

**Memorandum of Understanding between
Banca d'Italia and Dubai Financial Services Authority**

SECTION I – GENERAL PROVISIONS

1. Purpose

1. The purpose of this Memorandum of Understanding (MoU) is to formalise supervisory cooperation and information sharing arrangements between:
 - a) Banca d'Italia ("BI") and
 - b) the Dubai Financial Services Authority ("DFSA") on the other.

Banca d'Italia supervises banks and non-banking intermediaries (including investment firms, asset management companies and collective investment undertakings as regards risk containment, stability and the sound and prudent management). Since November 2014 its supervisory tasks have been carried out within the framework of the Single Supervisory Mechanism (SSM) as provided in the EU SSM Regulation. BI is also responsible for anti-money laundering/combating terrorism financing (AML/CFT) and consumer protection tasks. BI also has a macroprudential mandate and it is the National Resolution Authority, exercising the related functions within the framework of the Single Resolution Mechanism (SRM) as provided in the EU SRM Regulation.

The DFSA was established under Dubai Law No. 9 of 2004 and is the independent financial services and market regulator of the Dubai International Financial Centre (DIFC). The DFSA administers the DIFC Regulatory Law No. 1 of 2004, which provides, among other things, for the authorization, registration, recognition and supervision of financial service providers, including credit institutions, financial services and products related to credit institutions, securities, Islamic finance, collective investment schemes, asset management, trust services, insurance, re-insurance and employee money purchase schemes.

2. Such cooperation is essential in order to facilitate the performance of the Authorities' respective duties in the area of ensuring the safe and sound functioning of the supervised entities, ensuring the effective exercise of resolution powers in their respective jurisdictions, fostering the integrity, stability, transparency and efficiency of the whole financial system and of the market, protecting investors and other clients and maintaining confidence in the financial system. This MoU also demonstrates the commitment of the Authorities to the principles of comprehensive consolidated supervision and cooperation among regulators and among resolution authorities.

2. Definitions

1. For the purpose of this MoU:
 - "applicable legal framework" means any law, regulation or requirement applicable to BI or DFSA in respect of their relevant functions;
 - "Authority" or "Authorities" means Banca d'Italia ('BI') and/or the Dubai Financial Services Authority ('DFSA'), including their possible successor(s);

- “confidential information” means any non-public information, be it written or spoken, and regardless of its format (electronic, paper, etc.), that the Authorities receive from each other within the scope of this MoU;
- “cross-border establishment” means a place of business of a supervised entity, including a branch, a representative office, a subsidiary or any other entity of a supervised entity operating or localised within one jurisdiction, and over which the authority of the other jurisdiction exercises supervisory and/or resolution responsibilities;
- “delegate” means any person to whom a supervised entity delegates or outsources any of their functions;
- “emergency situation” means the occurrence or potential imminent occurrence of an event that could materially impair the financial or operational condition of a supervised entity, depositors, investors or the stability of the financial system or the markets;
- “home authority” means an Authority responsible for the initial authorization or registration, the supervision and/or resolution of a supervised entity with cross-border operations in the jurisdiction of the host Authority, also where applicable on a consolidated basis;
- “host authority” means an Authority responsible for the initial authorization or registration, the supervision and/or resolution of the cross-border establishment and/or operations on a cross-border basis in its jurisdiction of a supervised entity established in the jurisdiction of the other Authority;
- “laws and regulations” means the provisions of the laws (including, in the case of BI, EU regulations) applicable to supervised entities in the jurisdictions of the Authorities, the regulations promulgated thereunder, and other regulatory requirements, that fall within the competence of the Authorities as financial markets regulators;
- “on-site inspection” means any inspection by one of the Authorities at a supervised entity's premises located in the other Authority’s jurisdiction for the purpose of supervisory tasks, which may include where applicable consolidated supervision, related to an inspected supervised entity's activity in the responsibility of the inspecting Authority. This may include inspections of supervised activities outsourced or delegated to a delegate in the other Authority's jurisdiction;
- “operational resilience” means the ability of a supervised entity to build and maintain its operational integrity and the full range of operational capabilities, related to any digital and data technology-dependent component, tool, process that the supervised entity uses to conduct and support its business. It encompasses ICT, outsourcing and security risks management;
- “person” means a natural or legal person, or unincorporated entity or association, including corporations and partnerships;
- “requested Authority” means the Authority to whom a request is made within the scope of this MoU;
- “requesting Authority” means the Authority making a request within the scope of this MoU;
- “resolution” means resolution planning activity and implementation of resolution powers;
- “risk assessment” means a supervisory process undertaken by an Authority to form a view on the material prudential or conduct risks posed by activities of a supervised entity, focused on the Authority's areas of competence;
- “secured electronic means” means electronic methods of communications that ensure that completeness, integrity and confidentiality of information are maintained during transmission;
- “supervised entity” means an entity, other than an insurance or reinsurance undertaking or a pension scheme, including its cross-border establishment(s) and/or its operations on a cross-border basis (i.e. under the free provision of services), which falls within the prudential, conduct or AML supervisory remit and/or resolution remit of an Authority, as specified in their applicable legal framework. From the perspective of the host Authority, supervised entity means the cross-border establishment and/or cross-border operations in its jurisdiction of a supervised entity established in

