

The Executive Bylaws
Module Nineteen

Financial Technologies





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Chapter One
Objectives

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Article 1-1

Objectives

The Authority, through this module, is introducing a Fintech regulatory framework related to the Capital Markets in Kuwait with the aim to support the growth, diversification, and competitiveness of financial services and the capital markets in Kuwait, by enabling the adoption of financial technologies through the introduction of a robust regulatory framework that will support the private sector and enable wider financial inclusion.

Article 1-2

The Authority sets a register for financial technologies based on Securities. The registration in this register shall be complete after meeting all the conditions and requirements included in this Module.

Chapter Two

Securities-Based Crowdfunding

Section 1: Scope of Application

Scope of Application

Article 2-1-1

The provisions of this Chapter shall apply to corporate entities that practice or seek to practice any activity involved in the Securities-Based Crowdfunding service. The provisions of this Module shall apply to:

1. Persons sourcing business capital through Crowdfunding platforms as Offer Issuer.
2. Subscription Agent intending to operate or participate in the Securities-Based Crowdfunding through offering Securities via Crowdfunding platforms registered with the Authority.
3. Persons investing in Crowdfunding Offers.
4. Persons registered or intend to register as a Securities-Based Crowdfunding Platform.
5. Any other Person approved by the Authority.

Clients Register

Article 2-1-2

While there are different types of Crowdfunding, these regulations focus specifically on Securities-Based Crowdfunding, which involves a company offering part of its capital stakes/ shares in return for funding of repayments of its project subject of offering or issuing Securities in exchange for funding.

Article 2-1-3

Only corporate entities incorporated under the Companies Law are subject to the regulatory provisions and controls of the Crowdfunding service included in this Module.

Article 2-1-4

The following entities are prohibited from applying for funding through Registered Crowdfunding Platforms with the Authority:

1. Public Shareholding Companies and their Subsidiaries.
2. Licensed Persons by the Authority.
3. Companies and enterprises that do not carry out business in accordance with their approved activities.
4. Not – for – profit or non-profit organizations.
5. Public-benefit corporations and charitable corporate entities are subject to the supervision of the Ministry of Social Affairs.
6. One-person companies.
7. Companies with paid-up capital of more than KWD 500,000.
8. Joint venture companies

Article 2-1-5

Except where specifically permitted by the provisions of this Module, any transaction for the purchase of securities issued/offered shall be made in Kuwaiti Dinar only.

Article 2-1-6

The Crowdfunding platform is meant to provide funding to corporate entities and not to individuals.

- Article 2-1-7** | The fees stipulated in Module Two (Capital Markets Authority) of these Bylaws shall be paid upon submitting the requests regulated by this Module to the Authority.
- Article 2-1-8** | A Subscription Agent providing services of Securities-Based Crowdfunding offers through a Registered Crowdfunding Platform shall be exempt from the provisions set in Module Eleven (Dealing in Securities) Bylaws.
- Article 2-1-9** | The provisions of the Companies Law shall apply if there are no provisions set forth in this regard in this Module or the other Bylaws Modules, if applicable.

Chapter Two

Securities-Based Crowdfunding

Section 2: Crowdfunding Platform Registration and Investors Qualification

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a. Crowdfunding Platform Registration

Article 2-2-1	<p>The corporate entity shall register as a <u>Crowdfunding</u> platform in the Financial Technologies Register with the <u>Authority</u> for the initiation, execution or completion of a <u>Securities-Based Crowdfunding</u> offer.</p> <p><u>Registered Crowdfunding Platform</u> may only operate through a <u>Subscription Agent</u> licensed by the <u>Authority</u>.</p>
Article 2-2-2	The <u>Crowdfunding</u> platform registration with the <u>Authority</u> is restricted to corporate entities licensed by the Ministry of Commerce and Industry in the State of Kuwait.
Article 2-2-3	A <u>Crowdfunding</u> platform's registration application shall be submitted by corporate entities that wish to provide <u>Securities-Based Crowdfunding</u> services in accordance with the registration application form set out in Appendix 1 of this Module (Form 1: Crowdfunding Platform Registration Form).
Article 2-2-4	A registration applicant for a <u>Securities-Based Crowdfunding Platform</u> shall submit, upon registration, a separate form identifying subscription agent/s that the <u>Crowdfunding</u> platform wishes to deal with as parties in charge of managing the <u>Crowdfunding Offers</u> , in accordance with the application form set out in Appendix 1 of this Module (Form 2: Subscription Agent's Form)
Article 2-2-5	A <u>Subscription Agent</u> shall be responsible for some of the operational activities of the <u>Registered Crowdfunding Platform</u> , handling the operation and the organization of the subscription process in <u>Securities</u> offered on the <u>Registered Crowdfunding Platform</u> .
Article 2-2-6	<p>The <u>Crowdfunding</u> platform may carry out the role of a <u>Subscription Agent</u> in the process of the offer listed on the platform, through any of the following options:</p> <ol style="list-style-type: none"> The <u>Crowdfunding</u> platform engages in a deal with one or more <u>Subscription Agent/s</u> licensed by the <u>Authority</u> to act as an intermediary. The <u>Crowdfunding</u> platform shall obtain a <u>Subscription Agent</u> license from the <u>Authority</u> to carry out the activity.

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Article 2-2-7

The corporate entity applying to register a Crowdfunding platform in the Authority's Fintech Registry must first establish to the Authority the following:

1. Has obtained the approval of its other relevant regulator (if any).
2. Proof that it has the ability and capacity to manage the Crowdfunding platform operations in an orderly, fair and transparent manner.
3. Providing information that indicates the applicant is not under liquidation.
4. Providing all information of any claims, judicial actions or arbitration procedures, whether considered, suspended or alleged to be taken against the entity or any of its Subsidiaries, which may have a substantial effect on its financial position, in an approved document by an independent legal office.
5. Appointing at least the minimum number of qualified employees to carry out the work particularly the chief executive officer, an information technology manager and a legal/compliance officer.
6. A written declaration that ensures the systems and controls used in its activities are adequate, safe, efficient and reliable, and that they have been tested and checked according to internationally acceptable criteria (by providing the certificate/s issued by a qualified licensed third -party). making it appropriate for the scale and nature of its business, including systems and controls which protect consumer data collected by investors in accordance with cybersecurity and other risks policies applied, including:
 - a. The recording, storing, protecting and transmission of information.
 - b. The effecting and monitoring of transactions.
 - c. In the event of a disruption, business continuity plan (BCP)
7. A written declaration that ensures that the Crowdfunding platform is implemented and maintains:
 - a. Proper record-keeping measures for the accurate collection of information and documents related to the purchase of crowdfund Securities where applicable.
 - b. Adequate measures to ensure the security of information systems, systems capacity, business continuity plan and procedures, risk management, data integrity and confidentiality, record keeping and audit trail, for daily operations and to meet emergencies, and sufficient IT and technical support arrangements
 - c. Sufficient financial, human and other resources for the operations.
 - d. Security assessment, including penetration and vulnerability tests.
 - e. General plan for the service, including security controls and connectivity lines.
8. Providing any other details or documents deemed necessary by the Authority.

