

B.1.2 Notice of Coming into Effect of Memorandum of Understanding Between the Ontario Securities Commission, the Autorité des marchés financiers, Autorité de Contrôle Prudentiel et de Résolution and Banque de France Related to the Supervision and Oversight of LCH SA

August 10, 2023

The Ontario Securities Commission (**OSC**) has entered into a Memorandum of Understanding (**MOU**) with the Autorité des marchés financiers, Autorité de Contrôle Prudentiel et de Résolution, and Banque de France. The purpose of the MOU is to facilitate regulatory cooperation and information-sharing related to the supervision and oversight of LCH SA, a clearing agency which is based in France but also operates in other jurisdictions, including Ontario. The MOU came into effect in Ontario on July 12, 2023.

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Multilateral Arrangement to Establish a Global College for Regulatory, Supervisory and Oversight Cooperation on LCH SA

Terms of Reference for Framework Arrangement dated 12 November 2021

Contents

Glossary

- A. Background and Rationale for Framework Arrangement
- B. Objectives of Framework Arrangement
- C. Scope of Framework Arrangement and Status of Terms of Reference
- D. Participation of Authorities in the Framework Arrangement
- E. Participation Criteria for the Framework Arrangement
- F. Activities of the Framework Arrangement
- G. Process for Adoption of Terms of Reference
- H. Confidentiality and Uses of Information
- I. Changes to Terms of Reference

GLOSSARY

In this Framework Arrangement, unless otherwise specified:

“Authorities” or “Financial regulatory Authorities” include Authorities and institutions with regulatory, supervisory or oversight responsibilities. Similarly references to “regulation” or “regulatory” should be read as including regulatory, supervisory and oversight activities.

“Confidential Information” means any non-public information relating to the business or other affairs of any person or firm or relating to supervision, oversight or regulation by an Authority that is received by a Participating Authority through its participation in the Framework Arrangement. Any non-public personal data received by a Participating Authority shall be treated as Confidential Information.

“CPMI-IOSCO Principles for Financial Market Infrastructures” means the principles for financial market infrastructures published by the Board of the International Organization of Securities Commissions and the Committee on Payment and Settlement Systems in December 2012.

“Disclosing Authority” designates the Participating Authority required to disclose information by statute or law or in legal proceedings.

“EMIR” designates Regulation (EU) No. 648/2012 of the European Parliament and the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.

“EMIR College” designates the arrangement between EU Authorities in relation to the supervision and oversight of LCH SA, as per article 18 of EMIR.

“Framework Arrangement” designates this arrangement for regulatory co-operation which governs the relationships among Participating Authorities, and sets up the Global College of LCH SA.

“French Authorities” designates Autorité des marchés financiers, Autorité de Contrôle Prudentiel et de Résolution, and Banque de France.

“Global College” designates the body set up by this Framework Arrangement in relation to the supervision and oversight of LCH SA.

“Invited EMIR College Authorities” designates all Authorities which form part of the EMIR College other than those who are Participating Authorities.

“Participating Authority” designates an Authority participating in the Framework Arrangement.

“**Terms of Reference**” designates the terms of reference set out in this document, to govern the creation and operation of the Framework Arrangement.

The terms used in the singular shall include the plural, and the plural shall include the singular number.

