

SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING

This SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING ("MOU") by and between the COMMODITY FUTURES TRADING COMMISSION ("CFTC") and the *COMMISSIONE NAZIONALE PER LE SOCIETÀ E LA BORSA* ("Consob"), complements and supplements the Memorandum of Understanding Between the Commodity Futures Trading Commission and the *Commissione Nazionale per le Società e la Borsa* on Consultation and Mutual Assistance for the Exchange of Information dated 22 June 1995 (the "1995 MOU"), as follows:

RECITALS:

WHEREAS, the CFTC is an independent regulatory agency established pursuant to the United States Commodity Exchange Act, 7 USC § 1, *et seq.* ("USCEA") with jurisdiction over commodity futures and options markets and certain financial service providers in the United States;

WHEREAS, the Consob is an independent agency, instituted in 1974, entrusted by Italian law with competence over both cash and derivatives markets and the provision of investment services in general;

WHEREAS, regulated markets established in the jurisdiction of one Authority (hereinafter defined) may admit members or permit access by firms which are established in the jurisdiction of the other Authority subject to the laws and regulations and any recognition order or no-action relief applicable to the relevant markets, and such cross-border access is conditional upon the Authorities being able to share information and assist and cooperate with one another adequately to carry out their regulatory, supervisory and/or oversight responsibilities;

WHEREAS, a market regulated in the jurisdiction of one Authority that is recognized by the other Authority may provide within both jurisdictions, the facilities necessary for market participants in the jurisdiction of the other Authority to trade on such regulated market via remote membership;

WHEREAS, the CFTC and Consob recognize their mutual interest in developing a framework for information sharing, assistance and cooperation in the performance of their respective regulatory, supervisory and oversight responsibilities with respect to authorized or registered firms or persons that are remote members of and/or have access to regulated markets in their respective jurisdictions;



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WHEREAS, admission to membership of a regulated market (and continued membership thereof) is subject to compliance with the rules of the market relating to its constitution and administration and with the laws, rules, regulations, and procedures relating to (i) transactions on the market (which include transparency and reporting requirements), (ii) the professional standards applicable to persons operating or participating in the market, and (iii) clearing and settlement;

WHEREAS, a recognized market has the power to condition admission to membership or access (and continued membership or access) to the market upon the applicant submitting itself to its investigative powers relating to compliance with market regulations concerning the adequacy of the technological system to be used by the applicant for trading and related activities and the compatibility of the applicant's system with the technological system of the recognized market;

WHEREAS, each Authority intends to admit, or not to take action with respect to a regulated market's decision to admit, as a remote member a firm or person authorized by or registered with the other Authority, and in good standing with the other Authority, provided that information required to be shared with respect to a proposed remote member does not include facts that would otherwise prohibit admission of such proposed remote member as a member of that market, and further provided that additional registration, licensing, or authorization requirements may be applicable if the remote member intends to accept orders from customers located in the jurisdiction of the admitting Authority;

UNDERSTANDINGS:

ACCORDINGLY, the CFTC and the Consob have reached the following understandings regarding their respective intentions to share information, to provide assistance, and to cooperate with one another, as follows:

1. Definitions. The following terms will have the respective meanings set out below:

"Authority" or "Authorities" means the CFTC and/or the Consob, individually or collectively, as the context requires.

"Italian Authorized Firms" means legal persons which are established in Italy and are authorized by the Consob to provide investment services in Italy under Italian Legislative Decree 58/1998 or credit institutions which are established in Italy and are authorized to provide investment services by the Bank of Italy.

"Italian Regulated Markets" means all derivatives markets which are authorized in Italy as regulated markets, and regulated by laws, rules, and regulations which are in conformity with European Community law and sufficient to ensure the transparency of the markets, the orderly conduct of trading, and the protection of investors.

