

**DECISION NO (2/R)OF 2000
CONCERNING
THE REGULATIONS AS TO MEMBERSHIP OF THE
MARKET**

The Chairman of the Board of Directors of the Securities & Commodities Authority,
Having considered Federal Law No. 4 of 2000 concerning the Emirates Securities & Commodities Authority and Market,
Council of Ministers Resolution No. 193/18 of 2000 concerning the constituting of the Board of Directors of the Authority,
After consultation and coordination with the bodies concerned in the establishment of markets, and
Pursuant to the resolution of the Authority's board of directors at its meeting held on 29/10/2000,
Has resolved to approve the following regulations as to membership of the Market:

**Definitions
Article (1)**

In the application of the provisions of these regulations, the following words and expressions shall have the meanings set forth opposite each of them, unless the context of the provision requires otherwise:

The Law: Federal Law No. 4 of 2000 concerning the Emirates Securities & Commodities Authority and Market.

The State: The State of the United Arab Emirates.

The Authority: The Securities & Commodities Authority.

The Board: The board of directors of the Authority

Market: A securities and commodities market licensed in the State by the Authority.

Membership: Membership of the Market.

Securities: Shares, bonds, and notes issued by joint stock companies, bonds and notes issued by the Federal Government or Local Governments, and public authorities and public institutions in

the State, and any other local or non-local financial instruments accepted by the Authority.

Broker: A juristic person authorized under the provisions of the Law to undertake brokerage business in the Market.

Brokerage: The act of executing sale or purchase orders received from clients by the Broker.

The Profession: The brokerage profession.

The General Assembly: The general assembly of the members of the Market.

Membership of the Market and Registration

Article (2)

Membership of the Market shall be obligatory for the following entities:

- 1 - Brokers licensed in accordance with the Law.
- 2 - Joint stock companies whose Securities are listed in the Market.
- 3 - Any other entity whose Securities are listed in the Market.

Article (3)

Any party subject to Market Membership shall submit to the Authority an application in that regard in the model format prepared therefore within one week from its being licensed to practice the Profession, or from the date of approval for its Securities to be listed in the Market.

Article (4)

The membership application shall be signed by the representative of the Broker or the chairman of the board of the joint stock company or the representative of the entity whose Securities have been listed in the Market, as the case may be.

The application can be signed by whosoever is authorized to do so by the representative of any of the preceding categories, provided that the authorization is made in official form.

Article (5)

There shall be annexed to the membership application the supporting documents therefore, comprising the following, as applicable:

- 1 - For a Broker:**

- a - A copy of the decision to license issued to it by the Authority.
- b - A copy of the decision to register it in the Market whose membership is applied for.

2 - For an entity whose Securities are listed in the Market:

- a - A copy of the Authority's decision approving the listing of its Securities in the Market.
 - b - A copy of the decision to register the Securities in the Market.
- There shall also be annexed to the application the names and specimen signatures of the natural persons authorized to sign on behalf of the applicant.

Article (6)

The Authority shall furnish the applicant with a receipt evidencing submission of the application, the date thereof and the number under which it was entered in the register of applications for membership.

Article (7)

The Authority shall deal with a Membership application within a period not exceeding fifteen days from the date it was submitted. If the application is complete, a recommendation shall be made as to placing the same before the Board for a decision to be taken thereon. If is not complete, the concerned parties shall be notified of the necessity of completing the application within a period not exceeding fifteen days from the date of notification.

Article (8)

Applications shall be placed before the Board for it to take a decision thereon within a period not exceeding thirty days from the date applications are laid before it complete. The concerned parties shall be notified of the Board's decision, and the Market in question shall be notified of the Authority's decision of approval within a period not exceeding one week from the date the decision was rendered.

Article (9)

Each Market shall prepare a register of its Membership in which members shall be entered after the Authority's approval is issued.

The Market shall notify the Authority of the entering of members on the register within a week of the entry taking place.

Obligations of Members

Article (10)

The Market's board of directors shall, with the approval of the Board, lay down a code of professional conduct which shall be applied to members, and provisions for monitoring them.

Article (11)

Market members shall comply with the provisions of the Law and the regulations and resolutions issued in implementation thereof.

Article (12)

Market members shall pay the registration fees and annual renewal fees for the registration as determined in the resolutions issued in this respect.

Inspection of Members

Article (13)

The Board shall make regulations for the inspection of members on a periodical basis or upon request by a concerned party in order to ascertain the extent of compliance with the Law or the rules and regulations issued in application thereof.

The inspection shall be conducted in coordination with the management of the Market in cases where that is requisite.

Article (14)

The inspector appointed by the Authority may enter the member's office during official working hours, request any particulars relating to its activity, obtain production of any document having a connection with the inspection, and make copies of records and documents pertaining to the member's activity.

Termination of Membership

Article (15)

Membership shall terminate in the following cases:

1. Failure to satisfy a condition for being licensed as a Broker or contravening any condition of listing relating to the Securities.
2. The rendering of a disciplinary decision for the expulsion of the member.
3. Failure to pay the fees for renewal of registration or the Market commission.
4. Gross breach of any of the duties or obligations prescribed pursuant to the provisions of the Law, the regulations issued in application thereof, or the rules and instructions of the Market.
5. Declaration of the member's bankruptcy.
6. Occurrence of any of the causes which bring to an end a Brokerage company or a company whose Securities are listed in the Market.
7. A desire to cease definitively from practice of the Profession, provided that a written request therefore is submitted to the management of the Market three months before the date of actual cessation.

Article (16)

The resolution of termination, and accordingly of removal from the Membership register, shall be issued by the Board in coordination with the board of directors of the Market.

The General Assembly of Market Members

Article (17)

The General Assembly of Market members shall comprise the members who have paid the registration and renewal fees. Each member shall have one vote in the meetings of this assembly.

A representative of the Authority shall attend meetings of the General Assembly as observer.

Article (18)

The General Assembly shall be competent to monitor general conditions in the Market, and to suggest means to enhance efficiency therein or eliminate impediments to its working. It shall submit its views on these matters to the Authority through the Market's board of directors.

Article (19)

The Market's board of directors shall, in coordination with the Authority, lay down the rules and procedures as to how notice is given of meetings of the General Assembly and resolutions are passed thereat, as to the powers given to it and the duties placed upon it, and as to all administrative and financial matters relating thereto.

Article (20)

These regulations shall be published in the Official Gazette and shall come into force as from the date of their gazetting.

Fahim Bin Sultan Al Qasimi
Chairman of the Board of Directors of
The Securities & Commodities Authority

Issued in Abu Dhabi
On // Hijri
Corresponding to 5/11/2000 AD