



**THE MANITOBA  
SECURITIES  
COMMISSION**



**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**THE MANITOBA SECURITIES COMMISSION**

**AND**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**CONCERNING MUTUAL CO-OPERATION, EXCHANGE OF INFORMATION AND  
TECHNICAL ASSISTANCE**

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**MEMORANDUM OF UNDERSTANDING** concerning mutual co-operation, exchange of information and technical assistance

**BETWEEN:**

**THE MANITOBA SECURITIES COMMISSION**  
(“MSC”)

-and-

**SECURITIES AND EXCHANGE BOARD OF INDIA**  
(“SEBI”)

**1.0 Purpose**

1.1 The purpose of this Memorandum of Understanding (MOU) is to establish a framework under which it is the Authorities' mutual intention to facilitate greater cooperation in matters concerning the regulatory purposes of the Acts administered by the respective Authorities as set out in Schedule “A”, to provide investigative assistance, increase the exchange of information of mutual interest, and to provide for an orderly exchange of information.

**2.0 Background**

- 2.1 SEBI was established under the Securities and Exchange Board of India Act, 1992 to regulate the securities markets in India. The objectives of SEBI are to protect the interest of the investors, to promote development of and to regulate the development of the securities markets in India. The main functions of SEBI include registration, regulation and supervision of intermediaries operating in the securities market, promoting and regulating self regulatory organizations, prohibiting fraudulent and unfair trade practices relating to securities markets, calling from or furnishing to other authorities, whether in India or abroad, such information as may be considered necessary by it for the efficient discharge of its functions.
- 2.2 The MSC is a Statutory Operating Agency created in 1969 by *The Securities Act*. The MSC became a Special Operating Agency on April 1, 1999. The MSC is responsible for, among other things, administering and enforcing *The Securities Act* and *The Commodity Futures Act*, including the registration and supervision of market participants, self regulatory organizations and other regulated entities.

### **3.0 Definitions**

#### **3.1 For the purposes of this MOU:**

- (a) "Authority" means MSC or SEBI as the context requires, and "Authorities" means both MSC and SEBI;
- (b) "Information" includes information and documents; and
- (c) "ISM Market" means the Indian securities market;
- (d) "MSC Market" means the MSC securities and commodities futures markets;
- (e) "Laws and Regulations" mean the provisions of any laws, regulations, rules or requirements applicable within the jurisdictions of the Authorities, and where the context permits includes:
  - a. any law, regulation or requirement applicable in the MSC Market or the ISM Market; and
  - b. any rule, direction, requirement, guidance or policy made or given by or to be taken into account by an Authority;
- (f) "Requested Authority" means an Authority to whom a request for assistance is made under this MOU;
- (g) "Requesting Authority" means an Authority making a request for assistance pursuant to this MOU;
- (h) "Person" means a natural or legal person, or unincorporated entity or association, including corporations and partnerships.

### **4.0 Principles regarding Mutual Assistance and the Exchange of Information**

- 4.1 This MOU sets forth the Authorities' intent with regard to mutual assistance and exchange of information for the purpose of enforcing and securing compliance with the respective Laws, Rules and Regulations of the jurisdictions of the Authorities. The provisions of this MOU are not intended to create legally binding obligations or supersede the applicable Laws and Regulations of the Requested Authority.

