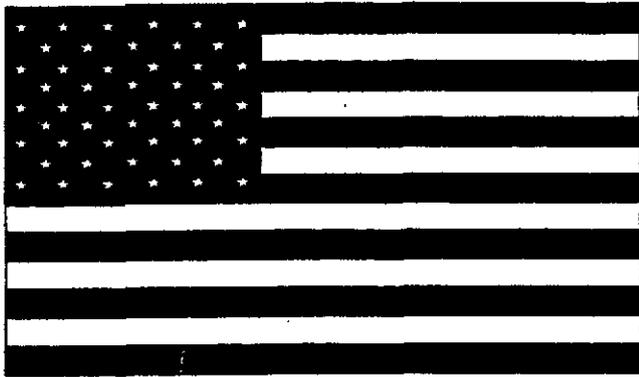
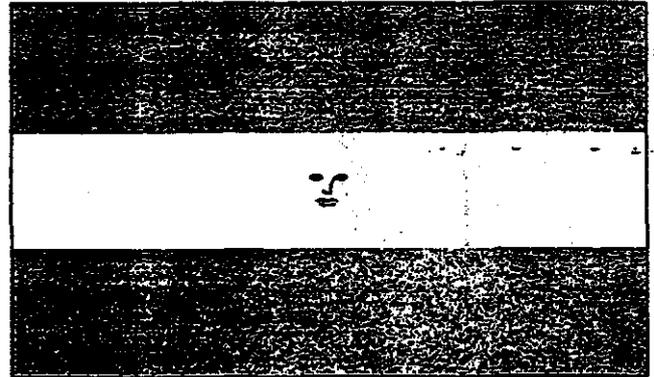


MEMORANDUM OF UNDERSTANDING



*The United States
Securities and Exchange Commission*



*The Comisión Nacional de Valores
of Argentina*

*On Consultation, Technical Assistance,
and Mutual Assistance for the Exchange of Information*

*Buenos Aires
December 9, 1991*

MEMORANDUM OF UNDERSTANDING

BETWEEN THE

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

AND THE

COMISION NACIONAL DE VALORES OF ARGENTINA

ON CONSULTATION, TECHNICAL ASSISTANCE,

AND MUTUAL ASSISTANCE FOR THE EXCHANGE OF INFORMATION

December 9, 1991

MEMORANDUM OF UNDERSTANDING

The United States Securities and Exchange Commission and the Comision Nacional de Valores of Argentina recognize the increasing international activity in securities markets and the corresponding need for mutual cooperation in matters relating to the administration and enforcement of the securities laws of the United States and Argentina. The parties to this Memorandum of Understanding further recognize the significance of independent securities markets for economic development and growth and the need to ensure the development and maintenance of open, fair, efficient, and sound domestic securities markets in the United States and Argentina.

Additionally, the parties to this Memorandum of Understanding foresee an increased interconnection and interdependence of the United States and Argentine securities markets, and deem it essential to establish a comprehensive framework for enhancing communication about all matters relating to the operation of the securities markets of their respective countries. Cooperation and consultation between the Securities and Exchange Commission and the Comision Nacional de Valores will create the balance between market oversight and stability, and market development and competition, that is critical to the continued evolution of their domestic markets.

Based on the foregoing, the Securities and Exchange Commission and the Comision Nacional de Valores have reached the following understanding with respect to consultations, technical assistance, and mutual assistance for the exchange of information.

ARTICLE I: DEFINITIONS

For the purposes of this Memorandum of Understanding:

- (a) "Authority" means:
 - (i) the Securities and Exchange Commission of the United States, or
 - (ii) the Comision Nacional de Valores of Argentina.
- (b) (i) "requested Authority" means an Authority to whom a request under this Memorandum of Understanding is made.
 - (ii) "requesting Authority" means an Authority making a request under this Memorandum of Understanding.
- (c) "person" means a natural person, unincorporated association, partnership, body corporate, government, political subdivision, agency, or instrumentality of a government, or any equivalent authority.
- (d) "issuer" means a person who issues or proposes to issue any security.
- (e) "investment business" means any business which involves, in whole or in part, effecting transactions in securities for the accounts of others; buying and selling securities for one's own account; advising

others, for compensation, either directly or through publications or listings, as to the value of securities or as to the desirability of investing in, purchasing, or selling securities; engaging on behalf of an issuer of securities in matters relating to the issuance, registration, exchange, or transfer of such securities; the management, promotion, offer, or sale of any investment company or collective investment scheme; or equivalent activities conducted by persons or entities.

