


MEMORANDUM OF UNDERSTANDING
ON THE SHARING OF INFORMATION
BETWEEN
THE FEDERAL RESERVE BANK OF NEW YORK
AND
THE OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS OF PUERTO RICO

This Memorandum of Understanding ("MOU") is entered into by and between the Federal Reserve Bank of New York ("FRBNY") and the Office of the Commissioner of Financial Institutions of Puerto Rico ("OCFI") (each, independently, a "Party" or collectively, "the Parties").

The FRBNY, pursuant to the Federal Reserve Act (12 U.S.C. §226, et. seq.) and implementing regulations, makes available various services, including, but not limited to, funds transfer, cash, and check clearing, to depository institutions and certain other financial institutions (FRBNY services generally referred to herein as "FRBNY Services"). In providing FRBNY Services, the FRBNY has a duty to ensure that institutions using such services do not do so in a manner that poses undue risks to the integrity or assets of the FRBNY.

The OCFI charters and licenses banks and other financial services providers in Puerto Rico, including "international banking entities" ("IBEs") licensed pursuant to the International Banking Center Regulating Act (7 L.P.R.A § 232 et. seq.). The OCFI supervises and examines IBEs to ensure that they are carrying out their business in a sound and lawful manner. IBEs that are depository institutions for purposes of the Federal Reserve Act are eligible for FRBNY Services, and several IBEs have already been granted access to FRBNY Services.

 On September 25, 2012], the "International Financial Regulatory Center Act" (7 L.P.R.A. § 273) was enacted, authorizing the chartering and licensing by the OCFI of "international financial entities" ("IFEs"), which would have the rights and powers of IBEs as well as certain broader

rights and powers. IBEs may request permission from the OCFI to convert to IFEs. IFEs that are depository institutions for purposes of the Federal Reserve Act would be eligible for FRBNY Services.

The Parties believe it is in their mutual interest to share certain confidential or other information in connection with the use by IBEs and/or IFEs of FRBNY Services.

The information obtained pursuant to this MOU may be shared with relevant areas within FRBNY, including the financial institution supervisory function.

Accordingly, the Parties agree as follows:

1. The Parties agree to share information, including confidential information, with each other, concerning IBEs or IFEs licensed by OCFI that seek to use, or are using, FRBNY Services.
2. The Party seeking and/or receiving information (the "Receiving Party") should describe the information desired and its needs for the information. The request must be formally submitted (in writing).
3. 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 the grounds of public interest.
4. Any confidential information received will only be used by the Parties in carrying out their respective duties. To the extent permitted by law, each Party will hold confidential all information (other than publicly available information) received from the other Party under this MOU and will not disclose such information except as provided in and consistent with paragraphs 6 and 7 below. Each Party will label "confidential" information provided to the other Party that it regards as confidential.
5. All documents provided pursuant to this MOU will remain the property of the Party providing the information (the "Providing Party").
6. Where the Receiving Party is legally compelled to disclose confidential information provided pursuant to this MOU, that Party will, to the extent permitted by law, promptly

notify the Providing Party and will cooperate in seeking to preserve the confidentiality of the information.

7. Where the Receiving Party receives a request from a third party for confidential information provided pursuant to this MOU, that Party will promptly notify the Providing Party, will solicit the Providing Party's views as to the propriety of releasing such information to the third party and, where requested, will cooperate in seeking to preserve the confidentiality of the information.
8. The sharing of information under this MOU is done in reliance on the foregoing assurances and would not constitute a waiver of any legally cognizable privilege as to any person other than the Parties to this MOU.
9. The provisions of this MOU do not create legally binding obligations, and are not intended to give rise to the right of either Party or of any person, entity or governmental authority, directly or indirectly, to obtain any information or challenge the execution of a request for information under this MOU.
10. Nothing in this MOU is intended to supersede or abrogate any other information sharing and/or confidentiality agreement entered into between the Parties.
11. This MOU is effective as of the date it is signed by both Parties. Either Party may terminate this MOU upon 30 days' notice to the other Party. The confidentiality obligations pertaining to any information shared or received pursuant to this MOU before such termination shall continue in effect after termination of this MOU.



AGREED:

FEDERAL RESERVE BANK OF NEW YORK



Name: Martin C. Grant

Title: Senior Vice President

Date:

AGREED:

OFFICE OF COMMISSIONER OF FINANCIAL
INSTITUTIONS OF PUERTO RICO



Name: Rafael Blanco Latorre

Title: Commissioner

Date: 21 OCT 2013