

**Memorandum of Understanding between the
Financial Industry Regulatory Authority, Inc.
of the United States of America
and
the National Banking and Securities Commission
of the United Mexican States**

A. Preamble

1. The Financial Industry Regulatory Authority, Inc. ("FINRA") is an independent, non-governmental regulator for securities firms doing business in the United States. Every firm and broker that sells securities to the public in the United States must be licensed and registered by FINRA. Accordingly, FINRA currently oversees nearly 4,100 brokerage firms, about 163,350 branch offices and approximately 635,315 registered securities representatives. FINRA provides the first line of oversight for broker-dealers through its comprehensive regulatory oversight programs. Among other things, FINRA prescribes binding business conduct rules and, pursuant to those rules, investigates and disciplines member firms and/or their associated persons for violations of the securities laws and its own rules. FINRA's disciplinary powers include the ability to fine, sanction, suspend, or expel firms and their associated persons from the securities industry.
2. FINRA is registered with the Securities and Exchange Commission of the United States of America ("SEC") as a self-regulatory organization and plays an important role in the comprehensive system adopted by the Congress of the United States of America for the regulation of securities markets. FINRA is subject to the supervision of the SEC, which, among other things, approves FINRA's proposed rules. FINRA members are obligated to comply with FINRA rules as well as federal securities laws and regulations and FINRA enforces compliance with these laws, regulations, and rules.
3. The National Banking and Securities Commission ("CNBV") is the authority in charge of the regulation and supervision of the securities market in the United Mexican States. The objective of CNBV is to regulate and supervise, within its scope of competence, the entities that comprise the Mexican financial system, as set forth in its laws, in order to preserve its stability and sound functioning, as well as to maintain and foster a sound and even development of the system as a whole, in the protection of the interests of the public. CNBV also has as its objective to supervise and regulate legal and other persons when they carry out activities foreseen in the laws related to the afore-mentioned financial system.
4. FINRA and CNBV agree to enter into the present Memorandum of Understanding ("MOU") in order to set forth a formal basis for mutual cooperation and assistance, the exchange of information and the conduct of cross-border supervisory visits, within their respective scopes of competence with regard to the securities markets,

and with the purpose of supporting the exercise of their functions and compliance with their respective laws and regulations.

5. This MOU also intends to provide a framework for FINRA and CNBV for the provision, to the extent and in the manner they consider appropriate, of technical assistance, and training in matters of mutual interest or on issues or subjects, which support the institutional capabilities of each one of them as well as the exercise of their respective functions.
6. The cooperation and the exchange of information between FINRA and CNBV, pursuant to this MOU, shall be subject to their respective legal frameworks.
7. This MOU sets forth a statement of intent, not of obligation, regarding the sharing and exchange of information by one Authority with the other, provided that with regard to any information shared or exchanged under this MOU, the Authorities agree that the definitions, as well as terms relating to confidential information, warranties and disclaimers, and limitations of liability within this MOU are binding on the Authorities and will survive the termination of this MOU. Further, this MOU does not modify or supersede the Laws and Regulations in force that apply to FINRA and CNBV.

B. Definitions

For the purposes of this MOU, the terms listed below shall have the following meaning:

1. **Authority(ies):** is FINRA of the United States of America and/or CNBV of the United Mexican States, as the context may require.
2. **Cross-border Entity(ies):** are those entities authorized to perform activities or transactions in the securities markets of the United States of America or of the United Mexican States and which are part of, are controlled by, or are owned by a Supervised Entity in the jurisdiction of the other Authority and includes individuals.
3. **Confidential Information:** either Authority's confidential, proprietary or non-public information including any and all proprietary and intellectual property rights, derivative works or modifications ("IP Rights"), title, interest and Personal Data, in each case regardless of form (verbal, written, electronic, graphic, or other form) or the manner in which the Requesting Authority obtained the information from the Requested Authority. "Confidential Information" of a Requested Authority includes all documents and materials generated by the Requesting Authority to the extent those materials describe, summarize, comment on, or otherwise contain any of an Authority's Confidential Information, and the terms and conditions of this MOU. Confidential Information does not include information the Requested Authority