the jurisdiction of the other Authority. Insofar as there is a link to the activity of such supervised entities, this MoU also covers associated or affiliated persons, tied agents, depositaries thereof as well as delegates;

- “supervision” means authorization, recognition and registration, ongoing (both off-site and on-site) supervision and oversight, crisis management, in accordance with the respective remit of the Authorities as specified in their applicable legal framework;
- “third party” means any person that is not one of the Authorities, including the public.

3. General principles

1. This MoU focuses on cooperation and information exchange between BI and the DFSA in the field of supervision and resolution of supervised entities, including on conduct and AML/CTF supervision, to the extent applicable pursuant to the specific competence conferred on each of the Authorities.
2. This MoU aims at ensuring the effective cooperation and exchange of supervisory and resolution information for the performance of the Authorities' respective supervisory and resolution powers over supervised entities, to the fullest extent permitted by their applicable legal framework, and in accordance with the highest standards for international supervision.
3. The Authorities acknowledge that, unless otherwise stated, all general provisions for supervisory and resolution cooperation and information exchange specified in Section I of this MoU apply to the tasks specified in the Section II of this MoU and are applicable to all provisions of this Section. The Authorities acknowledge that the level of cooperation sought and provided is likely to be greater in relation to the supervised entities where these are material or systemically important to one or both of the Authorities.
4. The Authorities also recognise that where supervised entities are both part of a group headquartered in a third country or of a prudential consolidation perimeter having its parent undertaking in a third country, the Authorities may inform the third-country supervisor or respective resolution authority of any specific arrangements agreed between the Authorities for cooperation and exchange of information under the terms of this MoU. The circumstances in which disclosure of any confidential information received under this MoU may be made are set out in Article 8, along with the process, which will be followed in such cases. This paragraph does not create any commitment in respect of information-sharing between the Authorities and a third-country supervisor and resolution authority.
5. This MoU is without prejudice to reporting obligations applying to supervised entities in accordance with applicable laws and regulations, including AML/CTF laws and regulations, in the jurisdiction of the Authorities.
6. This MoU does not intend to limit an Authority to taking solely those measures described herein in fulfilment of its functions.
7. The Authorities represent that no domestic secrecy or blocking laws or regulations should prevent the provision of the assistance set forth in this MoU.

4. Scope of cooperation

1. The Authorities agree to provide one another with the fullest cooperation permissible under the law

for the purpose of this MoU, through the most appropriate means and in accordance with procedural requirements applicable in their respective jurisdiction and with the principle of reciprocity.

2. Cooperation may include:
 - a) sharing of information;
 - b) on-site inspections; and
 - c) discussion on issues of mutual interest.
3. The Authorities confirm their ability and willingness to:
 - a) obtain confidential information and oral representations on behalf of the requesting Authority, including from supervised entities subject to their respective supervision and resolution powers, in accordance with Articles 7 and 8;
 - b) share confidential information, including information referred to in subparagraph a) of this paragraph, with the other Authority, if the relevant information is not available in the other Authority's jurisdiction; and
 - c) cooperate in on-site inspections in accordance with Article 12.
4. Cooperation will be most useful in, but is not limited to, the following circumstances where issues of regulatory concern may arise:
 - a) the initial application for authorization (or exemption therefrom) of a supervised entity subject to supervision of an Authority to provide regulated services or activities (including investment services or activities, banking activities and/or collective portfolio management activities) in the jurisdiction of the other Authority with a cross-border establishment and/or on a cross-border basis (*i.e.* without establishment), from a prudential, conduct and AML/CTF perspective;
 - b) the initial application for authorization (or exemption therefrom) of a supervised entity which is (a) a subsidiary of a person subject to the supervision of the other Authority; (b) a subsidiary of the parent undertaking of a person subject to the supervision of the other Authority; (c) controlled by the same persons who control a person subject to the supervision of the other Authority;
 - c) the ongoing AML/CFT and financial crime matters in general supervision of a supervised entity referred to under letter a) or b), including concerns related to compliance with laws and regulations or related to internal controls and procedures and safeguards in place and material weaknesses regarding compliance with AML/CTF laws and regulations;
 - d) the on-going oversight of a supervised/covered entity referred to under letter a) or b), including as regards transparency requirements, the application of conduct of business rules and marketing provisions, compliance with laws and regulations in either jurisdiction or behaviour that could adversely impact investor and client protection or the integrity, transparency or orderly functioning of the market;
 - e) regulatory approvals or supervisory or enforcement actions taken by an Authority, from a prudential, conduct and AML/CTF perspective, that may materially impact the operations of a supervised entity or of a trading venue in the jurisdiction of the other Authority;
 - f) verifications and controls in the context of delegation and outsourcing, from a prudential, conduct and AML/CTF perspective;
 - g) early intervention measures ;
 - h) the application of resolution tools, revocation of license, or liquidation or similar.
5. The Authorities also intend, on their own initiative and on a best effort basis, to share relevant information in their possession or discovered regarding supervised entities which could be of

