



## **INTERNATIONAL INFORMATION SHARING MEMORANDUM OF UNDERSTANDING**

This INTERNATIONAL INFORMATION SHARING MEMORANDUM OF UNDERSTANDING (this “MOU”), effective as of July 1, 2016 (the “Effective Date”), is entered into by and between Financial Industry Regulatory Authority, Inc., whose principal offices are located at 1735 K Street, NW, Washington, D.C. 20006 (together with its subsidiaries and affiliates existing on or after the Effective Date, “FINRA”), and the British Columbia Securities Commission (“BCSC”), whose principal offices are located at 701 West Georgia Street, P.O. Box 10142, Pacific Center, Vancouver, BC V7Y 1L2 (each of FINRA and the BCSC, an “Authority” and together, the “Authorities”). This MOU does not modify or supersede any Laws in force and applying to the Authorities. This MOU sets forth a statement of intent and accordingly does not create any enforceable rights, any legally binding obligations or agreement. However, the provisions set forth in Articles 2 and 3 shall be binding upon the Authorities and survive the termination of the MOU.

### **RECITALS**

**WHEREAS**, FINRA is the largest independent regulator for all securities firms doing business in the United States, created in July 2007 through the consolidation of National Association of Securities Dealers, Inc. and the member regulation, enforcement and arbitration functions of the New York Stock Exchange (NYSE). In 2010, FINRA signed an agreement with NYSE Euronext whereby FINRA would assume the market surveillance and related enforcement functions for NYSE Euronext’s U.S. equities and options markets, which encompass the NYSE, NYSE Arca, and NYSE-Amex markets. FINRA is dedicated to investor protection and market integrity through effective and efficient regulation.

**WHEREAS**, the BCSC is the regulatory body responsible for overseeing British Columbia’s capital markets. The BCSC is a self-funded Crown corporation accountable to the British Columbia Legislature through the Minister of Finance. The BCSC administers and enforces British Columbia’s securities laws. Its mandate is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets. The BCSC regulates various types of capital market participants. These participants include individuals and companies advising on or trading in securities or commodities futures (unless under an exemption), public companies, investment funds, self-regulatory organizations and marketplaces.

**WHEREAS**, the Authorities agree that the sharing of such confidential information of common interest and necessity between the Authorities will enhance the effectiveness of the regulatory programs and the underlying missions of the said Authorities; and

**WHEREAS**, the Authorities desire to enter into this MOU to set forth the terms under which each Authority will maintain in confidence the other Authority’s confidential information.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements set forth in this MOU, and for other good and valuable consideration, the receipt and sufficiency of which the Authorities hereby acknowledge, the Authorities agree as follows:

### **ARTICLE 1**

#### **ASSISTANCE**

1.1 **Scope of Assistance**. The Authorities acknowledge that they may provide Confidential Information under this MOU only if permitted under either Authority’s Laws and each Authority (the “Recipient”) will maintain in confidence all Confidential Information of the other Authority (the “Discloser”). The Authorities will, within the framework of this MOU, provide each other with the fullest assistance permissible to secure compliance with the respective Laws of the Authorities. The Discloser shall endeavor to assist the Recipient,

through reasonable measures, in correcting inaccurate Confidential Information if such assistance is requested by the Recipient. Each request for assistance will be assessed on a case-by-case basis by the Discloser to determine whether assistance can be provided under the terms of this MOU and pursuant to any and all applicable laws, rules, regulations, rulings, orders, and approvals of any federal, state or local government (including any government agency, department or authority) or court (collectively, "Law(s)").

