

**Memorandum of Understanding  
between  
the Central Bank of the Russian Federation and  
the Financial and Capital Market Commission of  
the Republic of Latvia  
in the Field of Banking Supervision**

The Central Bank of the Russian Federation (Bank of Russia) and the Financial and Capital Market Commission of the Republic of Latvia, hereinafter referred to as the "Supervisory Authorities", have reached an understanding on the need to exchange information in the following fields: licensing; control over ownership structure; supervision of ongoing activities, including inspections; financial resolution of supervised institutions; anti-money laundering and combating terrorist financing (hereinafter, AML/FT). The exchange of information is carried out for the purpose of effective fulfillment of their functions and strengthening the reliability and stability of banking systems in their countries. This understanding also meets the Basel Committee recommendations on the principles of conducting consolidated and comprehensive supervision and co-operation between the supervisory authorities and the international standards on combating money laundering and the financing of terrorism and proliferation (the FATF recommendations).

**1. The Powers of the Supervisory Authorities**

**1.1. The Russian Federation:**

Under the legislation of the Russian Federation, the Bank of Russia is a body responsible for banking regulation and banking supervision. It constantly monitors the compliance with banking legislation, the Bank of Russia's regulations and mandatory standards by credit institutions and banking groups. To fulfill its regulatory and supervisory functions, the Bank of Russia conducts on-site inspections of credit institutions and their branches, sends them compulsory prescriptions to eliminate the shortcomings discovered in their work and takes measures to credit institutions established by the Federal Law "On the Central Bank of the Russian Federation (Bank of Russia)".

The Bank of Russia exercises legal regulation of credit institutions' activity in the field of AML/FT and control over the compliance of credit institutions with the AML/FT legislation.

Under the legislation of the Russian Federation, the reporting of credit institutions, banking groups and bank holdings is submitted to the Bank of Russia.

**1.2. The Republic of Latvia:**

Under the legislation of the Republic of Latvia, the Financial and Capital Market Commission is an autonomous public institution, which exercises supervision of Latvian credit institutions in cooperation with the European Central Bank in accordance with Article 6 of the Council Regulation (EU) No 1024/2014 of 1 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions. The Financial and Capital Market Commission has the authority in addition to the EU legal framework to issue regulations and to take decisions governing activities of credit institutions; to request and receive from credit institutions information necessary for the execution of its functions; to set forth restrictions on the activities of credit institutions; to examine compliance of the activities with the legislation and regulations and directives of the Financial and Capital Market Commission; to apply sanctions set forth by the regulatory requirements on credit institutions and their officials in case the said requirements are violated.

The Financial and Capital Market Commission exercises control over the compliance by credit institutions with the AML/FT legislation.

## **2. Definitions for the Purposes of this Memorandum**

2.1. "Supervised Institution(s)": a legal entity authorised to conduct banking operations, whose activities are subject to licensing and supervision in accordance with the legislation of the Russian Federation or the Republic of Latvia.

### **2.1.1. The Russian Federation:**

"Credit institution": a legal entity which, for the purpose of deriving profit as the principal objective of its activity, has the right on the basis of a special permission (licence) of the Bank of Russia to conduct banking operations stipulated by the Federal Law "On Banks and Banking Activities". A credit institution is established on the basis of any form of ownership as a business entity.

"Bank": a credit institution that has the exclusive right to conduct the following banking operations in their entirety: to take funds on deposit from private individuals and legal entities, lend such funds on its own behalf and at its own expense on the condition that they are returned after a specified period of time with an interest, open and keep individual and corporate bank accounts.

"Non-bank credit institution": a credit institution defined in accordance with article 1 of the Federal Law "On Banks and Banking Activities".

### **2.1.2. The Republic of Latvia:**

"Credit institution (bank)" means an undertaking the business of which is to take deposits or other repayable funds from the public and to grant credits for its own account.

Credit institutions (banks) may begin their operations in the Republic of Latvia only after the receipt of a licence (permit) issued by the European Central Bank in cooperation with the Financial and Capital Market Commission and the registration of commercial operations in accordance with the procedures specified by law.

2.2. "Supervised Parent Institution(s)": a supervised institution incorporated in one of the states, which has a cross-border establishment (a subsidiary, a branch or a representative office) located in the other state.

2.3. "Cross-Border Establishment(s)":

2.3.1. The Russian Federation:

In the Russian Federation foreign credit institutions (banks) may participate in the authorised capital of credit institutions and establish subsidiaries, whose activities are subject to licensing under the Russian Federation laws, and also open representative offices.

