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# Qatar Stock Exchange Rulebook

## CHAPTER 1 DEFINITIONS AND GENERAL PROVISIONS Part One: Definitions

### 1.1

1.1.1 In the application of the provisions of these Rules, the following words and expressions shall, unless the context otherwise requires, have the meanings shown against each one of them:

<b>“State”</b>	State of Qatar;
<b>The “Law”</b>	Law No. (8) of the Year 2012 on Qatar Financial Markets Authority;
<b>“Applicable Law”</b>	All legislation applicable in the State of Qatar;
<b>“Authority”</b>	Qatar Financial Markets Authority (“QFMA”);
<b>The “Exchange”</b>	Qatar Stock Exchange Company;
<b>“Person”</b>	A natural or juristic person;
<b>“Member”</b>	Any Person who has been admitted as an Exchange Member and whose Membership has not been terminated;
<b>“Client”</b>	Any Person who employs the services of a Member in relation to one or more orders for the purchase or sale of one or more Admitted Securities or other services;
<b>“Applicant”</b>	A Person applying for the Exchange’s Membership, or for admission of securities to trading;
<b>“Exchange Approved Individual”</b>	A natural person approved by the Authority and authorized by the Exchange to work under the supervision and responsibility of the Member to act on behalf of the Member in relation of the Admitted Securities;

<p><b>“Financial services”</b></p>	<p>The financial services which are performed by a Company licensed by the Authority to perform one or more of financial services activities which are regulated by the Authority or any other activity that might be deemed by the Authority to be subject to the Authority’s regulation;</p>
<p><b>“Issuer”</b></p>	<p>Any juristic person which issues Securities that are capable of being admitted to trading on the Exchange;</p>
<p><b>“Transaction”</b></p>	<p>Any purchase, sale or transfer of an Admitted Security on the Exchange;</p>
<p><b>“Automated Order Routing System”</b></p>	<p>Any computer system or other device that allow orders to be sent by a Client to a Member and submitted to the Exchange trading platform without substantial human intervention;</p>
<p><b>“Central Order Book”</b></p>	<p>The Exchange order book in which all submitted orders and any modifications thereto are held until matched, expired or withdrawn;</p>
<p><b>“Closing Price”</b></p>	<p>Either the price set by the closing Auction or, if no price is set by the closing Auction, the last traded price;</p>
<p><b>“Auction”</b></p>	<p>Matching of the orders that have accumulated in the Central Order Book during the auction period at a fixed price according to the auction matching algorithm. The auction matching algorithm determines a price which maximizes the executable volume quantity and minimizes the imbalance. During the price determination period, no new orders can be entered and existing orders cannot be modified or cancelled. The opening call Auction determines the opening price (if any). The closing call Auction determines the Closing Price (if any);</p>

<b>“Last Adjusted Closing Price”</b>	The Closing Price substituted by the Exchange in lieu of a Closing Price that has already been determined; such substitution is made due to corporate action, news or other good cause as determined by the Exchange;
<b>“Matching”</b>	The automatic execution moment of buy and sell transactions by the trading system;
<b>“Lending and Borrowing Participants”</b>	Members or custodians licensed by the Authority and approved by the Exchange acting on behalf of their Clients or for their own account in the activity of lending and borrowing of Securities admitted on the Exchange;
<b>“Liquidity Provider”</b>	A Member or a client, who is licensed by the Authority and appointed by the Exchange to enhance the liquidity of the market of a security admitted to the trading in the Exchange, pursuant to the Rules;
<b>“Liquidity Provider Agreement”</b>	A written agreement entered into between the Exchange and a Liquidity Provider pursuant to the Rules;
<b>“Liquidity Provision Agreement”</b>	A written agreement entered into between the Issuer and a Liquidity Provider pursuant to the Rules;
<b>“Listing Agreement”</b>	An agreement concluded prior to an Issuer’s Admission to trading between the Issuer and the Exchange under which the Issuer agrees to be bound by the Rules in addition to the obligations provided in the Listing Agreement;
<b>“Membership Agreement”</b>	The agreement signed between the Member and the Exchange, under which the Member agrees to comply with the provisions of these Rules in addition to other obligations provided for in the Agreement;
<b>“Notices”</b>	Any written communications labeled “Notice” issued by the Exchange to all or some of the Members or Issuers, or to any class of

	Members or Issuers, for the purpose of interpreting or implementing the Rules or any other purpose contemplated by the Rules;
<b>“Securities”</b>	The securities approved for listing by the Authority and admitted for trading by the Exchange. Such securities include any transferable financial instrument, e.g., Shares; Depository receipts in respect of Shares; Bonds or other debt Securities; Warrants or similar Securities entitling the holder to acquire any of the aforesaid Securities or any basket of such Securities or to receive a cash amount determined by reference to a future price or value of any such security or basket; Units in collective investment undertakings or participation units in other investment vehicles; and any other Securities which, subject to relevant Applicable Law, the Exchange may consider as eligible for trading on the Exchange;
<b>“Shares”</b>	Any capital stock or other unit of ownership of Equity Securities issued by a corporation or other incorporated business enterprise;
<b>“Equity Securities”</b>	Shares and other transferable Securities which may provide an opportunity to participate in some or all equity of the issuer, as well as any other type of transferable Securities giving the right to acquire Equity Securities as a consequence of their being converted or the rights conferred by them being exercised, provided that Securities of the latter type are issued by the Issuer of the underlying Securities or by an entity belonging to the group of the said Issuer and provided further that the Exchange may by Notice eliminate any instrument from the definition of Equity Securities;
<b>“Depository Receipt”</b>	A Security embodying an entitlement to specific rights attaching to an underlying Security, issued by an entity other than the Issuer of the underlying Security;

<b>“Bond”</b>	A debt instrument which contemplates repayment or satisfaction of a principal debt amount with or without interest payable by coupon or otherwise;
<b>“Depository”</b>	The Qatar Central Securities Depository ("QCSD");
<b>“Sponsored Access”</b>	An access mode whereby a Client, in his capacity as a Sponsored Participant, can make use of direct connectivity solutions, subject to the consent and under the responsibility of a Member, as the Sponsoring Member, subject to the conditions set forth in Rules 3.2.1 and 3.2.2;
<b>“Sponsoring Member”</b>	A Member sponsoring a Sponsored Participant for Sponsored Access pursuant to Rules 3.2.2, - 3.2.5 and 3.2.6;
<b>“Sponsored Participant”</b>	A Client that benefits from the direct connectivity solutions determined for the Member;
<b>“Trading Platform”</b>	The electronic system or other methodology for trading securities operated by the Exchange;
<b>“Corporate Actions”</b>	Events initiated by an Issuer that affect the Security Holders. These events include, but are not limited to, dividends, bonus shares distributions, rights issues, and mergers;
<b>“Day”</b>	Official working day at the Exchange;
<b>“Trading Day”</b>	Any day on which the Exchange is open for trading;
<b>“Trading Hours”</b>	The trading hours on any Trading Day, as announced by a Notice by the Exchange;
<b>“Margin Trading”</b>	Trading transactions, whereby a Member finances a percentage of the market value of the securities it purchase for its client pursuant in accordance with the Margin Trading Agreement.

<b>“Margin Trading Agreement”</b>	The agreement concluded between the Member and the Margin Trading client in a form approved by the Authority and providing for the terms and conditions governing the relations between them.
<b>“ Margin Trading Account with the Depository”</b>	Client’s Account with the Depository designated for Margin Trading.
<b>“Margin financier “</b>	Member, licensed by the Authority and approved by the Exchange, to carry out Margin Trading Activities and execute the Margin Trading orders issued by the client.

## Part Two: General Provisions

### 1.2

#### Titles and Headings:

- 1.2.1 In the application of this Rule Book, chapter, part or section headings and sub- headings are for ease of reference only; they are not part of the contents of the relevant chapter, part or section and do not in any way affect the interpretation thereof.

#### Local Time:

- 1.2.2 Unless the context requires otherwise, time specifications in this Rule Book or in Notices or other communications shall be construed to refer to Doha Local Time.

**Language:**

- 1.2.3 This Rule Book shall be issued in Arabic and be translated into English, the Arabic version being the official and prevailing version for the purposes of interpretation and implementation hereof.
- 1.2.4 All applications and communications with the Exchange and the documents to be submitted thereto by the relevant parties shall be in Arabic or in English with the prior approval of the Exchange.

**Publication and Communication:**

- 1.2.5 The Exchange shall publish this Rule Book and any amendments hereto in the Official Gazette and on its website and via any other means that may be deemed appropriate by the Exchange.
- 1.2.6 Without prejudice to the provisions of the preceding Section, these Rules, any amendments hereto and any notification or communication to a Member or Issuer shall be delivered by hand or sent to the mail address, fax number or electronic mail address specified in writing by such Member in compliance with their continuing obligations. Any such notification or communication shall be deemed to have been sent when effectively delivered by hand or sent by any of the electronic means that are mentioned in this Section. Any notification or communication sent by ordinary mail shall be deemed to have been received on the seventh Day following its delivery to the post office.

**Recording of Telephone Conversations:**

- 1.2.7 The Exchange may record telephone conversations which are conducted on its premises by any communication device, provided that such recording shall be made pursuant to a prior agreement of the concerned parties.



**Index Preparation:**

1.2.8 The market's general index and other indices which may be published by the Exchange shall be prepared in accordance with the criteria and procedures approved by a special committee in which the Authority shall be represented by an observer.

**Confidentiality of Information:**

1.2.9 The Exchange shall not disclose information and data that are of non-public nature obtained or received by it within the performance of its duties , powers and authorities, except for the following bodies and in the following circumstances:

- (i) The Person in whose favor the confidentiality of the information is determined unless its disclosure is repugnant to any Applicable Law;
- (ii) The Authority;
- (iii) The judicial Authorities in the State;
- (iv) Any organization or authority in the State whose business falls within the combating the anti money laundering and financing of terrorism;
- (v) Any exchange or other entity carrying out the business of clearance, settlement, depositing and central registration in implementation of agreements concluded between the Exchange and other exchanges and entities;
- (vi) In the cases of necessity as determined by the Exchange, to enable the Exchange to exercise and perform its powers, authorities and duties under the laws and regulations governing its business after notification to the Authority.

