

**MEMORANDUM OF
UNDERSTANDING**

BETWEEN

**THE SECURITIES AND EXCHANGE
COMMISSION**

ARGENTINA

AND

**THE SECURITIES AND EXCHANGE
COMMISSION**

POLAND

LISBON, PORTUGAL

May 26, 1999

Memorandum of Understanding

Memorandum of Understanding between the Komisja Papierów Wartościowych i Giełd (the Polish Securities and Exchange Commission) and the Comisión Nacional de Valores (the Securities and Exchange Commission) of Argentina on cooperation, mutual assistance and exchange of information.

The Komisja Papierów Wartościowych i Giełd, represented by Mr. Jacek Socha, Chairman of the Commission, and the Comisión Nacional de Valores of Argentina, represented by Mr. Guillermo Harteneck, Chairman of the Commission, hereinafter collectively referred to as "the Authorities";

Whereas due to the increased importance and frequency of operations by financial institutions and investors on international securities markets there is a need for mutual cooperation, support and exchange of information in order to help the Authorities to easier perform their functions in the matters defined herein;

Whereas the Authorities acknowledge that securities laws applicable in the Republic of Poland and in the Republic of Argentina should be complied with and enforced;

Whereas the Authorities wish to create foundations for mutual cooperation, support and exchange of information to the fullest extent possible in order to easier perform the tasks assigned to them in their respective States while complying with and enforcing law,

The Authorities agreed as follows:

Article 1: Purpose of the Memorandum

The purpose of this Memorandum is to establish between the Authorities a system of mutual assistance to help each other to perform their functions in order to support the integrity of securities markets, in particular by creating and implementing rules for mutual cooperation, support and exchange of information.

Article 2: Definitions

For the purposes of this Memorandum of Understanding:

1. "Requested Authority": the authority who a request of information is addressed to under this Memorandum of Understanding,
2. "Requesting Authority": the authority making a request under this Memorandum of Understanding,



3. "Securities": stocks, bonds, tradeables, derivatives and any other interests, contracts or financial instruments which are subject to the Authorities' jurisdiction,
4. "Issuer": the entity which delivers or issues securities on its own behalf,
5. "Securities market": a regulated or another market for financial instruments, including the over-the-counter market, covered by the control and supervising activities of the Authorities,
6. "Provision of brokerage services": conclusion of contracts for the purchase or sale of securities for a third-party's account within a securities market,
7. "Securities account": an account operated by an entity solely authorized to do so, if the designation of such an account allows to identify the persons to whom interests from the securities specified therein accrue.

Article 3: Scope

1. The Authorities wish to provide to each other, to the extent allowed by their domestic legislation, any possible support by providing information which can help them to perform their control and supervising functions. The Requested Authority shall make available any information in its possession and in case it is not in possession of such information it shall obtain any such information that is necessary to meet the request of information.
2. If the request involves information on certain entities and their businesses the Requested Authority shall make any efforts to provide the needed support to the Requesting Authority. In case of difficulties in gathering the relevant information the Authorities shall agree on the opportunity to consult each other.
3. The support can only be provided to the extent allowed by the laws of the country of the Requested Authority, including ratified international treaties.

Article 4: General Provisions

1. This Memorandum constitutes a basis for cooperation between the Authorities and does not alter or supersedes the laws applicable in the territories of the Republic of Poland and Argentina. This Memorandum does not establish any laws which could be enforced by any third party, or affect any arrangements made under other Memorandums. The execution of these provisions cannot be inconsistent with the public interest of the State of the Requested Authority.

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2. The Requested Authority may refuse to provide the above mentioned information if:
 - 1) the provision of such information would breach the sovereignty, security, the basic economic interest or the public order of the State of the Requested Authority, or
 - 2) the provision of such information is inconsistent with the provisions hereof, or
 - 3) in the same matter or against the same persons, a criminal proceeding has already been instituted in the State of the Requested Authority, or the relevant authorities of the State of the Requested Authority have issued a final award against such persons based on the same occurrence.

