

MEMORANDUM OF COOPERATION

between

THE EUROPEAN BANKING AUTHORITY

(the 'EBA')

and

**THE BANKING AGENCY OF THE FEDERATION OF BOSNIA
AND HERZEGOVINA,**

THE BANKING AGENCY OF THE REPUBLIC OF SRPSKA,

THE NATIONAL BANK OF THE REPUBLIC OF MACEDONIA,

THE CENTRAL BANK OF MONTENEGRO,

THE NATIONAL BANK OF SERBIA, and

THE BANK OF ALBANIA

(the 'Signatory Supervisory Authorities')

The European Banking Authority (EBA), of the one part, and the Banking Agency of the Federation of Bosnia and Herzegovina, the Banking Agency of the Republic of Srpska, the National Bank of the Republic of Macedonia, the Central Bank of Montenegro, the National Bank of Serbia and the Bank of Albania, of the other part, (together, the 'Parties'),

With regard to Regulation (EU) No 1093/2010, of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (the 'EBA Regulation'), and in particular Article 33 thereof,

Whereas:

(1) The financial systems of European countries from outside the European Union (the 'non-EU European countries') are, to different degrees, dependent on banking groups or institutions headquartered within the European Union (EU). It is in the interest of the banking supervisory authorities from non-EU European countries to develop concrete arrangements for cooperation and exchange of information between those authorities and the EBA.

(2) The EBA also recognises the need to develop a framework for cooperation and information exchange with the banking supervisory authorities from non-EU European countries, given its interest in monitoring developments in the banking sectors of these countries and their potential impact on the EU.

(3) Cooperation is most effective when the cooperating parties share the same principles and have the same, or largely similar, institutional frameworks and supervisory standards; it is therefore desirable to converge in these areas over time.

(4) The Signatory Supervisory Authorities are from non-EU European countries that have been positively assessed in the context of the EBA's work on third country equivalence of professional secrecy provisions, and are responsible for the supervision of subsidiaries or branches of EU banking groups or institutions operating in their respective countries.

(5) The banking supervisory authorities from other non-EU European countries should be able to join this framework at a later stage, if and when the confidentiality regimes applicable to those authorities have been positively assessed by the EBA.

have reached, on 23 October 2015, this Memorandum of Cooperation (hereinafter referred to as the 'Memorandum').

1. Objective

The objective of this Memorandum is to establish a framework for cooperation and information exchange between the EBA and the Signatory Supervisory Authorities.

2. General provisions

1. The Signatory Supervisory Authorities will strive to adjust their regulatory and supervisory standards, as well as their institutional arrangements, to those existing in the EU in a manner and timeframe that are appropriate considering the specifics of each particular market.
2. By signing this Memorandum, the Signatory Supervisory Authorities and the EBA express their willingness to cooperate in areas related to the EBA's tasks, as specified in Article 8 of the EBA Regulation, which involve the development of the Single Rulebook, promoting the convergence of supervisory practices and the consistent and coherent functioning of supervisory colleges, and monitoring risks and vulnerabilities in the EU banking system; they also agree that their cooperation will be realised on the basis of mutual trust and understanding in accordance with the terms of this Memorandum.

3. Cooperation and exchange of information between the Signatory Supervisory Authorities and the EBA

1. The EBA and the Signatory Supervisory Authorities will set up a dedicated forum. This forum will aim to strengthen banking regulation and supervision in the Signatory Supervisory Authorities' countries through the exchange of information and the promotion of supervisory cooperation.
2. The EBA will maintain and circulate to the Signatory Supervisory Authorities a list of contact persons within their respective organisations for the purposes of this Memorandum.
3. The EBA will regularly inform the Signatory Supervisory Authorities on the development of the Single Rulebook, the convergence of supervisory practices and the functioning of supervisory colleges in the EU.
4. The Signatory Supervisory Authorities will regularly inform the EBA of the main risks and vulnerabilities affecting their national banking sectors. They will also regularly report data and indicators on their national banking sectors to the EBA as well as ad hoc requests of information, which might be needed in the context of the EBA's risk analysis work.
5. The EBA and the Signatory Supervisory Authorities will cooperate in relation to the EBA's work on the different equivalence assessments set out in relevant EU law in respect of the Signatory Supervisory Authorities' countries.

6. In addition, the EBA will regularly update the Signatory Supervisory Authorities on the main EU college activities by means of providing them with the annual EBA colleges action plan and colleges newsletters.
7. To the extent permitted in applicable legislation, the EBA will endeavour to facilitate the participation of the Signatory Supervisory Authorities in the colleges of supervisors established under relevant EU legislation for banking groups or institutions that operate in their jurisdiction.
8. To contribute to developing a common supervisory culture, the EBA will open its regular training activities to participants from the Signatory Supervisory Authorities and, if separately agreed, may provide them with specific regional training.

4. Confidentiality

1. The EBA and each Signatory Supervisory Authority will keep information shared under this Memorandum, requests made under this Memorandum, the contents of such requests, and any other matters arising thereunder confidential to the extent permitted by law.
2. Notwithstanding the foregoing, the EBA may share information obtained under this Memorandum, for the purposes of its tasks, with the Members of the European System of Financial Supervision, the central banks of the European System of Central Banks or other bodies with a similar function in their capacity as monetary authorities, or other public authorities responsible for overseeing payment systems.
3. Except as provided for in the previous paragraph, or otherwise in this Memorandum, the disclosure of non-public information received under this Memorandum to any non-signatory to the Memorandum shall be subject to the prior consent of the requested or disclosing Signatory Supervisory Authority or the EBA, as applicable.
4. This Memorandum or its main contents will be made public on the Signatory Supervisory Authorities' and the EBA's websites.