- (f) "securities processing business" means a clearing agency or securities transfer agent.
- (g) "securities market" means an exchange or other market, including an over-the-counter market, for equity securities, debt securities, options, or any other securities that is recognized, regulated, or supervised by the Authorities.
- (h) "law or regulation" means a law, regulation, or regulatory policy of the United States or Argentina concerning securities, and includes, without limitation:
- (i) insider trading;
 - (ii) misrepresentation or the use of fraudulent, deceptive, or manipulative practices in connection with the offer, purchase, or sale of any security or in the conduct of investment businesses;

- (iii) the duties of persons to comply with reporting requirements or requirements relating to changes in corporate control;
- (iv) the making of a false or misleading statement or any material omission in any application or report made to the Authorities;
- (v) acquisitions of and notifications of interests in securities (including powers to control the voting rights attached to securities and powers to dispose of securities), and associations and agreements in relation to securities and control over bodies corporate;
- (vi) the duties of persons, issuers, or investment businesses to make full and fair disclosure of information relevant to investors;
- (vii) the duties of investment businesses, securities processing businesses, or securities markets pertaining to their financial, operational, or other requirements, and their duties of fair dealing in the offer and sale of securities, the execution of transactions, and the conduct of their businesses; and
- (viii) the financial and other qualifications of those engaged in, or in control of, issuers, investment businesses, securities processing businesses, or securities markets.

**ARTICLE II: CONSULTATIONS REGARDING MATTERS OF MUTUAL INTEREST
AND THE PROVISION OF TECHNICAL ASSISTANCE FOR
MARKET DEVELOPMENT**

**Section 1: GENERAL PRINCIPLES FOR CONSULTATIONS AND
TECHNICAL ASSISTANCE**

1. The Authorities consider it essential to establish a framework to enhance cooperation about all matters relating to the operation of their markets and the protection of investors. To that end the Authorities wish to arrange for the provision of technical assistance on a continuing basis to enhance communication and to further mutual understanding.

2. This Article sets forth a statement of the intent of the Authorities regarding such a framework for consultations and technical assistance. The Authorities intend to engage in a regular dialogue on both domestic and international aspects of securities regulation and enforcement, and on the development and operation of their securities markets.

**Section 2: CONSULTATIONS ON THE STABILITY, EFFICIENCY, AND
INTEGRITY OF THE MARKETS**

The Authorities intend to consult periodically about matters of mutual interest in order to enhance cooperation and to protect investors by ensuring the stability, efficiency, and integrity of the securities markets of the United States and Argentina. Such consultations may cover, among other things, the development of capital and other standards for the operation of investment businesses, business practices, the evolution of clearance and settlement and other market systems, the coordination of market oversight, and the administration of United States and Argentine

securities laws or regulations. The purpose of such consultations is to assist in the development of mutually agreeable approaches for strengthening the securities markets of the United States and Argentina, while avoiding, wherever possible, conflicts that may arise from the application of differing regulatory practices.

Section 3: PROVISION OF TECHNICAL ASSISTANCE FOR THE DEVELOPMENT OF THE ARGENTINE SECURITIES MARKETS

1. The Securities and Exchange Commission intends to consult with and provide advice to the Comision Nacional de Valores with a view toward establishing and implementing an ongoing technical assistance program for the development, administration, and operation of the Argentine securities markets. Such consultations will identify specific types of technical assistance that the Authorities believe are desirable and reasonable. The technical assistance may include the training of personnel as well as the provision of information and advice relating to the development of:

- (a) systems to promote the formation of capital, including both public and private placement markets;
- (b) privatization of state-owned companies utilizing securities distributions;
- (c) types of securities to fill particular needs;
- (d) order handling systems;
- (e) trade recording and comparison systems;
- (f) quotation and transaction data transmission systems;
- (g) clearance and settlement mechanisms;

- (h) regulatory requirements relating to market professionals and capital adequacy;
- (i) systems and related regulatory mechanisms relating to accounting and disclosure;
- (j) systems necessary for effective market surveillance and enforcement programs; and
- (k) procedures and practices to protect investors.