1.2 **Denied Assistance.** Assistance by the Discloser may be denied in whole or part for the following reasons: (a) where the request would require the Discloser to act in a manner that would violate Laws; (b) where a criminal proceeding has already been initiated in the jurisdiction of the Discloser based upon the same facts and against the same persons, or the same persons have already been the subject of the final punitive sanctions on the same charges by the competent authorities of the jurisdiction of the Recipient, unless the Recipient can demonstrate that the relief or sanctions sought in any proceedings initiated by the Recipient would not be of the same nature or duplicative of any relief or sanctions obtained in the jurisdiction of the Discloser; (c) where the request is not made in accordance with the provisions of this MOU; (d) where the provision of assistance would be too burdensome so as to disrupt the proper performance of the Discloser's functions; (e) where compliance with the request may otherwise be prejudicial to the performance by the Discloser of its functions or business objectives; (f) on grounds of public interest or essential national or provincial interest; and (g) where the Authorities, after consultation, mutually agree that compliance with the request would not be in the best interests of either or both Authorities. Discloser may not deny assistance to Recipient based on the fact that the type of conduct under investigation will be a violation of the Laws of the Discloser. If a request for assistance is denied or is not available under Discloser's Laws, the Discloser will provide the reasons for denying assistance to the Recipient.

1.3 **Provision of Unsolicited Information.** The Authorities may provide to each other or arrange to be provided, to the extent permitted by the Authorities' respective Laws and procedures, without prior request and solely on a voluntary basis, Confidential Information which they believe to be helpful to the other Authority for the discharge of its functions and for the purposes which they may specify in the communication.

1.4 **Requests for Assistance.** If a request for assistance is made, each Authority will use reasonable efforts to provide assistance to the other, subject to the Laws, jurisdictional limits, Section 1.2 and upon a Recipient's request. Assistance may include, but is not limited to: (a) providing Confidential Information in the possession of the Discloser; (b) obtaining specified Confidential Information from persons designated by the Recipient or any third party who may possess the requested Confidential Information; (c) the Discloser will obtain other related Confidential Information relevant to the request; (d) seeking responses to questions and/or a statement (or where permissible, testimony under oath) from persons designated by the Recipient, or from any third party who is in possession of Confidential Information that may assist in the execution of the request; (e) confirming or verifying information provided for that purpose by the Discloser; and (f) exchanging information on or discussing issues of mutual interest. In the event that the Recipient seeks additional Confidential Information, beyond (a)-(f) above, the Authorities will discuss the request on a case by case basis and may take additional steps provided that they are in compliance and furtherance of the Authorities' respective regulatory purposes. Where the specific conduct set out in the request for assistance may constitute a breach of Laws, a regulation, rule, or requirement in the Discloser's jurisdiction, the Authorities will consult to determine the most appropriate means for each Authority to provide assistance.

1.5 **Procedure for Assistance.** Unless otherwise arranged by the Authorities, Confidential Information requested under this MOU will be gathered in accordance with the procedures applicable in the jurisdiction of the Discloser. To facilitate assistance, the Recipient should specify in any request: (a) the specific Confidential Information or other regulatory assistance requested, which should include reference to relevant Laws and/or a description of the supervisory review and/or the facts underlying the investigation that are subject of the request and the purpose for which the assistance is sought; (b) any Confidential Information known to, or in the possession of, the Discloser that might assist the Recipient in identifying either the persons believed to possess the Confidential Information or documents sought or the places where such Confidential Information may be obtained; (c) if Confidential Information is provided by the Discloser for confirmation or verification, the Confidential Information and the kind of confirmation or verification sought; (d) how the Confidential Information is likely to be used, including the details of any possible onward disclosure of Confidential Information provided to the Recipient, and including to whom such disclosure would be made and the purpose such disclosure would serve. Requests for the provision of Confidential Information shall be made in writing, except in instances of urgent circumstances,

requests for assistance may be made by telephone, email or facsimile, provided such communication is confirmed through an original, signed document.

1.6 **Permissible Use of Information.** The Recipient may use Confidential Information furnished in response to a request for assistance under this MOU solely for: (a) the purposes set forth in the request for assistance, including ensuring compliance with the Laws related to the request; or (b) a purpose within the general framework of the use stated in the request for assistance, including conducting an investigation or enforcement proceeding, or assisting in a self-regulatory organization's surveillance or enforcement activities (insofar as it is involved in the supervision of trading or conduct that is the subject of the request). This use may include enforcement proceedings which are public, and any attendant disclosure obligations. If a Recipient intends to use Confidential Information furnished under this MOU for any purpose other than those stated in (a) – (b) above, it must obtain the prior written consent of the Discloser.