"Subsidiary Credit Institution": a legal entity in which supervised parent institution by force of majority interest in its authorised capital and in accordance with an agreement concluded between them or otherwise can determine the decisions taken by the subsidiary credit institution.

"Representative Office of a Credit Institution": a separate division thereof situated outside the residence of the credit institution that represents and protects its interests. A representative office of a credit institution is not a legal entity, has no right to conduct banking operations, and conducts its activities on the basis of the regulations established by the credit institution that created it.

2.3.2. The Republic of Latvia:

In the Republic of Latvia foreign credit institutions may participate in the capital of credit institutions, establish a branch as well as open representative offices.

Foreign credit institutions have to notify the Financial and Capital Market Commission regarding the acquisition or increase of a qualifying holding in a credit institution. In case of acquisition or increase of qualifying holding above the thresholds set by the law those activities are subject to authorization by the European Central Bank in cooperation with the Financial and Capital Market Commission,

The branches of foreign credit institutions can provide financial services after the receipt of a licence (permit). Decisions on issuing a licence (permit) are passed by the European Central Bank in cooperation with the Financial and Capital Market Commission.

Foreign credit institutions have to notify the Financial and Capital Market Commission regarding the opening of representative offices in the Republic of Latvia.

“Branch”: a territorially or otherwise separated structural unit of a credit institution which does not have the status of a legal entity and which acts on behalf of the credit institution.

“Representative Office”: a structural unit of a credit institution which is located in another state and represents the interests of the credit institution, but does not engage in commercial activities.

## 2.4. “Banking Group” and “Bank Holding”

### 2.4.1. The Russian Federation:

“Banking Group”: an association of legal entities, which is not a legal entity and in which one legal entity or several legal entities (banking group participants) are under control or material influence of one credit institution (the parent credit institution of a banking group).

“Bank Holding”: an association of legal entities (bank holding participants), which is not a legal entity and which includes at least one credit institution under control of one legal entity other than credit institution (the parent institution of a bank holding) and also other legal entities (if any) other than credit institutions under control or material influence of the parent institution of a bank holding or integrated in banking groups of credit institutions, – participants in a bank holding, provided that the share of banking activity based on the Bank of Russia’s methodology is no less than 40 per cent in the activity of a bank holding.

### 2.4.2. The Republic of Latvia:

“Banking Group”: a group of legal entities, which is not a legal entity and in which one legal entity or several legal entities (banking group participants) are under control or dominant influence of one credit institution (parent credit institution of a banking group).

“Financial Holding Company”: a financial institution, the subsidiaries of which are exclusively or mainly credit institutions or financial institutions, at least one of such subsidiaries being a credit institution, and which is not a mixed financial holding company. Financial institution means an undertaking other than a credit institution, the principal activity of which is to acquire holdings or to pursue one or more of the activities listed in points 2 to 12 and point 15 of Annex I to Directive 2013/36/EU.

2.5. “Home Supervisor”: a supervisory authority of the country in which a supervised parent institution is registered.

2.6. "Host Supervisor": a supervisory authority of the country in which a cross-border establishment is registered.

2.7. "On-Site Inspection(s)": inspections carried out at a cross-border establishment and also at supervised institutions – participants in banking groups and bank holdings/or financial holding company by duly authorised representatives of the home supervisor.

2.8. "Data Constituting Bank Secrecy":

2.8.1. The Russian Federation:

"Data Constituting Bank Secrecy": data on specific transactions and operations of credit institutions and also on transactions and operations of their customers and correspondents received from credit institutions, banking groups and bank holdings and other associations with participation of credit institutions in the course of the discharge of the supervisory functions, including on-site inspections carried out by the Bank of Russia.

2.8.2. The Republic of Latvia:

"Data Constituting Bank Secrecy": all information regarding a credit institution and the clients thereof, credit institutions and the activities of the clients thereof, which has not been previously published according to the procedures specified by the law, or the disclosure of which has not been determined by other laws, or which has not been approved by the Board of the Financial and Capital Market Commission.

2.9. "Confidential Information": information and (or) documents, which were received by a supervisor in the course of the discharge of the supervisory functions, including data constituting bank secrecy.

2.10. "Acquisition":

2.10.1. The Russian Federation:

acquisition and (or) receiving in trust management as a result of a transaction or several transactions by any legal entity or a private individual (or a group of private individuals) of more than 10% of shares (stakes) in a credit institution.