2. The Authorities recognize that specific technical assistance will be subject to the availability of resources as well as domestic authorizing legislation.

Section 4: PROVISION OF TECHNICAL ASSISTANCE TO EMERGING SECURITIES MARKETS

The Authorities share a common commitment to supporting the development of open, safe, sound, and efficient securities markets throughout the world. The Authorities believe that combining their unique experiences and perspectives will provide a valuable resource for countries with emerging securities markets. Therefore, the Authorities intend to work together to respond to requests from countries with emerging securities markets for technical assistance on a wide variety of securities issues.

ARTICLE III: MUTUAL ASSISTANCE FOR THE EXCHANGE OF INFORMATION

Section 1: SCOPE OF ASSISTANCE

1. To the extent permitted by the laws and regulations of their respective States, the Authorities will provide the fullest measure of mutual assistance, as contemplated by this Article. Such assistance will be provided to facilitate the performance of

securities market oversight functions; the enforcement of the laws or regulations applicable to securities markets and their members; the granting of licenses, waivers, or exemptions for the conduct of investment businesses; the inspection or examination of investment businesses; and the conduct of investigations, litigation, or prosecutions in cases where information located within the jurisdiction of the requested Authority is needed to determine whether, or prove that, the laws or regulations of the State of the requesting Authority may have been violated. Such assistance will be provided without regard to whether the type of conduct described in the request for assistance would constitute a violation of the laws or regulations of the State of the requested Authority.

2. Assistance available pursuant to this Article includes, but is not limited to:

- (a) providing access to information in the files of the requested Authority;
- (b) taking testimony and statements of persons;
- (c) obtaining information and documents from persons; and
- (d) conducting compliance inspections or examinations of investment businesses, securities processing businesses, or securities markets.

3. The Authorities recognize that they may not in all circumstances possess the legal authority to provide the assistance contemplated in this Article. Subject to such limitations of legal authority, the Authorities will use all

reasonable efforts to obtain the authorization, or the assistance of such other governmental agencies that have such authority, necessary to provide the assistance described in this Article.

Section 2: GENERAL PRINCIPLES FOR PROVIDING ASSISTANCE

1. This Article 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 enforce or secure compliance with any law or regulation, as that term is defined herein.

2. This Memorandum of Understanding does not affect any right of either Authority arising under the laws of its State or any other arrangement to take measures other than as provided herein to obtain information necessary to ensure compliance with, or to enforce, the laws or regulations of its State. In particular, this Memorandum of Understanding does not affect any right of either Authority to communicate with, or obtain information or documents from, any person, on a voluntary basis, in the State of the other Authority.

3. The provisions of this Article will not give rise to a right, directly or indirectly, on the part of any person, other than the Authorities, to obtain, suppress, or exclude any information or to challenge the execution of a request for assistance under this Article.

4. The Authorities recognize the need and desirability of providing mutual assistance and exchanging information to assist each other in securing compliance with the laws or regulations of

their respective States. A request for assistance may be denied, however, by the requested Authority:

- (a) where the request would require the requested Authority to act in a manner that would violate the laws of the State of the requested Authority;
- (b) where the request is not in accordance with the provisions set forth in this Article;
- (c) on grounds of essential public interest; or
- (d) on grounds of national security.

Section 3: REQUESTS FOR ASSISTANCE

1. Requests for assistance will be made in writing and addressed to the requested Authority's contact officer listed in Appendix A.

2. Requests will specify:

- (a) a general description of both the matter that is the subject of the request and the purpose for which the assistance or information is sought;
- (b) a general description of the assistance, documents, information, testimony, and statements of persons sought by the requesting Authority;
- (c) 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;

- (d) the legal provisions pertaining to the matter that is the subject of the request; and
- (e) the desired time period for the reply.

3. In urgent circumstances, a request for assistance and a reply to such a request may be effected by summary procedures or by means of communication other than the exchange of letters, provided that all such communications are confirmed in writing in the manner prescribed in this Section.

Section 4: EXECUTION OF REQUESTS

1. Access to information held in the files of the requested Authority will be provided upon request of the requesting Authority pursuant to Section 3 of this Article.

