MEMORANDUM OF UNDERSTANDING

between

The Malta Financial Services Authority

(MFSA)

MFSA MALTA FINANCIAL SERVICES AUTHORITY

and

The National Bank of Serbia

(NBS)

National Bank of Serbia

In relation to sharing information in the Virtual (Digital) Assets Sector

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1. PREAMBLE

WHEREAS The National Bank of Serbia ("NBS") and The Malta Financial Services Authority ("MFSA"), both hereinafter referred to jointly as the "Authorities" each express their willingness to co-operate on the basis of mutual trust and understanding and agree to base their co-operation in the field of development and supervision of~~,~~ Virtual (Digital) Assets on the principles and procedures outlined in this Memorandum;

2. INTRODUCTION

2.1. The status, organisation, mandate and functions of the NBS, as well as its relations with other bodies of the Republic of Serbia and international organisations and institutions are regulated by the Constitution of the Republic of Serbia (RS Official Gazette, Nos 98/2006, 115/2021 and 16/2022) and the NBS Law (RS Official Gazette, Nos 72/2003, 55/2004, 85/2005 – other law, 44/2010, 76/2012,106/2012, 14/2015, 40/2015 – Constitutional Court decision and 44/2018).

The NBS is independent and autonomous in carrying out its tasks laid down by the NBS Law and other laws, and is accountable for its work to the National Assembly of the Republic of Serbia.

The primary objective of the NBS is to achieve and maintain price stability. Without prejudice to its primary objective, the NBS also contributes to maintaining and strengthening of the stability of the financial system.

The NBS is responsible for the regulation and supervision of financial institutions (banks, insurance companies, financial leasing providers, voluntary pension fund management companies, payment service providers and electronic money issuers), payment system operators, exchange offices and virtual currencies service providers, in accordance with laws governing those entities. It is authorised to engage in cooperation with foreign central banks and regulatory authorities.

2.2. The MFSA is a public authority established by an Act of Parliament (the Malta Financial Services Authority Act, CAP. 330 of the Laws of Malta). It has statutory powers of licensing, supervision and investigation, and has the ability to exercise its powers for the purpose of co-operation with foreign authorities. The MFSA is responsible for the regulation and supervision of, inter alia, credit and financial institutions, the business of insurance and insurance intermediaries' activities, investment services, collective investment schemes, retirement schemes, retirement funds, retirement scheme administrators, asset managers, trustees, company service providers, virtual assets, regulated markets and central securities depositories.

3. DEFINITIONS

3.1. For the purposes of this Memorandum of Understanding (hereinafter referred to as "MOU"),

i. "Authority" or "Authorities" means the NBS, the MFSA, or both the NBS and the MFSA as the case may be;

ii "NBS" means the National Bank of Serbia;

iii. "MFSA" means the Malta Financial Services Authority;

iv. "Person" means a natural person, legal entity, partnership, or unincorporated association;

v. "Requested Authority" means the Authority that receives the request pursuant to this Memorandum of Understanding;

vi. "Requesting Authority" means the Authority that makes the request pursuant to this Memorandum of Understanding;

vii "Applicable Laws, Regulations and Requirements" means any law, regulation or requirement applicable in Malta or Republic of Serbia or applying to the Authorities and, where the context permits, includes any rule, direction, requirement, or policy made or given by or to be taken into account by an Authority;

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viii "Confidential information" means any information and/or documents that are received or acquired by the Supervisory Authority in the course of the discharge of its supervisory functions;

ix "Personal Data" means any information relating to an identified or identifiable natural person ('Data Subjects'); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person;

x "Processing" means any operation or set of operations which is performed on Personal Data or on sets of Personal Data, whether or not by automated means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction;

xi "Data Controller" means the natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of the processing of Personal Data;

xii "VA" or virtual (digital) assets – means a digital representation of value that can be digitally bought, sold, exchanged or transferred and that can be used as a medium of exchange or for investment purposes, whereby virtual (digital) assets do not include digital representation of fiat currencies and other financial assets regulated by other laws;

xiii "VASP" – virtual (digital) assets services provider, means a legal entity that provides one or more services related to virtual (digital) assets in accordance with the Laws and Regulations of the Supervisory Authorities.

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4. PRINCIPLES

4.1. This MOU is based on the principle that while the Authorities accept that each Authority is fully responsible and accountable for any action it may take within the functions assigned to it by law, the Authorities agree that each Authority is in a position to assist the other in fulfilling their respective duties by the mutual exchange of information within the parameters allowed by law.

