

**Memorandum of Understanding on the Exchange of Information and  
Surveillance of Securities Activities between:**

**The Netherlands Authority for the Financial Markets**

**and**

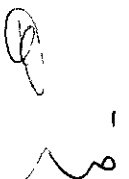
**The Hungarian Financial Supervisory Authority**

**Article 1 - Principles**

Without prejudice to the provisions set forth by the EU legislation, the purpose of this Memorandum of Understanding is to establish a general framework for co-operation and consultation between the Authorities referred to hereinafter, in order to facilitate the fulfilling of their supervisory responsibilities.

**Article 2 - Definitions**

1. **“Authority”** means the Netherlands Authority for the Financial Markets and the Hungarian Financial Supervisory Authority.
2. **“Requested Authority”** means the Authority to whom a request is made under this Memorandum of Understanding.
3. **“Requesting Authority”** means the Authority making a request under this Memorandum of Understanding.
4. **“Laws or regulations”** means any laws or regulations in force in the respective states of the Authorities.
5. **“Person”** means any natural or legal person.
6. **“Securities”** means shares, bonds and other forms of securities debts, futures and derivative products including commodity derivatives, units of undertakings in collective investment schemes and other financial products traded in the respective states of the Authorities.
7. **“Financial markets”** means the securities and derivatives market supervised by the Authorities.



8. **"Intermediary"** means any investment firm, bank, collective investment scheme and any other person acting within the scope of competence of the Authorities.
9. **"Issuer"** means a person making an offer to the public or seeking listing of a security.

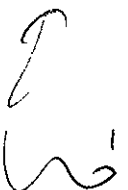
### **Article 3 – Scope of assistance**

1. The Authorities shall provide each other with the fullest mutual assistance in any matters falling within the competence of the Authorities, including in particular the following areas:
  - a. investigations and enforcement in connection with applicable laws or regulations relating to insider dealing, market manipulation and other fraudulent or manipulative practices in the securities field,
  - b. investigation and enforcement of, and monitoring compliance with, applicable laws and regulations relating to dealing in, advising on and the management, administration and safekeeping of securities,
  - c. checking that the conditions for the taking up of (or continuing in) business as an intermediary are met (including e.g. the enforcement of requirements to be authorized),
  - d. enforcing and monitoring compliance with applicable laws and regulations relating to the disclosure of interests in securities, takeover bids or the acquisition or influence over financial intermediaries,
  - e. the supervision of the Financial Markets, including the clearing and settlement, the monitoring and surveillance of OTC-transactions in securities listed on regulated markets,
  - f. enforcing or monitoring compliance with applicable laws relating to the duties of issuers and offerors of securities in relation to the disclosure of information.
2. In case where the information requested may be maintained by, or available to, another authority within the country of the Requested Authority, the Authorities will endeavor to provide full assistance in obtaining the information requested, to the extent permitted by law. If necessary, the Requested Authority shall provide the Requesting Authority with sufficient information to establish direct contact between the Requesting Authority and the other authority.

3. The Requested Authority may refuse to act on a request for assistance where communication of the information might adversely affect the sovereignty, security or public policy of the State of the Requested Authority or where judicial proceedings for the imposition of criminal penalties have already been initiated in the jurisdiction of the Requested Authority, in respect of the same actions and against the same person, or, on the grounds that the provision of assistance might result in a judicial or administrative sanction has already been imposed, where a non-appealable judicial or administrative sanction has already been imposed, in the jurisdiction of the Requested Authority, in respect of the same actions and against the same persons.
4. To the extent permitted by their respective national law and procedures and without prior request, each Authority should provide any other Authority with any relevant factual information available to it and which it believes to be helpful to the other Authority for the discharge of its functions and for the purposes, which it may specify in the communication (unsolicited information).
5. The Authorities shall co-operate closely when they identify suspected financial crime activities in supervised intermediaries. For the purpose of this Memorandum of Understanding, financial crimes are in particular: money laundering and all violations of law on the securities markets. The Authorities shall share information to the extent permitted by their laws on financial crime concerning the respective intermediaries which carry out cross-border activities in the other state or which could affect the other state. They may only pass on this information with prior written consent received from the other Authority for regulatory or law enforcement purposes to other such authorities in the national jurisdiction.

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

1. Requests for assistance shall be made in writing and addressed to the contact person of the Requested Authority listed in Annex A.
2. In case of emergency, requests for information and replies to such requests may be transmitted orally provided that these requests are confirmed in the manner required in this Article unless the Requested Authority agrees to waive such requirements.
3. To the extent available to the Requesting Authority and in order to facilitate the Requested Authority's work the request should specify the following:
  - a. a description of the subject matter of the request and the purpose for which the information is sought and the reasons why this information will be of assistance;



- b. a description of the specific information requested by the Requesting Authority; in case of discharging their responsibilities pursuant to regulations the Requesting Authority shall also name these regulations;
- c. in so far as the request results from investigations of violations of any laws or regulations, a short description of the relevant provisions that may have been violated and, if known to the Requesting Authority, a list of the persons or institutions believed by the Requesting Authority to possess the information sought or the places where such information may be obtained;
- d. in so far as the request concerns information relating to transactions in specific securities:
  - a description of the securities in question as precise as possible (including e.g. the securities code),
  - the names of those firms with whose dealings in the securities the Requesting Authority is concerned,
  - the dates between which transactions in the securities are considered relevant for the purposes of the request,
  - the names of any persons on whose behalf relevant transactions in the securities are believed or suspected to have been entered into;
- e. in so far as the request relates to information concerning the business or activities of any person, such precise information as the Requesting Authority is able to provide so as to enable such persons to be identified;
- f. an indication of the sensitivity of the information contained in the request and whether the Requesting Authority is content for the fact that it has made the request to be disclosed to persons whom the Requested Authority may need to approach for information;
- g. whether the Requesting Authority is or has been in contact with any other authority or law enforcement agency in the State of the Requested Authority in relation to the subject matter of the request;
- h. any other Authority whom the Requesting Authority is aware has an active interest in the subject matter of the request;
- i. an indication of the request, or the desired time period for the reply.

