

MEMORANDUM OF UNDERSTANDING

between

THE SECURITIES AND EXCHANGE COMMISSION OF BRAZIL

and

THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

on

**THE ESTABLISHMENT OF
THE OECD/CVM CENTRE ON FINANCIAL EDUCATION AND LITERACY
IN LATIN AMERICA AND THE CARIBBEAN**

Preamble

The Organisation for Economic Co-operation and Development (the “OECD”) is an international leader in the area of financial education through its promotion of international co-operation, development of recommendations and analysis, and execution of country surveys since 2003. The OECD’s work on financial education, whose outputs are targeted at both OECD Members and non-Members, is performed under the aegis of the OECD Committee on Financial Markets (CFM) and the Insurance and Private Pension Committee (IPPC) through the OECD/International Network on Financial Education (INFE) created in 2008. OECD/INFE brings together high-level public officials from OECD Members and non-Members to develop methodologies, data, analysis and research leading to the development of relevant policy instruments with a view to improving financial literacy and well-being.

The Securities and Exchange Commission of Brazil (the “Comissão de Valores Mobiliários”, hereinafter referred to as the “CVM”) is an independent federal agency linked to the Ministry of Finance, responsible for the regulation and supervision of the Brazilian capital market. Since 1998, the CVM has offered educational programmes for investors and the general public. From 2007 to 2009, the CVM led a working group set up by the Brazilian financial regulators to draft a National Strategy for Financial Education (“ENEFE”). As part of ENEFE work, from 2008 to 2009, the CVM co-ordinated the design of the “Financial Education in Schools” programme and the implementation of a corresponding pilot project in high schools (2010-2011). The CVM, along with other Brazilian authorities, has actively contributed to the OECD/INFE, including by hosting the OECD/INFE’s fourth meeting in 2009 and contributing to its work on methodologies, data, national strategies and long-term savings and investment. In 2014, the CVM set up a Behavioural Sciences Committee (“NEC”) to develop research and seek advice on how to increase the impact of financial educational programmes using insights from behavioural sciences.

The OECD and the CVM (individually a “Party” and together the “Parties”) wish to establish the OECD/CVM Centre on Financial Education and Literacy in Latin America and the Caribbean (the “Centre”) to promote efficient financial education in Brazil, Latin America and the Caribbean through a range of activities including meetings, surveys, mutual learning through peer reviews, and research. The Centre will be housed at CVM headquarters in Rio de Janeiro, Brazil and will build on the existing co-operation between Brazil and the OECD, as formalised in the Co-operation Agreement between Brazil and the OECD signed on 3 June 2015 and the Joint Declaration on the OECD-Brazil Work Programme 2016-2017 signed on 3 November 2015. Furthermore, the Centre will be a concrete means for advancing the co-operation between the OECD and the Latin America and Caribbean (LAC) region in the context of the OECD LAC Regional Programme.

Article 1 Purpose

1.1. This Memorandum of Understanding (the “MoU”) sets forth the agreement of the Parties for the establishment of the Centre in full respect of the relevant laws, rules and/or Practices of the Parties.

1.2. The work to be conducted by the Centre shall fall within the OECD’s Programme of Work and Budget (PWB). A detailed programme of work of the Centre, prepared by the OECD in consultation with the CVM, shall be approved by the relevant OECD bodies. Any activities of the Centre shall be carried out in accordance with OECD rules and practices.

Article 2 Structure of the Centre

- 2.1. The OECD shall be in charge of the substantive aspects of the Centre's work. The CVM shall be in charge of the operational and administrative aspects of the Centre and will collaborate on the substance as outlined in Article 3 below.
- 2.2. The Centre will be located at CVM headquarters in Rio de Janeiro in an office and facility that will be provided and financed by the CVM.
- 2.3. The Centre will be managed by a Management Board composed of:
- a) a senior OECD official; and
 - b) the Director of the Investor Protection and Assistance Department in the CVM (or his/her delegate).

Article 3 Areas and Means of Co-operation

- 3.1. The Centre shall serve as a hub for knowledge exchange on efficient financial education and related issues in Brazil and LAC, and will be used to organise annual regional LAC meetings. The Centre's activities will build on the work of the OECD/INFE and its Research Committee, including methodologies for collecting qualitative and quantitative data; policy analysis; instruments; and research. Meetings held at the Centre will provide an opportunity to disseminate and assess this work in the Brazilian and LAC context. The Parties will also use the Centre to facilitate annual surveys of financial education initiatives in LAC, which will be released at the Centre's annual meetings (the "Surveys"). These Surveys can form the basis of a regular mutual learning process through peer reviews among LAC countries (on a voluntary basis).
- 3.2. In this context, the Parties will collaborate on a range of activities including meetings, mutual learning and peer reviews, and the Surveys. Areas of focus and research shall include, but not be limited to:
- a) financial and investor education aimed at supporting policy goals (e.g. long-term savings and investment);
 - b) financial consumer protection (as relevant to financial education);
 - c) financial market trends and policy issues (as relevant to financial education);
 - d) collection of quantitative and qualitative evidence on financial literacy and relevant aspects of financial inclusion and financial consumer protection (based on OECD/INFE methodologies);
 - e) effective delivery of investor/financial education initiatives to various target audiences (e.g. youth; women; seniors; micro, small and medium enterprises ("MSMEs")); and
 - f) financial education policies aimed at supporting other policy goals (e.g. financial inclusion, responsible use of credit).
- 3.3. The main goals of the Centre are:
- a) knowledge-sharing and organisation of dissemination events. The Parties will organise an annual regional conference at the Centre, with the possible addition of one to two country-specific events elsewhere in LAC;