A. Background and Rationale for Framework Arrangement

1. LCH SA is authorised as a central counterparty in accordance with EMIR. LCH SA provides clearing services for credit default swaps, equity and commodity derivative instruments, government bond repurchase transactions, cash equity products and other securities.
2. The French Authorities are LCH SA’s competent Authorities for supervision and oversight, pursuant to Article 22 of EMIR. Banque de France, for the purpose of this Framework Arrangement, is designated to establish, manage and chair the Global College for LCH SA. Participating Authorities, as the case may be with the impulse of Banque de France, will endeavor to facilitate the operation and further development of the Framework Arrangement.
3. LCH SA is registered as a Derivatives Clearing Organisation by the U.S. Commodity Futures Trading Commission, and as a Clearing Agency by the U.S. Securities and Exchange Commission. LCH SA is also registered, licensed, recognised, exempt from recognition or authorised to provide clearing services in certain other non-EEA jurisdictions such as Canada, Japan, Switzerland or the United Kingdom.
4. In view of the financial instruments cleared through LCH SA, the range of countries of incorporation of LCH SA’s clearing members and of their clients and the currencies of denomination and settlement of LCH SA’s products, a number of Authorities in jurisdictions not otherwise included in EMIR College for LCH SA have expressed interest in the establishment of a framework for international regulatory co-operation with regard to the supervision and oversight of LCH SA.
5. The establishment of such a framework for cooperation is in line with Responsibility E of the CPMI-IOSCO Principles for Financial Market Infrastructures (“Responsibility E”), which provides that central banks, market regulators and other relevant Authorities should co-operate in order to promote the safety and efficiency of financial market infrastructures (“FMIs”), to support each other in fulfilling their respective regulatory, supervisory, or oversight mandates, to facilitate the comprehensive regulation, supervision and oversight and to provide a mechanism whereby the responsibilities of multiple Authorities can be fulfilled efficiently and effectively taking into consideration the statutory responsibilities of the Authorities, the systemic importance of the FMI for the respective jurisdictions, the FMI’s comprehensive risk profile and the FMI’s participants. It is also in line with the Financial Stability Board’s (FSB’s) four safeguards for a resilient and efficient global framework for central clearing.
6. This Framework Arrangement related to the Global College is in addition to, and without prejudice to the terms of arrangement of, the EMIR College established under EMIR in respect of LCH SA and any other cooperation arrangement which may have been entered into between the French Authorities and some of all of the Participating Authorities or any other Authorities in relation to LCH SA.

B. Objectives of the Framework Arrangement

7. The French Authorities and other Participating Authorities with a regulatory interest in LCH SA wish to create this Framework Arrangement to enhance, through discussion, consultation and disclosure of information between Authorities, the regulation and supervision and oversight of LCH SA.
8. In particular, the Participating Authorities, including the French Authorities, seek to promote a consistent regulatory approach that:
 - a) leverages the expertise and experiences of the French Authorities from their day-to-day supervision and oversight of LCH SA, and the perspectives, expertise and experience of the other Participating Authorities to foster comprehensive regulation, supervision and oversight of LCH SA under these Terms of Reference, and where relevant, activities of clearing members in relation to the CCP;
 - b) enhances oversight efficiency by minimising the burden on LCH SA and the duplication of effort by Participating Authorities in line with their respective responsibilities;
 - c) fosters consistent and transparent communication among the Participating Authorities and with LCH SA;
 - d) fosters transparency among the Participating Authorities regarding the development and implementation of applicable policies; and

- e) supports fully informed judgments when Participating Authorities make their independent assessments and decisions regarding LCH SA, while recognising that individual assessments and decisions by a Participating Authority could have implications for other Participating Authorities.
9. These Terms of Reference will govern the Framework Arrangement and set out the necessary bases for the interaction between the French Authorities and other Participating Authorities regarding LCH SA.
10. These Terms of Reference will also provide a governance process for the Framework Arrangement, including:
- a) the structure of the Framework Arrangement;
 - b) the criteria for participation in the Framework Arrangement;
 - c) the scope of activities of the Framework Arrangement;
 - d) information security arrangements;
 - e) the process for managing any changes to the Framework Arrangement;
 - f) the process for the Participating Authorities to adopt these Terms of Reference; and
 - g) the organisation and practical matters of operation of the Framework Arrangement.