4.2. The Authorities shall use their best endeavors to meet the terms of this MOU.

This MOU does not impose any legally binding obligation on the Authorities or modify or supersede any national laws or regulatory requirements in force or applying to the Authorities, nor shall it affect any other arrangements made or to be made under any other MOU.

4.3. This MOU does not affect any right of any Authority under its national laws or any other arrangement to take measures otherwise than as provided herein to obtain information necessary to ensure compliance with, or to enforce, its national laws or regulations. In particular, this MOU does not affect any right of either Authority to communicate with or obtain information or documents from any other persons in the jurisdiction of the other Authority.

This MOU does not modify or supersede any Applicable Laws, Regulations and Requirements in force or applying to the Parties.

The Authorities acknowledge that they may only provide information or assistance under this MOU if permitted or not prevented under the Applicable Laws, Regulations and Requirements.

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5. SCOPE

5.1. The Authorities agree to provide mutual assistance and exchange information in relation to the supervision of the Virtual (Digital) Assets sector, to enable the Authorities to effectively perform their respective duties according to its Applicable Laws, Regulations, Requirements and overall policy. Under the foregoing general theme, the scope of this MOU shall include the following:-

(a) the supervision, inspection and examination of Persons licenced, registered or otherwise authorised, by either Authority, to secure compliance with prudential, financial reporting and other regulatory or supervisory requirements and policies;

(b) Exchange of qualitative and quantitative data collected by each respective Authority in relation to Persons carrying out their business in the jurisdiction of one of the Authorities and is licensed, registered or otherwise authorized by the other Authority;

(c) promoting and securing suitability (fit and proper) of Persons which are already, or are seeking to be, licensed, registered or otherwise authorised by the respective Authorities and ensuring high standards of fair dealing and integrity in such Persons' conduct of business;

(d) assisting in the investigation of Persons who are licensed, registered or otherwise authorised by either Authority or falling under the regulatory or supervisory function of either Authority to ensure the necessary provision of information and cooperation when required by either Authority;

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(e) assisting in the discovery of and taking of action against fraudulent, deceptive, and prohibited manipulative practices, or unauthorised provision of services related to VA, or any forms of criminal activity, in relation to activities they regulate;

(f) exchange of information on recent trends and sharing of best practices on regulatory and business structures and on any developments in the financial markets in the respective jurisdictions;

(g) The parties will endeavour to cooperate in areas of training and development of their respective staff, including but not limited to staff exchange between the parties, participation in training events (whether physical, online or hybrid) and any form of experience sharing on supervisory and enforcement matters, in relation to Virtual (Digital) Assets.

(h) any other matters agreed upon between the Authorities from time to time.

6. ASSESSING REQUESTS

6.1. The Authorities recognise the need and desirability for providing mutual assistance and exchange of information to assist each other in ensuring compliance with laws or regulations of their respective countries. However, the Requested Authority may deny assistance requested under this MoU on the ground that: -

(a) Where the request would require the Requested Authority to act in a way that would violate the laws of the jurisdiction of the Requested Authority;

(b) Where the request is not in accordance with the provisions of the MoU;

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(c) Where the information requested is likely to be subject to a legally enforceable demand of disclosure to a third party;

(d) On grounds of national or public interest;

(e) Where it would obstruct an ongoing investigation or impair the operation of the Requested Authority; or

(f) Where it would cause injury to any unrelated third party.

6.2 Each request for assistance shall be assessed on a case-by-case basis by the Requested Authority to determine whether assistance can be provided under the terms of this MOU and in accordance with the Applicable Laws, Regulations and Requirements. In any case where the request cannot be fulfilled in part or in whole, the Requested Authority shall consider whether there may be other assistance which can be given.

6.3 Where the Requested Authority denies or opposes a request for assistance, or where assistance is not available under the law of the jurisdiction of the Requested Authority, the Requested Authority will provide the reason why it is not granting the assistance. The Authorities may then consult pursuant to paragraph 6.1.

6.4 The Authorities recognise that they intend nothing in the MoU to either limit or enhance the powers of the Authorities under the laws of their respective jurisdictions to investigate or gather information or to take measures otherwise than as provided in the MoU to obtain information, whether or not concerning a request under the MoU.

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7. REQUESTS AND EXECUTION

7.1. Requests for the provision of information or other assistance will be made in writing, in the English language, but in cases of urgency, may be oral and confirmed in writing within five working days, in such form as may be agreed by the Authorities from time to time.