- 4.2 The Authorities represent that no Laws and Regulations regarding secrecy should prevent the collection or provision of the information set forth in Article 5.2 to the Requesting Authority.
- 4.3 This MOU does not authorize or prohibit an Authority from taking measures other than those identified herein to obtain information necessary to ensure enforcement of, or compliance with, the Laws and Regulations applicable in its jurisdiction.
- 4.4 This MOU does not confer upon any Person not an Authority, the right or ability, directly or indirectly to obtain, suppress or exclude any information or to challenge the execution of a request for assistance under this MOU.
- 4.5 The Authorities recognise the importance and desirability of providing mutual assistance and exchanging information for the purposes of enforcing, and securing compliance with, the Laws and Regulations applicable in their respective jurisdictions. A request for assistance may be denied by the Requested Authority:
- a. where the request would require the Requested Authority to act in a manner that would violate the Laws and Regulations applicable in its jurisdiction;
  - b. where a criminal proceeding has already been initiated in the jurisdiction of the Requested Authority based upon the same facts and against the same Persons, or the same Persons have already been the subject of final punitive sanctions on the same charges by the competent authorities of the jurisdiction of the Requested Authority, unless the Requesting Authority can demonstrate that the relief or sanctions sought in any proceedings initiated by the Requesting Authority would not be of the same nature or duplicative of any relief or sanctions obtained in the jurisdiction of the Requested Authority;
  - c. where the request is not made in accordance with the provisions of this MOU; or
  - d. on grounds of public interest or essential national/ provincial interest.
- 4.6 Where a request for assistance is denied, or where assistance is not available under applicable Laws and Regulations in the jurisdiction of the Requested Authority, the Requested Authority will provide the reasons for not granting the assistance and consult pursuant to Article 11.0.

## **5.0 Scope of Assistance**

5.1 The Authorities will, within the framework of this MOU, provide each other with the fullest assistance permissible to secure compliance with the respective Laws and Regulations of the Authorities.

5.2 The assistance available under this MOU includes, without limitation:

- i. providing Information and documents held in the files of the Requested Authority regarding the matters set forth in the request for assistance;
- ii. obtaining information and documents regarding the matters set forth in the request for assistance, including:
  - a. contemporaneous records sufficient to reconstruct all securities and derivatives transactions, including records of all funds and assets transferred into and out of bank and brokerage accounts relating to these transactions;
  - b. records that identify: the beneficial owner and controller, and for each transaction, the account holder; the amount purchased or sold; the time of the transaction; the price of the transaction; and the individual and the bank or broker and brokerage house that handled the transaction; and
  - c. information identifying persons who beneficially own or control non-natural Persons organized in the jurisdiction of the Requested Authority.
- iii. In accordance with Article 7.0, taking or compelling a Person's statement, or, where permissible, testimony under oath, regarding the matters set forth in the request for assistance.

5.3 Assistance will not be denied based on the fact that the type of conduct under investigation would not be a violation of the Laws and Regulations of the Requested Authority.

## **6.0 Requests for Information/ Unsolicited Assistance**

6.1 SEBI may submit to MSC written requests for information, which the SEBI considers necessary or relevant for the regulatory purposes of the Acts listed in Schedule "A" administered by SEBI.

- 6.2 MSC may submit to SEBI written requests for information, which MSC considers necessary or relevant for the regulatory purposes of the Acts listed in Schedule "A" administered by MSC.
- 6.3 Requests for information made under Article 6.1 or Article 6.2 must:
- (a) be, in writing, in English;
  - (b) be addressed to the other Authority's representative identified in Article 14.1 and
  - (c) specify the following:
    - i. a description of the facts underlying the investigation that are the subject of the request, and the purpose for which the assistance is sought;
    - ii. a description of the assistance sought by the Requesting Authority and why the information sought will be of assistance;
    - iii. any information known to, or in the possession of, the Requesting Authority that might assist the Requested Authority in identifying either the Persons believed to possess the Information sought or the places where such information may be obtained;
    - iv. an indication of any special precautions that should be taken in collecting the information due to investigatory considerations, including the sensitivity of the information;
    - v. the Laws and Regulations that may have been violated and that relate to the subject matter of the request.
    - vi. the desired time period for reply.
- 6.4 Requests for information under this Article 6.0 will be made in a manner that is consistent with the goal of minimizing administrative burdens. Where the cost of executing a request for information is substantial, the Requested Authority may require the Requesting Authority to make a contribution to such costs as a condition of providing assistance under this MOU.
- 6.5 Where practicable and reasonable and to the extent permitted by applicable domestic law, each Authority will endeavour to provide the other Authority, even without prior request, with any information it discovers which gives rise to a

suspicion of a breach, or anticipated breach, of the Acts listed in Schedule "A" administered by the other Authority.

