

December 23, 2009

The Honourable Chairman Liu Mingkang  
China Banking Regulatory Commission  
Jia 15 Financial Street  
Xicheng District, Beijing  
China 100140

**Subject: Exchange of Letters concerning regulatory cooperation related to the overseas wealth management business of Chinese commercial banks on behalf of their clients**

Dear Chairman Liu:

The undersigned members of the Canadian Securities Administrators ("CSA") understand that in conducting overseas wealth management business on behalf of their clients Chinese commercial banks may:

- i) Invest in fixed-income products on the Canadian market;
- ii) Invest in securities of a collective investment scheme/mutual fund issued under prospectuses filed with a regulator which is a member of the CSA (each a "Regulator" or collectively "the Regulators") under the securities laws in force in Canada listed in Schedule I hereto;
- iii) Invest in equities listed on Canadian stock markets and choose to engage the services of asset management companies or securities brokers licensed by or registered with a Regulator; or
- iv) Invest in other financial products on the Canadian market.

The activities described above are referred to as "overseas wealth management business."

The China Banking Regulatory Commission (CBRC) and each Regulator which is or becomes a signatory to the present letter (each a "Participating Regulator" or collectively "the Participating Regulators"), agree to collaborate together in accordance with the terms of this letter. Schedule II attached provides a list of contacts for the CBRC and the Participating Regulators.

In order to increase mutual understanding and the exchange of information between the Participating Regulators and the CBRC, the Participating Regulators would like to establish a channel for regulatory cooperation with the CBRC in connection with overseas wealth management business involving registered Canadian firms and recognized markets, to the extent permitted by the laws, regulations and practices of the jurisdictions of the Participating Regulators and the People's Republic of China through an exchange of letters ("Exchange of Letters").

## Detail Arrangements

The Participating Regulators or the CBRC may have the following material regulatory concerns relating to the overseas wealth management business operations of Chinese banks that are clients of CSA-regulated entities (the Chinese banks and CSA-regulated entities are collectively referred as "the relevant entities"):

- a) whether the operations of the relevant entities are failing to be conducted in compliance with applicable rules and regulations;
- b) whether a relevant entity has materially violated the law; or
- c) whether events have occurred that could have a significant material adverse effect on the finances of the relevant entities.

The Participating Regulators and the CBRC will seek publicly-available information regarding material regulatory concerns involving each other's relevant entities. As needed, the Participating Regulators and the CBRC will assist each other in locating this information.

If a Participating Regulator or the CBRC has material regulatory concerns about relevant entities under one another's supervision in connection with overseas wealth management business, such Participating Regulator or the CBRC may notify each other and will endeavour to cooperate with each other, as appropriate.

If remedial action is called for to deal with regulatory concerns at any of the relevant entities in connection with the overseas wealth management business that is material and of relevance to both the Participating Regulators and the CBRC, the Participating Regulators or the CBRC will endeavour to cooperate with each other as appropriate. If prior cooperation is not possible, the Participating Regulators or the CBRC will notify each other as soon as practicable.

Representatives of the Participating Regulators and the CBRC may meet periodically to discuss general supervisory developments and issues concerning relevant entities. In the event of either a Participating Regulator or the CBRC planning to visit any of their respective relevant entity in the other jurisdiction in connection with overseas wealth management business, they will endeavour to notify each other of such plans and to discuss findings that emerge from such visit, as appropriate.

As noted above, the cooperation contemplated in this Exchange of Letters is subject to the laws, regulations, and practices of the jurisdictions of the Participating Regulators and the People's Republic of China.

Cooperation, exchange of information and assistance between the Participating Regulators and the CBRC pursuant to this Exchange of Letters is intended to take place on a reciprocal basis. This Exchange of Letters is a statement of intent and does not create any legally binding obligations or supersede any domestic laws.

