

**MEMORANDUM
OF
UNDERSTANDING**



***CHINA
SECURITIES
REGULATORY
COMMISSION***



***COMISIÓN
NACIONAL
DE VALORES
ARGENTINA***

**REGARDING SECURITIES AND FUTURES
REGULATORY COOPERATION**

**SHANGHAI
September 20, 2006**

INTRODUCTION

1. The China Securities Regulatory Commission (hereinafter referred to as "CSRC") was established with the approval of the State Council of the People's Republic of China as the authority in charge of regulating the national securities and futures markets in China.

2. Comisión Nacional de Valores of Argentina (hereinafter referred to as "CNV") is an autonomous organization with jurisdiction over the whole territory of the Argentine Republic, established by the Law on Public Offering of Securities No. 17.811. Its main aims are to guarantee the transparency of the Argentine securities market, control market pricing, and protect investors. It is responsible for regulation, licensing, and the formulation of policies on the authorization of public issues of securities in Argentina. The CNV lays down the rules with which natural or legal persons involved in any capacity in the public issue of securities must comply in order to fulfill the requirements established in Law No. 17.811. The CNV is responsible for supervising joint stock companies that issue securities to the public. It also ascertains whether the securities markets in which pension fund administrators negotiate securities are transparent and provide reliable, precise information on a daily basis which is available to the public. In addition, the CNV is responsible for supervising, recording, and regulating companies which administer and are depositories for mutual investment funds. It also maintains a register and supervises risk assessors operating in Argentina, authorizes the operation of futures and options markets, controlling and recording their articles of association and internal and operating regulations, and regulates financial trust funds. Lastly, the CNV may issue general resolutions regulating the activities of all market participants.

3. In this Memorandum of Understanding (hereinafter referred to as "MOU"), "Authorities" in China and Argentina mean the CSRC and CNV respectively.

4. The CSRC and the CNV, recognizing the increasing international activities in the securities, futures and other related investment products markets and the corresponding need for mutual cooperation between the relevant authorities have, after friendly consultation, reached the following understanding.

I. PRINCIPLES

1. The purpose of this MOU is to promote investor protection and integrity of the securities, futures and other related investment products markets by providing a framework for cooperation, including channels of communication, increasing mutual understanding and exchange of regulatory and technical information.
2. This MOU serves as a basis of cooperation for the Authorities and does not create any binding international legal obligations, nor does it modify or supersede any laws, regulations or regulatory requirements in force in or applying to China and Argentina. The MOU does not create any rights enforceable by third parties, nor does it affect any arrangements under other MOUs.
3. The performance of the provisions of this MOU shall be consistent with domestic laws, regulations and conventions of the respective countries of the Authorities and within the availability of respective resources of the Authorities, and shall not be contrary to the public interests of the country of the requested Authority.
4. To the extent permitted by its domestic laws and regulations, each Authority will use reasonable efforts to provide the other Authority with any relevant information that is discovered which gives rise to a breach, or anticipated breach of the regulatory requirements or laws in the securities, futures and other related investment products markets administered by the other Authority.

II. SCOPE

The Authorities agree to promote mutual assistance and exchange of information to assist them to perform their respective functions in relation to the following areas:

- a) Ensuring the issuers and offerors of securities to make full and fair disclosure of information relevant to investors;

- b) Enforcement of the laws and rules relating to issuing of, dealing in, arranging deals in, managing and advising on securities, futures and other investment products;
- c) Promoting and securing the fitness and properness of brokers/dealers and advisers in securities, futures and other investment products markets, and promoting high standards of fair dealing and integrity in the conduct of business of these institutions and professionals;
- d) Supervising and monitoring the trading, clearing and settlement, and other activities of securities, futures and other investment products markets, and their compliance with relevant laws and regulations;
- e) Detecting market manipulation, insider trading and other deceptive and fraudulent practices concerning securities issuing and trading, the activities of listed companies, and trading of futures contracts, options and other investment products;
- f) Technical cooperation and assistance;
- g) Other matters agreed upon by the Authorities.