- 6.6 In urgent circumstances, requests for assistance may be effected by facsimile or e-mail, provided such communication is confirmed through an original, signed document.

## **7.0 Execution of Requests for Assistance**

- 7.1 Information and documents held in the files of the Requested Authority will be provided to the Requesting Authority upon request within a reasonable timeframe.
- 7.2 Upon request, the Requested Authority will require the production of documents identified in Article 5.2(ii) from (i) any Person designated by the Requesting Authority, or (ii) any other Person who may possess the requested information or documents. Upon request, the Requested Authority will obtain other information relevant to the request.
- 7.3 Upon request, the Requested Authority will, subject to maintaining compliance with the Laws and Regulations applicable within the jurisdiction of the Requested Authority, seek responses to questions and/or a statement (or where permissible, testimony under oath) from any Person involved, directly or indirectly, in the activities that are the subject matter of the request for assistance or who is in possession of information that may assist in the execution of the request.
- 7.4 Unless otherwise arranged by the Authorities, information and documents requested under this MOU will be gathered in accordance with the procedures applicable in the jurisdiction of the Requested Authority and by persons designated by the Requested Authority. Where permissible under the Laws and Regulations of the jurisdiction of the Requested Authority and agreed to by the Authorities, a representative of the Requesting Authority may be present at the taking of statements and testimony and may provide, to a designated representative of the Requested Authority, specific questions to be asked of any witness, on the basis that information obtained in such manner shall be subject to applicable safeguards equivalent to those which apply in the jurisdiction of the Requested Authority.



- 7.5 In urgent circumstances, the response to requests for assistance may be effected by facsimile or e-mail, provided such communication is confirmed through an original, signed document.
- 8.0 Permissible Uses of Information, Protection of Information**
- 8.1 The Requesting Authority may use non-public information and non-public documents furnished in response to a request for assistance under this MOU solely for:
- a) the purposes set forth in the request for assistance, including ensuring compliance with the Laws and Regulations related to the request; and
  - b) with the prior consent of the Requested Authority, a purpose associated with the original request for assistance, including conducting a civil or administrative enforcement proceeding, assisting in a self-regulatory organization's surveillance or enforcement activities (insofar as it is involved in the supervision of trading or conduct that is the subject of the request), assisting in a criminal prosecution, or conducting any investigation for any general charge applicable to the violation of the provision specified in the request where such general charge pertains to a violation of the Laws and Regulations administered by the Requesting Authority. This use may include enforcement proceedings which are public.
- 8.2 If a Requesting Authority intends to use information furnished under this MOU for any purpose other than those stated in Article 8.1, it must obtain the prior consent of the Requested Authority.
- 8.3 Each Authority will keep confidential requests made under this MOU, the contents of such requests, and any matters arising under this MOU, including consultations between or among the Authorities, and unsolicited assistance. After consultation with the Requesting Authority, the Requested Authority may disclose the fact that the Requesting Authority has made the request if such disclosure is required to carry out the request.
- 8.4 The Requesting Authority will not disclose non-public documents and information received under this MOU, except as contemplated by Articles 8.1 or 8.2 or in response to a legally enforceable demand. In the event of a legally enforceable demand, the Requesting Authority will notify the Requested Authority prior to complying with the demand, and will assert such appropriate legal exemptions or

privileges with respect to such information as may be available. The Requesting Authority will use its best efforts to protect the confidentiality of non-public documents and information received under this MOU.