1.2.10 The Exchange shall publish the rules related to combating money laundering and financing of terrorism in accordance with the provisions of the Applicable Laws in the State.

**Appeals:**

1.2.11 Without prejudice to the provisions of any of the Sections of these Rules, any person who has capacity and an interest in a decision by the Exchange under these Rules may appeal therefrom to the Authority in accordance with the appeals provisions determined by the Authority.

## **CHAPTER 2**

### **QATAR STOCK EXCHANGE MEMBERSHIP**

#### **Part One: General Provisions**

## **2.1**

### **Qatar Stock Exchange Membership:**

2.1.1 A Person wishing to become a Member of the Exchange must:

- (i) Be licensed by the Authority;
- (ii) Apply for Membership in accordance with the provisions of these Rules;
- (iii) Sign a Membership Agreement with the Exchange; and
- (iv) Obtain the written approval of its membership from the Exchange.

2.1.2 The trading privileges and obligations of a Member shall be determined by these Rules, by the Notices by the Exchange, and by the terms of the Agreements and contracts to be concluded between the Member and the Exchange.

- 2.1.3 The Exchange's Membership and any trading privileges arising therefrom may not in any way be transferred or encumbered other than by way of corporate restructuring which does not result in a material change in the beneficial ownership, and subject to the prior written approval of the Exchange.
- 2.1.4 Any change in the control of a Member shall be subject to the provisions of the Authority regulations. The Member shall notify the Exchange of any changes in its control and any decision taken by the Authority on the changes to the Member's control.

**Membership Capacities:**

- 2.1.5 Membership capacities shall be as determined by the Membership approval issuing from the Exchange but cannot exceed the scope of the Member's license granted by the Authority.

**Part Two: Requirements for Qatar Stock Exchange Membership**

**2.2**

**Membership Requirements:**

- 2.2.1 An Applicant wishing to become a member of the Exchange shall fulfill the following criteria to the Exchange's satisfaction:
- (i) It must be a Financial Service Firm;
  - (ii) Its personnel must be adequately qualified and experienced to manage and operate the anticipated business on the Exchange market;
  - (iii) It shall comply with the Applicable Laws and these Rules and implement adequate internal procedures and controls in relation to its intended business on the Exchange;

- (iv) It shall have entered into the Membership Agreement and other related contracts with the Exchange and have met any requirements specified by the Exchange;
- (v) It shall have demonstrated that it has sufficient resources for the business it intends to perform on the market; and
- (vi) It fulfils any other criteria which the Exchange may prescribe and publish by way of Notice with the approval of the Authority.

2.2.2 The Exchange may reject the application of an Applicant located in any state or jurisdiction which the Exchange determines does not have satisfactory governmental or regulatory practices consistent with Membership of the Exchange.

2.2.3 The Exchange shall publish by Notice the names of the members and the rights they enjoy under these Rules.

2.2.4 The Member shall appoint an individual responsible for liaising with the Exchange.

**Exchange Approved Individuals:**

2.2.5 A Member must ensure that it has a sufficient number of Exchange Approved Individuals for the nature and scale of trading business being conducted on the Exchange.

2.2.6 An Exchange Approved Individual must be adequately trained in accordance with the training programs to be designated by the Exchange and be fully conversant with the Rules, the Exchange trading manual and the regulations related to the scope of his work.

2.2.7 Subject to the provisions of these Rules and any restrictions imposed by the Exchange and approved by the Authority, trading may be conducted only by Exchanged Approved Individuals.

2.2.8 Where an Exchange Approved Individual has been dismissed, suspended or is under investigation by a Member, the Member must promptly notify the Exchange of this fact and provide details of all matters of which it is aware that may impact the Exchange's assessment of the relevant individual's fitness and propriety.

2.2.9 A Member may not dismiss an Exchange Approved Individual otherwise than after notifying the Exchange and the Authority of its intention so to do.

### **Part Three: Membership Application Procedures**

## **2.3**

### **Application File:**

2.3.1 Applicants for Membership shall submit an application using the application form prepared for this purpose.

2.3.2 Each Applicant shall authorize the Exchange or its duly appointed agents to carry out on-site inspections as the Exchange may deem appropriate in respect of the determination of the membership application. Furthermore, each Applicant shall undertake to provide all information and make any modifications to its information systems as the Exchange may require in connection with the on-site inspections.

### **Determination of Application:**

2.3.3 The Exchange shall, upon receipt of a complete application file for Membership, determine on the Application by approval or rejection thereof within a period of

30 days maximum as of the date of receiving the complete application file and notify the Applicant of its decision via registered mail in addition to via its electronic e-mail address. In case the applicant did not receive a response during the specified period, the application shall be deemed to have been rejected.

2.3.4 If the application is accepted, the Exchange shall notify the Applicant, the Authority, and the Depository of the admission of the new Member and the date on which such new Member is admitted. The membership shall be effective only after the Member has signed the Membership Agreement within fifteen days of the date in which he was notified of the acceptance.

2.3.5 If the application is rejected, the Applicant may apply in writing to the Exchange for reconsideration of its application within fifteen days of receiving the explicit or implicit notice of rejection. The Exchange shall make a final decision on this application within seven days of the receipt thereof. If the final decision is a rejection of the application, the Applicant may appeal the decision to the Authority in accordance with the appeal procedures applicable at the Authority.

## **Part Four: Members' Obligations**

### **2.4**

#### **Exchange's Members Obligations:**

2.4.1 An Exchange Member shall on a continuing basis :

- (i) Abide by the Applicable Law, regulations and decisions issued in application thereof, these Rules , the Notices to be issued hereunder and all the agreements and contracts signed with the Exchange in implementation of the provisions of these Rules;
- (ii) Authorize the Exchange or its duly appointed agents to carry out on-site investigations in any place of business of the Member, and provide them with any information or

document which the Exchange or such agents consider appropriate for such investigations;

- (iii) Make available the audit trail maintained pursuant to the Applicable Law;
- (iv) Comply with all technological requirements in order to maintain the security of the relevant trading systems provided by the Exchange;
- (v) Notify the Exchange of any material changes to the information submitted during the course of the Membership application;
- (vi) Notify the Exchange of the circumstances or changes which may affect the legal form or organization of the Member or its trading activities on the Exchange, including any consolidation, reorganization, merger, change of name, change of management or control or similar event to which the Member is or will become a party;
- (vii) Notify the Exchange immediately of the commencement or anticipation of any insolvency, winding up, creditor's administration or equivalent event including amicable settlement to which the Member is subjected or a party;
- (viii) Provide the Exchange with such contact details of representatives of the Member and of any changes to such details;
- (ix) Implement and maintain adequate internal procedures and controls in relation to its business on the Exchange; and
- (x) Ensure that its staff are suitably qualified and experienced in relation to business on the Exchange and are subject to appropriate supervision.

## **Part Five: Suspension and Termination of Membership**

### **2.5**

#### **Suspension and Termination of Membership:**

- 2.5.1 The membership of the Exchange or the status of an Exchange Approved Individual may be suspended or terminated by a decision of the Exchange or upon the application of the Member or Exchange Approved Individual. The membership of the Exchange may also be suspended for definite periods.

### Termination of Membership upon the Request of the Member or Exchange Approved Individual:

- 2.5.2 A Member or Exchange Approved Individual may resign from the Exchange's Membership or the status of Exchange Approved Individual by giving the Exchange written notice of its wish to resign from Membership or status of Exchange Approved Individual. The notice shall state the reasons for and the proposed date of the resignation. Termination of the membership or status of Exchange Approved Individual shall be unconditional.
- 2.5.3 The Exchange Membership or Exchange Approved Individual status termination shall become effective as of the date mutually agreed by the Exchange and the Member or the Exchange Approved Individual, If the Exchange and the Member or the Exchange Approved Individual fail to agree, the termination shall be effective 30 days after the receipt by Exchange of the termination notice, subject to Authority approval of the membership termination.

### Suspension and Termination of Membership by a Decision of the Exchange:

- 2.5.4 The Exchange may suspend in whole or in part a Member's or an Exchange Approved Individual's trading privileges if it or he violates any provision of these Rules or fails to comply with any of the membership requirements, or in one or more of the following events:
- (i) A Member's or Exchange Approved Individual's failure to perform, or delay in performing, any of such Member's or Exchange Approved Individual's obligations under the Rules or any other agreement relevant to the Exchange operations; or an impending inability to perform such obligations; or
  - (ii) A Member ceasing to make payment of amounts due to its creditors or calling or suffering a meeting of its creditors or insolvency or a bankruptcy order being made against it or all or a majority of its shareholders; or



- (iii) Dissolution of the Member, winding-up by a court order or by a resolution by the general assembly, except a voluntary winding-up for the purposes of an amalgamation or restructuring which has received prior approval of the Authority; or
- (iv) The Member's application for Membership containing material errors or omissions having impact on the Exchange's determination of the application.

**2.5.5** The Exchange shall, before issuing the suspension decision, order the Member to remove the violation or remedy any situation threatening its Membership within the period and subject to the conditions determined by the Exchange.

The suspension shall remain effective for a period not exceeding three days. This period may be extended after obtaining the Authority's approval. The suspension decision shall determine the procedures to be taken by the Member during the period of suspension.

If the Member does not remove the reasons of or remedy the situation that has given rise to the suspension of its membership the Exchange may determine cancellation of its membership after approval of the Authority.

The Member shall be notified in writing of the warning, suspension or cancellation decision. The suspension or cancellation decision shall be published to all Members through the Exchange's website. The Authority and the Depository shall be notified of all measures taken against the Member.

**Consequences of Suspension and Termination of Membership:**

**2.5.6** Without prejudice to the provisions of the preceding Sections, a Member whose Membership has been suspended or terminated shall be forbidden from trading during the suspension period or as of the effective date of membership termination as the case may be. Furthermore, a Member whose Membership is suspended or

terminated may settle his financial position together with the financial positions of his Clients and shall remain responsible for all its membership obligations including the payment of any fees, penalties and charges payable under the Rules or any other directly relevant rules.

In all cases the Member shall remain subject to the Rules until all its trades conducted on the Exchange have been settled. Furthermore, a Member who has resigned or a Person whose Membership is terminated shall forfeit all rights to use any trading privileges granted to it, without being entitled to any refund of fees paid in respect of the same.