III. REQUESTS AND EXECUTION

1. Requests will be made in writing in the English language and addressed to the contact persons listed in Appendix A. In urgent cases, requests may be made in summary form to be followed within 10 business days by a full request.
2. Requests should specify:
 - a) the information requested;
 - b) a description of the conduct or suspected conduct which gives rise to the request;
 - c) the purpose for which the information is sought (including details of the laws or regulatory requirements pertaining to the matter which is the subject of the request);

- d) the link between the specified laws or regulations and the regulatory functions of the requesting Authority;
 - e) the persons or entities suspected by the requesting Authority to possess the information sought, or the place where such information may be obtained, if the requesting Authority is knowledgeable thereof;
 - f) to whom, if anyone, to the extent permitted by the provisions of Chapter II, onward disclosure of information is likely to be necessary and the reason for such disclosure;
 - g) the desired time period for the reply.
3. The requested Authority will deal with the request in a reasonable time.
4. Each request will be assessed by the requested Authority to determine whether information can be provided under the terms of this MOU. In any case where the request cannot be accepted completely, the requested Authority will consider whether there may be any relevant information which can be given.
5. In deciding whether to accept or decline a request, the requested Authority will consider:
- a) whether the request relates to the breach of laws or regulations which falls within the scope of the requested Authority;
 - b) whether broadly equivalent assistance would be available from the requesting Authority;
 - c) whether the request involves an assertion of a jurisdiction not recognized by the requested Authority;
 - d) whether it would be contrary to the public interests of the requested Authority;
 - e) whether a criminal proceeding has already been initiated in the country of the requested Authority based upon the same fact and against the same persons or the same persons have already been finally sanctioned on the same charges by the competent Authorities of the requested Authority.

6. Any document or other materials provided in response to a request under this MOU and any copies thereof must be returned to the requested Authority on request.

7. Where one Authority has information which will assist the other Authority in the performance of its regulatory functions, the former may provide such information on a voluntary basis in consistence with the paragraph 5 of Chapter III.

IV. PERMISSIBLE USE AND CONFIDENTIALITY

1. Assistance or information will be provided by the Authorities only for the purposes of assisting the other party to this MOU in the performance of its regulatory functions and shall not be used in any proceedings or for any other related purposes. Each Authority will keep confidential to the extent permitted by law any request of information under this MOU as well as any matter arising in the course of its operation. Any information or assistance provided under the MOU will not be disclosed by the recipient to any third parties without the prior consent of the Authority providing the assistance or information, except for the execution of request if the third party concerned is covered by similar confidentiality requirements.

2. While disclosing the information obtained pursuant to this MOU to any third parties, the requesting Authority will obtain an undertaking of keeping the information confidential from the third parties, unless it is a legally enforceable demand to disclose.

3. If either Authority becomes aware that information passed under this MOU may be subject to a legally enforceable demand to disclose, it will, to the extent permitted by law, inform the other Authority of this situation. The Authorities will then discuss and determine the appropriate courses of action.

V. TECHNICAL COOPERATION

The respective Authorities intend to work together to identify and address, subject to the availability of personnel and resources, the training and technical assistance required to facilitate the development of the regulatory

framework for securities, futures and other related investment products markets both in China and Argentina.

VI. CONSULTATION

1. The Authorities will consult in the event of a dispute over the meaning of any term used in this MOU.
2. The Authorities may consult, at any time, about a request or proposed request.
3. The Authorities may consult and revise the terms of the MOU in the event of a substantial change in the laws, regulations or practices affecting the operation of the MOU.
4. To improve the cooperation under this MOU, the Authorities will conduct consultations and discussions on the implementation of the MOU periodically or when necessary.

VII. CONTACT PERSONS

All communications between the Authorities should be between the principal points of contact as set out in Appendix A unless otherwise agreed. Appendix A may be amended by written notice from either Authority without the need for resigning this MOU.

VIII. ENTRY INTO EFFECT

This MOU will be effective from the date of its signature.

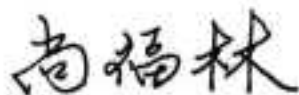
IX. TERMINATION

This MOU may be terminated as to any Authority by that Authority giving thirty days' written notice to the other Authority. This MOU will continue to have effect with respect to all requests for assistance that are made before the effective date of termination.

SIGNED THIS THE TWENTIETH DAY OF SEPTEMBER 2006 IN SHANGHAI. IN DUPLICATE IN THE CHINESE, SPANISH AND ENGLISH LANGUAGES, ALL VERSIONS BEING EQUALLY AUTHENTIC. IN THE EVENT OF ANY DISCREPANCY BETWEEN DIFFERENT VERSIONS OF THIS MEMORANDUM OF UNDERSTANDING, THE ENGLISH LANGUAGE VERSION SHALL PREVAIL.

**REPRESENTATIVE OF
CHINA SECURITIES
REGULATORY
COMMISSION**

**REPRESENTATIVE OF
COMISIÓN NACIONAL
DE VALORES
ARGENTINA**



Shang Fulin
Chairman



Narciso Muñoz
Chairman

APPENDIX A

CONTACT PERSONS

China Securities Regulatory Commission

Director-General
Department of International Cooperation
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