assistance in the performance of their duties.

5. Procedures

1. As a general rule, cooperation under this MoU will be effected upon request.
2. If a request is not made in accordance with the terms of this MoU, the requested Authority will consult with the requesting Authority. The requesting Authority endeavours to amend it without undue delay.
3. Each request should be assessed by the requested Authority to determine whether the cooperation requested could be provided under the terms and conditions of this MoU.
4. When receiving requests for information or assistance, the Authorities will within the framework of this MoU, provide one another with fullest assistance permissible to better enable them to carry out the responsibilities entrusted to them under the legal framework applicable.
5. Following the consultation between the Authorities, assistance may be denied:
 - a) where the cooperation would require an Authority to act in a manner that would violate the applicable legal framework;
 - b) where a request for assistance is not falling within the scope of this MoU or is not made in accordance with the terms of this MoU;
 - c) on reasons of public interest; or
 - d) where it would interfere with an ongoing investigation or jeopardise the proper performance of the tasks of the Authorities.

Assistance will not be denied based only on the fact that the type of conduct described in the request for assistance would not be a violation of laws and regulations applicable in the jurisdiction of the requested Authority.

6. Where a request for information or assistance is denied, or the information requested is not available, the requested Authority intends to provide in writing the reasons for not sharing the information or not granting assistance.
7. Where the requested Authority presents objective grounds by reasons of which the request may not be addressed in whole or in part, the Authorities intend to consult in order to consider whether there are other forms of cooperation which could be provided to the requesting Authority.
8. Each Authority may cooperate with the other Authority on its own initiative without the need for a formal request.

6. Requests for cooperation

1. To the extent possible, both the request for cooperation and the reply are intended to be addressed between the Authorities in writing, by post or secured electronic means, primarily through the designated contact persons identified in the contact list referred to in Article 15, unless otherwise specified in the request for cooperation.
2. A request for information or assistance referred to in paragraph 1 will include the following:
 - a) a description of the facts underlying the request, and its purpose;
 - b) the reasons why the information is likely to be relevant for the proper performance of the requesting Authority's tasks in the field of prudential, conduct, or AML CTF supervision, or in

- the field of resolution and in light of the requesting Authority's legislation, including a specification of the supervisory tasks that are connected with the subject matter of the request:
- c) an indication of any sensitivity about the request;
 - d) to whom, if already known, onward disclosure of information provided to the requesting Authority is likely to be necessary as well as the need-to-know and the purpose of which such disclosure would serve;
 - e) any information known to, or in the possession of, the requesting Authority that might assist the Authority receiving the request in fulfilling the request; and,
 - f) reasonable time by which the response must be provided taking into account the nature and urgency of the request and information requested.
3. Any request for cooperation should further confirm that the requesting Authority will respect the provisions regarding confidentiality, use of information and disclosure as described in Articles 9 to 11 of this MoU.
 4. The Authorities will make their best efforts to provide information or deal with requests for cooperation and assistance under this MoU in a timely manner.
 5. In emergency situations as well as in urgent cases, the Authorities will endeavor to notify each other of the emergency situation or of the urgency without undue delay after the determination by the Authorities of such events and communicate information to the other as would be appropriate in the particular circumstances, taking into account all relevant factors, including the status of efforts to address the emergency situation. During emergency situations or for urgent cases, requests for information may be made in any form, including orally, provided that such communication is confirmed in writing as promptly as possible.

