

**DECLARATION ON COOPERATION AND
SUPERVISION OF CROSS-BORDER INVESTMENT
MANAGEMENT ACTIVITY**

The Hong Kong Securities and Futures Commission, an independent agency established pursuant to the Securities and Futures Commission Ordinance of 1989, and the Central Bank of Ireland, an independent body which is accountable to the Oireachtas and established under the Central Bank Acts 1942-1997,

Sharing the goal of promoting investor protection;

Observing the growth of global cross-border investment management activity between Hong Kong and Ireland; and

Believing that, in light of these developments it is appropriate to formalise mechanisms for sharing information where an Authority is located in one jurisdiction and an Investment Management Person is located in another,

make the following Declaration:

1. DECLARATION

1.1 For the purposes of the Declaration:

- (a) "Associated Persons" means persons and entities affiliated or associated with, or doing business relating to the investment management activities of, Investment Management Persons and subject to the supervision of an Authority;
- (b) "Authority" means the Securities and Futures Commission (SFC) or the Central Bank of Ireland (Bank);
- (c) "Books and Records" means documents, books and records of, and other information about, Investment Management Persons;

- (d) "Dual Registrants" means Investment Management Persons that are authorised by, registered with or licensed by both Authorities or who are authorised by or registered with one Authority and manage or advise funds authorised by the other Authority;
- (e) "Inspection Report" means a report, prepared by an Authority, summarising the results of a review or examination of an Investment Management Person;
- (f) "Host Authority" means the Authority in whose jurisdiction an Investment Management Person is located;
- (g) "Investment Management Persons" means investment advisers, investment fund managers, fund administrators, fund depositories, investment companies and investment funds, subject to the respective laws and regulatory requirements of Hong Kong or Ireland, and their Associated Persons;

2. SCOPE OF SUPERVISORY COOPERATION

- 2.1 The Authorities intend to provide to each other the fullest possible cooperation in assisting in the enforcement of their respective laws and regulatory requirements governing Investment Management Persons. It is anticipated that such cooperation will include assistance in the oversight of Investment Management Persons located in the jurisdiction of a Host Authority and subject to the regulatory oversight of the other Authority.
- 2.2 Under this Declaration, the Authorities will assist each other by exchanging information concerning Investment Management Persons which are Dual Registrants.
- 2.3 The Authorities intend to keep each other advised of significant changes in the laws and regulatory requirements relevant to their cooperation under this Declaration. Nothing in this Declaration limits, expands or affects the respective jurisdictions of the Authorities.

- 2.4 To facilitate cooperation under this Declaration, the Authorities designate contact persons as set forth in Attachment A.

3. EXCHANGE OF INFORMATION

- 3.1 The Authorities intend to provide to each other and update on a regular basis a list identifying the names of Dual Registrants.
- 3.2 Each authority intends to notify the other of the commencement of an investigation, or other regulatory action involving or affecting a Dual Registrant.
- 3.3 The Authorities intend to provide to each other, on a routine basis and without advance request, copies of Inspection Reports of Dual Registrants.
- 3.4 Each Authority intends to provide the other, upon request and consistent with the laws and regulatory requirements which govern it, assistance in obtaining information concerning the contents of public and non-public Books and Records relating to Investment Management Persons.
- 3.5 Each Authority intends, upon request and consistent with the laws and regulatory requirements which govern it, to provide other information located in its jurisdiction that may be relevant to the other Authority's review, examination or determination pertaining to the registration, authorisation or licensing status of Investment Management Persons.
- 3.6 To the extent permitted by applicable laws and practices, each Authority will use reasonable efforts to ensure that the other Authority is provided with any relevant information discovered which gives rise to a suspicion of a breach, or anticipated breach, of the laws or regulatory requirements in the other territory by a Dual Registrant.

4. CONFIDENTIALITY AND USE OF INFORMATION

- 4.1 Assistance or information will be provided under this Declaration by one Authority (the Disclosing Authority) only for the purpose of

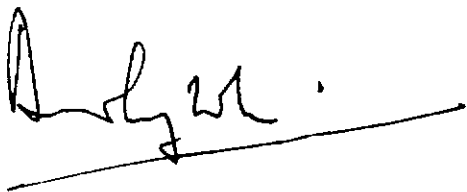
assisting the other Authority (the Receiving Authority) in the performance of its regulatory functions. Any assistance or information so provided should only be used by the Receiving Authority for such purpose and should not be disclosed to any third parties without the prior consent of the Disclosing Authority. Each Authority will establish and maintain such safeguards as are necessary and appropriate to protect the confidentiality of such information.

- 4.2 When the Receiving Authority discloses information to another person, that Authority will obtain an undertaking from the other person that it will maintain the confidentiality of the information, except when disclosure is required pursuant to a legally enforceable demand.
- 4.3 If the Receiving Authority becomes aware that information passed to it under this Declaration may be subject to a legally enforceable demand to disclose, it will, to the extent permitted by laws, inform the Disclosing Authority of the situation. Where the Disclosing Authority indicates to the Receiving Authority that it wishes the Receiving Authority to resist the demand, the Receiving Authority shall resist disclosure as far as is practicable under the law and, if necessary and appropriate, claim public interest immunity.

5. CONSULTATIONS

The Authorities intend to engage in regular consultations regarding investment management activity in their markets, and to review this Declaration periodically for the purpose of assessing its operation.

SIGNED THIS *5th* DAY OF *November* 1997.



(on behalf of the SFC)



(on behalf of the Bank)