

**B.1.3 Notice of Memorandum of Understanding Concerning Cooperation and the Exchange of Information Related to the Supervision and Oversight of Covered Entities Operating as Central Securities Depositories and/or Securities Settlement Systems in Ontario and Belgium**

**NOTICE OF MEMORANDUM OF UNDERSTANDING  
CONCERNING COOPERATION AND THE EXCHANGE OF INFORMATION  
RELATED TO THE SUPERVISION AND OVERSIGHT OF COVERED ENTITIES  
OPERATING AS CENTRAL SECURITIES DEPOSITORIES AND/OR SECURITIES  
SETTLEMENT SYSTEMS IN ONTARIO AND BELGIUM**

**November 28, 2024**

The Ontario Securities Commission (**OSC**) has entered into a Memorandum of Understanding (**MOU**) with the National Bank of Belgium (**NBB**) regarding cooperation and the exchange of information in the supervision and oversight of entities operating as central securities depositories and/or securities settlement systems in Ontario and Belgium. The MOU came into effect on November 19, 2024.

**Contact Information**

Questions may be referred to:

Matthew Andreacchi  
Accountant  
Trading & Markets  
416-204-8977  
[mandreacchi@osc.gov.on.ca](mailto:mandreacchi@osc.gov.on.ca)

Emily Sutlic  
Senior Legal Counsel  
Trading & Markets  
416-593-2362  
[esutlic@osc.gov.on.ca](mailto:esutlic@osc.gov.on.ca)

**MEMORANDUM OF UNDERSTANDING  
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In view of the growing globalization of the world's financial markets and the increase in cross-border operations and activities of regulated entities, the National Bank of Belgium and the Ontario Securities Commission (collectively, the "**Authorities**") have reached this Memorandum of Understanding ("**MOU**") regarding cooperation and the exchange of information in the supervision and oversight of Covered Entities (as defined below) that operate on a cross-border basis in both Belgium and Ontario, Canada. The Authorities express, through this MOU, their willingness to cooperate with each other in the interest of fulfilling their respective regulatory mandates with respect to entities operating as central securities depositories (**CSD**) and/or securities settlement systems (**SSS**).

**ARTICLE ONE: DEFINITIONS**

For purposes of this MOU:

1. "**Authority**" means:
  - a. In Belgium, the National Bank of Belgium ("**NBB**");
  - b. In Canada, the Ontario Securities Commission ("**OSC**"), or any other Canadian securities regulatory authority or Canadian derivatives authority that has become a party to the MOU in the manner set out in Article Eight (individually, a "**Canadian Authority**", or collectively, the "**Canadian Authorities**").
2. "**Requesting Authority**" means an Authority making a request under this MOU.
3. "**Requested Authority**" means:
  - a. Where the Requesting Authority is the NBB, the Canadian Authority to which a request is made under this MOU; or
  - b. Where the Requesting Authority is a Canadian Authority, the NBB.
4. "**Laws and Regulations**" means:
  - a. For the OSC, the *Securities Commission Act, 2021* (Ontario) and related rules and regulations ("**SCA**") and successor legislation; the *Securities Act* (Ontario) and related rules and regulations ("**OSA**") and successor legislation; the *Commodity Futures Act* (Ontario) and related rules and regulations ("**CFA**") and successor legislation; and other relevant requirements in Canada and Ontario;
  - b. For the NBB, the Act of 22 February 1998 establishing the Organic Statute of the National Bank of Belgium, Regulation (EU) N° 909/2014 of the European Parliament and of the Council dated 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/CE and 2014/65/EU, as amended from time to time; and their respective implementing regulations;
5. "**Person**" means a natural person, unincorporated association, partnership, trust, investment company, or corporation, and may be a Covered Entity.
6. "**Covered Entity**" means a Person in either Ontario, Canada, or in any other Canadian jurisdiction or Belgium that satisfies both of the following criteria:
  - a. Operating as a CSD and/or SSS that is, or that has applied to be, recognized or exempted from the requirement to be recognized as a clearing agency under the Laws and Regulations in Ontario, Canada, or in the jurisdiction of any other Canadian Authority; and
  - b. Operating as a CSD and/or SSS that is, or that has applied to be, authorized as a CSD and/or SSS under the Laws and Regulations in Belgium.
7. "**Participant**" means a Person who is a member of a CSD and/or SSS.
8. "**Books and Records**" means documents, electronic media, and books and records within the possession, custody, and control of, and other Relevant Information about, a Covered Entity or the Covered Entity's services.