It is understood that if any other member of the CSA wishes to become a participant to this Exchange of Letters, it shall be allowed to do so at any time by executing a counterpart of this letter, with the relevant information to be added in Schedules I and II hereto, and providing notice to the CBRC and all other Participating Regulators. Such Regulator shall become a Participating Regulator in accordance with the terms hereof upon the CBRC issuing a letter of consent, with a copy to the other Participating Regulators.



Any Participating Regulator or the CBRC may terminate its participation in this Exchange of Letters by giving thirty days' written notice to all other parties. However, should this occur, this Exchange of Letters shall remain valid for the remaining parties and information obtained by any party will continue to be treated confidentially in the manner contemplated herein.

This Exchange of Letters will be effective after it is signed by the Participating Regulators and the CBRC and, in the case of Ontario, on a date determined in accordance with applicable legislation.

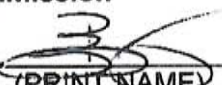
The execution of this Exchange of Letters by the CBRC shall act as confirmation of its intent to allow Chinese commercial banks to conduct overseas wealth management business on behalf of their clients in the jurisdictions of the Participating Regulators.

This Exchange of Letters can only be amended by mutual agreement in writing. Except as may be required by law, the Participating Regulators and the CBRC will not publish this Exchange of Letters.

We look forward to working with the CBRC.

Sincerely,

**British Columbia Securities Commission**

By:   
(PRINT NAME) BRENDA LEONG

**Alberta Securities Commission**

By:   
(PRINT NAME) BILL RICE


**Manitoba Securities Commission**

By:   
(PRINT NAME) DON MURRAY


**Saskatchewan Financial Services Commission**

By:   
(PRINT NAME) Dave Wild

**Ontario Securities Commission**

By:   
(PRINT NAME) DAVID WILSON

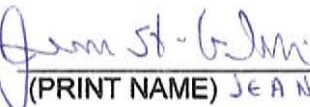
**New Brunswick Securities Commission**

By:   
(PRINT NAME) DAVID BARRY

**Nova Scotia Securities Commission**

By:   
(PRINT NAME) LESLIE O'BRIEN

**Autorité des marchés financiers**

By:   
(PRINT NAME) JEAN ST-CELAIS

**Secrétariat aux affaires intergouvernementales canadiennes, gouvernement du Québec**

By:   
(PRINT NAME) CAMILLE HORTH

# SCHEDULE I – CANADIAN SECURITIES LAWS

PROVINCE / TERRITORY	LAWS
British Columbia	<i>Securities Act</i> , R.S.B.C. 1996, chapter 418
Alberta	<i>Securities Act (Alberta)</i> , R.S.A. 2000 c. S-4
Saskatchewan	<i>The Securities Act, 1988</i> , SS 1988-89, chapter S-42.2
Manitoba	<i>The Securities Act (Manitoba)</i> , RSM 1988, chapter S50
Ontario	<i>Securities Act</i> , RSO 1990, chapter S.5
Québec	<i>Securities Act</i> , R.S.Q. chapter V-1.1
New-Brunswick	<i>Securities Act</i> , Chapter S-5.5 SNB 2004
Nova Scotia	<i>Securities Act (Nova Scotia)</i> , chapter 418 of the revised Statutes 1989

## SCHEDULE II – LIST OF CONTACT PERSONS

REGULATOR	CONTACT PERSONS
China Banking Regulatory Commission	<p>Li Fuan Director General</p> <p>Supervisory Cooperation Department for Banking Innovation Jia 15 Financial Street, Xicheng District, Beijing, China 100140</p> <p>Tel: (86) 10-6627 9122 Fax: (86) 10-6629 9350 Email: <a href="mailto:lifuan@cbrc.gov.cn">lifuan@cbrc.gov.cn</a></p> <p>Huang Wei Head of Investor Education and Wealth Management Supervision Office</p> <p>Supervisory Cooperation Department for Banking Innovation Jia 15 Financial Street, Xicheng District, Beijing, China 100140</p> <p>Tel: (86) 10-6627 9127 Fax: (86) 10-6629 9353 Email: <a href="mailto:huangwei_d@cbrc.gov.cn">huangwei_d@cbrc.gov.cn</a></p>
Alberta Securities Commission	<p>William S. Rice Chair Alberta Securities Commission</p> <p>4th Floor, Stock Exchange Tower 300 – 5 Avenue SW Calgary, Alberta T2P 3C7 Canada</p> <p>(403) 297-4280 <a href="mailto:bill.rice@asc.ca">bill.rice@asc.ca</a></p>