7. Information sharing

1. The information covered by this Article includes, without limitation:
 - a) information and documents held in the files of the requested Authority regarding the matters set forth in the request for assistance;
 - b) findings from regulatory and/or supervisory reports prepared by the requested Authority.
2. Upon request, the requested Authority intends to provide the requesting Authority with assistance in obtaining information not otherwise available to the requesting Authority from any person, provided that the requested Authority is authorised to collect such information, as well as in interpreting such information so as to enable the requesting Authority to discharge its responsibilities and assess compliance with its laws and regulations.
3. Where a cooperation request concerns information sharing, the requesting Authority should, in addition to Article 6, provide a precise description of the information requested and specify the person(s) that may be in possession of this information.
4. If a request for sharing information is made orally, the requesting Authority should confirm it in writing without undue delay.
5. If a request for sharing information is made orally at an in-person meeting between the Authorities and noted in the minutes of the respective meeting, a subsequent written confirmation is not required, provided that the minutes contain the information as set out in paragraph 2 of this Article and in Article 6.

8. Confidentiality and onward sharing

1. The Authorities confirm that, unless specified otherwise, they will treat confidential information shared under this MoU, requests made under this MoU, the contents of such requests and any other matters arising under this MoU as confidential and, to the extent permitted by law, they will use information received exclusively within their respective responsibilities for lawful supervisory/resolution purposes and not disclose it to third parties, except as set out below and in Article 10. The terms of this MoU are not confidential.
2. The Authorities will ensure that all persons dealing with, or having access to confidential information provided by the other Authority (including members of the Authority, employees, and any external providers having access to confidential information) are bound by the obligations of professional secrecy in compliance with the applicable legal frameworks, including after the termination of their duties. Any passing on of confidential information in breach of official or professional secrecy can have administrative and/or penal consequences.
3. In providing the confidential information by electronic format or transferring the electronic documents through the Internet, the Authorities should ensure an adequate level of data security.
4. The Authorities should have appropriate arrangements in place to store, transfer and control the scope of confidential information internally.
5. Except as provided in paragraph 6 and 7, before a requesting Authority discloses any confidential information received from another Authority to a third party, the requesting Authority will request and obtain prior written consent, from the Authority that provided the information.. If consent is denied by the requested Authority, the Authorities will consult to discuss the reasons for withholding approval of such disclosure and the circumstances, if any, under which the intended disclosure by the requesting Authority might be allowed.
6. To the extent legally permissible, the requesting Authority will notify the requested Authority of any legally enforceable demand from a third party for non-public information that has been furnished under this MoU. If the informed Authority does not consent to such disclosure and if possible and appropriate, prior to compliance with a third-party demand, the requesting Authority intends to assert all appropriate legal exemptions or privileges with respect to such information as may be available.
7. No privileges or confidentiality associated with information provided by an Authority are intended to be waived as a result of sharing such information pursuant to this MoU.

9. Use of information

1. The Authorities confirm that they will use confidential information only for fulfilling the responsibilities entrusted to it under the laws and regulations, including their supervisory tasks in accordance with Article 1 of this MoU.
2. In addition to paragraph 1 of this Article:
 - a) if confidential information is obtained upon request, the requesting Authority should use it solely for the purposes specified in the request and a purpose within the general framework of the use stated in the request for assistance; and
 - b) if confidential information is obtained without request, the Authority obtaining the information should use it solely for the purposes specified by the Authority providing the information.
3. Without prejudice to Article 8, paragraphs 6 and 7, the Authorities confirm that any use of confidential information for other purposes than contemplated in paragraphs 1 and 2 of this Article

will require the prior explicit consent of other Authority providing the information. If consent is denied by the requested Authority, the Authorities will consult to discuss the reasons for withholding approval of such use and the circumstances, if any, under which the intended use by the requesting Authority might be allowed.

10. Data protection

1. The Authorities acknowledge that the transfer of personal data under the terms of this MoU will take place in accordance with the relevant data protection legislation applicable to the respective Authorities.
2. Requested information will usually not include personal data unless this is of particular relevance to the supervisory concern prompting the request as may be the case in relation to AML/CTF. If this is the case, such personal data will be collected and, to the extent permitted by law, will be provided by the disclosing Authority(ies) itself.
3. The Authorities acknowledge on the one hand, that BI processes personal data, including that contained in the information received from the DFSA, in accordance with the applicable EU legal framework, notably with Regulation (EU) 2018/1725 or Regulation (EU) 2016/679, and on the other hand, that the DFSA processes personal data, including that contained in information received from BI, in accordance with the DIFC Data Protection Law (No. 5 of 2020).
4. This MoU can be supplemented by an administrative arrangement on transfer of personal data should that be deemed necessary.