Article 2-2-8

The Registered Crowdfunding Platform is required to provide the Authority with a copy of all its operations, work rules, internal regulations and policies, as approved by its board of directors/owners.

Article 2-2-9

In the event of any changes in the operations and work rules, internal regulations and policies, the Registered Crowdfunding Platform is required to notify the Authority of the changes, and submit the updated copies within five Business Days after being approved, highlighting the places where the change was made and the purpose.

- Article 2-2-10** A corporate entity applying for the registration of a Crowdfunding platform with the Authority in the register of financial technology services must have a minimum paid up capital of KWD 50,000.
- Article 2-2-11** A corporate entity applying to register a Crowdfunding platform with the Authority in the register of financial technology services shall appoint an Auditor to conduct reviews and audit services of its financial statements, and it shall be prepared in accordance with the international accounting standards.
- Article 2-2-12** Upon receiving the registration application, the Authority may notify the applicant of the need to provide additional information or documents. In the case of the applicant's failure to submit the required documents and information during the specified period set by the Authority in the notification, without an acceptable excuse, the application shall be deemed to be withdrawn.
- The Authority shall decide on the application within thirty days from the corporate entity's submission of an application fulfilling all required data, information and conditions. In the event of rejecting the application, such a decision shall be justified by the Authority
- Article 2-2-13** A registered Securities-Based Crowdfunding Platforms shall have a valid registration of three years from the date of registration in the financial technology services register.
- Registration may be renewed for a similar period(s) upon a request submitted to the Authority in this regard, using the registration application form set out in Appendix 1 of this Module (Form 1: Crowdfunding Platform Registration Form).
- Article 2-2-14** The Authority may cancel the registration of any Registered Crowdfunding Platform or restrict its services if it fails to meet the conditions and regulations stipulated in this module. The Authority reserves the right to re-register the platform once all the conditions and regulations are met.
- b. Qualifying Investors**
- Article 2-2-15** The Registered Crowdfunding Platform should establish effective systematic internal procedures for establishing and verifying the identity of investors and the source of their funds by taking Care of a Prudent Person undertaking investors' due diligence (KYC) including the FATCA report. Such procedures must be set out in writing and strictly adhered to and may be conducted electronically via any modern means of communication without the need to meet the Client in person, provided it will not impact the integrity of the process and proper investor qualification.
- Article 2-2-16** The Registered Crowdfunding Platform shall adopt the investors due diligence (KYC) requirements set forth in Form 3 of Appendix 1 of this Module as minimum requirements.
- The associated Subscription Agent/s associated with the platform shall review the submitted investors due diligence KYC forms.

Article 2-2-17 A member of the general public may invest in a Security-Based Crowdfunding offer, subject to the following limits set on investors based on their investors due diligence (KYC) declaration to the Registered Crowdfunding Platform, which defines their categories as follows:

Criteria	Investment Limit	Required forms
<u>Retail Investors</u>	Maximum KWD 1,000 for Retail Investors for a single investment and, no more than KWD 10,000 within a 12-month period	investors due diligence (KYC) (Form 3) Risk Awareness form (Form 4) of Appendix 1 of this Module
<u>Professional Investors</u>	no more than KWD 50,000 within a 12-month period	investors due diligence (KYC) (Form 3) Risk Awareness form (Form 4) of Appendix 1 of this Module
<u>Qualified Professional Investor</u>	No investment limits	investors due diligence (KYC) (Form 3) of Appendix 1 of this Module

Article 2-2-18 The Registered Crowdfunding Platform shall obtain investors' declarations set in Article (2-2-17) of this Module prior to allowing investments in the offers listed in the platform, in addition to the Risk Awareness form (Form 4) as required in accordance with the requirements mentioned in Article (2-2-17) of this Module.

c. Eligible Offer Issuer

Article 2-2-19 The Offer Issuer must be a company subject to the Kuwaiti Companies Law. Its headquarters shall be in the State of Kuwait in order to be allowed to issue a Security-Based Crowdfunding offer on the Registered Crowdfunding Platform. This is restricted to the following legal persons:

1. Partnership limited by shares company.
2. Closed Shareholding Company
3. Limited Liability Company

Article 2-2-20 The Offer Issuer must appoint a registered Auditor with the Authority, to review and audit services of the issuer's financial statements, in accordance with the international accounting standards. in addition to the issuance of audited and approved financial statements prior to applying for offer.

Article 2-2-21 An Eligible Offer Issuer should have a minimum of a paid up capital of KWD 50,000.

Chapter Two

Securities-Based Crowdfunding

Section 3: Crowdfunding Offerings

a. General Provisions

Article 2-3-1

A corporate entity that fulfills the conditions of an Eligible Offer Issuer may apply to offer its own project on the Crowdfunding platform, for the purpose of funding the project subject of offering, in exchange for the waiver of parts of its capital in stakes/shares.

The Subscription Agent licensed by the Authority associated with the offering may adopt one of the following business models in order to facilitate the Securities-Based Crowdfunding process, specified according to the company's legal form, according to the following:

First business model: (companies whose legal form will be either a limited liability or a closed shareholding company after the offering): The Subscription Agent licensed by the Authority that is associated with the offering shall incorporate a Special Purpose Vehicle Company (in the form of a closed shareholding company). The objective of its incorporation is the payments made to fund the Offer Issuer's project subject to the offering, in return of the Eligible Offer Issuer's waiver of part of its capital in stakes/shares to the Special Purpose Vehicle Company, where the company's Shares of the Special Purpose Vehicle Company are offered for subscription on the Registered Crowdfunding Platform. After the success of the offer process, such Shares shall be registered in the names of subscribers/investors. Then the funds raised from the subscription shall be deposited in the Special Purpose Vehicle Company's account, which shall be used for the payments made to the Eligible Offer Issuer's project subject of offering. This will follow the Offer Issuer's waiver of its capital in stakes/shares to the Special Purpose Vehicle Company and registering it under its name. Accordingly, the Special Purpose Vehicle Company will represent the indirect ownership of the subscribers in the company subject of the offer.

Second business model: (companies whose legal form will be a partnership limited by shares company after the offering): The Subscription Agent licensed by the Authority that is associated with the offering shall, upon fulfilling all of the offering's requirements and targeted amounts allocate and register the Securities subject of the offer (represented in capital Shares of the Offer Issuer company) and agreed upon in the Crowdfunding Offer document with the interest of the subscribers/investors, according to the conditions and provisions stipulated in the listed Crowdfunding Offer document. The Subscription Agent managing the offer shall then facilitate the payments of the project according to the listed Crowdfunding Offer document.

Article 2-3-2

The Authority may cancel any Crowdfunding Offer in the event of non-compliance with the Law or the Bylaws.

b. Crowdfunding Offer Document

Article 2-3-3

An Eligible Offer Issuer shall submit the Crowdfunding Offer document to the Registered Crowdfunding Platform pursuant to Form 5 (Crowdfunding Offer Document) of Appendix 1 (Crowdfunding Forms) of this Module, as well as any other documents required by either the Registered Crowdfunding Platform or the Authority.

