

*MEMORANDUM*

*ON BILATERAL COOPERATION BETWEEN*

*KNF - POLISH FINANCIAL SUPERVISION AUTHORITY*

*AND*

*THE STATE COMMITTEE FOR SECURITIES OF THE*

*REPUBLIC OF AZERBAIJAN*

**MEMORANDUM ON BILATERAL COOPERATION**  
**between KNF - Polish Financial Supervision Authority and the State**  
**Committee for Securities of**  
**the Republic of Azerbaijan**

The KNF - Polish Financial Supervision Authority and the State Committee for Securities of the Republic of Azerbaijan hereafter “Parties”,  
aiming at further development of economic links and cooperation between the Republic of Poland and the Republic of Azerbaijan,  
considering common interests with respect to information exchange relating to the functioning of national securities markets,  
in order to promote the participation of investors and capital market intermediaries from one Party’s country in the securities market of the other Party’s country  
have reached the following understanding:

**Article 1. Definitions**

For the purpose of this Memorandum,

- **“National legislation”** means the provisions of the Laws of the jurisdictions of the Parties, the Regulations promulgated thereunder, and other regulatory requirements that fall within the competence of the Parties;
- **“Requested Party”** means the Party to whom a request is made under this Memorandum;
- **“Requesting Party”** means the Party making a request under this Memorandum;
- **“Authorized entities”** means entities which conduct activities on the securities market on the basis of authorizations issued by competent authorities of the Parties.

**Article 2. Principles**

1. The purpose of this Memorandum is to lay foundations for bilateral day-to-day cooperation between the Parties, to create a system of mutual assistance between the Parties for enhancing the efficiency of performing their

tasks, to protect the rights of investors, to promote integrity of regulated stock markets, as well as to support cooperation between market institutions and intermediaries by providing a framework for cooperation, increasing mutual understanding and information exchange.

2. Consistent with the national legislation of the Republic of Azerbaijan and that of the Republic of Poland, this Memorandum serves as a basis for cooperation for the Parties within the framework of their competences.

3. The provisions of this Memorandum are not intended to create legally binding obligations or supersede national legislation.

4. Carrying out the provisions of this Memorandum shall be consistent with national legislation and conventions in which the respective countries of the Parties take a part.

5. The provisions of this Memorandum shall not affect the rights and obligations of the Parties arising from other international agreements to which they are parties.

6. To the extent permitted by the national legislation of the Republic of Poland and that of the Republic of Azerbaijan the Parties shall make reasonable efforts to provide each other with the information intended to assist other Party in order to fulfill its regulatory functions.

### **Article 3. Scope**

The Parties, within their authority, agree to promote mutual assistance and exchange of information to assist each other to perform their respective functions in relation to the following areas:

- Improving Parties' regulatory capacity;
- Increasing professional capability of authorized entities to conduct business in the Regulated Markets in both jurisdictions;
- Securing compliance with the advanced international standards;
- Technical cooperation and assistance between Parties;
- Other matters agreed upon by the Parties.

#### **Article 4. Methods of co-operation**

In order to implement this Memorandum, the Parties within their competences may cooperate in the following forms:

- exchange of information;
- mutual consultations and expert visits;
- in other forms agreed by the Parties.

#### **Article 5. Requests and executions**

1. Without prejudice to Article 6 of this Memorandum, the Parties shall share with each other, upon request, the following information concerning:

- Laws and regulations, standards, professional requirements and significant changes therein, constituting the regulatory framework of securities markets and authorized entities' activities;
- Information necessary to perform supervision over authorized entities regarding the compliance with laws and rules of fair and safe trading to an extent allowed by the national legislation;

2. Requests shall be made in writing, in English and addressed to the contact person authorized by the Requested Party via exchange of letters.

3. Requests should specify:

- General description of the information sought by the Requesting Party;
- General description of both the matter which is the subject of the request and the purpose for which the information is sought;
- Indication of urgency of the request, or the desired time period for reply.

4. If necessary, the Parties support each other in achieving information from other national authorities of their respective countries.

5. Where the request cannot be accepted completely, the Requested Party shall consider whether there may be any relevant information which can be provided within the scope of this Memorandum

6. The cooperation between the Parties is carried out on a free of charge basis on the principles of equality, openness, mutual assistance and completeness of information.

## **Article 6. Permissible use**

1. All the activities undertaken by the Parties in accordance with this Memorandum shall be carried out only in compliance with the relevant national legislation of the Parties' countries, particularly with disclosure restrictions relating to information under specific legal protection as stipulated by relevant national acts.

2. Assistance within the framework of this Memorandum may be denied in full or in part, if the Requested Party believes that the fulfillment of the request contravenes its national legislation concerning information disclosure or from other justified reasons. In this case, the Requesting Party shall be notified in writing.

3. Information received within the framework of this Memorandum shall not be used to the detriment of the Parties' interests.

4. Information received by one of the Parties within the framework of this Memorandum may be transferred to the third party only upon a written consent of the Party which provides such information.

## **Article 7. Technical cooperation**

The respective Parties, according to their national legislation, shall 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 and to enlarge exchange of mutual expertise both in the Republic of Poland and the Republic of Azerbaijan.

## **Article 8. Consultation**

1. The Parties shall keep the operation of this Memorandum under continuous review and shall regularly or upon necessity conduct consultations and discussion with intention of improving its implementation.

2. In the event of a dispute that may result from interpretation or application of this Memorandum the dispute is to be resolved between the Parties through negotiations and consultations.

## Article 9. Addition and amendments

Any additions and amendments may be made to this Memorandum by mutual consent of the Parties. Such additions and amendments shall be made in a form of separate Protocols being an integral part of this Memorandum and shall enter into force in accordance with the provisions of Article 10.

## Article 10. Entry into effect and termination

1. This Memorandum shall enter into force on the date of receipt of the written notification sent by Azerbaijani side through diplomatic channels confirming the completion of its respective internal procedures required for the entry into force of this Memorandum.

2. This Memorandum is concluded for an indefinite period and shall remain in force unless either of the Parties, at least three months in advance, notifies the other Party in writing through diplomatic channels of its intention to terminate this Memorandum. In the case of submission of such notice by one of the Parties, all requests that were made before the termination date of the Memorandum shall continue to have effect until the Requested Party finalizes the execution of the request. The provisions concerning "Permissible use" shall remain in force thereafter.

3. This Memorandum is signed in Baku on "21" May 2014 in two originals, each in English, Azerbaijani and Polish languages, all texts being equally authentic. In case of divergence of interpretation of articles of this Memorandum, the English text shall prevail.

**FOR THE KNF –POLISH  
FINANCIAL SUPERVISION  
AUTHORITY**



**ANDRZEJ JAKUBIAK  
CHAIRMAN**

**FOR THE STATE COMMITTEE  
FOR SECURITIES OF THE  
REPUBLIC OF AZERBAIJAN**



**RUFAT ASLANLY  
CHAIRMAN**