

Resolution No. (166) of 2022

Regarding

**Developing the Investment Advisor Activity and the One Person Company License
to Practice Securities Activities and the Financial Analysts' Register**

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 One (Glossary), Module Five (Securities Activities and Registered Persons), and Module Eight (Conduct of Business) 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 are hereby amended pursuant to Annex (1) attached to this Resolution.

Article (2)

The following appendices shall be added to the Executive Bylaws' Modules of Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments pursuant to Annex (2) attached to this Resolution:

Firstly: The addition of the following appendices to Module Five (Securities Activities and Registered Persons):

- Appendix (22) Controls and Regulations Relevant to a One Person Company License to Practice Securities Activities.
- Appendix (23) Application for a Securities Activities License - One Person Company.
- Appendix (24) Application for Renewing a Securities Activities License - One Person Company.
- Appendix (25) Application for the Termination of a Securities Activities License - One Person Company.
- Appendix (26) Controls and Regulations for the Financial Analysts' Register with the Capital Markets Authority.

Secondly: The addition of Appendix (1) Obligations Relevant to Practicing Securities Activities of the One Person Company is hereby added to Module Six (Policies & Procedures of Licensed Persons).

Article (3)

The Appendices of the Executive Bylaws Modules of Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments are hereby amended pursuant to Annex (3) attached to this Resolution are as follows:

Firstly: Module Two (Capital Markets Authority):

- Appendix (4) Schedule of the CMA Services Fees is here by amended with the addition of a fee of Registration in the Financial Analysts' Register at the Authority.

Secondly: Module Five (Securities Activities and Registered Persons):

- Appendix (1) Capital Requirements and Legal Forms of Licensed Persons is hereby amended by the addition of the One Person Company as a legal entity of the Investment Advisor's activity with a required capital of 30,000 KWD.

- Appendix (3) Qualifications and Experience Required in Registered Positions and Employment Positions in Licensed Persons in accordance with Fit and Proper Rules is hereby amended.

The amendments included in this Article shall be executed immediately after the issuance of this Resolution.

Article (4)

The Licensed Persons addressed in these amendments shall update its current contracts with their clients pursuant to the CMA requirements in this regard by including the provisions of the Investment Advisor Activity.

The Licensed Persons addressed in these amendments shall also update their operational policies and procedures and submit them to the CMA.

Article (5)

Without prejudice to the provisions of Article 3 of this Resolution, the concerned bodies shall execute this Resolution, each within its jurisdiction. This Resolution shall come into force as of 02/01/2023, and it shall be published in the Official Gazette.

Prof. Ahmad Almelhem

Issued on: 25/10/2022

Annex (1)

No.	Module	Article	Amendment Type	Text Before Amendment	Text After Amendment
1	One	Financial Analysts Register	Adding an Article	-	Financial Analysts Register: it is a register in which the Financial Analyst is registered.
2	One	Financial Analyst Registered in the Financial Analysts Register	Adding an Article	-	The Financial Analyst Registered in the Financial Analysts Register: is a natural person registered in the Authority's register which enables him to issue publications and research, without recommending the disposal of the Funds and Assets without obtaining direct or indirect commission.
3	Five	1-3-1	Adding an Article	-	Investors must, prior to the signing of any contract regarding the <u>Securities Activities</u> and work with any entity in the State of Kuwait, verify that such entity has obtained a valid license from the <u>Authority</u> .
4	Five	1-4	Amending an Article	A license application shall be submitted by each person who wishes to carry on any <u>Securities Activity</u> or by his legal representatives or one of the founders of a company in the process of incorporation in accordance with the license application form set out in Appendix 5 of this Module.	A license application shall be submitted by each <u>Person</u> who wishes to carry on any <u>Securities Activity</u> , or by his legal representatives or one of the founders of a company in the process of incorporation, in accordance with the license application form set out in Appendix (5) or Appendix (23) of this Module, as the case may be.
5	Five	1-5	Amending an Article	A license application shall include the following information and documents, as the case may be: 1. Name and address and either the identity number or the commercial register number	A license application shall include the following information and documents, as the case may be: 1. Name of the license applicant, his address and either the identity number if a natural person or the commercial register number if a legal person.

			<p>of the license applicant (depending on whether the license applicant is a natural individual or a corporate entity).</p> <p>2. Regulatory business plan containing such details as are set out in Appendix 5 (license application form) of this Module.</p> <p>3. Statement of the <u>Securities Activity</u> or Activities to which the license application relates.</p> <p>4. Information about the issued and paid up capital of the company to which the license application relates.</p> <p>5. A statement of the shareholders whose ownership reaches 5% or more of the company to which the license application relates.</p> <p>6. A copy of the <u>Company Contract</u> to which the license application relates and any amendments to the same.</p> <p>7. Nomination for applicants for <u>Registered Positions and Employment Positions</u> in accordance with the Fit and Proper Rules in Appendix 5 of this Module.</p> <p>8. Sufficient information of any <u>Effective Control</u> over the company to which the license application relates.</p> <p>9. Any agreements or undertakings with external entities.</p> <p>10. The audited financial statements for the last three years prior to the date of application, in addition to forecasts of its</p>	<p>2. Business plan containing such details as are set out in Appendix 5 (license application form) of this Module.</p> <p>3. Statement of the <u>Securities Activity</u> or Activities the applicant wishes to practice.</p> <p>4. Information about the issued and paid up capital of the company that will carry out the activity requested.</p> <p>5. A statement of the shareholders whose ownership reaches 5% or more of the company that will conduct the activity, according to the type of legal entity subject of the license application.</p> <p>6. A copy of the <u>Company Contract</u> to which the license application relates and any amendments to the same.</p> <p>7. Nomination for applicants for <u>Registered Positions and Employment Positions</u> in accordance with the Fit and Proper Rules in Appendix 10 of this Module.</p> <p>8. Sufficient information of any <u>Effective Control</u> over the company that will carry out the activity requested.</p> <p>9. Any agreements or undertakings with external entities.</p> <p>10. The audited financial statements for the last three years prior to the date of application, in addition to forecasts of its expected three-year future financial position of the company that will conduct the activity.</p> <p>11. Approval of the <u>Central Bank</u> should the applicant be one of the <u>Units Subject to the Supervision of the Central Bank</u>.</p>
--	--	--	--	--

			<p>expected financial position for three years after business commencement.</p> <p>11. Approval of the <u>Central Bank</u> should the applicant be one of the <u>Units Subject to the Supervision of the Central Bank</u>.</p> <p>12. A legal opinion from an external legal advisor of the company on any lawsuits of material influence on the legal position of the company, whether the said lawsuits were filed by the company or against it and its <u>Subsidiary Companies</u> as well as the amounts of those lawsuits, if possible.</p> <p>13. Declarations signed by the founders of the company to the effect that no verdict of bankruptcy, penalty on a crime of breach of honor or trust, or being convicted of a crime/ felony involving a breach of honor or trust or a freedom restricting penalty in any of the crimes stipulated in the law of the <u>Authority</u> or any other law over the five year period preceding the license application unless he or they have been discharged.</p> <p>14. A declaration by the license applicant stating that the information contained in the application and enclosed documents is accurate and complete in addition to any other declarations required by the <u>Authority</u>.</p> <p>15. Proof of payment of fees for the processing of the application.</p>	<p>12. A legal opinion from an external legal advisor of the company on cases or a group of cases of significant impact to the financial position of the company, whether filed by the company or against it and its <u>Subsidiary Companies</u>, and the estimated amount of such cases, if possible</p> <p>13. Declarations signed by the founders of the company to the effect that no verdict of bankruptcy, penalty on a crime of breach of honor or trust, or being convicted of a crime involving a breach of honor or trust or a freedom restricting penalty in any of the crimes stipulated in the <u>Authority's</u> Law or any other law over the five year period preceding the license application, unless he or they have been discharged.</p> <p>14. A declaration by the license applicant stating that the information contained in the application and the enclosed documents are correct and complete, in addition to any other declarations required by the <u>Authority</u>.</p> <p>15. Proof of payment of fees for the processing of the application.</p> <p>16. Any request by the applicant for exemptions to some requirements and the justification for such a request.</p> <p>17. Any other information or documents that may be required by the <u>Authority</u>.</p> <p>An applicant for a license for <u>Securities Activities</u> of a One Person Company shall submit the information and documents in accordance with</p>
--	--	--	--	---

				<p>16. Any request by the applicant for the dis-application of legal or regulatory requirements and the justification for such a request.</p> <p>17. Any other information or documents that may be specified by the <u>Authority</u>.</p>	controls and regulations contained in Appendix (22) of this Module.
6	Five	1-27-1	Amending an Article	<p>It is prohibited to analyze, make statements, provide recommendations or consultations, or republish them in relation to one or more of the activities mentioned in the previous Article unless licensed to practice the activity of an <u>Investment Advisor</u>.</p>	<p>Duties and work of an Investment Advisor for a One Person Company:</p> <ol style="list-style-type: none"> 1. The <u>Authority</u> grants an <u>Investment Advisor</u> license to a One Person Company incorporated by a natural person exclusively. 2. It is prohibited to provide <u>Investment Advisor</u> services to companies requesting to be listed. 3. The <u>Licensed Person</u> mentioned in this Article shall not provide his services to operations subject to the provisions of Module Nine (Mergers and Acquisitions) and Module Thirteen (Collective Investment Schemes) of the <u>Bylaws</u>.
7	Five	1-27-2	Amending an Article	<p>Without prejudice to the <u>Authority</u>'s right in taking any of the procedures assigned to it pursuant to the <u>Law</u>, <u>Bylaws</u>, or any other law, the <u>Authority</u> may take any of the following procedures once the practice mentioned in the previous Article is discovered and verified:</p>	<p>A One Person Company that has obtained a license to practice the activity of an <u>Investment Advisor</u> shall, at the time of preparing the <u>Licensed Person</u>'s policies and procedures' manual, comply with the regulations mentioned in Appendix (1) of Module Six (Policies & Procedures of Licensed Persons) and Module Eight (Conduct of Business) of the <u>Bylaws</u>, as the case may be.</p>