## ARTICLE 2 CONFIDENTIALITY

2.1 **Confidential Information.** For purposes of this MOU, "Confidential Information" of a Authority means any and all confidential, proprietary, non-public, or competitively sensitive information of or concerning that Authority or its employees, officers, directors, members, agents, licensors, contractors, systems or customers, whether in verbal, written, electronic, graphic or other form, including, but not limited to, information relating to the activities of the individuals or bodies regulated and supervised by the Authorities, in particular, trading activities, the registration and licensing information of supervised individuals or bodies, their disciplinary history, and with respect to supervisory examination and inspections, the substance of inspection reports (any and all issues identified and addressed during such examinations or inspections, actions (and action plans) taken in response to issues identified, and all outstanding issues), information on the transactions (name of client buy side/sell side, name of intermediary, and reason for operation), and any other information mutually agreed upon by the Authorities on a case-by-case basis, whether (a) disclosed by that Authority to the other Authority, or (b) obtained by the other Authority through (i) observation or examination of any of that Authority's documents or materials or (ii) discussions with that Authority's representatives or parties designated by that Authority to speak with or provide information to the other Authority concerning that Authority. "Confidential Information" of an Authority includes any and all documents and other materials generated by the other Authority to the extent those materials describe, summarize, comment on, or otherwise contain any of an Authority's Confidential Information.

2.2 **Exceptions.** Notwithstanding Section 2.1, "Confidential Information" does not include information the Discloser discloses to the Recipient that (a) at the time of disclosure was in or thereafter enters the public domain, other than as a result of the Recipient's actions or the actions of its Authorized Persons; (b) the Recipient rightfully possessed prior to the time of disclosure without a duty of confidentiality with respect to the information; (c) the Recipient received on an unrestricted basis from a source unrelated to either Authority and not under a duty of confidentiality with respect to the information; or (d) the Recipient developed independently of the disclosure; provided, that the Recipient must provide documentary evidence maintained contemporaneously with the independent development that verifies that independent development.

2.3 **Confidentiality Obligations.** Recipient will maintain in confidence all Confidential Information of the other Discloser, exercising at least the same degree of care as the Recipient exercises with regard to its own confidential information, but in no event less than a reasonable degree of care. The Recipient may not (a) use or copy the Discloser's Confidential Information other than to the extent necessary to fulfill its obligations in connection with this MOU, or (b) disclose the Discloser's Confidential Information to any person or entity, except to the Recipient's employees, officers, directors, agents, contractors, attorneys, and accountants who require the Confidential Information to act on the Recipient's behalf in connection with this MOU ("Authorized Persons"). The Recipient (i) will ensure that each of its Authorized Persons complies with this MOU as if a party to this MOU, and (ii) agrees that any violation of this MOU by its Authorized Persons is a breach of this MOU by the Recipient. The Discloser will mark as "Confidential" all copies of the Discloser's Confidential Information provided to Recipient. The Discloser shall include on those copies any copyright, trademark and other proprietary notices that appear on the original versions.

2.4 **Required Disclosure.** If an order or regulation of a governmental agency or court of competent jurisdiction requests or requires the Recipient to disclose the Discloser's Confidential Information, the

Recipient must immediately notify the Discloser of that request or requirement and use reasonable efforts to allow the Discloser an opportunity to seek injunctive relief from, or a protective order with respect to, the contemplated disclosure. If injunctive relief or a protective order is not obtained, the Recipient will (a) disclose only that portion of the Discloser's Confidential Information that the Recipient's counsel advises is required to be disclosed and is not subject to privilege, and (b) cooperate with the Discloser and otherwise use reasonable efforts to ensure that the disclosed Confidential Information receives confidential treatment following disclosure.