"Laws" means the laws, rules, regulations, and the terms of any recognition order or no-action position which govern or are applicable to Regulated and/or Recognized Markets and to the members, including Remote Members, of the Regulated and/or Recognized Markets that are subject to the jurisdiction of each of the Authorities, respectively.

"NFA" means the National Futures Association, a registered futures association with self-regulatory responsibilities, as well as certain authority delegated to it by the CFTC, under the USCEA.

"Principal" means persons for whom the respective Authority maintains fitness information. With respect to the intentions of the CFTC, the term "principal" means "principal" as defined in CFTC Rule 3.1 (a), 17 CFR § 3.1(a), as amended or superseded from time to time. With respect to the intentions of the Consob, the term "principal" means a person performing administrative, managerial or control functions in an investment firm (including a bank engaged in investment business) as defined in the Decree of the Minister of the Treasury No. 468 of November 11, 1998, or in the Decree of the Minister of the Treasury No. 144 of March 18, 1998, respectively, as amended or superseded from time to time.

"Recognized Market" or "Recognized Markets" means Recognized Italian Markets and/or Recognized US Markets, individually or collectively, as the context requires.

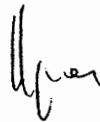
"Recognized Italian Market" means any Italian Regulated Market which, consistent with permission from Consob, has placed and/or is operating, directly or indirectly, technological facilities within the United States through which US Registrants or other market participants established or domiciled in the United States can obtain access to the Italian Regulated Market in compliance with applicable United States Laws or pursuant to no-action relief issued by the CFTC.

"Recognized US Market" means any US Regulated Market which has been authorized by the Consob to grant remote membership in, or remote access to, Italian Authorized Firms through technological facilities located within Italy.

"Remote Italian Member" means a US Registrant which is admitted as a member of or has access to a Recognized Italian Market from a location in the United States.

"Remote Member" means a natural or legal person that is domiciled or established in the jurisdiction of one Authority which is a member of or has access to a Regulated Market located in the jurisdiction of the other Authority.

"Remote US Member" means an Italian Authorized Firm which is admitted as a member of, or has access to, a Recognized US Market from a location in Italy.



"Regulated Market" or "Regulated Markets" means Italian Regulated Markets and/or US Regulated Markets, individually or collectively, as the context requires.

"Requested Authority" means the Authority to whom a request for information or assistance is directed.

"Requesting Authority" means the Authority requesting information or assistance.

"US Registrant" means a natural or legal person, or a Principal thereof, who is registered or otherwise subject to a fitness/propriety review under the USCEA, including, among others, futures commission merchants who solicit or accept orders for futures and options transactions and who are subject to minimum financial requirements.

"US Regulated Market" means a derivatives market designated as a contract market or other United States derivatives market which is subject to oversight by the CFTC under the USCEA and applicable regulations, as amended or superseded from time to time.

2. General Principles.

2.1. Scope of MOU. This MOU is intended to be applicable with respect to all Regulated Markets recognized from time to time by the respective Authorities and to all Remote Members of any such Regulated Markets subject to the jurisdiction of the Authorities.

2.2. Other Powers. The Authorities have various powers to obtain information in the exercise of their regulatory, supervisory and oversight functions other than pursuant to this MOU. Nothing in this MOU is intended to affect the exercise of such powers or the operation of any other arrangement relevant to the sharing of information between the Authorities, unless otherwise stated herein.

2.3. No Third Party Beneficiaries. The provisions of this MOU are not intended to give rise to a right on the part of any third party, directly or indirectly, to obtain, suppress or exclude any information that is the subject of this MOU or to challenge the execution of a request for information or assistance under this MOU.

2.4. Reciprocity. Information sharing, cooperation and assistance between the Authorities pursuant to this MOU are intended to be effectuated on a reciprocal basis.

2.5. Consistency With Laws. Information sharing, cooperation and assistance between the Authorities pursuant to this MOU are intended to be effectuated consistent with the Laws and the provisions on confidentiality and use of information contained herein and in the 1995 MOU, consistent with the powers granted pursuant to the Laws.

