

Federal Republic of Germany

República Argentina

**Bundesaufsichtsamt für den
Wertpapierhandel**

**Comisión Nacional de
Valores**

Memorandum of Understanding
on the
Exchange of Information

The Bundesaufsichtsamt für den Wertpapierhandel (BAWe) and the Comisión Nacional de Valores (CNV);

considering that the development of international securities trading requires a procedure of mutual assistance and consultation facilitating the execution of powers for the BAWe and the CNV in regard to the areas listed below;

considering the need for ensuring the application and enforcement of the legislation applicable to securities trading in Germany and Argentina;

desiring for this purpose to provide the fullest mutual assistance designed to put the BAWe and the CNV in a position to fulfil the tasks entrusted to them in Germany and Argentina;

have reached the following understanding:

Article 1 - Purpose of the Memorandum of Understanding

1. The purpose of this Memorandum of Understanding is to set up and implement a procedure for mutual assistance between the Authorities hereinafter referred to which is designed to put them in a position to fulfil the functions assigned to them in the field of securities trading.

The Memorandum of Understanding represents for each Authority the preferred means for acquiring confidential information, which may be useful for the application and enforcement of the legal provisions in the State of the requesting Authority. However, the Memorandum of Understanding will not be an obstacle to other measures in line with international law which each Authority may want to take for this purpose. Before the requesting Authority recurs to other measures, it informs the requested Authority of its intention.

2. This Memorandum of Understanding does not affect the terms of the exchange of information which is not confidential between the Authorities.

Article 2 - Definitions

For the purposes of this Memorandum of Understanding:

1. "Authority" means:

a) in regard to Germany the Bundesaufsichtsamt für den Wertpapierhandel;

b) in regard to Argentina the Comisión Nacional de Valores;

2. " requested Authority" means the Authority to whom a request is made under this Memorandum of Understanding;

3. "requesting Authority" means the Authority making a request under this Memorandum of Understanding;

4. "legal provisions" means the laws and regulations in force in Germany and Argentina respectively;

5. "person" means any natural person, legal entity or association;

6. "securities" means securities, derivative instruments and all financial products coming within the competence of the Authorities;

- Article 3 - Scope of Assistance

1. The Authorities provide each other with the fullest mutual assistance under this Memorandum of Understanding within their existing legislation in order to satisfy the request for information in connection with investigations whether

there has been any violation of the laws and regulations. For this purpose the requested Authority uses the means and powers at its disposal within the extent permitted by its existing legislation. It supplies the information at its disposal; within the scope of its competence it will gather information in order to satisfy the request for information.

2. In cases where the request for information does not concern the violation of legal provisions the requested Authority will endeavour to provide to the requesting Authority the assistance requested; the Authorities agree to consult each other on difficulties which might occur.
3. Requests for information under this Memorandum of Understanding may be declined if

- a) satisfying the request could impair the sovereignty, security, essential economic interests or the public order of the State of the requested Authority;

- b) in the State of the requested Authority criminal proceedings have already been instituted with respect to the same person or a final court decision has already been taken.

Declining a request for information does not affect the right of the BAWe and the CNV for mutual consultation. If it is not within the competence of the requested Authority to satisfy a request for information, the requested Authority and the requesting Authority will consult about other ways of satisfying the request.

4. To the extent permitted by their national laws and without prior request, each Authority may provide the other Authority with any information available to it and which it believes to be helpful to the other Authority for the performance of its functions and for the purposes possibly specified in the communication.

Article 4 - Requests for Information

1. Requests for information shall be made in writing and addressed to the contact person of the requested Authority listed in Annex A.
2. Requests for information should specify the following:
 - a) a general description of the information requested by the requesting Authority;
 - b) a general description of the subject matter of the request and the purpose for which the information is sought;
 - c) in so far as the request results from investigations of violations of any legal provisions, the relevant provisions that may have been violated and, if known to the requesting Authority, a list of the persons or institutions believed by the requesting Authority to possess the information sought or the places where such information may be obtained;
 - d) if appropriate, an indication as to the urgency of the request for information.

3. In urgent cases, a request for information and a reply to such a request may be effected by a simplified procedure provided that all such communications are confirmed in the manner required in paragraphs (1) and (2) of this Article.
4. If in the area covered by the Memorandum of Understanding the requesting Authority makes a request for information on behalf of another authority of the same country this shall be indicated in the request. The Authorities will consult about the further proceedings and the exact kind of information to be possibly communicated by the requested Authority. The BAWe points out that the stock exchange supervisory authorities of the Länder in particular are considered such other authority of the same country.