2.5 **Return of Information.** At the Discloser's request and direction, the Recipient will (a) stop using and copying the Discloser's Confidential Information, (b) return to the Discloser all of the Discloser's Confidential Information in the Recipient's possession or control, or destroy that Confidential Information, in all forms and media, and (c) provide the Discloser with a certificate of return or destruction (as applicable) that includes the date(s), manner and facts concerning the return or destruction of the Discloser's Confidential Information and is signed under oath by an officer of the Recipient. Notwithstanding any other provision of this MOU, the Recipient has no obligation to return or destroy any of the Discloser's Confidential Information backed-up from a computer system in the ordinary course of the Recipient's business or operations, and that Confidential Information remains subject to all applicable obligations of confidentiality contained in this MOU.

2.6 **Duration.** The Recipient's obligations under this MOU with respect to an item of the Discloser's Confidential Information are continuing obligations that survive in perpetuity.

2.7 **Unauthorized Disclosure.** The Recipient agrees that (a) the Discloser's Confidential Information is valuable to the Discloser, and the unauthorized use, loss or disclosure of that Confidential Information will cause the Discloser irreparable injury; (b) the remedies at law for any unauthorized use, loss or disclosure of the Discloser's Confidential Information are inadequate and the damages resulting from any breach of this MOU are not readily susceptible to being measured in monetary terms; and (c) in the event of any actual or threatened unauthorized use, loss or disclosure of the Discloser's Confidential Information, the Discloser will be entitled, without waiving any other rights or remedies, to immediate injunctive or equitable relief from a court of competent jurisdiction and may obtain any order restraining any threatened or future unauthorized use, loss or disclosure. The Recipient will notify the Discloser immediately upon discovery of any actual or threatened unauthorized use, loss or disclosure of the Discloser's Confidential Information, and will cooperate with the Discloser to help regain possession of that Confidential Information and to prevent any further unauthorized use, loss or disclosure. Nothing in this Section 2.7 limits the Discloser's remedies at law or in equity for the Recipient's breach of this MOU.

2.8 **License.** Subject to the terms and conditions of this Agreement, the Discloser hereby grants to the Recipient, a revocable, non-transferable, non-exclusive, royalty-free license (without the right to grant sublicenses) under the Discloser's rights in and to the Discloser's Confidential Information to use the Confidential Information in the manner described identified in Article 1 and for the term in Section 2.6 above. The Discloser hereby reserves all rights in and to the Discloser's Confidential Information that are not expressly granted to the Recipient in this Agreement. The Discloser may terminate the rights and licenses granted to the Recipient in this Section 2.8 immediately on notice to the Recipient.

### ARTICLE 3 **MISCELLANEOUS**

3.1 **Limitation of Liability.** THE DISCLOSER PROVIDES ITS CONFIDENTIAL INFORMATION "AS IS" AND DOES NOT MAKE, AND HEREBY DISCLAIMS TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL REPRESENTATIONS AND WARRANTIES REGARDING ITS CONFIDENTIAL INFORMATION, INCLUDING, WITHOUT LIMITATION, ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY LOSSES AND/OR DAMAGES, INCLUDING BUT NOT LIMITED TO INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. EXCEPT FOR A BREACH OF CONFIDENTIALITY IN ARTICLE 2, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY DIRECT DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

3.2 **Ownership.** The Authorities agree that, as between the Authorities, the Discloser is the exclusive owner of all proprietary and intellectual property rights (including, but not limited to, patents, trade secrets, trademarks, trade dress and copyrights) ("IP Rights") in and to the Discloser's Confidential Information. Except as contemplated in Section 2, nothing in this MOU grants any express or implied license of IP Rights to the Recipient. Any improvements, derivative works, enhancements or modifications of the Discloser's Confidential Information, and any inventions (whether patentable or unpatentable), ideas and discoveries comprising, embodying or based on the Discloser's Confidential Information conceived or made by the Recipient (collectively, "Improvements"), are the Discloser's exclusive property, and the Recipient hereby assigns to the Discloser all of the Recipient's right, title and interest in those Improvements.