				<p>1. Publishing a warning to the public through the <u>Authority</u>'s website or any other means that the <u>Authority</u> deems appropriate.</p> <p>2. Referring it to the relevant entity or the public prosecution, according to the circumstances and jurisdiction.</p>	<p>The mentioned company is exempt from the provisions of Module Seventeen (Capital Adequacy Regulations for Licensed Persons).</p>
8	Five	1-27-3	Adding an Article	-	<p>The <u>Licensed Person</u> shall be responsible before the <u>Authority</u> and any person harmed for damages arising from violating the provisions regulating his work, or providing misleading, inaccurate, or incorrect consultations.</p> <p>The <u>Authority</u> may require the license applicant, or the <u>Person</u> licensed to practice the activity of the <u>Investment Advisor</u>, to submit an insurance policy as it deems appropriate for the <u>Licensed Person</u>.</p>
9	Five	1-27-4	Adding an Article	-	<p>The <u>Authority</u> shall establish a financial analysts' register, and the persons registered in this register may issue publications and research without a recommendation to the disposal of funds and assets.</p> <p>Appendix (26) of this Module sets out all the regulations and requirements for registering and cancelling the registration in the financial analysts' register.</p>

10	Five	1-27-5	Adding an Article	-	<p>Investors intending to follow-up on the status of the <u>Securities Exchange</u> in general shall view the publications and research produced by the <u>Licensed Persons</u> or those registered in the financial analysts' register at the <u>Authority</u>.</p> <p>Only persons licensed to practice the activity of an <u>Investment Advisor</u> are authorized to provide consultation to the investors to dispose of their funds and assets in regards with <u>Securities</u> investment, in the event of expressing their intention in such matter.</p>
11	Five	1-27-6	Adding an Article	-	<p>The work is not deemed within the scope of duties of an <u>Investment Advisor</u> if all the following conditions are met:</p> <ol style="list-style-type: none"> 1. It is written and published in a newspaper, daily bulletin, magazine or periodical, or is provided through a service that includes regularly updated news and information or is published in a television or radio program. 2. It is statistics and facts concerning the economy and the future trends of the economy. 3. It does not urge or encourage persons to sell, buy or deal in a security. 4. It is not offered for a commission or has a direct or indirect benefit

12	Five	3-2-4	Amending an Article	<p>If the person is licensed to practice the activity of <u>Investment Advisor</u> and <u>Valuation of Assets</u> or one of these two activities without any other <u>Securities Activities</u>, they shall fulfill the following Registered Employment Positions, as a minimum:</p> <ol style="list-style-type: none"> 1. Four employees shall occupy the position of representative of an <u>Investment Advisor</u> activity and the representative of a <u>Valuation of Assets</u> activity or one of these positions, according to the activity licensed. 2. One employee shall occupy the position of a <u>Senior Investment Advisor</u> or <u>Senior Asset Valuator</u>, according to the activity licensed. 3. As for the position of <u>Chief Executive Officer</u> and the position of <u>Senior Executive</u>: they shall be exempt from the requirement of experience in a financial or banking institution, if the applicant has acquired at least 10 years of experience in a company whose main activity is in the area of consulting or asset valuation. 	<p>If the person is licensed to practice the activity of an <u>Investment Advisor</u> and a <u>Valuation of Assets</u> or one of these two activities without any other <u>Securities Activities</u>, its team leader that undertakes the duties of an <u>Investment Advisor</u> and <u>Valuation of Assets</u> shall be registered in the position of the <u>Senior Investment Advisor</u> or the <u>Senior Asset Valuator</u>, according to the authorized activity licensed.</p> <p>The <u>Licensed Person</u> shall also register the representatives of the mentioned activities according to the services it intends to offer.</p> <p>The <u>Chief Executive Officer</u> and the <u>Senior Executive</u> are exempted from the requirement of experience in a financial or banking institution, if the applicant has acquired at least 7 years of experience in a company whose main activity is in the area of consulting or asset valuation.</p>
----	------	-------	---------------------	--	--

13	Eight	1-1	Amending an Article	Except for the provisions of Chapter Two, the general provisions applied in this Module shall apply to all <u>Licensed Persons</u> .	Except for the provisions of Chapter Two and Chapter Eight, the general provisions applied in this Module shall apply to all <u>Licensed Persons</u> .
14	Eight	1-4	Amending an Article	<p>A <u>Licensed Person</u> shall enter into an agreement with the <u>Client</u> before providing any services, which shall specifically include the following information:</p> <ol style="list-style-type: none"> 1. Profile of the <u>Licensed Person</u> and the services he provides. 2. Conditions of the services to be provided and the mutual obligations between the parties. 3. A report on the proposed investment strategies, including the necessary guidelines and precautions regarding the risks accompanying investments, or regarding specific investment strategies in case the <u>Licensed Person</u> shall manage the <u>Client's Funds</u>. 4. Information that enables the <u>Client</u> to understand the nature of the service and its risks. 5. The procedures that need to be followed in case of any error committed while executing the <u>Client's</u> orders, and 	<p>A <u>Licensed Person</u> shall enter into an agreement with the <u>Client</u> before providing any services, which shall specifically include -according to the type of licensed activity - the following information:</p> <ol style="list-style-type: none"> 1. Profile of the <u>Licensed Person</u> and the services he provides. 2. Profile of the <u>Client</u> which includes, at a minimum, a clarification of the <u>Client's</u> description and nature and the required deliverables from this contract. 3. Conditions of the services to be provided and the mutual obligations between the parties. 4. A report on the proposed investment strategies, including the necessary guidelines and precautions regarding the risks accompanying investments, or regarding specific investment strategies in case the <u>Licensed Person</u> shall manage the <u>Client's Funds</u>. 5. A report on the methodology and mechanism for providing advisory services and the financial and

			<p>mechanism for resolving such an error and the person responsible for such error, whether it was committed by the <u>Licensed Person</u>, one of its employees or a third party.</p> <p>6. The departments entrusted with making decisions for the benefit of the <u>Licensed Person's Client</u>.</p> <p>7. The related expenses, fees and charges for the services provided by the <u>Licensed Person</u>, and the method of its calculation.</p>	<p>accounting foundations and standards on which the <u>Licensed Person</u> relies on within the deliverables of the services of the <u>Investment Advisor's</u> activity - according to the type of consultation required by the client-.</p> <p>6. Information that enables the <u>Client</u> to understand the nature of the service and its risks.</p> <p>7. The procedures that need to be followed in case of any error committed while executing the <u>Client's</u> orders, and mechanism for resolving such an error and the person responsible for such error, whether it was committed by the <u>Licensed Person</u>, one of its employees or a third party.</p> <p>8. The departments entrusted with making decisions for the benefit of the <u>Licensed Person's Client</u>.</p> <p>9. The related expenses, fees and charges for the services provided by the <u>Licensed Person</u>, and the method of its calculation.</p> <p>10. A brief report on the mechanisms and procedures of the <u>Licensed Person's</u> business continuity in the event of an unexpected interruption or a suspension has occurred to its work.</p> <p>11. The procedures followed in the event of license cancellation, suspension, or activity restriction.</p>
--	--	--	---	--

15	Eight	6-1	Amending an Article	<p>A <u>Licensed Person</u> must prepare and maintain accurate records for each executed deal and all records must be updated at all times and sufficient enough to demonstrate compliance with these <u>Bylaws</u>.</p>	<p>A <u>Licensed Person</u> must prepare and maintain accurate records for each executed deal or an offered service that it carries out for a period of no less than five years from the date of the transaction or service. All records must be updated at all times and are sufficient enough to demonstrate compliance with these <u>Bylaws</u>.</p>
16	Eight	6-2	Amending an Article	<p>A <u>Licensed Person</u> must prepare and maintain accurate records for the clients' accounts; provided that:</p> <ol style="list-style-type: none"> 1. They clearly indicate, at all times, the assets and liabilities of each <u>Client</u> and liabilities of all clients collectively. 2. They include the necessary information to enable the <u>Licensed Person</u> to prepare a statement of the assets and liabilities of each <u>Client</u> and details of the deals executed for his account. 3. They determine all <u>Client</u>'s funds and <u>Assets</u> for which the <u>Licensed Person</u> is responsible whether under his control or under the control of another person. 	<p>A <u>Licensed Person</u> must prepare and maintain accurate records for its <u>Clients</u>' accounts and files according to the nature of the <u>Securities Activity</u>; provided that:</p> <ol style="list-style-type: none"> 1. They clearly indicate, at all times, the <u>Assets</u> and liabilities of each <u>Client</u> and liabilities of all <u>Clients</u> collectively. 2. They include the necessary information to enable the <u>Licensed Person</u> to prepare a statement of the <u>Assets</u> and liabilities of each <u>Client</u> and details of the deals executed for his account. 3. They determine all <u>Client</u>'s <u>Funds</u> and <u>Assets</u> for which the <u>Licensed Person</u> is responsible whether under his control or under the control of another person. 4. They accurately determine, at all times, the details of the <u>Securities</u> subject to the advice and evaluation, proposed deals, and the standards

					applied for providing such consultation or evaluation.
17	Eight	6-3	Amending an Article	<p>A <u>Licensed Person</u>'s records must include the following:</p> <ol style="list-style-type: none"> 1. Details of all orders entered by any <u>Client</u> concerning a <u>Security</u> whether it was modified, cancelled, executed or not executed. 2. Details of all purchase and sale deals of any <u>Securities</u> performed by the <u>Licensed Person</u> for a <u>Client</u> or performed by the <u>Licensed Person</u> for its own account. 3. A record of income and expenses related to each <u>Client</u> along with an explanation of their nature. 4. Details of all received amounts and expenses from the <u>Client</u>'s funds and <u>Assets</u>. 5. A record of the <u>Client</u>'s funds and <u>Assets</u>. 	<p>A <u>Licensed Person</u>'s records must include - according to the type of licensed <u>Securities Activities</u>- the following:</p> <ol style="list-style-type: none"> 1. Details of all orders entered by any <u>Client</u> concerning a <u>Security</u> whether it was modified, cancelled, executed or not executed. 2. Details of all purchase and sale deals of any <u>Securities</u> performed by the <u>Licensed Person</u> for a <u>Client</u> or performed by the <u>Licensed Person</u> for its own account. 3. A record of income and expenses related to each <u>Client</u> along with an explanation of their nature. 4. Details of all received amounts and expenses from the <u>Client</u>'s <u>Funds</u> and <u>Assets</u>. 5. A record of the <u>Client</u>'s <u>Funds</u> and <u>Assets</u>. 6. Cases of conflict of interest relevant to the provision of services to the <u>Clients</u> for each deal or offered consultation. 7. Notification of a conflict of interest case issued to the <u>Client</u> -according to the notification mechanism agreed in the signed contract- and proof