2.6. Adequacy of Laws. Each Authority understands that the Laws of the other Authority governing markets and intermediaries are intended to provide an adequate level of protection of investors and provide for an appropriate degree of information, supervision, and oversight. The CFTC and Consob intend to exchange or to facilitate the exchange of information made a condition of a CFTC rule or staff no-action letter for a Regulated Italian Market relating to placement of technological facilities of a Recognized Italian Market in the United States or a Consob decision recognizing a US Regulated Market as a Recognized US Market.

3. Responsibilities of the Consob.

3.1. Consob Authority. The Consob exercises authority over the Italian Regulated Markets and their respective members.

3.2. Lists of Remote Members. The Consob intends to keep, or cause each Recognized US Market to keep, a list of the Italian Authorized Firms that are Remote US Members of such Recognized US Market. The Consob intends to furnish, or cause the Recognized US Market to furnish, a copy of such list to the CFTC upon request. By order of the Consob, the Recognized US Market will be required to inform forthwith the Consob upon receipt of any application for membership by an Italian Authorized Firm. Upon request from the CFTC, the Consob will confirm the list of US Registrants which are Remote Italian Members.

3.3. Fitness/Propriety of Italian Authorized Firms that are Remote US Members. The Consob intends with respect to Italian Authorized Firms who are or apply to become Remote US Members of Recognized US Markets to use its best efforts to provide, or to cooperate with other Italian public authorities to provide, to the CFTC objective information which, in the judgment of the Consob, adversely affects the fitness or propriety to conduct investment business or the financial capacity of the Remote US Member, or the fitness and propriety of its chief executive officer or executive directors and any other Principal of the Remote US Member, including:

3.3.1. Initially, upon request by the CFTC or, subject to Section 6.3, to confirm information to a Recognized US Market, with respect to an application by an Italian Authorized Firm for membership in or access rights to a Recognized US Market, the following information:

a. the names of all Principals;

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- b. a statement by the Consob regarding the authorization status of the Italian Authorized Firm and material adverse information in the possession of Consob regarding the Italian Authorized Firm and each of its Principals, such as information on past convictions under Italian laws, and judicial or administrative findings of Italian administrative courts which may affect the propriety of these persons;
- c. the appointment of an administrator for administrative liquidation for any applicant within the last 10 years;
- d. the amount of regulatory capital of the applicant as of the application date; and
- e. any other objective information in the possession of Consob materially adversely affecting the ability of the proposed Remote US Member to perform its functions honestly or fairly.

3.3.2. On an on-going basis and in a timely manner, any information or adverse records on Italian Authorized Firms that are Remote US Members of Recognized US Markets, such as:

- a. material adverse actions taken by the Consob, an Italian Regulated Market or the clearing organization for an Italian Regulated Market, such as actions commenced regarding suspected manipulative or abusive activities engaged in by such Remote US Member in relation to trading on an Italian Regulated Market or a Recognized US Market;
- b. material sanctions assessed or levied by the Consob or an Italian Regulated Market and, to the extent known to the Consob, by any other Italian or other relevant financial regulatory authority, such as sanctions that would revoke, suspend, condition, or limit the authorization or trading rights of the Remote US Member on an Italian Regulated Market;
- c. any additions or deletions of Principals;
- d. any material event or development of which the Consob is aware that has or is likely to have a significant detrimental effect on a Recognized US Market and/or a Remote US Member, such as:
 - (i) the failure of a Remote US Member to meet financial requirements imposed upon the Remote US Member pursuant to Italian Laws or a likely future breach by a Remote US Member of such financial requirements;

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- (ii) the suspension or default of a Remote US Member on any Italian Regulated Market or any other market to which it has access;
 - (iii) serious organizational, financial or operational difficulties at a Remote US Member; or
 - (iv) the appointment of an administrator for administrative liquidation for the Remote US Member; and
- e. any other objective information in the possession of the Consob materially adversely affecting the fitness to conduct investment business of, or the financial capacity of, the Remote US Member.