**2.5.7** In all cases, a Member whose membership has been terminated for any reasons shall immediately settle all amounts due from it to the Exchange. The Member shall forthwith return to the Exchange any software, equipment and documentation which may have been made available to it by the Exchange in connection with the Membership.

## CHAPTER 3 MARKET ACCESS ARRANGEMENTS

### Part One: General Provisions

#### 3.1

##### General Provisions:

- 3.1.1 The Members may grant access to the market to their Clients by way of an Automated Order Routing System or through Sponsored Access.
- 3.1.2 Any access granted by a Member to its Clients by way of an Automated Order Routing System or through Sponsored Access must be adequately supervised, controlled and subject to the review as required by the Exchange.
- 3.1.3 Any business undertaken by a Client via an Automated Order Routing System or via Sponsored Access on the Exchange shall be done in the name of the Member. The Member shall assume full responsibility and legal liability for the conduct of all such business in its name and for the results thereof.

### Part Two: Sponsored Access for Clients

#### 3.2

**Sponsored access for Clients:**

- 3.2.1 A Member who intends to provide Sponsored Access to the Exchange for one or more of its Clients by which the Sponsored Participant shall have direct access to the trading system shall submit an application therefor to the Exchange. The Exchange may accept or reject such an application in accordance with the criteria the Exchange may determine with the approval of the Authority.
- 3.2.2 A Sponsoring Member shall ensure to the Exchange that each Sponsored Participant complies with the Rules applicable to trading on the Exchange and sign any relevant agreement in the manner determined by the Exchange and approved by the Authority.
- 3.2.3 The Exchange may carry out on-site investigations and obtain any information or document which it considers appropriate for purposes of such investigations carried out with the Sponsored Participant.
- 3.2.4 The Sponsoring Member shall supply the Exchange with contact details for relevant management or operational contacts as may be required by the Exchange.
- 3.2.5 The Sponsoring Member shall have appropriate written and technical arrangements in place with the Sponsored Participant to enable the Sponsoring Member to exercise control over the sponsored access business using its risk control systems and to be able to take appropriate measures in relation to the trading activity of the Sponsored Participant.
- 3.2.6 The Sponsoring Member must be able to demonstrate to the Exchange's satisfaction that its internal procedures and documentation systems comply with

these Rules and allow it to suspend the Sponsored Participant's access to the Exchange's Trading Platform immediately through the Member's own systems, either by its own determination or when required to do so by the Exchange, and the Sponsoring Member must comply with the other requirements that may be imposed by the Authority.

**International Sponsored Access:**

- 3.2.7 The Exchange may consider applications from Sponsored Participants located in other jurisdictions with satisfactory regulatory arrangements including those related to supervision of investment activity. In all cases, the Authority shall determine acceptance or rejection of such applications.

### **Part Three: Cross Membership**

## **3.3**

**Cross Membership:**

- 3.3.1 The Exchange may, after obtaining the Authority's approval, enter into an agreement with another exchange operating a Regulated Market in order to define, on a reciprocal basis, specific conditions for the admission of Members of the said markets on a cross membership basis.
- 3.3.2 A Cross-Member is bound by the Rules of the Exchange as amended by the provisions of the cross-Membership agreement and by the rules of the partner markets where it trades.

## CHAPTER 4

### TRADING RULES FOR SECURITIES

#### Part One: General Provisions

#### 4.1

##### Trading Days and Trading Hours:

- 4.1.1 The Trading Days, the number of trading hours in any given calendar year and the opening and closing times shall be determined and disseminated by the Exchange in a Notice to the Members after obtaining the Authority's approval thereon.

##### Trading Currency:

- 4.1.2 Orders for purchase or sale of Admitted Securities shall be expressed in Qatari Riyals or any other currency appropriate to the type of the relevant Admitted Security.

##### System Rules and Requirements:

- 4.1.3 When trading on the Exchange, Members shall comply with the operational, procedural and technical requirements of the Exchange's systems and networks, as specified in the Rules or by the Exchange in Notices, and as may be specified in the Membership Agreement.

##### Member Responsibility:

- 4.1.4 A Member shall be responsible for the violation of these Rules by all individuals trading under its general authority as if the violations of each of those individuals were the violations of the Member. The Exchange may take appropriate measures against the Member under the Rules and relevant agreements, in respect of these violations including the suspension or termination of Membership.

4.1.5 A Member shall be forbidden from entering a sell or buy order into the trading system except after ensuring that the relevant security is unpledged, unreserved, tradable, and registered in the name of the Client in the Central Registration System of the Depository. The buying Member must, before entering the order, receive from the Client the amount equivalent to the value of the Admitted Securities.

The Exchange may, upon a Member's request, approve excepting the Member from receiving the buy value from some Clients before entering the buying order.

In all cases, the Member shall be responsible before the Depository for settling the buy trades whether the Member receives the buy value or not.

4.1.6 The Member shall keep the monies it receives from its Clients in separate bank accounts segregated from its own assets. The Member also shall not receive any interest or profit on the funds in these accounts, or borrow against them.

#### Liquidity Providers:

4.1.7 The Exchange may enter into one or more agreements whereby one or more Members assume the role of Liquidity Provider for the relevant Admitted Security. The Exchange shall determine the minimum and maximum number of Liquidity Providers for the relevant Admitted Security.

A Liquidity Provider shall obtain a license by the Authority to perform the activities of trading in admitted securities for his "Own Account," prescribed in the Financial Services Systems issued by the Authority.

4.1.8 The Exchange shall publish and regularly update the list of Liquidity Providers.

**Liquidity Provider's Appointment:**

4.1.9 A Liquidity Provider is appointed by the Exchange pursuant to a Liquidity Provision Agreement it shall enter into with the Exchange in the manner to be determined by the Exchange. The Liquidity Provision Agreement shall include the commitments of the Liquidity Provider to provide double-sided quotes in minimum numbers of shares and with maximum spreads.

For the avoidance of doubt, the Exchange may condition the Member's acting as a Liquidity Provider on the Exchange's approval of an agreement to be executed between the Issuer and the Liquidity Provider.

4.1.10 In addition to the Liquidity Provision Agreement, Liquidity Providers may, subject to the Authority's approval and pursuant to a form of contract approved by the Exchange, enter into corporate liquidity arrangements with the Issuers.

**Corporate Actions:**

4.1.11 The Exchange shall, upon the implementation of securities' trading rules, consider the corporate actions in relation to dividends, bonus shares distributions, coupon payments, shares distributions, rights issues, stock splits, mergers and acquisitions, secondary issues, and any other similar actions and operations.



## Part Two: Trading Cycles

### 4.2

#### Trading Cycles:

4.2.1 Admitted Securities can be traded in continuous or auction-only mode depending on the decision of the Exchange taking into account the liquidity of the Admitted Security. Except for the specific time of the continuous trading mode or the auction mode, the same principles apply to the various periods of the trading sessions as described below.

#### Continuous Trading Mode:

4.2.2 The continuous trading mode shall consist of a sequence of the following Periods:

- (i) Pre-opening period (Core Call)
- (ii) Opening Auction
- (iii) Continuous trading Period
- (iv) Pre-closing period (Closing Call)
- (v) Closing auction
- (vi) Trading at Last.

#### Auction-only Mode:

4.2.3 The auction-only mode shall consist of the following periods:

- (i) Pre-opening period (Core Call)
- (ii) No cancel period
- (iii) Auction.

#### 4.2.4 Pre-opening and pre-closing periods

During pre-opening and pre-closing periods:

- (i) Members may enter new orders as well as modify or cancel existing orders;
- (ii) Orders are recorded in the Central Order Book without any matching taking place;
- (iii) An Indicative Matching Price (“IMP”) determines a theoretical market price taking into account the orders present in the Central Order Book. The IMP is updated and displayed continuously.

#### No Cancel Period:

4.2.5 During this period, the Exchange Members cannot modify or cancel existing orders. Nevertheless, they may enter new orders, which will be recorded in the Central Order Book without any matching taking place.

#### Auction:

4.2.6 During this period the orders that have accumulated in the Central Order Book are matched at a fixed price according to the auction matching algorithm. The auction matching algorithm determines a price, which maximizes the executable volume quantity and minimizes the imbalance. During the price determination period, no new orders can be entered and existing orders cannot be modified or cancelled. The opening auction determines the opening price (if any). The closing auction determines the Closing Price (if any).

#### Continuous Trading Period:

4.2.7 During this period, Members may enter, modify or cancel orders. Orders are automatically matched according to the continuous trading matching algorithm.

**Trading at Last Period:**

4.2.8 During this period, Members can enter orders and trade at the last traded price only.

**After Market Close Period:**

4.2.9 During this period, Members cannot enter, modify or cancel any orders. The Exchange may cancel trades under the conditions set forth in these Rules.

### **Part Three: Members and Sponsored Participants Orders**

## **4.3**

**Members and Sponsored Participants Orders:**

4.3.1 The scope of the orders prescribed in this part is limited to buy or sell orders of Securities submitted by Members to the Exchange trading system and by Sponsored Participants but does not apply to order specifications between the Members and their Clients.

4.3.2 The Member shall submit the proposed agreement with the Sponsored Participant to the Authority for approval.

**Order Terms and Conditions:**

4.3.3 Any order submitted to the Exchange trading system shall indicate the following minimum attributes:

- (i) The Admitted Security to which the order relates or the trading symbol assigned by the Exchange to such Admitted Security;
- (ii) Whether the order is a buy or sell order;
- (iii) The order quantity and associated parameters;

- (iv) The order price limit and additional parameters if applicable;
- (v) Whether the order is for the Exchange Member's own account (Principal); or for the Exchange Member's Client account; or for a Client who is a Board Member or an executive of the company issuing the Admitted Security to which the order relates; or for the Exchange's or Member's employees or submitted pursuant to a Liquidity Provision Agreement.

A Member may specify, where necessary, a price limit and additional attributes as it deems necessary.

**Admitted Security Minimum Size:**

- 4.3.4 All order sizes can be traded, subject to particular specifications in respect of certain types of Securities as set forth in the Rules or Notices.

**Order Time Validity:**

- 4.3.5 Orders entered into the Central Order Book may be valid for the Trading Day, until a specified date or time, or until cancelled, subject to a maximum duration of a year minus one day.