					<p>of their approval to complete the provision of the <u>Securities Activities</u> services.</p> <p>8. A record of any transactions executed with third parties (supporting the <u>Licensed Person</u>) for each transaction or offered consultation.</p> <p>Provided that the <u>Licensed Person</u> uses these records and data in its studies and procedures to determine the degree of the investment risks for each <u>Client</u>.</p>
18	Eight	6-5	Amending an Article	<p>Recording Telephone Conversations and Keeping Correspondence</p> <p>A <u>Licensed Person</u> must take the necessary steps to record and maintain telephone conversations and electronic communications related to the <u>Licensed Person</u>'s activities, made with, sent from or received on equipment provided by the <u>Licensed Person</u> to an employee or agent; or the use of which by an employee or agent has been permitted by the <u>Licensed Person</u>, to enable that employee or agent to carry out any of the following activities:</p> <ol style="list-style-type: none"> 1. Receive clients' orders. 2. Execute clients' orders whether on the basis of the <u>Client</u>'s instructions or on the 	<p>Recording Telephone Conversations and Keeping Correspondence</p> <p>A <u>Licensed Person</u> must take the necessary steps to record and maintain telephone conversations and electronic communications related to the <u>Licensed Person</u>'s activities, made with, sent from or received on equipment provided by the <u>Licensed Person</u> to an employee or agent; or the use of which by an employee or agent has been permitted by the <u>Licensed Person</u>, to enable that employee or agent to carry out any of the following activities:</p> <ol style="list-style-type: none"> 1. Receive <u>Clients</u>' orders. 2. Execute <u>Clients</u>' orders whether on the basis of the <u>Client</u>'s instructions or on the basis of the <u>Licensed Person</u>'s decision to enter into a deal on behalf of the <u>Client</u>.

				<p>basis of the <u>Licensed Person</u>'s decision to enter into a deal on behalf of the <u>Client</u>.</p> <p>3. Transmit clients' orders to other entities for execution whether on the basis of the <u>Client</u>'s instructions or on the basis of the <u>Licensed Person</u>'s decision to enter into a deal on behalf of the <u>Client</u>.</p> <p>4. Execute transactions on behalf of the <u>Licensed Person</u> or any other person in the <u>Licensed Person's Group</u>.</p>	<p>3. Transmit <u>Client</u>'s orders to other entities for execution whether on the basis of the <u>Client</u>'s instructions or on the basis of the <u>Licensed Person</u>'s decision to enter into a deal on behalf of the <u>Client</u>.</p> <p>4. Execute transactions on behalf of the <u>Licensed Person</u> or any other person in the <u>Licensed Person's Group</u>.</p> <p>5. Exchange of information and documents relevant to provisions of <u>Securities Activities</u> services.</p> <p>6. Deliver the requirements and deliverables relevant to provision of <u>Securities Activities</u> services.</p> <p>7. Any correspondences related to <u>Securities Activities</u> that have a material impact on managing or reserving the <u>Clients Funds</u>' and <u>Assets</u> or the arrangements of providing consultation to the <u>Client</u>.</p>
19	Eight	Chapter Eight	Amending the Title of the Chapter	Investment Research	Controls for Providing Investment Services
20	Eight	8-1	Amending an Article	A <u>Licensed Person</u> , when producing investment research directed to its clients or to the public, must clearly disclose any	This Chapter applies to persons licensed to practice the activity of an <u>Investment Advisor</u> .

				cases of conflicts of interest mentioned in this Module.	
21	Eight	8-2	Amending an Article	<p>A <u>Licensed Person</u> must take the necessary arrangements to ensure that the following restrictions are satisfied:</p> <ol style="list-style-type: none"> 1. The financial analysts must not trade in <u>Securities</u>, for their own account or on behalf of another <u>Person</u>, which is the subject of the investment research that has not been published yet. 2. The financial analysts and other persons involved in the production of the investment research may not obtain any benefit from those with material interest in the subject matter of the investment research. 3. The <u>Licensed Person</u>, the financial analysts and other persons involved in the production of investment research must not promise <u>Issuers</u> favourable research coverage. 4. The <u>Issuer</u> or any other <u>Person</u> must not, before the dissemination of investment research, be permitted to review a draft of the investment research for the purpose of verifying the accuracy of factual statements 	<p>An <u>Investment Advisor</u> must take the necessary arrangements to ensure that the following restrictions are satisfied:</p> <ol style="list-style-type: none"> 1. The <u>Senior Investment Advisor</u> and the <u>Investment Advisor</u> activity representatives based on the advisory for their own account or on behalf of another <u>Person</u> must not trade in <u>Securities</u> that are subject of one of the provided advisory services, except after delivering the deliverables of the investment services to the <u>Clients</u> in a manner that does not conflict with the recommendations offered to <u>Clients</u>. 2. The <u>Licensed Person</u> and its employees, including the <u>Securities Activities</u> representatives and other <u>Persons</u> involved in the provision of the advisory services, may not obtain any benefit from those with material interest in the service. 3. The <u>Licensed Person</u>, the <u>Senior Investment Advisor</u>, the representatives of the <u>Investment Advisor's</u> activity, or other persons involved in preparing an investment research at the <u>Client's</u> request for any purpose, must not make promises to him to issue research that achieve his interests.

			<p>made in that investment research, or for any other purpose other than verifying compliance with the <u>Licensed Person's</u> legal obligations, if the draft includes a recommendation or a target price.</p>	<p>4. Neither the <u>Client</u> nor any other <u>Person</u> may review the draft of the investment research or the result of the evaluation of <u>Securities</u> before its publication, except in the cases where the <u>Client</u> can verify the <u>Licensed Person's</u> compliance with its legal obligations, if the research includes a recommendation or an expectation that targets a specific price.</p> <p>5. The <u>Licensed Person</u>, when providing its services to the <u>Client</u>, shall clearly mention in the investment research or the <u>Security</u> evaluation that the research is related to a specific purpose- for example- a marketing operation or for the purpose of studying the possibility of entering into operations that are subject to the provisions of Module Nine (Mergers and Acquisitions) or <u>Effective Control</u>.</p> <p>6. The <u>Licensed Person</u>, when providing its services, shall comply with international standards approved for the <u>Asset Valuation</u>, such as the standards issued by the International Valuation Standards Council (IVSC), the Royal Institution of Chartered Surveyors (RICS), and the generally accepted professional rules.</p> <p>7. The <u>Licensed Person</u> shall comply with any instructions issued by the <u>Authority</u> regarding</p>
--	--	--	--	--

					<p>determining or updating the standards related to the services provided through such activity.</p> <p>8. The <u>Licensed Person</u> and his employees, including the representatives of the <u>Securities Activities</u>, shall comply with the requirements of providing services and controls as well as the provisions stipulated in Module Nine (Mergers and Acquisitions) and Module Fourteen (Market Conduct).</p> <p>9. The <u>Investment Advisor</u>, when providing his services to his <u>Clients</u> or to the public, must clearly disclose any cases of conflicts of interest mentioned in this Module.</p> <p>The <u>Investment Advisor</u> of the <u>Collective Investment Scheme</u>, is exempt from any of the Items mentioned above which conflict with his acquired rights in accordance with the provisions of Module Thirteen (Collective Investment Scheme) of the <u>Executive Bylaws</u>.</p>
22	Eight	8-3	Amending an Article	<p>In circumstances through which a <u>Licensed Person</u> produces or disseminates investment research for marketing purposes, investment research must include the following:</p>	<p>In circumstances in which a <u>Licensed Person</u> is to practice the activity of an <u>Investment Advisor</u>, publishes or prepares investment research for marketing purposes based on a request submitted by the <u>Issuer</u>, the investment research or evaluation must include the following:</p>

				<ol style="list-style-type: none"> 1. Clearly identify the fact that investment research was prepared for marketing purposes. 2. A clear statement that such investment research did not consider the necessary conditions in order to ensure the <u>Licensed Person</u>'s independence, and that there is no obligation to comply with the restrictions imposed under Article (8-1). 	<ol style="list-style-type: none"> 1. Clearly identifies the fact that the investment research or evaluation was prepared for marketing purposes based on a request by the <u>Issuer</u> and in accordance with a fee contract. 2. A clear statement that the investment research considers the necessary conditions that ensure the independence of the <u>Licensed Person</u> that issues the investment research, and to disclose any cases of conflicts of interest. 3. The details, information, and results must be clear, accurate, and fair, whilst considering integrity and impartiality and not exaggerating the results of the investment research or evaluation.
23	Eight	8-4	Amending an Article	<p>A <u>Licensed Person</u> must take due care to ensure that all recommendations produced or disseminated by it is fairly presented, and to disclose its interests or indicate conflicts of interest concerning <u>Securities</u> that are subject of such recommendations.</p>	<p>A <u>Licensed Person</u> to practice the activity of <u>Investment Advisor</u> must exercise the care of a prudent person to ensure that all produced recommendations and evaluations are clear and fair, and it shall comply with the following, as a minimum, when providing its services:</p> <ol style="list-style-type: none"> 1. Facts in the recommendation is clearly distinguished from interpretations, expectations, and opinions referred to in the same recommendation.

