

**Memorandum of Understanding  
Between  
Federal Deposit Insurance Corporation  
And  
People’s Bank of China  
Regarding Cooperation, Technical Assistance and Cross  
Border Resolutions**

This Memorandum of Understanding (“MOU”) is between the United States Federal Deposit Insurance Corporation (“FDIC”) and the People’s Republic of China People’s Bank of China (“PBC”) (hereinafter referred to as the “Parties” to this MOU).

**PREAMBLE:**

Whereas, a number of banks and financial institutions chartered in the People’s Republic of China (“PRC”) and the United States of America (“US”) have operations in each of the respective jurisdictions; and,

Whereas, the increasing globalization and complexity of large financial institutions creates unique challenges for domestic and international regulatory authorities; and,

Whereas, the FDIC and PBC are committed to communication and cooperation and to providing support to international regulators in understanding, designing, and implementing suitable regulatory structures and enhancing critical aspects of existing structures for their financial institutions through foreign technical assistance initiatives, participation in global policy deliberations, and the establishment of supervisory and resolution protocols; and,

Whereas, both Parties have a critical interest in establishing and maintaining such relationships and establishing effective communication protocols; thereby strengthening their ability to guide policy deliberations that routinely affect depository institutions and other financial services companies that are subject to the jurisdiction of the FDIC and the PBC (collectively “Financial Services Organizations”); and,

Whereas, both Parties serve functions in their respective jurisdictions aimed at protecting the legal interests of their depositors and other bank creditors, monitoring risks at financial services companies, engaging in crisis, recovery and resolution planning with regard to Financial Services Organizations, and otherwise contributing to the stability of the financial system; and,

Whereas, both Parties recognize the importance of enhancing cross-border cooperation through the exchange of information and through cooperation in risk monitoring and crisis management, recovery and resolution planning and implementation with regard to troubled Financial Services Organizations while maintaining critical operations; and,

Whereas, both Parties believe that there are significant opportunities to enhance dialogue between them and that the sharing of information will increase considerably through bilateral meetings and enhanced communication relative to policy and implementation issues; and,

Whereas, the FDIC has authority under the Federal Deposit Insurance Act, codified at 12 U.S.C. § 1819 et seq., and under the Dodd-Frank Wall Street Reform and Consumer Protection Act, codified at 12 U.S.C. § 5301 et seq., to enter into and perform its obligations under this MOU; PBC has authority under the Law of the People's Republic of China on the People's Bank of China, as amended, and the Law of the People's Republic of China on Commercial Banks, as amended, to enter into and perform its obligations under this MOU.

Therefore, the FDIC and the PBC wish to use this opportunity to forge effective international working relationships, to demonstrate their commitment to the principles of comprehensive consolidated supervision and cooperation among banking agencies, and to enhance each Party's role in financial regulatory initiatives and policy deliberations and have entered into this MOU with the purpose of developing and expanding methods of interaction. Furthermore, the Parties seek to enhance cooperation in the analysis of cross-border financial institution recovery and resolution issues, planning for potential recovery and resolution scenarios, and appropriate simulations, contingency planning and other work designed to improve preparations of the Parties for managing and resolving crises involving Financial Services Organizations with cross-border operations in the PRC or the US in a manner consistent with, and permitted by, the laws and requirements that govern the Parties.

#### PROVISIONS:

1. The Parties shall promote mutual understanding of each other's economic situation and policies to foster cooperation in the area of economics and finance. The Parties shall engage in a frank and open exchange of views and information on financial services; deposit insurance; risk management; crisis management; recovery and resolution planning with regard to failing or failed financial institutions; promotion of sound banking practices as well as any other relevant financial stability issues.
2. The Parties, within the scope of the legal framework of their respective jurisdictions, shall endeavor to make their best efforts to enhance cooperation that is aimed at developing a closer collaboration of financial and banking activities between the two Parties.
3. In this regard the Parties also agree to:
  - a. exchange views on macro-economic developments and policies that will contribute to closer bilateral economic dialogue on financial stability and financial policies that will promote sustainable growth in the two countries;

