



**MEMORANDUM OF UNDERSTANDING
ON COOPERATION AND THE EXCHANGE OF INFORMATION**

BETWEEN

JORDAN

PAKISTAN

Jordan Securities Commission

**Securities and Exchange Commission
of Pakistan**

MEMORANDUM OF UNDERSTANDING

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1. INTRODUCTION

The Securities and Exchange Commission of Pakistan (SECP) and the Jordan Securities Commission (JSC), recognizing the increasing international activity in the financial markets and the corresponding need for cooperation between the relevant national authorities, have reached the following understanding under this bilateral Memorandum of Understanding.

STATUTORY AUTHORITIES

SECP was established under the Securities and Exchange Commission of Pakistan Act, 1997 for the beneficial regulation of the capital markets, superintendence and control of corporate entities and for matters connected therewith.

SECP has the responsibility for the regulation and supervision of all capital market activities, institutions and instruments in Pakistan within the scope of the law, rules and regulations.

The JSC is a government agency established by virtue of the Securities Law No. 23 of 1997, aims to protect investors in securities, regulate and develop the Jordan capital market, and protect the capital market from risks it might face. The JSC regulates, monitors, and supervises the business operations of the Amman Stock Exchange (ASE), the Securities Depository Center (SDC), financial services companies, issuers of securities, mutual funds, and financial professionals.

2. DEFINITIONS

For the purposes of this Memorandum of Understanding:

- **"Authorities"** means Jordan Securities Commission and Securities and Exchange Commission of Pakistan;
- **"Authority"** means Jordan Securities Commission or Securities and Exchange Commission of Pakistan as the case may be;
- **"Information"** includes information and documents;
- **"Issuer"** means a natural or legal person who issues or proposes to issue any security;

- **“Laws and Regulations”** mean the provisions of the laws of the jurisdictions of the Authorities, the regulations promulgated there under, and other regulatory requirements that fall within the competence of the Authorities, concerning the following:
 - (a) insider dealing, market manipulation, misrepresentation of material information and other fraudulent or manipulative practices relating to securities, derivatives and options including solicitation practices, handling of investor funds and customer orders;
 - (b) the registration, issuance, offer, or sale of securities and derivatives, and reporting requirements related thereto;
 - (c) market intermediaries, including investment and trading advisers who are required to be licensed or registered, collective investment schemes, brokers, dealers, and transfer agents; and
 - (d) markets, exchanges, and clearing and settlement entities.
- **“Person”** means a natural person, body corporate, partnership, or unincorporated association, government or political subdivision, agency or instrumentality of a government;
- **“Regulated Markets”** means securities, derivatives and any other markets recognized, regulated or supervised by the Authorities;
- **“Requested Authority”** means the Authority to whom a request is made pursuant to paragraph 5 of this Memorandum of Understanding;
- **“Requesting Authority”** means the Authority making a request pursuant to paragraph 5 of this Memorandum of Understanding;
- **“Territory”** means the country, state or other territory, as the case may be, in which an Authority has legal authority, power and/or, jurisdiction conferred by law.
- **“Securities”** means shares, bonds, and other form of securitized debts, futures and derivative products and any other financial products within the respective competence of the Authorities;

3. PRINCIPLES

- 3.1. This Memorandum of Understanding sets forth a statement of intent of the Authorities to establish a framework for mutual assistance and to facilitate the exchange of information between the Authorities to ensure compliance with their respective securities and futures laws or regulatory requirements.

