

MEMORANDUM OF UNDERSTANDING

BETWEEN

MONETARY AUTHORITY OF SINGAPORE

AND

THE AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

Memorandum of Understanding ("MoU")

Between

Monetary Authority of
Singapore ("MAS")

and Australian Prudential Regulation
 Authority ("APRA")

Introduction

- A. MAS is the central bank of Singapore and the regulator of financial services in Singapore and is established under section 3 of the Monetary Authority of Singapore Act. MAS is responsible for the administration of, among other Acts, the Banking Act, the Insurance Act and the Financial Advisers Act, which provide for the regulation of financial services and markets in Singapore.
- B. APRA is the national prudential regulator of financial institutions in Australia, and was established on 1 July 1998 under the *Australian Prudential Regulation Act 1998* (the APRA Act). APRA administers legislation providing for the supervision of authorised deposit-taking institutions (banks, building societies and credit unions), insurance/reinsurance companies, friendly societies and superannuation funds licensed or registered by APRA to operate in Australia.
- C. MAS and APRA wish to enter into this MoU to provide a formal basis for co-operation, including for the exchange of information and assisting in investigations. MAS and APRA believe such co-operation will enable them to more effectively perform their functions.

Operative Part

Words and expressions

1. In this MoU, unless the context otherwise requires:
 - (a) "administering" applicable laws, regulations or requirements includes enforcing them;
 - (b) "applicable laws, regulations or requirements" means any law, regulation or requirement applicable in Singapore or in Australia, in relation to banking or insurance, and where the context permits, includes any rule, direction, requirement, or policy made, given by or to be taken into account, by an Authority;
 - (c) "Authority" means MAS or APRA;
 - (d) "banking or insurance entity or group" means an entity or group of entities or affiliates (or parts thereof) whose activities include banking business or the business of underwriting insurance, which is supervised (or prospectively supervised) by either Authority;
 - (e) "cross-border establishment" means a banking or insurance entity or group which falls within (or is proposed to fall within) the jurisdiction of one Authority ("host-country Authority") and which falls under the consolidated or group-wide banking or insurance supervision (or

prospective supervision) responsibility of the other Authority ("home-country Authority");

- (f) "insurance" includes reinsurance;
- (g) "person" means a natural person, legal entity, partnership or unincorporated association;
- (h) "requested Authority" means the Authority to which a request is made under this MoU;
- (i) "requesting Authority" means the Authority making a request under this MoU.

Purpose and Principles

2. (a) The purpose of this MoU is to set up and implement a system for mutual assistance and exchange of information between the Authorities to assist the performance of their functions within the field of banking and insurance, and in particular:
 - (i) to promote the safe and sound functioning of the banking or insurance entities or groups in their respective jurisdictions, in particular the cross-border establishments;
 - (ii) to assist in discovering, and taking action in respect of, a breach of the applicable laws, regulations or requirements;
 - (iii) to enforce the applicable laws, regulations or requirements; and
 - (iv) to promote and ensure the fitness and propriety of directors, managers and other responsible persons of a banking or insurance entity or group and to promote high standards of fair dealing and integrity in their conduct of business.
- (b) This MoU is the preferred way for an Authority to request assistance from the other, but it does not prevent either Authority from taking other measures under applicable domestic and international law to achieve the same purpose. Before doing so, the Authority proposing to take such other measures will notify the other Authority.
3. This MoU sets forth a statement of intent and is not legally binding. Accordingly this MoU does not:
 - (a) modify or supersede any applicable laws, regulations or requirements;
 - (b) create any legally binding obligations; and
 - (c) affect any arrangements under other agreements or MoUs.
4. The parties acknowledge that they may only provide information under this MoU if permitted under applicable laws, regulations or requirements.

Provision of Unsolicited Information

5. An Authority may provide the other Authority information, or arrange for information to be provided, on a voluntary basis, even when no request has been made, including:
 - (a) information that would assist the other Authority to promote the safe and sound functioning of a banking or insurance entity or group; and
 - (b) information about major changes to its supervisory structure, functions or policies, particularly those that may have a significant bearing on the activities of a cross-border establishment.
6. Each Authority will provide relevant information to the other, in a timely manner, regarding any event that has the potential to have a material adverse impact on the operations of a banking or insurance entity or group in the other Authority's jurisdiction.
7. Each Authority will inform the other of any material enforcement action taken against a cross-border establishment, its management or, in the case of systemic impact, its shareholders. Each Authority will give the other prior notification of such action as far as practicable.