7.2. To facilitate assistance, the Requesting Authority should include in any written request, the following:

(a) the subject-matter of the request and the specific information requested, including, where relevant, the identity of persons and/or specific questions to be asked;

(b) if the information is provided by the Requesting Authority for confirmation or verification, the information and the kind of confirmation or verification sought;

(c) the particular purpose for which the information or other assistance is sought including, where relevant, a brief description of any underlying facts/circumstances which have given rise to the request;

(d) to whom, if anyone, onward disclosure of information provided to the requesting Authority is necessary and the purpose such disclosure would serve;

(e) the urgency of the request or the desired time within which the information sought should be provided; and

(f) any other matters as may be specified by the Requesting Authority.

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8. UNSOLICITED INFORMATION

8.1. Where one Authority has information which it considers would assist the other Authority in the performance of its supervisory and regulatory functions in the field of virtual (digital) assets, the former may, in its sole discretion, provide such information to the other Authority, or arrange for such information to be provided to such other Authority, on a voluntary basis, even though no request has been made by the other Authority.

9. PERMISSIBLE USES OF INFORMATION, CONFIDENTIALITY AND DISCLOSURE

9.1 The Authorities shall not disclose to any third party any information acquired in the performance of any action in accordance with this MOU, unless such disclosure is made in order to ensure compliance with any of the clauses of this MOU. The Authorities shall also keep confidential requests made under this MOU, the contents of such requests, and any matters arising under this MOU, including consultations between or among the Authorities.

9.2 The Authorities will use secure channels for information exchange, considering the need to protect the confidentiality of such information and the need for effective exchange of views between the Authorities.

9.3 Subject to the terms of clause 9.4, the Recipient Authority may use non-public information provided under this MOU, whether in response to a request for assistance or via section 8 on unsolicited information, only for the purpose of carrying out its lawful functions, and exclusively for the purpose set out in the request or for the purposes for which the unsolicited information was provided. If

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the Recipient Authority intends to use non-public information for any purpose other than as agreed between the Authorities or set out in the request, it must obtain the prior written consent of the Authority that provided the non-public information ("Transferring Authority").

9.4 Provided further that, in the event of a legally enforceable demand for the disclosure of non-public information, the Recipient Authority will notify the Transferring Authority prior to complying with the demand, and will assert such appropriate legal exemptions or privileges with respect to such information as may be available. The Recipient Authority will use its best efforts to protect the confidentiality of non-public information received under this MOU.

9.5. Each Authority will establish and maintain such safeguards as are necessary and appropriate to protect the confidentiality of information received from the other Authority under this MoU.

9.6 The obligations set out in section 9 shall be for an indefinite period and shall survive the termination of this MOU.

10. DATA PROTECTION

10.1The Recipient Authority shall ensure that any personal data which comes into its possession in pursuance of this MOU (hereinafter referred to as "Personal Data") is treated in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC ("General Data Protection Regulation" or

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"GDPR"), as amended from time to time, as well as the Maltese Data Protection Law as implemented by the Data Protection Act (Chapter 586 of the Laws of Malta) and Serbian Law on Personal Data Protection (RS Official Gazette, No. 87/2018) and the subsidiary legislation issued thereunder.

Provided that in case of conflict between the General Data Protection Regulation and the applicable national legislations of both jurisdictions, the GDPR shall prevail.

10.2 The Recipient Authority shall only use Personal Data for the purpose set out in the request or for the purpose for which such Personal Data was provided by the Transferring Authority, as may be applicable.

10.3 The Recipient Authority shall ensure, inter alia, that Personal Data shall not be processed for any purpose that is incompatible with that for which the Personal Data is collected and/or obtained, and shall take all technical and organisational measures required pursuant to Article 32 of the General Data Protection Regulation to protect the confidentiality, integrity and availability of all such Personal Data and to protect such Personal Data against accidental loss, destruction, alteration, damage or unlawful forms of processing, thereby providing an adequate level of security.

10.4The Transferring Authority will only transfer Personal Data that are adequate, relevant, and limited to what is necessary for the purposes for which they are transferred and further processed ensuring compliance with the obligations pursuant to Article 5 of the General Data Protection Regulation. The Transferring Authority will ensure that to the best of its knowledge the Personal Data that it

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transfers are accurate and, where necessary, up to date. Where an Authority becomes aware that Personal Data it has transferred to, or received from, another Authority is incorrect, it will advise the other Authority about the incorrect data. The respective Authorities will, having regard to the purposes for which the Personal Data have been transferred and further processed, supplement, erase, block, correct or otherwise rectify the Personal Data, as appropriate and with undue delay.

