

Palestinian Capital Market Authority
Securities Surveillance Department

Instructions for the obligatory listing of Shareholding Companies

Palestinian Capital Market Authority:

**Pursuant to stipulations of Articles 11, 34 and 103 of the
Securities law No. 12 for the year 2004**

Article 1

The following words and phrases, in the course of this text, shall bear the meaning and be construed and interpreted pursuant to the definition specified for it below:

Law	Securities Law No. 12 for 2004 and all its amendments
Authority	Palestinian Capital Market Authority
Market	Palestinian Stock Exchange
Public Shareholding Company	The company whose shareholders exceed 51 shareholders, who will be obliged to be listed within the system adopted by the Market pursuant to these instructions.

Article 2

1. All Public Shareholding Companies in operation on the date of issue of these instructions are required to apply to the Market within 60 days from the date hereof requesting to be listed.
2. The Market shall forward to the Authority a copy of the fully completed application for the purpose of such a listing within the system of the Market.

Article 3

1. In the event that the Shareholding Company is unable to complete the listing procedure as mentioned in Article 2 above, then it is required to request the Authority within thirty days from the enforcement of these instructions for an additional period of grace for the purpose of rectifying its position.

2. The Authority shall review such a petition and at its discretion grant the Company the period the Authority deems fit and sufficient for rectifying the Company's position, provided such a period does not exceed one calendar year from the enforcement date of these instructions, otherwise the Authority shall execute any action it sees fit pursuant to Article 7 hereof.

Article 4

Foreign shareholding companies which are registered in Palestine, and wishing to list their shares in the Market are able to apply for such a listing. In this case, the requisites prescribed in the instructions of the Authority and the systems of the Market shall apply.

Procedures against Companies

Article 5

Upon the expiry of the prescribed period mentioned in Articles 2 and 3 above, and upon establishing that lack of listing which is due to negligence or lack of interest in the concerned Board, the Authority in coordination with the Market and the Companies Controller reserves the right to take all the necessary action against the Company as stipulated in the Law and the regulations in force.

Article 6

In addition to the stipulations of Article 5 above, the Authority in collaboration with the Companies Controller may request the Public Shareholding Company to call for an extraordinary General Assembly meeting, costs and expenses thereof to be borne by the Shareholding Company, and with the specific agenda of discussing the Company's obligatory listing and ensuring that such a decision is issued by the General Assembly specifying the modus operandi of listing.

Penalties

Article 7

1. The Authority may enforce the penalties and undertake the action it deems fit against the defaulting company and as prescribed in the penal code.
2. Any natural or artificial person, against whom a judgment was issued by the Authority, can appeal such a judgment within 30 days from date of issue thereof, before the Board of the Authority, and can also resort to legal action after his appeal is considered by the Board.

Article 8

The Authority in collaboration with the Market and the Companies Controller shall oversee the procedure of listing the Shareholding Companies and shall ensure the compliance with these instructions from date of enforcement thereof.

Article 9

All the concerned bodies, each within its jurisdiction, shall implement these instructions which shall come into effect as of the 18th of May, 2008 and shall be published in the Official Gazette.

Issued in the City of Al Bireh in 10th of May, 2008

Corresponding to the 5th of Rabie' Awal , 1429 Hajirah.

Maher Al Masri

Chairman of the Board.

Palestinian Capital Market Authority

Securities Control Department

**Instructions for the Capital Adequacy for Property Mortgage
Companies Financing No. 8 P.M. For 2007**

**Issued by the Board of the Palestinian Capital Market
Authority**

**Pursuant to Stipulations of Articles 3 and 26 of the Capital
Market Authority law 13 for the year 2004**

Scope of Application

Article 1

These instructions are to be observed by Companies Financing Property Mortgage.

Definitions

Article 2

The following words and phrases, in the course of this text, shall bear the meaning and be construed and interpreted pursuant to the definition specified in the instructions for property mortgage financing companies and Property Professionals No. 7/P.M.F For 2007 issued on the 8th of October 2007.

