

**MEMORANDUM OF UNDERSTANDING CONCERNING  
CONSULTATION, COOPERATION AND THE EXCHANGE OF INFORMATION  
RELATED TO MARKET OVERSIGHT AND THE SUPERVISION OF  
FINANCIAL SERVICES FIRMS**

In view of the growing globalization of the world's financial markets and the increase in cross-border operations and activities of financial services firms, including large complex financial conglomerates, the United States Securities and Exchange Commission ("SEC") and the German Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin") (collectively, the "Authorities") have reached this Memorandum of Understanding ("MOU") setting forth a framework for consultation, cooperation and the exchange of information regarding the oversight of markets and the supervision of financial services firms. The SEC and the BaFin express, through this MOU, their willingness to cooperate with each other in the interest of fulfilling their respective regulatory mandates, particularly in the areas of investor protection, fostering market integrity, and maintaining confidence and systemic stability.

**ARTICLE ONE: DEFINITIONS**

For purposes of this MOU:

1. "Authority" means the SEC or the BaFin.
  - a) "Requested Authority" means the Authority to whom a request is made under this MOU; and
  - b) "Requesting Authority" means the Authority making a request under this MOU.

2. **"Firm" means :**
  - a) a Person subject to the oversight of one or both of the Authorities, who conducts investment, securities, asset management, securities processing, insurance, or banking business (collectively "financial services business") in both the United States and Germany, and who has its global headquarters in the United States or Germany;  
or
  - b) a Related Entity; or
  - c) a Dually Regulated Entity.
  
3. **"Person" means a natural person, unincorporated association, partnership, trust, investment company or corporation.**
  
4. **"Related Entity" means legal entities or sub-groups of a Firm, including affiliates, branches or subsidiaries, regulated by one or both Authorities.**
  
5. **"Dually Regulated Entity" means a Person that conducts financial services business and is authorized by or registered with both Authorities.**
  
6. **"Affiliated Market" means a market in the United States and a market in Germany, affiliated through a common ownership structure located in either jurisdiction or in a third jurisdiction.**
  - a) For the United States, "Market" means a national securities exchange registered under Section 6 of the Securities and Exchange Act of 1934 ("US Market");
  - b) For Germany, "Market" means a multilateral system for buying and selling interests in financial instruments, which is authorised in Germany and functions regularly and in accordance with the

provisions of Title III of the European Markets in Financial Instruments Directive (2004/39/EC) ("German Market").

7. "Books and Records" means documents, books and records of, and other information about, a Firm.
8. "On-Site Visit" means any routine, sweep, or for-cause regulatory visit to, or inspection of the books, records, and premises of, a Firm.
9. "Host Authority" means the Authority in whose jurisdiction a Firm is located.
10. "Inspecting Authority" means the Authority performing an On-Site Visit.
11. "Emergency Situation" means the occurrence of an event that could materially impair the financial or operational condition of a Firm or Market.
12. "Governmental Entity" means:
  - a) The US Treasury Department or the US Federal Reserve Board, if the Requesting Authority is the SEC; and
  - b) The Deutsche Bundesbank or the Exchange Supervisory Authorities of the German federal states, if the Requesting Authority is the BaFin.

## **ARTICLE TWO: GENERAL PROVISIONS**

13. This MOU is a statement of intent to consult, cooperate and exchange information in connection with the oversight of Firms that conduct financial services business in the United States and Germany, in a manner consistent with, and permitted by, the laws and requirements that govern