Requests for Assistance

8. If an Authority receives a request for assistance under this MoU, it will use reasonable efforts to provide assistance to the other, subject to the applicable laws, regulations or requirements of the requested Authority. A request for assistance may include a request from the requesting Authority, where the requesting Authority is not the home supervisor. Assistance requested may include the following:
 - (a) providing information in the possession of the requested Authority regarding a banking or insurance entity or group;
 - (b) confirming or verifying information provided to an Authority by a banking or insurance entity or group;
 - (c) exchanging information on or discussing issues of mutual interest;
 - (d) obtaining specified information and documents from any person;
 - (e) questioning or taking testimony of any person identified by the requesting Authority; and
 - (f) conducting inspections or examinations of a banking or insurance entity or group or arranging for the same.
9. The Authorities acknowledge that there may be restrictions or conditions in providing the types of assistance identified in paragraphs 8 (a), (d), (e) and (f) above.

On-site Inspections

10. (a) The Authorities acknowledge that co-operation is particularly useful for carrying out on-site inspections of cross-border establishments.
- (b) The home-country Authority will seek the written approval of the host-country Authority to conduct, or to appoint a third party to conduct on its behalf, an on-site inspection of a cross-border establishment in the host-country jurisdiction.
- (c) In deciding whether to conduct an on-site inspection of a cross-border establishment in the host-country jurisdiction, a home-country Authority will first review any relevant examination or other supervisory reports on the cross-border establishment prepared by the host-country Authority.
- (d) If there is an inspection of the kind contemplated by paragraphs (b) and (c) of this clause 10, the host-country Authority may appoint one or more representatives to accompany and observe the home-country representatives on such an inspection. However, if the host-country Authority decides not to accompany the home-country Authority, the latter will keep the host-country Authority informed of the results of the inspection.

Procedure for Requests

11. Requests for the provision of information or other assistance will, wherever possible, be made in writing, but in cases of urgency, such requests may be oral and will be confirmed in writing within five business days. To facilitate assistance, the requesting Authority should specify in a written request, where applicable:
 - (a) the information or other assistance requested (for example, the identity of the persons, specific questions to be asked etc.);
 - (b) if information is provided by the requesting Authority for confirmation or verification, the kind of confirmation or verification sought;
 - (c) the purpose for which the information or other assistance is sought;
 - (d) whether the requested Authority will require any conditions to be set on the use of confidential information provided to the requesting Authority;
 - (e) that consent is sought to disclose information provided to the requesting Authority to a third party and the purpose such proposed disclosure would serve;
 - (f) if the request for assistance is for the purpose of actual or possible enforcement action in the field of insurance, the matters set out in paragraph 1 of Appendix 1; and
 - (g) any other relevant matters specified by the requested Authority or required by the applicable laws, regulations or requirements applicable to the requested Authority.

Assessing Requests

12. 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 and under any applicable laws, regulations or requirements. In any case where the request cannot be fulfilled in part or whole, the requested Authority will provide reasons for not being able to comply with the request and consider whether there may be other assistance which can be given by itself or by any other authority in its jurisdiction. The requested Authority can impose conditions on the use of information provided to the requesting Authority.
13. 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 request involves the administration of a law, regulation or requirement which has no close parallel in the jurisdiction of the requested Authority;
 - (c) whether the provision of assistance would be so burdensome as to disrupt the proper performance of the requested Authority's functions;
 - (d) whether the provision of assistance would interfere with an ongoing investigation;
 - (e) whether it would be otherwise contrary to the public interest or the national interest of the requested Authority's jurisdiction to give the assistance sought;
 - (f) if the request for assistance is for the purpose of actual or possible enforcement action in the field of insurance, the further grounds set out in paragraph 2 of Appendix 1; and
 - (g) any other matters specified by the applicable laws, regulations or requirements of the requested Authority's jurisdiction (in particular those relating to confidentiality and secrecy, data protection and privacy, and procedural fairness).
14. The Authorities acknowledge that assistance may be denied in whole or in part for any of the reasons mentioned in paragraph 13 in the discretion of the requested Authority.

