

**1.3.2 MEMORANDUM OF UNDERSTANDING
WITH THE U.S. COMMODITY FUTURES
TRADING COMMISSION**

July 7, 1992

**RE: MEMORANDUM OF UNDERSTANDING WITH THE
UNITED STATES COMMODITY FUTURES TRADING
COMMISSION**

Quebec City - The Ontario Securities Commission announced today that it has entered into a Memorandum of Understanding (a "MOU") with the United States Commodity Futures Trading Commission. The MOU was signed in Quebec City by OSC Chairman Robert Wright and CFTC Commissioner William Albrecht, on the occasion of the meeting of the Technical Committee of the International Organization of Securities Commissions. Both the OSC and the CFTC are members of the Technical Committee.

The MOU provides a structure designed to enhance the cooperation in enforcement matters that has been occurring between the OSC and CFTC on a case-by-case basis. The OSC and the CFTC will provide each other, upon request and to the extent permitted by law, with information regarding market surveillance and investigations relating to possible violations of the laws, rules, regulations and regulatory policies of the requesting authority concerning the regulation of commodity futures and commodity options and the commodity futures and commodity options markets.

The MOU also provides that the authorities, subject to the Constitution and applicable laws of their respective jurisdictions, will use their compulsory powers to conduct investigations on each other's behalf. The OSC currently possesses this authority and CFTC reauthorization legislation, approved by both Houses of the United States Congress and currently in conference committee, will provide this power to the CFTC. The MOU is the second information sharing arrangement between the OSC and the CFTC, the first being the Financial Information Sharing MOU signed in September 1991 which covers financial compliance monitoring of firms by the authorities and relevant self-regulatory organizations.

At the signing, Chairman Wright said: "This recognizes the impact of internationalization on the enforcement of local laws and regulations dealing with the futures markets. It also reflects the need to build working relationships with securities and, in this case, futures regulators in other jurisdictions." He noted that the CFTC had, concurrent with entering into the MOU with the OSC, also entered into a MOU with the Commission des valeurs mobilières du Québec.

MOUs are statements of intent which do not impose legally binding obligations on signatures. They facilitate the exchange of information by accommodating the differences between regulators and by responding to changing legal environments.

Reference: Geoffrey K. Taber
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