9. **“Emergency Situation”** means the occurrence of an event that could materially impair the financial or operational condition of a Covered Entity affecting financial stability in at least one of the Authorities’ respective jurisdictions.
10. **“On-Site Visit”** means any regulatory visit as described in Article Five to the premises of a Covered Entity for the purposes of ongoing supervision and oversight including the inspection of Books and Records.
11. **“Local Authority”** means the Authority in whose jurisdiction a Covered Entity that is the subject of an On-Site Visit is physically located.
12. **“Relevant Information”** means any information provided by an Authority that is necessary for the exercise of the other Authority’s supervisory/oversight tasks or responsibilities according to applicable Laws and Regulations.
13. **“Visiting Authority”** means the Authority conducting an On-Site Visit.
14. **“PFMIs”** means the Principles for Financial Market Infrastructures published by the Committee on Payments and Market Infrastructures and the Technical Committee of the International Organization of Securities Commissions (“IOSCO”), as amended from time to time.

**ARTICLE TWO: GENERAL PROVISIONS**

15. This MOU is a statement of intent to cooperate and exchange Relevant Information in connection with the supervision and oversight of Covered Entities. The cooperation and information sharing arrangements under this MOU should be interpreted and implemented in a manner that is permitted by, and consistent with, the legal requirements applicable to each Authority. With respect to cooperation pursuant to this MOU, at the date this arrangement is executed, each Authority believes that no domestic secrecy or blocking laws or regulations should prevent it from providing assistance to any other Authority. The Authorities may deny a request for assistance where the request would require an Authority to act in a manner that would violate applicable legislation. The Authorities agree that cooperation primarily will be achieved through ongoing information exchanges, supplemented as needed by more formal cooperation, including through mutual assistance in obtaining information related to Covered Entities. As a general rule, the intent is to facilitate timely and effective exchange of Relevant Information on the activities and services performed by the Covered Entities, taking into account that each Authority will give due and full consideration to the exercise of the supervisory and oversight tasks performed by the other Authority(ies), and therefore will, to the extent possible, rely on the assessments, conclusions and decisions made by the other Authority(ies). The provisions of this MOU are intended to support both information exchanges and formal cooperation, as well as to facilitate the written exchange of non-public information in accordance with applicable Laws and Regulations.
16. This MOU does not create any legally binding obligations, confer any rights, or modify or supersede domestic laws, or regulations. This MOU does not confer upon any Person 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.
17. This MOU is not intended to limit or condition the discretion of an Authority in any way in the discharge of its regulatory responsibilities or to prejudice the individual responsibilities or autonomy of any Authority. This MOU does not limit an Authority to taking solely those measures described herein in fulfillment of its supervisory functions. In particular, this MOU does not affect any right of any Authority to communicate with, conduct an On-Site Visit of (subject to the procedures described in Article Five), or obtain information or documents from any Covered Entity subject to its jurisdiction that is physically located in the jurisdiction of another Authority.
18. This MOU is intended to complement but does not alter, except where explicitly noted, the terms and conditions of any other existing arrangements concerning cooperation between the Authorities.
19. To facilitate cooperation under this MOU, the Authorities hereby designate contact persons as set forth in Appendix A, which may be amended from time to time by an Authority transmitting revised contact information to the other Authorities.
20. This MOU is a bilateral arrangement between each Canadian Authority and the NBB and should not be considered a bilateral agreement between any Canadian Authority.

## ARTICLE THREE: SCOPE OF SUPERVISORY COOPERATION AND EXCHANGE OF INFORMATION

### General

21. The Authorities recognize the importance of close communication concerning their supervision and oversight of Covered Entities and intend to inform regularly, as appropriate, regarding:
  - a. General supervisory material issues, including regulatory, oversight, or other related developments;
  - b. Material issues relevant to the operations, activities, and regulation of Covered Entities; and
  - c. Any other areas of mutual supervisory interest.
22. The Authorities recognize, in particular, the importance of close cooperation in the event that a Covered Entity experiences, or is threatened by, a potential financial crisis or other Emergency Situation. An Authority should provide notification to the other Authorities consistent with Paragraphs 24 and 30 below and should keep the other Authorities informed throughout the Emergency Situation.
23. Exchange of Relevant Information will be most useful in, but is not limited to, the following circumstances where issues of common regulatory concern may arise:
  - a. The initial application with the NBB or a Canadian Authority for authorization, licensure, designation, recognition, qualification, registration, or exemption therefrom, by a Covered Entity that is authorized, licensed, designated, recognized, qualified, registered, or exempted by an Authority in the other jurisdiction;
  - b. The ongoing supervision and oversight of a Covered Entity including, for example, compliance with applicable statutory and regulatory requirements in either jurisdiction or with international standards, including the PFMI; and
  - c. Regulatory or supervisory actions or approvals taken in relation to a Covered Entity by the NBB or a Canadian Authority that may impact the operations of the entity in the jurisdiction of the other Authority.