					<p>2. State the methodology of the recommendation and evaluation, and the applied standards that form the interpretations, expectations, and evaluations in the recommendation and the proposed result.</p> <p>3. The sources of the recommendation are reliable and clearly referred to, with their dates.</p> <p>4. The projections and target prices in a recommendation are clearly labelled and the material assumptions made in producing them are in line with the approved international standards indicated in the same recommendation.</p> <p>5. A clear explanation of the evaluation and recommendation made to “buy”, “sell” or “hold” and the associated risks.</p> <p>6. The recommendation, if prepared for the purposes of Module Nine (Mergers and Acquisitions) of the <u>Executive Bylaws</u>, shall reflect the fair and thorough evaluation relevant to the companies subject to the provisions of Module Nine (Mergers and Acquisitions) of the <u>Executive Bylaws</u>.</p> <p>7. The date of preparation of the recommendation or evaluation.</p>
24	Eight	8-5	Amending an Article	Published research must include information about a <u>Licensed Person</u> and	The <u>Licensed Person</u> must clearly disclose in the recommendation any relationships or

				the name and title of the <u>Person</u> who prepared the investment research.	circumstances that may impair the objectivity of the recommendation, especially in the event that there is a direct or indirect financial interest in any <u>Security</u> for which an investment research or evaluation is issued, and in particular its relationship with its <u>Parent Company</u> or its <u>Subsidiary Companies</u> of the <u>Securities</u> subject matter to the research or evaluation.
25	Eight	8-6	Amending an Article	<p>A <u>Licensed Person</u> must take due care to ensure that:</p> <ol style="list-style-type: none"> 1. Facts in a recommendation are clearly distinguished from interpretations, estimates, opinions and other types of non-factual information. 2. Its sources for a recommendation are reliable and clearly refer to these sources and their date. 3. All projections, forecasts and price targets in a recommendation are clearly labelled as such and the material assumptions made in producing or using them are indicated. 4. A clear explanation of the recommendation made “buy”, “sell” or “hold” and associated risks. 5. Date of preparing the recommendation. 	<p>The <u>Licensed Person</u> that issues a recommendation on a <u>Security</u> must clearly disclose any interest it has in the Issuer’s capital for such <u>Security</u>, or any conflicts of interest with it in this regard, or any agreements with the <u>Issuer</u>.</p>

26	Eight	8-7	Amending an Article	<p>A <u>Licensed Person</u> must clearly disclose in a recommendation all of its relationships and circumstances that may reasonably be expected to impair the objectivity of the recommendation, in particular a significant financial interest in any <u>Security</u> on which an investment research is produced; in particular, its relation with the <u>Parent Company</u> or the <u>Subsidiary Companies</u> of the <u>Securities</u> subject matter of the research.</p>	<p>The <u>Licensed Person</u> to practice the activity of an <u>Investment Advisor</u> shall maintain reports on all the investment services offered to the <u>Clients</u>, provided that such reports include the following:</p> <ol style="list-style-type: none"> 1. <u>Client</u>'s name and basic information. 2. Contract's date and termination. 3. The representative of the <u>Investment Advisor</u> activity of the service. 4. Type of the contracted service and details of the <u>Client</u>'s requirements in regards with the consultation in accordance with the scope of work of the <u>Investment Advisor</u>. 5. Type of the consulted <u>Security</u>. 6. Recommendation or evaluation, and details of the deliverables of the consultation provided by the <u>Investment Advisor</u>, and the systems, mechanisms, standards and methodology used in providing the service. 7. Statement of conflicts of interest. 8. Reasons of termination before the date specified in the contract signed between the <u>Licensed Person</u> and the <u>Client</u>. 9. Any other remarks or information the <u>Licensed Person</u> deems important to clarify. <p>The <u>Authority</u> may request a copy of these reports whenever it deems necessary.</p>
----	-------	-----	---------------------	---	--

27	Eight	8-8	Amending an Article	A recommendation produced by a <u>Licensed Person</u> must disclose clearly and prominently information on its interests and conflicts of interest relating to any major shareholdings in the <u>Issuer's</u> capital, and any agreements with the <u>Issuer</u> .	<p>It is prohibited for any <u>Person</u> to broadcast, promote, publish, republish, or give misleading, incorrect, incomplete, or unannounced information, data, or statements that may affect the following:</p> <ol style="list-style-type: none"> 1. The price of a <u>Security</u>. 2. The decision of any <u>Person</u> related to the purchasing, selling, or the disposal of <u>Securities</u>. 3. The reputation of any <u>Issuer</u>.
28	Eight	8-9	Adding an Article	-	<p>Without prejudice to the <u>Authority's</u> right to take any of the procedures prescribed by the <u>Law</u> or <u>Bylaws</u> or any other law, the <u>Authority</u> may take any of the following procedures upon detecting and verifying the practice mentioned in the previous Article:</p> <ol style="list-style-type: none"> 1. Publication of a warning to the public through the <u>Authority's</u> website or any other means the <u>Authority</u> deems appropriate. 2. Referral to the concerned party or the public prosecution, according to the circumstances and competence.
29	Eight	8-10	Adding an Article	-	<p>The <u>Persons</u> licensed to manage <u>Clients' Funds</u> and <u>Assets</u> and their financial analysts, and the persons concerned in managing <u>Clients' Funds</u> and <u>Assets</u>,</p>

					when preparing the investment research related to their work directed to their <u>Clients</u> , must take into consideration the provisions stipulated in this Chapter.
--	--	--	--	--	---

Annex 2

Appendix (22) of Module Five

(Controls and Regulations Relevant to a One Person Company License to Practice Securities Activities)

Controls and Regulations Relevant to a One Person Company License to Practice Securities Activities	
First: Provisions of obtaining, renewing and termination of the Securities Activities license	
<u>License application</u>	<p>The application shall be submitted in accordance with Article (1-4) of this Module attached with the following information and documents, according to the services and duties he wishes to provide in the licensed activity, as the case may be:</p> <ol style="list-style-type: none">1. Name of the license applicant, his address and either the identity number if a natural person or the commercial register number if a legal person.2. Regulatory business plan containing such details as are set out in Appendix 23 (Application for a Securities Activities License - One Person Company) of this Module and Appendix 1 of Module Six (Policies and Procedures of Licensed Persons) and the controls for providing advisory services included in Chapter Eight of Module Eight (Conduct of Business).3. Statement of the Securities Activity or Activities to which the applicant wishes to practice.4. Information about the issued and paid up capital of the company to which the license application relates.5. A copy of the Company Contract to which the license application relates and any amendments to the same, or the draft Company Contract for companies under incorporation.6. Nomination for applicants for Registered Positions and Employment Positions in accordance with the Fit and Proper Rules in Appendix 10 of this Module.7. A list of the companies owned by the license applicant in full, as a partner or ownership of 50%, and those companies' objectives.8. Sufficient information of any Effective Control over the company that will conduct the activity.9. Any agreements or undertakings with external entities.10. The audited financial statements for the last three years prior to the date of application, in addition to forecasts of its expected three-year future financial position of the company that will conduct the activity.11. A legal opinion from an external legal advisor of the company on any lawsuits of material influence on the legal position of the company,

	<p>whether filed by the company or against it, as well as the amounts of those lawsuits if it can be estimated.</p> <ol style="list-style-type: none"> 12. Declarations signed by the founders of the company to the effect that no verdict of bankruptcy, penalty on a crime of breach of honor or trust, or being convicted of a crime involving a breach of honor or trust or a freedom restricting penalty in one of the crimes stipulated in the Authority’s law or any other law over the five year period preceding the license application, unless he or they have been discharged. 13. A declaration by the license applicant stating that the information contained in the application and the enclosed documents are correct and complete, in addition to any other declarations required by the Authority. 14. Proof of payment of fees for the processing of the application. 15. Any request by the applicant for exemptions to some requirements and the justification for such a request. 16. Official documents indicating the approval of the National Fund for Small and Medium Enterprise Development to finance the capital of the Licensed Person if the capital was financed by the aforementioned fund. 17. Any other information or documents that may be required by the Authority. <p>Note: Any applicant intending to obtain financing from the National Fund for Small and Medium Enterprise Development is exempted from submitting some of the business plan requirements included in Application (23) previously mentioned, and this Application (23) shall note the necessary requirements that the applicant must fulfill.</p>
<p><u>License renewal requirements</u></p>	<p>The provisions of license term and renewal and the decision of a license renewal and its rejection included in this Module shall apply to all Licensed Persons. The Licensed Person that holds the capacity of a One Person Company shall submit the license renewal application in accordance with Appendix 24 (Application for Renewing Securities Activities License - One Person Company) of this Module attached with the following information and documents:</p> <ol style="list-style-type: none"> 1. A report by an auditing office affiliated to an Auditor registered at the Authority, which includes, at a minimum, the following information: <ul style="list-style-type: none"> • An evaluation of the Licensed Person’s compliance with the Capital Markets Authority’s Law and its Executive Bylaws and their amendments. • An evaluation of the internal control mechanisms and systems of the Licensed Person. • Results of the auditing operations relevant to risk management, internal audit, and regulatory compliance.

