Cross-Border Establishment to inspect. Additionally, any request should include the Applicable Laws, Regulations and Requirements for the corresponding On-site inspection. On-Site Inspections at Financial Institutions or Cross-Border Establishments by the Home Supervisor in the other jurisdiction would only be carried out after consultation with the Host Supervisor.

7.3 At the discretion of the Host Supervisor and in accordance with the Applicable Laws, Regulations and Requirements in each jurisdiction, On-Site Inspections may be carried out independently or accompanied jointly with the Host Supervisor. The Home Supervisor would inform the Host Supervisor at the conclusion of an On-Site Inspection and, provide, to the extent reasonable, information on the results of the On-Site Inspection relevant to the operations of the Financial Institution or the Cross-Border Establishment.

7.4 Under written request and in accordance with the Applicable Laws, Regulations and Requirements in their respective jurisdictions, the Authorities agree to provide assistance to the Requesting Authority in order to carry out Visits to the Banking Organization or the entity under its supervision that provides services or data processing to the Financial Institution or the Cross-Border Establishment under the supervision of the Requesting Authority.

## 8. Mutual Interest

8.1 The Authorities agree that all actions of cooperation derived from this MOU will be carried out in accordance with the Applicable Laws, Regulations and Requirements of each jurisdiction and subject to the principle of reciprocity, in recognition of the assistance that each Authority can provide to the other in carrying out the consolidated supervision of Banking Organizations or Financial Institutions headquartered in the United Mexican States or in the Cayman Islands. Consequently, it is intended that the supervisors will share information with each other, will permit and facilitate the conduct of On-Site Inspections or Visits of Financial Institutions or Cross-Border Establishments, as well as the conduct of visits to the Banking Organization or the entity under its supervision that provides services or data processing to the Financial Institution or the Cross-Border Establishment under the supervision of the Requesting Authority, and will cooperate as described in this MOU.

8.2 The Authorities agree on providing each other with assistance related to cooperation visits, technical assistance, training and internships, in accordance with the Applicable Laws, Regulations and Requirements of each jurisdiction.

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## 9. Contact Points

The Authorities will provide a list of contact persons to which information or requests for information or assistance under this MOU should be directed.

## 10. Costs

If the cost of fulfilling a request is likely to be substantial, the Requested Authority may, as a condition of agreeing to give assistance under this MOU, require the Requesting Authority to make a contribution to costs.

## 11. Confidentiality

11.1 Each Authority shall maintain the confidentiality of any non-public information it receives under this MOU and will only disclose that information in accordance with disclosures permitted under its Applicable Laws, Regulations and Requirements.

The recipient Authority will endeavour to comply with any restrictions on the use of information that are agreed when the information is provided. Information received will be used solely for the purpose of:

- a) Securing compliance with or enforcement of Applicable Laws, Regulations and Requirements or such other use specified in the request;
- b) Initiating or assisting in criminal investigations and prosecutions arising out of the breach of Applicable Laws, Regulations and Requirements; or
- c) Conducting or assisting in civil or administrative proceedings arising out of the breach of Applicable Laws, Regulations and Requirements specified in the requests (and brought by the Authorities or other law enforcement or regulatory bodies within the jurisdictions of the Cayman Island and the United Mexican States).

11.2 The Requesting Authority will notify and pursuant to section 12 consult with the Requested Authority where it seeks to use any non-public information passed under this MOU for purposes other than those set out in paragraph 11.1 above or where it proposes to pass on information to another person not specified in the request.

11.3 In the event of a legally enforceable demand to disclose any information received under this MOU, the Authority receiving the demand will notify the Authority that supplied the information of the demand including asserting such appropriate legal exemptions or privileges with respect to that information as may be available.

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## 12. Consultation

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.

## 13. Termination

- 13.1 This MOU will continue to have effect until terminated by either Authority giving thirty (30) days advance written notice to the other Authority.
- 13.2 After termination, the confidentiality provisions shall continue to apply to any information provided under this Memorandum prior to termination.
- 13.3 The anticipated termination of this Memorandum will not affect the conclusion of the actions for cooperation that would have been formalized while it was in force.

## 14. Effective Date

- 14.1 This MOU will take effect when both Authorities have signed it. Following the signature of this MOU the Authorities shall maintain an up to date list of contact persons.
- 14.2 No amendments to this MOU shall be effective unless made in writing and mutually executed by the Authorities, specifying the date in which such amendments come into force.

This MOU was done in Spanish and English. All text being equally authenticated as signed.

### Executed by the Authorities:

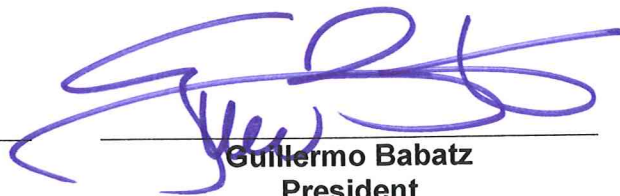
**For Cayman Islands Monetary  
Authority**

**For National Banking and  
Securities Commission of the  
United Mexican States**



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**Cindy Scotland  
Managing Director**



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**Guillermo Babatz  
President**

Date: 21 February 2011

Date: 7 March 2011.

