

Resolution No. (01) of 2024

Regarding Amending Bursa Kuwait OTC Rulebook

Having Perused:

- Law No. (7) of 2010 regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Executive Bylaws and their amendments.
- Resolution No. (72) of 2015 the Issuance of the Executive Bylaws of Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Amendments.
- Resolution No. (91) of 2016 Regarding Licensing Bursa Kuwait Securities Company to Practice the Activity of a Securities Exchange.
- Bursa Kuwait Securities Company decision No. (1) of 2018 Regarding amending Bursa Kuwait Rulebook.
- Bursa Kuwait Securities Company decision No. (06) of 2018 Regarding the Issuance of Over The Counter Trading Rules.
- CMA Letter holding reference No. CMA-030200-00723-2024 dated 24 March 2024 with reference to CMA's approval which stipulates the approval of the Authority's Board of Commissioners, at its meeting held on 19 March 2024, regarding amending the Over The Counter Rules (OTC Rulebook).
- And Pursuant to Bursa Kuwait Securities Company - Board of Directors' decision dated 24 March 2024.

The Following Was Resolved:

Article I

The provisions of Article (9-8-2) No. (3) of Bursa Kuwait OTC Trading Rulebook is hereby amended in accordance with the table attached to this decision.

Article 2

The concerned bodies shall execute this Resolution, each within its jurisdiction. The provisions of this Resolution shall come into force on the date of its issuance.

Noura Omar AlAbdulkareem

Acting Chief Executive Officer



Issued on 25/03/2024.

Item	Chapter	Article	Type of Amendment	Pre-Amendment	Post Amendment
1	Nine	Article (9-8-2)	Amending Article	<p>Trading Account</p> <p>1. Each Trader shall open an account with a Registered Broker, under which a trading number in the Clearing Agency Platform shall be assigned to deposit securities and record the trading operations yield.</p> <p>2. The Trader in the OTC Trading Platform can use the Trading Account number used in the official market and vice versa</p> <p>3. The Trader may transfer securities between the registrar and the Trading Account. All securities deposited in a Trading Account shall be subject to deposit and custody fees.</p> <p>4. The Registered Broker shall perform due diligence of the Trader and provide the Clearing Agency a copy (Paper or Electronic) of the due diligence and Know Your Client "KYC" documents upon opening the account, when making any update thereto, and upon the Clearing Agency request.</p> <p>5. The Trader may request to transfer its transactions from a Registered Broker to another Registered Broker.</p> <p>6. The Trader's request to transfer from a Registered Broker to another Registered Broker shall be entertained following both parties' agreement.</p>	<p>Trading Account</p> <p>1. Each Trader shall open an account with a Registered Broker, under which a trading number in the Clearing Agency Platform shall be assigned to deposit securities and record the trading operations yield.</p> <p>2. The Trader in the OTC Trading Platform can use the Trading Account number used in the official market and vice versa</p> <p>3. The Trader may transfer securities between the registrar and the Trading Account. All securities deposited in a Trading Account shall be subject to deposit and custody fees.</p> <p>4. The Registered Broker shall perform due diligence of the Trader and provide the Clearing Agency a copy (Paper or Electronic) of the due diligence and Know Your Client "KYC" documents upon opening the account, when making any update thereto, and upon the Clearing Agency request.</p> <p>5. The Trader may request to transfer its transactions from a Registered Broker to another Registered Broker.</p> <p>6. The Trader's request to transfer from a Registered Broker to another Registered Broker shall be entertained following both parties' agreement.</p>

Without prejudice to the previous provisions contained in this Article, a Registered Broker may authorize to receive clients' orders to a licensed person to act as an unregistered Securities Broker in the Exchange according to the following conditions:

- Orders are issued from the Trading Accounts of the Registered Broker's clients.

- The Registered Broker must conclude an electronic trading agreement in the OTC Trading Platform with the Exchange.

- The Exchange and the Clearing Agency must be provided with a copy of the agreement concluded between the Registered Broker and the unregistered broker.

- The Registered Broker remains responsible against the Exchange and the Clearing Agency for implementing the provisions of these rules and the provisions of the agreements concluded with them.