- 3.2. The purpose of this Memorandum of Understanding is for increased investor protection and further promotion of the integrity of markets by providing a framework for co-operation, increased mutual understanding and exchange of information, to the extent permitted by the respective laws and practices of the Authorities.
- 3.3. The Memorandum of Understanding serves as a basis for cooperation for the Authorities and does not impose any legally binding obligation on the Authorities, or modify or supersede any Laws and Regulations in force in or applying to the Authorities, nor will it affect any arrangements made or to be made under other Memorandum of Understandings.
- 3.4. This Memorandum of Understanding does not affect any right of any Authority under its domestic Laws and Regulations or any other arrangement to take measures otherwise than as provided herein to obtain information necessary to ensure compliance with, or to enforce, its domestic Laws and Regulations. In particular, this Memorandum of Understanding does not affect the ability of either Authority to communicate with or obtain information or documents from any other person on a voluntary basis in the territory of the other Authority. The performance of the provisions of this MoU shall be consistent with domestic laws, regulations, and conventions of the respective countries of the Authorities and within the availability of respective resources of the Authorities, and the performance of the provisions shall not be contrary to the public interest of the requested Authority.
- 3.5. To the extent permitted by their respective laws and practices, each Authority will use reasonable efforts to provide the other Authority with any information in its possession which gives rise to a suspicion of a breach of the Laws and Regulations.
- 3.6. This Memorandum of Understanding will not give rise, directly or indirectly, on the part of any person other than the Authorities, the right to obtain, suppress or exclude any information or to challenge the execution of a request for assistance under this Memorandum of Understanding.
- 3.7. The Authorities recognize the need and desirability for providing mutual assistance and exchanging information to assist each other in ensuring compliance with Laws or Regulations of their respective countries. However, the Requested Authority may deny assistance requested under this Memorandum of Understanding on the ground that:-
 - (a) the provision of assistance will violate the national or public interest or the domestic law of the Requested Authority; or

- (b) the request is not made in accordance with the provisions of this Memorandum of Understanding;
- (c) the information requested concerns, facts or events which originated or occurred before the effective date of this Memorandum of Understanding.
- (d) where 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 been the subject of final punitive sanctions on the same charges by the competent authorities of the jurisdiction of the Requested Authority, unless the Requesting Authority can demonstrate that the relief of sanctions sought would not be of the same nature or duplicative of any relief or sanctions obtained in the jurisdiction of the Requested Authority.

4. SCOPE

4.1 The Authorities will, within the framework of this Memorandum of Understanding, agree to provide each other, mutual assistance and exchange of information to enable the Authorities to effectively perform their respective duties according to their Laws and Regulations. Under the foregoing general theme, the scope of this Memorandum will include the following:-

- (a) assisting in discovery of and taking action against insider dealings, market manipulation and other fraudulent, deceptive and manipulative practices in securities dealings in relation to companies, securities, futures contracts, options and collective investment schemes;
- (b) enforcement of laws, rules and regulations relating to issuing of, dealing in, arranging deals in, managing and advising on securities, futures contracts, options and collective investments and other investment products;
- (c) supervising and monitoring securities and futures markets and clearing and settlement activities and their compliance with the relevant Laws and Regulations;
- (d) promoting and securing the fitness and properness of registered persons and promoting high standards of fair dealing and integrity in their conduct of business;

- (e) the compliance, by issuers of and offerers for securities, directors, officers, shareholders and professional advisers of companies listed, or applying for listing, on the respective securities markets pertaining to the Authorities, with any duties under any relevant laws and rules and any obligation to make full, accurate and timely disclosure of information relevant to investors;
- (f) takeovers and mergers, related to public companies, and
- (g) any other matters decided upon in writing between the Authorities from time-to-time.

4.2 Assistance available under this Memorandum of Understanding may include but is not limited to;

- (a) Providing access to information in the possession of the requested Authority; and
- (b) Obtaining documents and information from persons, within what is permitted by respective laws.

5. REQUESTS FOR ASSISTANCE OR INFORMATION

5.1 This Memorandum of Understanding does not affect the ability of the Authorities to obtain information from persons on a voluntary basis, provided that existing laws and procedures in the territory of each Authority for obtaining such information are observed.

5.2 The requests for information or other assistance will be made in writing in the English Language and addressed to the Requested Authority's contact person(s) referred to in paragraph 13 herein. In urgent cases, requests may be made by phone or through email and confirmed with a full original signed request in writing within five (5) business days thereafter.

