

**MEMORANDUM
OF
UNDERSTANDING**

between

**Dubai Financial Services Authority
(DFSA)**

Dubai

**Insurance Commission
(IC)**

Jordan

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Contents

RECITALS

OPERATIVE PART

Interpretation

Purpose and Principles

Cooperation and General Information Sharing

Requests for Assistance or information

Procedure for Requests

Assessing Requests

Unsolicited Information

Permissible Uses of Information and Confidentiality

Contact Points and Special Procedures

Costs

Consultation

Commencement

APPENDIX 1: CONTACT DETAILS

APPENDIX 2: ENFORCEMENT MATTERS

Further details to be contained in requests for assistance

Further ground for denial of request

Request to Sit in

Joint Investigations

Rights of persons preserved

Memorandum of Understanding

Between

**Dubai Financial Services Authority
(DFSA)**

**Insurance Commission
(IC)**

Recitals

- A. The IC is the independent insurance regulator empowered to regulate and supervise the insurance sector in Jordan, through the implementation of the Insurance Regulatory Act No. 33 of 1999, and its amendments with the objectives to protect the rights of the insured and beneficiaries, ensure a suitable environment for the development of the insurance sector, enhance the role of the insurance industry in securing individuals and properties against risks to protect the national economy and build up, develop and invest the national savings to support the economic development of Jordan.
- B. The DFSA is the sole independent financial services and market regulator of the Dubai International Financial Centre, ("DIFC"), a Financial Free Zone in the UAE established pursuant to Federal Law No.8 of 2004, Federal Decree No. 35 and Dubai Law No. 9 of 2004.
- C. As such the DFSA administers the Regulatory Law No. 1 of 2004, which provides among other things for the supervision of financial services, financial services providers, and financial products. The DFSA has the authority under the Markets Law No. 12 of 2004 to regulate the financial markets, including market participants, listed issuers and their corporate advisors.
- D. Article 20 of the Regulatory Law gives the DFSA the authority to enter into binding and non binding arrangements, including memoranda of understanding and cooperation with similar bodies.
- E. Paragraph (E) of Article 6 of the Insurance Regulatory Act No.33 of 1999 and its amendments states that one of the Insurance Commission's functions is to strengthen co-operation and integral relations with Arab and International insurance regulatory institutions.

- F. Article 38 of the Regulatory Law requires the DFSA not to disclose confidential information without the consent of the person to whom the duty of confidentiality is owed. Article 38 of the Regulatory Law also gives the DFSA the authority to disclose confidential information to other regulatory authorities for the purpose of assisting them in the performance of their regulatory functions.
- G. Article 39 of the Regulatory Law gives the DFSA the authority to exercise powers on behalf of foreign regulatory authorities.
- H. Article 80 of the Regulatory Law gives the DFSA the authority to compel documents and testimony that may be relevant to an investigation. Article 80 requires the DFSA not to disclose a statement made by a person in answer to any question asked pursuant to Article 80 to any law enforcement agency for the purpose of criminal proceedings against the person unless:
 - (a) the person consents to the disclosure; or
 - (b) the DFSA is required by law or court order to disclose the statement.
- I. The DFSA and IC wish to enter into this MOU to provide a formal basis for cooperation, including the exchange of information and investigative assistance. The DFSA and IC believe such cooperation will enable them to more effectively perform their functions.

Operative Part

Interpretation

1. In this MOU, the terms set out below have the assigned meanings unless the context requires otherwise:

"applicable legislation" means any law, regulation or requirement applicable in DIFC and/or in Jordan;

"administering" applicable legislation includes enforcing the same;

"IC" means Insurance Commission of Jordan;

"DFSA" means Dubai Financial Services Authority;

"Authority" means DFSA or IC;

"permitted onward recipient" means an agency or authority responsible for prosecuting, regulating or enforcing applicable legislation falling within the areas of responsibility of the Authorities;

"person" means a natural person, legal entity, partnership or unincorporated association;

"requested Authority" means an Authority to whom a request is made under this MOU;

"requesting Authority" means an Authority making a request under this MOU.

Purpose and Principles

2. The purpose of this MOU is to establish a formal basis for cooperation, including the exchange of information and investigative assistance.
3. This MOU does not modify or supersede any laws or regulatory requirements in force in the DIFC or in the Kingdom of Jordan. This MOU is a statement of intent and accordingly does not create any enforceable rights. This MOU does not affect any arrangements under other MOUs.
4. The Authorities acknowledge that they may only provide information under this MOU if permitted or not prevented under applicable legislation.

Co-operation and General Information Sharing

5. The DFSA and IC agree that they will foster co-operation and good relations between them by:
 - (a) providing information, or arranging for information to be provided, on a voluntary basis even though no request has been made;
 - (b) discussing issues of mutual interest; and
 - (c) inviting the other to relevant conferences and training sessions hosted by the DFSA or IC.