C. Scope of Framework Arrangement and Status of Terms of Reference

11. The scope of the Framework Arrangement covers all clearing services provided by LCH SA and LCH SA's governance, controls, structure, arrangements and processes implemented or provided by LCH SA to facilitate, enable and risk manage the provision of clearing services.
12. These Terms of Reference, and the operation of the Framework Arrangement arising from their adoption, do not affect any other arrangements between two or more Participating Authorities or any arrangements between a Participating Authority and any other third party or parties, including any bilateral or multilateral arrangements between the French Authorities and another Authority or Authorities that may be put in place with regard to the supervision and oversight of LCH SA as mandated by relevant legislation including EMIR, regulatory development or otherwise, either at the time of signature of these Terms of Reference or at a future date. Nothing in these Terms of Reference will prescribe, mandate or limit the ability of the Authorities with statutory responsibility for the supervision or oversight of LCH SA to develop and operate other arrangements for regulatory co-operation with regard to LCH SA. For the avoidance of doubt, such bilateral or multilateral arrangements will operate independently of and in parallel to the Framework Arrangement governed by these Terms of Reference.
13. In order to participate in the Framework Arrangement, a precondition will be that the Authority acknowledges and supports the establishment of this Framework Arrangement and that its participation is consistent with these Terms of Reference.
14. These Terms of Reference, and any participation in the Framework Arrangement resulting from an Authority's adoption of these Terms of Reference, do not modify or supersede any laws, rulemaking or regulatory requirements in force in, applying to or due to apply to the EU or any other jurisdiction. These Terms of Reference are not intended to constrain the discretion of the French Authorities or any other Authority in any way in the discharge of its functions nor prejudice the individual responsibilities or autonomy of any Authority with regards to LCH SA.
15. These Terms of Reference do not create any binding legal obligations.
16. These Terms of Reference will be treated as coming into effect as at the date stipulated by Banque de France on the first page of this document and notified to the Participating Authorities. A new Authority wishing to join this Framework Arrangement shall observe these Terms of Reference as from the date on which they sign a letter acknowledging acceptance of these Terms of Reference in accordance with section G.

D. Participation of Authorities in the Framework Arrangement

17. In order to act as a Participating Authority, an Authority other than a French Authority shall satisfy the criteria for participation in the Framework Arrangement at the point of adoption and on an ongoing basis. Banque de France will assess an Authority's eligibility against the participation criteria (other than in relation to French Authorities which will be deemed to satisfy the participation criteria at all time).
18. Should changing conditions result in a Participating Authority no longer meeting the criteria for participation in this Framework Arrangement the Participating Authority shall discuss with Banque de France a timeline for it to cease participation in this Framework Arrangement.

19. The Participating Authorities agree that additional Authorities with a relevant interest in LCH SA, as specified in paragraph 25 and satisfying the criteria for participation in the Framework Arrangement may become Participating Authorities under this Framework Arrangement at any time. Banque de France will assess an Authority's eligibility against the participation criteria. Following confirmation of the Authority's eligibility against the participation criteria by Banque de France the Authority will become a Participating Authority by executing the joinder arrangement included in Annex 5. With respect to such additional Participating Authority, this Framework Arrangement will be effective as of the date of that Participating Authority's signing of the joinder arrangement under Annex 5. Banque de France will give notice to all other Participating Authorities of the acceptance of the Authority to become a Participating Authority.
20. Before an authority becomes a Participating Authority, it will be required to demonstrate to Banque de France that it is subject to professional secrecy obligations equivalent to those contained in Article 83 of EMIR as reproduced in Annex 4 and provide confirmation of such in writing. Participating Authorities shall also transmit to Banque de France a copy of the relevant applicable provisions under local law (and if required a translation in French or English thereof) and an analysis of their equivalence to those contained in Article 83 of EMIR. This paragraph does not apply to authorities that are part of the EMIR College.
21. Each Participating Authority shall provide Banque de France with contact details for two members of staff to act as its representatives to the Global College for the purpose of this Framework Arrangement. The nominated representatives of a Participating Authority should be sufficiently senior to be able to express the position of the Participating Authority but should also have an appreciation of the detailed points regarding the operation and regulation of LCH SA. One representative will be nominated as the primary representative, the other as the secondary representative. These representatives will participate in the Global College and will act as the contact point for the provision of information, information requests and crisis information sharing under the Framework Arrangement and for any administrative purposes related to the operation of these Terms of Reference.
22. Banque de France will use these designated contacts for the sending of all information under this Framework Arrangement. Such contact details shall be communicated to Banque de France in writing, and should include primary and secondary contact for each Authority:
 - a) their names;
 - b) their telephone numbers;
 - c) their email addresses; and
 - d) their mailing addresses.
23. An Authority may amend the details of its representatives to the Global College by notifying Banque de France by email.
24. For communications by email with Banque de France, the address "1074-COLLEGELCHSA-UT@banque-france.fr" should be used.