**Cancellation of Unexecuted Orders:**

- 4.3.6 Unexecuted orders in respect of a particular Admitted Security shall be cancelled in the Central Order Book upon the occurrence of certain corporate actions concerning the relevant Issuer, which are likely to affect the price of such Admitted Security. Such events shall be published in advance in one or more Notices.

4.3.7 Members must provide in their arrangements with their Clients whether events of the kind referred to in the previous paragraph require express Client approval for the renewal of orders or whether the Members are entitled to re-enter orders after having performed the necessary price or quantity adjustments, where appropriate, without further Client approval.

**Recording of Orders and Notification:**

4.3.8 All orders entered by Members shall be recorded electronically on the Exchange Permanent Order Record immediately upon the order being received by the Exchange. All orders entered are subject to the permanent record keeping by the Exchange and shall include at least the following information:

- (i) Trader's identification (receiving the order);
- (ii) Identification of the Member by or through which the order is entered;
- (iii) Client's Account Number;
- (iv) Exchange identifier;
- (v) Admitted Security identifier;
- (vi) Order type (buy or sell) and any conditions attached thereto;
- (vii) Order quantity and any conditions attached thereto; and
- (viii) Order price and any conditions attached thereto.

## Part Four: Order Types

### 4.4

#### Market Order:

- 4.4.1 A market order is an order entered without price limit, to be executed against opposite orders at the best available prices. A market order can match only within the static threshold.

#### Market to Limit Order:

- 4.4.2 A market to limit order is for immediate execution at the best opposite price, given it will not exceed the static thresholds; a partially executed market to limit order becomes a limit order at the last executed price in the Central Order Book.

#### Limit Order:

- 4.4.3 A limit order is an order to buy or sell at a specific price or better. The order is executed for the entire quantity if there is sufficient quantity available at the same (or better) price on the opposite side of the market; otherwise, the remaining quantity stays in the Central Order Book at the entered limit, depending on the order validity. The execution prices, if any, are the prices of the resting orders (orders on the opposite side of the market, which match against the incoming limit order).

#### Stop Order:

- 4.4.4 A stop order is an order to buy or sell when a trigger price is reached or exceeded in the Central Order Book. The trigger price of a stop order must always be greater (in the case of a stop buy order) or less (in the case of a stop sell order) than the last traded price. (There are 2 types of stop orders: stop loss orders and stop limit orders).

- 4.4.5 A stop loss order, when triggered, automatically becomes a market order which will be processed against the Central Order Book. A stop limit order, when triggered, automatically becomes a limit order added to the Central Order Book.

## Part Five: Order Attributes

### 4.5

#### Order Attributes:

- 4.5.1 Orders are made subject to the terms and conditions prescribed in this part.

#### Immediate or Cancel orders:

- 4.5.2 Immediate or Cancel orders ("IOC"), also referred to as "fill-and-kill orders", are orders which are executed to the fullest extent possible either immediately upon entry during continuous trading or trading at last, with any remaining unexecuted portion being cancelled.

#### Fill-or-kill orders:

- 4.5.3 "Fill-or-kill orders" are orders which must be executed immediately and in full, upon order entry, during continuous and trading-at-last, failing which they shall be cancelled.

#### Minimum-quantity orders:

- 4.5.4 "Minimum-quantity orders" are orders which must be executed immediately to the extent of a specified minimum quantity upon order entry, during continuous and trading-at-last phase, with any remaining unexecuted portion being added to the Central Order Book (depending on the validity conditions), provided that such orders shall be cancelled failing immediate execution of the specified minimum quantity.

#### Reserve Orders:

4.5.5 “Reserve orders”, also referred to as “iceberg orders”, are orders of which only specified portions of not less than a threshold specified by the trading manual (except for the final portion) are successively entered in the Central Order Book, and disclosed to the market, with the current time stamp following full execution of the preceding portion.

**Valid for Auction Orders:**

4.5.6 “Valid for auction orders” (“VFA”) are orders which can be entered throughout the Trading Day but are processed only at the next auction; the unfilled remaining quantity will be cancelled immediately after the completion of the auction.

**Valid for Closing Orders:**

4.5.7 “Valid for Closing Orders” (“VFC”) are orders which can be entered throughout the Trading Day but are processed only at the Closing auction. The unfilled remaining quantity is cancelled immediately after the completion of the closing auction.

In all cases, such orders shall not be displayed in the Central Order Book before the pre-closing period.

**Order Acknowledgment and Trade Confirmation:**

4.5.8 The Exchange shall acknowledge orders accepted in its system and reject those orders that are not eligible pursuant to these Rules and the technical requirements of the Exchange.

4.5.9 The Exchange shall send a confirmation of execution to the relevant counterparts upon full or partial execution of any order. The execution price shall be confirmed when determined.



## Part Six: Market Mechanisms

### 4.6

#### Indicative Matching Price (“IMP”):

4.6.1 The Indicative Matching Price (“IMP”) is the price at which an Admitted Security would trade at a specific moment if an auction with all eligible orders were to take place at that specific moment. The IMP is calculated continuously and disseminated at regular time intervals. The IMP calculation is based on 3 rules in the following sequence (i) the Tradable Prices Range, (ii) the IMP Ground Rule and (iii) the Reference Price Rule.

#### Determination of the Tradable Prices Range:

4.6.2 Based on the instrument order book, the algorithm determines a range of prices as follows:

- (i) Selects prices with the same maximum tradable volume quantity. If there are several prices that meet this requirement, then
- (ii) Selects prices among the previous price range with the same lowest imbalance quantity.
- (iii) Should several prices meet this requirement, the IMP Ground Rule is then applied.

#### Application of IMP Ground Rule:

4.6.3 The ground rule of the IMP determination is that no limit order at a price better than the IMP can remain in the order book after the auction processing.

Subject to the provisions of the preceding paragraph, any buy limit order whose limit is greater than the IMP as well as any sell limit order whose limit is lower than the IMP must be completely filled at the auction.

- 4.6.4 Should several prices meet this requirement; the reference price rule is then applied.

**Application of the Reference Price Rule:**

- 4.6.5 The last step to determine the IMP is to choose as Indicative Matching Price the price within the previously determined range that is closest to the reference price of the Admitted Security set by the Exchange. When the reference price itself is within the range of prices, the IMP is then equal to the reference price.

**Matching Algorithm:**

- 4.6.6 The matching algorithm is used to match orders in the Central Order Book in the following sequence:
- (i) Orders with the best price are selected first;
  - (ii) If applicable within the same price, orders are matched according to the following origin priority principle:
    - a) Client Order;
    - b) Broker portfolio – Own account or Liquidity Provider Order;
    - c) Qatar Stock Exchange staff or Member staff Orders;
    - d) Orders of the executives of the Issuers of the securities to which the order relates;
  - (iii) Thirdly within the same origin, oldest orders are matched first.

**Auction Matching Processing (Auction/Opening/Closing):**

4.6.7 The auction matching processing corresponds to the uncrossing of all orders present in the Central Order Book for a given instrument at a given time.

At the auction time, just before starting the auction processing, the following information is available:

- (i) Opening price (Last IMP calculated);
- (ii) Total quantity to be traded at the auction;
- (iii) Remaining unfilled quantity at the auction price;
- (iv) Side of the remaining unfilled quantity (purchase or sale).

4.6.8 The auction processing consists in matching the orders following the FIFO-origin algorithm.

**Continuous Matching and Trading At Last Processing:**

4.6.9 During continuous matching and trading at last processing, entering orders are continuously matched against the orders already in the book; the prices are determined by the matching algorithm associated with these periods.

4.6.10 When an order is entered, the following steps are executed:

1. Selection of opposite orders to be matched;
2. Allocation of matching quantity;
3. Orders matching mechanism;
4. Activation of stop orders whose trigger price is crossed; and processing of the stop order queue.

## **Part Seven: Trading Safeguards**

## 4.7

### The Static Reference Price:

- 4.7.1 At the opening of the Trading Day, the static reference price will be either the last traded price (generally the previous day's Closing Price) adjusted if necessary for events such as corporate actions; or a reference price set by the Exchange in light of available information. This price remains the static reference price for the whole trading day unless the Exchange modifies it under specific circumstances.

### Static Thresholds:

- 4.7.2 The static thresholds are set to a percentage defined by Notice from the static reference price or to any other value decided by the Exchange from time to time.

An order with a price outside the static thresholds will be automatically rejected upon order entry.

- 4.7.3 After the closing of the market any remaining orders at the Central Order Book which are outside the static thresholds will be automatically cancelled.

### Dynamic Reference Price:

- 4.7.4 At the beginning of a Trading Day, the dynamic reference price is the last Closing Price or the Last Adjusted Closing Price determined by the Exchange.
- 4.7.5 The dynamic reference price is updated to the last traded price after any Auction and during the continuous trading.

### Dynamic Thresholds and Dynamic Reference Price:

- 4.7.6 The dynamic thresholds define the maximum percentage deviation from the dynamic reference price. The dynamic thresholds are always within or at the static thresholds.
- 4.7.7 The dynamic thresholds are adjusted during the opening auction by an expansion factor determined by the Exchange.
- 4.7.8 When an incoming order matches with an order in the Central Order Book at a price which is outside the dynamic thresholds, it will be automatically rejected by the Trading System of the Exchange and the remaining quantity will return back to the Member who entered the order.
- 4.7.9 Any partial execution which was within the dynamic thresholds remains valid. If the trading Member confirms the rejected part of the order within a certain time frame, determined by the Exchange and published in a Notice, the processing of this previously rejected part of the order will resume, as if it was a new order.

An executed confirmed order will cause the reference price to be updated to the last traded price and the dynamic thresholds are updated around this new reference price.

## **Part Eight: Trading Suspensions and Cancellations**

## 4.8

### Temporary Trading Suspension:

4.8.1 The Exchange may temporarily suspend trading on its own initiative and in its sole discretion, or at the request of the Authority in any Admitted Security, in order to prevent or halt disorderly market conditions. When an Admitted Security is suspended from trading, the Exchange shall disseminate this information immediately following the suspension decision.

In all cases the Exchange shall notify the Authority of any decision of temporary suspension of trading.

4.8.2 When an Admitted Security is suspended, Members can enter, modify or cancel orders without matching during this suspension period, as if the Admitted Security was in the pre opening period.

### Trading Resumption:

4.8.3 The Exchange may, depending on market conditions, reopen the Admitted Security by auction - in which case the Exchange will disseminate the time at which the trading will resume - or maintain the suspension of the Admitted Security.