Article 5: Purpose of the use of the requested information

The Requesting Authority can only utilize the information obtained to implement its statutory objectives with regard to supervising the financial market and in particular to:

1. ensure that legal provisions indicated in the request of information be complied with and enforced, including for the purpose of conducting a criminal, civil or administrative proceeding instituted as a result of the provisions indicated as having been violated, or
2. perform a general supervision over the compliance with law and the rules of fair and safe dealings on the securities market, and supervision over the compliance with law and rules of fair conduct with regard to the operation of a joint investment institution, or
3. analyze applications of entities holding securities or dealing in securities as brokers in the country of one of the Authorities for the permission to conclude brokerage service contracts or to open securities accounts in entities which provide brokerage services or operate securities accounts in the territory where the other Authority exercise its functions of control and supervision
4. analyze applications for the permission to provide brokerage services, operate securities accounts, manage others' securities packages or advise on securities dealings in the State of one of the Authorities, or
5. analyze applications for the permission for the operation of a joint investment institution, of entities holding assets of a joint investment institution, of entities dealing as brokers in alienating participation titles issued by joint investment institutions, and of entities requesting the permission to publicly alienate participation titles in the State of the party to this Memorandum.



Article 6: Request of Information

1. The request of information should be made in writing and addressed to the person responsible for the execution of the provisions of this Memorandum representing the Requested Authority and whose particulars are set forth in Appendix A.
2. The request of information should contain:
 - 1) the type of information requested by the Requesting Authority,
 - 2) the general description of the matter in hand and the purpose of the Requesting Authority in requesting such information,
 - 3) designation or description of persons or entities which according to the knowledge of the Requesting Authority can have such information, or the indication of the place where the Requested Authority can obtain such information,
 - 4) the provisions of law applicable to the matter in hand,
 - 5) the date for which the information should be provided and, if necessary, the indication that the information should be passed urgently.

Article 7: Fulfilment of the request of information

1. The Requested Authority should present to the Requesting Authority the information which is in its possession or which it may obtain by the means defined by itself, consistent with the laws of its country.
2. The information shall be passed to the person authorized to collect it, representing the Requesting Authority and whose particulars are set forth in Appendix A.

Article 8: Use of information

In order to be able to use the information for a purpose which is different to the one indicated in the request according to Article 6.2.2, the Requesting Authority should previously obtain the Requested Authority's consent. The Requested Authority shall not give its consent if such an utilization of the information is inconsistent with the laws of its State.

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Article 9: Confidentiality of the request and of the information provided

1. Each of the Authorities shall keep confidential, to the extent imposed by the laws, the contents of the requests made hereunder and any other issues arising as the provisions hereof implemented. Also, any information obtained in course of the consultations between the Authorities should be kept confidential.
2. The Requesting Authority shall provide the information obtained hereunder with a protection clause ranking not lower than the clause provided in the State of the Requested Authority.
3. The Requesting Authority shall not make available to third parties any of the information obtained without the prior consent of the Requested Authority.

Article 10: Disputes and Consultations

1. In case the terms used in this Memorandum are construed differently, the Authorities shall jointly define their meaning.
2. The implementation of the provisions of this Memorandum shall be subject to the control and consultations of the Authorities in order to enhance the effectiveness of the Memorandum and to solve any issues that may arise in course of the cooperation. The Authorities should in particular consult each other if:
 - 1) the provision of the requested information is denied or the consent is withheld to utilize the information provided in the manner referred to in Article 6.2.2 and Article 8, or
 - 2) the economic situation or legal regulatory provisions change to such an extent that this Memorandum - in order for its objectives to be implemented - must be also modified or extended.
3. The Authorities may currently agree on the practical means that can facilitate the implementation and a full achievement of the objectives of this Memorandum.

Article 11: Costs

In case the compliance with the requested information involves considerable costs for the Requested Authority, the Requested Authority can subject such compliance to the payment of such costs or a part of them by the Requesting Authority.



Article 12: Term of the Memorandum

This Memorandum is made for an indefinite time and can be terminated by either party by way of a written notice. If so, this Memorandum shall cease to be binding thirty days after the notice was received by the other party.

Article 13: Effective date

This Memorandum shall become effective upon its signature.

SIGNED in Lisbon this ²⁷~~26~~ day of May 1999, in six originals, two in Polish, two in Spanish and two in English languages. The English version will prevail in case of any disputes.

For the Komisja Papierów Wartościowych i Giełd: For the Comisión Nacional de Valores:



Mr. Jacek SOCHA
Chairman



Mr. Guillermo HARTENECK
Chairman

APPENDIX A

Contact Persons

For the Komisja Papierów Wartościowych i Giełd:

The Secretary of the Polish Securities and Exchange Commission

Phone: (48 22) 826 93 96

Fax: (48 22) 826 81 00

For the Comisión Nacional de Valores:

The Head of the Office of International Affairs

Phone.: (54 11) 4329-4747/4748

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