Requests for Assistance or Information

6. This MOU does not affect the ability of the Authorities to obtain information from persons on a voluntary basis, provided that the existing Authorities observe procedures in the Jurisdiction of each Authority for the obtaining of such information.
7. In response to requests for assistance, each Authority will use reasonable efforts to provide assistance to the other, subject to its laws and overall policy, including:
 - (a) providing information in the possession of the requested Authority;
 - (b) confirming or verifying information provided to it for that purpose by the requesting Authority;
 - (c) exchanging information on or discussing issues of mutual interest;
 - (d) obtaining specified information and documents from persons;
 - (e) questioning or taking testimony of persons designated by the requesting Authority;
 - (f) conducting inspections or examinations of financial services providers or arranging for the same; and
 - (g) permitting the representatives of the requesting Authority to participate in the conduct of enquiries made by or on behalf of the requested Authority under paragraphs (e) – (f) above.

Procedure for Requests

8. Requests for the provision of information or other assistance will be made in writing, or made orally and, unless otherwise agreed, confirmed in writing within ten business days. To facilitate assistance, the requesting Authority should specify in any written request:
 - (a) the information or other assistance requested (identify of persons, specific questions to be asked etc.);
 - (b) if information is provided by the requesting Authority for confirmation or verification, the information and the kind of confirmation or verification sought;
 - (c) the purpose for which the information or other assistance is sought;

- (d) to whom, if anyone, onward disclosure of information provided to the requesting Authority is likely to be necessary and, in relation to onward disclosure to a person who is not a permitted onward recipient, the purpose such disclosure would serve;
- (e) if the request for assistance is for the purpose of actual or possible enforcement action, the matters set out in clause 1 of **Appendix 2**;
- (f) any other matters specified by the requested Authority and by the applicable legislation in relation to the requested Authority;
- (G) the desired time period for the reply; and
- (H) any information in the possession of the requesting Authority that might assist the requested Authority in identifying the persons, bodies or entities believed by the requesting Authority to possess the information sought, or the places where the requested Authority may obtain such information.

Assessing Requests

9. Each request 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. In any case where the request cannot be fulfilled in part or whole, the requested Authority will consider whether there may be other assistance that can be given by itself or by any other authority in its jurisdiction.
10. In deciding whether and to what extent to fulfill 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 that 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 it would be otherwise contrary to the public interest or the essential national interest of the requested Authority's jurisdiction to give the assistance sought;
 - (e) if the request for assistance is for the purpose of actual or possible enforcement action, the further matter set out in clause 2 of **Appendix 2**;
 - (f) any other matters specified by the legislation of the requested Authority's jurisdiction (in particular those relating to confidentiality and professional secrecy, data protection and privacy, and procedural fairness);
 - (g) whether complying with the request may otherwise be prejudicial to the performance by the requested Authority of its functions; and
 - (h) whether complying with the request may cause damages to any unrelated third party.
11. The authorities recognize that assistance may be denied in whole or in part for any of the reasons mentioned in paragraph 9 upon the discretion of the requested Authority.

Unsolicited Information

12. Where any Authority has information that will assist the other Authority in the performance of its regulatory functions, the former may provide such information, or arrange for such information to be provided, on a voluntary basis even though the other Authority has made no request. The terms and conditions of this MOU will apply if the providing Authority specifies that it is passing the information under this MOU.

Permissible Uses of Information

13. A Requesting Authority or person in receipt of such information from a Requested Authority that receives non-public information under this MOU will only use or disclose that information in accordance with the purpose stated in the request, including compliance with the Applicable Laws related to the request. Consent in writing of the Requested Authority must be obtained for any other use or disclosure by the Requesting Authority or third party.

14. The Authorities agree that a permitted purpose within the general framework of the use stated in the request for assistance, includes conducting a civil or administrative enforcement proceeding, 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), assisting in a criminal prosecution, or conducting any investigation for any general charge applicable to the violation of the provision specified in the request where such general charge pertains to a violation of the Applicable Laws administered by the Requesting Authority. This use may include enforcement proceedings which are Public.
15. An Authority that receives non-public information under this MOU agrees that, prior to providing information to a self-regulatory organization, the Requesting Authority will ensure that the self-regulatory organization is able and will comply on an ongoing basis with the confidentiality provisions agreed to between the Requesting Authority and Requested Authority.
16. Each Authority will keep confidential requests made under this MOU, the contents of such requests, and any matters arising under this MOU, including consultations between or among the Authorities, and unsolicited assistance. After consultation with 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.
17. Notwithstanding the confidentiality provisions of this MOU, and Authority shall not be prevented from informing the law enforcement bodies in its jurisdiction when disclosure is required pursuant to a legally enforceable demand.
18. If there is a legally enforceable demand for information supplied under this MOU the Authority receiving the demand will notify the Authority that supplied the information of the demand, and will assert the appropriate legal exemptions or privileges with respect to that information as may be available. The Authority receiving the demand will consult with the Authority that supplied the information of the demand, before complying with any such demand unless this is not practicable for reasons of urgency.