11. On-going coordination/cooperation

1. In addition to the cooperation within the framework of colleges of supervisors as specified in Section II, the Authorities may conduct regular meetings, as appropriate, to discuss general supervisory and coordination matters, issues concerning supervised entities, and to review the effectiveness of this MoU.
2. The Authorities may also convene ad-hoc meetings to promote addressing supervisory problems concerning a supervised entity, whenever either side reasonably requests on the basis that it has a material supervisory concern.

12. Cooperation in relation to on-site inspections

1. The Authorities agree that on-site inspections will require a prior formal request. The Authorities express their willingness to provide one other with the fullest cooperation permissible under the law for the performance of on-site inspections in connection to activities that a supervised entity performs in the jurisdiction of the requesting Authority and are committed to give useful effect to requests for on-site inspections in order to facilitate the discharge of their respective supervisory functions.
2. The Authorities should discuss and reach an agreement on the terms and modalities of the on-site inspection, taking into full account each other's sovereignty, applicable legislation and statutory obligations, in particular on determining their involvement and their respective roles and responsibilities and on the involvement of any third party. The local Authority may if required by relevant Laws and Regulations or in its discretion accompany or assist the visiting Authority during the On-Site Visit, or the Authorities may conduct joint on-site visits where appropriate.
3. A request for an on-site inspection should, in addition to Article 6, specify the following:
 - a) the name of the supervised entity (which may include a delegate to whom a supervised entity has delegated or outsourced any of its functions) in the jurisdiction of the requested Authority that the requesting Authority requests to be inspected;

- b) the name of the supervised entity for whose supervision the requesting Authority is responsible in its jurisdiction;
 - c) the desired specific scope of the inspection;
 - d) the relevance of the requested inspection to fulfil the requesting Authority's supervisory task in relation to a supervised entity under its supervision;
 - e) the desired timeframe of the inspection and the planned schedule;
 - f) if the requesting Authority asks for members of its inspecting persons to be allowed to accompany the officials of the requested Authority and, if possible and known, the names of such inspecting persons; and
 - g) if a third party is involved, the name of the involved body and/or person(s).
4. When establishing the scope and intended timeframe of any proposed on-site inspection, the requesting Authority will give due and full consideration to the supervisory activities of the requested Authority and any information that was made available or is capable of being made available by the requested Authority.
 5. The Authorities will assist each other in reviewing, interpreting and analysing the contents of public and non-public documents and obtaining information from relevant directors, senior management, employees of the supervised entities, or any other person.
 6. In circumstances where the Authorities jointly perform an on-site inspection, they will give each other an opportunity to consult and discuss the findings arising from the on-site inspection. In circumstances where only one Authority performs the on-site inspection, the Authority which has conducted the on-site inspection will inform the other Authority of the results of the on-site inspection upon its completion and provide it with any report produced relating to the on-site inspection within a reasonable timeframe.

13. Notification

1. The Authorities intend to inform each other to the extent possible and without undue delay of any information likely to be of assistance of the other Authority for the purposes of carrying out its supervisory responsibilities in connection with supervised entities, including information concerning:
 - a) any major changes to the laws and regulations that may have a material impact on a supervised entity in the other Authority's jurisdiction;
 - b) any regulatory, supervisory or enforcement action, including investigations and sanctions concerning or related to a supervised entity and/or to an individual involved in a supervised entity, or known material event that could in their reasonable opinion adversely impact a supervised entity in the other Authority's jurisdiction (e.g. early intervention measures, weaknesses related to operational resilience or cyber security, the application of resolution tools);
 - c) any known material event which could otherwise adversely impact investor protection, financial stability or the integrity and proper functioning of the financial market in the other Authority's jurisdiction; and
 - d) suspicious transactions and order reports falling within the remit of the other Authority.
2. The Authorities will inform each other as soon as possible about any circumstances (including amendments of the law they are subject to), which may affect their ability to comply with the commitments made in this MoU.

14. External communication, including in times of stress and emergency situations

1. The Authorities intend to notify each other of any intended public communication regarding the cross-border establishments of supervised entities, when relevant, before their publication, in particular during emergency situations.

15. Contact lists

1. In order to allow for smooth communication, the Authorities intend to nominate contact persons who represent them in the activities covered by this MoU (see list in Annex 1 providing the contact details of the contact persons).
2. The Authorities intend to maintain up-to-date contact lists, and intend to inform each other of any changes in those contacts without undue delay. The Annex 1 with the contact lists may be amended without the need to amend this MoU.

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SECTION II – SPECIFIC PROVISIONS

16. Cooperation on ongoing supervision

1. The Authorities intend to share information on their risk assessments of supervised entities, where the information is relevant and material to the other Authority in the performance of the ongoing supervision.
2. The Authorities may invite each other to participate in and contribute to an overall group risk assessment, for example as part of an overall college assessment.
3. When the Authorities agree to share information on their respective risk assessments, and where they agree to perform any joint work (such as joint examinations), the nature and format of any information provided will be agreed between the Authorities within the relevant college of supervisors.