2.10.2. The Republic of Latvia:



a direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking.

#### 2.11. "Control":

##### 2.11.1. The Russian Federation:

establishment by a legal entity or a private individual (group of entities or individuals) as a result of a single transaction or several transactions direct or indirect (through third persons) control over the shareholders (participants) of a credit institution that hold over 10 per cent of shares (stakes) of a credit institution. According to the Bank of Russia Regulation of 25 October 2013 N 146-I the control is defined on the basis of criteria set by International Financial Reporting Standard (IFRS) 10 "Consolidated Financial Statements".

Group of entities or individuals is determined in accordance with criteria established by the Federal Law "On protection of competition".

##### 2.11.2. The Republic of Latvia:

means the relationship between a parent undertaking and a subsidiary, as defined in the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002 (i.e. the control is defined on the basis of criteria set by International Financial Reporting Standard (IFRS) 10 "Consolidated Financial Statements").

### 3. Exchange of Information

3.1. The supervisory authorities shall exchange information on the state and development of the national banking sector, the principal banking supervision standards and requirements, and significant changes therein.

3.2. In the Russian Federation the procedure for information sharing with foreign supervisory authorities is regulated by the Federal Law "On the Central Bank of the Russian Federation (Bank of Russia)" (hereinafter, the Bank of Russia Law). According to Article 51 of the Bank of Russia Law, the Bank of Russia is entitled to inquire the central bank and (or) other supervisory authority of a foreign state in charge of banking supervision for information and (or) documents, including those that contain data constituting bank secrecy, received from credit institutions, banking groups, bank holdings and other associations with participation of credit institutions in the course of the discharge of the supervisory functions, including on-site inspections.

The Bank of Russia also has the right to submit to the central bank and (or)

other supervisory authority of a foreign state in charge of banking supervision information and (or) documents, which they need to exercise supervision, including those that contain data constituting bank secrecy, received from credit institutions, banking groups, bank holdings and other associations with participation of credit institutions in the course of the discharge of the supervisory functions, including on-site inspections, except for the data constituting state secret.

3.3. In the Republic of Latvia, the Financial and Capital Market Commission's power to cooperate with foreign supervisory authorities and, upon mutual consent, exchange information necessary for executing its functions set forth by law is regulated by Part 1(8) of Article 7 of the Law On the Financial and Capital Market Commission. Furthermore, Part 3 of Article 110<sup>1</sup> of the Credit Institution Law defines that the Financial and Capital Market Commission is entitled to enter into information exchange agreements with foreign supervisory authority of credit institutions or relevant foreign institutions, if the regulatory enactments of such foreign states provide for a liability equivalent to that specified in the regulatory enactments of the Republic of Latvia regarding the non-disclosure of confidential information. Such information is used only for the purposes of exercising supervision over participants in the financial and capital markets or performing the functions set forth by law and may be disclosed in compliance with the requirements mentioned in Clause 4 of this Memorandum.

3.4. Co-operation within the framework of this Memorandum shall be conducted at the initiative of a supervisory authority on the basis of a request for assistance (hereinafter, the Request).

3.5. The Request shall be made in writing. Any type of communication facilities, which ensure the confidentiality of information, may be used to transmit the Request.

3.6. Assistance within the framework of this Memorandum may be refused wholly or in part if the requested supervisory authority believes that the fulfillment of the Request contravenes its national legislation or runs counter to the interests of the national security. In this case, the requesting supervisory authority shall be notified in writing and given the reasons for the refusal.

3.7. Each supervisory authority shall do everything to ensure a prompt and fullest possible reply to the Request of the other supervisory authority or it shall notify the latter about the circumstances that prevent or delay the fulfillment of the Request.

3.8. Each supervisory authority shall bear the expenses that may arise in implementing this Memorandum unless a different procedure is agreed upon.

#### 4. Ensuring the Confidentiality of Information

4.1. The supervisory authorities shall take appropriate measures envisaged by the national legislation to ensure the confidentiality of information and (or) documents in keeping, using and passing it (them) to each other.

##### 4.1.1. The Russian Federation:

According to Article 51 of the Bank of Russia Law, with regard to information and (or) documents received from the central bank and (or) other supervisory authority of a foreign state in charge of banking supervision, the Bank of Russia is obliged to comply with the requirements for information disclosure and the provision of documents established by the Russian Federation legislation, taking into account the requirements established by the laws of a foreign state.