E. Participation requirements for the Framework Arrangement

25. The Framework Arrangement will comprise Authorities that express the wish to engage in regulatory cooperation with regard to LCH SA and which are:
 - a) The French Authorities
 - b) central banks of issuance of currencies for which LCH SA's settlements are material;
 - c) central banks providing standing account facilities to LCH SA;
 - d) Authorities which form part of the EMIR College; or
 - e) Authorities that have statutory responsibility, under national or supra-national law, for the supervision or oversight of LCH SA, clearing services operated by LCH SA, LCH SA's clearing members and/or other FMIs with which LCH SA has a relationship or interdependency.
26. All Invited EMIR College Authorities will always be invited to, and entitled to attend, meetings of the Global College and will be provided with any Confidential Information shared between Participating Authorities under this Framework Arrangement. Invited EMIR College Authorities shall be subject to the obligations of professional secrecy set out in Article 83 of EMIR with regards to Confidential Information received from EMIR College Authorities in this context. Regarding Confidential Information received from Participating Authorities which are not part of the EMIR College, Invited EMIR College Authorities will, as a condition to receiving such information, agree in writing to the use and confidentiality provisions set out in Section H of this Framework Arrangement.

27. Banque de France will consider requests from Authorities with a relevant interest in LCH SA, as specified in paragraph 26. Banque de France shall inform all Participating Authorities if any new Authority wishes to join the Framework Arrangement pursuant to paragraph 19. Banque de France shall carry out periodic reviews of the membership of the Framework Arrangement and of these Terms of Reference.

F. Activities of the Framework Arrangement

28. Co-operation in the Framework Arrangement will encompass the reciprocal exchange of Confidential Information, supervisory and oversight perspectives and opinions related to LCH SA between the Participating Authorities. A Participating Authority shall consider discussing with the other Participating Authorities any forthcoming supervisory interaction with LCH SA if it considers that this may be of interest and relevance to the other Participating Authorities.
29. Except where regular intervals are specified below, Confidential Information will be shared at minimum on a yearly basis by the French Authorities with summary reports given in in-person or online meetings or as otherwise discussed by Participating Authorities. Confidential Information sharing and related discussions between Participating Authorities regarding member defaults and market emergencies will take place as soon as is practical taking into consideration operational arrangements and any need for a Participating Authority to gain approval for the disclosure of Confidential Information.
30. Co-operation in the Framework Arrangement will include mutual discussion of Participating Authorities' views and regulatory assessments of LCH SA, primarily through discussion of regulatory assessments and material risk issues raised by LCH SA's business and risk management practices and/or proposed changes to these practices.
- a) All Participating Authorities, including the French Authorities, maintain the right to prepare their own independent analyses and assessments of LCH SA. If a Participating Authority conducts its own assessment of LCH SA, it shall consider seeking the views of the French Authorities before finalising its analysis and conclusions. Any Participating Authority which conducts an assessment of LCH SA will consult the other Participating Authorities, where practicable. Consultations conducted under this paragraph may be either bilateral between the two relevant Participating Authorities or multilateral, involving other Participating Authorities, as appropriate.
 - b) An assessment of LCH SA conducted by a Participating Authority (including results and related reports) will not be disclosed to the public unless the Participating Authorities agree otherwise. Where disclosure is required by statute or law or in legal proceedings, the Disclosing Authority shall consider sharing its assessments with the other Participating Authorities before the assessment is made publicly available, and provide an opportunity for other Participating Authorities to raise any concerns. The Disclosing Authority will not attribute or imply any views, participation, or approval of another Participating Authority in assessments publicly disclosed without the consent of such party.
31. A Participating Authority should provide the other Participating Authorities with at least a summary of the authorisation, licenses or recognitions issued by that Participating Authority to LCH SA in its respective jurisdiction and the requirements that attach to such regulatory status. A Participating Authority should also notify the other Participating Authorities as soon as practical of changes to regulatory, supervisory or oversight requirements in its jurisdiction, which it considers may have material implications for the oversight of LCH SA in other jurisdictions.
32. It is envisaged that regulatory cooperation in the Framework Arrangement will include the following areas, unless such Confidential Information is already made available to the Participating Authorities through alternative channels:
- a) Monthly data reports covering all relevant services of LCH SA, to be distributed by Banque de France by email, containing data on margin, collateral and other key indicators;
 - b) information on any events of default of a member that have occurred, including details of use of LCH SA's default protections and default management processes that have occurred and which impact the operation or resilience of LCH SA and the total level of financial resources remaining at LCH SA for default management purposes;
 - c) discussion of regulatory assessments of LCH SA against EMIR;
 - d) where each Participating Authority deems it appropriate, Participating Authorities' regulatory opinions and priorities;
 - e) in accordance with Annex 1, information in the event of a business continuity event, member default, force majeure, market emergency or other non-business as usual event and which impact the operation or resilience of LCH SA;