2. When requested by the requesting Authority, the requested Authority will take the testimony or statements of persons involved, directly or indirectly, in the activities that are the subject of the request or holding information that may assist in carrying out the request. The requesting Authority may, in its discretion, request the taking of the testimony or statements of specific persons. The requested Authority also will require the production of other evidence from any other party or parties designated by the requesting Authority.

3. The obtaining of testimony or statements, the gathering of documents, and the response to a request under this Article will be conducted in accordance with the procedures of the requested Authority and by persons designated by the requested Authority, unless otherwise agreed by the Authorities.

4. Notwithstanding any other provision of this Memorandum of Understanding, any person providing testimony, statements, information, or documents as a result of a request made under this Article will be entitled to all the rights and privileges of the laws of the State of the requested Authority that may otherwise be applicable. Assertions regarding other rights and privileges arising exclusively pursuant to the laws of the State of the requesting Authority will be preserved for consideration by the courts in the State of the requesting Authority.

5. Notwithstanding paragraph 3 of this Section, when requested by the requesting Authority, testimony or statements will be taken under oath and a transcript will be made. In addition, a representative of the requesting Authority may be present at the taking of testimony or statements and may prescribe specific questions to be asked of any witness.

6. When requested by the requesting Authority, an inspection or examination will be conducted of the books and records of an investment business or its custodian or agent, a securities processing business, or a securities market. In addition, a representative of the requesting Authority may be present at the inspection or examination and, subject to approval by the requested Authority, may participate in that inspection or examination.

7. In addition to participating in the taking of testimony or statements pursuant to paragraph 5 of this Section, or an inspection or examination pursuant to paragraph 6 of this

Section, the requesting Authority may submit to the requested Authority a request, with reasons, that a person or persons designated by the requesting Authority be permitted to conduct the testimony or take a statement of any person, or conduct an inspection or examination.

- (a) The request may be granted, modified, or denied by the requested Authority in its discretion.
- (b) Where the requested Authority grants a request which specifies that the laws of the State of the requesting Authority require the opportunity for counsel for the witness or any party to the proceeding to pose questions to the witness, the requested Authority will use its best efforts to ensure that such an opportunity will be given.
- (c) Section 7 of this Article applies to the denial of a request referred to in this Section.

Section 5: PERMISSIBLE USES OF INFORMATION

1. The requesting Authority may use the information furnished solely:
 - (a) for the purposes stated in the request with respect to ensuring compliance with or enforcement of the laws or regulations of the State of the requesting Authority, including the legal provisions specified in the request and related provisions; and
 - (b) for purposes within the general framework of the use stated in the request, including conducting a civil or

administrative enforcement proceeding, assisting in a self-regulatory enforcement proceeding, assisting in a criminal prosecution, or conducting any investigation related thereto for any general charge applicable to the violation of the provisions specified in the request.

2. In order to use the information furnished for any purpose other than those stated in paragraph 1 of this Section, the requesting Authority will first notify the requested Authority of its intention and provide it the opportunity to oppose such use. The requested Authority will raise its objections, if any, to the requesting Authority within 14 days of the requesting Authority's notice. If the requested Authority opposes use of the information, the Authorities agree to consult pursuant to Section 7 of this Article concerning the reasons for the refusal and the circumstances under which use of the information might otherwise be permitted.

Section 6: CONFIDENTIALITY OF REQUESTS AND INFORMATION

1. To the extent permitted by law, except for disclosures in accordance with Section 5 of this Article and disclosures that are absolutely necessary to carry out the request:

- (a) each Authority will keep confidential requests made under this Article, the contents of such requests, and any other matters arising during the operation of this Article, including consultations between the Authorities and unsolicited assistance; and

- (b) the requesting Authority will keep confidential any information received by the requested Authority pursuant to this Article.

Such confidentiality may be waived by the mutual agreement of the Authorities.

2. Except as contemplated by Section 5 of this Article, the requesting Authority will not offer the information to, and shall use its best efforts to ensure that it is not obtained by, any other person. Where appropriate, to ensure further the confidentiality of any information provided by a requested Authority in response to a request under this Article, the requested Authority shall in good faith determine and represent that public disclosure of the information would violate the laws of its State. Unless otherwise agreed, if such information is obtained by any other person, the requesting Authority will use its best efforts to ensure that such information will not be used by that person in any way that involves disclosure to any other person.

