



**United States
Commodity Futures Trading
Commission**



South African Reserve Bank

**South African
Reserve Bank**

November 2, 2020

STATEMENT OF INTENT ON COOPERATION AND THE EXCHANGE OF INFORMATION ON FINANCIAL TECHNOLOGY INNOVATION

In view of emerging technology in financial markets and services, the United States Commodity Futures Trading Commission (“CFTC”) and the South African Reserve Bank (“SARB”) (each an “Authority” and, together, the “Authorities”) intend to cooperate and share information with respect to financial technology (“FinTech”).

The Authorities have established the following (each an “Innovation Function” and, together, the “Innovation Functions”):

For the CFTC: “LabCFTC” is an office within the CFTC focused on facilitating responsible FinTech innovation while fostering open, transparent, competitive, and financially sound markets to serve the public interest. The CFTC established LabCFTC to advance policy and regulation in financial innovation, facilitate dialogue between innovators and those within the CFTC on financial and technological innovations, and educate stakeholders on financial technology and innovation in the financial markets on how innovations are being used.

For the SARB: “Fintech Unit” and Programme is an office within SARB focused on strategically assessing the emergence of FinTech in a structured and organised manner, and to consider its regulatory and policy implications. The main goal of the SARB Fintech Unit is to assess innovations in financial services and to assist regulatory authorities in formulating and adopting appropriate regulatory positions and frameworks in response to these emerging innovations, whilst ensuring the efficient functioning of the financial system and maintaining financial stability.

The purpose of this statement of intent (“Statement”) is to initiate cooperation and information sharing between the Innovation Functions of each Authority.

This Statement should be interpreted and implemented in a manner that is permitted by, and consistent with, the legal requirements applicable to each Authority. This Statement does not create any legally binding obligations or confer any rights, including any legally enforceable

right or ability of any person directly or indirectly to obtain, suppress, or exclude any information or to challenge the execution of a request for information under the Statement. This Statement does not modify or supersede domestic laws or regulations, nor does it limit or condition the discretion of an Authority in any way in the discharge of its regulatory responsibilities or prejudice the individual responsibilities or autonomy of either Authority.

Each Innovation Function intends to act in a manner consistent with the understandings in Paragraphs 1-6 and will use and treat any non-public information received pursuant to this Statement in the manner prescribed in Paragraphs 7-8:

1. Support – Each Innovation Function may provide support to an entity or individual (“Innovator Business”) that includes, but is not limited to: (a) assistance regarding understanding the regulatory framework in the relevant Authority’s jurisdiction and the framework’s potential application to the Innovator Business; (b) assistance in understanding regulatory issues or ambiguity that the Innovator Business has identified; and (c) guidance with respect to any applicable authorization process of the relevant Authority for licensing, registering, approving, or otherwise making an Innovator Business subject to the Authority’s regulatory requirements (“Authorization”).
2. Referrals – An Authority’s Innovation Function may refer an Innovator Business to the other Authority’s Innovation Function where the Innovator Business: (a) meets the referring Authority’s criteria for referral; and (b) consents in writing to disclosure to the other Authority of information about the Innovator Business. Referrals should include information demonstrating that the Innovator Business seeking to operate in the receiving Authority’s jurisdiction meets, or would meet, the referring Authority’s criteria for referral. Each Innovation Function should notify the other Innovation Function of any material changes to an Authority’s criteria for referral.

The Innovation Function receiving the referral should offer support to the Innovator Business consistent with the support outlined in Paragraph 1. An Innovator Business that receives such support may or may not ultimately meet an Authority’s requirements for Authorization. In providing support, neither the Innovation Function nor the Authority is expressing an opinion about whether an Innovator Business ultimately will meet the requirements for Authorization.

3. Innovation Learning – The Innovation Functions intend to organize and to invite each other to observe in, and to consider hosting jointly where permitted, events, proofs of concept, trials, or innovation competitions supported by sandboxes, accelerators, launchpads, or similar endeavors related to FinTech.
4. Information Sharing – Subject to applicable domestic laws and regulations and where appropriate, the Innovation Functions intend to share information related to FinTech. Such information may include, but is not limited to: (a) emerging trends and developments pertaining to FinTech; (b) innovations in FinTech and regulatory issues pertaining to such innovations; (c) experiences with and best practices in engaging with FinTech innovation; and (d) activities of domestic and international organizations or bodies that promote innovation in FinTech.