3.3 **Costs.** If the cost of fulfilling a request is likely to be substantial (i.e., entail extraordinary efforts, or is outside the ordinary course of business), the Discloser may, as a condition of agreeing to give assistance under this MOU, require the Recipient to make a contribution to costs.

3.4 **Notices.** All notices, requests, claims, demands and other communications regarding this MOU must be in writing and be given or made (and will be effective upon receipt) by delivery in person, by nationally recognized overnight courier service (with signature required), by facsimile, or by registered or certified mail (postage prepaid, return receipt requested) to the respective Authorities at the following addresses:

If to FINRA:

1735 K Street, NW  
Washington, D.C. 20006

Attention:  
Office of the General Counsel  
International Department

If to BCSC:

701 West Georgia Street  
Post Office Box 10142, Pacific Center  
Vancouver, BC V7Y 1L2

Attention:  
Secretary to the Commission

or to each Authority at any other address of which that Authority has notified the other Authority in accordance with this Section 3.4.

3.5 **Termination.** This MOU will take effect after both Authorities have signed it and will continue to have effect until terminated by either Authority giving thirty (30) days advance written notice to the other Authority.

3.6 **Assignment.** Neither Authority may assign, delegate or otherwise transfer this MOU, or any of its rights or obligations under this MOU, without the prior written consent of the other Authority, which consent may be granted or withheld in that other Authority's sole discretion. Any assignment, delegation or other transfer by either Authority in contravention of this Section 3.6 is null and void. This MOU is binding on and inures to the benefit of the Authorities and their respective successors and permitted assigns.

3.7 **Entire Agreement.** This MOU constitutes the entire agreement, and supersedes any prior or contemporaneous agreements and understandings, between the Authorities with respect to the subject matter of this MOU.

3.8 **Severability.** If any term or condition of this MOU is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and conditions of this MOU will remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this MOU is not affected in any manner materially adverse to either Authority.

3.9 **Amendment.** This MOU may not be amended or modified except by a written instrument signed by authorized representatives of the Authorities.

3.10 **Governing Law and Venue.** This MOU is governed by and will be interpreted in accordance with the laws of the State of New York applicable to agreements wholly made and performed in that

state, without giving effect to the conflict of laws rules of the State of New York to the extent that those rules would require the application of another jurisdiction's laws. The Authorities shall use reasonable efforts to settle amicably all disputes arising out of or in connection with the MOU or its interpretation.

3.11 **Headings.** The descriptive headings contained in this MOU are for convenience of reference only and will not affect the meaning or interpretation of the MOU.

3.12 **Trademarks.** Neither Authority may use the other Authority's trademarks, service marks, trade names, trade dress, domain names or other source identifiers (including, without limitation, referring to or identifying that other Authority in its marketing materials, promotional materials and press releases) without the other Authority's prior written consent, which consent may be granted or withheld in that other Authority's sole discretion.

3.13 **Relationship.** Nothing in this MOU establishes a partnership, joint venture, or agency relationship between the Authorities or imposes on either Authority any obligation to authorize or pursue any other agreement with the other Authority. The Authorities may not represent that it can, assume or create any obligation or liability on behalf of the other Authority.

3.14 **No Third-Authority Beneficiaries.** Nothing in this MOU confers or is intended to confer upon any third party any legal or equitable right, benefit or remedy.

3.15 **No Waiver.** An Authority's failure to enforce for any period of time any provisions of or rights deriving from this MOU does not waive those provisions or rights, or that Authority's right to enforce those provisions or rights.

IN WITNESS WHEREOF, the Authorities have caused this MOU to be executed as of the date first written above by their respective duly authorized representatives.

**FINANCIAL INDUSTRY REGULATORY  
AUTHORITY, INC.**

By: 

Name: Daniel M. Sibears

Title: Executive Vice President, Regulatory  
Operations/Shared Services

Date: June 29, 2016

**BRITISH COLUMBIA SECURITIES  
COMMISSION**

By: 

Name: Brenda Leong

Title: Chair and Chief Executive Officer

Date: June 29, 16