Article 5 - Execution of the Requests for Information

The requested authority communicates under the terms of the Articles 1, 3 and 4 of this Memorandum of Understanding to the requesting Authority the information already in its possession or which it will gather in accordance with the means permitted within the extent of its national legislation.

Article 6 - Permissible Uses of the Information

1. The requesting Authority may use the information solely for the purpose stated in the request with respect to ensuring compliance with or enforcement of the legal provisions specified in the request as well as for the purpose of conducting criminal or administrative procedures instituted as a result of a violation of the provisions specified in the request.

2. The authority to which unsolicited information is supplied shall use this information solely for the purposes stated in the request or for the purposes of criminal proceedings.
3. For the performance of its statutory functions the requesting Authority may communicate information to other authorities of the same country. However, in doing so it must obtain the consent of the requested Authority. The BAWe points out that the stock exchange supervisory authorities of the Länder in particular are considered such other authorities of the same country.
4. If the requesting Authority intends to use the information furnished for any purpose other than those stated in paragraph (1) and (2) of this Article, it must obtain prior consent of the requested Authority. If the requested Authority consents to the use of the information for other purposes than stated in paragraphs (1) and (2), it may subject it to certain conditions. The requested Authority may also prohibit such use of the information.

Article 7 - Confidentiality of the Requests and the Information Received

1. Each Authority will keep confidential to the extent permitted by law any request made under this Memorandum of Understanding, the contents of such requests, as well as any matter arising in the course of its operation, in particular consultations between the Authorities.
2. To the extent permitted by law, the requesting Authority will observe at least the same degree of confidentiality with respect to all information

communicated to it under this Memorandum of Understanding it enjoys in the country of the requested Authority.

Article 8 - Consultations

1. The Authorities agree to notify each other of any changes in the laws and regulations concerning the areas covered by this Memorandum of Understanding and to conduct consultations on a regular basis and when required.
2. The Authorities will revise the implementation of this Memorandum of Understanding regularly and will conduct consultations in order to improve its operation and to resolve possible difficulties.
3. The Authorities may jointly agree on such practical measures as may be necessary to facilitate the implementation of this Memorandum of Understanding.
4. In the event of a dispute on the interpretation or enforcement of this Memorandum of Understanding, the Authorities will conduct consultations in order to achieve a common interpretation.

Article 9 - Amendments to the Memorandum of Understanding

The Authorities may on the basis of the consultations provided for in Article 8 jointly make amendments to the Memorandum of Understanding they consider necessary.

Article 10 - Publication

The Authorities agree to publish this Memorandum of Understanding.

Article 11 - Entry into Effect

This Memorandum of Understanding shall enter into force on the date of signature thereof.

Article 12 - Termination

This Memorandum of Understanding shall be concluded for an unlimited period and may be denounced in writing by either of the Authorities at any time provided that at least thirty days' prior notice has been given. If the requested Authority undertakes to denounce the Memorandum of Understanding, requests for information communicated before the effective date of denunciation will still be processed under the Memorandum of Understanding.

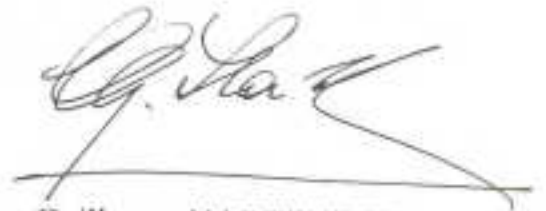
Done at Paris, this 18th day of December, 1998 in six originals, two in the German, two in the Spanish and two in the English language, all texts being equally authentic.

For the Bundesaufsichtsamt für
den Wertpapierhandel

For the Comisión Nacional
de Valores



Georg WITTICH
President



Guillermo HARTENECK
President

Annex A

Contact person as defined by Article 4 of the Memorandum of Understanding is:

For the Bundesaufsichtsamt für
den Wertpapierhandel:

The Head of the Division
for International Affairs

Tel.: (49.69) 95952.128

Fax: (49.69) 95952.299

For the Comisión Nacional
de Valores:

The Head of International
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