- 8.5 Prior to providing information to a self-regulatory organization in accordance with Article 8.1(b), the Requesting Authority will ensure that the self-regulatory organization is able and will comply on an ongoing basis with the confidentiality provisions set forth in Articles 8.3 and 8.4 of this MOU, and that the information will be used only in accordance with Article 8.1 of this MOU, and will not be used for competitive advantage.
- 8.6 The Authorities shall restrict the use of information obtained to matters concerning the regulatory purposes of the statutes identified in this MOU and in particular:
- (a) limit access to and use of the information provided under this MOU to those officers and employees who need to know the information to carry out the Authorities' respective regulatory purposes;
  - (b) ensure that every use of and access to the information by authorized officers and employees is limited to the minimum amount necessary to carry out the obligations of the Authorities under their respective statutes identified in this MOU;
  - (c) ensure that each officer and employee who has access to the information is aware of and complies with the confidentiality requirements and obligations of this MOU;
  - (d) ensure that each officer and employee who has access to the information is aware of each Authority's security policies and procedures and aware of the consequences of breaching any of them;
  - (e) ensure that no officers or employees make any unauthorized copies of the information exchanged under this MOU and that no information is disclosed except for the purposes of this MOU; and
  - (f) ensure that information to be exchanged under this MOU is communicated, transmitted or transferred in a secure manner.
- 8.7 The Authorities agree to protect the information by putting in place reasonable security arrangements including administrative, technical and physical

safeguards that ensure the confidentiality and security of the information at all times and that protect the information against such risks as use, access, disclosure or destruction which are not authorized by this MOU. These security arrangements shall take in account the sensitivity of the information and the medium in which the information is stored, handled, transmitted or transferred.

8.8 Without limiting Article 8.7 of this MOU:

(a) where information is in paper form, on diskette, or other removable media, the Authorities shall ensure that:

(i) the paper records, diskettes and removable media used to record the information are kept in a physically secure area and are subject to appropriate safeguards;

(ii) the information is accessible only to those of the officers and employees of the Authorities who need to know the information in order to carry out the respective obligations of the Authorities pertaining to the statutes identified in this MOU; and

(iii) the paper records, diskettes and removable media to record the information are stored securely when not in use.

(b) where information is stored in electronic format, the Authorities shall:

(i) ensure the computer system or computer network on which the information is stored is secure and is accessible only to officers and employees of the Authorities who need to know the information to carry out their obligations under the statutes identified in this MOU;

(ii) ensure the information is protected by appropriate passwords to prevent unauthorized access; and

(iii) limit access to and use of these passwords to those of the officers and employees of the Authorities who need to know the information to carry out their obligations.

8.9 When disposing of any records or media containing a record of the information exchanged under this MOU, the Authorities shall destroy the record or erase or destroy any information contained in a manner which adequately protects the confidentiality of the information.

- 8.10 Each Authority agrees that upon becoming aware of any use of, access to, disclosure or destruction of information which is not authorized by this MOU, to notify the other Authority in writing and to provide full details of the unauthorized use, access, disclosure or destruction of the information and shall notify the other Authority in writing of the steps taken.
- 8.11 After the information has been used for the purposes contemplated by this MOU or where destruction of the information is requested by the other Authority, the Authorities shall respectively destroy the information and all copies of the information in any form or medium provided, in a manner which adequately protects the confidentiality of the information.

## **9.0 Technical Assistance**

- 9.1 In furtherance of the objective of promoting the development of sound securities regulatory mechanisms, the Authority may, upon a request by the other Authority, consult with and provide advice to the other Authority, with a view to establishing and implementing an ongoing technical assistance program. In this regard, the Authorities intend to work together to identify and address, subject to the availability of personnel and other resources, training and technical assistance needs to facilitate the development of a regulatory framework for the offer, purchase and sale of securities or securities derivatives, in India or in Manitoba as well as the cross border offering of securities or securities derivatives, including:
- a) laws and regulations to protect investors;
  - b) standards for offering securities, including disclosure standards, accounting and auditing principles and standards, and methods and standards to be used in valuing securities;
  - c) market oversight and enforcement mechanisms; and
  - d) systems of supervision and standards of conduct for market professionals, including brokers, dealers and investment advisers.

## **10.0 Settlement of Disputes**

- 10.1 It is the intent of the Authorities that any differences or disputes between the Authorities arising out of the interpretation, implementation and/or application of any of the provisions of this MOU will be settled amicably through mutual

consultation and/or negotiations between the Authorities, without reference to any third party or international tribunal.

