

**Memorandum of Understanding Between
The Financial Reporting Authority (FRA)
and the
Cayman Islands Monetary Authority (CIMA)**

Whereas

CIMA and the FRA (collectively referred to as the Authorities) recognize the need for mutual cooperation and information exchange in the carrying out of their respective functions and duties under the relevant laws and regulations.

To this end the Authorities have reached the following understanding:

1. Scope of the Information Exchange Arrangements

- 1.1 To the extent permitted by existing law governing the Authorities, the Authorities may exchange information that it has access to or that may come into its possession that is relevant to the function and duties performed by each Authority.**
- 1.2 Without prejudice to the generality of the foregoing the scope of the Memorandum includes the following:**
 - (a) Disclosing information in relation to Suspicious Activity Reports (SARs) in accordance with the Proceeds of Criminal Conduct Law (2001 Revision) as amended (the PCCL) and the Money Laundering Regulations (2003 Revision);**
 - (b) Ensuring that regulated persons meet required standards through the exchange of information as permitted by the relevant laws and regulations;**
 - (c) Assisting in the carrying out of responsibilities for the prevention of Money Laundering, combating the financing of terrorism and other financial crime;**
 - (d) Any other matters agreed upon between the Authorities from time to time that are permitted by the relevant laws governing the Authorities.**

2. Use of Information

- 2.1 The FRA will use any information provided by CIMA in analyzing information concerning:**
 - (a) proceeds of criminal conduct or suspected proceeds of criminal conduct in order to counter money laundering;**
 - (b) terrorism, the financing of terrorism, suspected terrorism or the suspected financing of terrorism.**

- (c) whether to refer any matter to any law enforcement unit for investigation and or prosecution or when required by Law, to the Attorney General.

2.2 CIMA will use any information provided by the FRA to determine:

- (a) the fitness and propriety of any person or entity as required by law;
- (b) whether to exercise any powers under the Monetary Authority Law (2003 Revision) or the regulatory laws.

3. Confidentiality

3.1 All information exchanged by the Authorities will be subjected to strict controls and safeguards to ensure that the information is used only in a manner authorized by this Memorandum of Understanding and treated in a confidential manner.

3.2 Exchanged information will be protected by the same confidentiality as provided for by the Monetary Authority Law (2003 Revision) the Confidential Relationships (Preservation) Law 1995 and the PCCL.

3.3 The Authorities may not disclose to any third party any information exchange between them without the consent of the Authority that provided the information, except where required or compelled by law to do so or, on the Order of the Grand Court.

3.4 Where an Authority is required or compelled by law to disclose information provided by the other Authority, or an application has been made to the Grand Court to disclose information, it will notify the Authority that provided the information and give that Authority a reasonable opportunity to make any objections that it may be entitled by law to make, before the information is disclosed to a third party.

4. Limitation

Nothing in this Memorandum compels either of the Authorities to provide information to each other beyond what is already required by relevant laws. If an Authority decides not to provide information following a request, the Authority receiving the request will advise the requesting Authority of its decision and as permitted by law, indicate the reason for not providing the information.

5. Form of Correspondence

5.1 Except where it is impractical to do so, all requests for information from one Authority to the other and all responses and information provided shall be in writing.

5.2 All requests and responses between the Authorities shall be between the Head of the FRA and the Managing Director of CIMA or the Legal Advisor of the FRA and the General Counsel of the CIMA unless the Head of FRA and the Managing Director of CIMA otherwise agree.

5.3 Where the Authorities agree to nominate contact persons other than those in paragraph 5.2 the Head of the FRA and the Managing Director CIMA shall designate in writing the persons who will serve as the contact persons between the Authorities.

5.4 Nothing in paragraph 5.2 above would prevent communication between staff of the FRA and staff of CIMA, following a request from either Authority through the channels in that paragraph in order to expedite the carrying out of a request by an Authority.

6. Amendment

The Authorities may amend the Memorandum at any time by mutual agreement.

7. Termination

7.1 This Memorandum may be terminated at any time by mutual agreement.

7.2 Where a party is desirous of terminating the Memorandum, it should notify the other Authority of its intention and a termination will take place 30 days after such notification. Any information already provided by the Authority shall be kept confidential after the termination of the Memorandum and subject to the same conditions in paragraph 3 that would be applicable if the Memorandum were in effect.

7.3 Notwithstanding anything said above where one Authority discloses or uses information provided by the other Authority in a manner contrary to the provision of this Memorandum and without the consent of the other Authority the Authority may immediately terminate the Memorandum.

8. Effective Date

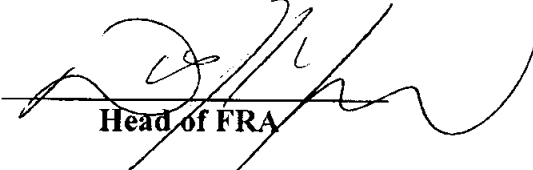
This Memorandum of Understanding will be effective from the date of its signing by the Authorities.

Signed this 1st day of December 2004

For and behalf of the Cayman Islands
Monetary Authority


Managing Director, CIMA

For and on behalf of the Financial
Reporting Authority


Head of FRA