- f) information on material changes to the ownership, regulatory status, senior management, product or service offering, risk management or control processes or operational methodology implemented by LCH SA;
 - g) where a Participating Authority deems it appropriate, notice of any supervisory action proposed or undertaken by that Participating Authority with regard to LCH SA and any finalized enforcement action or sanction.
33. Banque de France may also distribute other Confidential Information as it deems appropriate, which may include information with regards to the governance, controls, arrangements and processes that LCH SA maintains should such information be required by a Participating Authority for the performance of its regulatory assessment of LCH SA or its assessment of LCH SA's systemic importance in the Participating Authority's jurisdiction.
34. Banque de France will facilitate the notification, without undue delay, by LCH SA to Participating Authorities of proposed new business or material changes related to LCH SA's services so that Participating Authorities may identify any questions or concerns. The French Authorities would consider these questions and concerns and arrange appropriate follow up to address these. For the avoidance of doubt, this notification provision does not override or replace any requirements on LCH SA to meet any regulatory requirements placed on them by any Participating Authority that has statutory oversight or supervision of LCH SA outside of this arrangement.
35. A meeting or conference call of the Global College will be held on at least an annual basis. Banque de France will organise and chair this meeting. Participating Authorities may request that a meeting be held by informing Banque de France of such request. The requesting Participating Authority should outline in its request those matters that it proposes to discuss. Where Banque de France does not consider that a meeting of the Participating Authorities is necessary, Banque de France will respond to the requesting Authority with an explanation of Banque de France's reason for not considering that a meeting of the College is necessary, including an explanation of how Banque de France proposes to address the concerns raised by the Participating Authority that requested the additional meeting.
36. Meetings of the Global College will be subject to an agenda, to which Participating Authorities may contribute. The Agenda will be set by Banque de France. Banque de France will provide written documentation before the meeting to support discussion at the meeting no later than one week before the meeting.
37. Banque de France will produce the formal minutes of a meeting of the Global College, and provide the Participating Authorities with the opportunity for comment before these minutes are finalised. The minutes are for the benefit of the Participating Authorities and will not be made publically available. Additional in-person or online meetings may be held subject to the support of the Participating Authorities. Each Participating Authority, other than the French Authorities, will be represented at meetings of Participating Authorities by only one member of its staff, unless Banque de France, acting at its discretion, permits one or more Participating Authorities to be represented by more than one member of staff. Banque de France may, on notification to Participating Authorities, invite Authorities qualifying under paragraph 25 which are not yet signatories to this Framework Arrangement to participate in meetings and discussions of the Global College as observers, subject to relevant confidentiality agreements being in place.
38. Should Banque de France assess it to be appropriate and practical, representatives from LCH SA may be invited to attend meetings and conference calls to directly provide updates, information and answer questions.
39. A Participating Authority may request additional information to that covered under paragraph 32 from Banque de France or from any other Participating Authority (the "requested Authority"). Banque de France may also request information from any Participating Authority. Such requests for the provision of information or other assistance will be made in writing where possible, but in urgent cases may be made verbally and confirmed in writing within five business days. To facilitate assistance, the Participating Authority making a request (the "requesting Authority") to Banque de France should specify in its request:
- a) the information or other assistance sought;
 - b) a general description of the matter which is the subject of the request;
 - c) the purpose for which the information or other assistance is sought;
 - d) if the requesting Authority is seeking confirmation of the accuracy of information provided by the requested Authority and the nature of the confirmation sought;
 - e) if the requesting Authority is seeking further information in relation to information provided by the requested Authority and should specify the nature of the further information sought;
 - f) where onward disclosure of information provided to the requesting Authority is likely to be necessary, the identity of the person to whom disclosure may be made and the reasons for such disclosure; and

- g) the desired time period for a reply.