### Order Cancellation:

4.8.4 The Exchange may cancel buy and sell orders aimed at manipulating the prices.

### Trade Cancellation:

4.8.5 The Exchange may cancel a trade on its own authority if it determines that the trade was made in violation of the laws, regulations and decisions issued in the implementation thereof; or under improper prices. The Exchange may also cancel trades in exceptional cases, which include but are not limited to:

- (i) Trades executed outside the normal trading hours due to a human or technical error;
- (ii) Publishing price sensitive information by an Issuer in a selective matter;
- (iii) Members' unequal access to the trading system or any other circumstances halting the orderly and fair trading;
- (iv) System-linked problems which may affect the trading in the market; namely the static and dynamic thresholds.

4.8.6 The Exchange shall inform the Members, the Depository and the Authority as promptly as possible upon such a cancellation if made during the trading cycle and, for cancellations made after the close thereof, at the latest before the opening of the following trading session.

## Part Nine: Special Trades

### 4.9

#### Special Trades Value:

4.9.1 A Special trade is a trade that has a minimum value of QR. 10 million. The Exchange may change this value with the Authority's approval and disseminate it to the Members.

#### Special Trades Execution:

4.9.2 Special trades are executed outside the Central Order Book.

#### Special Order Types:

4.9.3 Special Orders are divided in two categories (i) the cross declaration and (ii) the one-sided declaration.

4.9.4 A cross declaration is a negotiated deal whereby one Member enters a declaration of a negotiated trade between two of its Clients into the special trade segment.

4.9.5 A one sided declaration is a special trade whereby a Member enters one leg of a pre negotiated deal with a counterpart Member which in turn declares the other leg of the deal within a certain time frame.

#### Opening and Closing of the Special Trade Service:

4.9.6 The Special Trade Service is open during the Trading Hours. Declarations are executed as trades on the day they are entered into the Special Trade Service.

#### Reference Price and Thresholds:

4.9.7 The reference Price for Special trades is the same as the static reference price, defined for the Central Order Book. The dynamic and static thresholds for Special trades are the same as the dynamic and static thresholds defined for the Central Order Book.

4.9.8 Any declaration entered outside the Special trade thresholds will be rejected.

#### Cancellation and Rejection of Declarations and Special Trades:

4.9.9 A Member may cancel a one-sided declaration previously issued by it as long as it is not yet matched, using the cancellation function. A Member may reject a one-sided declaration issued by its counterpart Member of the declaration by using the declaration refusal function.



4.9.10 After a given time period, the system will terminate any declaration that is still waiting for matching.

**Publication and Reporting Service:**

4.9.11 The Exchange publishes Special trades in real time.

## **Part Ten: Margin Trading**

### **4.10**

**Dedicated Account with the Depository:**

4.10.1 The Margin financier shall open a Depository Margin Trading Account for each Client for the purpose of Margin Trading.

4.10.2 The Securities purchased by the Client in the context of Margin Trading and the securities subsequently obtained as a result of any corporate action in the said Securities shall be kept in the Depository Margin Trading Account.

4.10.3 Without prejudice to the powers of the competent court, the Authority or the Depository or the conditions imposed by the Margin Trading Agreement, the Securities purchased on Margin shall neither be pledged, nor be transferred from the Depository Margin Trading Account to the Client's Depository Account or any other account without approval of the Margin Financier of the Depository.

4.10.4 The Margin Financier shall keep the securities purchased by the client on margin to secure fulfillment by the Client of his obligations under the Margin Trading Agreement and the credit facility as shown in the daily statements of account provided by the Margin Financier to the Client.

4.10.5 **Initial Margin :-**

The Margin Financing Member must ensure that the Initial Margin has been provided by client before execution of the on- margin purchase transaction.

”Initial Margin” means: the minimum amount paid or payable by the Client for any on-margin purchase transaction, as determined in the Margin Trading Agreement, taking into account the minimum requirements determined by the Authority.

4.10.6 **Maintenance Margin:**

The Margin Financier shall, at the end of each Business Day, calculate the value of the Margin Trading position of each Client and notify the Client immediately, whenever there is a decrease in the Maintenance Margin.

The Client shall pay the required margin within the period provided for in the Margin Trading Agreement.

The “Maintenance Margin” means: the minimum contribution by the to the market value of the securities and cash balances in its the margin trading account at any time. The Maintenance Margin shall subject the minimum requirements provided for in the Margin Trading Agreement.

The Maintenance Margin shall be calculated in accordance with the provisions of Article (7) of the Margin Trading Rules issued by the Authority.

4.10.7 In case the Client fails to replenish the Maintenance Margin within the period provided for in the previous article, the Margin Financier may sell a portion of the securities purchased on margin when the Maintenance Margin falls below the agreed limit, in accordance with the provisions of the Margin Trading Agreement and the relevant applicable rules, in the best interest of the client.

**4.10.8 Securities authorized for Margin Trading:**

Upon the Recommendations the Exchange, the Authority shall Determine the securities authorized for Margin Trading.

In the event the authorizations of Securities for Margin Trading are revoked, the Exchange, after obtaining the Authority's approval, will issue a market notice identifying the procedures for closing down Margin Trading positions in such Securities.

4.10.9 In the event of any breach of the provisions of the Margin Trading rules issued by the Authority or the Exchange, the Authority shall be notified thereof in order to take the proper actions.

**CHAPTER 5**  
**CLEARING, DEPOSITORY AND BANK GUARANTEE**  
**Part One: General Provisions**

**(Deleted)**

## CHAPTER SIX

### ADMISSION TO TRADING AND ISSUER'S OBLIGATIONS

#### Part One: General Provisions

## 6.1

### General Provisions:

- 6.1.1 Without prejudice to the Authority's jurisdiction, the following Articles set forth the requirements and procedures for the admission, suspension and delisting of Securities, and the continuing obligations of the Issuer after admission to trading, unless otherwise provided by the Applicable Law or the Authority's Rules and Regulations.
- 6.1.2 Issuers shall obtain the Authority's approval of admission to listing of the Securities with the Authority before admission to trading on the market.
- 6.1.3 To be admitted to trading, Applicants must meet the requirements of the Authority. Issuers must also commit to adhere to requirements set forth in this Chapter.
- 6.1.4 Issuers are responsible for fulfilling their obligations as set forth in these Rules to enable the Exchange to perform its functions and meet its responsibilities as the operator of a regulated market.
- 6.1.5 The Exchange shall, if it finds indications of a possible infringement by an Issuer of the Law or QFMA regulations in respect of initial, ongoing or ad hoc obligations, report the matter to the Authority as soon as practicable.
- 6.1.6 The Exchange may divide the market for specific Securities or for specific kinds of Issuers, pursuant to the criteria set by the Exchange and approved by the Authority.

6.1.7 The Exchange shall, by means of Notice, determine the criteria for examination and operation procedures related to admission to trading in the specific market segments in addition to the relevant rules for admission to trading and the ongoing obligations.

## **Part Two: General Admission to Trading Requirements for Securities**

### **6.2**

#### **General Admission to Trading Requirements for Securities:**

6.2.1 The following requirements apply to admission to trading of Securities:

- (i) The Issuer shall provide the appropriate documentation to prove the Authority's approval on the admission of Securities to listing; in all cases, the admission to trading application may be accepted before the Depository's approval provided that there is a proof of submitting the application to the Authority;
- (ii) The legal form and structure of the Issuer must conform to all applicable laws and regulations both as regards its formation and its operation under its Articles of Association or other constituent documents;
- (iii) The Issuer must comply with the requirements of the Authority and any other applicable Competent Authority in and outside the State of Qatar as the case may be, taking into account the terms and conditions issued by the Depository.;
- (iv) The Issuer shall ensure that Securities are freely transferable and negotiable, except for any restriction imposed by Applicable Law; and
- (v) An application for admission to trading must cover all the Issuer's Securities of the same class issued at the time of the application or to be issued at a later time.

6.2.2 The terms and conditions set forth in the previous Article shall apply to each new issuance carried out by the Issuer from the same original class of Securities.

6.2.3 Prior to admission to trading of an Applicant's Securities, the Applicant must submit all appropriate forms within the appropriate timeframes and obtain all approvals required under these Rules.

### **Part Three: Additional Requirements for Admission of Securities to Trading**

## **6.3**

### **Additional Requirements for Admission of Securities to Trading:**

6.3.1 Additional requirements for admission to trading of Securities or specific classes thereof may be published by way of Notices.

Admission to trading of Shares or Depository Receipts for Shares is conditioned on the following conditions being met:

- (i) A sufficient number of Shares shall be distributed to the public. This condition is deemed to have been met when 20 % of the subscribed capital represented by the class of Securities concerned are in the hands of the public investors, and in case the market can function with a lower percentage, the Exchange may approve a percentage of not less than 5 % of the subscribed capital. This lower percentage must be published by way of Notice and must be calculated on the basis of the offering price; and
- (ii) The Issuer and, in the case of Depository Receipts, the Issuer of the underlying Securities, must have published or filed audited annual financial statements or pro forma accounts, consolidated where applicable, for the preceding three financial years, drawn up in accordance with the international accounting standards and the International Financial Reporting Standards (IFRS). If the fiscal year closed more than nine months before the date of the Admission to trading, the Issuer must have published or filed audited semiannual accounts.

6.3.3 The Exchange may exempt the Issuer from some of the requirements in the following cases:

- (i) If the said requirement or disclosure will be unduly detrimental to the interest of the Issuer or, in the case of Depository Receipts, the Issuer of the underlying Securities or investors;
- (ii) The Issuer, including the Issuer of the Underlying Securities in the case of Depository Receipts, has made available the necessary information allowing an informed judgment by the Exchange and investors about the company's business and financial situation.

6.3.4 In case of the exemption set forth in the previous Article, the Exchange may subject the admission to trading to additional requirements in respect of market capitalization, shareholders' equity and/or lock-up requirements, such as prohibiting shareholders from selling their shares otherwise than for the potential buyer before the acquisition or to any other condition required by the Exchange and approved by the Authority.