discloses to the Requesting Authority that is: a) lawfully in the Requesting Authority's possession prior to this MOU and not under a duty of confidentiality with respect to the information; b) the Requesting Authority received on an unrestricted basis from a source unrelated to either Authority and not under a duty of confidentiality with respect to the information; c) the Requesting Authority rightfully possessed prior to the time of disclosure without a duty of confidentiality with respect to the information; and d) at the time of disclosure was in or thereafter enters the public domain, other than as a result of the Requesting Authority's actions or the actions of its authorized persons.

4. **Laws and Regulations:** the legal and regulatory provisions that each Authority is in charge of applying in its respective jurisdiction, and any other provision which is the competence of each Authority, including all applicable laws pertaining to privacy and data security.
5. **Personal Data:** means any information relating to an identified or identifiable natural person; an identifiable person is one who can be identified, directly or indirectly, in particular by reference to an identification number or to one or more factors specific to his physical, physiological, mental, economic, cultural, or social identity.
6. **Requested Authority:** is the Authority to which a request of assistance is made from, or that has provided information to a Requesting Authority pursuant to this MOU.
7. **Requesting Authority:** is the Authority that makes a request for assistance or that receives information from a Requested Authority pursuant to this MOU.
8. **Supervised Entity(ies):** are the persons that, in the United States of America or in the United Mexican States, are subject to the regulation and/or supervision of one of the Authorities, respectively, and includes persons.

C. Cooperation and Exchange of information

1. The Authorities recognize that close communication between each Authority is mutually advantageous. In this sense, cooperation shall include mutual assistance during the Authorities' respective authorization processes, the on-going supervision and oversight of securities markets, Supervised Entities or Cross-border Entities, and the investigative and disciplinary processes, as appropriate.
2. With regard to authorization processes, upon request, the Authorities intend to:
 - a) Provide each other with information when a Supervised Entity, subject to the supervision of one Authority, requests to be authorized in the other Authority's jurisdiction to establish a presence or invest in a Cross-border Entity, so that

the Authority in the country where the Cross-border Entity intends to be located may receive information from the other Authority, related to, among other things:

- i. Whether the Supervised Entity, its directors or, if applicable, its shareholders are in good standing before the Authority in charge of its supervision, as well as information about sanctions or disciplinary measures imposed or pending.
 - ii. The current financial, legal, administrative, or operational condition of the Supervised Entity, or any other information that allows the Requesting Authority to obtain an understanding of, or verify the condition of the Supervised Entity prior to granting the corresponding authorization.
 - iii. Information regarding the suitability, integrity, or experience of the prospective directors and executives of the Cross-border Entity.
 - iv. The veracity or accuracy of the information submitted by the Supervised Entity as part of its application to be authorized.
 - v. Any other information that the Authority of the jurisdiction from where the Supervised Entity comes, may have or may obtain in order to assist the other Authority in the authorization process that is being conducted by the latter.
- b) Provide each other with information about the persons who are requesting authorization, whenever such persons are related to the securities industry and subject to the supervision of one of the Authorities. Such information may include, among other things:
- i. Confirmation whether such person is in good standing before the Authority in charge of his supervision as well as information about any sanctions or disciplinary measures imposed or pending.
 - ii. Information that allows the Requesting Authority to understand or verify the current status of such person or his experience or integrity, prior to granting the authorization.
 - iii. The veracity or accuracy of the information submitted by such person as part of his application for authorization.
 - iv. Any other information that the Authority of the jurisdiction from where the person comes, may have or may obtain in order to assist the other

Authority in the authorization process that is being conducted by the latter.