### Event-Triggered Notification

24. As appropriate in the particular circumstances, the NBB or the relevant Canadian Authority will endeavor to inform, respectively, the relevant Canadian Authority (or Authorities) or the NBB promptly, and where practicable in advance, of:
  - a. Pending regulatory and/or legislative changes that may have a significant impact on the operations, activities, or reputation of a Covered Entity, including those that may affect the rules or procedures of a Covered Entity;
  - b. Any material event of which the Authority is aware that could adversely impact the financial or operational stability of a Covered Entity including such events as a default of a Participant; market difficulties that might adversely impact the Covered Entity; failure by a Covered Entity to satisfy any of its requirements for continued registration, authorization, licensure, designation, qualification or recognition or exemption therefrom, where that failure could have a material adverse effect in the other jurisdiction; and any known adverse material change in the ownership, operating environment, operations, financial resources, management, or systems and controls of a Covered Entity, including such as material cyberattack, breach in security or material system failure;
  - c. Relevant updates of mitigating actions to address any material financial or operating difficulties experienced by a Covered Entity as described in Subparagraph b; and
  - d. Enforcement actions or sanctions or significant regulatory actions, including the revocation, suspension, or modification of relevant authorization, licensure, designation, recognition, qualification, registration, or exemption therefrom, concerning a Covered Entity.
25. The determination of what constitutes “significant impact”, “material event”, “adversely impact”, “adverse material change”, “material adverse effect”, “market difficulties”, “adversely affect”, “material financial or operating difficulties”, or “significant regulatory actions” for purposes of Paragraph 24 shall be left to the reasonable discretion of the relevant Authority that determines to notify the other Authority.

### **Request-Based Information Sharing**

26. To the extent appropriate to supplement information exchanges, upon written request, the Requested Authority intends to provide the Requesting Authority the fullest possible cooperation subject to the terms in this MOU in assisting the Requesting Authority's supervision and oversight of Covered Entities, including assistance in obtaining and interpreting information that is relevant to ensuring compliance with the Laws and Regulations of the Requesting Authority and that is not otherwise available to the Requesting Authority. Such requests shall be made pursuant to Article Four of this MOU, and the Authorities anticipate that such requests will be made in a manner that is consistent with the goal of minimizing administrative burdens.
27. The information covered by Paragraph 26 includes:
  - a. Relevant Information about the financial and operational condition of a Covered Entity including, for example, financial resources, risk management, and internal control procedures;
  - b. Relevant Information that a Covered Entity is required to submit to an Authority including, for example, interim and annual financial statements and event specific notices; and
  - c. Relevant Information based on the regulatory reports prepared by an Authority, including, for example, an executive summary based on examination reports and related findings regarding Covered Entities.

### **Periodic Meetings**

28. Representatives of the Authorities may meet periodically, as appropriate, to update each other on their respective functions and oversight programs and to discuss issues of common interest relating to the supervision of Covered Entities, including contingency planning and crisis management, systemic risk concerns, default procedures, the adequacy of existing cooperative arrangements, and the possible improvement of cooperation and coordination among the Authorities. Such meetings may be conducted by conference call or on a face-to-face basis, as appropriate.

### **ARTICLE FOUR: PROCEDURE FOR REQUESTS**

29. To the extent possible, a request for information, or other assistance, pursuant to Article Three should be made in writing (which may be transmitted electronically), and addressed to the relevant contact person identified in Appendix A. To facilitate the assistance, the Requesting Authority should specify the following:
  - a. The information, or other assistance, sought by the Requesting Authority;
  - b. A general description of the matter that is the subject of the request;
  - c. The purpose for which the information, or other assistance, is sought (including details of the Laws and Regulations pertaining to the matter which is the subject of the request);
  - d. To whom, if anyone, onward disclosure of information provided to the Requesting Authority is likely to be necessary and the purpose such disclosure would serve; and
  - e. The desired time period for reply and, where appropriate, the urgency thereof.