Article 2-3-4

The Crowdfunding Offer document will require the Eligible Offer Issuer to submit all information that may enable investors to evaluate the Issuer's financial position and future prospects, in addition to the rights arising from the Securities offered and detailed information concerning the project concerned with the offering in accordance with the nature of the offering and nature of the Securities. Such information should consist of, as a minimum:

1. Information that explains the key characteristics of the business and company, which may consist of, but is not limited to:
 - a. Description of the Issuer's main activities
 - b. A statement of the specific Clients, suppliers, patents, intellectual property rights, licenses or private contracts which have a major significance on the Issuer's activity.
 - c. Information on the Issuer's current investments, if any, and their relevant risks.
 - d. All financial obligations of the company, whether loans or Bonds, and all long-term and short-term financial entitlements.
2. Information that explains the purpose of the fundraising, the targeted offering amount, the Offer Period and the minimum accepted percentage of funds raised from the targeted amount (if any).
3. A detailed statement of the project being issued and the use of proceeds being from the issuance.
4. All information relating to the issuing company, its management, and its audited and approved financial statements.
5. Information concerning any lawsuits and judicial or arbitration proceedings, whether considered, suspended, or alleged to be taken against the Offer Issuer, or any of its Subsidiary Companies, which could have a material effect on its financial position.
6. The potential investment risks or rewards.
7. Exit procedures from any investments (if any).
8. Details about the Subscription Agent associated with the offer.
9. A statement declaring that the Authority will not be held responsible for any claims pertaining to damages resulting from an offer submitted to the Authority.
10. A statement presenting the Islamic Sharia opinion if the Securities adhere to Islamic principles.
11. A copy of the Offer Issuer's Memorandum of Association and Articles of Association.
12. Initial approvals granted from concerned regulators/parties.

Article 2-3-5	<p><u>Crowdfunding Offers</u> that adopt the first business model of companies whose final legal form upon the completion of the offer, will either be transformed into a limited liability or a closed shareholding company. To facilitate the payments of funds for the project subject to the offer by the <u>Offer Issuer</u>, the incorporation of a <u>Special Purpose Vehicle Company</u> is required. The offer document must include copies of the contracts and agreements to be signed between the <u>Special Purpose Vehicle Company</u> and <u>Offer Issuer</u>, including all conditions and final provisions governing the relationship between both parties, in particular specifying the project's payment requirements, payment mechanism, and any additional obligations.</p>
Article 2-3-6	<p>The <u>Eligible Offer Issuer</u> is required to engage the services of a <u>Licensed Person</u> by the <u>Authority</u> (Investment Advisor or Asset Valuator), or an <u>Auditor</u> registered with the <u>Authority</u> (including <u>Subsidiary Companies</u>) in order to prepare the following:</p> <ol style="list-style-type: none"> 1. A feasibility study of the project and its payments plan. 2. Specifying the necessary funding amount and its payments. 3. Assessing the value of the stake/share waived by the <u>Eligible Offer Issuer</u> in the <u>Crowdfunding Offer</u>. <p>Taking into consideration that the service-providing party is an independent, neutral and is of no affiliation to the platform, agent or the <u>Eligible Offer Issuer</u>.</p>
Article 2-3-7	<p>If the <u>Eligible Offer Issuer's</u> project involves real estate assets, or if the <u>Offer Issuer</u> has real estate within their financial position, the <u>Eligible Offer Issuer</u> shall undertake a valuation of the real estate assets on the basis of an appraisal prepared in accordance with the requirements for appraisal of real estate assets set forth in the provisions of Appendix 1 (Minimum Requirements for the Valuation or Assessment of the Impairment of Assets) of Module Eleven (Dealing in Securities) of these <u>Bylaws</u>. They shall be considered in the preparation of the feasibility study and determination of the value of the stakes/shares waived by the <u>Offer Issuer</u> mentioned in Article (2-3-6) of this Module.</p>
c. Offer Qualification	
Article 2-3-8	<p>An <u>Eligible Offer Issuer</u> may apply for a <u>Crowdfunding Offer</u> to any project relevant to its business or activity. The <u>Eligible Offer Issuer</u> is restricted from the following:</p> <ol style="list-style-type: none"> 1. Offer or list more than one <u>Crowdfunding Offer</u> for the same project. 2. List the same offer in more than one <u>Registered Crowdfunding Platform</u> within 12 months. 3. Raise an amount that exceeds the one stipulated in Article (2-3-9) of this Module.
Article 2-3-9	<p>The total amount raised from such offers within a 12-month period must not exceed KWD 500,000 regardless of the number of offerings an <u>Eligible Offer Issuer</u> may seek funding for during the 12-month period. This limit is not applicable for an <u>Eligible Offer Issuer</u> engaged in real estate offers.</p>

- Article 2-3-10** The Eligible Offer Issuer who operates pursuant to the principles of Islamic Sharia may list Securities-Based Crowdfunding offers to fund projects operating in accordance with Islamic Sharia, taking into consideration the following:
1. The presence of a Sharia supervisory system.
 2. The Authority shall receive a quarterly report from an External Sharia Auditing Office report registered with the Authority.
- Article 2-3-11** The offer will be deemed ineligible if the Eligible Offer Issuer or the Related Parties intend to use any of the funds raised for investment purposes. This means that if even a small amount of the funds will be used to invest in other companies, entities, or schemes, then the offer not be considered eligible.
- Article 2-3-12** The offer will not be eligible if the Eligible Offer Issuer intends to use any of the funds raised to provide a loan (i.e. issue a 'credit facility') to a Related Party, or in the event of arranging for the Related Party to offer a loan to the issuing person or another party related to the Issuer.
- Article 2-3-13** The offer will not be eligible if it became evident that the Eligible Offer Issuer intends to use any of the funds raised for the repayment of a loan, or an outstanding liability or an outstanding entitlement.
- Article 2-3-14** The Eligible Offer Issuer is required to conclude an agreement with the Registered Crowdfunding Platform, and pay the fees specified by the Registered Crowdfunding Platform and the Subscription Agent associated with managing the offer.
- Article 2-3-15** The Registered Crowdfunding Platform shall submit a Crowdfunding Offer document, approved by the Registered Crowdfunding Platform and the Subscription Agent associated with managing the offer, to the Authority no later than five Business Days prior to the listing of the offer on the Registered Crowdfunding Platform.
- Article 2-3-16** The Authority may request the inclusion of additional information in the offer document, in addition to the data and information set out in this Module.
- Article 2-3-17** The Authority may request the Registered Crowdfunding Platform to reject the submission of the Crowdfunding Offer presented by the Eligible Offer Issuer, in the following cases:
1. The Crowdfunding Offer does not comply with the Law or these Bylaws.
 2. The Crowdfunding Offer is submitted without proof of payment of the fees required.
 3. The Eligible Offer Issuer fails to provide the audited financial statements required by the provisions of Article (2-2-20) of this Module..
 4. The Crowdfunding Offer includes an incorrect or incomplete statement, which may affect the investors decision.

d. Crowdfunding Offer Period**Article 2-3-18**

Offering the Securities of a partnership limited by a shares company, or a Special Purpose Vehicle Company incorporated for the Crowdfunding Offer pursuant to the following provisions:

1. The Crowdfunding Offer period shall be the one approved in the relevant Crowdfunding Offer document.
2. The subscription period shall not exceed one month.
3. The subscription shall close at the end of the determined period or upon reaching the amount limit specified in the Crowdfunding Offer document.

e. Registered Crowdfunding Platform Operations**Article 2-3-19**

It is permissible to conduct the subscription process for Securities-Based Crowdfunding offers electronically via any modern means of communication.