- b) dissemination and use of relevant OECD/INFE policy and practical tools, methodologies, research and analysis in Brazil and LAC (including translation into Spanish and Portuguese where necessary); and
- c) facilitation of the Surveys and related publications.

3.4. The Centre shall build on existing relevant work and networks within the OECD/INFE and the CVM. The Parties will explore expanding the activities at the Centre in the event additional resources become available, especially for the inclusion of training and mutual learning through peer review activities.

Article 4 OECD Staff Based in Paris

4.1. To support the work of the Centre, the OECD shall, subject to the availability of funds, assign staff, as needed, who shall be in charge of the substantive aspects of the operation of the Centre, including the following:

- a) developing the programme of work of the Centre, in consultation with the CVM;
- b) providing the initial content of work completed in the context of the Centre's activities (e.g. materials for events; mutual learning through peer reviews and courses; Survey questionnaires and Surveys) to be then finalised in collaboration with the CVM; and
- c) contributing to, monitoring, reviewing and approving any work and research that may be conducted in the context of the Centre's activities.

4.2. The total number of OECD staff working in order to support the work of the Centre shall be determined by the OECD depending on the availability of funds and the needs of the substantive work completed in the context of the Centre.

Article 5 CVM Staff

5.1. To support the work of the Centre, in addition to the staff responsible for the collaborative work to be carried out in accordance with Article 3 of the MoU, the CVM shall assign staff who shall be responsible for the day-to-day operational and administrative activities of the Centre.

5.2. One CVM staff member may also be seconded to the OECD by the CVM, subject to separate written agreement between the Parties.

5.3. Throughout the duration of their appointment, CVM staff shall remain employed by their national institution and subject to the laws, regulations and rules applicable to them in their capacity as employees of their national institution. The national institution shall continue to be responsible for the payment of the salary and benefits of CVM staff. Under no circumstances shall CVM staff be considered officials or employees of the OECD.

5.4. While honouring their obligations as employees of their national institution, CVM staff will work under the supervision of the OECD for any activities related to substantive work, including administrative, secretariat and operational tasks related to substantive work. CVM staff shall abide by the provisions laid down in OECD Staff Regulations 2 to 5 (with the exception of Staff Regulation 5 e), and

their related Rules and Instructions, applicable to officials of the Organisation. They shall also respect the Code of Conduct for OECD officials. In the event of conflict of obligations or of authority, the OECD and the CVM will consult each other on possible solutions, which may include an immediate termination of the posting of the concerned CVM staff member.

Article 6 Budget

6.1. Subject to the availability of funds, the OECD shall be in charge of and cover only the salaries and other related costs and allowances of OECD staff based in Paris responsible for the work detailed in Article 4 above.

6.2. The CVM shall provide directly the premises for the Centre and directly finance the following costs:

- a) costs related to the general upkeep and operation of the Centre (e.g. general maintenance costs and usage costs);
- b) equipment in the Centre's facilities, including photocopying machine(s), telefax machine(s), telephones, PCs, internet fees and technicians' service charges;
- c) salaries of the administrative staff at the Centre;
- d) participation of experts (including OECD staff) contributing to events at the Centre;
- e) translation into Portuguese and Spanish of OECD documents selected by the OECD, in accordance with OECD procedure;
- f) an annual regional conference/seminar;
- g) at least one annual country-specific event;
- h) interpretation into one language of the participating countries;
- i) conducting the Surveys, including: dissemination of Survey questionnaires prepared by the OECD and collecting responses; translation and dissemination of the Surveys at relevant events and through the Centre;
- j) contribution to possible joint work (training, mutual learning through peer reviews, research); and
- k) all other costs associated with the operation of the Centre.

Article 7 Intellectual Property

7.1. All intellectual property rights over work that originates from the OECD or work created by the Parties' collaborative activities under this MoU shall belong solely and exclusively to the OECD (including, without limitation, know-how, copyrights, rights relating to data and any other industrial or intellectual property rights). The CVM agrees that the OECD retains copyright in all material that it supplies to the Centre for the purpose of this MOU and that such copyright shall not be shared with the CVM.