19. The Authorities' obligation to retain the confidential treatment of assistance and information shall continue when either Authority gives notice of its intent to cease co-operation under this MOU. The Authorities understand that the Applicable Laws of their respective jurisdictions place Limitations on use and disclosure of non-public information obtained pursuant to this MOU.

Contact Points and Special Procedures

20. For matters relating to this MOU, contact between the Authorities should be between the contact points in **Appendix 1**.

Costs

21. If the cost of fulfilling a request is likely to be substantial, 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.

Consultation

The Authorities will keep the operation of this MOU under review and will consult when necessary with a view to improving its operation and resolving any matters.

Where the specific conduct set out in the request for assistance may constitute a breach of a law, regulation or requirement in both the territory of the requesting and the requested Authorities, the relevant Authorities will consult to determine the most appropriate means for each Authority to provide assistance.

Commencement

This MOU takes effect from the date of its signature by DFSA and IC and will continue to have effect until terminated by either of the Authorities giving at least 30 day's advance written notice to the other Authority. It may be amended by agreement in writing. A change in contact details referred to in Appendix 1 may be made by either Authority and does not require an amendment agreed to in writing.

Termination of this MOU does not affect under this MOU relating to confidentiality of information, which shall continue to have effect.

Executed by the Parties in Amman on 4 June 2006:

For the DFSA

For the IC

Dr. Habib Al Mulla

Chairman

Dr. Bassel Hidawi

Director General

Appendix 1

Contact Details

DFSA: Mr Mark McGinness

Director, International Relations
Level 13, The Gate
P. O. Box 75850
Dubai
United Arab Emirates
Telephone: 00971 (0) 4 362 1508
Facsimile: 00971 (0) 4 362 0801

IC: Mr Raed Haddadin

Director – Legal Affairs Department
P. O. Box 940829 Amman 11194 Jordan
Hashemite Kingdom of Jordan
Telephone: 00962-6- 5656327 (Ext. 116)
Facsimile: 00962-6-5656329
Email: rhaddadin@irc.gov.jo

Appendix 2

Enforcement Matters

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 contained in the request referred to in paragraph 10 of this MOU:
 - (a) a description of the conduct or suspected conduct which gives rise to the request;
 - (b) details of the applicable law, regulation or requirement to the administration of which the request is relevant;
 - (c) the link between the specified rule or law and the regulatory functions of the requesting Authority;
 - (d) the relevance of the requested assistance to the specified rule or law; and
 - (e) whether it is desired that, to the extent permitted by the laws applying to the requested Authority, and persons from the country of the requesting Authority should be present during interviews which form part of an investigation, and whether it is desired that such persons should be permitted to participate in the questioning (see clause 3 below).

Further ground for denial of request

2. If a request for assistance as described in this MOU relates to actual or possible enforcement action, the following further matter may be taken into account by the requested Authority in determining whether to fulfill the request in whole or in part:

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 the subject-matter of the request.

Requests to Sit in

3. If, following a request from the requesting Authority, the requested Authority conducts an interview of any person, the requested Authority may permit a representative of the requesting Authority to attend such an interview and to ask questions. Such requests will be in accordance with the legislation of the requested Authority.

Joint Investigations

4. The Authorities acknowledge that, subject to secrecy and confidentiality issues, an investigation, where it concerns suspected breaches of the law of both jurisdictions, may be conducted more effectively by the establishment of a joint investigation involving members from both Authorities.
5. The Authority suggesting the joint investigation will advise the other Authority of the background to the request for a joint investigation, and liaise with the other Authority to determine the likely objectives of the joint investigation, the expected resources required and the approximate duration of the proposed joint investigation. Each Authority will advise the other as soon as possible as to whether it will agree to such an investigation.
6. If the Authorities agree to take part in a joint investigation, an agreed initial action plan will be prepared setting out, among other things, the objectives, expected duration, funding, publicity and accountability arrangements, management of the joint investigation, and allocation of responsibilities.
7. Suggestions to DFSA for a joint investigation should be made to the Managing Director, Enforcement.

Rights of Persons Preserved

8. Any person providing testimony, information or documents as a result of a request made under this MOU will be entitled to all the rights and protecting of the laws of the jurisdiction of the requested Authority. Where assertions are made regarding other rights and privileges arising exclusively pursuant to the laws of the jurisdiction of the requesting Authority, the Authorities will consult to determine the most appropriate way to proceed.