The Subscription Agent shall deposit and manage the investors subscription funds in an independent and dedicated bank account for the Crowdfunding offering. The Subscription Agent is not allowed to deal with the account except in the following cases only:

1. Payment of installments relating to the project being offered in the Crowdfunding Offer.
2. Transferring the funds raised to the Special Purpose Vehicle Company's bank account upon the success of the offering and subscription process.
3. Refunding the amounts to the investors in the event of canceling the Securities-Based Crowdfunding offering unless the crowdfunding offering's document includes provisions to the contrary.

Article 2-3-20

The Registered Crowdfunding Platform commits to providing clear information relating to its operations to the investors, as follows:

1. Informing investors that the Registered Crowdfunding Platform does not guarantee any financial returns on their investments.
2. Informing investors about investment limits and the legal requirements that must be fulfilled prior to any securities subscription.
3. Specifying the necessary data to warn about the risks associated with crowdfunding operations, including all risk factors that investors should consider when making investment decisions in the offerings presented on Crowdfunding platforms.
4. Disclosing the fees, charges, and any other payments that the Registered Crowdfunding Platform may impose on investors.
5. Stating that the Authority is the entity overseeing Securities-Based Crowdfunding operations, along with providing the address and contact information of the Authority.

Article 2-3-21	<p>The scope of due diligence required by the <u>Registered Crowdfunding Platform</u> along with the subscription agent/s associated with the <u>Registered Crowdfunding Platform</u> to manage the offers on the <u>Registered Crowdfunding Platform</u> shall include taking reasonable steps to:</p> <ol style="list-style-type: none"> 1. Ensuring the competency and integrity of the <u>Offer Issuer</u>, its board of directors, and senior management. 2. Verify the availability of all necessary information of the <u>Offer Issuer's</u> project being offered. 3. Ensure that investors complete the investors due diligence (KYC) (Form 3) Risk Awareness form (Form 4) of Appendix 1 (Crowdfunding Forms) of this Module. 4. Ensure the accuracy and integrity of the information included in the <u>Crowdfunding Offer</u> document. 5. Ensure that the fundraising limits targeted in the <u>Crowdfunding Offer</u> document specified by the <u>Offer Issuer</u> are not exceeded during the <u>Offer Period</u>. 6. Ensure that the fundraising limits specified for investors are not breached pursuant to the requirement set forth in Article (2-2-17) of this Module during the <u>Offer Period</u>. 7. Ensure that the disclosed information regarding the <u>Crowdfunding Offer</u> document details posted on the <u>Registered Crowdfunding Platform</u> is verified for accuracy, fairness and written in simple and clear language. 8. Immediately notifying the <u>Authority</u> in case of any failure from the <u>Offer Issuer</u> in complying with the provisions of this Module. 9. Ensuring the implementation and monitoring of anti-money laundering, counter terrorism financing and counter weapons of mass destruction proliferation financing requirements in accordance with the provisions set forth in Module Sixteen "Anti-Money Laundering and Combating Financing of Terrorism" 10. Disclose on the offering's page any ownership stake or shares held by the <u>Registered Crowdfunding Platform</u> (including its board of directors, shareholders, employees and Subscription Agent) in <u>Offer Issuer's</u> company. 11. Disclosing on the offering's page any company or group of companies which are under their control, in addition to the <u>Related Parties</u> to the owners of the <u>Registered Crowdfunding Platform</u>. 12. Inform the <u>Authority</u>, within five days of the closing of the <u>Offer Period</u>, of the measures taken to apply joint <u>Care of a Prudent Person</u> performed by them concerning the offer.
Article 2-3-22	<p>The <u>Registered Crowdfunding Platform</u> is prohibited from investing in offers distributed on its platform, except for the <u>Registered Crowdfunding Platform</u> licensed by the <u>Authority</u> to practice <u>Subscription Agent's</u> activity.</p>
Article 2-3-23	<p>A <u>Subscription Agent/s</u> associated with a <u>Registered Crowdfunding Platform</u> to manage the listed offers may invest in offers distributed on the same platform.</p>

- Article 2-3-24** Both the board of directors or partners -as applicable- and the CEO of the Registered Crowdfunding Platform is accountable for all tasks carried out by external sources. And they must establish effective written policies and procedures for its outsourcing arrangement including a monitoring framework to monitor the service provider's delivery, quality and performance efficiency.
- Article 2-3-25** The Registered Crowdfunding Platform is required to reject or remove an offering if it has already been listed, and the subscription agent commits to refusing the management of offering in the following cases:
1. If the offer violates the interest of the investors.
 2. If the offer violates the Authority's Law or the applicable laws and regulations of the State of Kuwait or the Authority.
- f. Restrictions on Registered Crowdfunding Platforms**
- Article 2-3-26** The Registered Crowdfunding Platform commits to the following:
1. Immediately disclose any detected errors or misleading information or deceiving data, or any new investment-related risks resulting from platform or offering malfunctions
 2. Notify the Authority of the occurrence of any event which would trigger the activation or execution of the business continuity plan. And notifying the Authority upon its activation.
 3. Including a "Disclaimer" clause in all offerings on the platform, stating the following: "The Authority or other Regulatory Body in Kuwait shall not bear any responsibility, whatsoever, for the contents and accuracy of this announcement or damages resulting from relying on any part of this announcement".
 4. Not to subscribe, on behalf of any person, in securities offered when listing Crowdfunding Offer.
 5. Not to engage in or offer investment advice or make recommendations concerning an Offer Issuer to investors.
 6. Not discriminating between investors and not curating to a certain group over the other with regards to any type of offering.
 7. Ensure that the Crowdfunding operation is managed by a Licensed Person by the Authority to carry out Subscription Agent activity associated with the platform during its registration with the Authority.
- Article 2-3-27** The Registered Crowdfunding Platform is restricted from engaging in the following:
1. Handling investors funds and assets unless the platform holds a license by the Authority to carry out such activities.
 2. Handling Securities offered in the Crowdfunding Offer unless the platform holds a license by the Authority to carry out Subscription Agent activity. In the case of not obtaining the mentioned license from the Authority, the Registered Crowdfunding Platform shall ensure that such activities are practiced by Person/s licensed by the Authority to carry out Subscription Agent activity that have been listed as an associated Subscription Agent/s with the Registered Crowdfunding Platform during its registration with the Authority.