#### **Part Four: Additional Requirements for Bonds, Sukuk and Exchanged Traded Products**

### **6.4**

#### **Additional Requirements for Bonds, Sukuk and Exchange Traded Products:**

##### **Bonds and Sukuk:**

- 6.4.1 The Exchange may admit to trading government or Issuers' Bonds and Sukuk.
- 6.4.2 For corporate bonds, the nominal amount of Bonds and Sukuk must be of no less than the minimum amount determined by the Exchange and approved by the Authority.
- 6.4.3 The admission application form must relate to all Bonds and Sukuk ranking pari passu and of the same issuance.

6.4.4 The Exchange may as a condition of admission to trading require that the relevant Bonds or Sukuk be rated by a rating agency at a rating acceptable to the Exchange, after the Authority's approval thereon.

**Exchange Traded Products (ETPs), Securities issued by Investment Funds and Investment Companies and Other Transferable Securities:**

6.4.5 The Exchange, after the Authority's approval and after taking into account any conditions or requirements for the Depository, shall set forth conditions for admission to trading by way of notice of the following Securities:

- (i) Exchange Traded Products (ETPs) such as Exchange Traded Funds (ETFs), Exchange Traded Notes (ETNs) and Exchange Traded Vehicles (ETVs);
- (ii) Securities issued by Investment Funds and Investment companies;
- (iii) The other transferable Securities such as warrants and certificates.

In determining the additional requirements for admission of Securities set forth herein, the Exchange shall take into account the nature of the Securities for which admission is sought without prejudice to the general listing requirements specified in these Rules.

6.4.6 The Exchange may publish, by way of Notice, any other requirements or procedures related to the admission of corporate or government bonds and Sukuk to trading.

The Exchange may also determine that specific transferable Securities do not qualify for Admission to trading.

## **Part Five: Application Procedures**

### **6.5**



**Application Procedures for Admission to Trading:**

6.5.1 An application for admission to trading must be filed with, and in such form as is determined by, the Exchange.

6.5.2 The Application Form shall be sent with the following documentation:

- (i) The admission to trading agreement between the Issuer and the Exchange;
- (ii) A written undertaking by the Issuer to do the following:
  - a) Inform the Exchange immediately if any information provided in the application file has changed;
  - b) Comply with the Rules and obligations set forth in these Rules and any modifications thereof;
  - c) Comply with any measures or requirements imposed by the Exchange;
  - d) Comply with its obligations under the Applicable Law in respect of initial, ongoing or ad hoc disclosure obligations;
  - e) Appoint a contact person within the company and a substitute, to be responsible for ongoing communications with the Exchange, provided that the contact person shall be a Department Director at least; and
  - f) State whether a similar application has been filed with another stock market or whether such an application is to be filed in the near future;
- (iii) A written undertaking by the Issuer that the legal form and structure of the Issuer are in accordance with applicable laws and regulations, both as regards its formation and as regards its operations under its Articles of Association or other constituent documents;
- (iv) Proof that the Securities are in conformity with, and are admissible to trading in accordance with, the Applicable Laws;

- (v) Proof that a paying agent and a transfer agent have been appointed to ensure the administration of corporate events and the payment of dividends, provided that the Security Holders are not made responsible for any charges thereon;
- (vi) A copy of any prospectus related to the Issuer;
- (vii) A certified copy of corporate documentation authorizing the issue of Securities;
- (viii) A statement by the Issuer as to the value or number of Securities issued at the time of the application; and
- (ix) Copies of the published or filed audited financial statements or pro forma accounts of the financial statements.
- (x) A copy of the agreement concluded between the Depository and the Issuer.

6.5.3 The documentation referred to in the previous Article shall be submitted to the Exchange under the sole responsibility of the Applicant in order to allow the Exchange to assess whether or not the listing requirements as specified in these Rules are fulfilled by the Applicant.

6.5.4 All required documentations shall be submitted in Arabic and they may be submitted in English, provided the Exchange approval.

6.5.5 The application for the first Admission to trading of Securities shall be filed by the Applicant or Listing Advisor.

6.5.6 Upon receiving the Application Form, the Exchange may impose supplementary listing requirements in addition to the basic conditions specified in these Rules as it reasonably considers appropriate.

The Supplemental listing requirements imposed by the Exchange shall be approved by the Authority.

**Decision of the Exchange:**

- 6.5.7 Unless agreed otherwise by the Issuer and the Exchange, the Exchange shall make its decision in respect of an application for admission to trading within a maximum period of 30 days from the date of submitting all required documentation.
- 6.5.8 The decision of the Exchange to admit Securities to trading shall remain valid for a maximum period of 120 days from the issuance date and shall become void in case of non-execution by the Issuer in the given period.
- 6.5.9 The Exchange shall determine the date on which the admission to trading of Securities becomes effective and shall publish that date on its website in addition to any conditions of admission to trading of the relevant Securities.

The Authority's approval on the set date shall be obtained.

**Grounds for Refusal of an Application for Admission to Trading:**

- 6.5.10 The Exchange may refuse an application for admission to trading of a Security on any ground it deems appropriate, including (without limitation) if:
- (i) The Issuer does not meet one or more of the requirements imposed by or pursuant to these Rules or Applicable Laws;
  - (ii) It considers that admission to trading of the Securities may be detrimental to the market or to the persons dealing hereon; or
  - (iii) The Security is already admitted to listing on another market and the Issuer is not in compliance with the obligations resulting from such admission, or its level of compliance is unacceptable to the Exchange.
- 6.5.11 The Exchange shall notify the Issuer in writing of refusing the application for admission to trading and the reasons thereof within a maximum period of five days from the refusal date.

6.5.12 In case of refusing the admission to trading, the Issuer may appeal to the Authority against the decision of the Exchange in accordance with the appeal procedures prescribed by the Authority.

## Part Six: Suspension and Cancellation of Admission to Trading

### 6.6

#### Suspension and Cancellation of Admission to Trading:

6.6.1 The Exchange may temporarily suspend trading of Admitted Securities in the following circumstances:

- (i) At the request of the Issuer based on reasonable grounds;
- (ii) At the request of the Authority;
- (iii) On its own initiative and on any appropriate grounds including without limitation:
  - a) Failure of the Issuer to comply with the obligations and requirements pursuant to these Rules or the Listing Agreement;
  - b) Bankruptcy or any similar insolvency proceedings under the Applicable Law instituted by or against the Issuer or the Applicant;
  - c) If the Exchange considers that the number of the Securities available for trading is inappropriate, pursuant to the mechanism set by the Exchange and approved by the Authority;
  - d) If the Exchange considers that facts or developments which have occurred prevent the continued listing of that Admitted Security or which cause the Exchange to believe that a fair, orderly and efficient market cannot be maintained;
  - e) In the event of suspension of listing by the Authority.

6.6.2 A written application by an Issuer for the suspension of trading should be made in sufficient time to enable the Exchange to review the application.

6.6.3 The Exchange may cancel the admission to trading of Admitted Securities in the following circumstances:

- (i) At the written application of the relevant Issuer in accordance with the Applicable Laws;
- (ii) If the listing of such Securities is cancelled by the Authority;
- (iii) On its own initiative and on any appropriate grounds including but not limited to:
  - a) Merger or dissolution of the Issuer;
  - b) Trading of Securities was suspended for more than six months; or
  - c) Any other reasons as the Exchange shall specify by Notice after the Authority's approval.

6.6.4 The application for suspension or cancellation of admission to trading of Securities shall be accompanied with a copy of the notification which was approved by the Authority and a copy of the Issuer's declaration notifying the Exchange of the suspension.

6.6.5 In the case of an application for cancellation of admission to trading, the application must be sent to the Exchange at least 20 days prior to the contemplated date for the cancellation.

6.6.6 If the Exchange decides to cancel the admission to trading of an Admitted Security:

- (i) The Exchange shall determine the date on which the cancellation of admission to trading of the Admitted Securities shall become effective;
- (ii) The Exchange shall notify the Issuer in writing of its intention to cancel the admission to trading of the admitted Securities and the anticipated date for such cancellation;
- (iii) The Issuer shall be given an opportunity to be heard by the Exchange before any decision to cancel the admission to trading is taken;
- (iv) The Exchange shall publish the date on which the cancellation of admission to trading of the Admitted Securities shall become effective as well as the conditions of cancellation;

- (v) The Exchange shall terminate the admission to trading agreement on the date of the effective cancellation of admission to trading of the Admitted Securities becomes effective;
- (vi) In the case of cancellation of admission to trading, the Exchange may subject such cancellation to additional requirements as the Exchange deems appropriate.

**Appeals:**

- 6.6.7 The relevant Applicant or Issuer may appeal to the Authority against the decision to cancel the admission to trading taken by the Exchange in accordance with appeal procedures prescribed by the Authority.

## **Part Seven: Ongoing Admission to Trading Obligations**

### **6.7**

**Ongoing Admission to Trading Obligations:**

- 6.7.1 The general admission to trading requirements for Securities as set forth in these Rules shall continue to apply during the time the Issuer is admitted to trading on the Exchange.
- 6.7.2 When additional Securities of the same class as Securities already admitted to trading are to be issued, application for admission to trading of such additional Securities shall be made as soon as possible. The Exchange may in some cases accept such an application within a period not exceeding than ninety days after the issue date.
- 6.7.3 The Issuer shall, at least two Trading Days before the planned announcement of the timetable for any proposed corporate action affecting the rights of existing Security Holders, disclose to the Exchange any information regarding the Securities and shall provide an original copy of supporting legal and corporate documents necessary in order for the Exchange to

understand the proposed event and to facilitate the fair, orderly and efficient functioning of the market and to take appropriate measures relative to the corporate actions, subject to any conditions or requirements issued by the Depository in this regard.

A timetable which has not been notified to the Exchange in advance may be subject to change.

**6.7.4** Subject to any conditions or requirements issued by the Depository in this regard, the information referred to in the previous Article includes the following:

- (i) Amendments which affect the respective rights of different categories of Shares, Depository Receipts for shares, Equity Securities, debt instruments and Sukuk;
- (ii) Any issuing or subscription of Securities;
- (iii) Any business combination or merger;
- (iv) Any corporate action where an ex- date is required;
- (v) Any distribution on Securities or split of Securities;
- (vi) Detachment or payment of any dividend or interests;
- (vii) Coupons being declared without value;
- (viii) Redemption of Securities;
- (ix) Any prospectus relating to public offerings;
- (x) Any administrative or court decision regarding any situation of bankruptcy or insolvency;
- (xi) The admission to listing or trading on any other market.