## **11.0 Consultations**

- 11.1 The Authorities will consult periodically with each other regarding this MOU about matters of common concern with a view to improving its operation and resolving any issues that may arise. In particular, the Authorities will consult in the event of:
- a) a significant change in market or business conditions or in legislation where such change is relevant to the operation of this MOU;
  - b) a demonstrated change in the willingness or ability of an Authority to meet the provisions of this MOU; and
  - c) any other circumstance that makes it necessary or appropriate to consult, amend or extend this MOU in order to achieve its purposes.
- 11.2 The Authorities will consult with one another in matters relating to specific requests made pursuant to this MOU (e.g., where a request may be denied, or if it appears that responding to a request will involve a substantial cost).
- 11.3 The Authorities will define the terms herein in accordance with the relevant laws of the jurisdiction of the Requesting Authority unless such definition would require the Requested Authority to exceed its legal authority or otherwise be prohibited by the laws applicable in the jurisdiction of the Requested Authority. In such cases, the Authorities will consult each other.

## **12.0 Entry into Force**

- 12.1 This MOU comes into operation on the date of its signing by the duly authorised representatives of the Authorities. Where the Authorities do not sign on the same date, the MOU becomes operational on the date of the last Authority to sign it.

## **13.0 Duration, Termination**

- 13.1 This MOU shall remain in force, unless terminated by either Authority by giving three months written notice in advance to the other Authority of its intention to terminate this MoU.

- 13.2 In the event that an Authority decides to terminate this MOU, co-operation and assistance in accordance with this MOU will continue until the expiration of three months after that Authority gives written notice to the other Authority of its intention to discontinue cooperation and assistance hereunder.
- 13.3 In the event of the termination of the MOU, information obtained under this MOU will continue to be treated confidentially in the manner prescribed under Article 8.0.

#### **14.0 Representatives for the Authorities**

- 14.1 All communications between the Authorities should be between the principal points of contact identified below:

For MSC:

Mr. David Cheop, Q.C.  
Chief Executive Officer and Chairperson  
The Manitoba Securities Commission  
500-400 St. Mary Ave.  
Winnipeg, Manitoba  
Canada R3C 4K5  
  
Telephone: (204) 945-2551  
Fax No.: (204) 945-0330  
Email: david.cheop@gov.mb.ca

For SEBI:

Mr. S. V. Muralidhar Rao  
Executive Director  
Office of International Affairs  
Securities and Exchange Board of India  
'SEBI Bhavan', Plot C4-A, 'G' Block,  
BandraKurlaComplex,  
Bandra (East)  
Mumbai 400 051  
India  
  
Telephone: +91 22 26449992  
Fax No.: +91 22 26449013  
Email: [ويا@sebi.gov.in](mailto:ويا@sebi.gov.in)

14.2 An Authority will notify the other Authority if its respective information in Article 14.1 changes.

### 15.0 Amendment

15.1 This MOU may be amended at any time by mutual written consent of the Authorities. Any such amendments will come into effect on the date determined by the Authorities.

This MOU is done in three originals, each in English and Hindi languages, both texts being equally authentic. In case of divergence in interpretation, the English text shall prevail.

Agreed to by each of the Authorities on the dates indicated below:



\_\_\_\_\_  
David Cheop  
Chief Executive Officer and Chairperson  
The Manitoba Securities Commission

Date: April 14, 2022

Place: Winnipeg, Manitoba, Canada

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Madhabi Puri Buch  
Chairperson  
Securities and Exchange Board of India

Date: 20/04/22

Place: MUMBAI, India.

## **SCHEDULE "A"**

### **The Manitoba Securities Commission - Acts**

1. *The Securities Act*, C.C.S.M. c. S50
2. *The Commodity Futures Act*, C.C.S.M. c. C152

### **Securities and Exchange Board of India - Acts**

1. The Securities and Exchange Board of India Act, 1992
2. The Securities Contracts (Regulation) Act, 1956
3. The Depositories Act, 1996
4. The Companies Act, 2013 (Select Provisions)