3. The requesting Authority will notify the requested Authority of any legally enforceable demand for information prior to complying with the demand, and will assert such appropriate legal exemptions or privileges with respect to such information as may be available.

4. When the requesting Authority has terminated the matter for which assistance has been requested under this Article, upon request of the requested Authority, it will return to the

requested Authority, to the extent permitted by law, all documents and copies thereof not already disclosed in proceedings referred to in Section 5 of this Article and other material disclosing the contents of such documents, other than material that is generated as part of the investigative, deliberative, or internal analytical process of the requesting Authority.

5. Any document or any other material provided by the requested Authority in response to a request under this Article and any other material disclosing its content, other than material that is generated as part of the investigative, deliberative, or internal analytical process of the requesting Authority, will not become the property of the requesting Authority, and must be redelivered, upon demand, to the requested Authority without delay to the extent permitted by the laws of the State of the requesting Authority; provided that such demand may be made only if the requested Authority has reason to believe that the information has been or is likely to be disclosed or used other than as contemplated by Section 5 of this Article.

**Section 7: CONSULTATION REGARDING MUTUAL ASSISTANCE
PURSUANT TO THIS ARTICLE**

1. In any case of dispute over the meaning of any term used in this Memorandum of Understanding, the parties will define such term in accordance with the relevant laws of the State of the requesting Authority.
2. The Authorities will engage in consultation with respect to this Article with a view to improving its operation and resolving

any matters that may arise. In particular, the Authorities will consult upon request in the event of:

- (a) a denial by one Authority of, or opposition by one Authority to, a request or proposal made by the other Authority pursuant to this Memorandum of Understanding;
or
- (b) a change in market or business conditions, or in the legislation governing the matters set forth in paragraph (h) of Article I, or any other circumstance that makes it necessary or appropriate to amend or extend this Article in order to achieve its purposes.

3. The Authorities may agree on such practical measures as may be necessary to facilitate the implementation of this Article.

4. Any of the conditions of this Article may be amended, relaxed or waived by mutual agreement.

Section 8: UNSOLICITED ASSISTANCE

To the extent permitted by the laws or regulations of their respective States, each Authority will use reasonable efforts to provide the other Authority with any information it discovers that gives rise to a suspicion of a breach, or anticipated breach, of the laws or regulations of the State of the other Authority.

Section 9: COSTS OF INVESTIGATION

If it appears that responding to a request for assistance under this Article will involve substantial costs being incurred

by the requested Authority, the requested Authority and the requesting Authority will establish a cost-sharing arrangement before continuing to respond to such request for assistance.

ARTICLE IV: FINAL PROVISIONS

Section 1: EFFECTIVE DATE

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

Section 2: TERMINATION

This Memorandum of Understanding will continue in effect until the expiration of 30 days after either Authority gives written notice to the other Authority of its intention to terminate the Memorandum of Understanding. If either Authority gives such notice, this Memorandum of Understanding will continue to have effect with respect to all requests for assistance that were made before the effective date of the notification until the requesting Authority terminates the matter for which assistance was requested.

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DONE at Buenos Aires this 9th day of December, 1991.

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION

COMISION NACIONAL DE VALORES
OF ARGENTINA

by Richard C. Breeden
Richard C. Breeden
Chairman

by Martin Redrado
Martin Redrado
President

WITNESSED:

by James D. Walsh
James D. Walsh
Charge d'Affaires, a.i.

by Carlos S. Menem
Carlos S. Menem
President of the Republic
of Argentina

APPENDIX A

CONTACT OFFICERS

United States Securities and Exchange Commission
450 5th Street N.W.
Washington, D.C. 20549
U.S.A.

Attention: Director, Office of International Affairs

Tel.: (202) 272-2306
FAX: (202) 504-2282

Comision Nacional de Valores of Argentina
Hipolito Irigoyen 250
10 Piso, Oficina 1010
Buenos Aires 1310
ARGENTINA

Attention: General Director

Tel.: 541-34-4103
FAX: 541-331-0639