

Resolution No. (159) of 2022
Regarding Amending the Requirements of Categories Intending to Establish
Securities Investment Portfolios

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; and
- CMA Board of Commissioners Resolution passed in its meeting No. (37) of 2022 held on 12/10/2022.

The Following Was Resolved

Article (1)

Module Seven (Clients Funds and Clients' Assets) of the Executive Bylaws of Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments is hereby amended pursuant to Annex 1 attached to this Resolution.

Article (2)

The concerned bodies shall execute this Resolution, each within its jurisdiction. This Resolution shall come into force after one month of its issuance date, and it shall be published in the Official Gazette.

Prof. Ahmad Almelhem

Issued on: 16/10/2022

Annex (1)

| No. | Module | Article | Amendment Type | Text Before Amendment | Text After Amendment |
|-----|--------|---------|--|--|--|
| 1 | Seven | 5-4-2 | Adding an Article and renumbering the Items of the Article | <p>A <u>Licensed Person</u> who is authorized to manage <u>Securities Investment Portfolios</u> shall abide by the following:</p> <p>1. He shall not establish <u>Investment Portfolios</u> for his interest with another <u>Licensed Person</u>, except for the portfolios established with another <u>Licensed Person</u> for investment in foreign markets or an <u>Investment Portfolio</u> mortgaged as guarantee for any bank. Both <u>Portfolio</u> contract parties and the bank are required to have agreed on the mechanisms for managing the <u>Investment Portfolio</u> concerned.</p> <p>2. He shall not make internal transfers between <u>Investment Portfolios</u> he manages.</p> <p>3. A manager of an <u>Investment Portfolio</u> is prohibited from purchasing or selling <u>Treasury Shares</u> in a <u>Portfolio</u> owned by the company which has Issued those <u>Shares</u>.</p> <p>4. The <u>Licensed Person</u> shall ensure that a person managing an <u>Investment Portfolio</u> is not a <u>Member of a Board of Directors</u> of, and shall not hold any <u>Executive Position</u> in, any other <u>Licensed Persons</u>.</p> | <p>A <u>Licensed Person</u> who is authorized to manage <u>Securities Investment Portfolios</u> shall abide by the following:</p> <p>1. He shall not establish <u>Investment Portfolios</u> for his interest with another <u>Licensed Person</u>, except for the portfolios established with another <u>Licensed Person</u> for investment in foreign markets or an <u>Investment Portfolio</u> mortgaged as guarantee for any bank. Both <u>Portfolio</u> contract parties and the bank are required to have agreed on the mechanisms for managing the <u>Investment Portfolio</u> concerned.</p> <p>2. He shall not establish <u>Securities Investment Portfolios</u> for individual institutions.</p> <p>3. He shall not make internal transfers between <u>Investment Portfolios</u> he manages.</p> <p>4. A manager of an <u>Investment Portfolio</u> is prohibited from purchasing or selling <u>Treasury Shares</u> in a <u>Portfolio</u> owned by the company which has Issued those <u>Shares</u>.</p> <p>5. The <u>Licensed Person</u> shall ensure that a person managing an <u>Investment Portfolio</u> is not a <u>Member of a Board of Directors</u> of, and shall not hold any <u>Executive Position</u> in, any other <u>Licensed Persons</u>.</p> |