



BANCO CENTRAL DEL URUGUAY

Montevideo, June 27th, 2011

Mr. Michael L. Brosnan
Senior Deputy Comptroller
Large Banks Supervision
Office of the Comptroller of the Currency
250 E Street, S.W.
Washington, DC 20219
United States

Subject: Information Sharing Exchange of Letters

Dear Mr. Brosnan:

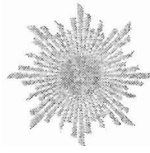
We believe it would be mutually beneficial for the Office of the Comptroller of the Currency (OCC) and the Banco Central del Uruguay (BCU) to work closely and cooperatively in the supervision of cross-border establishments of banks and banking organizations incorporated in the United States and Uruguay.¹ After analyzing the information provided by the OCC, we are executing this letter to establish an arrangement for sharing information on a case-by-case and best efforts basis. This arrangement would be utilized whenever the OCC makes a request in writing for information from the BCU or the BCU makes a request in writing for information from the OCC.

The BCU is committed to the principle of comprehensive consolidated supervision and, in that regard, has long shared information with foreign supervisors on supervisory issues and concerns. We agree that any information received from you will be used only for lawful supervisory purposes and kept confidential subject to the understandings below. We will endeavor to work with you using our authority under current law to provide you with relevant, appropriate information on a case-by-case basis and, as described below, subject to your legal obligations and commitments to keep this information confidential.

Applicable Law Regarding Information Sharing and Confidentiality

Article 6 of Law 17.948 of December 27, 2005 provides that the BC may enter into cooperation agreements with international financial agencies or financial

¹ The OCC and the BCU may be referred to as "supervisors."



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intermediation supervisors from other countries, within the framework of its powers.

Item U) of article 35 of the BCU Charter (Law No. 16.696 of March 30, 1995), as amended by Laws No. 18.401 (October 24, 2008) No. 18.643 (February 9, 2010), and No. 18.670 (July 20, 2010), provides that the Superintendency of Financial Services has explicit legal powers to share information with international financial or supervisory agencies in the fields related to its duties and powers.

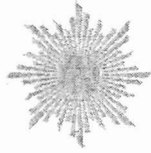
Item R) of the abovementioned article confers on the Superintendency legal authority to keep registers provided for by the laws and to enable the ones it may consider necessary for the appropriate operation of the financial system. Item T) empowers the Superintendency to disclose information about people, companies, and institutions contained in the registers under its custody, which in no case shall mean giving information about funds and securities deposited in the national financial system, or in custody in the supervised entities, neither about affidavits submitted by the shareholders, directors and senior staff of the supervised entities.

With regard to the prevention and control of money laundering and the financing of terrorism, article 7 of Law No. 17.835 (September 23, 2004), as amended by article 1 of Law No. 18.494 (June 5, 2009), provides that, on the basis of reciprocity, the BCU through its Unit of Information and Financial Analysis (Uruguayan Unit of Financial Intelligence) may exchange information relevant to the investigation of crimes of asset laundering and financing of terrorism with the authorities of other countries which, exercising similar powers, may request. For that purpose, it may enter into Memoranda of Understanding.

However, we acknowledge that national laws impose limitations on the exchange of information. The Superintendency is empowered to share information, except for customer account or securities deposited in the national financial system, as well as confidential information provided by the customers to their banks.

Pursuant to Article 25 of Decree-Law No. 15.322 (September 17, 1982), individualized data about funds or securities kept in deposit by banking institutions, as well as confidential information provided by customers to their banking institutions, cannot be disclosed to third parties unless with the express written consent from the account holder or unless the information was requested by a criminal judge or a judge with jurisdiction over support obligations. The BCU is subject to these disclosure restrictions with respect to third parties.

With regard to confidential information provided by foreign supervisors, information received is covered by the professional secrecy requirements in Uruguayan law and it cannot be disclosed except for just cause (*see* Article 302 of the Criminal Code). Just cause can exist, by way of illustration, when information is required by a judicial



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authority with jurisdiction, by a parliamentary committee of investigation, by the Executive Branch (Ministry of Economy and Finance) exercising its powers, and by the tax authority.