The Rate of Capital Adequacy

Article 3

For the purpose of these instructions, the rate of capital adequacy should be the ratio between the capital basis to the total assets and liabilities outside the proposed articles of the budget potentially at risk (appendix 1) and

capital is not borrowed from the shareholders.

Article 4

1. The company shall supply the Authority no later than two weeks from the following month, with the rate of capital adequacy every six months on the prepared forms, duly certified, signed and sealed by the external auditors of the company.
2. The Authority reserves the right to request rectifying the statements in the event there are any discrepancies therein.

The Basis of the Capital

Article 5

The capital base shall comprise two slices: the primary capital and the supportive capital.

The Primary Capital

Article 6

The primary capital is made up of:

1. Paid-up capital.
2. Paid –up reserve on the nominal value.
3. The legal reserve.
4. The declared reserve.
5. The un-distributed (forwarded) profits.

Article 7

The goodwill, intangible assets, annual losses ,losses under settlement and any tax returns outstanding and not received and any other earnings due but not received resulting from issuing shares secured by property portfolios, shall be deducted from the primary capital.

Supportive Capital

Article 8

- 1-The Supportive Capital is made up of:

- a. General allocations for regular loans at the rate of 1.25% thereof.
- b. General allocations for liabilities outside the range of budget articles, at the rate of 0.25% thereof.
- c. Reserves for re-assessment pursuant to International Accountancy Standards.
- d. Supportive loans where life span is beyond 5 years provided 20% thereof is amortized annually during the last 5 years of the loan period and on condition that the amount of such a loan does not exceed the value of 50% of the primary capital.

2-The difference between the statutory provision as prescribed by the Authority and the actual provision for the specified loans, shall be deducted from the supportive capital.

3-The amount of supportive capital should not exceed 100% of the value of the primary capital.

Article 9

1-The supportive loan is:

- a. Not to be secured by any company assets.
- b. To be received in full.
- c. Not to be listed, allocated or sequestered on account of a specific activity or against any assets.

2-The contract of the supportive loan shall include acceptance of the lender that the loan should cover the losses incurred during the life of the loan.

3- Upon liquidation, the repayment of the supportive loan to the lender should follow the fulfillment of the dues of other debtors.

Risk-Weighted Assets

Article 10

Risk- weighted assets are those assets representing, in view of its quality, a specific risk on the capital.

Article 11

The value of the risk-weighted assets shall be calculated by adopting specific weights to be applied on the book value of the companies assets. Such weights differ pursuant to the degree of risk mentioned on the current assets of the following categories: and is to be listed in the forms prepared for this purpose (Appendix B)

1. Risk category 0%: Comprises cash and securities issued by the National Palestinian Authority and other financial instruments issued or warranted by governmental bodies and accepted by the Authority as well as all prepaid expenses.
2. Risk category 10%: International Financial Instruments as specified in Article 12 of these instructions.
3. Risk category 20%: Deposits with a term of less than a year at banks where the capital adequacy is at minimum level prescribed by the supervisory bodies of such countries and guaranteed securities accepted conditionally by the NPA and other international securities as specified in Article 12 of these instructions.
4. Risk category 30%: International Securities as specified in Article 12 of these instructions.
5. Risk category 35%: Regular Mortgage loans secured by a first degree mortgage, and enhanced by insurance cover against default of no less than 70% of the loan value.
6. Risk category 50%: Regular mortgage loans secured by a first class mortgage and International Securities as specified in Article 12 of these instructions.
7. Risk category 70%: Mortgage loans and claims past due for a period less than 90 days.
8. Risk category 100%: Mortgage loans and claims where by installment payment was past due for a period exceeding 90 days, International Securities as specified in Article 12 of these instructions and all other assets.

