



THE HONG KONG SECURITIES AND FUTURES
COMMISSION



רשות ניירותון
ISRAEL SECURITIES AUTHORITY

MEMORANDUM OF UNDERSTANDING

CONCERNING CONSULATATION AND COOPERATION

AND THE EXCHANGE OF INFORMATION

BETWEEN

THE ISRAEL SECURITIES AUTHORITY

AND

THE HONG KONG SECURITIES AND FUTURES

COMMISSION

PURPOSE

Considering the increasing international activity in the securities and derivatives markets, and the corresponding need for mutual cooperation and consultation between the Israel Securities

enforcing and securing compliance with the respective Laws and Regulations of the jurisdictions of the Authorities. The provisions of this Memorandum of

7. Scope of Assistance

- (a) The Authorities will, within the framework of this Memorandum of Understanding, provide each other with the fullest assistance permissible to secure compliance with the respective Laws and Regulations of the Authorities.
- (b) The assistance available under this Memorandum of Understanding may include, but is not limited to:
 - (i) providing information and documents held in the files of the Requested Authority regarding the matters set forth in the request for assistance;
 - (ii) obtaining information, documents or copies thereof regarding the matters set forth in the request for assistance, including:
 - contemporaneous records sufficient to reconstruct all securities and derivatives transactions, including records of all funds and assets transferred into and out of bank and brokerage accounts relating to these transactions;
 - records that identify: the beneficial

believed to possess the information or documents sought or the places where such information may be obtained;

- (iv) an indication of any special precautions that should be taken in collecting the information due to investigatory considerations, including the sensitivity of the information; and
 - (v) the Laws and Regulations that may have been violated and that relate to the subject matter of the request, translated into the English language
- (c) In urgent circumstances, requests for assistance may be transmitted by telephone or facsimile, provided such communication is confirmed through an original, signed document.

9. Execution of Requests for Assistance

- (a) To the extent permitted by its Laws and Regulations, the Requested Authority will provide the Requesting Authority, upon request, with information, documents or copies thereof held in its files, within a reasonable period of time. The Requested Authority shall use the relevant means at its disposal for the execution of the request. The Authorities shall consult and agree on the types of enquiry that may be necessary for the execution of a request.
- (b) Upon request, the Requested Authority will require the production of documents or copies thereof identified in 7(b)(ii) from (i) any Person designated by the Requesting Authority, or (ii) any other Person who may possess the requested information or documents. Upon request, the Requested Authority will obtain other information relevant to the request.
- (c) Upon request, the Requested Authority will seek responses to questions and/or a statement (or where permissible, testimony under oath) from any Person involved, directly or indirectly, in the activities that are the subject matter of the request for assistance or who is in possession of information that may assist in the execution of the request.
- (d) Unless otherwise arranged by the Authorities, information, documents or copies thereof requested under this Memorandum of Understanding will be gathered in accordance with the procedures applicable in the jurisdiction of the Requested Authority and by persons designated by the Requested Authority. Where permissible under the Laws and Regulations of the jurisdiction of the Requested Authority, a representative of the Requesting Authority may be present at the taking of statements and testimony and may provide, to a designated representative of the Requested Authority, specific questions to be asked of any witness. To the extent permitted by its Laws and Regulations, the Requesting Authority shall provide the Requested Authority with such further assistance as may reasonably be required for the efficient execution of the request including the provision of further information as to the circumstances surrounding the request, or other resources.

- (e) If it appears to the Requested Authority that the response to a request for assistance under this Memorandum of Understanding will incur substantial costs, the Requested Authority may call for the establishment of a cost sharing arrangement before continuing to respond to such a request.
- (f) In urgent circumstances, the resp

- (c) The Requesting Authority and the Requested Authority will consult with one another in matters relating to specific requests made pursuant to this Memorandum of Understanding (e.g., where a request may be denied, or if it appears that responding to a request will involve a substantial cost). The Authorities will define the terms herein in accordance with the relevant Laws and Regulations of the jurisdiction of the Requesting Authority unless such definition would require the Requested Authority to exceed its legal authority or otherwise be prohibited by the laws applicable in the jurisdiction of the Requested Authority. In such case, the Requesting and Requested Authorities will consult.

13. Unsolicited Assistance

Each Authority will make all reasonable efforts to provide, without prior request, the other Authority with any information that it considers is likely to be of assistance to the other Authority in securing compliance with Laws and Regulations applicable in its jurisdiction.

FINAL PROVISIONS

14. Publication

This Memorandum of Understanding may be published.

15. Effective Date

This Memorandum of Understanding shall be signed by the ISA in Jerusalem and by the SFC in Hong Kong. Following the signature of this Memorandum of Understanding, the Authorities shall notify each other, in writing, of the completion of the signature of this Memorandum of Understanding. This Memorandum of Understanding shall enter into force on the date of receipt of the latter notification of signature by the Authorities.

16. Termination

- (a) Each Authority may terminate its participation in this Memorandum of Understanding at any time by giving at least 30 days prior written notice to the other Authority.
- (b) In the event that an Authority decides to terminate its participation in this Memorandum of Understanding, cooperation and assistance in accordance with this Memorandum of Understanding will continue until the expiration of 30 days after that Authority gives written notice to the other Authority of its intention to discontinue cooperation and assistance hereunder. If an Authority gives a termination notice, cooperation and assistance in accordance with this Memorandum of Understanding will continue with respect to all requests for assistance that were made, or information provided, before the effective date of notification (as indicated in the notice but no earlier than the date the notice is

sent) until the Requesting Authority terminates the matter for which assistance was requested.

- (c) In the event of the termination of an Authority's participation in the Memorandum of Understanding, whether under the provisions of 16(a) or 16(b), information obtained under this Memorandum of Understanding will continue to be treated confidentially in the manner prescribed under Article 11 of this Memorandum of Understanding.

Done at Jerusalem and Hong Kong in duplicate in Hebrew and English, all texts being equally authentic.

[Signature page follows]

[Signature page of the Memorandum of Understanding between the Israel Securities Authority and the Hong Kong Securities and Futures Commission]

Israel Securities Authority

Date and Place:

Jerusalem

Moshe Tery, Chairman

Hong Kong Securities and Futures Commission

Date and Place:

Hong Kong

Mr. Martin Wheatley, Chairman

APPENDIX

THE ISRAEL SECURITIES AUTHORITY

Ms Lisa Haimovitz
Head of International Affairs Department

Tel: +972-2-6556566
Fax: +972-2-6513646
Email: lisah@isa.gov.il

22, Kanfei Nesharim St.
Jerusalem 95464
Israel

THE HONG KONG SECURITIES AND FUTURES COMMISSION

Mr Alan Linning
Executive Director of Enforcement

Tel: +852 2842 7656
Fax: +852 2521 7929
Email: alinning@sfc.hk

8th Floor, Chater House
8 Connaught Road Central
Hong Kong