We accept the commitment to take all possible measures to preserve the confidentiality of the information received. The information will only be used for the purpose of performing banking supervision within the framework of our powers and will be shared as far as reasonable, subject to the abovementioned legal restrictions applicable in Uruguay, specifically including those that restrict disclosure.

Confidentiality Commitments

We believe that confidentiality commitments are necessary if supervisors are to feel comfortable sharing information with their foreign counterparts, as well as legally necessary. Without such guarantees, the BCU will not be able to share information with you and continue to develop a mutually beneficial supervisory relationship.

Thus, if the BCU or the OCC receive a request for shared information from a third party but disclosure is not legally compelled or necessary to carry out the supervisor's lawful supervisory responsibilities, we understand that the supervisor receiving the request will consult with and obtain the prior consent of the supervisor that originated the information prior to releasing it.

Moreover, we understand that, if disclosure of the received information is legally compelled or necessary to carry out its lawful supervisory responsibilities a supervisor will, to the extent permitted by law, inform the supervisor that originated the information of such possible onward sharing. If the originating supervisor does not consent to such disclosure, if possible and appropriate, the supervisor that is required to disclose the received information will take reasonable steps to resist disclosure, including by employing legal means to challenge the order or by advising the requesting party of the possible negative consequences that such disclosure might have on the future exchange of confidential information between the supervisors. The BCU would consent to the OCC disclosing confidential information provided by the BCU to a third party in furtherance of the OCC's lawful supervisory responsibilities and subject to a commitment that the information will not be further disclosed by the receiving party, except as authorized by the OCC after the OCC obtains the BCU's consent.

Other Cooperation

Finally, we further agree to enhance cooperation between the BCU and the OCC by meeting, as appropriate, to address any aspect of our respective bank regulatory systems. Moreover, if the Uruguayan law should change, we will, of course, inform



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you of any substantive changes that affect the BCU's authority to share supervisory information with foreign supervisors, or our ability to maintain the confidentiality of supervisory information received from foreign supervisors.

Sincerely,

Jorge Ottavianelli
Superintendente de Instituciones de
Intermediación Financiera
Banco Central del Uruguay

2006/02031



Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

July 22, 2011

Mr. Jorge Ottavianelli
Superintendente de Instituciones de
Intermediación Financiera
Banco Central del Uruguay
Diagonal Fabini 777 – C.P. 11100
Montevideo
URUGUAY

Subject: Information Sharing Exchange of Letters

Dear Mr. Ottavianelli:

Thank you for the informative responses your agency provided to our questionnaire relative to an information sharing arrangement. We believe it would be mutually beneficial for the Office of the Comptroller of the Currency (OCC) and the Banco Central del Uruguay (BCU) to work closely and cooperatively in the supervision of cross-border establishments of banks and banking organizations incorporated in the United States and Uruguay.¹ After analyzing the information provided by the BCU, we are executing this letter to establish an arrangement for sharing information on a case-by-case and best efforts basis. This arrangement would be utilized whenever the OCC makes a request in writing for information from the BCU or the BCU makes a request in writing for information from the OCC. We request that you sign and return to us the attached reciprocal letter to have the exchange of letters enter into effect.

The OCC is committed to the principle of comprehensive consolidated supervision and, in that regard, has long shared information with foreign supervisors on supervisory issues and concerns. We agree that any information received from you will be used only for lawful supervisory purposes and kept confidential subject to the understandings below. We will endeavor to work with you using our authority under current law to provide you with relevant, appropriate information on a case-by-case basis and, as described below, subject to your legal obligations and commitments to keep this information confidential.

We understand from your letter and your answers to our Questionnaire that Article 25 of Decree-Law No. 15.322 (September 17, 1982) limits the ability of the Banco Central de Uruguay to share information about funds or securities kept on deposit by banking institutions, as well as confidential information provided by customers to their banking institutions, unless with the express written consent from the account holder or unless the information was requested by a criminal judge or a

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judge with jurisdiction over support obligations. Therefore, the OCC will also limit the information that it shares about funds or securities kept on deposit by banking institutions, as well as confidential information provided by customers to their banking institutions.