17. Organisation and functioning of colleges of supervisors

1. Each Authority intends subject to the applicable legal framework to invite the other Authority to join the work of colleges of supervisors in respect of supervised entities with cross-border establishments, where these entities are individually or on a consolidated basis, supervised by the Authorities.
2. The establishment and functioning of individual colleges of supervisors, and terms of the participation of each of the Authorities, including their participation in various college substructures, if relevant, will be based on written cooperation and coordination arrangements (to be determined, after consulting other college members, by the home Authority).
3. Within the framework of colleges of supervisors, the Authorities may consider entrustment of tasks when developing the college's supervisory examination programme. Entrustment of tasks does not alter the overall responsibilities of the Authorities.

18. Cooperation in relation to internal models or advanced approaches

1. The Authorities intend to share views and information on their supervised entities' design and use

of internal models such as the use of internal models in decision making, information on data and IT frameworks to ensure that all relevant information is properly reflected into the internal models, and controls and governance over approved internal models, where this may be relevant and material for an Authority's supervision of a supervised entity.

2. The Authorities intend to share upon request relevant information in their possession, to assist each other in reaching their respective decisions on an internal model application from a supervised entity, such as the supervised entities' plans for implementing the internal models for regulatory purposes, the results of the Authorities' assessment and the main deficiencies identified.
3. Where an Authority intends to perform an on-site inspection of a supervised entity's internal model in another Authority's jurisdiction, the Authorities intend to apply Article 12.

19. Cooperation in relation to qualifying holdings assessments and fitness and probity assessment of key functions holders

1. The Authorities intend to notify each other and consult with each other in case of applications for approval to acquire, dispose of or increase holdings in a supervised entity within the jurisdiction of the other Authority, where the Authorities hold or have the powers to access such information.
2. Upon request, the Authorities will inform each other about any relevant information on the proposed applicant, such as, for example, whether the applicant complies with the laws and regulations. The Authorities, upon request, will also assist each other with verifying or supplementing any information submitted by the applicant.
3. The Authorities will share information on the fitness and probity of prospective directors and managers, qualifying shareholders, and, where relevant, management body members and key function holders, of a supervised entity.

20. Cooperation in relation to outsourcing or delegation

1. Where a supervised entity outsources or delegates any of its functions (in particular, but not limited to, critical or important operational functions, portfolio management and/or risk management) to a person located in the other Authority's jurisdiction, the home Authority of the relevant supervised entity may request assistance in accordance with this MoU from the Authority in which the delegate is established. Such assistance should allow the home Authority to undertake its supervisory tasks, receive information on the supervisory regime of the requested Authority and ensure all entities are effectively supervised.
2. The Authorities acknowledge that outsourcing and delegation of functions by supervised entities should not result in those entities becoming letterbox entities nor in creating obstacles to the effective and efficient supervision and enforcement and should not affect the ability of the Authorities to provide assistance in accordance with this MoU.

21. Cooperation in the field of operational resilience and cyber security

1. The Authorities agree to cooperate in the field of exchanging information about operational resilience and cyber security of supervised entities, in compliance with the national legislation. To that end, the Authorities will exchange, at their own initiative or upon request, information that may be relevant to their supervisory activities.
2. For the purposes of this article cyber security information means:
 - a. knowledge about cyber incidents and cyber threats occurred in the financial sector in respective jurisdictions;

- b. information related to cyber risk, and cyber resilience, relevant to the financial sector that comes to the attention of the two authorities;
 - c. selected topics about cyber security (including regulatory responses, actions and measures) of the respective jurisdictions; and
 - d. the results of supervisory actions taken to evaluate the information security controls of supervised/covered entities, including the opinion of the Authorities on the adequacy of such controls.
3. Without prejudice to their domestic provisions on privacy and data protection, all information exchanged by the Authorities in the area of operational resilience and cyber security shall be treated confidentially and used exclusively for supervisory purposes, to the extent permitted by the relevant law of the Authorities.
 4. In cases where the exchanged information has to be disclosed to third parties, confidentiality of information must be preserved in accordance with Article 8.