Other Participating Authorities that have processes that need to be followed with regard to requests for Confidential Information that they receive should inform the Participating Authorities of such processes.

G. Process for adoption of Terms of Reference

40. In order to be eligible to act as a Participating Authority, an Authority shall acknowledge in writing to Banque de France that it supports the establishment of this Framework Arrangement and that its participation in the Framework Arrangement will be consistent with these Terms of Reference. Such acknowledgement should be in the form set out in Annex 2 to these Terms of Reference. This form should be signed by an authorised signatory who has the relevant Authority in accordance with the Authority's internal corporate governance or board approvals. Such acknowledgement shall be made no later than five business days before the Authority in question commences its participation in this Framework Arrangement. Before an Authority in question commences its participation in this Framework Arrangement, Banque de France will confirm to all Authorities that are already Participating Authorities that the Authority in question has acknowledged in writing its acceptance of these Terms of Reference.
41. Each Participating Authority shall ensure that it is able to continue to observe these Terms of Reference on an ongoing basis. Should a Participating Authority become aware that the acknowledgement it has made to Banque de France in the form provided in Annex 2 ceases to be valid or will cease to be valid in the foreseeable future, the Participating Authority shall inform Banque de France of this as soon as is practical. On the receipt of such notice Banque de France may choose to suspend or prohibit the Authority in question from continuing to participate to the Global College.
42. A Participating Authority may cease its participation to the Global College at any time on the provision of written notice to Banque de France that it has ceased participation in the Framework Arrangement and therefore ceased to observe these Terms of Reference. Any such termination of participation of the Framework Arrangement will release the Authority ceasing participation from observance with these Terms of Reference, with the exception of the provisions of these Terms of Reference regarding confidentiality and use of information.
43. Banque de France may, for good cause and at its discretion, suspend a Participating Authority's participation to the Global College at any time and without notice if Banque de France, acting reasonably, assesses that the Authority in question has not materially observed these Terms of Reference. Banque de France will endeavor to avoid taking such action by providing notice of its intention to suspend the participation of the Authority before the suspension takes effect and by discussing any actual or possible issues of non-observance of these Terms of Reference with the Participating Authority in question.

H. Confidentiality and Uses of Confidential Information

44. All Confidential Information shall be treated as confidential by the receiving Participating Authority to the extent permitted by applicable law. In this regard, Participating Authorities acknowledge that all persons dealing with, or having access to such information are bound by obligations of professional secrecy. Subject to the provisions on disclosure below, all Confidential Information will be used by, within, and among the Participating Authorities only within the context of this Framework Arrangement and in connection with their regulatory, supervisory, or oversight responsibilities under, and subject to applicable laws. Confidential Information received by a Participating Authority from any other Participating Authority, including Banque de France, shall not be disclosed other than in connection with those responsibilities or pursuant to legal obligations, and subject to the provisions set out below.
45. Except as provided in paragraphs 46, 47 and 48 below, before a Participating Authority ("Participating Authority A") discloses any Confidential Information received from another Participating Authority ("Participating Authority B"), Participating Authority A shall request and obtain prior written consent from Participating Authority B which shall not be unreasonably withheld. Each Participating Authority shall endeavor to respond to a request to disclose information within twenty calendar days.
46. Notwithstanding paragraph 45, a Participating Authority ('Participating Authority A') that receives Confidential Information from another Participating Authority ('Participating Authority B') may, without obtaining the consent of Participating Authority B, discuss such information with a third Participating Authority or an Invited EMIR College Authority, provided that the Authority with whom the Confidential Information is discussed has already received the same information in accordance with the Terms of Reference of this Framework Arrangement.
47. In the event that a Participating Authority ('Participating Authority A') is required by statute or law or in legal proceedings to disclose Confidential Information provided by another Participating Authority ('Participating Authority B'), Participating Authority A shall, to the extent permitted by law, inform Participating Authority B about such possible compelled disclosure and seek Participating Authority B's prior consent. If Participating Authority B does not consent to such disclosure, Participating Authority A shall assert all appropriate legal exemptions or privileges from disclosure that may be available.