10.5Personal Data shall be kept in a form which permits identification of Data Subjects for no longer than is necessary for the purposes for which the Personal Data are processed; Personal Data may be stored for longer periods insofar as the Personal Data will be processed solely for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes in accordance with Article 89(1) subject to implementation of the appropriate technical and organisational measures required by the General Data Protection Regulation in order to safeguard the rights and freedoms of the Data Subjects ('storage limitation').

10.6The Recipient Authority shall assist the Transferring Authority in ensuring compliance with the obligations pursuant to Articles 32 to 36 of the General Data Protection Regulation taking into account the nature of the processing and the Personal Data available to the Recipient Authority.

10.7The Recipient Authority agrees that it shall maintain the confidentiality of Personal Data. In particular, the Recipient Authority agrees that, save with the prior explicit written consent of the Transferring Authority or as permitted in terms of this MOU, it shall not disclose, to any third party, any Personal Data.

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10.8To the extent permitted by law, data subjects shall retain their rights to access, rectify or, in appropriate circumstances, erase any inaccurate, incomplete or immaterial Personal Data.

10.9 Taking into account the nature of the processing, the Recipient Authority shall assist the Transferring Authority by appropriate technical and organisational measures, insofar as this is possible, in fulfilling its obligation to respond to requests made by data subjects for the exercise of their rights in terms of the General Data Protection Regulation.

10.10 Each Authority shall provide general notice to Data Subjects about: how and why it may process and transfer Personal Data; the type of entities to which such data may be transferred; the rights available to Data Subjects under the applicable legal requirements, including how to exercise those rights; information about any applicable delay or restrictions on the exercise of such rights, including restrictions that apply in the case of cross-border transfers of Personal Data; and contact details for submitting a dispute or claim.

10.11Each Authority shall ensure that any information addressed to the public or the data subject are concise, easily accessible and easy to understand, and that clear and plain language and, additionally, where appropriate, visualisation be used.

10.12To the extent permitted by law, Data Subjects shall retain:

i. "Right of access" which means a Data Subjects' right to obtain from an Authority confirmation as to whether or not Personal Data concerning him

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or her are being processed, and where that is the case, to access the Personal Data;

ii. "Right of erasure" which means a Data Subjects' right to have his or her Personal Data erased by an Authority where the Personal Data are no longer necessary for the purposes for which they were collected or processed, or where the data have been unlawfully collected or processed;

iii. "Right of information" which means a Data Subjects' right to receive information on the processing of Personal Data relating to him or her in a concise, transparent, intelligible and easily accessible form;

iv. "Right of objection" which means a Data Subjects' right to object, on grounds relating to his or her particular situation, at any time to processing of Personal Data concerning him or her by an Authority, except in cases where there are compelling legitimate grounds for the processing that override the grounds put forward by the Data Subjects or for the establishment, exercise or defence of legal claims;

v. "Right of rectification" which means a Data Subjects' right to have the Data Subjects' inaccurate Personal Data corrected or completed by an Authority without undue delay;

vi. "Right of restriction of processing" which means a Data Subjects' right to restrict the processing of the Data Subjects' Personal Data where the Personal Data are inaccurate, where the processing is unlawful, where the Authority no longer needs the Personal Data for the purposes for which they were collected or where the Personal Data cannot be deleted;

vii. "Right not to be subject to automated decisions, including profiling" which means a Data Subjects' right not to be subject to legal decisions being made concerning him or her based solely on automated processing.

10.13 European Union or Maltese law may restrict by the way of a legislative measure the scope of the obligations and rights of the Data Subjects, when such a restriction respects the essence of the fundamental rights and freedoms and is a necessary

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and proportionate measure to safeguard the democratic society in compliance with the obligations pursuant to Article 23 of the General Data Protection Regulation.

10.14The Recipient Authority shall implement additional safeguards to address risks of the transfer of sensitive Personal Data pursuant of Article 9 of the General Data Protection Regulation.