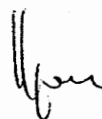
3.3.3. The Authorities intend that the information described in Section 3.3.2 above be provided in an appropriate time frame corresponding to the severity of the conduct or actions of the Remote Member, the materiality of the information to the fitness of the Remote Member to operate on a Recognized Market, and the significance of the conduct or actions to the fulfillment of the responsibilities of the Authorities.

3.3.4. Upon request by the CFTC:

- a. fitness/propriety information with respect to a Remote US Member or its Principals; and
- b. information as to whether a Remote US Member is in compliance with relevant Italian financial and/or operational requirements.

3.4. **Propriety Information on Italian Authorized Firms with Non-Italian Owners.** With respect to information on Italian Authorized Firms owned by non-Italian persons which are or apply to become Remote US Members, the Consob intends to use its best efforts to obtain relevant information as to the propriety of such owners from regulators in other jurisdictions, as appropriate, and to transmit such information to the CFTC.

3.5. **Use of Fitness/Propriety Information.** The CFTC may use the fitness/propriety information provided hereunder regarding an Italian Authorized Firm that is or has applied to be a Remote US Member, among other purposes, to refuse or suspend



access by such Italian Authorized Firm or Remote US Member to US Regulated Markets, subject to applicable United States Laws, and/or may, subject to Section 6.3 of this MOU, transmit such information to a US Regulated Market on which that Italian Authorized Firm trades or to the NFA. Where the Consob has notified the CFTC of material adverse information regarding a Remote US Member, the Consob intends to take further appropriate action to provide assistance to the CFTC to allow the CFTC to take actions necessary to protect both investors and US Regulated Markets.

3.6. Application by US Regulated Markets to Be Recognized in Italy. The Consob intends immediately to inform the CFTC on receipt by Consob of an application by a US Regulated Market to become a Recognized US Market.

3.7. Information Regarding Recognized Italian Markets. The Consob intends promptly to inform the CFTC if it determines that the systems and procedures of any Italian Regulated Market that is a Recognized Italian Market for producing price transparency have failed or are in imminent danger of failing.

3.8. Information Regarding Remote Italian Members. The Consob intends promptly to inform the CFTC regarding any disciplinary actions or access denial decisions regarding Remote Italian Members of Recognized Italian Markets that are taken by Consob or are reported by an Italian Regulated Market to Consob.

4. Responsibilities of the CFTC.

4.1. CFTC Authority. The CFTC exercises certain regulatory, supervisory or oversight authority over US Regulated Markets and US Registrants.

4.2. Lists of Remote Members. The CFTC intends to keep, or cause each Recognized Italian Market to keep, a list of the US Registrants that are Remote Italian Members of such Recognized Italian Market. The CFTC intends to furnish, or cause the Recognized Italian Market to furnish, a copy of such list to the Consob upon request. Upon request from the Consob, the CFTC will confirm the list of Italian Authorized Firms which are Remote US Members.

4.3. Fitness/Propriety of US Registrants that are Remote Italian Members. The CFTC intends with respect to US Registrants who are or who apply to become Remote Italian Members of Recognized Italian Markets to use its best efforts to provide, or to cooperate with other United States public, professional or self-regulatory authorities to provide, to the Consob objective information which, in the judgment of the CFTC, adversely affects the fitness or propriety to conduct investment business of, or the financial capacity of, the Remote Italian Member, or the fitness and propriety of its

chief executive officer and executive directors or any other Principal of the Remote Italian Member, including:

4.3.1. Initially, upon request by Consob or, subject to Section 6.3, to confirm information to a Recognized Italian Market, with respect to an application by a US Registrant for membership in or access to a Recognized Italian Market, the following information:

- a. the names of all Principals;
- b. a statement by the CFTC of the registration status of the US Registrant, and material adverse information in the possession of the CFTC regarding the US Registrant and each of its Principals, such as complaints, administrative proceedings, or other actions or sanctions in effect, received or initiated or taken by the CFTC or the NFA;
- c. the commencement of a bankruptcy or insolvency proceeding with respect to any Principal within the last 10 years;
- d. with respect to introducing brokers and futures commission merchants, the amount of regulatory capital of the applicant as of the most recent date such information was filed with the CFTC; and
- e. any other objective information in the possession of the CFTC materially adversely affecting the ability of the proposed Remote Italian Member to perform its functions honestly or fairly.

4.3.2. On an on-going basis and in a timely manner, any information or adverse records on US Registrants that are Remote Italian Members of Recognized Italian Markets, such as:

- a. material adverse actions taken by, the CFTC, NFA, a US Regulated Market, or a clearing organization for a US Regulated Market against a Remote Italian Member, such as: (i) the filing of a complaint by the CFTC against a Remote Italian Member alleging suspected manipulative or abusive activities engaged in by such Remote Italian Member in relation to trading on a US Regulated Market or a Recognized Italian Market, or (ii) an action by NFA, or an action by a US Regulated Market or a clearing organization for a US Regulated Market which is reported to NFA, commenced against such Remote Italian Member in relation to trading on a US Regulated Market or a Recognized Italian Market which could lead to

the revocation, suspension, conditioning or limitation of the trading rights of the Remote Italian Member on a US Regulated Market;

- b. material sanctions assessed or levied by the CFTC, the NFA, or a US Regulated Market, and, to the extent known to the CFTC, by any other United States or other relevant financial regulatory authority, such as sanctions that would revoke, suspend, condition, or limit the registration status or trading rights of the Remote Italian Member on a US Regulated Market;
- c. any additions or deletions of Principals;
- d. any material event or development of which the CFTC is aware that has or is likely to have a significant detrimental effect on a Recognized Italian Market and/or a Remote Italian Member, such as, in the case of a futures commission merchant:
 - (i) the receipt by the CFTC of a CFTC Rule 1.12 (early warning) notice as to capital, segregation or inadequacies in internal controls filed by the Remote Italian Member with its designated United States self-regulatory organization and the CFTC, with respect to a deficiency in its required adjusted net capital, where the inadequacy identified in such notice is not promptly corrected by the US Registrant,
 - (ii) information regarding any suspension of a Remote Italian Member from carrying customer positions or its suspension or default on a US Regulated Market or any other market subject to CFTC oversight, or
 - (iii) the entry of an Order for Relief in a proceeding in bankruptcy with respect to a Remote Italian Member or any of its Principals; and
- e. any other objective information in the possession of the CFTC materially adversely affecting the fitness to conduct investment business of, or the financial capacity of, the Remote Italian Member.

4.3.3. The Authorities intend that the information described in Section 4.3.2 above be provided in an appropriate time frame corresponding to the severity of the conduct or actions of the Remote Member, the materiality of the information to the fitness of the Remote Member to operate on a Recognized Market, and the significance of the conduct or actions to the fulfillment of the responsibilities of the Authorities.

4.3.4. Upon request by the Consob:

- a. fitness/propriety information with respect to a Remote Italian Member or its Principals or employees; and
- b. information as to whether a Remote Italian Member is in compliance with relevant United States capital and/or operational requirements.

4.4. Fitness Information on US Registrants with Non-US Owners. With respect to information on US Registrants owned by non-United States persons which are or apply to become Remote Italian Members, the CFTC intends to use its best efforts to obtain relevant fitness/propriety information from regulators in other jurisdictions, as appropriate, and to transmit such information to Consob.