To the extent possible, any request for information should be made in writing and should specify the following: (a) the information sought by the Innovation Function; (b) a general

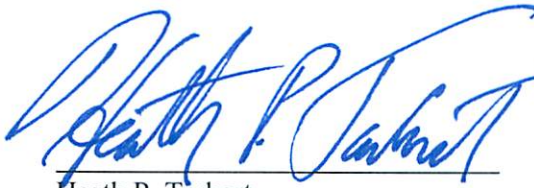
description of the matter that is the subject of the request; (c) the purpose for which the information is sought; and (d) the desired time period for reply and, where appropriate, any urgency thereof. The Innovation Functions anticipate that requests will be made in a manner that is consistent with the goal of minimizing administrative burdens.

5. Periodic Meetings – Representatives of the Innovation Functions intend to meet periodically, as appropriate, to discuss items listed in Paragraph 4 above. Such meetings may be conducted by conference call or on a face-to-face basis, as appropriate.
6. Transmittal: Requests, referrals, responsive information, and any subsequent communication between Innovation Functions may be transmitted electronically. Any electronic transmission should use means that are appropriately secure in light of the confidentiality of the information being transmitted. An Innovation Function should mark any non-public information transmitted under this SOI: “Confidential – Provided under Statement of Intent between the CFTC and the SARB”.
7. Use: An Innovation Function may use non-public information obtained from the other Innovation Function under this Statement solely for the purposes for which the information was provided. If an Innovation Function wishes to use non-public information furnished under this Statement for any other purpose, the Innovation Function first must consult with, and obtain the prior written consent of, the other Innovation Function for the intended use. If consent is denied, the Innovation Functions will consult to discuss the reasons for withholding approval of such use and the circumstances, if any, under which the intended use might be allowed. The restrictions in this paragraph do not apply to information obtained by an Innovation Function directly from an Innovator Business.
8. Confidentiality: The following provisions apply to the treatment of non-public information:
 - (a) Each Innovation Function will keep confidential, to the extent permitted by law, all non-public information shared under this Statement, including the contents of referrals and requests, and any other matters arising under this Statement. In the event of discontinuation of this Statement, non-public information received under this Statement will continue to be used and treated in the manner prescribed in Paragraphs 7 and 8.
 - (b) Each Innovation Function must obtain the prior written consent of the other Innovation Function before sharing non-public information received under this Statement with any non-signatory to this Statement. The Innovation Function whose consent is being sought will take into account the level of urgency of the request and respond in a timely manner. If consent is denied, the Innovation Functions will consult to discuss the reasons for withholding approval of such disclosure and the circumstances, if any, under which the intended disclosure might be allowed.
 - (c) To the extent possible, each Innovation Function intends to notify the other Innovation Function prior to complying with any legally enforceable demand for non-public information furnished under this Statement. When complying with the demand, the Innovation Function intends to assert all appropriate legal exemptions or privileges with respect to such information as may be available.
 - (d) The Innovation Functions intend that the sharing or disclosure of non-public information, including deliberative and consultative materials, such as written analysis, opinions, or recommendations relating to non-public information that is prepared by or

on behalf of an Innovation Function, pursuant to the terms of this Statement, will not constitute a waiver of privilege or confidentiality of such non-public information.

This Statement may be amended in writing with the consent of the Authorities referred to in Paragraph 1; may be superseded, as appropriate, by a more formal cooperation arrangement entered into by the Authorities; or may be discontinued when an Innovation Function provides 30-days' written notice to the other Innovation Function of its intention to discontinue participation in the Statement.

This Statement is signed in duplicate.



Heath P. Tarbert
Chairman & Chief Executive
U.S. Commodity Futures Trading Commission

Date: November 2, 2020

Signed by: Rashad Cassim
Signed at: 2020-10-31 11:22:04 +02:00
Reason: ~~Witnessing~~ Rashad Cassim

Rashad Cassim

Dr Rashad Cassim
Deputy Governor
South African Reserve Bank

Date: 30/10/20

Contact Persons:

Chief Innovation Officer
Director, LabCFTC
Phone: +1-202-418-6079
Email: LabCFTC@cftc.gov

Dr Arif Ismail
Head, Fintech Unit and Programme
Phone: +27-12-399-7637
Email: Arif.Ismail@resbank.co.za