	<p>The report shall be binding on the Licensed Persons exempted from registered positions in the position of Internal Audit Officer, Compliance Officer, or Risk Management Officer.</p> <ol style="list-style-type: none"> 2. A report that includes the Licensed Person’s Clients and summary of the services’ deliverables in accordance with Article (8- 7) of Module Eight (Conduct of Business) for the three years preceding the license renewal. 3. Any other data or information that may be required by the Authority.
--	--

<p><u>License termination at the request of a Licensed Person</u></p>	<ul style="list-style-type: none"> • A Licensed Person may apply for the termination of its license, whether for all or some of the licensed Securities Activities, and it shall comply with the following conditions: <ol style="list-style-type: none"> 1. Comply with all the procedures and instructions related to the termination of the contracts signed with Clients for all licensed Securities Activities. 2. Taking into account the expiry date of the Securities Activities license and the related procedures for applying to terminate the activity, the company is required to submit the license termination request before its expiry with a minimum period of six months. The Licensed Person shall abide by the procedures for license renewal in the event of non-compliance with the specified periods for license termination. • The Licensed Person submits the license termination request in accordance with Appendix 25 (Application for the Termination of a Securities Activities License - One Person Company) of this Module. • The provisions for deciding on a license termination request shall apply to all Licensed Persons. • After the issuance of the license termination resolution, the Licensed Person shall comply with the procedures necessary to remove the clause for the Securities Activities objective corresponding to the terminated license within one year from the date of issuing the resolution. The company shall notify the Authority of the approved, supporting documents for this process, to enable the Authority to complete the procedures of striking off the company from its records.
--	--

Second: Controls and Instructions relevant to registered persons

<ul style="list-style-type: none"> • The controls for registering, renewing, and terminating the Registered Employment Positions stated in the Executive Bylaws shall apply to all Licensed Persons. • The founder of the One Person Company subject to the license application to practice the activity shall be its Chief Executive Officer and shall be exempted from fulfilling the Fit and Proper Rules of that job. He shall fulfill, at a minimum, the requirements related to academic qualifications and professional experience required in the representative of Senior Investment Advisor in accordance with Fit and Proper Rules.
--

- The Chief Executive Officer shall be responsible for implementing the provisions of Module Sixteen (Anti-Money Laundering and Combating Financing of Terrorism) in the event that no person is registered in the position of Compliance Officer.
- The Licensed Person shall be exempted from holding Registered Positions.
- The Licensed Person shall be exempted from holding the following Registered Employment Positions:
 1. Senior Executives.
 2. Financial Manager.
 3. Risk Management Officer.
 4. Internal Audit Officer.
 5. Compliance Officer.
 6. Sharia Audit Officer.
 7. Representatives of Securities Activities.
 8. Senior Investment Advisor.

He shall submit the report mentioned in First (License renewal requirements) of this Appendix from an auditing office affiliated to an Auditor registered at the Authority when renewing the license.

- The Chief Executive Officer shall be responsible before the Authority for implementing all the work assigned to Registered Employment Positions.
- The Licensed Person may assign specialized external entities to prepare its financial statements, provided that the Authority is notified in advance.
- The Licensed Person may assign specialized external entities to undertake the tasks related to risk management, compliance, internal audit, and sharia audit, provided that the Authority is notified in advance and it submits a copy of the contract signed with those external entities. The assignment does not relieve the Licensed Person from his responsibilities of implementing the provisions of the Law and Bylaws before the Authority.
- The Licensed Person obtaining finance from the National Fund for Small and Medium Enterprise Development shall observe the regulating provisions in this regard contained in the fund's law and its executive regulations.
- The Authority may impose additional requirements for fulfilling the Registered Employment Positions on the Licensed Person if it deems it necessary.

Third: General Provisions

- The Licensed Person shall maintain the minimum capital required to practice the activity throughout the license period.
- The Licensed Person shall appoint an Auditor registered at the Authority, and he shall be exempted from the provision of Item (5) of Article 3-4-4 of Chapter Three of this Module.
- The Licensed Person shall consider the procedures of the Ministry of Commerce and Industry and the National Fund for Small and Medium Enterprise Development with regard to the mechanism of appointing an Auditor and approving the financial statements.

Appendix (23) of Module Five

(Application for a Securities Activities License - One Person Company)

Table of Contents

Section 1	Instructions
Section 2	Procedures to obtain a license
Section 3	Applicant details
Section 4	Required Activities statement
Section 5	Founders and financial resources details
Section 6	Attachments and required documents
Section 7	Declarations
Appendix. 1	Business Plan Guide
Appendix. 2	Declaration
Appendix. 3	Registered Employment Positions

1. Instructions

- This form indicates the procedures, stages, documents, and attachments necessary for obtaining the Securities Activities license.
- All the information, documents, requirements, attachments included in this form shall be submitted through the Authority's electronic portal in full based on the status of the applicant at the time of the application.
- The applicant is subject to the Capital Markets Authority's law and Executive Bylaws and their amendments starting from the date of the submission of the application.
- The Authority reserves the right to request any additional information and documentation or clarifications from the applicant when processing the licensing application.
- The Authority shall review the licensing application within three months from the date of the completing all the required documents and information.
- Failure to provide the Authority with the documents and attachments that support the application may delay the process of issuing the license. Therefore, the Authority is not responsible for any delay or damage suffered by the applicant as a result.
- Kindly ensure the inclusion of any supporting documentation to the request should the applicant be unable to meet certain requirements or attachments required by the license applicant.
- The business plan is part of this application and it is the applicant's responsibility to attach it with the rest of the required attachments of this form. The applicant may seek assistance from external entities in order to prepare the business plan, however the applicant assumes full responsibility for its accuracy.
- The applicant that wishes to obtain financing from the National Fund for Small and Medium Enterprise Development is exempted from some of the Capital Markets Authority's business plan requirements, provided that the business plan of the National Fund for Small and Medium Enterprise Development is submitted.
- Issuance of the Authority's preliminary approval does not reflect the approval on the business plan of the National Fund for Small and Medium Enterprise Development, and the applicant shall obtain the approval of the Fund so that the Authority can issue the final license in accordance with the concerned procedures thereof.
- The licensed person may resort to the Authority's arbitration rules to resolve a dispute concerning securities activities.
- The applicant should send any inquiry regarding the completion of this application or any related topic to the Licensing and Registration Department at the Capital Markets Authority at the address below:

Capital Markets Authority – 20th floor / Al-Hamra Tower – Sharq – Kuwait

P.O. Box 3913 Safat 13040 Kuwait lrd@cma.gov.kw

2. Procedures to obtain a license

2.1 Company Under Incorporation

1. Submit an application to obtain a license to practice securities activities by completing this form to obtain preliminary approval for the company's incorporation.
2. Apply to the National Fund for Small and Medium Enterprise Development and obtain the necessary approvals. (If the applicant wishes to obtain financing from the National Fund for Small and Medium Enterprise Development)
3. Upon obtaining preliminary approval, the company shall begin incorporation procedures at the Ministry of Commerce and Industry that will practice the Securities Activities subject to the license.
4. Submitting a letter to request a license for securities activities in the name of the new incorporated company.
5. A license shall be issued to the applicant after fulfilling all the requirements related to some or all of the securities activities requested to be practiced in the license application.

2.2 Existing Company

1. Submit an application to obtain a license to practice securities activities by completing this form:
 - a. If the company's objectives do not include practicing the activities subject to the license, go to step 2.
 - b. If the company's objectives include practicing the activities subject to the license, go to step 3.
2. Upon obtaining the Authority's preliminary approval, the company must begin the procedures of the Ministry of Commerce and Industry to amend the company's objectives and include the practice of securities activities.
3. A license shall be issued to the applicant after fulfilling all the requirements related to some or all securities activities requested to be practiced in the license application.

In the event that the the applicant wishes to obtain financing from the National Fund for Small and Medium Enterprise Development, he shall obtain the approval of the fund before carrying on the procedures of the Ministry of Commerce and Industry for the companies to which Item (a) applies and before issuance of the license to the companies to which Item (b) applies.

3. Applicant details

3.1 Applicant details

Name (Individual)/ Commercial name (Company)

Address:

Civil ID (Individual)/ Commercial license number (Company)

Phone number:

Mobile number (individual):

Fax number:

Email:

3.2 Liaison Officer details

Name

Capacity:

- Founder of a new company
- Employee of the applicant
- Advisor of the applicant
- Others

Phone number:

Mobile number (individual):

Fax number:

Email:

3.3 Applicant status

- Company Under Incorporation
- Existing Company with a provision which allows practicing the required activities in the company's objectives
- Existing Company without a provision which allows practicing the required activities in the company's objectives

- Is the applicant subject to the surveillance of the Central Bank? Yes No

- Does the applicant practice securities activities according to Islamic Sharia? Yes No

4. Required Activities Statements

4.1 Choose the activities which the applicant intends to practice

Investment Advisor

4.2 The legal form of the company

One Person Company

5. Founders and financial resources details

5.1 Kindly complete the founder details according to the legal form of the applicant*			
No.	Founder's name	Shares	Nationality
1			

5.2 Capital

- Paid-up capital (proposed- Companies under incorporation)

- Issued capital (proposed- Companies under incorporation)

6. Documents and attachments required

6.1 Required attachments according to the company's status			
No.	Attachment/required document	Status of the Attachment	
1	Business plan	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
2	Audited financial statements for the last 3 years prior to submission date of the request	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
3	Approval from the Central Bank of Kuwait to practice Securities Activities, in case applicant is subject to its supervision	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
4	Copy of the license fee receipt	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
5	Copy of the Founders' ID	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
6	Statement of acknowledgement from the founders of the company prepared according to	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable

	the form prepared by the Authority		
7	Copy of the draft company contract	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
8	Statement with the incorporated company's new name for the license request attached to it the approval of legal representative (authorized signatory) prepared according to the form prepared by the Authority	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
9	Copy of the memorandum of association and articles of association of the company	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
10	Approval from the Ministry of Commerce and Industry for the incorporation of the company	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
11	Copy of the contract with an auditor that is registered with the Authority	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
12	Requests to occupy registered employment positions according to the form for registered employment positions of a licensed person according to fit and proper rules (if any)	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
13	Complete list of all the names of the occupants of registered employment positions that have been appointed along with the letters of approval for their nomination from the Authority according to Appendix No. 3 (List of Registered Employment Positions) of this form (if any)	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
14	Legal opinion from an external legal firm regarding cases or a group of cases which has a significant impact to the financial position of the company, whether filed by the company or against it and the estimated amount of such cases, if possible	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable

15	The approval of the National Fund for Small and Medium Enterprise Development	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable
16	Any other documents the applicant deems important to submit	
*If the status of the appendix is not applicable for the applicant, please provide the Authority with a separate document to indicate the reasons why it does not apply.		