4.5. Use of Fitness/Propriety Information. The Consob may use fitness/propriety information provided hereunder regarding a US Registrant that is or has applied to be a Remote Italian Member to refuse or suspend access by such US Registrant or Remote Italian Member to Italian Regulated Markets and/or Recognized Italian Markets, subject to applicable Italian law, and/or may, subject to Section 6.3 of this MOU, transmit such information to an Italian Regulated Market and/or Recognized Italian Markets on which the US Registrant trades. Where the CFTC has notified the Consob of material adverse information regarding a Remote Italian Member, the CFTC intends to take further appropriate action to provide assistance to the Consob to allow the Consob to take actions necessary to protect both investors and the Italian Regulated Markets.

4.6. Delegation of Functions. Subject to the consent of the Consob, the CFTC may delegate the performance of certain of its intentions under this MOU to the NFA or another United States self-regulatory organization.

4.7. Application by Italian Regulated Markets to Be Recognized in the United States. The CFTC intends immediately to inform the Consob on receipt by the CFTC of an application by an Italian Regulated Market to become a Recognized Italian Market.

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4.8. Information Regarding Recognized US Markets. The CFTC intends promptly to inform the Consob if it determines that the systems and procedures of any US Regulated Market that is a Recognized US Market for producing price transparency have failed or are in imminent danger of failing.

4.9. Information Regarding Remote US Members. The CFTC intends promptly to inform the Consob regarding any disciplinary actions or access denial decisions regarding Remote US Members of Recognized US Markets that are taken by the CFTC or are reported by a US Regulated Market to the NFA under Part 9 of the CFTC Rules pursuant to a CFTC delegation order.

5. Other Assistance.

5.1. Assistance in Obtaining Information. The Authorities intend to provide each other, upon request and consistent with the Laws, assistance in obtaining information and/or documents (or copies thereof) located or available in their respective jurisdictions concerning the business activities of Remote Members related to their activities on Regulated Markets. Such assistance may include, subject to the discretion of the Requested Authority:

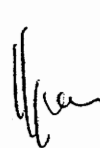
5.1.1. cooperation and consultation in the review, interpretation, and analysis of books and records; and

5.1.2. to the extent authorized by the Laws, the taking of statements to obtain information. Any statements taken pursuant to this MOU are intended to be taken in accordance with the Laws of the country of the Requested Authority.

5.2. On-Site Inspections.

5.2.1. Each Authority may take steps to carry out inspections on behalf of the other Authority upon request, subject to the discretion of the Requested Authority and subject to any limitations under applicable Laws.

5.2.2. In the event the Requested Authority conducts an on-site inspection in the offices of a Remote Member in the Requested Authority's jurisdiction, the Requested Authority, subject to any limitations under applicable Laws, may permit the Requesting Authority to accompany the Requested Authority on such on-site inspection as an observer on a case by case basis with respect to an issue which may affect the responsibility of the Requesting Authority with respect to the operations or status of the Recognized Market in its jurisdiction.