Article 12

For the purposes of calculating the value of the investments in international

risk weighted securities, the classification of one of the following international agencies shall be endorsed:

1. Standard & Poor's.
2. Moody's.
3. AM Best.

And for the following types of hazards:

- a. First category: 10%
- b. Second category: 20%
- c. Third category: 30%
- d. Fourth category: 50%
- e. Fifth category: 100%

Pursuant to the attached form (Appendix T)

Quality of Loans

Article 13

All companies are required to set clear credit policies and procedures to be approved by their Boards of Directors observing at least the following:

1. Verifying the Identity of the borrower and any other parties securing the loan.
2. Verifying the financial position of the borrower including the owned assets and the indebtedness of the borrower.
3. Checking the previous credit history of the borrower, if any.
4. Checking the soundness of the mortgage loan procedures.
5. The restrictions and required security for each type of loan.
6. Assessment of the transaction and market risks resulting from extending the loan.
7. The necessary supportive documents for each type of loan including a feasibility study related to the project proposed for financing.

8. Powers and liabilities related to the loans.
9. Inquiring about the borrower from various sources.
10. Proper tracking and monitoring of the extended loans.

Strategy of Property assessment

Article 14

All companies are required to set a policy and procedures for property assessment in accordance with the directives of the Authority which requires at least:

1. Identifying the property type, kind and date of construction.
2. Physical photograph of the property and a copy of the site plan.
3. Full description of the property allowing the mortgage financing companies to verify the value of the property and the bases upon which the verification was carried out.
4. Mode of Assessment adopted.
5. Stating a detailed description of previous sale and purchase movements of the property subject to an assessment made a year ago for residential properties and for three years with regard to commercial properties.
6. Listing the market value of the property on the date of assessment.
7. All necessary declarations needed pursuant to Professional Standards.
8. Name and Permit No. of the Property Assessor employed.
9. Description of the legal status of the property in question.
10. Date on which the assessment was completed.

Article 15

All concerned companies are requested to rectify their positions in compliance with these instructions within a period of six months from date

of enforcement thereof; otherwise they shall be deemed defaulting and in contradiction with the laws and regulations issued in this regard.

Article 16

All concerned authorities, each within its jurisdiction, shall implement these instructions as from the date hereof and shall be published in the Official Gazette.

Issued in the City of Al Bireh on 24th of December, 2007.

Corresponding to the 15th of Thul- hijah 1428 Hajirah.

Maher Al Masri

Chairman of the Board.

Palestinian Capital Market Authority

Securities Control Department

Instructions for approving management of client's portfolios at securities companies

Issued by the Palestinian Capital Market Authority

Pursuant to Stipulations of Articles 2/3 of the law of the CMA for the year 2004

First: Title

These conditions shall be termed: "Conditions for approving management of clients' securities portfolios by Securities Companies".

Second: Conditions for approving management of clients' securities portfolios

The duly licensed company shall submit to the Authority an application to obtain a permit to practice the activity, attaching the following:

1. The appointment letter of a natural person duly certified by the Authority as "Investment Manager" undertaking management of the investments of clients under agreements concluded between the clients and the company.
2. Any other requirements and attachments that the Authority deems necessary.

Third: Duties of the Investment Manager

1. Management of securities portfolios of clients of a company licensed to practise such an activity under agreements concluded between the clients and the company and to exert all necessary efforts and professionalism.
2. Manage the securities portfolios for clients of Securities companies employing the best known practices in the field and observing the laws and regulation and instructions in force.

Fourth: Conditions for certifying the Investment Manager:

1. Holder of a university degree in financial and administrative sciences or economical disciplines.
2. Enjoying work experience of no less than 4 years in securities, financial brokerage or in the management of investment portfolios.
3. Of good repute and honesty evidenced by an official certificate from the concerned authorities.

Fifth: Acceptance or rejection of the Certification Application

The Authority shall decide on accepting or rejecting the company's application for certification to conduct management of clients' securities portfolios and the request to approve the Investment Manager, within thirty days of date of submitting the application thereof. In the event of rejection, the applicant can appeal to the Board of the Authority within fifteen days from date of rejection.

Sixth: Trading Agreement

The company shall sign a trading agreement with the client that will include the following details:

1. Identifying the client's investment objectives and limitation with regard to:
 - a. Interest rate on capital agreed upon between both parties.
 - b. Rate of annual returns agreed upon between both parties.
2. Identify the risks that the client accepts and that could result from the company's management of his securities portfolio.

