



CMVM

PRESIDENTE

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Mr. Jean-François Lepetit  
Chairman  
**CONSEIL DES MARCHÉS  
FINANCIERS**  
31, rue Saint Augustin  
75002 Paris  
FRANCE

Lisboa, 13th December 1999

Implementing a Mechanism for the Exchange of Information between the **COMISSÃO DO MERCADO DE VALORES MOBILIÁRIOS (CMVM)** and the **CONSEIL DES MARCHÉS FINANCIERS (CMF)** concerning Credit Institutions and Investment Companies with head-office in France or in Portugal that through Remote Access intend to carry out the registration of De-materialised Securities Service through the Filiation in the Clearing and Settlement System of Financial Services, organised and functioning in another State.

Dear Mr. Lepetit,

The ever-increasing internationalisation of securities operations and other financial instruments deriving namely from the information technology advancement and from the need for investment portfolio diversification implies that the supervisory authorities of the financial sector avail themselves of co-operation and mutual assistance mechanisms in order to guarantee the effective carrying out of supervisory functions in the respective financial markets.

This letter confirms the intention of the CMVM in supplying the CMF with the necessary assistance and information for the performance of supervisory functions of the credit institutions and investment companies with head-office in Portugal who carry out the activity related with the rendering of the services of registration, control, clearing and settlement of financial systems integrated in the French clearing and settlement system of financial instruments through remote access under the freedom to provide services regime, as mentioned in Annex A, which the CMVM undertakes to up-date upon receipt of the CMF's notifications.

### **Scope of Assistance**

The CMVM undertakes to verify and inform the CMF, when it is requested, that the credit institutions and the investment companies, with head-office in Portugal that intend to affiliate themselves in remote access regime, in the French clearing and settlement system of financial instruments, satisfy the technical and operational conditions foreseen in annex B of the present letter.

The CMVM undertakes to inform the CMF, when it is requested, of the observance of the conditions verified in the terms of the previous paragraph.

The CMVM undertakes to obtain and transmit to the CMF, when it is requested, all the necessary information for the performance of its supervisory functions, as from the moment in which a credit institution or investment company, with head-office in Portugal is carrying out the activity in remote access regime, as affiliates in the French clearing and settlement system of financial instruments.

### **Actions to be Developed**

The assistance afforded by this mechanism implies the acquirement of information/documents, attainment of investigations, gathering of statements, *in loco* verifications of the aimed companies' premises, as well as, ultimately, other type of actions that reveal themselves to be necessary regarding the specific case and that, in a case-by-case basis, to agreed between the CMVM and the CMF.

### **Execution of Requests**

The requests for assistance must be made in writing and must be sent to the contact person at the requested Authority mentioned in annex C.

The request for assistance must contain the following:

- a) a general description of the information sought by the requesting Authority;
- b) a general description of the subject matter of the request and for what purpose the information is sought;
- c) if the case, the regulations that are suspected to have been violated, as well as the list of persons or entities that the requesting Authority believes to have the sought information;
- d) The time period and form sought for the reply, and where appropriate, the urgency thereof.

### **Confidentiality**

The requesting Authority may only use the received information for the purposes mentioned in the request, including ensuring compliance with the enforcement of the laws and regulations specified in the request and related provisions.

Before using the information furnished for any purpose other than those stated in the request, the requesting Authority must first inform the requested Authority of its intention and provide it with the possibility to oppose the use of it.

### **Consultation**

The CMVM and the CMF intend to consult each other periodically to infer on the adequacy and effectiveness of the measures foreseen in this memorandum and, where appropriate, for the up-dating of one or more elements mentioned in the annexes of the present letter.

If any serious event alters in any way the activity or service of the member, CMVM or CMF will inform as soon as possible the other party of the occurrence of this event.

**José Nunes Pereira**  
**Chairman**  
**Comissão do Mercado de Valores Mobiliários**

Credit Institutions and investment companies with head-office in Portugal affiliated in the French clearing and settlement system of financial instruments:

- None.

By way of guarantying that the credit institutions and investment companies with head-office in Portugal fulfil the technical and operational conditions for the purpose of the affiliation in the French securities clearing and settlement system, it may be necessary for the CMVM to verify *in loco* the following elements:

The accomplishment of Title VI of the General Regulation of the CMF – CONDITIONS GOVERNING the operation of Custodial Account Keepers – and the decisions taken in the application of the regulation regarding the elements to be specified by the CMF.

## Contact Persons

Mr. João Luiz Figueira  
CMVM – Comissão do Mercado de Valores Mobiliários  
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Mr. Bruno Gizard  
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