Applicable Law Regarding Information Sharing and Confidentiality

U.S. law authorizes the OCC to share confidential supervisory information with foreign supervisors (International Banking Act of 1978 (IBA)).² This law provides that, before disclosing supervisory information to any foreign bank regulatory or supervisory authority, the OCC must determine that the disclosure is appropriate and will not prejudice the interests of the United States. In addition, the IBA requires that the foreign supervisor must also agree to maintain the confidentiality of any supervisory information that we provide to the extent permitted by the supervisor's law. *See* 12 U.S.C. § 3109(a) and (b).

Unless authorized by law, it is a crime for an employee of the U.S. federal government to divulge, disclose, or make known in any manner certain confidential commercial and financial information that is obtained in the course of his or her employment or official duties (18 U.S.C. §1905). The law also imposes criminal penalties for disclosing this information if it is obtained by reason of conducting an examination or investigation or contained in a report filed with the federal government. In addition, 18 U.S.C. § 1906 provides that, unless ordered by a court or directed by the U.S. Congress or a congressional committee, it is a crime for any bank examiner to disclose the name of borrowers or collateral for loans of any bank or branch or agency of a foreign bank unless the examiner obtains permission of his/her agency or the Board of Directors of the institution in question. The OCC's regulations, which have the force of law, also require confidential treatment of a broad range of non-public supervisory information.³

Further, confidential material provided by a foreign supervisor has broad protection and the OCC may not be compelled to disclose the information received if certain conditions are met. The information must have been obtained from the foreign supervisor through procedures used in connection with the administration and enforcement of U.S. federal banking laws or pursuant to a memorandum of understanding or similar arrangement between the OCC and the foreign supervisor. In addition, the foreign supervisor must determine and make a written representation to the OCC that public disclosure of the information would violate the laws applicable to the foreign supervisor. If the requirements of the law are met, the OCC could not be compelled to disclose such information except to duly authorized committees of the Congress or to comply with an order of a court of the U.S. in an action commenced by the U.S. or the OCC.⁴ Disclosure might also be required under certain laws that require notification and disclosure to other agencies in specific circumstances.⁵

² Under another federal law, the OCC also has specific authority to share information to aid in an investigation by a foreign banking authority, subject to certain requirements. *See* 12 U.S.C. § 1818(v).

³ *See* 12 CFR Part 4, Subpart C.

⁴ 12 U.S.C. § 3109(c).

⁵ For example: (i) under the Federal Banking Agency Audit Act, 31 U.S.C. § 714, the federal government's Government Accountability Office (GAO) would have access to all records and property of or used by a federal banking agency if the materials contain information that is "statistically meaningful" to carrying out a GAO audit; (ii) under section 1542 of the Housing and Community Development Act of 1992, 12 U.S.C. § 1831m-1, the federal banking agencies could be compelled, unless otherwise prohibited by law, to disclose to another federal banking agency information received from another agency that raises concerns about the safety and soundness of a depository institution doing business in the United States; (iii) under section 35 of the FDI Act, 12 U.S.C. § 1831l,

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Moreover, we understand that, if disclosure of the received information is legally compelled or necessary to carry out its lawful supervisory responsibilities a supervisor will, to the extent permitted by law, inform the supervisor that originated the information of such possible onward sharing. If the originating supervisor does not consent to such disclosure, if possible and appropriate, the supervisor that is required to disclose the received information will take reasonable steps to resist disclosure, including by employing legal means to challenge the order or by advising the requesting party of the possible negative consequences that such disclosure might have on the future exchange of confidential information between the supervisors. The OCC would consent to the BCU disclosing confidential information provided by the OCC to a third party in furtherance of the BCU's lawful supervisory responsibilities and subject to a commitment that the information will not be further disclosed by the receiving party, except as authorized by the BCU after the BCU obtains the OCC's consent.

Other Cooperation

Finally, we further agree to enhance cooperation between the BCU and the OCC by meeting, as appropriate, to address any aspect of our respective bank regulatory systems. Moreover, if the U.S. law should change, we will, of course, inform you of any substantive changes that affect the OCC's authority to share supervisory information with foreign supervisors, or our ability to maintain the confidentiality of supervisory information received from foreign supervisors.

Sincerely,



Michael L. Brosnan
Senior Deputy Comptroller
Large Bank Supervision

the federal banking agencies must notify the Securities and Exchange Commission of any concerns regarding significant financial or operational risks to a broker or dealer from activities of entities affiliated with the broker or dealer and supervised by any of the federal banking agencies.