3. The right of the client and the company to terminate the agreement as agreed.
4. The fees due to the company for the services it extends and the mode of calculation thereof.
5. The method of settling any disputes or conflicts that could arise between both parties with regard to the implementation of the terms of the agreement.

Seventh: The obligations of the Securities Company.

The Securities Company permitted to manage clients' securities portfolios shall undertake the following:

1. Absolute separation between the accounts of the clients and the accounts of the company.
2. Keep a list of all the clients' names and their related portfolios.
3. Prepare details of the securities handled on behalf of the client and contracts concluded between the client and the company and file same in client's file.
4. keep a separate file for each client containing the following details:
 - Name, age, profession and place of residence of the client. In the event that the client is an entity, copy of company certificate of registration is required.
 - Correspondence address and telephone numbers of the client.
 - Copy of the personal ID/ passport of the client or his representative and copy of family booklet for clients of minor age.
 - Correspondence between both parties shall be filed for at least two years.
5. Observe absolute confidentiality with regard to client's personal details and refrain from divulging any information or any detail of dealings to others without the prior written consent of the client and within the boundaries set by the law and the current rules and instructions, except when requested to do so by the Authority or the market or judiciary bodies pursuant to the prevailing laws. The

- company shall ensure that its managers and employees observe such confidentiality of information and in all cases it is prohibited to exploit this enjoyed advantage, and that should not be abused for personal gain for the company itself or any of its other clients.
6. Purchase and sell all the securities on behalf of the client and registering all such securities in the name of the client (owner of the portfolio) or in the name of the Securities Company (portfolios) and ensure the separation between the accounts of the company and the accounts of the client.
 7. Apply principles of honesty and care for the welfare of the clients and fair play in all its dealing with clients and refrain from favoritism and bias or unjust advantage or special information disclosures to some and not others whether directly or indirectly and refrain from any action that could harm any of the clients.
 8. Avoid the instigation of any conflicts of interest between the company and any owners of the securities portfolios or any other clients, while conducting securities portfolio management
 9. Keep special ledgers detailing the operations conducted in favor of each of the company's managers and the employees. The General Manager of the company shall inspect the purchase orders related to the portfolios of the chairman and board members and/or the consortium of managers or brokers authorized by the company and shall ensure that it is free of discrepancy and no conflicts of interest and that the orders contained therein were executed after the execution of the orders of the managed private portfolios.
 10. The Board has to check the purchase and sale orders of the General Manager and ensure that it does not entail any conflict of interest and that it was conducted pursuant to executing the orders of the managed private portfolios.
 11. Avoid preference of one managed portfolio over another during securities transactions be it sale or purchase thereof and which is expected to gain or enjoy an increase in price.

Eighth: Obligations of the Investment Manager

The Investment Manager shall observe the following:

1. Ensure absolute separation between the private securities of each client and the securities owned by him or by the company.
2. Keep separate independent accounts for each client or portfolio managed provided such accounts contain the investments undertaken, the fees chargeable in return for management and the trading commission.
3. Refrain from including the value of the private securities among the assets of the company or its liabilities as well as not listing any revenues of these private securities among the profit accounts of the company.
4. The client complaints shall be forwarded to the General Manager. A separate complaint record shall be kept and shall contain a list of complaints and the outcome thereof which shall be reported to the Authority. The Investment Manager shall receive a copy such complaints.
5. Prepare a monthly report, unless the agreement signed with the client dictates otherwise which shall be sent to the official address of the client listed in the Company files. Such a report shall contain:
 - Details of the portfolio, description of the securities in the portfolio, their number, cost of each, market value, client net profit and loss and the cash balance of the client as of the date of the preparation of the report.
 - Purchase and sale transactions conducted.
 - The fees borne by the client for the management of his portfolio.
6. Extend to the client any information related to client's securities portfolio upon request.
7. The Investment Manager is prohibited to:
 - Receive expensive gifts from clients.
 - Prefer his accounts or the accounts of his first degree relatives to those of the clients or the company's through expediting sale or purchase orders or executing the orders for his accounts or the accounts of his relatives before orders of the accounts of the clients or of the company.