The Bank of Russia provides the aforementioned information and (or) documents to the central bank and (or) other supervisory authority of a foreign state in charge of banking supervision, provided that the legislation of a foreign state stipulates the level of security (confidentiality) for information and (or) documents provided by the Bank of Russia matching at least the level of security (confidentiality) of information and (or) documents envisaged by the Russian Federation legislation. In case the exchange of information and (or) documents is regulated by international treaties, the confidentiality of information shall be ensured by the provisions of these treaties.

##### 4.1.2. The Republic of Latvia

According to Article 110.<sup>1</sup> of the Credit Institutions Law all information regarding a credit institution and the clients thereof, credit institutions and the activities of the clients thereof, which has not been previously published according to the procedures specified by the law, or the disclosure of which has not been determined by other laws, or which has not been approved by the Board of the Financial and Capital Market Commission, as well as the information referred to in Article 20 of the Law on the Financial and Capital Market Commission, shall be deemed to be restricted access information and shall not be disclosed to third parties other than by way of overviews or compilations such that it is not possible to identify a concrete credit institution or the client thereof.

These provisions do not restrict the Financial and Capital Market Commission, within the limits of its competence, to cooperate and exchange restricted access information with foreign supervisory authorities if the regulatory enactments of such foreign states provide for liability equivalent to that specified in the regulatory enactments of the Republic of Latvia regarding the non-allowability of disclosure of restricted access information. Such information shall only be utilised in order to perform the supervision of participants in the financial



and capital market or the functions specified by the law for the relevant institution. The relevant foreign institutions are entitled to disclose the received information only with a written consent of the Financial and Capital Market Commission and only for the purposes for which such consent was given.

4.2. Confidential information provided within the framework of this Memorandum may not be used without the prior written consent of the supervisory authority that provided it for purposes other than those for which it was requested and provided.

4.3. Confidential information or documents may be passed to a third party in every particular case, if there is a prior written permission to do so from the supervisory authority that has provided this confidential information.

4.4. Supervisory authorities agree that the Financial and Capital Market Commission on a prior written consent of the Bank of Russia may submit the information obtained according to Clauses 5 - 9 of this Memorandum to European Central Bank, if necessary, within supervisory tasks conferred on the European Central Bank by the Council Regulation (EU) No 1024/2014 that governs single supervision mechanism of the Euro Area.

4.5. Should this Memorandum be terminated, the supervisory information received within the framework of this Memorandum shall remain confidential.

## **5. Licensing**

5.1. Application of a supervised parent institution to the host supervisor regarding issuing of a licence (permit) on the opening of a cross-border establishment (hereinafter, the "Application") should be considered within the time periods and in compliance with the requirements set by the national legislation.

5.2. Upon receipt of the application, the host supervisor shall inform the home supervisor about its contents, and after consideration of the application it shall inform the home supervisor in writing about its results.

5.3. Based on a written request the home supervisor shall inform the host supervisor whether the applicant supervised institution acquiring the shares (stakes) of a cross-border establishment (its shareholder (participant) or establishing (exercising) control over shareholders (participants) of the cross-border establishment) complies with banking legislation, as well as about its financial standing, organizational structure, and internal control system.

5.4. Based on written requests the home and host supervisors shall exchange the following information:

#### 5.4.1. The Russian Federation:

on the compliance of members of the board of directors (supervisory board) of a cross-border establishment (candidates for these positions) with business reputation requirements, on the compliance of managers and other stipulated-by-law officials of a cross-border establishment (its branches) (candidates for the said positions) with qualification and business reputation requirements, as well as information on the financial standing and business reputation of:

- legal entities and private individuals that acquire more than 10 per cent of shares (stakes) of a cross-border establishment,
  - legal entities and private individuals taking control over shareholders (participants) that own more than 10 per cent of shares (stakes) of a cross-border establishment, and business reputation of a person performing the functions of a sole executive body of such legal entities,
  - legal entities that own more than 10 percent of shares (stakes) of a cross-border establishment as well as legal entities that control such owners and business reputation of a person performing the functions of a sole executive body of these legal entities,
- as well as information on business reputation of a private individual, – owner of more than 10 per cent of shares (stakes) of a cross-border establishment.