**6.7.5** In the case of admission to trading of Depository Receipts and other Securities entitling holders to acquire other Securities, the disclosure principle pursuant to these Rules shall include the following:

- (i) Information that affects the respective rights of different categories of Securities;
- (ii) Corporate actions of the Issuer of the underlying Securities;

(iii) Any adjustment or modification that the Issuer makes to the exercise condition of the foregoing as a result of any change in or to any underlying Securities, including details of the event that necessitated the adjustment or modification.

6.7.6 In the case of admission to trading of Securities issued by an investment company or investment fund, the company or investment fund shall notify the Exchange of the announcement of any distributions, declaration of coupons without value in addition to any other information request by the Exchange.

6.7.7 In the case of Admission to trading of ETFs or other structured products, the disclosure principle pursuant to these Rules shall include the following:

- (i) The Issuer's total net asset value and the net asset value per Share, the composition of its assets, the number of outstanding and preference Shares and the reference index level linked to the net asset value;
- (ii) Any change in the index calculation method as well as in the compilation of the index.

6.7.8 The Issuer shall take reasonable steps to enable its directors to understand their obligations under these Rules and establish and maintain adequate procedures and controls to comply with their obligations.

6.7.9 The Exchange may request the Issuer to take the necessary steps related to the Securities admitted to trading in order to facilitate the management of the market in an orderly and effective manner. For such purpose, and taking into account the Applicable Law, the Exchange may impose specific conditions on the Issuer to ensure its compliance with the obligations and requirements set forth under these Rules or Listing Agreement. Furthermore, the Exchange may suspend or delist the trading of a Security and terminate the admission to trading agreement.



**Disclosure Obligations:**

- 6.7.10 The Issuer shall undertake not to disclose any confidential or misleading information.
- 6.7.11 The Issuer shall provide the Exchange with any disclosure information related to the Admitted Securities at such time as the Exchange determines.
- 6.7.12 The accuracy of information provided to the Exchange shall be the sole responsibility of the Issuer and shall include the following:
- (i) Annual and interim reports as required by the Rules or Applicable Law;
  - (ii) Information required to be filed with the Authority;
  - (iii) Changes to the nature of the Issuer's activities or amendments to its Articles of Association;
  - (iv) Announcements of general meetings;
  - (v) All price sensitive information related to the Issuer.
- 6.7.13 The Issuer shall send to the Exchange via a dedicated email address the following documents in Arabic and English:
- (i) Press releases and price sensitive information as identified by the Issuer in case of public disclosure;
  - (ii) Annual, semiannual and quarterly reports.
- 6.7.14 Upon receipt of the documents referred to in the previous Article, the Exchange may publish such information on its website without any review or approval concerning the content or

timing of such disclosure. Such publication by the Exchange is made for convenience and centralization of relevant information.

The Issuer's submission of the said information does not exempt it from fulfilling its disclosure requirements by disseminating to the public investors such information as is required pursuant to the requirements of the Exchange and the Authority.

**6.7.15** The Exchange is not obligated to review the information before it is published on its website nor shall the Exchange be liable if the information is false or incomplete or has not been disclosed in a timely manner. The Issuer shall be solely responsible for all such information published by the Exchange.

**6.7.16** The Issuer shall communicate to the Exchange all information disclosed to other markets on which the relevant Securities are admitted to trading and shall do so no later than the time at which such information is disclosed and made public on the other market.

## **CHAPTER SEVEN RULES OF CONDUCT**

### **Part One: General Duties of Integrity, Fair Dealing and Cooperation with Qatar Stock Exchange**

## 7.1

### General Provisions:

- 7.1.1 Members must observe the Rules of Conduct set by the Exchange when engaging in trading or settlement practices or otherwise conducting operations on or with respect to the Exchange.

### General Duties of Integrity and Fair Dealing:

- 7.1.2 When engaging in trading practices or otherwise conducting operations on or with respect to the Exchange, a Member shall observe high standards of integrity, market conduct and fair dealing; and act with due skill, care and diligence; and refrain from any act or course of conduct which is likely to harm the reputation of the Exchange or Members or to be inconsistent with just and equitable principles of trade.
- 7.1.3 A Member shall behave in a responsible manner when using the Exchange Trading Platform and any other facilities provided by the Exchange and shall use the Trading Platform and these facilities only when there is a legitimate need to do so.

### Cooperation with the Exchange:

- 7.1.4 In dealing with the Exchange, its directors, officers, employees, agents and representatives, Members shall act in a cooperative and transparent manner, be honest and truthful and not mislead the above-mentioned persons.
- 7.1.5 Members shall provide full and prompt responses to all requests for information by the Exchange in respect of business conducted on the Exchange or business related thereto and provide access to all relevant books, records, audio logs and other forms of documentation.

7.1.6 Members shall notify the Exchange promptly of any matter which may reasonably be expected to be a concern to the Exchange or to affect its relationship with such Member, including any material event or other matter that may cause such Member to cease to be in compliance with the Rules, or any allegation of material wrongdoing by the Member.

**Abstaining from Fraudulent and Misleading Conduct:**

7.1.7 In conducting business for itself or on behalf of its Clients, a Member must not engage in fraudulent and misleading conduct, such as any action or any course of conduct that has the effect of artificially moving the price or value of any Securities or any assets underlying any Securities or the level of any index of which such Securities are a component.

7.1.8 The Member is prohibited from entering fictitious or artificial orders or otherwise, causing an active market illusion or undertaking a fictitious or artificial transaction or causing thereof.

7.1.9 A member is prohibited from committing any act or behaving in any manner susceptible of creating a false or misleading impression of the market as to the value of any security, or committing any act or behaving in any manner susceptible of adversely affecting the fairness and transparency of trading on the Exchange.

7.1.10 In all cases, the Member shall be responsible for all business conducted in its name, whether or not such business has been executed on behalf of a Client and whether or not such business has been input through the Member via an Automated Order Routing System or Sponsored Access by such Client.

7.1.11 The Member shall notify the Exchange promptly of any action or course of conduct taken by a Client or Member which is inconsistent with the requirements of these Rules.

**Use of the Exchange Platforms:**

7.1.12 When using the Exchange Trading Platform or any other facilities thereof, a Member shall not engage in practices which may cause degradation of the services or give rise to a disorderly market. Such practices include, but are not limited to, submitting unwarranted or excessive electronic messages or requests to the Exchange's Trading Platform.

**Internal Controls:**

7.1.13 A Member shall set up an appropriate system of internal controls, which ensures that the Member continuously complies with all requirements imposed by the Rules and whether or not its Clients use an Automated Order Routing System or Sponsored Access.

7.1.14 The system of internal controls shall contain internal procedures specific to the Member's capacities on the Exchange market. These procedures shall be documented and updated on a regular basis.

7.1.15 Where a Member executes business on behalf of Clients, it shall have adequate controls and procedures to ensure that such business complies with these Rules.

7.1.16 A Member's internal controls shall include pre- and post-trade risk management controls such as vetting orders prior to their submission to the Central Order Book, irrespective of whether such orders have been submitted manually or electronically; and monitoring the positional and financial risks inherent in the business it conducts.

7.1.17 A Member granting Sponsored Access to its Clients must be able to demonstrate to the Exchange that the following monitoring requirements have been incorporated in its systems:

- (i) Position Limits;
- (ii) User definitions (i.e., the ability to define the individual user(s));

- (iii) Product definitions (i.e., the ability to restrict access to particular Securities or groups of Securities);
- (iv) Maximum order size per user; and
- (v) Either automatic order rejection when a limit is exceeded or the order being held subject to manual override by an appropriately authorised risk manager.

7.1.18 The Exchange may specify by Notice additional requirements in respect of pre-trade vetting and post-trade risk management for specific Securities.

7.1.19 A Member shall have adequate arrangements to ensure that all staff involved in the conduct of business on the Exchange market are adequately trained and properly supervised.

## **Part Two: Recording of Client Orders**

### **7.2**

#### **Recording of Order Details:**

7.2.1 A Member shall ensure that each order received from a Client is recorded and immediately time-stamped. The order record must be time-stamped again on execution and also at the time of any amendment or cancellation of the order by the Client.

7.2.2 Order records may be maintained on order slips or by the Automated Order Routing Systems, or by any other means specified or permitted by the Exchange, provided that any such recording method complies with the requirements of these Rules.

7.2.3 Order records must contain the following information:

- (i) The identity of the individual submitting the order to the Trading System;
- (ii) The identity of the individual completing the order recording;
- (iii) Client identification;
- (iv) Order Type (buy/sell);
- (v) Type and volume of the underlying Securities;
- (vi) Price or price limit;
- (vii) Order type and execution conditions.

**Deadline for order execution:**

7.2.4 All order records, of whatever kind, must be robust, secure, genuine and not susceptible to alteration; made available to the Exchange immediately on the day of the transaction and within a reasonable period of time on subsequent days, in each case where required by the Exchange; and presented in a manner which is easily understandable by the Exchange.

7.2.5 Members who employ an Automated Order Routing System must have suitable contingency procedures in the event of systems failure, which may include backup systems or recourse to a paper-based audit trail, such that no loss of audit trail data can occur.

**Period of Retention of Records and Documents:**

7.2.6 A Member shall maintain records for a period of ten years or as otherwise required by Applicable Law of the following: automatic screening parameters and modifications thereof as well as rejected orders, orders arranged chronologically, Transactions and settlement thereof and the custody of Securities traded on the Exchange.

7.2.7 All records required to be maintained shall be made available for inspection to the Exchange when required.

**Recording:**

7.2.8 Members shall make recordings of Persons' conversations which are conducted on telecommunications equipment relating to Transactions made, or intended to be made, by or through the Members on the Exchange. Any such recordings made pursuant to such requirements shall be retained by the Member for ten years or otherwise prescribed by the Applicable Law, for possible inspection, complaint investigation or any other matters decided by the Exchange.

Such recordings shall be authorized by way of written contract between the Member and its Client.



## CHAPTER EIGHT INVESTIGATION

### Part One: General Provisions

#### 8.1

##### General Provisions:

- 8.1.1 The provisions of this Chapter are without prejudice to any actions or measures to be taken by the Exchange in implementation of these Rules, any right of the Exchange to carry out on-site investigations or any provision of the Applicable Law concerning the powers and competence of the Authority.