8. Refrain from indulging in any action that could entail dishonesty, fraud or cheating, or entering into any action that could affect adversely his professional reputation.
9. Observe the set investment policy of the company.
10. Protect the confidentiality of the personal information of the clients, except for the information that needs to be disclosed under the laws and regulations in force.

Ninth: Security Company Prohibitions

The company is prohibited to conduct the following:

1. Pay the client any profits that did not accrue from actual trading or are above the amount profited from such transactions.
2. Offer any guarantees to any client against loss that could result from trading in securities.
3. Use of client funds to finance any of the company's private transactions or spending any amounts of the client's funds for company's own benefit.
4. Trade in client's securities in the name of or for the account of the managers, including the Investment Manager or any of his first degree relatives or partners in a commercial venture or any other concern entailing benefits without the prior consent of the Authority and full compliance with the disclosure instructions.
5. The company is prohibited from promoting through promises or adverts issued by them and meant to enhance certain set of financial returns, upon dealing with any securities or confirm the correctness of certain expected gains or insinuate on that or confirm any repetition of previous gains or hint on them.

Tenth: Liabilities of the Securities Company

1. The company shall be held liable if they do not conform to their duties entailed under these conditions.
2. The company shall be held directly responsible for the full damage the

client sustains resulting from slackness on the part of the Investment Manager who failed to extend the necessary care needed in the course of executing his tasks and thus the company can consequently revert and claim from the Investment Manager for the amount of damage inflicted on the clients in the event such damage resulting from his direct and deliberate negligence, and in accordance with the current laws and regulations in force.

Eleventh: Fines and administrative offences

The Authority has the right to enforce fines and penalties on the offenders of these instructions as stipulated by the law and/or the penal code and the fines schedule issued by the Authority.

These instructions shall come into effect as from the 23rd of September, 2008.

Corresponding to the 23rd of Ramadan, 1429, Hajirah.

Issued in the City of Al Bireh on 22nd of September, 2008

Corresponding to the 22nd of Ramadan, 1429 Hajirah.

Maher Al Masri

Chairman of the Board.

PCMA
Securities Control Department
Instructions and Regulations Governing Professional Licensing
of Financial and Investment Consultants

Pursuant to the instructions for the licensing of Securities
Companies No. 1 for 2006

First: Title

Such conditions shall be termed: Conditions for the licensing of Financial and Investment Consultants for the year 2008, and shall be applied from the date of issue.

Second: Duties of the Financial Consultant

The Financial Consultant shall conduct the following tasks:

1. Extend advice and expertise to the issuer and the Investment Consultant regarding the issue of securities whether for initial or secondary public offering.
2. Prepare financial reports and statements in accordance with the

International Accountancy Standards (IAS) issued by International Accountant Standard Committee Foundation.

3. Prepare comprehensive description of all types of securities related to the issuer.
4. Prepare and publish reports, conduct research and feasibility studies related to the issue of securities and any future changes in the financial position of the issuer.
5. Analyse financial statements, interpret them and present the same in a clear manner to be used as guidelines.

Third: Conditions for licensing of Financial Consultants (Natural Persons).

The natural person intending to practise the task of Financial Consultant shall be qualified as follows:

1. First university degree in a discipline related to financial and banking fields
2. Work experience in the field of financial analysis or investment in securities of no less than 7 years for holders of the first university degree, 5 years for holders of the second university degree and 2 years for holders of the third level of university certification.
3. In addition to what is mentioned in Article 1 above, and if the consultant is a chartered accountant then the following are prerequisites:
 - Have valid certified chartered accountant permit issued in Palestine.
 - be an active member of the Palestinian Chartered Accountants Association.
 - Complete successfully the professional exam set by the Authority.
4. Complete successfully the periodic professional exams set by the Authority held every six months.
5. Supply the Authority with a copy of the written official contract that

the financial consultant shall sign with prospective clients.

6. Be of good repute and sound behaviour and submit an official supportive certification to that effect.
7. Pay the prescribed licence fees as per the official fees scale of the Authority.

Fourth: Validity of license of the Financial Consultant

1. The validity of the license shall be one year renewable at the end of every year provided all conditions prevail.
2. For the purposes of renewal, the licensee is to participate regularly in the courses dealing with financial analysis and duly endorsed by the Authority.