g. Restrictions on Eligible Offer Issuers

- Article 2-3-28** An Eligible Offer Issuer in the Registered Crowdfunding Platform shall abide by the following:
1. Ensure that all information submitted or disclosed on the Registered Crowdfunding Platform is true and accurate.
 2. Take responsibility for any incorrect information or disclosures on the Registered Crowdfunding Platform.
 3. Disclose all previous and current Crowdfunding offerings.
 4. Ensure that there will be effective, transparent, and regular communication with the investors including regular updates on the progress of its business and financial position and progress of the project subject of the offer. Communicating such information shall not be less than every six months from the date of closing the Offer Period.
- Article 2-3-29** An Eligible Offer Issuer may not, directly, or indirectly, perform the following:
1. Lend to or arrange financing with a potential investor.
 2. Agree to act as a lender for another Offer Issuer.
 3. Offer to sell Securities to any person outside of the Registered Crowdfunding Platform.
- Article 2-3-30** An Eligible Offer Issuer is permitted to advertise the Crowdfunding offers on platforms other than the Registered Crowdfunding Platform announcing to the members of the public the fact that a Crowdfunding Offer exists.
- h. General Provisions regarding the Duties of the Subscription Agent Associated with Managing the Crowdfunding Offers**
- Article 2-3-31** A Subscription Agent associated with managing Crowdfunding Offer shall abide by the following:
1. Retaining records of the pricing allocation of construction, as well as any changes thereof.
 2. Allocation and price determination.
 3. Deciding on the Offer Period.
 4. Demonstration of all information relating to the subscription.
- Article 2-3-32** Shares of the Special Purpose Vehicle Company or Shares of partnership limited by shares company shall be offered through the Registered Crowdfunding Platform. Securities shall be allocated as specified in the offering's document within the specified period set forth in the provisions regarding the Subscription Agent's tasks that are associated with the offer included in this Module. This should occur as of the date of offer's fulfillment of all requirements and targeted amounts. The subscribed Shares shall be registered under the names of the of investors with the Central Securities Depository of a Clearing Agency.

- Article 2-3-33** The statement of depositing Securities issued by the Central Securities Depository of the Clearing Agency is prima facie evidence of title of the Securities at a Special Purpose Vehicle Company or a partnership limited by shares company and any rights arising therefrom.
- A statement of holdings shall be delivered to each security holder of such Securities, showing the number of Securities owned by them.
- Article 2-3-34** The tasks stipulated in the two previous articles of this Module shall be completed within thirty days from the end of the Offer Period.
- Article 2-3-35** The safety and validity of the Crowdfunding Offer will not be acknowledged if the Securities were not deposited and registered in the Central Securities Depository of the Clearing Agency in accordance with the applicable procedures.
- Article 2-3-36** In the event that the Crowdfunding offering is canceled, the Subscription Agent must, within a maximum period of five Business Days from the date of announcing the cancellation, refund the amounts of subscription and any further returns achieved, if applicable, to the investors in accordance with the conditions stated in the Crowdfunding Offer document.
- Article 2-3-37** The Subscription Agent shall submit a statement of the subscription to the Authority within ten Business Days from the end of the Offer Period. The statement should state the total number of subscribed Securities, their value and the means of payment., In addition, it should include a statement of the names of subscribers and the number of Securities allocated to each subscriber within the Special Purpose Vehicle Company or partnership limited by shares company. The statement should also include the following documents:
1. A certificate from a local bank wherein the offer account is opened, showing the total subscription payments deposited therein.
 2. Names of Persons who subscribed for the Securities of the Special Purpose Vehicle Company or partnership limited by shares company and the persons whose subscription was nullified and the reason for each such nullification.
 3. A statement issued by the Central Securities Depository licensed by the Authority, which maintains the register of Securities holders in the Special Purpose Vehicle Company or partnership limited by shares company. This statement should include the names of investors, to whom the Securities are allocated, the number of Securities allocated for each of them and their nominal value.

Article 2-3-38	<p>Rights and obligations arise for all persons who traded unlisted <u>Securities</u> by selling or purchasing by executing transactions through the <u>Exchange's</u> trading system, with settlement pursuant to the rules of the <u>Clearing Agency</u>. The <u>Exchange</u> rules may include provisions for certain transactions after the <u>Authority's</u> approval. Trading or transferring ownership of such securities without adhering to the mentioned rules is prohibited.</p> <p>In all cases, the transfer of unlisted <u>Securities</u> can only occur by completing the necessary entries in the designated registers by the <u>Clearing Agency</u>, unless such transactions are in violation of the law, regulations, rules or the contractual agreement of the issuing company for those securities.</p>
	<p>i. Special Provisions regarding the Duties of a Subscription Agent Responsible for Managing the Offering, According to the First Business Model (applicable to limited liability companies and closed shareholding companies)</p>
Article 2-3-39	<p>The provisions of this business model shall apply to the <u>Crowdfunding Offers</u> of companies whose final legal form after the offer shall either be a limited liability or a <u>Closed Shareholding Company</u>.</p>
	<p>First: The Establishment of The Special Purpose Vehicle Company</p>
Article 2-3-40	<p>A <u>Special Purpose Vehicle Company</u> must be established for <u>Crowdfunding</u> purposes, which takes the form of a <u>Closed Shareholding Company</u>, by the <u>Subscription Agent</u> that is licensed by the <u>Authority</u> and is responsible for managing the offer, in order to offer the <u>Securities-based Crowdfunding</u>. The purpose of establishing the company is to finance the repayment of the special installments for the project being offered by the <u>Offer Issuer</u>, using funds raised from the subscribers' monies through the <u>Crowdfunding Offer</u>. This is done in exchange for the <u>Offer Issuer's</u> waiver of part of his capital's equities/Shares to the <u>Special Purpose Vehicle Company</u>, which represents the indirect ownership of the subscribers in the company subject of the offering.</p>
Article 2-3-41	<p>A <u>Special Purpose Vehicle Company</u> for <u>Crowdfunding</u> purposes mentioned in the previous article shall be established in accordance with the <u>Companies Law</u> and its Executive Bylaws. The provisions specific to <u>Closed Shareholding Companies</u>, as stated in the <u>Companies Law</u>, shall apply to it, unless a provision is stipulated on its regard in the company's contract or in this Module.</p>