6.2 Steps of providing the Authority with the required attachments according to the legal form of the applicant	
Company Under Incorporation	Before incorporation - the Authority shall be provided with the following attachments: 1 ,3 ,4 ,5 ,6 ,7 ,16 After incorporation - the Authority shall be provided with the following attachments: 8, 9, 10, 11, 12, 13, 14, 15, 16 (any necessary updates on the attachments shall be provided before incorporation)
Existing Company (No provision in the company's objectives allowing the practice of the required activities)	Before incorporation- The Authority shall be provided with the following attachments: 1, 2, 3, 4, 5, 6, 9, 16 After amending company's objectives- The Authority shall be provided with the following attachments: 9, 13, 14, 15, 16 (any necessary updates on the attachments shall be provided before amending the company's objectives)
Existing Company (There is a provision in the company's objectives which allows the practice of the required activities)	The Authority shall be provided with the following attachments: 1, 2, 3, 4, 5, 6, 9, 13, 14, 15, 16

7. Declarations

- I hereby declare that I have reviewed of the Capital Market Authority's Law No. 7 of 2010 and its Executive Bylaws as amended and that issued from regulations, decisions, instructions and any other controls concerning the licensing of Securities Activities in the State of Kuwait. Furthermore, I hereby declare my knowledge of the penalties resulting from breaching any of the Laws, Bylaws, regulations, decisions and instructions issued by the Capital Market Authority.
- I hereby declare that all information set out in this form and the related attachments thereto are accurate and complete, as well as the accuracy of the facts provided in the business plan attached hereto. I, furthermore, declare my knowledge of the Authority's laws and bylaws related to the penalties resulting from providing any false or misleading representations in this form or in any of its related attachments.
- I undertake that I will comply with the provisions of Law No. 7 of 2010 and its Executive Bylaws and their amendments, as well as all orders, decisions, instructions and any other controls concerning the licensing of Securities Activities in the State of Kuwait determined by the Authority in accordance with what it issues in this regard.
- I hereby undertake to settle the fees of the licensing of Securities Activities and any other fees related to the procedures of licensing Securities Activities as determined by the Authority in accordance with what it issues in this regard.
- I undertake that I will abide by the systems, policies and procedures set out in the business plan as submitted to the Authority along with this form.
- I undertake that I will notify the Authority of any changes that may occur and data that have been provided to the Authority concerning the granting of a license for Securities Activities.
- I undertake that I will submit any data or documents related to the granting of a license for Securities Activities that the Authority may request in the future.

This is a declaration and undertaking to said effect.

Applicant's signature	
Name of the Applicant	
Status of the Applicant	
Signature	
Date	
Seal of the company	

Appendix 1 - Business Plan Guide

- The purpose of these guidelines is to assist the applicant in preparation of a business plan which contains the minimum requirements in addition to some suggestions which would help the Authority to assess the application for licensing the Securities Activities in a more detailed, complete and accurate manner.
- The applicant has the right, in the manner that they deem fit, to prepare a business plan along with guaranteeing availability of the requirements and conditions of licensing as set out in the Bylaws, whereby the applicant is able to supplement additional items to those specified under this guide, which would further help the Authority to assess the application for licensing Securities Activities, provided that all the documents of Article (1.3) of this appendix are available.
- Those who wish to obtain financing from the National Fund for Small and Medium Enterprise Development shall submit a business plan in accordance with the Fund’s requirement, in addition to the requirements included in Item 3 of the policies, procedures, and systems.
- The amount of details required for the business plan depends on the size and nature of the activities that the applicant engages in or intends to engage in.

1. Introduction	
History of the founder/company	a brief profile of the founder/company, future vision and a summary of the business plan, with a focus on the licensed activities practiced by the applicant and the activity he wishes to license.
2. Solvency	
Audited financial statements	The company’s main financial statements and indicators for the last three years shall be presented, along with audited financial statements for that period attached with the application form.
Market study	Statement of the market trends and the main factors affecting the Securities Activities market to be licensed shall be presented in order to assess the volume of demand for the company’s services, which reflects the future predictions of its revenues. An analysis of market risks, opportunities, strengths and weaknesses related to securities activities shall also be carried out.
Expected performance of the company	The company’s financial statements forecasted for the upcoming three years shall be prepared. Said predictions shall reflect the conclusions of the market study and the company’s policy, in light of its vision and strategy mentioned in the executive summary. The effect of the licensed activities on the company’s expected performance shall also be clarified.
Capital finance statements	If the company is under incorporation or existing and has received finance on its capital from the National Fund for Small and Medium Enterprise Development, it shall submit all the relevant data -for an existing company- or state the founder’s wish and plan in regards with obtaining finance from the fund.

3. Policies, procedures, and systems

1. The organizational structure of the Licensed Person that clearly determines the limits of authority, access, and responsibility of the Licensed Person in relation to the executive management and other various main supporting jobs. In addition to defining the administrative hierarchy and powers in relation to the approval of the concluding transactions, the payment of expenses and financial expenditures, and the procedures for ratifying operations and transactions.
2. The supervisory systems and internal control programs, provided that they include the company's policies and procedures relevant to compliance and risk management which are related to the work of Licensed Person, Related Parties, and Anti-Money Laundering and Combating Financing of Terrorism in line with the type of licensed activity and the conflict of interest policy.
3. Human resources, training and development, provided that it includes evidence of the Licensed Person's compliance with the provisions and requirements of the Registered Employment Positions, and the mechanism of assigning external entities to provide the services of Registered Employment Positions, and the rules of professional conduct.
4. Dealing with Clients' complaints.
5. Executing and managing business operations of the licensed activities, provided that they include details of the services intended to be offered, conditions for provision of services to Clients, the mechanism of the contract and its termination, the draft contract to be concluded with the Client, in addition to all the reports issued by the Licensed Person to Clients and regulatory entities, and the mechanism of keeping records.
6. Information technology, provided that it includes the details of the electronic programs used to provide services to Clients (if any) and the contracts concluded with the entities that develop such programs, the technical support of the records and operations provided through such program, as well as the obligations that prevent information leakage internally and externally.
7. Emergency plans and business continuity follow-up.
8. Protection of whistleblowers of any unlawful practices committed by the Licensed Person.
9. Any other policies and procedures required by the Authority.

Appendix 2 - Declaration

I, the undersigned, within my capacity as....., hereby declare that no judgments were issued against me during the five years prior to the issuance of this Module for declaring bankruptcy, conviction of a crime or misdemeanour involving a breach of honour or trust, or sentenced to a penalty stipulated in the commercial, companies or Capital Markets Authority laws.

Appendix 3 - Registered Employment Positions

The table shall be filled in with all the names of officers who perform registered employment positions, taking into account the following:

- All registered employment positions required according to the type of activity.
- All names of officers, in the event of more than one officer in a Registered Employment Position, by way of adding entries to the position in the table provided below.
- All names of external entities assigned to undertake the tasks of Registered Employment Positions (if any).
- “N/A” shall be used in the event the company does not carry out a registered employment position as per the licensed activities.

Registered Employment Position	Employee / External Entity Name	Occupational Title	Civil ID No.	Phone No. (direct)	Phone No. (Mobile)	Email Address	Date of Approving the Nomination
Chief Executive Officer							
Senior Executives							
Financial Manager							
Compliance Officer							
Risk Management Officer							
Internal Audit Officer							
Sharia Audit Officer							
Senior Investment Advisor							
Investment Advisor Representative							
Representative of Subscription agent							

Appendix (24) of Module Five

(Application for Renewing a Securities Activities License - One Person Company)

Table of Contents

Section 1	Instructions
Section 2	Applicant details
Section 3	License to be renewed
Section 4	Attachments and required documents
Section 5	Appendix A: Declaration
	Appendix B: Registered Employment Positions

1. Instructions

- This form shall be submitted after the payment of the fee depending on the type of license to be renewed according to the schedule of fees, and three months before the license expiration date according to the Executive Bylaws of Law No.7 of 2010 and its amendments.
- The Authority shall review the application within one month from the date of receipt of the application fulfilling all the requirements and documents required for approval of the license renewal.
- The Licensed Person may resort to the Authority's arbitration rules to resolve a dispute concerning securities activities.
- The applicant shall send the renewal application via the Authority's electronic portal. In the event of any inquiries concerning this application or related to it, kindly contact the licensing and registration department at the Capital Markets Authority at the address below:

Capital Markets Authority – 20th floor / Al-Hamra Tower – Sharq – Kuwait

P.O. Box 3913 Safat 13040 Kuwait lrd@cma.gov.kw

2. Applicant details

2.1 Applicant details

Name of Licensed Person:

License Number:

Date of License Issuance:

Date of License Expiry:

2.2 Liaison Officer details

Name:

Phone number:

Mobile number (individual):

Email:

3. Licensed Person's details

3.1 License to be renewed

Investment Advisor

3.2 The legal form of the company

One Person Company

- Is the applicant subject to the surveillance of the Central Bank? Yes No

- Does the applicant practice securities activities according to Islamic Sharia? Yes No

4. Attachments and required documents

No.	Attachment/ Required Document	Status	Notes
1	Copy of Fees Payment Receipt	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
2	Copy of License Certificate	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
3	Report of the External Audit Office	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
4	Copy of the report of the Licensed Person's Clients	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
5	Declaration as per the attached form -Appendix	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	

If the state of the appendix is not applicable for the applicant, please provide the Authority with a separate document to indicate the reasons why it is not applicable.