Fifth: Duties of the Investment Consultant

The Investment Consultant shall be a natural or artificial person undertaking the following tasks:

1. Extend advice and expertise in the field of investment in securities after issuing thereof for his account or the account of others against a fee or a commission.
2. Explain the risks and the hazards in the market and its implications on the shareholders.
3. Identify the extent of risks which may result from trading in the specific security subject of the consultation.
4. Meet with the clients and keep in touch with them through telephone or any other means of communication, to discuss their future expectations and to prepare the investment plan.
5. Monitor and comprehend the latest trends and developments in the field of investing in securities.
6. Review, be aware and track the fluctuations and trends on the basis and systems of investment and supply same to the clients as needed.

Sixth: Conditions to prevail in the Investment Consultant (Natural Person).

The natural person intending to undertake the task of Investment Consultant should be qualified as follows:

1. First university degree in a discipline related to economics and /or finance.
2. Work experience in the field of consultancy and investment in securities of no less than 7 years for holders of the first university degree, 5 years for holders of the second university degree and 2 years for holders of the third level of university certification.
3. Be of good repute and sound behaviour and in support an official supportive certification to that effect.
4. Complete successfully the related exams set by the Authority held at the time.
5. Supply the Authority with a copy of the written official contract that the Investment Consultant shall sign with prospective clients.
6. Pay the prescribed licence fees as per the official fees scale of the Authority.

Seventh: Conditions for licensing artificial persons to undertake the activity of Investment Consultant:

Artificial persons wishing to practise the activity of Investment Consultant in the field of securities shall abide by the following conditions:

1. Be registered at the Companies Controller as a shareholding company. A copy of the registration certificate is to be attached.
2. Undertake to supply a special capital for investment consultancy amounting to JD 100,000 and supply the Authority with documentary evidence to that effect.
3. In the event that the applicant is a securities company, then it is

required to be a member with the Palestine Securities Market and be governed by the laws and instructions of licensing Securities Companies.

4. Undertake to employ only professionally competent personnel duly licensed by the Authority to conduct investment consultancy, provided the consultations are issued in the name of the Company.

Eighth: Validity of license of the Investment Consultant

1. The validity of the license shall be one year renewable at the end of every year provided all conditions are met.
2. For the purposes of renewal, the licensee shall participate regularly in the courses dealing with financial analysis and duly endorsed by the Authority.

Ninth: Scope of work of the Securities Companies that are licensed by the Authority to act as an Investment and /or Financial Consultant.

1. The Securities Company licensed by the Authority can undertake the tasks of Investment Consultant without the need to acquire additional licensing, but they undertake to employ one or more professionals duly licensed by the Authority to conduct investment consultancy provided the consultations are issued in the name of the company which will bear full responsibility on the outcome of the advice.
2. The company shall not be allowed to practise investment consultancy unless this activity is explicitly mentioned in the licensing application for the undertaking of financial activities and the subsequent certificate issued by the Authority shall be issued inclusive of the activity of investment consultancy.
3. For the purposes of undertaking investment consultancy without the need of additional licensing as mentioned in item 2 above, such investment consultancy services shall be extended to company clients only.
4. In the event that the Securities Company duly licensed by the

Authority wishes to extend investment consultancy to others, then it is required to acquire additional licensing as Investment Consultant and is obliged to provide the capital prescribed for such activity as mentioned in the instructions for licensing Securities Companies and to effect the due fees.

5. A Securities Company duly licensed by the Authority is not allowed to practise financial or investment consultancy except through the services of a natural person licensed by the Authority and all subsequent consultancies shall be issued in the name of the company which shall bear full responsibility for all consultations, analysis and studies contained therein.
6. The Securities Company shall fully observe the rules for financial adequacy prescribed by the Authority.