Article 2-3-42	<p>The following provisions shall apply to the <u>Special Purpose Vehicle Company</u> for <u>Crowdfunding</u> purposes:</p> <ol style="list-style-type: none"> 1. The capital of a <u>Special Purpose Vehicle Company</u> shall be determined pursuant to the targeted amount of the project stipulated in the <u>Crowdfunding Offer</u> document, provided that it shall be in KWD. 2. One person may establish a <u>Special Purpose Vehicle Company</u>. 3. The term of the company contract shall be through out the period of the <u>Crowdfunding</u>. The shareholders may extend the company's term or terminate it in compliance with the available termination options stipulated in Article (2-3-49) of this Module. <p>The <u>Special Purpose Vehicle Company</u> for <u>Crowdfunding</u> purposes is exempt from holding the general assembly's ordinary or extraordinary meetings in accordance with the procedures and form stipulated in the <u>Companies Law</u>, and the shareholders may replace it with a written approval on the resolutions.</p>
Article 2-3-43	<p>The licensed <u>Subscription Agent</u>, responsible for managing the offering, is entrusted to manage the <u>Special Purpose Vehicle Company</u>. The shareholders may also assign the management of <u>Special Purpose Vehicle Company</u> to any of the following entities:</p> <ol style="list-style-type: none"> 1. Another <u>Licensed Person</u> or <u>Registered Person</u> by the <u>Authority</u> and its <u>Subsidiary Companies</u>. 2. A law firm. <p>In any case, the majority of the management team should be comprised of employees from the entity assigned for the management, and this entity shall exercise the role of the secretary.</p>
Article 2-3-44	<p>The managers of <u>Special Purpose Vehicle Company</u> shall take the necessary measures for evaluating the present and future obligations, as to enable the company to fulfill these obligations when they become due.</p>
Article 2-3-45	<p>The <u>Special Purpose Vehicle Company</u> shall not be liable for the acts performed by its managers, thereof in its name and for its account, if such acts are not within the purposes for which it was created.</p> <p>In such case, the managers of the company shall be liable for any damages that may be incurred by the company or others, as a result of such acts.</p>
Article 2-3-46	<p>Second: The Aspect Relating to the Management of the Offer</p> <p>The <u>Offer Issuer</u> shall proceed with the waiver procedures of its capital equities/<u>Shares</u> as agreed upon in the <u>Crowdfunding Offer</u> document to the <u>Special Purpose Vehicle Company</u> in accordance with the terms and conditions of the agreement signed between the <u>Special Purpose Vehicle Company</u> and the <u>Offer Issuer</u>, included within the <u>Crowdfunding Offer</u> document, upon meeting all the targeted requirements and amounts, and after completing the process of allocation and registration of the <u>Shares</u> under the names of subscribers. Execution of such a transaction must not exceed thirty <u>Business Days</u> from the date in which the <u>Subscription Agent</u> notified the <u>Offer Issuer</u> on the completion of the <u>Shares</u> registration in the names of their subscribers.</p>

Article 2-3-47 Upon completing the process of registering the subscribed Shares under the names of the subscribers with the Central Securities Depository of a Clearing Agency, the funds of the subscription shall be deposited in the Special Purpose Vehicle Company's account though transferring them from the independent bank account that was created for the purpose of the subscription process.

Article 2-3-48 Upon the completion of the waiver procedures of the Offer Issuer's capital stakes/Shares to the Special Purpose Vehicle Company, as agreed upon in the Crowdfunding Offer document, the party managing the Special Purpose Vehicle Company shall fulfill the due payments for the project in accordance with the terms and conditions of the agreement signed between the Special Purpose Vehicle Company and the Offer Issuer included within the Crowdfunding Offer document.

Third: The Termination and Liquidation of the Special 'Purpose Vehicle Company

Article 2-3-49 The duration of a Special Purpose Vehicle Company's contract is the period specified in the Crowdfunding process of the project offering. The shareholders may extend the company's term for one additional year as a maximum, provided that its termination shall be through one of the following cases:

1. Liquidation.
2. Merger by Amalgamation: allocating and registering the Special Purpose Vehicle Company's stake/Shares in the Offer Issuer's company whose project was funded under the names of the shareholders of the Special Purpose Vehicle Company, provided that the form of the Offer Issuer's company shall be a shareholding company, whether this was its form or it was required to change it, in order to allocate and register the Shares under the names of parties of this transaction, which are the shareholders of the Special Purpose Vehicle Company and the owners of Offer Issuer's company. Liquidation of the Special Purpose Vehicle Company shall be implemented upon the completion of this transaction.
3. Listing in the Exchange.
4. Acquisition of funded projects.
5. Approval of the Offer Issuer's offer to repurchase the waived capital stakes/Shares.
6. The Offer Issuer's approval of the offer submitted by the Special Purpose Vehicle Company's shareholders to purchase its remaining capital stakes/Shares, provided that the form of the Offer Issuer's company shall be a shareholding company, whether this was its form or it was required to change it, in order to allocate and register all the Shares under the names of Special Purpose Vehicle Company's shareholders, with the understanding that the Special Purpose Vehicle Company will be liquidated upon completion of this process.

Article 2-3-50 In the case that the Special Purpose Vehicle Company's shareholders and the Offer Issuer did not agree on implementing one of the options of terminating the Special Purpose Vehicle Company included in the previous Article of this Module, the Offer Issuer and the Special Purpose Vehicle Company's shareholders shall implement the provisions of the Companies Law in this regard.

j. Special Provisions regarding the Duties of a Subscription Agent Responsible for Managing the Offering, According to the e Second Business Model (regarding partnership limited by shares company)

- Article 2-3-51** The provisions of this model shall apply to the Crowdfunding Offers of companies whose final legal form after the offer is or will become a partnership limited by shares company or a Closed Shareholding Company.
- Article 2-3-52** An Eligible Offer Issuer shall proceed with the Securities' allocation and registration procedures subject to the offer (his capital Shares) that were agreed upon in the Crowdfunding Offer document for the subscribers in accordance with the terms and conditions included within the offered Crowdfunding Offer document immediately after meeting all the targeted requirements and amounts. Execution of such transaction shall not exceed thirty days from the date in which the Subscription Agent notified the Offer Issuer of having met all the targeted requirements and amounts.
- Article 2-3-53** Upon completion and finalization of the process of allocation and registration of Securities subject to the offering (capital Shares of the Offer Issuer) agreed upon in the Crowdfunding Offer document for the interest of the subscribers, according to the conditions and provisions stipulated in the Crowdfunding Offer document. The Subscription Agent managing the offer shall then proceed with the payment of the due installments for the project according to the term and conditions specified in the listed Crowdfunding Offer document.
- Article 2-3-54** A limited liability company may offer Securities using this business model, provided that it shall submit a commitment to convert the company's legal form from a limited liability company to a partnership limited by Shares Company once the offering has fulfilled all the targeted requirements and amounts in the form of Shares.
- Article 2-3-55** An Eligible Offer Issuer that transfers the legal form of its company from a limited liability company to a partnership limited by Shares Company according to the provisions of the previous Article shall specify the number of Securities (its capital Shares) that will be allocated for the subscribers and shall specify their value pursuant to the provisions of Article (2-3-6) of this Module. The Subscription Agent that manages the offer shall ensure the compliance of the Offer Issuer.
- Article 2-3-56** The Subscription Agent that manages the offer shall not release the funds from the offering's independent account or repay the project until the Offer Issuer meets the procedures of transferring the legal form of its company from a limited liability company to a partnership limited by Shares company, in addition to allocation and registration of the Securities subject of the Offer (its capital Shares) that were approved in the Crowdfunding Offer document in the interest of the subscribers.