10.15In accordance with section 10.4, in the event of any on-forwarding of personal data, including special categories of data, the Recipient Authority shall have in place a mechanism to effectively and timely handle and resolve complaints from Data Subjects concerning compliance with the agreed data protection safeguards. The Data Subjects shall be provided the possibility to obtain effective administrative redress before an independent oversight body, including, where available, an independent data protection authority. Data Subjects have the right to a judicial remedy including compensation for both material and non-material damages as a result of the unlawful processing of the Personal Data.

10.16Taking into account all the obligations created under this MOU that are required to be fulfilled, internal as well as independent supervision will be provided to ensure appropriate monitoring mechanisms are in place for the proper application of this agreement and interferences with the rights provided under this agreement.

10.17Each party to this agreement shall conduct periodic internal checks of the procedures put in place and of the effective application of the safeguards provided in this agreement. The periodic internal checks should also verify any changes in legislation that would prevent any party to comply with the data protection

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principles and safeguards included in this MOU. A party is obliged to inform the other party without undue delay if it is unable to effectively implement the necessary safeguards as agreed to in this MOU.

10.18 Upon termination of the MOU, the Recipient Authority may, at the discretion of the Transferring Authority, be requested to delete or return to the Transferring Authority all Personal Data, and delete existing copies of such Personal Data unless otherwise provided by law or unless retention of such Personal Data by the Recipient Authority is still deemed necessary in terms of the original purpose for which it was requested.

10.19The Recipient Authority shall provide the Transferring Authority with all information as may be necessary to demonstrate compliance with the obligations set out in Article 28 of the General Data Protection Regulation. For this purpose, the Recipient Authority shall allow for and contribute to any audits or inspections that may be conducted by the Transferring Authority or by an auditor appointed by the Transferring Authority. The Recipient Authority shall immediately inform the Transferring Authority if, with respect to any Personal Data, it receives an instruction which in its opinion infringes the General Data Protection Regulation or national data protection law.

10.20 Nothing in this Agreement shall prevent either Authority from complying with any obligation imposed by law:

Provided that where the Recipient Authority is required by law to process Personal Data, the Recipient Authority shall inform the Transferring Authority of that legal

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requirement before processing such Personal Data, unless that law prohibits the provision of such information.

10.21 The obligations set out in section 10 shall be for an indefinite period and shall survive the termination of this MOU.

11. CONSULTATION

11.1. The Authorities may consult one another at any time about a request received or to be received by the other respective Authority under this MoU or proposed request. They shall exercise their best endeavours to resolve any dispute arising out of the interpretation and implementation or application of this MOU.

12. COST OF INVESTIGATION OR ASSISTANCE

12.1. The Requested Authority may as a condition of agreeing that assistance be given under this MOU, require the Requesting Authority to make a contribution to costs, where the cost of executing a request is likely to be substantial.

13. ENTRY INTO EFFECT, TERMINATION AND AMENDMENTS

13.1. This MOU shall become effective upon its signature by both Authorities and shall remain in force until such time as it is terminated with the written consent of both Authorities.

13.2. Either Authority may terminate the present MOU by giving a written notice of its intention to terminate to the other Authority at least thirty (30) days in advance. The termination of this MoU will affect neither the rights or obligations

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of the Authorities with respect to confidential information previously received or provided under this MoU, nor any privileges associated with such information.

13.3 The MoU may be amended by agreement in writing of both Authorities.

14. CONTACT PERSONS

14.1. Information or requests for information or assistance under this MoU should be directed to the contact persons that are set out in Appendix A of this MoU. Either Authority may at any time make any change to list of Contact Persons insofar as that amendment concerns the list of Contact Persons pertaining to that respective Authority itself.

14.2 Should any changes be made to Appendix A, either Authority should inform the other party in writing, providing the details of the changes.

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Executed by the Authorities:

FOR THE NBS

Date of signature Г. бр. 9087

Dr Jorgovanka Tabakovic 8. 8. 2024.

Governor

FOR THE MFSA

25/07/2024.

Date of signature

Mr Kenneth Farrugia

Chief Executive Officer

APPENDIX A

LIST OF CONTACT PERSONS

The National Bank of Serbia designates as its contact official:

Nataša Katanić, Adviser, Legal Department
Kristina Trajković
Senior associate, Payment system department

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Kralja Petra 12,
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Fax: +381 11/3027-394
E-mail: kabinetguvernera@nbs.rs

Malta Financial Services Authority designates as its contact official:

Dr Edwina Licari
General Counsel

Malta Financial Services Authority
Mdina Road,
Zone 1, Central Business District,
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Tel: +356 25485307
Email: international.coop@mfsa.mt

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