#### **Article 5 – Extension of Request for Assistance**

1. To the extent permitted by law, the Requested Authority shall take all reasonable steps to obtain and provide the information sought.
2. The Requested Authority shall use the relevant means at its disposal for the execution of the request. The Authorities shall consult and agree on the types of enquiry that may be necessary for the execution of a request.


3. To the extent permitted by law, the Requesting Authority shall provide the Requested Authority with such further assistance as may reasonably be required for the efficient execution of the request including the provision of further information as to the circumstances surrounding the request, staff or other resources.
4. The Authorities will consider (to the extent permitted by law) conducting joint investigations in cases where the request for assistance concerns violations of laws or regulations, where it would assist in the effective investigation of the alleged violations. The Authorities should consult to define the procedures to be adopted for conducting any joint investigation, the sharing of work and responsibilities and the follow up actions to such investigations.

#### **Article 6 – Permissible Uses of the Information Exchanged and Confidentiality**

1. The Authorities shall use the information exchanged solely for the purpose of:
  - a. securing compliance with or enforcement of the domestic laws or regulations specified in the request;
  - b. initiating, conducting or assisting in criminal, administrative, civil or disciplinary proceedings resulting from the violation of the laws or regulations specified in the request;
  - c. any of the particular purposes specified in Art. 3 (1) a-f to the extent that they are administered by the Requesting Authority.

The Authority to which unsolicited information is supplied will use this information solely for the purposes stated in the transmission letter or for the purposes of criminal or administrative proceedings or for the discharge of the obligation to report to judicial authorities.

2. To the extent permitted by law, each Authority will keep confidential any request for assistance made under this Memorandum of Understanding, the contents of such requests and the information received under this Memorandum of Understanding as well as the matter arising in the course of its operation, in particular consultations between the Authorities.
3. If an Authority intends to use or disclose information furnished under this Memorandum of Understanding for any purpose other than those stated in this Article and in the request, it must obtain the prior written consent of the Authority which provides the information. This applies particular in case the information will be used for the purpose of criminal proceedings. If the Requested Authority consents to the use of the information for purposes other than those stated, it may subject it to certain conditions.



4. If an Authority decides to make public an administrative or disciplinary sanction within the course of its duties it may, with the consent of the Authority providing the information, indicate that the successful outcome of the case has been achieved with the aid of the international co-operation mechanisms provided for in this Memorandum of Understanding.

#### **Article 7 - Consultations**

The Authorities will review the implementation of this Memorandum of Understanding regularly and conduct consultations in order to improve its operation and to resolve possible difficulties.

#### **Article 8 - Amendments to the Memorandum of Understanding**

The Authorities may by common consent make amendments and add further Annexes to the Memorandum of Understanding they consider necessary.

#### **Article 9 - Publication**

The Authorities agree to publish this Memorandum of Understanding.

#### **Article 10 - Entry into Effect and Termination**

1. This Memorandum of Understanding shall be effective at the date set below this Article.
2. This Memorandum of Understanding shall be concluded for an unlimited period of time and may be denounced by any of the Authorities at any time by giving, at least, thirty days written notice to the other Authority. If the Requested Authority undertakes to denounce the Memorandum of Understanding, requests for information communicated before the effective date of denunciation will be processed under this Memorandum of Understanding.



Done in *two-fold* on the *21st* day of *March* 2003, in the English language.

In witness thereof the Undersigned have signed this Memorandum of Understanding.

For the Hungarian Financial  
Supervisory Authority

For the Netherlands Authority for the  
Financial Markets



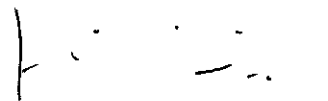
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Dr. Károly Szász  
President



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Arthur W.H. Docters van Leeuwen  
Chairman



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Jacob W.F. Kaptein  
Board Member

## **Annex A**

Requests shall be made in writing and addressed respectively to:

### **For the Hungarian Financial Supervisory Authority:**

Mr. Árpád Király  
Head of International Affairs Department  
Phone: 36-1-489 9280  
Fax: 36-1-489 9222  
E-mail: kiraly.arpad@pszaf.hu

or

Mr. János Tóth  
Senior Counsellor, International Affairs Department  
Phone: 36-1-489 9208  
Fax: 36-1-489 9222  
E-mail: toth.janos@pszaf.hu

Address:  
Hungarian Financial Supervisory Authority  
Krisztina Imperial Plaza  
Krisztina krt. 39., 1013 Budapest  
Mailing address: 1535 Budapest, 114.Pf.:777  
Homepage: [www.pszaf.hu](http://www.pszaf.hu)

### **For the Netherlands Authority for the Financial Markets:**

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Head Legal Affairs division  
Phone: + 31 (0)20 553 52 32  
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