- Article 2-3-57** Execution of the procedures of transferring the legal form of the company from a limited liability company to a partnership limited by Shares Company and allocation and registration of the Securities subject to the Offer (its capital Shares) that were approved in the Crowdfunding Offer document for the interest of the subscribers shall not exceed forty-five days from the date in which the Subscription Agent notified the Offer Issuer of having met all the targeted requirements and amounts. It shall be renewable by the Authority depending on the justified reasons submitted to the Authority.
- Article 2-3-58** In the event that the Offer Issuer did not comply with the requirements of transferring the legal form of the company from a limited liability company to a partnership limited by the Shares company pursuant to the provisions of Article (2-3-55) and Article (2-3-57) of this Module, the Subscription Agent that manages the offer shall, within a period of not more than five Business Days from the announcement date of the Offer Issuer's noncompliance, return the amounts of subscription and any further returns achieved, if any, to the investors in accordance with the conditions stated in the Crowdfunding Offer document, unless the Authority states otherwise depending on the justified reasons submitted to the Authority.
- k. Right of Withdrawal**
- Article 2-3-59** The investor shall have the right of withdrawal with respect to securities offered and listed under the provisions of these Rules.
- Article 2-3-60** An investor shall exercise the right of withdrawal by submitting written notice to the Registered Crowdfunding Platform and the Subscription Agent no later than five business days after the offer closure.
- Article 2-3-61** Where a purchaser has exercised the right of withdrawal, the Registered Crowdfunding Platform, through the Subscription Agent associated with the Registered Crowdfunding Platform handling and managing the offer, shall repay the funds within two days of the investors request.
- Article 2-3-62** A purchaser who fails to exercise the right of withdrawal during the withdrawal notice period will not be able to initiate action in this regard, except for circumstances where the purchaser alleges fraud on the part of either the Registered Crowdfunding Platform or the Offer Issuer.
- Article 2-3-63** In the event that the Eligible Offer Issuer expresses a desire to cancel the offer, it shall advertise such cancellation within a maximum period of five days from the date of the end of the offer. Cancellation must be advertised the same way the Crowdfunding Offer is advertised.

Chapter Two

Securities-Based Crowdfunding

Section 4: Obligations toward the Authority

2

a. Eligible Offer Issuer Obligations towards the Authority

Article 2-4-1

The Eligible Offer Issuer shall file a report with the Authority after six months of the closure date of the Crowdfunding Offer, and every 12 months thereafter, until the repayments of the project subject of the offer are completed, provided that the report shall include the following information:

1. How the proceeds of the Crowdfund Offer were used by the Offer Issuer.
2. If any regulatory actions were taken against the Offer Issuer.
3. Any additional funding acquired by the Offer Issuer during the year (if any).
4. Payments made to investors during the period (if any).
5. Any other information the Authority may require.

Article 2-4-2

The Eligible Offer Issuer of the successful Crowdfunding Offer shall be required to submit to the Authority a copy of their annual financial statements audited and approved by an Auditor registered with the Authority within one hundred and twenty days from the end of their financial year. And until the completion of liquidation or dissolution of the Special Purpose Vehicle Company that funds the project of the Offer Issuer, or upon the completion of project's installments in the Crowdfunding Offer, for the offers of partnership limited by Shares companies.

b. Special Purpose Vehicle Company Obligations towards the Authority

Article 2-4-3

The Special Purpose Vehicle Company shall be required to submit an annual report on all the practices performed by the company with the Eligible Offer Issuer during the year or any changes on the key activities of the company and its shareholders, provided that it shall be audited by an Auditor registered with the Authority.

c. Registered Crowdfunding Platform Obligations towards the Authority**Article 2-4-4**

The Registered Crowdfunding Platform will be required to submit to the Authority an annual report within ninety days after the end of its financial year, provided that the report shall include the following:

1. A description of key activities practiced during the year.
2. A description of key achievements and the challenges faced during the year.
3. A description of the risk management systems and the main developments that occurred on all the practical aspects, technological, administrative, financial, and other key aspects.
4. A summary of the detected adverse material violations, Clients' complaints, whistle-blowing cases in addition to material manipulations and violations.

Article 2-4-5

Each Registered Crowdfunding Platform, that does not hold Securities Activities licenses by the Authority, shall be required to submit to the Authority a copy of their audited financial statements audited and approved by an Auditor registered with the Authority within ninety days from the end of their financial year

Each Registered Crowdfunding Platform that holds Securities Activities licenses by the Authority are required to submit such financial statements in accordance with the provisions of the Bylaws.

Chapter Three

Digital Financial Advisor

Section 1: Scope of Application

Scope of Application

- Article 3-1-1** The provisions of this Chapter shall apply to a licensed person by the Authority to practice the activity of an Investment Advisor specialized in providing Digital Financial Advisory services.
- The provisions of this Module shall not apply to a licensed person to provide a Digital Financial Advisory service stipulated within the activities of the Investment Advisor, except for the provisions of Module One (Glossary) and Module Two (The Capital Markets Authority) and Module Three (Enforcement of the Law) and Module Sixteen (Anti- Money Laundering and Combating Financing of Terrorism) of the Bylaws.
- The Digital Financial Advisory service provider shall be registered in the financial technologies register in the Authority.
- Article 3-1-2** A licensed person to perform the Digital Financial Advisory service stipulated in the Investment Advisor activity shall only be offered by legal entities incorporated under the Companies Law of Kuwait and operating within the State of Kuwait.
- Article 3-1-3** The Authority may exempt the entities subject to the Central Bank's supervision from all or part of the provision stipulated in this Module, pursuant to a memorandum of understating signed between the Authority and the Central Bank of Kuwait.
- Article 3-1-4** Companies that operate solely as technology providers - that develop Digital Financial Advisory technology to white-label or sell wealth management firms, firms who do not carry out Digital Financial Advisory service, fund management or dealing activities directly for Clients , - are not considered to be among the Digital Financial advisory service providers included within the tasks of the activity of an Investment Advisor.
- Article 3-1-5** The fees stipulated in Module Two (Capital Markets Authority) of these Bylaws shall be paid upon submitting the requests to the Authority.

Chapter Three

Digital Financial Advisor service provider

Section 2: Licensing Requirements & Client On-boarding

3

	a. General Provisions
Article 3-2-1	<p>Procedures for providing financial advice for the digital financial advisor:</p> <ol style="list-style-type: none"> 1. The <u>Client</u> enters the amount of money he wishes to invest. 2. The <u>Client</u> answers a series of questions to determine his risk tolerance, investment objectives, and the period for the investment. 3. The Digital Financial Advisor service provider analyzes the registered data using algorithms created for this purpose. 4. After analyzing the data entered, the Digital Financial Advisor service provider recommends the type of investment portfolio suitable for the <u>Client</u>. 5. When the <u>Client</u> accepts the type of investment portfolio recommended, the Digital Financial Advisor service provider may do the following: <ol style="list-style-type: none"> a. Hand over the <u>Client's</u> trade orders to a securities broker licensed by the <u>Authority</u>. b. Hand over the <u>Client's</u> trade orders to any other <u>Licensed Person</u> specialized in executing such orders. 6. When market prices fluctuate or the <u>Client's</u> portfolio diverges from the initial asset allocation of the recommended <u>Investment Portfolio</u>, the Digital Financial Advisor service provider is obliged to adjust the <u>Client's</u> investments to maintain the target initial asset allocation of investments (portfolio rebalancing process). 7. The process of rebalancing the investment portfolio is carried out by the Digital Financial Advisor service provider automatically and periodically.
Article 3-2-2	<p>The business models of a <u>Digital Financial Advisory</u> service fall into the following categories:</p> <ol style="list-style-type: none"> a. a Fully digital business model: This model requires little or no human interaction with <u>Clients</u>, with the exception of technical support services. b. Hybrid business model: <u>Clients</u> have the option to interact with the staff of the Digital Financial advisor service provider to discuss the automated digital investment advice and recommendations generated by the <u>Digital Financial Advisory</u> service.
	b. Controls of Practicing Digital Financial Advisory Service
Article 3-2-3	<p>It is not permitted for any person to provide a <u>Digital Financial Advisory</u> service without obtaining an <u>Investment Advisor</u> license for this service issued by the <u>Authority</u>.</p>
Article 3-2-4	<p>It is not permitted for the <u>Digital Financial Advisory</u> service provider to deal with <u>Clients'</u> funds and assets or control them, or operate an omnibus account for <u>Clients</u>, except after obtaining the necessary and relevant licenses in this regard.</p>