Contact Points

15. The Authorities will provide a list of contact points in Appendix 2 to which information or initial requests for information or assistance under this MoU should be directed. A contact point may nominate another person within that Authority to whom all further correspondence should be directed.

Further Procedures for Enforcement Matters in the Field of Insurance

16. Appendix 1 will apply in relation to actual or possible enforcement matters in the field of insurance only.

Costs

17. 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, if the cost of fulfilling a request is likely to be substantial.

Permissible Uses of Information

18. (a) The requesting Authority will use the information furnished under this MoU solely for lawful supervisory purposes as specified in the request and, to the extent permitted by law, will comply with any conditions imposed by the requested Authority.
- (b) Any information provided without prior request for assistance to an Authority pursuant to paragraph 5 and/or 6 will not be used for any purposes other than for lawful supervisory purposes as specified by the Authority providing the information.

Confidentiality

19. Each Authority will keep confidential, to the extent permitted by law, the contents of requests or communications of information made within the framework of this MoU, including consultations between the Authorities. In all cases, the requesting Authority will keep confidential, to the extent permitted by law, any information received pursuant to this MoU.
20. An Authority may receive a request from a third party (including a third party supervisory authority) for confidential information provided under this MoU or alternatively, consider it appropriate or prudent to pass on confidential information to such a third party. Prior to passing information to a third party, the Authority will notify and obtain the permission of the Authority that provided the information, who may attach conditions to the release of information, including that the third party be bound to hold the information confidential.
21. Where an Authority is compelled by law or a court order to disclose information received under this MoU, the Authority so compelled will promptly notify the Authority that supplied the information of the requirement. If requested by the Authority that supplied the information, the other Authority will claim or enforce such appropriate legal exemptions or privileges with respect to that information as may be available to it or will otherwise seek to preserve the confidentiality of the information.

Consultation

22. The Authorities will regularly review this MoU and will consult when necessary with a view to improving its operation and resolving any matters.

Termination

23. This MoU takes effect when both parties have signed it and remains in force unless terminated by either Authority upon 30 days written notice to the other. Where such notice of termination is given, this MoU will continue to have effect with respect to all existing requests for assistance made before the notice of termination is received.

24. After termination, paragraphs 18 to 21 will continue to apply to any information provided under this MoU.

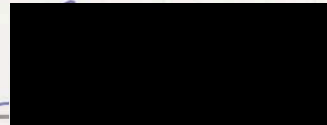
Signed by the Parties:

For MAS

For APRA



Teo Swee Lian
Deputy Managing Director
(Prudential Supervision)



Dr John Laker
Chairman

Date: 26 December 2007

Date: 20 December 2007

APPENDIX 1: FURTHER PROCEDURES FOR ENFORCEMENT IN THE FIELD OF INSURANCE

Further details to be contained in requests for assistance

1. If a request for assistance as described in this MoU relates to actual or possible enforcement action, the following further details will be set out in the request:
 - (a) a description of the conduct or suspected conduct which gives rise to the request;
 - (b) details of the applicable laws, regulations or requirements under which enforcement action has been taken or is intended to be taken;
 - (c) the link between the applicable laws, regulations or requirements and the regulatory functions of the requesting Authority; and
 - (d) whether it is desired that (to the extent permitted by the applicable laws, regulations or requirements applying to the requested Authority) any persons from the country of the requesting Authority should be present during interviews which form part of an investigation.

Further ground for denial of request

2. If a request for assistance as described in this MoU relates to actual or possible enforcement action, in determining whether to fulfil the request in whole or in part, the requested Authority may take into account whether the request would lead to the prosecution of, or the taking of disciplinary or other enforcement action against a person, who in the opinion of the requested Authority, has already been appropriately dealt with in relation to the alleged breach which is the subject-matter of the request.