

Memorandum of Understanding
between
the Swiss Financial Market Supervisory Authority (“FINMA”)
and
the Securities and Exchange Commission of Brazil (“CVM”)
regarding
cooperation for innovation in the financial sector

1. Definitions

For the purpose of this Memorandum of Understanding:

“Authorisation” means the process of licensing, registering, approving, authorising or otherwise bringing an entity under either Authority’s supervisory remit so that it is authorised to carry on business in providing a financial service or issuing a financial product in the relevant Authority’s jurisdiction, and “Authorised” has a corresponding meaning.

“Authority” means FINMA or CVM; and collectively, shall be referred to as “the Authorities”.

“Confidential Information” means any non-public information obtained by an Authority from the other Authority pursuant to this Cooperation Agreement.

“Financial Innovator” means any entity which provides or intends to provide innovative financial services in either of the Authorities’ jurisdictions.

“FinTech” means any innovative financial technology that will be used or is intended to be used by Financial Innovators.

“Innovation Function” means the dedicated function established in each authority to support innovation in financial services in their respective markets.

“Regulations” means any regulation or regulatory requirement applicable in the jurisdiction of an Authority.

2. Purpose

- 2.1. The Authorities intend to cooperate with the aim of encouraging and enabling innovation in financial services in their respective jurisdictions and of supporting Financial Innovators in meeting the Regulations applicable in their jurisdictions. To this end, each Authority has established an Innovation Function as set forth below.
- 2.2. The Authorities believe that by cooperating with each other, innovation in financial services and investor protection will be enhanced in their respective markets.
- 2.3. Enhanced cooperation between the Authorities will facilitate the entry by Financial Innovators into, and their provision of, innovative financial services in their respective jurisdictions.

3. FinTech functions provided by the Authorities

- 3.1. FINMA encourages innovation and competitiveness in the Swiss financial market. FINMA is consistently removing unnecessary regulatory hurdles that may hinder Financial Innovators' market entry. It is also enabling Financial Innovators to have swift access to the Swiss financial market by providing specific support which includes:
 - 3.1.1. A FinTech Desk as a single point of contact for Financial Innovators;
 - 3.1.2. Specific assistance for Financial Innovators in understanding the Swiss regulatory framework and in establishing whether their business model requires Authorisation;
 - 3.1.3. A dedicated contact person for Financial Innovators during the pre-Authorisation or Authorisation process or both;

FINMA provides support to all Financial Innovators irrespective of whether they are domiciled in Switzerland or abroad.

- 3.2. The CVM has created a Fintech Hub that has the following objectives:
 - 3.2.1. Development of initiatives of education and orientation focused on entrepreneurs and technology developers regarding the regulatory aspects of financial services and products with potential to impact the market;
 - 3.2.2. Monitoring the development and new usages of Technologies in the financial sector;
 - 3.2.3. Establish a direct communication channel with the sector;

Referenz:

- 3.2.4. Foster discussions, analysis and research in FinTech issues;
- 3.2.5. Interaction with similar international initiatives, considering partnerships that could enhance its performance and the financial innovation sector;
- 3.2.6. Evaluation of eventual impacts in markets regulated by the CVM.

4. Principles for cooperation

- 4.1. The Authorities agree to cooperate for the purpose and within the scope of this Memorandum of Understanding.
- 4.2. This Memorandum of Understanding is a statement of intent of the Authorities and accordingly does not create any enforceable rights or any binding legal obligations, and does not fetter the discretion of the Authorities in any way in the discharge of their respective functions. This Cooperation Agreement is subject to the domestic laws and Regulations of each Authority and does not modify or supersede any laws or Regulations in force and/or applicable in Switzerland or in Brazil.
- 4.3. This Memorandum of Understanding is intended to complement, but not affect or alter the terms and conditions of any other multilateral or bilateral arrangements that are or will be concluded between the Authorities or between the Authorities and third parties.

5. Scope of cooperation

Information sharing

- 5.1. The Authorities intend, as appropriate, to exchange information about:
 - 5.1.1. Regulatory and policy issues on innovation in financial services;
 - 5.1.2. Emerging market trends and developments pertaining to innovation in financial services; and
 - 5.1.3. Any other relevant issues on FinTech.

Support to Financial Innovators

- 5.2. Each Authority will provide Financial Innovators originating from the other jurisdiction with the same level of support that it provides to Financial Innovators originating from its own jurisdiction.

Dialogue on FinTech and Innovative Financial Services

- 5.3. Representatives of the Authorities intend to meet or hold conference calls, where necessary, to discuss issues of common interest and share their experience in FinTech and innovative financial services.
- 5.4. Representatives of Financial Services Innovators may be invited to such meetings or conference calls provided both Authorities participating in the relevant discussion agree to the invitation being extended to those representatives.

Expertise sharing

- 5.5. Each Authority may allow its staff, as appropriate, to give presentations and conduct training sessions for the other Authority to share expertise and knowledge.

6. Permissible use of information and confidentiality

- 6.1. The Authorities confirm that all persons dealing with, or having access to, Confidential Information are bound by the obligation of professional or official secrecy.
- 6.2. The Authorities agree to use Confidential Information disclosed to it by the other Authority only for the purposes for which the Confidential Information was disclosed.
- 6.3. If an Authority intends to use or disclose any Confidential Information for purposes other than those for which such Confidential Information was provided the Authority should seek prior written consent from the Authority that provided the information.
- 6.4. If an Authority is required by law to disclose any Confidential Information without obtaining prior written consent from the other Authority, the Authority that is required to make the disclosure should make its best efforts to protect confidentiality, use all reasonable legal means to resist disclosure and inform the other Authority to the extent possible and without undue delay of the disclosure.

7. Contact points

- 7.1. To facilitate cooperation under this Memorandum of Understanding, each Authority will designate a contact point as specified in Appendix 1.

8. Entry into force, amendments and termination

- 8.1. This Memorandum of Understanding will enter into force on the date of execution.
- 8.2. This Memorandum of Understanding may be amended in writing if both Authorities agree in writing to do so.
- 8.3. Either Authority may terminate the Memorandum of Understanding by giving 30 days' advance written notice to the other Authority.
- 8.4. In the event of termination, Confidential Information obtained under this Memorandum of Understanding should continue to be treated in accordance with Article 6.



Referenz:

For FINMA

Prof. Dr. Marlene Amstad
Vice-Chair of the Board of Directors

Rupert Schaefer
Head of Strategic Services

Date:

Date:

For CVM

Marcelo Barbosa
President

Date:

Referenz:

Appendix 1 – Contact points

For FINMA:

FinTech Desk

Swiss Financial Market Supervisory Authority FINMA

Laupenstrasse 27

3003 Bern

Switzerland

Email: fintech@finma.ch

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For CVM:

International Affairs Office

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