- b. promote and establish cooperation between the Parties regarding deposit insurance, risk management, crisis management, and recovery and resolution planning with regard to Financial Services Organizations through the exchange and training of officials from both Parties on predetermined specific areas of expertise or activities of the Parties;
  - c. when appropriate, facilitate timely exchange of information and experience through the exchange of senior-level visits;
  - d. if requested information is prohibited from disclosure or exchange pursuant to applicable laws and regulations in the requested Party's jurisdiction, the requested Party shall not engage in such disclosure or shall exchange in compliance with such applicable laws and regulations; and
  - e. determine issues of mutual interest through an exchange of letters between the two Parties.
- 4. To the extent practicable, and as appropriate in the particular circumstances, including the status of efforts to address any difficulties experienced by a Financial Services Organization, each Party will endeavour, without prejudice to any arrangements relating to specific prudential issues, to inform the other Party promptly about any major regulatory changes relating to risk monitoring, crisis management, recovery and resolution measures, in particular about those which may have a significant, material impact on the operations or activities of cross-border establishments of Financial Services Organizations incorporated in the other jurisdiction.
- 5. To the extent necessary to supplement periodic consultations, the Parties intend in any emergency situation to cooperate with each other in assisting with the risk monitoring, crisis management, recovery and resolution of a Financial Services Organization, and ensuring compliance with the laws or regulations of the PRC or the US, as applicable. The assistance covered by this Paragraph may include, as appropriate to each entity and in accordance with the rights of each Party to collect or otherwise obtain information, providing:
  - a. Information relevant to the financial and operational condition of a Financial Services Organization, including, for example, capital structure, liquidity and funding profiles, internal controls procedures, external market or ratings information, entities and locations providing important operational capabilities, and identification of materially significant subsidiaries and affiliates, such as entities engaged in capital markets, information technology, and data processing services;

- b. Assessments on systemic impact, liquidity, solvency and contingency funding plans of a specific cross-border establishment and its head office or parent Financial Services Organization;
  - c. Contingency liquidation arrangements developed by a cross-border establishment to be employed in the event of insolvency;
  - d. Assistance in obtaining or interpreting requested information, if such assistance is needed; and,
  - e. In addition, the Parties will discuss and agree on the information each should provide to the other for the purpose of resolution contingency planning, as well as time frames within which the information may be needed.
6. The Parties recognize that communication and coordination can play an important role in the planning and implementation of risk monitoring, crisis management, recovery and resolution of a Financial Services Organization. The Parties further acknowledge that their legal duties and objectives will often align with the goals of maximizing recoveries and minimizing losses for the benefit of different stakeholders. Where this is the case, they will endeavor, subject to applicable laws, to cooperate and coordinate in order to identify and implement resolution processes that meet these goals in both of their respective jurisdictions.
7. In emergency situations, it is expected that cooperation between the Parties will intensify as well. The Parties will endeavor to notify each other of the emergency situation and communicate information to the other as would be appropriate in the particular circumstances, taking into account all relevant factors, including the status of efforts to address the emergency situation. During emergency situations, requests for information may be made in any form, including orally, provided such communication is confirmed subsequently in writing. The Parties will endeavor to provide information as quickly as possible during emergency situations. Either of the Parties may request special meetings in an emergency situation to address issues of concern, as appropriate.
8. The Parties intend that the sharing or the disclosure of information, including but not limited to deliberative and consultative materials, pursuant to the terms of this MOU, will not constitute a waiver of privilege or confidentiality of such information. Any confidentiality or non-disclosure obligations related to information provided by the Parties pursuant to this MOU shall survive termination of the MOU and continue to apply to such information. Neither Party shall be entitled to disclose information received from the other Party in accordance with this MOU without the prior written consent of the other Party. Furthermore, the confidentiality and use of the information provided by the Parties pursuant to this MOU shall be subject to the provisions stipulated in the following paragraphs:

- a. Information would be shared to the extent reasonable and subject to any relevant statutory provisions, including those restricting disclosure. In addition, the provision of, or request for, information under this MOU may be denied on grounds of public interest or national security or when disclosure would interfere with an ongoing investigation.
  - b. Any confidential information received from another Party would be used only for lawful supervisory or resolution purposes.
  - c. In the event that a Party is legally compelled to disclose confidential information provided pursuant to this MOU, it is understood that such Party would cooperate in seeking to preserve the confidentiality of the information to the extent permitted by law.
  - d. In cases where a Party receives a request for information, but disclosure is not legally compelled or necessary to carry out that Party's lawful supervisory responsibilities, the Party receiving the request would consult and obtain the prior consent from the Party that originated the information in order to release it.
  - e. In all cases of disclosure to third parties, to the extent consistent with law, the Party disclosing the information would notify the Party that originated the information of such disclosure.
9. All notices, requests, modifications and other communications that are required under this MOU shall be deemed to have been duly given when personally delivered, or 2 business days after faxing or e-mailing to the following addresses:

FDIC: Fred Carns  
Director, Office of International Affairs  
Federal Deposit Insurance Corporation  
550 17th Street, NW, Room #NYA-8016  
Washington, DC 20429 USA  
Telephone: 202-898-3930  
Fax: 202-898-6794  
Email: [fcarns@fdic.gov](mailto:fcarns@fdic.gov)

PBC: He Jianxiong  
Director-General, International Department  
People's Bank of China (PBC)  
No.32 Chengfang Street, Xi Cheng District,  
Beijing, China 100800  
Telephone: 86-10-66194803  
Fax: 86-10-66016407  
E-mail: [hjianxiong@pbc.gov.cn](mailto:hjianxiong@pbc.gov.cn)

Addresses may be changed by either party by providing notice of the address change to the party at the address listed above. Such change of address shall remain in effect until further notice of address change is provided.

In addition to providing notice to the individuals in the preceding paragraph, the Parties will also designate a contact person or persons of sufficient seniority extant, involved in ongoing resolution and crisis management of Financial Services Organizations. These contact people will be listed in Attachment A to this MOU. Each Party will inform the other Party of these appointments and any changes therein. Senior-level contacts will be underpinned by regular working-level contact and collaboration, potentially including joint work on issues of mutual interest. To the extent possible, a request for information pursuant to this MOU should be made in writing, and addressed to the relevant contact person(s) in Attachment A.

10. Any disagreement arising out of the interpretation of this MOU shall be settled amicably by means of consultation between the Parties. Both Parties shall provide adequate opportunity for such resolution.
11. Cooperation in accordance with this MOU will commence as of the effective date in Paragraph 14 below and continue indefinitely subject to written modification by the mutual consent of the Parties or termination by a Party with 30 days' advance written notice to the other Party. After termination, the confidentiality provisions as specified herein will continue to apply to any information provided under this MOU prior to termination. All amendments or addenda to this MOU shall be in writing and must be signed evidencing agreement between both Parties.
12. This MOU does not create any legally binding obligations, confer any rights or benefits upon any third-party, or supersede domestic laws.
13. This MOU may be executed in counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument. This MOU is executed in two versions, one in English for the FDIC and the other in Chinese for PBC, and signed by the authorized representatives of the Parties. The two versions of the MOU shall have the same interpretive force. In the event of inconsistency between any terms of this MOU and any translation into another language the Parties shall resolve the inconsistency amicably by means of consultation. If no agreement is reached through consultation, each Party shall be entitled to terminate this MOU pursuant to the terms of this MOU.
14. This MOU will be effective upon the last date of execution by both Parties.

**IN WITNESS WHEREOF**, the Parties hereto have caused this agreement to be duly executed by their authorized representatives.

**Federal Deposit Insurance Corporation**

\_\_\_\_\_  
Martin J. Gruenberg  
Chairman

\_\_\_\_\_  
Date

**People's Bank of China**

\_\_\_\_\_  
ZHOU Xiaochuan  
Governor

\_\_\_\_\_  
Date

ATTACHMENT A - CONTACT OFFICERS

PBC: He Jianxiong  
Director-General, Financial Stability Bureau  
People's Bank of China  
No 32 Chengfang Street, Xicheng District,  
Beijing, China 100800  
Telephone: 86-10-66194803  
Fax: 86-10-66016407  
Email: hjianxiong@pbc.gov.cn

Xuan Changneng  
Director-General, Financial Stability Bureau  
People's Bank of China (PBC)  
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Beijing, China 100800  
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Fax: 86-10-66016407  
Email: xchangneng@pbc.gov.cn

Mu Huaipeng  
Director-General, Legal Department  
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Fax: 86-10-66016407  
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Director, Division of Risk Management Supervision  
Federal Deposit Insurance Corporation  
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