Information responsive to the request, as well as any subsequent communication among Authorities, may be transmitted electronically. Any electronic transmission should use means that are appropriately secure in light of the confidentiality of the information being transmitted.

30. In an Emergency Situation, the NBB and the relevant Canadian Authority or Authorities will endeavor to notify the other(s) as soon as possible of the Emergency Situation and communicate information as appropriate in the particular circumstances, taking into account all relevant factors, including the status of efforts to address the Emergency Situation. During an Emergency Situation, requests for information may be made in any form, including orally, provided such communication is confirmed in writing as promptly as possible following such notification.

### **ARTICLE FIVE: ON-SITE VISITS**

31. In fulfilling its supervision and oversight responsibilities and to ensure compliance with its Laws and Regulations, the NBB may need to conduct On-Site Visits to a Covered Entity located in Ontario, and a Canadian Authority may need to conduct On-Site Visits to a Covered Entity located in Belgium. Each Authority will consult and work collaboratively with the Local Authority in conducting an On-Site Visit. Authorities shall discuss and reach understanding on the terms regarding the On-Site Visit, taking into account each other's sovereignty, legal

framework and statutory obligations in particular in determining the respective roles and responsibilities of the Authorities.

32. An On-Site Visit by an Authority will be conducted in accordance with the following procedure:
  - a. The Visiting Authority provides advance notice to the Local Authority of its intent to conduct an On-Site Visit and the intended timeframe for, and scope of, the On-Site Visit. Other than in exceptional circumstances, the Visiting Authority will notify the Local Authority prior to notifying the Covered Entity.
  - b. The Local Authority will endeavor to share any Relevant Information related to examinations it may have undertaken of the Covered Entity. The Visiting Authority will give due and full consideration to the supervisory activities of the Local Authority and any information that was made available by the Local Authority.
  - c. The Authorities will endeavor to assist each other regarding On-Site Visits, including providing Relevant Information that is available prior to the On-Site Visit; cooperating and consulting in reviewing, interpreting, and analyzing the contents of public and non-public Books and Records; and obtaining material information from directors and senior management of a Covered Entity.
  - d. The Authorities will consult with each other, and the Local Authority may in its discretion accompany or assist the other Authority during the On-Site Visit, or the Authorities may conduct joint visits where appropriate.

**ARTICLE SIX: PERMISSIBLE USES OF INFORMATION**

33. The Requesting Authority may use non-public information obtained under this MOU solely for the supervision and oversight of Covered Entities and seeking to ensure compliance with the Laws and Regulations of the Requesting Authority.
34. The Authorities recognize that, while this MOU is not primarily intended to gather information for enforcement purposes, the Authorities may subsequently use the non-public information provided under this MOU for enforcement purposes. In cases where a Requesting Authority seeks to use non-public information obtained under this MOU for enforcement purposes, including in conducting investigations or bringing administrative, civil or criminal proceedings, the Requesting Authority, to the extent permitted by relevant laws, will give prior notification to the Requested Authority. Treatment of the non-public information will be consistent with Article Six and Article Seven of this MOU.
35. Before using non-public information furnished under this MOU for any purpose other than those stated in Paragraphs 33 and 34, the Requesting Authority must first consult with and obtain the consent of the Requested Authority for the intended use. If consent is denied by the Requested Authority, the Authorities will consult to discuss the reasons for withholding approval of such use and the circumstances, if any, under which the intended use by the Requesting Authority might be allowed.
36. The restrictions in this Article do not apply to an Authority's use of information it obtains directly from a Covered Entity, whether during an On-Site Visit or otherwise. However, where non-public information is provided to the Requesting Authority directly by the Requested Authority, the restrictions in this MOU apply to the use of the information by that Requesting Authority.

**ARTICLE SEVEN: CONFIDENTIALITY OF INFORMATION AND DISCLOSURE**

37. All non-public information shared by the Authorities pursuant to this MOU (including requests made under this MOU, the contents of such requests, and any other matters arising under this MOU), to the extent permitted by law, shall be kept and treated as confidential and shall be subject to the respective provisions of confidentiality and professional secrecy of the Authorities, as they are applicable to them. The Authorities shall endeavor that all persons dealing with, or having access to, such information are bound by the obligation of professional secrecy.
38. Each Authority shall not disclose any non-public information received under this MOU to a third party except in connection with the use as contemplated under, and in accordance with Paragraph 39 and Article Six.
39. Except as stated in Paragraph 40, the Requesting Authority must obtain the prior written consent of the Requested Authority before disclosing non-public information received under this MOU to any non-signatory to this MOU, unless disclosure is required by law. The Requested Authority will take into account the level of urgency of the request and respond in a timely manner. During an Emergency Situation, consent may be obtained in any form, including orally, provided such communication is confirmed in writing as promptly as

possible following such notification. If consent is denied by the Requested Authority, the Requesting and Requested Authorities will consult to discuss the reasons for withholding approval of such disclosure and the circumstances, if any, under which the intended disclosure by the Requesting Authority might be allowed.