6. Use and Confidentiality of Information.

- 6.1. Limitations on Use.** Information received under this MOU is intended to be used solely for carrying out the respective regulatory, supervisory or oversight responsibilities, which include enforcement responsibilities, of the Authorities. Such information is not intended to be used contrary to conditions relating to the use of that information imposed by the Requested Authority to give effect to Laws in force in the Requested Authority's jurisdiction or the 1995 MOU.
- 6.2. Confidentiality.** Any information or written materials obtained or viewed pursuant to the provisions of this MOU will be subject to the Laws and the confidentiality provisions of the 1995 MOU. The Laws of each Authority regarding the use and confidentiality of information shared pursuant to this MOU are set out in Appendix "A."
- 6.3. Dissemination of Information.** Information provided by one Authority to the other may be further provided, with the consent of the Requested Authority, to the Regulated Markets and/or Recognized Markets of which the Remote Member is a member or to another self-regulatory organization. In such a case, each of the Authorities respectively intends, to the extent that it is within its power, to assure that all such persons with access to such information have consented to be bound by, and comply with, confidentiality standards at least equal to those set out in the 1995 MOU. In the event information shared under the MOU is passed by an Authority to one of its Regulated Markets and/or self-regulatory organizations, each of the Authorities, respectively, further confirms that, in the event of a breach or a threatened breach by such Regulated Market and/or self-regulatory organizations or any of its directors, officers, members, or employees of its or their obligations or undertakings regarding the confidentiality or use of information received pursuant to this MOU, the Authority intends to take such action as may be appropriate to cause such obligations or undertakings to be effected or otherwise to remedy or sanction such breach consistent with its powers. The Consob further consents to the provision by the CFTC of information exchanged with the Consob under the MOU to any US Regulated Market that has delivered to the CFTC undertakings in the form set out as Appendix "B" and to the NFA which has delivered similar undertakings to the CFTC.
- 7. Effect of Termination.** The termination of this MOU does not affect either the intentions of the Authorities or the obligations of all other parties receiving information provided or exchanged pursuant to this MOU to maintain the confidentiality of such information.
- 8. Direct Requests for Information.** Without prejudice to the provisions of this MOU or any other information sharing arrangement between the Authorities or an Authority and another financial regulatory authority in the jurisdiction of the other Authority, nothing herein is intended (i) to prevent the Consob and the CFTC, respectively, from requesting information regarding a transaction consummated on one of its Regulated Markets directly from any Remote Member of that market, wherever such Remote Member may be located, including information aimed at identifying the beneficial owner of any transactions

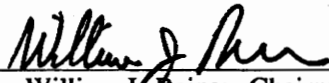
consummated through such Remote Member on the Regulated Market or (ii) to extinguish any direct reporting obligation of such Remote Member.

9. Consultation. The Authorities intend to consult periodically on the operation of this MOU in order to determine whether any adjustments to this arrangement are necessary.

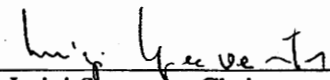
10. Contact Persons. The contact persons of each Authority regarding the exchange of information and assistance under this MOU are set forth in Appendix "C."

Executed and effective this 11th day of September, 2000 in Rome.

COMMODITY FUTURES TRADING COMMISSION

By: 
William J. Rainer, Chairman

COMMISSIONE NAZIONALE PER LE SOCIETÀ E LA BORSA

By: 
Luigi Spaventa, Chairman

APPENDIX "A"

The Consob and CFTC have advised each other of the relevant laws concerning the confidentiality of information, in particular:

Italian Laws

Article 4(3) of Legislative Decree 58/1998 ("TUF") (ability of Consob to share non-public information with a foreign authority);

Article 4(4) TUF (protection from compelled disclosure for confidential information received from foreign authorities); and

Article 4(12) TUF (imposing professional secrecy on Consob employees with regard to non-public information).

US Laws

Section 8(e) of the Commodity Exchange Act, 7 U.S.C. Section 12(e) (ability of the CFTC to share non-public information with a foreign futures authority);

Section 8(a)(1) of the CEA, 7 U.S.C. Section 12(a)(1) (protection from compelled disclosure for confidential information received from foreign futures authorities);

Section 8a (6) of the CEA, 7 U.S.C. Section 12a (6) (regarding the confidentiality obligations imposed on a contract market or self-regulatory organization which receives information from the CFTC);

Section 12 (f) of the CEA, 7 U.S.C. Section 16 (f) (regarding investigative assistance to foreign futures authorities);

CFTC Rule 1.59 (17 CFR § 1.59) (requirements regarding exchange rules and/or rules of other self-regulatory organizations to maintain the confidentiality of information available to U.S. regulated markets or other self-regulatory organizations);

CFTC Rule 140.72 (17 CFR § 140.72) (delegation to specified CFTC employees of authority to disclose confidential information to a contract market, registered futures association or self-regulatory organization); and

Sections 9(c) and 9 (d) of the Commodity Exchange Act (making it a criminal violation for CFTC officials or employees to trade contracts regulated by the Commission or to misuse or improperly disclose non-public information).

