



ISRAEL SECURITIES AUTHORITY

Memorandum of Understanding (MoU)

between

the Autorité des Marchés Financiers (“AMF”)

and

the Israel Securities Authority (“ISA”)

regarding

cooperation for innovation in the financial sector

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Article 1 Definitions

For the purpose of this MoU:

1. **"Authorization"** means the process of licensing, registering, approving, authorizing or otherwise bringing an entity under an Authority's supervisory remit so that it is authorized to carry on business in providing a financial service or issuing a financial product in the relevant Authority's jurisdiction, and "Authorized" has a corresponding meaning.
2. **"Authority"** means AMF France or the Israel Securities Authority (and, collectively, "the Authorities").
3. **"Confidential Information"** means any non-public information, including personal data, obtained by an Authority pursuant to this MoU.
4. **"Innovator Business" or "Financial Innovator"** means any entity which provides or intends to provide Innovative Financial Services in any Authorities' jurisdictions and which has been in contact with /received by an Authority through its Innovative Function.
5. **"FinTech"** means any innovative financial technology that will be used or is intended to be used by Financial Innovators including, but not limited to crowdfunding platforms, blockchain, DLT, artificial intelligence and big data.
6. **"Innovation Function"** means a function established by an Authority to support innovation in financial services in their respective markets
7. **"Innovative Financial Services"** means any services that are provided by means of FinTech.
8. **"Receiving Authority"** means:
 - a) where the Referring Authority is the AMF France, the Israel Securities Authority to which a referral is made under the MoU; and
 - b) where the Referring Authority is the Israel Securities Authority, the AMF France to which a referral is made under the MoU;
9. **"Referring Authority"** means the Authority that is referring an Innovator Business to the Receiving Authority; and
10. **"Regulations"** means any regulation or regulatory requirement applicable in the jurisdiction of an Authority;

Article 2 Purpose of the MoU

1. The Authorities intend to co-operate with the aim of encouraging and enabling innovation in their respective financial services industries, and of supporting Innovator Businesses in meeting the Regulations in each other's jurisdictions as may be required to offer Innovative Financial Services in their respective financial markets. To this end, the Authorities have established, in their respective financial markets, a specific FinTech-friendly environment and specific FinTech Innovation Functions as set forth below.

2. The Authorities believe that by co-operating with each other, innovation in financial services, investor protection and subsequently competitiveness will be enhanced in their respective markets.
3. Enhanced co-operation between the Authorities is intended to facilitate Innovator Businesses to enter and provide Innovative Financial Services in the jurisdictions of the Authorities, and to promote knowledge sharing.

Article 3 FinTech Innovation functions provided by the Authorities

1. In June 2016, the AMF France created a new division named “Fintech, Innovation, Competitiveness” (the “FIC”) dedicated to welcome startups and projects holders and help them navigate the regulatory system, providing them advice in their pre-authorization phase. Building on these numerous meetings, the FIC division assesses the impact of FinTech and more broadly of the digitalization of financial services and analyzes both the opportunities and risks associated with these new business models. Ultimately, the FIC division makes some recommendations to adjust where necessary the regulatory framework and supervisory practices.
2. In July 2018, the ISA established a FinTech Innovation Hub. This initiative is aimed at promoting common discourse between the ISA and relevant players in the field of FinTech. The ISA is set to promote and enable the technological and business innovation in the area of financial services. The ISA aims at establishing trust and providing certainty to the Fintech industry and encourages market actors in the Fintech industry to contact its staff with the purpose of becoming familiar with the relevant regulatory framework and to examine any required adjustments to their activity, through guidance of the ISA's staff.

Article 4 Principles for co-operation

1. The Authorities agree to cooperate for the purpose and within the scope of this MoU.
2. This MoU is a statement of intent of the Authorities and accordingly neither creates any enforceable rights nor is it intended to create any binding legal obligations or to fetter the discretion of the Authorities in any way in the discharge of their functions. This MoU is subject to the domestic laws and Regulations of each Authority and does not modify or supersede any laws or regulatory requirements in force or applicable in France or in Israel.
3. This MoU does not constitute an international agreement and is not subject to international law.
4. This MoU is intended to complement, but not affect or alter the terms and conditions of any other multilateral or bilateral arrangement or memorandum of understanding either concluded or which will be concluded between the Authorities or between the Authorities and third parties, or between the respective governments of both countries.

Article 5 Scope of co-operation

1. Information sharing

The Authorities intend to exchange information, where appropriate, provided that such information sharing does not contradict the provisions of any applicable law, about:

- a) Innovator Businesses;
- b) Regulatory and policy issues on innovation in financial services (including but not limited to: artificial intelligence; big data and robo-advisors; blockchain-related developments; and crypto assets);
- c) Material changes to the support offered to Innovator Businesses;
- d) Emerging market trends and developments; and
- e) Any other relevant issues on FinTech and Innovation financial services.