In all cases, investigations led by the Exchange pursuant to these Rules shall not violate and contradict with the Authority's powers and competences to carry out the required investigations.

- 8.1.2 The Exchange shall send periodic reports to the Authority about the Members' compliance with these Rules, through coordination between the Authority and the Exchange in respect thereto.
- 8.1.3 If the Exchange finds out any serious indications about violations of the Applicable Laws by any Member, it shall submit a report to the Authority in order to take the necessary measures.

##### Immediate Measures:

- 8.1.4 If the Exchange finds out the occurrence of any threat to the integrity or the safety of the market, or upon instruction to act by the Authority, then the Exchange may take such immediate measures as it sees fit to protect the market and its dealers, such as suspending all or some of a Member's trading rights.

##### Investigation:

8.1.5 The Exchange has the right to undertake investigation procedures for the purpose of discovering the related facts to the violation of the Rules by the Member and related significance.

**Investigation Initiation:**

8.1.6 The investigation shall be carried out by the Exchange's own initiative, or as a result of inspection carried out by the competent Department at the Exchange, or upon the Authority's request or complaint by the relevant person. The investigation procedures shall be commenced with the approval of the Chief Executive Officer or the assigned person thereto.

**Formation of an Investigation Committee and Determination of its Powers:**

8.1.7 An investigation committee shall be formed at the Exchange under the presidency of the director of the Legal Affairs Department and membership of three members to be nominated by the Chief Executive Officer of the Exchange.

The CEO shall issue a decision establishing the said Committee and determining the remunerations of its members within two weeks from the coming into force of these Rules.

The Committee shall have a reporter nominated by its chairman and shall be empowered to follow up and carry out the decisions issued upon the recommendations of the Committee and the other related business of the Committee. The reporter shall be also entitled to the same remuneration granted to a Member.

8.1.8 The Investigation Committee shall be empowered to undertake investigations with Members, Issuers and persons to whom these Rules apply and deal therewith in accordance with the investigation procedures provided for herein. The Committee shall secure the investigation safeguards, keep the investigations confidential and not disclose them otherwise than as

prescribed by these Rules. The Committee's recommendations shall be submitted to the Chief Executive Officer for the purpose of taking a decision in respect thereto.

## Part Two: Investigation Procedures

### 8.2

#### Investigation Procedures:

- 8.2.1 The Investigation Committee may carry out investigations in case of violations of these Rules and such pursuant to the procedures set forth in the following Articles.
- 8.2.2 The violator shall be summoned by the Committee by the means of written summons or by fax or e-mail, provided that there is a proof of his receipt thereof, and in case of an urgency, the violator may be communicated with by phone and required to attend and be investigated with and questioned about the violations attributed to him or be confronted with the documents that are available against him.

The summons shall state the time and venue for the attendance of the violator together with summary of the subject matter and documents to be submitted to the investigation committee.

#### The Investigation safeguards:

- 8.2.3 A Member shall not be penalised otherwise than after conducting an investigation with him in writing and hearing his statements without swearing the oath and realising his defence and proving that in the report prepared by the investigation committee.
- 8.2.4 The investigation shall start by confronting the violating Member with the alleged violation, and informing him that he is undergoing an official investigation and that if he is convicted, he will be subjected to measures or penalties. The violator shall be informed of the details of

the violation, his right to defend himself and the evidence introduced against him. The violator shall be discussed with on the details of the violation and evidence and be asked to give his answers to the facts and evidence of the violation. The violator shall be allowed to submit verbal and written explanations of the facts and evidence of the violations attributed to him. The Investigation Committee shall peruse the papers and documents of the violation and attach copies thereof to the record of the investigation.

**8.2.5** For the purpose of conducting investigations about the facts and subject matter of the violation, the Investigation Committee has the right to take the following procedures:

- (i) Require the Member to provide any information, copies of records and documents relevant to the violation or investigation;
- (ii) Send a representative to the Member's offices during normal business hours who may require and obtain immediate access to all such information, records and documents related to the investigations or any other required documents for the investigation procedures and which are kept by the Member;
- (iii) Require the attendance of any of the Member's directors, officers, employees, agents and representatives at a specified time and place, at either the offices of the Exchange or those of the Member, in order to answer questions or provide explanations and clarifications that may be relevant to the violation and subject matter of the investigation.

**Confidentiality of the Investigation:**

**8.2.6** The Exchange shall not disclose information and documents obtained for the purpose of the undertaken investigations with the Members. These information and documents shall not be

used otherwise than for the purposes of the investigation, arbitration or accountability related to the subject matter of the investigation.

Disclosure of the Confidential information to the Authority, judicial authorities or any other body having jurisdiction and competence to have access the said information and documents; or when otherwise permitted by the Applicable Laws; or pursuant to agreements with other exchanges or clearing houses, provided that they abide by the confidentiality obligation.

#### Report of the Investigation:

- 8.2.7 Upon completion of the investigation procedures, the Investigation Committee shall prepare a detailed report about the violation's facts, undertaken procedures, investigations, clarifications and documents submitted by the Member, his defense and opinion of the committee thereabout and findings, violated Rules and legal opinion in respect thereto.

#### The Exchange's Disposition of the Investigation Report:

- 8.2.8 The report shall be submitted to the Chief Executive Officer who has the right to put the report of the investigation on hold or apply or inflict any of the following measures or penalties:
- (i) Addressing a written warning to the violating Member warning it not to commit the violation in the future;
  - (ii) Ordering the violating Member to rectify the alleged violations in accordance with the conditions and within the period of time determined by the Investigation Committee;
  - (iii) Imposing a financial fine against the relevant Member pursuant to the schedule of penalties set by the Exchange and approved by the Authority;
  - (iv) Suspending all or part of the Member's trading rights for no more than six months;
  - (v) Terminating the relevant membership upon the approval of the Exchange's Board of Directors.

8.2.9 The decision issued on the investigation outcome shall be delivered to the relevant Member by hand or sent to it by registered mail and the Authority shall be notified thereof.

**Appeal:**

8.2.10 A Member may appeal from the decision issued against it to the Authority within twenty one days from the date of its being notified of the Decision in accordance with the appeal procedures set forth by the Authority.

In all cases, the membership termination decision shall not be carried out without the approval of Authority even if the decision was not appealed from to the Authority.

8.2.11 Submission of the appeal to the Authority shall cause execution of the decision appealed against to be stayed pending issuance of the decision thereon by the Authority.

8.2.12 In the event of the Authority's decision refusing the appeal or lapse of the period of time specified for submission of the appeal, whichever is closer, the decision shall be published on the website of the Exchange. Members and parties having a membership agreement with the Exchange shall be notified of the decision if the decision is for membership suspension or termination.

## **CHAPTER NINE COMPLAINT PROCEDURES**

### **9.1**

- 9.1.1 The Exchange shall carry out investigations of complaints made against it, arising out of the exercise of any of its functions under these Rules or the Authority's Regulations.
- 9.1.2 A complaint may be presented by a person against any decision issued by the Exchange in connection with the implementation of these Rules, within thirty days from the date of discovering the facts giving rise to the complaint.
- 9.1.3 The Exchange shall not be obliged to arrange for the investigation of a complaint which it reasonably considers is frivolous, unreasonable or obscene or connected with contractual or commercial disputes involving the Exchange and not connected with its executive function or not relating to the role of the Exchange in recommending or commenting on the proposed rules, regulations or regulatory policy or the making or contents of any of them.
- 9.1.4 A complaint shall include details of the decision to which the complaint relates, its reasons, the capacity of the complainant, his data and details of contact and any other related documents.
- 9.1.5 The Exchange shall keep a record of all complaints made against it, whereby it registers the complaints with serial numbers for each year. The record shall include the name of the complainant, position, date of submitting the complaint, summary of its subject and decision taken in respect thereto and relevant date of the decision taken.
- 9.1.6 The Exchange may require the complainant to submit any clarifications or additional documents relevant to the complaint.
- 9.1.7 The Exchange shall issue its final decision regarding the complaint within a period not more than thirty Trading Days from the date it recorded the complaint for investigation.

9.1.8 The Exchange may close the complaint or modify or withdraw or cancel the underlying decision in case it has determined that the complaint has revealed a fact that was not known to the Exchange when the decision was made.

In all cases, the complainant shall be notified of the decision within seven days of the decision issuance date.

**Appealing the decision of the Exchange:**

9.1.9 The relevant person may appeal the decision issued in the complaint to the Authority, within fifteen days from the notification date, or from the date of publishing the decision on the website of the Exchange, pursuant to the appeal controls set by the Authority.

## **CHAPTER TEN SUBSCRIPTION FEES AND COMMISSIONS**

### **10.1**



**Determination of subscription fees and commissions:**

- 10.1.1 Members and Issuers shall undertake to pay the membership subscription fees, and the trading and admission to trading fees as determined by the Exchange after the Authority's approval thereon. The Exchange shall publish the value of such fees on its website or any other appropriate means.

Members, Issuers, Security Holders and other persons dealing in the market shall pay commissions and subscription fees in return for the services provided by the Exchange, or for using its equipment or facilities. The Exchange shall determine the value of such commissions and subscriptions.

**Exemptions:**

- 10.1.2 Government entities and organs and State-owned companies shall be exempted from paying the commissions determined by the Exchange in the event of executing one of the transactions which are exempt from the Trading System.

**Financial Services Commission:**

- 10.1.3 Members shall receive a financial services commission from their Clients in return for transactions made pursuant to the provisions of these Rules. These commissions shall be determined as a percentage of the transaction value within the limits determined by the Authority.

## **CHAPTER ELEVEN TRANSITIONAL PROVISIONS**

## 11.1

### Current Trading Hours:

- 11.1.1 The trading hours which are applicable at the time of coming into force of these Rules shall continue to apply and may be amended pursuant to the decision of the Exchange and approval by the Authority.

### Current Fees:

- 11.1.2 The current fees shall be the same as of the fees applicable on the date of publishing these Rules, until modified and published pursuant to the provisions of Article (10.1.1).

### Current Individuals enjoying the Rights of Exchange Approved Individuals and Similar Individuals:

- 11.1.3 The Exchange shall publish Notices of the names of its Approved Individuals pursuant to the provisions of these Rules as of the effective date hereof. Any Exchange Approved Individual may continue to exercise the authorities granted to him as such.