#### 5.4.2. The Republic of Latvia:

on the compliance of members of the board of directors (supervisory board) of a cross-border establishment (candidates for these positions) with business reputation requirements, on the compliance of managers and other stipulated-by-law officials of a cross-border establishment (its branches) (candidates for the said positions) with qualification and business reputation requirements, as well as information on the financial standing and business reputation of a legal entity – acquirer (owner) of shares (stakes) of a cross-border establishment, a legal entity exercising control over shareholders (participants) of a cross-border establishment, a private individual establishing control over shareholders (participants) of a cross-border establishment, a private individual – acquirer of shares (stakes) of a cross-border establishment, on business reputation of a person performing the functions of a sole executive body of a legal entity acquiring (owning) shares (stakes) of a cross-border establishment, and (or) sole executive body of a legal entity establishing (exercising) control over shareholders (participants) of a cross-border establishment.

### 6. Co-operation on Ownership Structure Control

6.1. The supervisory authorities, if necessary, may consult each other before granting a permit to set up a cross-border establishment or prior (subsequent)

consent to the acquisition of shares (stakes) by a legal entity or private individual (a group of legal entities and private individuals) in a supervised institution, as well as to conduct transaction(s) aimed at establishing control over shareholders (participants) owning more than 10 per cent of shares (stakes) in a supervised institution registered in the jurisdiction of the other supervisor. The supervisory authorities shall exchange available information for the purpose of assessing data on the ownership structure submitted by supervised institutions or cross-border establishments.

6.2. Based on the written request the supervisory authorities shall exchange all possible information necessary for identification of legal entities and private individuals which exercise control or material influence over supervised institutions which have applied for a licence on opening a cross-border establishment and (or) conduct cross-border operations (acquisition of shares (stakes)) with supervised institutions, and also have cross-border establishments in the Russian Federation or in the Republic of Latvia. If the supervisory authorities do not have such information, they shall take all necessary measures to obtain it.

## **7. Co-operation on Off-site Supervision of Supervised Parent Institutions and Cross-Border Establishments**

7.1. The supervisory authorities shall inform each other about concerns about the financial soundness of supervised parent institutions and cross-border establishments. They shall also notify each other of actions which they have taken in respect of a cross-border establishment as a host supervisor or a supervised parent institution as a home supervisor if the information in their judgment is likely to be important to the other supervisory authority to assist that other supervisory authority in executing its functions.

7.2. The supervisory authorities shall discuss with each other any significant information on supervised parent institutions and cross-border establishments if the information in their judgment is likely to be important to the other supervisory authority or causes its concern. In particular, the following issues are discussed: the financial soundness of a supervised parent institution or a cross-border establishment (failure to meet capital adequacy or other financial requirements, significant financial losses, rapid decline in profits or a deterioration in profitability); concerns revealed in the course of banking supervision both on a solo and consolidated basis, including concerns arising from the results of inspections, reports and meetings or other communications with a supervised parent institution or a cross-border establishment; late or unreliable reporting; failure to comply with business reputation requirements of persons performing the functions of heads of a cross-border establishment, as well as owners of more than 10 per cent of shares (stakes) of a cross-border establishment and legal entities



(private individuals) exercising control in respect of such owners of a cross-border establishment.

7.3. Should one of the supervisory authorities have doubts about the reliability of information, from the viewpoint of risk assessment, provided by a supervised institution on its cross-border operations, including operations with encumbrances (fiduciary transactions), with supervised institutions which are under the jurisdiction of the other supervisory authority, this supervisory authority shall render assistance in verifying the reliability of the aforementioned information.

### **8. Co-operation on Conducting On-site Inspections**

For the purposes of conducting on-site inspections the supervisory authorities have agreed as follows:

8.1. The supervisory authorities agree that co-operation and mutual assistance in carrying out on-site inspections is extremely useful. The supervisory authorities shall seek to provide full information and consultative support to each other in conducting on-site inspections within the framework of national legislation.

8.2. The home supervisor shall have the right to conduct on-site inspections of cross-border establishments located in the host country as well as supervised institutions, – members of banking groups and bank holdings/or financial holding company coordinating its activities with the host supervisor.

8.3. The home supervisor shall gain access to the premises of cross-border establishments located in the host country as well as supervised institutions, – members of banking groups, whose parent institutions are banks of the home country, and to the information about their activities provided that these establishments (institutions) give their consent in writing.

8.4. The home supervisor shall notify the host supervisor in advance (as a rule, at least 25 business days before the scheduled date of inspection unless the urgency of the inspection allows a shorten notice) in writing about its intention to conduct an on-site inspection, indicating the name of a cross-border establishment (a supervised institution – member of a banking group and a bank holding/or financial holding company), issues and timeframes for conducting inspection, the period subject to inspection, and data on the authorised representatives who will conduct the inspection.