5.3 Requests for information will specify:-

- (a) the information required (identity of persons, specific questions to be asked, list of documents sought etc.);
- (b) a general description of the matter and the purpose for which the information is sought (including details of the rule or law pertaining to the subject matter of the request);

- (c) the link between the specified Laws and Regulations and the regulatory functions of the Requesting Authority;
- (d) the relevance of the requested assistance to the specified rule or law;
- (e) any information in the possession of the Requesting Authority that might assist the Requested Authority in identifying the persons or entities believed by the Requesting Authority to possess the information sought or the places where such information may be obtained;
- (f) to whom, if anyone, onward disclosure of information is likely to be necessary, and in this context, the reason for such disclosure;
- (g) the desired time period for the reply;
- (h) any other matters specified by the Laws and Regulations in the territory of the Requested Authority;
- (i) any other information the Requesting Authority deems necessary to specify.
- (j) an indication of any special precautions that should be taken in collecting the information due to investigatory considerations including the sensitivity of the information

6. EXECUTION OF REQUESTS

- 6.1 Access to information held in the possession of the Requested Authority will be provided at the request of the Requesting Authority to the extent permitted by the domestic Laws and Regulations and internal policies of the Requested Authority.
- 6.2. To the extent permitted by law and policy, the Requested Authority will, subject to a request from the Requesting Authority, carry out all reasonable measures to facilitate the Requesting Authority's request.
- 6.3. In cases where the Requesting Authority is not satisfied with the information provided, additional information can be requested by the Requesting Authority pointing out the subjects to be clarified.
- 6.4 Each request will be assessed on a case-by-case basis by the Requested Authority to determine whether information can be provided under the terms of this Memorandum of Understanding and the Laws and Regulations of the Authorities. In any case, where the request cannot be accepted completely, the

Requested Authority will consider whether there may be other relevant information or assistance, which can be given, to the extent permitted by the Laws of the Requested Authority.

6.5 In deciding whether or not to accept or decline a request, the Requested Authority will take account of:

- (a) Matters specified by the laws and regulations in the territory of the Requested Authority;
- (b) Whether the request involves an assertion of a jurisdiction not recognised by the territory of the Requesting Authority; and
- (c) Whether it will be contrary to the national or public interest to give the assistance sought.

6.6 The Requested Authority may impose conditions of the onward release of such information to third parties. These conditions include prohibiting the onward release of information to third parties. The Authorities will consult with each other regarding the reasons for refusal and the circumstances under which use of the information might otherwise be allowed.

6.7 If the Requested Authority believes that a request does not accord with this Memorandum of Understanding, taking into account the provisions of this paragraph, it will promptly inform the Requesting Authority of the reasons for its refusal.

6.8 Any document or other material provided in response to a request under this Memorandum of Understanding and any copies thereof are to be returned on request by the Requested Authority.

7. UNSOLICITED INFORMATION

Where one Authority has information that will assist another 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 no request has been made by the other Authority. The terms of this Memorandum of Understanding will apply if the providing Authority specifies that the information is passed under this Memorandum of Understanding.

8. PERMISSIBLE USES OF INFORMATION

8.1. Any assistance or information will be provided by an Authority only for the purposes of assisting the other Authority in the performance of its regulatory

functions. Any assistance or information provided under this Memorandum of Understanding will be used by the recipient only for:-

- (a) the purpose of performing its regulatory functions;
- (b) the purposes stated in the request for assistance or information, including ensuring compliance with or enforcement of the Laws or Regulations of the Requesting Authority specified in the request, by initiating or assisting in criminal prosecutions arising out of the breach of such rules or law; or
- (c) conducting or assisting in civil proceedings brought by the Authorities or other law enforcement or regulatory bodies within the territory of the Requesting Authority in taking regulatory action or imposing regulatory requirements within the scope stated in paragraph 4 above.

8.2. In the event that the Requesting Authority desires to use the information obtained for any purpose other than that stated in 8.1 above, the Requesting Authority must notify and seek the consent of the Requested Authority to such use of the information.

9. CONFIDENTIALITY

9.1. The assistance or information obtained pursuant to this Memorandum of Understanding will not be disclosed to third parties without the prior consent of the Requested Authority. Each Authority will establish and maintain such safeguards as are necessary and appropriate to protect the confidentiality of such information or assistance.