Tenth: Obligations and Responsibilities of the Financial and/or the Investment Consultant:

1. The Financial and/or Investment Consultant shall make it explicitly clear to the client while in the process of extending advice or publishing any studies, researches or newsletters that his role is only that of extending advice and expert opinion, analysis and studies to the issuer or the investor for investment purposes without any guarantee of sustaining any profitable results for the investors.
2. The Financial and/or the Investment Consultant shall publish studies and researches related to securities and shall publish it in all available media or through electronic means through websites while taking into consideration the clear mention that the researches and studies convey the opinion of the issuers and that he bears no liability towards any discrepancy therein and committed by the issuer.
3. The Financial and/or Investment Consultant, upon recommending the sale, purchase or possession of any security in the context of any study, research, report, publication or books or any other means of advertising or publications issued by him is to ensure the mention of the following information, if available:
 - In the event that the company, any of its Board members,

executives, partners or its managers had during the last twelve months the responsibility of Issuing Manager, Issuing Agent and /or an Issuing Contractor to the Issuer or for that specific security.

- If he had received a fee or a commission from the issuer against any service extended to the issuer.
- In the event that the company, any of its Board members, executives, partners or managers shall receive a fee or commission for the recommendation extended.

4. The Financial and /or Investment Consultant has to extend financial advice and analysis to the issuer or other consultations related to securities in which he is investing directly or indirectly, or in which any of his second degree relatives are investing, owning or participating in the security or any other benefits, and to alert his clients of these facts in case such interests could affect directly or indirectly his ability to extend correct unbiased objective opinion and submit a detail containing the following:

- Ownership of any of them of this security or any other securities issued by the same issuer.
- Any commission or bonus received or is expected to be received from any person related to any trading in the security.

5. The Financial and /and Investment Consultant undertakes to supply the Authority and the Market with copies of any studies, researches, reports and publications as soon as those are prepared.

6. The Financial and /and Investment Consultant undertakes to supply the Authority and to exert the efforts of an average person in the execution of his job.

7. The Financial and /and Investment Consultant undertakes to keep a complete file for all researches, studies and publications and to supply the Authority with copies thereof.

Eleventh: Prohibitions to the Financial/Investment Consultant

The Financial and /or Investment Consultant are prohibited to undertake the following:

1. Engage in any activity or task for which he is not licensed.
2. Receive funds from clients.
3. Keep securities pertaining to clients
4. Prepare any study or publish any advertisement or announcement containing incorrect or incomplete data, or disregard or ignore basic facts in the context of an advert, announcement, study or research intentionally, which shall subject him to legal action.
5. Refrain knowingly from trading for his own benefit in any related security, before granting the clients for whom the recommendation, ample time and fair chance to undertake a stand in its regard.

Twelfth: Rights of the Financial and /or Investment Consultant

1. The Financial and /or Investment Consultant have the right to execute trading deals for his own account pursuant to gaining the approval of the Authority and provided sufficient justifications are presented and are accepted by the Authority and after verifying that such actions do not infringe on the price of the security subject of the research, study or any other related security and in the course of preparing the recommendation, study, research or analysis.
2. The Financial and/or Investment Consultant can receive remuneration or commission specified in a written contract concluded with prospective clients and a copy of which is to be supplied to the Authority.

Thirteenth: Responsibilities of the Financial and /or Investment Consultant

1. The Financial and /or Investment Consultant shall be responsible for the damages inflicted on the claimant, and which resulted from faulty reporting or because of intentionally ignored to present basic information regarding the financial position of the issuer or the investment in the security.

2. The Financial and/or Investment Consultant shall be deemed responsible to keep abreast of all latest trends, tracking and monitoring developments related to the line of work of the Financial and /or Investment Consultant.

Fourteenth: Fines and Penalties

Upon violating any of the above conditions and failing to comply with the requirements therein, the Authority reserves the right to apply the following measures:

1. Reject the renewal of the license and verify reasons for the rejection.
2. In the event that the license was renewed then suspend the renewal until all defaults are rectified.
3. Execute measures that the Authority sees fit against the offender whether penitentiary and /or administrative measures and/ or inflict financial fines according to the penal code of the Authority.

These Instructions and Regulations shall become effective as of the 1st of April, 2008.

Corresponding to the 25th of Rabies'’ Awal, 1429 Hajirah.

Maher Al-Masri

Chairman