

Memorandum of Understanding between the Interchange Association and the Association of East Asian Relations for the Mutual Co-operation in the Field of Financial Supervision

The Interchange Association and the Association of East Asian Relations (hereinafter individually referred to as “Side” and collectively referred to as “both Sides”), having regard to paragraph 3(7) of the Arrangement between the Interchange Association and the Association of East Asian Relations for the Establishment of the Respective Overseas Offices of 26 December 1972, recognizing that further co-operation in the field of financial supervision, including exchange of information possessed by the Financial Services Agency (FSA) for the Japanese side and the Financial Supervisory Commission (FSC) for the Taiwanese side (hereinafter individually referred to as “Authority” and collectively referred to as “Authorities”), will be mutually beneficial for ensuring soundness of the financial systems in Japan and Taiwan, have agreed to co-operate with each other to obtain necessary consent of the Authorities with a view to carrying out the following:

1. Both Sides will promote co-operation on matters pertaining to financial institutions subject to supervision by the Authorities, including the exchange of supervisory information on financial institutions operating in the area of respective Sides (hereinafter referred to as “relevant financial institutions”. For the purposes of this Memorandum of Understanding, the term “area” means Japan with respect to the Interchange Association and Taiwan with respect to the Association of East Asian Relations.). Possible forms of such co-operation may include:

- mutual notification of any material supervisory concern that one Authority has about any of the relevant financial institutions;
- co-operation regarding remedial actions called for by the Authorities, including co-operation prior to those actions or, if prior co-operation is not possible, mutual notification of the actions as soon thereafter as practicable;
- mutual notification of plans of the Authority of the area of either Side to visit any of the relevant financial institutions in the area of the other Side and, as necessary, discussion on issues that emerge from such visits;
- every effort to encourage continuous contact and communication between both Sides in the field of financial supervision; and
- holding a dialogue or exchanging views, as appropriate, about matters of common interest and concern in the field of financial supervision, with a view to deepening mutual understanding and co-operation.

2. Supervisory information should be exchanged in a way agreed upon by both Sides which is acceptable to the Authorities. Any supervisory information shared pursuant to this Memorandum of Understanding shall be used only for lawful supervisory purposes, including any necessary action taken against the relevant financial institutions.

3. Information exchanged shall not be used in criminal or sanctional proceedings, including as evidence in a criminal court.

4.

(1) Any supervisory information provided will be kept confidential, in accordance with respective domestic laws and regulations, and will not be disclosed without prior consent from the Authority of the area of the Side that provided the information.

(2) If the Authority of the area of the Side that receives information is legally compelled to disclose the confidential information received, the receiving Side will promptly consult with the providing Side and will co-operate in seeking to preserve the confidentiality of the information.

(3) If the Authority of the area of the Side that provided information objects to the disclosure of the information, the other Authority will make its best efforts in resisting the disclosure at issue.

(4) The terms and conditions stated above do not relate to publicly available information.

5. Both Sides will encourage the Authorities to recognize the need for cooperation to ensure compliance with, and enforcement of, their respective laws and regulations in the field of financial supervision. This Memorandum of Understanding is a statement of intent and does not, and is not intended to create any legally binding obligations on either Authority.

6. This Memorandum of Understanding shall enter into force on the date that both Sides inform each other that respective procedures have been completed. It will continue to be valid for a period of one year from the date of entry into force and automatically be renewed each year until terminated by either Side by giving 30 (THIRTY) days prior written notice, provided, however, that the provisions set forth are to continue with respect to any information provided or actions taken under this Memorandum of Understanding prior to its termination.

7. Either Side may at any time request consultations with the other Side for the purpose of amending this Memorandum of Understanding.

This Memorandum of Understanding has been made in English. The representative of the Interchange Association and the representative of the Association of East Asian Relations signed this Memorandum of Understanding in Tokyo on 28 November 2013.

FOR THE INTERCHANGE
ASSOCIATION

FOR THE ASSOCIATION OF EAST
ASIAN RELATIONS

OHASHI Mitsuo
Chairman

LEE Chia-chin
Chairman