3. Regarding the on-going supervisory, regulatory, investigative, and disciplinary processes, the Authorities, upon request, shall provide each other with:
 - a) Information on any matter related to the supervision or oversight of the transactions or the functioning of the relevant Cross-border Entity that may be of interest to the other Authority.
 - b) Information about the Supervised Entities or their impact on securities markets, including information related to significant or relevant changes in their condition, to the extent that such changes may have an important impact or may endanger the stability or the sound functioning of the other Authority's securities markets or Supervised Entities.
 - c) Information on the main findings from the inspection visits/examinations and investigations carried out by the Authorities of their Supervised Entities.
 - d) Information about the sanctions or disciplinary measures that one Authority has imposed on a Cross-border Entity or on a Supervised Entity, as well as the status of such measures.
 - e) Any other Information, data, or documentation that may assist the other Authority in fulfilling its functions or enforcing its Laws and Regulations.
4. As they deem appropriate, the Authorities may set up working groups or meetings, in the manner and timeframe agreed upon, to analyze or deal with matters of common interest.
5. The information, data, or documentation provided by the Requested Authority to the Requesting Authority in response to a request for assistance pursuant to this MOU shall only be used by the latter for supervisory, regulatory or investigative purposes as well as for enforcing its Laws and Regulations.

D. Prevention of illicit activities or transactions

Upon written request, and in accordance with their Laws and Regulations, the Authorities will endeavor to cooperate and assist each other in matters related to the prevention of money laundering and terrorism financing.

E. Unsolicited assistance

On a voluntary basis and without the need of a request, the Authorities may provide each other with unsolicited assistance, which may include, for example:

1. Information which may be of interest for the other Authority, for the performance of its functions.
2. Information on changes that are planned to be made or changes already made to the Laws and Regulations of an Authority that may be of interest to the other Authority.
3. Information on sanctions or disciplinary measures that an Authority is imposing on its Supervised Entities or its Cross-border Entities.
4. Alerting each other with respect to situations that may have an impact on the markets or Supervised Entities of the other Authority.

F. Supervisory visits

1. Upon written request and according to the applicable regulations in each jurisdiction, the Requested Authority agrees to provide support or assistance to the Requesting Authority when the latter requests a supervisory visit for the purpose of international cooperation.
2. These supervisory visits agreed upon by the Authorities may also be performed in order to know the status of the persons providing outsourced services or data processing for Supervised Entities or Cross-border Entities, to the extent such persons are under to the supervision of one of the Authorities.

G. Technical assistance and training

The Authorities may provide each other with technical assistance and training, in the manner and timeframe agreed upon for such purpose, and upon considering the best way to deal with the costs or requirements associated with such activities, in order to gain a better understanding of their respective Laws and Regulations, supervisory practices and techniques, or of any other matter or issue of interest to the Authorities.

H. Assistance

1. Requests of assistance made by the Authorities, pursuant to this MOU, shall be made in writing and be addressed to the officer designated as contact by the Authorities. The Authorities shall communicate to each other, and update each other as required, as to the appropriate contact information.
2. In the case of emergency, requests of assistance may be made in any form (i.e. by telephone, facsimile, or email), but must be followed by a formal request duly signed by an authorized representative of the respective Authority.
3. Requests for information shall include, when appropriate, at least the following points:
 - a) A description of the facts and circumstances that are the subject of the request and which motivate the request, as well as the purpose for which assistance is sought and the intended use of the requested information or documentation.
 - b) A reference to the Laws and Regulations, if applicable, that may have been violated and are related to the matter of the request.
 - c) Any matter known or in possession of the Requesting Authority which may assist the Requested Authority to identify the person(s) believed to possess the requested information or documentation sought, or the place where such information may be obtained.
 - d) Any special precaution that shall be observed when gathering the requested information or documentation, as appropriate for the circumstances of the request itself, including the confidentiality of the information.
 - e) How the information is likely to be used, including the details of any possible onward disclosure of information provided to the Requesting Authority, and including to whom such disclosure would be made and the purpose such disclosure would serve.
 - f) Any other information or reference that the Requesting Authority considers relevant for the Requested Authority regarding the matter or subject of the request.
4. For requests made under this MOU, the Authorities agree to cooperate as fully as possible, in accordance with the Laws and Regulations applicable to the Requested Authority. If a request for assistance is made, each Authority will use reasonable efforts to provide assistance that may include, but is not limited to:
 - a) Providing information in the possession of the Requested Authority;