22. Cooperation and information exchange in relation to financial crime

1. The Authorities intend to co-operate closely when they identify suspected financial crime activities in supervised entities. For the purposes of this MoU, financial crimes include in particular: money laundering and all violations of the applicable laws and regulations on financial markets. This also includes unauthorised activities.
2. Where necessary and in the absence of other relevant cooperation arrangements, and subject to any restrictions on confidentiality in their applicable legal frameworks, the Authorities may act as intermediaries to facilitate the contact between a Financial Intelligence Unit in one jurisdiction, and an Authority in another jurisdiction.
3. Without prejudice to their domestic provisions on privacy and data protection, all information exchanged by the Authorities in the area of the prevention of money laundering and counter terrorist financing shall be treated confidentially and used exclusively for supervisory purposes, to the extent permitted by the applicable legal frameworks and within the competences of the Authorities.
4. In the event when an Authority, during an examination or inspection conducted on the territory of the counterparty's jurisdiction, detects a serious criminal violation of the applicable legal framework of its jurisdiction, the Authority may be under a strict legal obligation to pass the information immediately to the appropriate law enforcement authorities in its home jurisdiction. In these circumstances, to the extent permitted by law, the Authority should inform the other Authority of its intended action. The Authority, upon completion of an on-site inspection of a cross-border establishment in which the other Authority did not participate, in case of request received or if it considers it necessary, will intend as soon as possible to provide the other Authority with general information on the financial condition of the cross-border establishment, violations of legal acts identified and deficiencies found, including those related to the prevention of money laundering and financing terrorism.

23. Application of supervisory measures and sanctions on micro-prudential level, including early intervention measures

1. The Authorities intend to inform each other in good time and to the extent reasonable about any event known to them which has the potential to endanger the stability of the supervised entities in the respective other jurisdiction. The Authorities intend to notify each other of material non-public administrative pecuniary penalties, enforcements or sanctions decisions, supervisory measures, or early intervention measures, which they have imposed in respect of such supervised entities.
2. The Authorities acknowledge that information regarding application of early intervention measures

should, subject to the obligations placed upon them by their respective applicable legal framework, be shared with resolution authorities in their respective jurisdictions in accordance with the applicable legal framework.

3. The Authorities intend to provide the information specified in this Article as far as practicable and subject to the applicable legal framework, and in accordance with the principles set out in this MoU.

24. Application of macroprudential supervisory measures

1. The Authorities recognise the unique competence of the host Authorities to assess which macroprudential measures are necessary for financial stability in the host jurisdiction. The Authorities intend to communicate with each other to exchange relevant assessments and to facilitate discussions in respect of planned measures where this may assist in assessing and mitigating risks to financial stability in their respective jurisdictions

25. Assessment of recovery plans

1. Without prejudice to their involvement in the colleges of supervisors and other relevant cross-border cooperation fora, the Authorities intend to assist each other in an assessment of the group recovery plan prepared by the supervised entities that are relevant for the other Authorities. The main objectives of the Authorities assisting each other in this assessment are to ensure a high standard of crisis prevention and to preserve the financial stability of the local market focusing on ensuring:
 - a. effective cooperation between supervisory authorities involved in crisis management,
 - b. reliable recovery options for the local operations, and continuity of any critical local economic functions.

26. Cooperation in relation to emergency situations/crisis management

1. Without prejudice to Articles 3 and 4 of this MoU, the Authorities intend to inform each other immediately if they become aware of an incipient crisis such as, but not limited to, serious financial difficulties, which might have an adverse impact on operations relating to any supervised entity in the respective jurisdictions of the Authorities. The Authorities intend also to inform each other as soon as reasonably practical after a supervised entity has activated their respective recovery plans or taken any recovery actions in accordance with the applicable legal framework.
2. To the extent possible, and without prejudice to their involvement in the relevant cross-border cooperation fora, the Authorities intend to seek coordinated responses to any crisis emerging in a cross-border establishment operating in their respective jurisdictions, in accordance with the applicable legal frameworks, including crises arising from incidents, such as cyber incidents or disruptions of relevant financial services (including services provided by third-party service providers) occurred in the financial sector.
3. If an Authority is taking any action, including early intervention measures, that could trigger instability elsewhere in a supervised entity or group or in the financial system of another Authority's jurisdiction, wherever and to the extent possible, the Authorities intend to cooperate in seeking potential solutions while acknowledging that each Authority reserves the right to act on its own initiative if necessary to preserve domestic financial stability or achieve any other domestic resolution objectives, in the absence of effective early intervention or other actions taken by another Authority, in line with the applicable legal framework.

