Memorandum of Cooperation

SECURITIES AND
FUTURES COMMISSION
證券及期貨事務監察委員會

SFC
證監會

Securities and Futures Commission

Financial Services Agency of Japan

Memorandum of Cooperation Related to Covered CCPs

In view of the growing globalization of the world's financial markets and the increase in cross-border operations and activities of central counterparties (CCPs), the Financial Services Agency of Japan ("FSA") and the Securities and Futures Commission ("SFC") of Hong Kong have reached this Memorandum of Cooperation ("MoC").

This MoC expresses the authorities' willingness to consult, cooperate and exchange information with one another in the interest of fulfilling their respective responsibilities and [redacted]

Item 1

Definitions

For the purpose of this MoC:

a) "Authority" means a signatory to this MoC or any successor thereto;

b) "Authorized ATS provider" means a person who has been authorized by the SFC under section 95(2) of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") to provide automated trading services;

c) "CCP" means a legal person that interposes itself between the counterparties to the contracts traded on one or more financial markets, becoming the buyer to every seller and the seller to every buyer;

d) "Conditions" means the conditions imposed by the SFC on a Covered CCP pursuant to the Covered CCP's application to be an Authorized ATS provider or a Designated Person;

e) "Covered CCP" means:

i) [redacted]

g) “Emergency Situation” means the occurrence of an event that could materially

[redacted]

impair the financial or operational condition of a Covered CCP;

[redacted]

the subject of an On-Site Visit is physically located;

i) “License Criteria” means the criteria on which the FSA examines the application

[redacted]

2. This MoC does not create any legally binding obligations, confer any rights, or supersede any Laws and Regulations. This MoC does not confer upon any Person the right or ability, directly or indirectly, to obtain, suppress, or exclude any information or to [redacted]

3. This MoC does not limit an Authority to taking solely those measures described herein in fulfilment of its responsibilities and mandates. In particular, this MoC does not affect any right of any Authority to communicate with or obtain information or documents from any Person subject to its jurisdiction that is established in the country or the region where the other Authority is located. This MoC does not prejudice or affect in any other way the respective competencies of the Authorities.

[redacted]

2. The Authorities recognise in particular the importance of close cooperation in the event

g) any material change in the Authorities' respective professional secrecy legislation.

The information to be provided by an Authority pursuant to this paragraph 4(a) to (g) will identify the affected Covered CCP. The determination of what constitutes “material event,” “adversely impact,” “material effect”, “material extension”, “material modification”, “material change”, “material regulatory change”, “significant impact” or “significant [redacted] information.

5. *Exchange of Written Information.* Each Authority, upon written request, intends to provide the other Authority with assistance in endeavouring to obtain information not otherwise available to the Requesting Authority, and, where needed, interpreting such information so as to enable the Requesting Authority to assess compliance with the Laws and Regulations administered by the Requested Authority to which a Covered CCP is subject, provided that the Requested Authority is authorised to collect such information. Such requests should be made pursuant to Item 4 of this MoC, and the Authorities anticipate [redacted]

Item 4

Execution of requests for information

1. To the extent possible, a request for written information pursuant to Item 3(5) should be [redacted]

on the supervision and enforcement capabilities of the Home Authority in respect of Covered CCPs and will consider any information that was made available or is [redacted] capable of being made available by the Home Authority.

c) the Home Authority intends to assist the Visiting Authority in reviewing, interpreting [redacted] and analysing the contents of public and non-public documents and obtaining information from directors and senior management of the Covered CCPs.

Item 6

Permissible uses of Information

1. The Requesting Authority shall use non-public information [redacted]

Item 7

Confidentiality and onward sharing of information

1. Except as stated in Item 7(2) or (3), or pursuant to a legally enforceable demand as referred to in Item 7(4), each Authority should keep confidential, to the extent permitted by law, non-public information shared under this MoC, requests made under this MoC, the contents of such requests, and any other matters arising under this MoC. The terms [redacted] of this MoC are not confidential.

2. As required by law or authorised by law, it may become necessary for a Requesting [redacted] Authority to share non-public information obtained under this MoC with the Other Authority in its jurisdiction. In such circumstances and to the extent permitted by law:

a) the Requesting Authority shall notify the Requested Authority about what assert all appropriate legal exemptions or privileges with respect to such information as may be available.

5. [redacted]

1. This MoC will remain operative for an unlimited period of time.

2. If an Authority no longer wishes to be a signatory to this MoC, it should provide thirty (30) calendar days prior written notice to the other Authority.

3. If an Authority gives such notice, the signatories will consult concerning the disposition of any pending requests. If a consensus cannot be reached through consultation, cooperation will continue with respect to all requests for information that were made under the MoC before the expiration of the 30-day period described in Article 11(2) until all requests are fulfilled or the Requesting Authority withdraws such request(s) for information.

4. In the event of termination of this MoC, information obtained under this MoC will continue to be treated in the manner described under Articles 6 and 7.

[redacted]

Securities and Futures Commission	Financial Services Agency of Japan

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