Applicant

Application Reviewer (for office use)

Date /.... /....

Signature	Signature
Seal	Seal

5. Appendix A

Declaration

I, the undersigned, hereby declare that there have been no changes to the information and documents pertaining to the granting of the license, and undertake to report any changes that might occur in this regard and to provide the Authority with copies of the amended information and documents.

Approval of the Declaration	
Applicant Name	
Applicant Capacity	
Signature	
Date	
Seal of the Company	

5. Appendix B

Registered Employment Positions

The table shall be filled in with all the names of officers who perform registered employment positions, taking into account the following:

- All registered employment positions required according to the type of activity.
- All names of officers, in the event of more than one officer in a Registered Employment Position, by way of adding entries to the position in the table provided below.
- All names of external entities assigned to undertake the tasks of Registered Employment Positions (if any).

- “N/A” shall be used in the event the company does not carry out a registered employment position as per the licensed activities.
- Registration date is the date in which a person is registered in in the Registered Employment Position at the Authority, and is not his appointment date at the company.

Registered Employment Position	Employee / External Entity Name	Occupational Title	Civil ID No.	Phone No. (direct)	Phone No. (Mobile)	Email Address	Registration Date
Chief Executive Officer							
Senior Executives							
Financial Manager							
Compliance Officer							
Risk Management Officer							
Internal Audit Officer							
Sharia Audit Officer							
Senior Investment Advisor							
Investment Advisor Representative							
Representative of Subscription agent							

Appendix (25) of Module Five

(Application for the Termination of a Securities Activities License - One Person Company)

Table of Contents

Section 1	Instructions
Section 2	Applicant details
Section 3	Licensed Person's details
Section 4	Attachments and required documents

1. Instructions

- The Licensed Person shall comply with the periods stipulated in Module Five of the license termination based on the Licensed Person's request.
- The suggested date for termination shall be at least six months after the date of submitting the application.
- The Authority may request any additional information, documents, or clarifications from the applicant at the time of reviewing the application. If the applicant fails to submit the required documents and information within the time period set by the Authority in its notification without an approved excuse by the Authority, the application shall be deemed to have been withdrawn.
- The Authority shall review the application within two months from the date of completion for all the required documents and information.
- Kindly ensure the inclusion of any supporting documentation to the request should the applicant be unable to meet certain requirements or attachments required by the applicant.
- The applicant shall comply with all the procedures issued by the Authority as required after deciding on the submitted application.
- The Authority may require the applicant of the license termination to take all the procedures and measures that ensure that the interests of its clients or the integrity of the financial system are not harmed as a result of the license termination.
- The Licensed Person may resort to the Authority's arbitration rules to resolve a dispute concerning securities activities.
- The Licensed Person should submit the termination application through the Authority's electronic portal. For any inquiries regarding the application or related to it, kindly contact the Licensing and Registration Department at the Capital Markets Authority at the address below:

Capital Markets Authority – 20th floor / Al-Hamra Tower – Sharq – Kuwait

P.O. Box 3913 Safat 13040 Kuwait lrd@cma.gov.kw

2. Applicant details

2.1 Applicant details

Name of Licensed Person:

License Number:

Date of Issuance of License:

Suggested date for termination:

2.2 Liaison Officer details

Name:

Phone number:

Mobile number (individual):

Email:

3. Licensed Person's details

3.1 License to be terminated

Investment Advisor

3.2 The legal form of the company

One Person Company

- Is the applicant subject to the surveillance of the Central Bank? Yes No

- Does the applicant practice securities activities according to Islamic Sharia? Yes No

3.3 Capital

3.4 Reasons of the license termination

4. Attachments and required documents

4.1 Required Attachments			
No.	Attachments / Required Document	Status*	Notes
1	Copy of the License	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
2	Draft of the amendments to be entered into the Company's Articles of Association	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
3	Licensed Person's report on the termination of all the contracts with the Clients	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
4	Notification of the Central Bank of Kuwait for terminating all Securities Activities and the transfer to a finance company	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
5	Pre-approval of Central Bank of Kuwait on the application for terminating the financing activity.	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
6	Approval of National Fund for Small and Medium Enterprise Development	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
7	Final notation on the commercial register After obtaining the Authority's approval on termination	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	

*If the state of the appendix is not applicable for the applicant, please provide the Authority with a separate document to indicate the reasons why it is not applicable.

Applicant

Application Reviewer (for office use)

Date /.... /....

Date /.... /....

Signature

--

Signature

--

Seal

--

Seal

--

Appendix (26) of Module Five

(Controls and Regulations of the Financial Analysts Register)

First: Procedures and conditions of registering in the financial analysts' register at the Capital Markets Authority

Procedures and conditions of registering in the financial analysts' register at the Capital Markets Authority

First: Procedures of registering and the registration renewal

1. All the required information in the registration application must be filled.
2. All the required documents in the registration application must be attached.
3. The registration application must be submitted along with a payment of KWD 100 and a copy of the payment receipt. If the application is withdrawn by the applicant or if it has been rejected by the Authority, KWD 50 will be refunded.
4. The registration shall not be considered complete unless the Authority's approval is obtained.
5. The Capital Markets Authority will notify the registration applicant of the resolution issued against him within one month of fulfilling all the requirements for registration at the register.
6. The Authority will open registration in the financial analysts' register annually on a date announced by the Authority.
7. The person registered in the financial analysts' register must notify the Authority in writing of his wish to cancel his registration ten Business Days before the termination date.
8. The Authority may cancel the registration and be satisfied with notifying the registered person and announcing this cancellation in the following events:
 - The person registered in the financial analysts' register has violated the provisions of Law No. 7 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its amendments.
 - Loss of one of the registration conditions stipulated in these instructions.
 - Issuance of disciplinary or judicial judgments from supervisory entities against the registered person requiring his cancellation from the register.

Second: Registration Conditions

The applicant for registration as a financial analyst shall meet the following conditions:

1. Must be an expert in financial analysis or similar professional fields in investment consulting, investment portfolio management, Collective Investment Schemes management, Asset Valuation, financial management and accountancy at one of the approved government

or non-government entities and practiced practical competence of such fields for a period not less than ten years.

2. The period of practice required to register the financial analyst holding one of the following approved professional certificates shall be no less than 5 years:
 - Chartered Financial Analyst (CFA)
 - Financial Risk Manager (FRM)
3. Must be a holder of the Regulatory Qualification (CMA Kuwait Rules and Regulations) from the Professional Qualifications Program.
4. Submit the curriculum vitae and the supporting documents approving the data included in it.
5. Submit all information on websites, forums, visual, audio, and written media means in which the person registered as a financial analyst participates, and shall update the status of such information immediately upon the occurrence of any changes to it.
6. Not have been convicted of a crime involving a breach of honour or trust, or a crime related to money laundering, financing terrorism or corruption.
7. Has a sound reputation and good conduct.
8. Has not been previously dismissed from his job or position by a disciplinary decision issued by a Regulatory Body or by a final judgment
9. He must not have been declared bankrupt, unless he has been discharged, or an arrest order has been issued to imprison him in payment of a debt owed by him.
10. He shall declare and undertake, when carrying out and publishing financial analysis, to abide by the following:
 - The analysis methodology is to be clear and based on the internationally approved accounting and financial bases, standards, and principles.
 - Disclose any cases of conflicts of interest in his published analysis.
 - Relying on correct, declared data, information, and documents from the issuing entity.
 - Not to provide any services other than those stipulated in Article 1-27-4 of this Module.
 - Include his name and registration number in the Financial Analysts' Register at the Authority and the Authority's disclaimer mentioned below in all his work.
11. He shall maintain a register for all the information, documents, research, and statements issued by him and submit them to the Authority immediately upon request.
12. He shall submit to the Authority an annual report within five Business Days from the end of the calendar year concerning all the works he has provided the public during that year.
13. The financial analyst registered in this register will be responsible before the Authority and each affected person for damages arising from his violations to the provisions regulating his work, or providing misleading, inaccurate, or false consultations.
14. He shall not issue his publications and research or carry on all his work related to his registration for a direct or indirect commission.

The names of the persons registered as financial analysts at the Authority and part of their curriculum vitae will be published through the Authority's website.

Disclaimer:

Registration at the financial analyst's register is based on the submitted documents which reflect the capability of the registered person. The Authority's approval on the registration does not guarantee the following:

- The accuracy and validity of the financial analysis published by the person registered in the register.
- The accuracy of the bases and standards used for establishing the published financial analysis.
- The soundness of the financial analysis methodology used in the analysis and the investment research.

Second: The form of registration in the financial analysts' register at the Capital Markets Authority

Section 1	Instructions
Section 2	Applicant details
Section 3	Attachments and required documents
Section 4	Appendix - Declaration

1. Instructions

- This form shall be submitted after filling and completion of all the requirements, data, and information regulating the registration in the register in accordance with the Executive Bylaws of Law No.7 of 2010 and its amendments, and a fee of KWD 100 must be paid.
- The Authority shall review the application within one month from the date of fulfilling all the registration requirements included in Appendix 26 of Module Five (Securities Activities and Registered Persons).
- In the event that the person registered in the financial analysts' register wishes to cancel this registration, he must notify the Authority of 10 Business Days prior to the actual cancellation date.
- The natural person must submit the application of registration in the financial analysts' register at the Capital Markets Authority through the Authority's electronic portal. For any inquiries regarding the application, kindly contact the Licensing and Registration Department at the Capital Markets Authority at the address below:

Capital Markets Authority – 20th floor / Al-Hamra Tower – Sharq – Kuwait

P.O. Box 3913 Safat 13040 Kuwait lrd@cma.gov.kw

2. Applicant details

2.1 Applicant details

Name of natural person:

Nationality:

Civil Identification number:

Passport number:

2.2 Contact details

Phone number:

Mobile number (individual):

Email:

3. Attachments and required documents

No.	Attachments / Required Document	Status*	Notes
1	Copy of the Civil Identification	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
2	Copy of the passport	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
3	Copy of the curriculum vitae and the supporting documents to the practical experience	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
4	Approved copy of the academic qualifications	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
5	Approved copy of the professional qualifications	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
6	Certificate of passing the Regulatory Qualification (CMA Kuwait Rules and Regulations) from the Professional Qualifications Program.	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
7	Declaration in accordance with the attached format - Appendix	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
8	Copy of the payment receipt	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	

*If the state of the appendix is not applicable for the applicant, please provide the Authority with a separate document to indicate the reasons why it is not applicable.