8.5. The supervisory authorities in the framework of the national legislation shall provide each other with a summary report on the findings, which bear relevance to the cross-border establishment.

## **9. Co-operation on Financial Resolution of Supervised Parent Institutions and Cross-Border Establishments**

9.1. The home and host supervisors shall discuss problems, which have arisen at a cross-border establishment and/or its parent institution, and develop recommendations for their financial resolution.

9.2. The home and host supervisors shall timely inform each other about financial resolution measures developed for a cross-border establishment and/or its parent institution.

9.3. The home and host supervisors shall as timely as possible inform each other about the measures aimed at ensuring deposits safety at a supervised parent institution and a cross-border establishment taken in compliance with legislation of the home and host countries.

9.4. In order to assist the host supervisor exercising supervision over a cross-border establishment the home supervisor shall inform, if necessary, the host supervisor about the measures to provide the cross-border establishment with liquidity and also other support measures developed by the parent institution.

9.5. The home and host supervisors shall timely provide the aforementioned information if it does not run counter to the national legislation, including in the field of confidentiality protection. If the requested supervisory authority does not timely provide the required information, the requesting supervisory authority shall have the right to take financial resolution measures at its discretion to protect the national financial market.

## **10. Co-operation on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)**

10.1. To fulfill their supervision duties, the supervisory authorities shall exchange information:

- on national laws and regulations in the field of AML/CFT;
- on the practice of identifying and scrutinizing customers, their representatives, and beneficiaries;
- on the compliance of supervised parent institutions and their cross-border establishments with the national legislation in the field of AML/CFT;



- on money laundering and terrorist financing schemes known to supervisory authorities, exposed suspicious operations and persons involved in such schemes and operations;

- complying with national legislation requirements for the purposes of consolidated supervision the supervisory authorities shall exchange information on AML/CFT measures taken by supervised institutions, – members of banking groups and bank holdings and their cross-border establishments, in particular, on internal control rules and procedures, identification of customers, and other necessary information.

10.2. The supervisory authorities shall take joint measures to study and analyse the exposed schemes of money laundering and terrorist financing as well as suspicious operations and perform coordinated actions to counter such schemes and operations.

10.3. For the purposes of AML/CFT one supervisor shall use information provided by the other supervisor on suspicious operations and persons involved in them to take the respective supervisory response measures.

## **11. Other Provisions**

11.1. If necessary, the supervisory authorities shall meet to discuss and settle matters related to the supervision of supervised institutions. The issues related to the implementation of this Memorandum may also be discussed at such meetings.

11.2. To ensure the practical implementation of co-operation, after this Memorandum comes into force, the supervisory authorities shall exchange lists of contact persons (with full names, job titles, telephone and fax numbers and e-mail addresses).

11.3. Information on the Bank of Russia, the banking system, laws and regulations of the Russian Federation may be found on the Bank of Russia's website at [www.cbr.ru](http://www.cbr.ru).

Information on the Financial and Capital Market Commission of the Republic of Latvia, the banking system, laws and regulations on the financial and capital markets of the Republic of Latvia may be found on the website at [www.fktk.lv](http://www.fktk.lv).

The Bank of Russia and the Financial and Capital Market Commission of the Republic of Latvia shall not object to placing this Memorandum on their websites.

11.4. This Memorandum shall come into force as of the date of its signing and shall remain effective until one of the supervisory authorities notifies in advance the other in writing about its decision to terminate it. In this case, this Memorandum shall remain in effect for 30 days after the notification date. Requests for assistance made before that date shall be fulfilled by the supervisory authorities in compliance with the terms and conditions of this Memorandum.

11.5. This Memorandum is not an international treaty and shall not create the rights and obligations regulated by international law.

11.6. By mutual consent of the supervisory authorities amendments and additions to this Memorandum can be made which shall be issued as separate protocols being an integral part thereof and coming into force as of their signing.

11.7. Each supervisory authority shall bear the expenses related to the implementation of this Memorandum on its own, unless stipulated otherwise by other agreements.

11.8. The Memorandum of Understanding between the Central Bank of the Russian Federation and the Financial and Capital Market Commission of the Republic of Latvia in the Field of Banking Supervision of 13 September 2010 shall terminate from the date when this Memorandum comes into force.

11.9. Done in two originals, in the English language.

For the Central Bank of the  
Russian Federation

For the Financial and Capital Market  
Commission of the Republic of Latvia

Alexey Simanovskiy  
First Deputy Governor

Kristaps Zakulis  
Chairman

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(date)

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(date)