40. To the extent possible, the Requesting Authority will notify the Requested Authority of any legally enforceable demand for non-public information furnished under this MOU prior to complying with the demand and the Requesting Authority will assert all 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 information received under this MOU.
41. The Authorities intend that the disclosure of non-public information, including deliberative and consultative materials, such as written analysis, opinions, or recommendations relating to non-public information that is prepared by or on behalf of an Authority, pursuant to the terms of this MOU, will not constitute a waiver of privilege or confidentiality of such non-public information.

#### **ARTICLE EIGHT: AMENDMENTS**

42. The Authorities will periodically review the functioning and effectiveness of the cooperation arrangements between the NBB and the Canadian Authorities with a view, inter alia, to expanding or altering the scope or operation of this MOU should that be judged necessary. This MOU may be amended with the written consent of all of the Authorities referred to in Paragraph 1.
43. Subject to the prior approval of the NBB, any Canadian Authority may become a party to this MOU by executing a counterpart hereof together with the NBB and providing notice of such execution to the other Canadian Authorities that are signatories to this MOU.

#### **ARTICLE NINE: EXECUTION OF MOU**

44. Cooperation in accordance with this MOU will become effective on the date this MOU is signed by the Authorities.

#### **ARTICLE TEN: SUCCESSORS**

45. Where the relevant functions of a signatory to this MOU are transferred or assigned to another authority or authorities, the terms of this MOU shall apply to the successor authority or authorities performing those relevant functions without the need for any further amendment to this MOU or for the successor to become a signatory to the MOU and notice will be provided to the other Authorities. This will not affect the right of any Authority to terminate the MOU as provided hereunder. The Authorities shall work to ensure a seamless transition to any successor into the MOU, including the continued handling of outstanding matters.
46. Where regulatory functions have been assigned to another authority or authorities under Paragraph 45, the successor authority may use non-public information previously obtained under this MOU if the successor authority uses and treats the information in accordance with the terms of this MOU.

#### **ARTICLE ELEVEN: TERMINATION**

47. Cooperation in accordance with this MOU will continue until the expiration of 30 days after any Authority gives written notice to the other Authorities of its intention to terminate the MOU. If an Authority gives such notice, the parties will consult concerning the disposition of any pending requests. If an agreement cannot be reached through consultation, cooperation will continue with respect to all requests for assistance that were made under the MOU before the expiration of the 30-day period until all requests are fulfilled or the Requesting Authority withdraws such request(s) for assistance. In the event of termination of this MOU, information obtained under this MOU will continue to be treated in the manner prescribed under Articles Six and Seven.
48. If any Canadian Authority terminates the MOU in accordance with this Article, the MOU shall remain effective between the NBB and the remaining Canadian Authorities (if any).

**Signatures**

**Ontario Securities Commission**

“D. Grant Vingoe”

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Mr. D. Grant Vingoe

Title: Chief Executive Officer

Signed this 17th day of October 2024



**National Bank of Belgium**

“Pierre Wunsch”

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Pierre Wunsch

Title: Governor

Signed this 19th day of November 2024

**Appendix A**

**CONTACT PERSONS**

*In addition to the following contact information, the NBB and Canadian Authorities will exchange confidential emergency contact telephone information.*

**ONTARIO SECURITIES COMMISSION**

20 Queen Street West  
22nd Floor, Box C.P. 55  
Toronto, ON M5H 3S8

Manager, Trading & Markets

Phone: (416) 593-3676

Email: [TradingandMarkets@osc.gov.on.ca](mailto:TradingandMarkets@osc.gov.on.ca)

Senior Vice President, Communications, International and Stakeholder Affairs

Phone: (416) 593-8314

Email: [inquiries@osc.gov.on.ca](mailto:inquiries@osc.gov.on.ca)

**NATIONAL BANK OF BELGIUM**

Boulevard de Berlaimont 14

1000 Brussels

Belgium

Email: [NBBPostTradeSupervisionOversight@nbb.be](mailto:NBBPostTradeSupervisionOversight@nbb.be)