

REPUBLIQUE FRANCAISE

LITHUANIA

COMMISSION DES OPERATIONS DE  
BOURSE

VERTYBINIU POPIERIU KOMISIJA

**MEMORANDUM OF UNDERSTANDING ON THE EXCHANGE OF INFORMATION**

The *Commission des opérations de bourse* (COB) and the Lithuanian Securities Commission (*Vertybinių popierių komisija* (VPK))

Considering, in light of increasing internationalization of financial activities, the need for mutual cooperation and consultation in order to facilitate the performance of their functions in the areas mentioned hereinafter;

Considering, the importance of ensuring compliance with and enforcement of securities laws and regulations applicable in France and in Lithuania;

Wishing to achieve the provision of the broadest mutual assistance, in order to enhance the performance of the supervisory functions and the effective enforcement of the laws and regulations governing financial markets;

Have reached the following:

**Article 1 - Purpose of the Memorandum**

The purpose of this Memorandum is to set up and implement a system for mutual assistance between the authorities designated hereinafter, in order to facilitate the performance of their supervisory functions in the field of the financial markets.

**Article 2 - Definitions**

For the purpose of this Memorandum:

1. « Authority » means:

- a) the *Commission des opérations de bourse* (COB) of France; or
- b) the *Vertybinių popierių komisija* (VPK).


2. « Requested Authority » means the authority to whom a request under this Memorandum is made;

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3. « **Requesting Authority** » means an authority making a request under this Memorandum;
4. « **Laws and Regulations** » means the provisions of the laws, regulations and other regulatory requirements applicable in France and in Lithuania;
5. « **Financial Instruments** » means shares, bonds and other forms of securitized debts, futures and derivative products, and any other financial instrument within the respective competence of the authorities;
6. « **Issuer** » means a natural or legal person who issues or proposes to issue any security;
7. « **Financial Markets** » means regulated markets and any other market of financial instruments supervised by the authorities;
8. « **Investment Services** » means carrying out and executing transactions involving financial instruments for own account or on behalf and for the account of third parties, portfolios management, underwriting, placing and any other services in connection with investment services;
9. « **Investment Services Providers** » means investment firms, credit institutions and any other person as authorized to provide investment services in accordance with the laws and regulations of the authorities applicable in Lithuania and in France.

### Article 3 – Scope of Assistance

1. The authorities will provide each other, under this Memorandum, to the extent permitted by their respective laws and regulations, the fullest assistance in order to facilitate the performance of their supervisory duties. The requested authority will provide access to the information it holds to the requesting authority; and when possessing the legal authority to do so, the requested authority will use its means and powers to obtain all useful information to comply with the request.
2. In so far, the request concerns information relating to the activities of specified persons or when the provisions of proceedings resulting from the violation of a law or a regulation does not allow the transmission of information, the requested authority shall take all necessary steps in order to provide assistance to the requesting authority. In case of any difficulty relating to the provision of the relevant information, the authorities will consult each other.
3. For any request of assistance, the information are exchanged in accordance with the laws and regulations respectively applicable to the authorities.
4. Assistance under this Memorandum may be denied, in particular:
  - a) where the execution of the request would prejudice the sovereignty, the security, the fundamental economic interests or public policy of the State of the requested authority;
  - b) where the request of assistance is contrary to the provisions of this Memorandum;
  - c) where criminal proceeding has been already initiated or where a final criminal or administrative sanction has already been applied, in the jurisdiction of the requested authority in respect of the same facts and against the same persons.
5. The denial of assistance does not undermine the right of the authorities to consult each other. Where the requested authority does not possess the legal authority to provide the assistance requested, the requested authority and the requesting authority will consult on other possible means of dealing with the request.



6. Without prior request for assistance, the authorities may transmit to each other information they hold and which they may consider useful to the other authority in the performance of its functions and for the purposes eventually specified in the transmission letter. The provisions of this Memorandum are applicable if the authority providing the information specify that the information is given under this Memorandum.
7. This Memorandum constitutes a basis for cooperation between the authorities and its execution will take place in accordance with the laws and regulations enforceable in France and in Lithuania. This Memorandum does not grant any obligations to be executed by third parties and can not prejudice the public policy of the State of the requested authority.

#### **Article 4 – Requests for Assistance**

1. Requests for assistance shall be made in writing and addressed to the requested authority's contact person listed in Appendix A of this Memorandum.
2. The request for assistance must specify the following:
  - a) a general description of the information sought by the requesting authority;
  - b) a general description of the information which is the subject and the purpose of the request;
  - c) in so far as the request results from investigations of violations of any laws or regulations, a description of the relevant provisions that may have been violated;
  - d) if known to the requesting authority, a list of the persons or institutions that requesting authority believed that are in possession of the information sought or even the places where such information may be obtained;
  - e) an indication of the urgency of the request, or the desired time period for the reply.