- b) Obtaining specified information from persons designated by the Requesting Authority or any third party who may possess the requested information. Upon request, the Requested Authority will obtain other information relevant to the request;
 - c) Seeking responses to questions and/or a statements from persons designated by the Requesting Authority, or from any third party who is in possession of information that may assist in the execution of the request;
 - d) Information requested under this MOU will be gathered in accordance with the Laws and Regulations applicable in the jurisdiction of the Requested Authority and by persons designated by the Requested Authority. Where permissible under the Laws and Regulations of the jurisdiction of the Requested Authority, a representative of the Requesting Authority may be present at the taking of statements and testimony, may ask questions and may provide specific questions to be asked of any witness;
 - e) Confirming or verifying information provided to it for that purpose by the Requesting Authority; or
 - f) Exchanging information on or discussing issues of common interest.
5. The Authorities agree that the cooperation and exchange of information that is requested or made pursuant to this MOU may be denied, partially or totally when:
- a) the Requested Authority has public interest or national security reasons to do so;
 - b) the disclosure of the information may interfere with a current investigation being carried out by the Requested Authority;
 - c) the carrying out of the request would require the Requested Authority to act in a manner that is contrary to, or that may result in a violation, of its Laws and Regulations;
 - d) a criminal proceeding has already been initiated in the jurisdiction of the Requested Authority 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 Requested Authority;
 - e) the provision of assistance would be so burdensome as to disrupt the proper performance of the Requested Authority's functions;

- f) compliance with the request may otherwise be prejudicial to the performance by the Requested Authority of its functions and its business objectives;
 - g) the request is not made in accordance with the provisions of this MOU; or
 - h) the Authorities, after consultation, mutually agree that compliance with the request would not be in the best interests of either or both Authorities.
6. Where the specific conduct set out in the request for assistance may constitute a breach of the Laws and Regulations in both the territory of the Requesting and the Requested Authorities, the Authorities will consult to determine the most appropriate means for each Authority to provide assistance.
7. Where a request for assistance is denied, or where assistance is not available under its Laws and Regulations, the Requested Authority will provide the reasons for not granting the assistance in writing to the Requesting Authority.
8. Assistance will not be denied based on the fact that the type of conduct under the investigation would not be a violation of the Laws of the Requested Authority.

I. Confidential Information

1. The Authorities agree that, to the extent permitted by their respective Laws and Regulations, each Authority shall maintain strict confidentiality with respect to any Confidential Information received under this MOU, including but not limited to, non-public documents, data, or information that has become known to them in connection with this MOU, the requests made pursuant to this MOU, including the contents of such requests and any other matter arising as a consequence of the use of this MOU, as well as the consultations between the Authorities and unsolicited assistance. Upon receiving permission from the Requesting Authority, the Requested Authority may disclose the fact that the Requesting Authority has made the request if such disclosure is required to carry out the request. The Requesting Authority may share Requested Authority's Confidential Information with any of the Requesting Authority's employees, officers, directors, agents, contractors, attorneys, and accountants who are under the Requesting Authority's control and require the Confidential Information to act on behalf of the Requesting Authority. A Requesting Authority in receipt of Personal Data from the other Authority may not keep the Personal Data in a form that permits the identification of persons for any longer than is necessary.
2. The Authorities agree that, as between them, the Requested Authority is the exclusive owner of the Requested Authority's Confidential Information. Nothing in this MOU grants any express or implied license of IP Rights to the Requesting Authority.

3. To the extent permitted by Laws and Regulations, FINRA may disclose Confidential Information received under this MOU:
- a) to a government agency with regulatory or oversight jurisdiction over FINRA for the purpose of enabling or assisting FINRA to discharge its regulatory function, such as the Securities and Exchange Commission and Board of Governors of the Federal Reserve System;
 - b) for the purpose of enabling or assisting FINRA to discharge any of its regulatory responsibilities, including responsibilities under the Securities Exchange Act of 1934 or other applicable law; or
 - c) if an order or regulation of a governmental agency or court competent jurisdiction requests or requires disclosure of the Confidential Information.