27. Cooperation in relation to resolution

1. The Authorities agree to inform each other if they learn of an incipient crisis relating to any supervised entities in the other jurisdiction and to cooperate in order to facilitate measures for the management of crisis that may impact on cross-border establishments.
2. The Authorities will consult, cooperate, and exchange information to enhance coordination in drafting resolution plans and in implementing resolution measures, regarding cross-border establishments.
3. In particular, in the contest of their jurisdictions, the Authorities intend to:
 - i) exchange information for drafting resolution plans, including the determination of the minimum requirement for own funds and eligible liabilities and, in general, each information relevant to the financial and operational condition of a entity;
 - ii) exchange their findings of the resolvability assessments and communicate any significant change they require in the structure of the cross-border establishments as a consequence of such resolvability analyses;
 - iii) facilitate the implementation of resolution measures. Regard to this last purpose, each Authority informs each other before implementing any crisis management and resolution measures. In case it is not possible to inform the other Authority before the implementation of the measures, the Authority shall inform the other Authority as soon as possible after the implementation.

28. Cooperation in the field of resolution colleges

1. To ensure cooperation and coordination with third-country, resolution authorities may agree to establish resolution colleges in respect of specific supervised entities with cross-border establishments.
2. The establishment and functioning of a resolution college and terms of the participation of each of the Authorities will be based on written cooperation and coordination arrangements specifying operational details of the functioning of the college.

29. Cooperation and information exchange in relation to enforcement

1. The Authorities recognise that there may be circumstances in which either of them wishes to take enforcement action in a situation where the other Authority has a regulatory interest. The Authorities intend to cooperate in carrying out enforcement actions to the extent possible under their applicable legal frameworks.
2. If a request for assistance, as described in this MoU, relates to actual or possible enforcement action, the request should include as much detail as possible to allow the other Authority to consider the request (for example, a description of the conduct or suspected conduct, applicable legal framework, the link between the specified rule or law and the regulatory functions of the requesting Authority, and whether certain Persons should be present during interviews which form part of an investigation).
3. Similarly, where an investigation concerns suspected breaches of the law of both jurisdictions, the Authority suggesting the establishment of a joint investigation involving members from both Authorities should provide the other Authority with as much detail as possible to allow the other Authority to consider the nature, expected duration, funding, management and objectives of the joint investigation.

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FINAL PROVISIONS

30. Status of this Memorandum of Understanding

1. This MoU represents a statement of intent between the Authorities and does not constitute a legally binding and/or legally enforceable agreement. Neither Authorities nor any third party can bear or seek any liability regarding the performance of this MoU.
2. This MoU supersedes the previous MoU signed between Banca d'Italia and the DFSA in December 2013 and is without prejudice to other specific cooperation arrangements that each Authority might conclude.
3. The Authorities intend to settle any disagreement arising from the interpretation or the performance of this MoU amicably by means of consultations between the Authorities.

31. Oversight, amendment, publication and supplementation

1. The Authorities will periodically review the functioning and effectiveness of the cooperation arrangements between the Authorities with a view, inter alia, to changing or expanding the scope or operation of this MoU should that be deemed necessary.
2. This MoU may be electronically signed. Any electronic signatures appearing on this MoU have the same effect as handwritten signatures for the purpose of validity. The Authorities may exchange copies of the MoU in written or electronic format. Any amendment to this MoU, including this Article, will be made by the Authorities' mutual consent, and formulated in English and have effect only if executed by the Authorities in writing.
3. This MoU (excluding Annex 1) may be made publicly available in full or part by any of the Authorities, at any time and in any manner including publication electronically on the websites of the Authorities.
4. This MoU can be supplemented with specific additions between the Authorities, including, but not limited to, written cooperation and coordination arrangements agreed upon for the purposes of cooperating in the supervision/resolution of a specific supervised entity.

32. Succession

1. In case of succession, the other Authority should be notified as soon as possible about it.
2. The terms of this MoU should apply automatically to the successor(s) of the Authorities without the need of further signature.
3. The automatic succession should not affect the right of the Authorities, including any successor(s), to terminate the MoU in accordance with Article 35.

33. Termination

1. Any Authority may terminate their participation to this MoU by giving 30 days' prior written notice to the other Authorities. Any Authority terminating its participation in the MoU, will endeavour to take all reasonable steps to continue any prior projects or activities already in progress.
2. An Authority may terminate its participation to this MoU by giving notice to the other Authorities if the relevant professional secrecy regimes are not judged to be equivalent to the one applicable under the Authority's relevant law, also having regard to any relevant assessment made by the European Banking Authority or the DFSA as applicable.
3. In the event of termination, Articles 8, 9 and 10 of this MoU will continue to apply to any confidential information provided under this MoU prior to termination.

34. Entry into force

This MoU will take effect when signed by the Authorities.

Luigi Federico Signorini
General Director
Banca d'Italia
Date:

Bryan Stirewalt
Chief Executive
Dubai Financial Services Authority
Date: 23 March 2021