#### **Article 5 – Execution of Requests**

1. Subject to Articles 1, 3 and 4 of this Memorandum, the requested authority will provide to the requesting authority the information that it holds or it may obtain by its own means, in accordance with the laws and regulations applicable to the requested authority.
2. The information should be transmitted to the person listed in Appendix A.

#### **Article 6 – Permissible Use of Information**

1. The requesting authority shall use the information furnished solely for purposes stated in the request, with a view to ensuring compliance with or enforcement of the laws and regulations specified in the request.
2. The information received without prior request by an authority shall only be used for purpose stated in the transmission letter or for a subsequent criminal proceeding.

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3. However, if the requesting authority wishes to use the information provided for any other purpose than those stated in paragraphs 1 and 2 of this Article, but remaining within the scope of this Memorandum, including the transmission of this information to other competent regulators in the field of securities, it must first seek permission from the requested authority. If the requested authority agrees to the use of the information for the purposes other than those stated in paragraphs 1 and 2 of the Article, it might subject the use of the information to certain conditions. The requested authority may refuse such use of the information; in that case, the authorities will consult each other pursuant to Article 8 regarding the reasons for refusal and the necessary conditions under which the use of the information might otherwise be permitted.

#### **Article 7 – Confidentiality of requests and information exchanged**

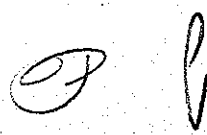
1. Each authority shall keep confidential, to the extent permitted by law, requests or communications of information, made within the framework of this Memorandum, the contents of such requests, and any other matters arising during the implementation of this Memorandum, including consultations between the authorities.
2. In all cases, the requesting authority shall keep confidential, to the extent permitted by law, any information received pursuant to this Memorandum to the same extent as such information would be kept confidential in the State of the requested authority.

#### **Article 8 - Consultations**

1. The authorities agree to inform each other on any legal or regulatory development affecting the scope of this Memorandum and to consult each other on a periodic basis and whenever necessary.
2. The authorities will keep the operation of this Memorandum under continuous review and will consult each other with a view to improving its operation and resolving any matters which may arise. In particular the authorities should consult each other in case of:
  - a) refusal to provide assistance;
  - b) disagreement in the use of the information provided as mentioned in Article 6 of this Memorandum;
  - c) significant change in the economic situation of the authorities or in the enforceable laws and regulations may require to modify this Memorandum.
3. The authorities may agree on further practical arrangements as may be necessary to facilitate the implementation of this Memorandum.
4. In any case of dispute over the interpretation of this Memorandum, the authorities will consult each other with a view to reaching a mutually acceptable interpretation.

#### **Article 9 – Amendments to the Memorandum**

Further to consultations held pursuant to Article 8, the authorities may agree on amendments to this Memorandum as may be appropriate.



**Article 10 – Publication**

The authorities agree to publish this Memorandum.

**Article 11 – Effective Date**

This Memorandum will come into effect from the date of signature.

**Article 12 – Termination**

This Memorandum shall be concluded for an unlimited period of time and may be terminated by any authority at any time by giving 30 days prior written notice. Where the requested authority gives such notice, this Memorandum will continue to have effect with respect to all requests for assistance made before the date of the reception of the notification.

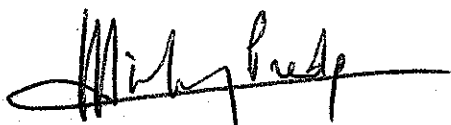
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IN WITNESS WHEREOF the Undersigned have signed this Memorandum.

DONE in Paris, this October 9<sup>th</sup> 2000, in six copies, two in French, two in Lithuanian and two in English.

For the

*Commission des opérations de bourse*

A handwritten signature in black ink, appearing to read 'Michel Prada', with a long horizontal stroke extending to the right.

Michel PRADA  
Chairman

For the

*Vertybinu popieriu komisija*

A handwritten signature in black ink, appearing to read 'Poderys', written in a cursive style.

Virgilijus PODERYS  
Chairman

APPENDIX A

The requested authority's contact person pursuant to Article 4 of the Memorandum is:

For the *Commission des opérations de bourse*

Hervé DALLERAC  
Head of the Enforcement Division  
Tel: (33 1) 53 45 63 76  
Fax: (33 1) 53 45 63 70

For the *Vertybiniu popieriu komisija*

Vidmantas DRIZGA  
Head of the Legal and Enforcement Department

Tel: (370.2) 714 943  
Fax: (370.2) 725 089

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