The CNBV will be notified unless the request has already mentioned the need to disclose Confidential Information as stated above.

4. The unauthorized use, loss or disclosure of a Requested Authority's Confidential Information will cause the Requested Authority irreparable injury. In the event of any actual or threatened unauthorized use, loss or disclosure of a Requested Authority's Confidential Information, that party will be entitled, without waiving any other rights or remedies at law or in equity, to seek immediate injunctive or equitable relief from a court of competent jurisdiction. Each Requesting Authority agrees to notify the Requested Authority immediately upon discovery of any actual or threatened unauthorized use, loss or disclosure of the Requested Authority's Confidential Information, and will cooperate with the Requested Authority in regaining possession of that Confidential Information and preventing further unauthorized use, loss or disclosure.
5. At the Requested Authority's request and direction, the Requesting Authority will (a) stop using and copying the Requested Authority's Confidential Information, (b) return to the Requested Authority all of the Requested Authority's Confidential Information in the Requesting Authority's possession or control, or destroy that Confidential Information, other than that contained in archival back-up tapes or similar storage, and (c) the Requested Authority will confirm the destruction of the Requested Authority's Confidential Information.
6. In the event that the Requesting Authority faces a legally enforceable demand to disclose Confidential Information obtained from the Requested Authority pursuant to this MOU, the Requested Authority will notify the Requested Authority and obtain its consent, to the extent possible, prior to complying with such request. If the Requested Authority does not consent to such disclosure, the Requesting Authority will use all reasonable means to resist such a demand, including asserting all legal

exemptions or privileges contemplated in its legislation with regard to such Confidential Information. Likewise, the Requesting Authority will endeavor to protect the confidentiality of such Confidential Information.

7. The Authorities acknowledge that all information shared or exchanged pursuant to this MOU is provided "as is". Neither Authority makes any representations or warranties under this MOU, and neither Authority will be liable for any indirect or consequential damages in connection with this MOU.

J. Resolution of disputes

Any differences arising from the interpretation or observance of the provisions of this MOU shall be resolved by the Authorities by common agreement. The Authorities shall use reasonable efforts to settle amicably all disputes arising out of or in connection with the MOU or its interpretation.

K. Validity and modifications

1. This MOU shall take effect as of the date of the latest signature by the Authorities and shall remain valid indefinitely.
2. This MOU may be modified by mutual agreement of the Authorities. The amendments shall be formalized in writing, specifying the date in which they shall enter into force.

L. Termination

Any Authority may decide, when it deems appropriate, to terminate its participation in this MOU. For this purpose, the Authority seeking to terminate this MOU shall send a written communication to the other Authority notifying it of such an event, no less than thirty (30) days in advance of the date when the termination shall occur. The notification of termination of this MOU shall not affect the conclusion of the cooperation or assistance that has been requested while the MOU was in effect.

M. Publicity

Neither Authority may use the other Authority's trademarks, service marks, or trade names or otherwise refer to or identify the other Authority in promotional materials, press releases, statements to the news media or other public announcements, without the other Authority's prior written consent.



N. Disputes, Entire Agreement and Compliance with Applicable Laws and Regulations

- 1. This MOU constitutes the entire agreement, and supersedes any prior or contemporaneous statements or agreements, between the Authorities with respect to its subject matter.
- 2. Each Authority shall comply with all applicable Laws and Regulations.

This MOU is signed in four copies by an authorized representative of each Authority (two in Spanish and two in English), being all equally authentic.

On behalf of the Financial Industry Regulatory Authority, Inc. of the United States of America

On behalf of the National Banking and Securities Commission of the United Mexican States

**Richard Ketchum
Chairman and CEO**

**Jaime González Aguadé
President**

Date:

Date:

06 January 2016.