British Columbia Securities Commission	<p>Brenda M. Leong Chair British Columbia Securities Commission</p> <p>PO Box 10142, Pacific Centre 701 West Georgia Street Vancouver, BC V7Y 1L2</p> <p>Phone: (604) 899-6647 Fax: (604) 899-6506 <a href="mailto:bleong@bcsc.bc.ca">bleong@bcsc.bc.ca</a></p>
New Brunswick Securities Commission	<p>Rick Hancox Executive Director New Brunswick Securities Commission</p> <p>85 Charlotte Street, Suite 300 Saint John, New Brunswick E2L 2J2 Canada</p> <p>(506) 658-3119 <a href="mailto:rick.hancox@nbsec-cvmnb.ca">rick.hancox@nbsec-cvmnb.ca</a></p>
Nova Scotia Securities Commission	<p>Scott Peacock Director of Compliance Nova Scotia Securities Commission</p> <p>CIBC Building Ste. 501, 1809 Barrington St. Halifax, Nova Scotia B3J 3K8 Canada</p> <p>(902) 424-6179 <a href="mailto:peacockrs@gov.ns.ca">peacockrs@gov.ns.ca</a></p>
Manitoba Securities Commission	<p>Don Murray Chair Manitoba Securities Commission</p> <p>500-400 St. Mary Avenue Winnipeg, Manitoba R3C 4K5 Canada</p> <p>(204) 945-2551 <a href="mailto:Don.Murray@gov.mb.ca">Don.Murray@gov.mb.ca</a></p>



Saskatchewan Financial Services Commission	<p>Dave Wild Chair Saskatchewan Financial Services Commission 601 – 1919 Saskatchewan Drive Regina, Saskatchewan S4P 4H2 Canada (306) 787-5630 <a href="mailto:dave.wild@gov.sk.ca">dave.wild@gov.sk.ca</a></p>
Ontario Securities Commission	<p>Tula Alexopoulos Director, Office of Domestic and International Affairs Ontario Securities Commission 20 Queen Street West, Suite 1903 Toronto, Ontario M5H 3S8 Canada (416) 593-8084 <a href="mailto:talexopoulos@osc.gov.on.ca">talexopoulos@osc.gov.on.ca</a></p>
Autorité des marchés financiers	<p>Nathalie Drouin Executive Director, Enforcement and Legal Affairs Autorité des marchés financiers 2640, Laurier Blvd, 3rd floor Québec (Québec) G1V 5C1 Canada (418) 525-0337 ext. 2501 <a href="mailto:nathalie.drouin@lautorite.qc.ca">nathalie.drouin@lautorite.qc.ca</a></p>

### **Schedule III-----IDENTIFICATION OF SIGNATORIES**

Regulator	Signatory
Alberta Securities Commission	William S. (Bill) Rice Chair
British Columbia Securities Commission	Brenda M. Leong Chair
New Brunswick Securities Commission	David Barry Chair and Chief Executive Officer
Nova Scotia Securities Commission	H. Leslie O'Brien Chair
Manitoba Securities Commission	Don Murray Chair
Saskatchewan Financial Services Commission	Dave Wild Chair
Ontario Securities Commission	W. David Wilson Chair
Autorité des marchés financiers	Jean St-Gelais Président-Directeur Général
Gouvernement du Québec Secrétariat aux affaires intergouvernementales canadiennes	Camille Horth Secrétaire général associé