9.2. Each Authority will keep confidential, to the extent permitted by law,

- (a) any request for information made under this Memorandum of Understanding and any matter arising in the course of this Memorandum of Understanding, including consultations between the Authorities and unsolicited assistance, unless such disclosure is necessary to carry out the request or the other Authority waives such confidentiality;
- (b) any information received pursuant to this Memorandum of Understanding unless it is disclosed in furtherance of the purpose for which it was requested.

9.3. Notwithstanding the provisions of paragraphs 6.9, 9.1 and 9.2, the confidentiality provisions of this Memorandum of Understanding will not prevent the Authorities from informing the law enforcement or regulatory

bodies in its territory, such as the registrar of companies or stock exchange, of the request or passing information received pursuant to a request, provided that ;

- (a) such agencies or bodies have responsibility for prosecuting, regulating or enforcing rules or laws falling within the ambit of the areas set out in this Memorandum of Understanding; or
- (b) the purpose of passing such information to such an agency or body falls within the areas set out in this Memorandum of Understanding.

9.4. If an Authority becomes aware that information passed under this Memorandum of Understanding may be subject to a legally enforceable demand to disclose that information, the Authority will, to the extent permitted by law, inform the other Authority of the situation. The Authorities will then discuss and determine the appropriate course of action.

10. CONSULTATION

10.1. The Authorities may consult one another informally at any time about a request or proposed request. In particular, the Authorities may consult upon any request in the event of a denial by one Authority of, or opposition by an Authority to, a request or proposal made by the other Authority pursuant to this Memorandum of Understanding.

10.2. The Authorities may consult and may revise the terms of the Memorandum of Understanding in the event of a substantial change in laws, practices, and market or business conditions affecting the operation of this Memorandum of Understanding.

11. COST OF INVESTIGATION OR ASSISTANCE

The Requested Authority may as a condition of arranging that assistance be given under this Memorandum of Understanding, require the Requesting Authority to make a contribution to costs. Such a contribution may, in particular, be required where the cost of executing a request is substantial.

12. TERMINATION

This Memorandum of Understanding will continue in effect until terminated by both Authorities through mutual consent or on the expiry of thirty (30) days after either Authority gives written notice to the other Authority of its intention to terminate. This

Memorandum of Understanding will continue to have effect with respect to all requests for assistance that were made before the effective date of termination.

13. CONTACT PERSONS

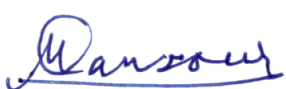
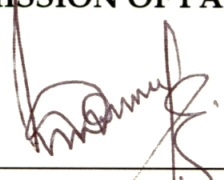
All communications between the Authorities will be between the principal points of contact as set out in Appendix A unless otherwise decided. Appendix A may however be amended by written notice from either Authority without the need for revising this Memorandum of Understanding.

14. ENTRY INTO EFFECT

This Memorandum of Understanding will be effective from the date of signing by the Authorities.

IN WITNESS WHEREOF, the Undersigned, for and on behalf and by authority of their respective agencies, have signed this Memorandum of Understanding.

Signed on this ----- day of ----- in -----

<p>THE JORDAN SECURITIES COMMISSION</p> <p></p> <hr/> <p>Mansour Haddadin Commissioner</p>	<p>THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</p> <p></p> <hr/> <p>Muhammad Ali Chairman</p>
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APPENDIX A

The Requested Authority's contact officers pursuant to paragraph 13 of this Memorandum of Understanding are:

For the Securities and Exchange Commission of Pakistan

Abdul Rehman Qureshi
Advisor/HOD
Chairman's Secretariat
Phone: (92-51) 920-2692
Fax no.: (92-51) 920-5692
Email: rehman.queshi@secp.gov.pk

For the Jordan Securities Commission

Mazen Najib Wathaifi -
Director
Research and International Affairs Department
Phone: 96265607205
Fax no.: 9625686830
Email: mazenwath@jsc.gov.jo