5. Nature of the Memorandum

1. This Memorandum is a statement of intent to cooperate in a manner consistent with, and permitted by, the laws and requirements that govern the Parties.
2. This Memorandum is not intended to, and does not, (a) constitute in any way a binding or legal agreement, (b) impose any legal obligation or duty on the EBA, the EU or the Signatory Supervisory Authorities, (c) confer any rights, or (d) supersede applicable laws; it is without prejudice to any ongoing process under the EU enlargement and/or neighbourhood policy. Its provisions may

not give rise to any legal claim on behalf of any Party, or of third parties, in the course of their practical implementation.

3. This Memorandum does not supersede bilateral agreements signed between the Signatory Supervisory Authorities and the banking supervisory authorities of relevant EU Member States or the European Central Bank, or arrangements on the exchange of information established under the written coordination and cooperation arrangements put in place for the supervision of EU banking groups.
4. Nevertheless, the Parties commit their best effort to follow the spirit of this Memorandum when developing cooperative measures.

6. Amendments

This Memorandum may be amended and supplemented by an Annex to it signed by the EBA and all the Signatory Supervisory Authorities.

7. Acceding authorities

1. While this Memorandum is initially limited to the Signatory Supervisory Authorities, the EBA will endeavour to assess the professional secrecy provisions applicable to other relevant banking supervisory authorities from other non-EU European countries as quickly as possible within the limits of its available resources and taking into account the demands of competent authorities within the EU.
2. Once the confidentiality regimes applicable to the abovementioned authorities have been positively assessed, the authorities may become Signatory Supervisory Authorities to this Memorandum by obtaining the prior consent of the EBA and signing the letter of adherence to this Memorandum attached in Annex 1 without any reservation. That letter shall be co-signed by the EBA. The EBA will inform the other Signatory Supervisory Authorities of any new Signatory Supervisory Authority.

8. Termination of the Memorandum

1. This Memorandum will be concluded for an unlimited period of time.
2. The EBA may terminate this Memorandum in respect of a Signatory Supervisory Authority by giving at least 30 calendar days' prior written notice to that Authority.
3. A Signatory Supervisory Authority may also terminate the Memorandum by giving at least 30 calendar days' prior written notice to the EBA.
4. Cooperation and exchange of information in accordance with this Memorandum will continue until the expiration of 30 days after the withdrawing Party gives prior notice.

5. Following a Party's withdrawal from this Memorandum, that Party shall continue to apply the confidentiality protections set out in this Memorandum.

9. Entry into force

This Memorandum enters into force on 23 October 2015.

10. Successor authorities

Where the relevant functions of a Signatory Supervisory Authority under this Memorandum are transferred or assigned to another authority or entity under law, the terms of this Memorandum will apply to the successor authority or entity performing those relevant functions without the need for any further amendment to this Memorandum. This will not affect the right of the successor authority or entity and other Parties to this Memorandum to terminate the Memorandum as provided hereunder if they wish to do so.

The present Memorandum is signed on seven originals in the English language.

For the European Banking
Authority

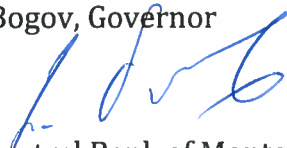
Andrea Enria, Chairperson



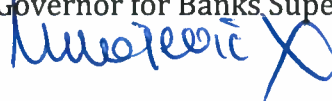
For the Banking Agency of the Federation of Bosnia
and Herzegovina
Zlatko Bars, Director



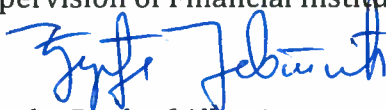
For the National Bank of the Republic of Macedonia
Dimitar Bogov, Governor



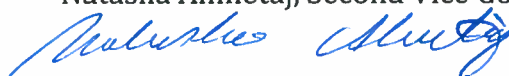
For the Central Bank of Montenegro
Velibor Milosevic, Member of the Council and Vice
Governor for Banks Supervision



For the National Bank of Serbia
Đorđe Jevtić, Director of the Administration for
Supervision of Financial Institutions



For the Bank of Albania
Natasha Ahmetaj, Second Vice Governor



For the Banking Agency of Republic of Srpska
Slavica Injac, Director



Annex 1

Letter of Adherence to the Memorandum of Cooperation

To the European Banking Authority
[Date]
[Name of acceding banking supervisory authority]
[Address]

Reference is made to the Memorandum of Cooperation (the 'Memorandum') dated [add date] between the EBA, of the one part, and the Banking Agency of the Federation of Bosnia and Herzegovina, the Banking Agency of the Republic of Srpska, the National Bank of the Republic of Macedonia, the Central Bank of Montenegro, the National Bank of Serbia and the Bank of Albania, of the other part.

The [insert name of additional Signatory] hereby agrees to the terms of the Memorandum as a Signatory Supervisory Authority thereof.

This Letter of Adherence shall become effective and the [insert name of additional Signatory] shall become a Signatory Supervisory Authority as of the date of signature of this Letter of Adherence by the EBA, which hereby records its consent as contemplated in Section 7.2 of the Memorandum.

Yours sincerely,
[additional Signatory]

[Name]
[Title]

Date: _____

Acknowledged and agreed:
European Banking Authority

[Name]
[Title]

Date: _____