If despite such efforts, disclosure of the Confidential Information is ultimately compelled, Participating Authority A shall, to the extent permitted by law, inform Participating Authority B in advance of such disclosure.

48. The central banks members of the Eurosystem may disclose Confidential Information provided by another Participating Authority to the other central bank members of the Eurosystem, subject to the central banks representing the Eurosystem obtaining the receiving national central banks' agreement to keep such Confidential Information confidential in accordance with these Terms of Reference and not further disclose it except in accordance with paragraph 44 of these Terms of Reference.
49. No privileges, immunities, or confidentiality associated with Confidential Information provided by a Participating Authority are intended to be waived as a result of sharing such information pursuant to these Terms of Reference.
50. Notwithstanding these Terms of Reference, a Participating Authority may inform financial institutions of, or otherwise make public, risks or deficiencies it has identified at LCH SA where doing so is in connection with its responsibilities or pursuant to legal obligations, even when the knowledge of such risks or deficiencies is partly or in whole based on Confidential Information, so long as no Confidential Information provided by any other Participating Authority is disclosed, except in accordance with these Terms of Reference.
51. If a Participating Authority providing Confidential Information seeks to impose further restrictions on disclosure or use of such information beyond those noted in these Terms of Reference it shall set these out expressly when providing Confidential Information. Participating Authorities receiving Confidential Information subject to any such further restrictions shall agree to observe, to the extent permitted by applicable statute or legal process, the restrictions on disclosure or use of such Confidential Information required by the Participating Authority that has provided the data. For the avoidance of doubt, these Terms of Reference place no obligation or expectation on a Participating Authority to share Confidential Information.
52. The existence of this Framework Arrangement may be publicly disclosed. A party may publicly disclose an outline of the provisions of this Framework Arrangement or all or portions of this Framework Arrangement itself, except for Annex 3 and the signature pages of other Parties than the one publically disclosing the Framework Arrangement or parts of it, if required to do so by law, or if such public disclosure is in the proper exercise of its functions, powers or obligations. If a party discloses any part of this Framework Arrangement, it will inform the other parties.
53. A Participating Authority ('Participating Authority A') that receives Confidential Information from another Participating Authority ('Participating Authority B') will promptly notify Participating Authority B in the event of an unauthorized disclosure of Confidential Information obtained from Participating Authority B, including, where possible, identifying the recipient(s) of information.

I. Changes to Terms of Reference

54. These Terms of Reference may be amended by obtaining the mutual and unanimous consent of the Participating Authorities, as expressed by each Participating Authorities' nominated representative in writing. Such amendments may be in response to the publication of new or amended international standards or guidance with regard to international regulatory cooperation.
55. Any Participating Authority, including Banque de France, may cease their participation in this Framework Arrangement at any time at its discretion. Such a withdrawal from this Framework Arrangement may be effective immediately, but as a matter of practice the Participating Authority that intends to withdraw shall endeavor to give the other Participating Authorities notice of not less than one month prior to its withdrawal. Withdrawal from the Framework Arrangement releases the withdrawing Authority from any commitments entered into under these Terms, with the exception of the confidentiality provisions which shall continue to apply to any Confidential Information provided prior to termination.
56. Operation of these Terms of Reference will be suspended, with immediate effect, upon Banque de France, as chair of this Framework Arrangement, ceasing to participate in this Framework Arrangement. Following such suspension, the confidentiality provisions shall continue to apply to any Confidential Information provided prior to suspension.
57. Termination of these Terms of Reference will be effective immediately upon LCH SA ceasing to provide clearing services. Following such termination, the confidentiality provisions shall continue to apply to any Confidential Information provided prior to termination.