7.2. The OECD recognises the right of the CVM to use, in whole or in part, the OECD material provided to the Centre, as well as the work created by the Parties' collaborative activities in the framework

of this MoU, subject to a prior, written agreement from the OECD and to an appropriate acknowledgment of the OECD source and intellectual property ownership rights as follows: (NAME of PUBLICATION), ©, (DATE), Organisation for Economic-Co-operation and Development (OECD), Paris.

7.3. Should the CVM need any OECD material in Spanish and/or Portuguese, they shall use the translation approved by the OECD, when available. When no such approved translation is available, the CVM shall undertake the translation into Spanish and/or Portuguese, subject to a separate license agreement between the Parties.

7.4. All intellectual property rights over work that originates from the CVM shall belong solely and exclusively to the CVM. The OECD is authorised to use and translate, in whole or in part, any work developed by CVM for the purposes of the MoU.

7.5. All intellectual property rights related to any work developed by the OECD using, in whole or in part, work developed by the CVM shall belong solely and exclusively to the OECD. The OECD shall acknowledge the CVM as the source.

7.6. The CVM is not authorised to use the work of the OECD or the work created by the Parties' collaborative activities in the framework of this MoU for any commercial purpose.

7.7. Work carried out by the Centre for the purpose of publication shall be subject to OECD rules and procedures and, in particular, those established by the OECD Publishing Policy. Any joint publication shall be subject to a separate written agreement by the Parties. The website of the Centre (if any) shall comply with OECD rules, procedures and policies. Both publications and the website shall comply with the Guidelines on the use of the OECD Brand. Publications shall acknowledge the participation of the CVM in the work of the Centre.

Article 8 Disclosure

8.1. The Parties may disclose to the public this MoU and information with respect to activities carried out under this MoU in accordance with the Parties' relevant policies.

8.2. Any sharing of confidential information between the Parties will be subject to their respective policies and procedures relating to the disclosure of confidential information. Each Party will take any action to protect confidential and/or classified information of the other Party.

Article 9 Responsibility

9.1. Each Party will be responsible for its activities and for its staff members, including for their acts and omissions. In particular, a Party will not be liable for any damage or injury suffered or caused by the other Party or that other Party's staff.

9.2. However, if a damage or injury arises out of or results from the actions carried out by one Party (the "First Party"), the First Party will hold the other Party and its staff harmless from any resulting claim or damages.

Article 10
Status of the OECD

10.1. Nothing in this MoU shall be construed as a waiver of the OECD's immunities and privileges as an international organisation.

Article 11
Entry into Effect and Duration

11.1. This MoU shall enter into effect on the date of signature by both Parties and shall remain in effect for three years.

11.2. It may be renewed in writing for further three year periods or for a shorter period by mutual agreement.

Article 12
Amendment

12.1. This MoU may be amended, in writing, upon mutual agreement of the Parties.

Article 13
Divergence of Views

13.1. The Parties will first engage in amicable negotiations to settle any dispute relating to the interpretation or application of this MoU.

13.2. If the Parties are unable to reach an amicable settlement in accordance with the above paragraph, any divergence, controversy or claim arising out of, or relating to the interpretation, application or performance of this MoU, including its existence, validity or termination, shall be settled by final and binding arbitration in accordance with the Permanent Court of Arbitration Optional Rules for Arbitration involving International Organisations and States, as in effect on the date of this MoU. The number of arbitrators shall be one. The language to be used in the arbitral proceedings shall be English. The place of arbitration shall be Paris (France). The appointing authority shall be the Secretary-General of the Permanent Court of Arbitration. The Parties expressly renounce their right to seek the annulment or setting aside of any award rendered by the arbitral tribunal.

Article 14
Reduction of Operations and Termination

14.1. This MoU may be terminated by either Party, at any time, subject to twelve months' written notice.

14.2. In case of a lack of funding or insufficient funding, the operation of the Centre may be reduced or wound up, notwithstanding paragraph 1 of this Article.

14.3. In case of reduction of operations, winding up of the Centre or termination, all the costs deriving therefrom shall be borne according to Article 6 of this MoU.

Article 15
Contact Points

Each Party designates below its representative with overall responsibility for implementing this MOU, including responsibility for formulating work plans for activities to be undertaken pursuant to it:

For the CVM:

Mr. Jose Alexandre Cavalcanti Vasco
Director, Investor Protection and Assistance Department
Tel: +55-21-3554-8210
Fax: +55-21-3554-8211
Email: vasco@cvm.gov.br

For the OECD:

Ms. Flore-Anne Messy
Deputy Head of the Financial Affairs Division
Directorate for Financial and Enterprise Affairs
Tel: +33 1 45 24 9656
Fax: +33 1 44 30 63 08
Email: Flore-Anne.messy@oecd.org

Signed in two original copies in English.

On behalf of the OECD

On behalf of the CVM

Date: _____

Date: _____

Rintaro Tamaki

Leonardo P. Gomes Pereira

Deputy Secretary-General

Chairman