Applicant

Application Reviewer (for office use)

Date /.... /....

Date /.... /....

Signature

Signature

Seal

4. Appendix

Declaration

I, the undersigned hereby declare the following:

1. No judgments were issued against in a crime involving a breach of honour or trust, or a crime related to money laundering, financing terrorism or corruption.
2. Have not been dismissed from my job or position by a disciplinary decision from a Regulatory Body or by a final judgment.
3. Have not declared bankruptcy, and no arrest order to pay my debt has been issued.
4. Conducted and published financial analysis, in compliance with the following:
 - The analysis methodology is clear and based on internationally approved accounting and financial bases, standards, and principles in this regard.
 - Disclose any cases of conflicts of interest in his published analysis.
 - Rely on correct, declared data, information, and documents from the issued entity.
 - Have not provided any services other than those stipulated in Article 1-27-4 of this Module.
 - Include my name and registration number in the Financial Analysts' Register at the Authority and the Authority's disclaimer mentioned in this in these instructions in all my work.
5. Maintain a register for the information, documents, research, and issued statements and submit them to the Authority immediately upon request.
6. Submit an annual report within five Business Days from the end of the calendar year concerning all the works I have provided to the public during that year.
7. I shall be responsible before the Authority and each affected person for the damages arising from my violations to the provisions regulating my work, or providing misleading, inaccurate, or false consultations.
8. I shall not issue my publications and research or carry on all my work related to my registration in this register for a direct or indirect commission.
9. Update my information submitted for registration in the financial analysts' register at the Authority immediately upon the occurrence of any change.
10. Comply with the Authority's procedures and requirements should I wish to cancel the registration in the financial analysts' register during the specified time periods.

Approval of the Declaration	
Applicant Name	
Signature	
Date	

Appendix (1) of Module Six

(Obligations Relevant to Practicing Securities Activities of the One Person Company)

Obligations Relevant to Practicing Securities Activities of the One Person Company
First: Regarding the internal policies and procedures manual of the Licensed Person
<p>The Licensed Person shall establish a manual for the policies and procedures to ensure compliance with the Law and these Bylaws, in line with the activity subject to the license, its legal entity, the company's size, its Client base, and the services it wishes to offer. These policies and procedures shall regulate in particular the following aspects:</p> <ol style="list-style-type: none">1. The organizational structure of the Licensed Person that clearly defines the limits of the powers, authority, and responsibility of the Licensed Person in relation to the executive management and other various main supporting jobs. In addition to defining the administrative hierarchy and powers in relation to the approval of the concluding transactions, the payment of expenses and financial expenditures, and the procedures for ratifying operations and transactions.2. The company's policies and procedures relevant to compliance.3. Policies and procedures of Anti-Money Laundering and Combating Financing of Terrorism.4. The supervisory systems and internal control programs, provided that they include risk management related to the work of the Licensed Person and the Related Parties, in line with the type of licensed activity and the conflict of interest policy.5. Human resources, training and development provided that it includes evidence of the Licensed Person's compliance with the provisions and requirements of the Registered Employment Positions, the mechanism of assigning external entities to provide the services of Registered Employment Positions, and the rules of professional conduct, as well as the requirements of the continuous training.6. Dealing with the Clients' complaints.7. Executing and managing business operations of the licensed activities, provided that they include details of the services intended to be offered, conditions for provision of services to Clients, the mechanism of the contract and its termination, the draft of the contract to be concluded with the Client, in addition to all the reports issued by the Licensed Person to the Clients and regulatory entities, and the mechanism of the record keeping.8. Information technology, provided that it includes the details of the electronic programs used to provide the services to the Clients (if any) and the contracts concluded with the entities that develop such programs, the technical support of the

records and operations provided through such program, as well as the obligations of the confidentiality of information and data and prevention of information leakage.

9. Emergency plans and business continuity follow-up.
10. Protection of whistleblowers of any unlawful practices committed by the Licensed Person.
11. Any other policies and procedures required by the Authority.

The Licensed Person must provide the Authority with the policies and procedures' manual and its updates, and the Authority may require amendment on this manual to ensure compliance with the applicable laws and regulations.

Second: General Provisions

- The Licensed Person is exempted from submitting the risk management report stipulated in Article 4-4 of this Module, provided that the Licensed Person shall immediately notify the Authority upon the occurrence of any breach of the risk management system and details of the procedures that will be followed to deal with it.
- The Chief Executive Officer or whoever is entrusted with the responsibility of dealing with the Client complaints shall be responsible for implementing the provisions of Chapter Five of this Module.
- The Chief Executive Officer shall be responsible for implementing the provisions of Chapter Six of this Module in the event an exception is requested for the position of Compliance Officer.

Annex 3

Appendix (4) of Module Two

(Schedule of the CMA Services Fees)

5. Registered Employment Positions and the Applications for Registration			
No.	Service	Fee Amount (Kuwaiti Dinars)	Maturity
5-7	Request of registering in the Financial Analysts Register in the Authority	KWD 100 (one hundred KWD)	Upon submitting the application. In the event of application refusal, or having been cancelled by the applicant, KWD 50 shall be refunded (fifty KWD).

Appendix (1) of Module Five

(Capital Requirements and Legal Form of Licensed Persons)

Article One: The following table sets out the required minimum paid up capital and legal form of Licensed Persons to carry on each type of securities activity:			
No.	Activity type	Legal form	Capital (KWD)
1	Securities Broker registered in a Securities Exchange	Shareholding Company	5,000,000
2	Securities Broker not registered in a Securities Exchange	Shareholding Company	1,000,000
3	Investment Advisor	Shareholding or Limited Liability Company	100,000
		One-person Company	30,000
4	Assets Valuator	Shareholding or Limited Liability Company	100,000
5	Investment Portfolio Manager	Shareholding Company	5,000,000
6	Collective Investment Scheme Manager	Shareholding Company	5,000,000
7	Custodian	Shareholding Company	5,000,000
8	Investment Controller	Shareholding Company	2,000,000
9	Market Maker	Shareholding Company	5,000,000
10	Subscription Agent	Shareholding Company	1,000,000
11	Clearing Agency - Central Securities Depository	Shareholding Company	10,000,000
12	Clearing Agency - Settlement and Clearing	Shareholding Company	10,000,000
13	Qualified Securities Broker Registered in a Securities Exchange	Shareholding Company	5,000,000

Article Two: If a person is licensed to carry on more than one Securities activity of those mentioned in Article (1) of this Appendix, this person must meet, at a minimum, the higher capital for any of the activities he wants to practice.

Appendix (3) of Module Five

(Qualifications and Experience Required in Registered Positions and Employment Positions in Licensed Persons in accordance with Fit and Proper Rules)

Registered Positions and Employment Positions	Base Requirements	Academic and/or Professional Qualifications Status	Required Professional Expertise	Professional Qualifications Program
<p style="text-align: center;">Senior Investment Advisor</p> <p style="text-align: center;">And a Senior Asset Valuator</p>	<p>1. Academic qualification and professional experience.</p> <p>2. Passing the Professional Qualifications Program.</p>	<p>Holders of a PhD degree or a Master degree in the fields of economics, management or finance, or holders of a professional qualification approved globally in finance and management fields, or holders of</p> <ul style="list-style-type: none"> • Chartered Financial Analyst (CFA) • Financial Risk Manager (FRM) • CISI/KCMA Professional Qualifications Program Award • Any other professional certificate specified by the Authority. <p>In addition to a Bachelor Qualification.</p>	<p>Must have a minimum of 2 years of experience in the field of the mentioned position, or the following similar professions:</p> <ul style="list-style-type: none"> • Financial Analysis • Portfolio Management. • Collective Investment Scheme Management. • Or any other professional fields specified by the Authority. 	<p>1. Technical Qualification: Risk in Financial Services</p> <p>- Persons with more than 15 years of experience in the fields for the mentioned position of the technical qualification.</p> <p>- Persons who have obtained a professional certificate to the mentioned position are exempted of the technical qualification.</p> <p>2. Regulatory Qualification:</p> <p>- CMA Kuwait Rules and Regulations</p> <p>3. Specialized Qualifications (Optional):</p> <p>- Certificate in Investment Management</p> <p>Persons who pass the three qualifications program (Technical, Regulatory, Specialized Qualifications)</p>

		<p>Holders of a Bachelor degree in the fields of economics, management, or finance.</p>	<p>Must have a minimum of 4 years of experience in the field of the mentioned position, or the following similar professions:</p> <ul style="list-style-type: none"> • Financial Analysis • Portfolio Management • Collective Investment Scheme Management • Or any other professional fields specified by the Authority. 	<p>are presented with “CISI/KCMA Professional Qualifications program Award”</p>
		<p>Holders of a PhD degree, a Master degree or a Bachelor degree in other fields.</p>	<p>Must have a minimum of 5 years of experience in the field of the mentioned position, or the following similar professions:</p> <ul style="list-style-type: none"> • Financial Analysis • Portfolio Management • Collective Investment Scheme Management • Or any other professional fields specified by the Authority. 	