APPENDIX "B"

[EXCHANGE LETTERHEAD]

[] 2000

William J. Rainer
Chairman
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, NW
Washington, DC 20581

Dear Mr. Rainer:

This letter is to support the recognition of the [] Exchange ("[Exchange]") by the Italian *Commissione Nazionale per le Società e la Borsa* ("Consob") and to support the passing of information by the CFTC to the [Exchange] of information the CFTC has obtained from the Consob.

Background

The [Exchange], a regulated futures market in the United States designated by the Commodity Futures Trading Commission ("CFTC") under the Commodity Exchange Act ("CEA"), has applied to the Consob for recognition as a recognized market in Italy.

The [Exchange] understands that (i) pursuant to Italian law, under specified circumstances, Consob may disclose to the CFTC for further transmittal to the [Exchange] fitness information regarding (a) Italian authorized firms that apply to become remote members of the [Exchange] ("Applicants") and/or (b) Italian authorized firms that have become remote members of the [Exchange] ("Remote Members"), and (ii) the CFTC and Consob intend to create a conduit arrangement pursuant to which the CFTC can furnish to the [Exchange] information regarding such Applicants and Remote Members.

[Exchange]' Undertakings

[Exchange] undertakes, in support of its recognition by the Italian Consob and to facilitate the forwarding to the [Exchange] of fitness information obtained by the CFTC from Consob:

(i) to maintain the confidentiality of the information obtained by the CFTC from Consob and furnished by the CFTC to the [Exchange];

(ii) to use such information only for the purposes of assessing the initial and on-going fitness of the Applicants and Remote Members and of fulfilling its self-regulatory responsibilities under the CEA, the regulations promulgated thereunder, and its own internal rules;

(iii) to limit distribution of such information to directors, officers, members, and employees that are directly responsible for assessing the fitness of members of [Exchange] and for the fulfillment of its self-regulatory responsibilities and to refrain from the further transmittal of such information to another exchange, self-regulatory organization, or third party (even if otherwise permitted to do so by the CEA, the regulations promulgated thereunder, or its internal rules), unless the transmittal of such information is specifically approved in writing by Consob; and

(iv) in the event [Exchange] learns of a breach or threatened breach of its confidentiality or use obligations or undertakings, to take appropriate action to redress or otherwise remedy such breach, to sanction appropriately any such breach, and/or to refer such matter as relevant to the CFTC for appropriate action.

[Exchange]' Acknowledgements

[Exchange] further acknowledges that:

(i) its undertakings regarding the confidentiality and use of information set out above and the fulfillment of its obligations under the CEA, the regulations promulgated thereunder, and its internal rules regarding the confidentiality of information are subject to oversight by the CFTC; and

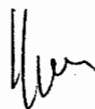
(ii) in the event of a breach or a threatened breach of its confidentiality or use obligations or undertakings by the [Exchange] or any of its directors, officers, members, or employees, the CFTC intends to take such action as may be appropriate to cause such obligations or undertakings to be effected or otherwise to remedy or sanction such breach.

Procedure

To implement the information sharing arrangements between the CFTC and Consob, information received from Consob by the CFTC should be routed and directed to me (or my designee as [Exchange]' General Counsel) to assure that the distribution of the information obtained is restricted to the directors, officers, members, and employees of the exchange as specified above.

Very truly yours,

[General Counsel or other authorized officer]



APPENDIX "C"

CONTACT PERSONS

Consob

The following person(s) at the Consob should be contacted for information under this MOU:

Director, International Relations Office

CFTC

The following person(s) at the CFTC should be contacted for information under this MOU:

Director, Office of International Affairs; or

Director, Division of Enforcement