2. Referral mechanism

- a) The Authorities, through their Innovation Functions, will refer to each other Innovator Businesses that would like to operate in the other's jurisdiction.
- b) Referrals will be made in writing and should include relevant information provided by the Innovator Business seeking to operate in the Receiving Authority's jurisdiction demonstrating that it:
 - offers innovative financial products or services that might benefit the consumer, investor and/or the industry; and,
 - has conducted sufficient background research on Regulations as it might apply to it;
- c) Following referral, the Receiving Authority's Innovation Function may offer support to the Innovator Business in accordance with Article 5.3. below.
- d) The Referring Authority acknowledges that when a Receiving Authority provides assistance to an Innovator Business, the Receiving Authority is not expressing an opinion about whether an Innovator Business will ultimately meet the requirements for Authorization in its jurisdiction.

3. Support to Financial Innovators

Within the scope of its authority, each Authority will provide Innovator Businesses originating from the other jurisdiction with the same level of support that it provides to Innovator Businesses originating from its own jurisdiction. The support offered by the Authorities to Innovator Business may include:

- a) A dedicated team and/or a dedicated contact for Innovator Business;
- b) Help for Innovator Businesses to understand the regulatory framework in the relevant Authority's jurisdiction, and how it applies to them;
- c) Assistance during the pre-Authorization application phase to:
 - i. Discuss the Authorization application process and any regulatory issues that the Innovator Business has identified; and
 - ii. Help the Innovator Business understand the relevant Authority's regulatory regime and what it means for them.

- d) Support during the Authorization process, including the allocation of Authorization staff who are knowledgeable about FinTech and financial innovation in their respective markets.
- e) A dedicated team and/or a dedicated contact person after an Innovator Business is Authorized as and when circumstances require it.

4. *Dialogue on FinTech and Innovative Financial Services*

Representatives of the Authorities intend to meet or hold conference calls, where necessary, to discuss issues of common interest and share their experience in FinTech and Innovative Financial Services.

Representatives of Financial Innovators may be invited to such meetings or conference calls provided both Authorities participating in the relevant discussion agree to the invitation being extended to the representatives of Financial Innovators.

The Authorities will consider participating in joint innovation projects on the application of key technologies such as blockchain and distributed ledgers, artificial intelligence, big data, robot advisors, crypto-assets, RegTech initiatives, and other areas of new technologies.

5. *Expertise sharing*

Each Authority may allow its staff, as appropriate, to give presentations and conduct training sessions for the other Authority to share expertise and knowledge.

Article 6 Confidentiality & Permissible Uses

1. The Authorities confirm that all persons dealing with, or having access to, Confidential Information are bound by the obligation of professional or official secrecy.
2. Without derogating from the provisions of any applicable law or any other arrangement between the AMF and the ISA, information provided by an Innovator Business, which is not public information, will only be disclosed to the Receiving Authority, if the Innovator Business consents to this in writing. Such consent can be withdrawn by the Innovator Business at any time.
3. The Authorities agree to use Confidential Information disclosed to it by the other Authority only for the purposes for which the Confidential Information was disclosed.
4. If an Authority intends to use or disclose any Confidential Information provided to it by the other Authority for purposes other than those for which such Confidential Information was provided, the Authority should seek prior written consent from the other Authority, which provided the information.
5. Notwithstanding the above, if an Authority is required by law to disclose any Confidential Information provided to it by the other Authority without obtaining prior written consent from the other authority, the Authority which is required to make the disclosure should ensure that disclosure of Confidential Information is required by law, make its best efforts to protect confidentiality, and inform the other Authority to the extent possible and without undue delay of the disclosure.

Article 7 Contact points

To facilitate co-operation under this MoU, each Authority will designate a contact point as specified in Appendix A, which may be amended from time to time by an Authority by transmitting revised contact information in writing to the other Authorities.

Article 8 Entry into effect, modifications and termination

1. This MoU shall enter into effect at the signing date.
2. The Authorities will review the MoU in view of the rapid technological developments in the Fintech environment both in France and in Israel and the regulatory changes incurred and will update its terms if necessary.
3. This MoU may be modified in writing if all Authorities agree in writing to do so.
4. Each Authority may terminate the MoU by giving 30 days' advance written notice to the other Authority.
5. In the event of termination, Confidential Information obtained under this MoU should continue to be treated in accordance with Article 6.

This MoU will be effective from the date of its signing.

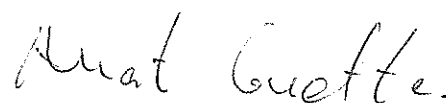
Date:

For the AMF France



Robert Ophèle
Chairman

For the Israel Securities Authority



Anat Guetta
Chairwoman

Appendix A

Contact points

For the AMF France

Autorité des marchés financiers
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For the Israel Securities Authority

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