- Article 3-2-5** A person who wishes to practice the Digital Financial Advisory service shall submit an application to the Authority to obtain an Investment Advisor license for this service, pursuant to Form No. 1 (Investment Advisor –Application Form for Licensing Digital Financial Advisory Service Providers) in Appendix No. 2 (Digital Financial Advisory Form) of this module.
- Article 3-2-6** If the person applying for an Investment Advisor license for the Digital Financial Advisory service wants to arrange for the execution of the investment recommendations provided by this service, then in this case, the following options are available to him:
- a. The first option: Establish direct links and partnership by signing agreements with licensed persons by the Authority concerned with executing Client's orders based on the investment recommendations provided by the Digital Financial Advisory service (example: an investment portfolio manager and / or a custodian and / or a securities broker licensed by the Authority) pursuant to Form No. 2 (Intermediary (ies) Form) from Appendix No. (2) of this module.
 - b. The second option: If the Digital Financial Advisory service provider wants to execute the Client's orders based on the recommendations provided by the service, he shall obtain from the Authority a relevant license for securities activities concerned with the execution of the recommendations (example: investment portfolio manager, custodian, and/or securities broker licensed by the Authority) pursuant to the provisions of Module Five (Securities Activities and Registered Persons) of the Bylaws.

Article 3-2-7

The business models available to the Digital Financial Advisory service provider are limited to the following:

A- Offering Digital Financial Advisory only: including, but not limited to (issuing a recommendation to the Client to invest in an investment portfolio through a specific financial instrument(s), or recommending that the Client buy or sell financial instruments to rebalance his portfolio).

This service requires that the Digital Financial Advisor service provider obtain a digital investment advisor license issued by the Authority for the purpose of conducting Digital Financial Advisory services only.

B- Arranging/executing investment recommendations through an intermediary: including but not limited to (after issuing an investment recommendation to the Client after analyzing his data, and after taking the Client's consent, the recommendation is passed to an intermediary licensed by the Authority to execute trades on investment products on behalf of the Client).

This service requires that the Digital Financial Advisor service provider obtain a license from the Authority to act as an intermediary or to have in place an association a third party to act as an intermediary to execute Client's orders in accordance with the recommendations provided by the Digital Financial Advisory service.

C- Asset Management: including, but not limited to, exercising the unrestricted power to rebalance the Client's portfolio by buying or selling the Client's financial assets on his behalf.

This service requires that the Digital Financial Advisor service provider obtain a license to act as an intermediary or to have in place an association with a third party to act as an intermediary to execute the Client's orders according to the recommendations provided by the digital financial advisor service provider.

c. Requirements for Registration in the Financial Technologies Services Register to Provide Digital Financial Advisory Service**Article 3-2-8**

The person applying for a license of a Digital Financial Advisory service provider shall fulfill the registration requirements in the Financial Technologies Services Register to provide the Digital Financial Advisory service, by providing the following data to the Authority:

1. Obtain the approval of all concerned or relevant Regulatory Bodies (if any).
2. The ability and capacity to manage Digital Financial Advisory service operations in an orderly, fair and transparent manner.
3. Provide information that indicates that the applicant is not under liquidation.
4. Provide all information related to any lawsuits or judicial or arbitration procedures, whether they are pending, suspended, or intended to be taken against him or against any of his subsidiaries, that may have a material impact on his financial position, through a document approved by an independent legal office.
5. An integrated, clear and valuable framework, which in turn will contribute to the development of capital markets.
6. Appoint at least the minimum number of qualified employees to carry out the work, in particular the chief executive officer, information technology manager and legal or Compliance Officer.
7. Availability of competent and experienced staff to continuously develop and review the methodology of the algorithms.
8. Accessibility of sufficient resources to control and supervise the performance of the algorithms, and that one of the supervising employees fulfills - Academic Qualifications and Professional Experience stipulated in Appendix No. (3) of this Module.
9. All agreements concluded with intermediaries and any other external party.
10. Submit any other information or documents that the Authority may require.

Article 3-2-9

The person applying for an investment advisor license specialized in providing Digital Financial Advisory Service, after fulfilling all registration requirements, shall submit to the Authority the following:

- a- A written declaration that ensures that the systems and controls used in its activities are adequate, safe, efficient and reliable, and have been tested and checked according to internationally acceptable criteria (by submitting the certificate(s) issued by a qualified and licensed third party) and are appropriate to the size and nature of its business, in addition to the systems and controls which protect data collected from buyers against cyber security risks, and other risks which include the following:
 - 2. Recording, storing, protecting and transferring information.
 - 3. Activate and follow-up operations.
 - 4. Business continuity plan in case of disruption.
- b- A written declaration that ensures that the applicant has applied to obtain an investment advisor license for the Digital Financial Advisor service by implementing and continuing with the following:
 - 1. Proper record-keeping measures to ensure accurate collection of information and files related to purchases of offered securities, where applicable.
 - 2. Appropriate procedures to ensure the security of information systems, systems capacity, business continuity plan and procedures, risk management, data integrity and confidentiality, record keeping and audit trail, for day-to-day operations and to face emergency cases. In addition to having sufficient information technology and technical support arrangements.
 - 3. Sufficient financial, human and other resources for daily operations.
 - 4. Security evaluation; to include testing of hacks and gaps.
 - 5. Implemented procedures that indicates the actions taken to address high and medium risks/gaps.
 - 6. The general plan of the service, including security controls and connectivity lines.
 - 7. Applying global security controls regarding the confidentiality of data and information.

Article 3-2-10

The person applying for an investment advisor license for the Digital Financial Advisory service, and in order to fulfill the requirements for registration in the Financial Technologies Services Register to provide the Digital Financial Advisory service, shall provide the Authority with a copy of all work procedures, internal policies and regulations approved by the Board of Directors and Senior Management.

Article 3-2-11

The Authority has the right to reject the application for licensing and registration in the event that the applicant does not fulfill the terms and conditions stipulated in this Module. The Authority may reconsider the application after the fulfillment of all those terms and conditions.

Article 3-2-12	<p>The <u>Authority</u> may notify the applicant, at any time after receiving the registration application, of the need to provide any additional information or documents. In the event that the applicant fails to submit the information and documents within the period specified by the <u>Authority</u> in the notification, without an excuse accepted by the <u>Authority</u>, the application shall be considered rejected. The <u>Authority</u> will decide on the application within thirty days of submitting the application, fulfilling the data, information, and conditions., In the event that the <u>Authority</u> rejects the application, the decision shall be justified.</p>
Article 3-2-13	<p>The <u>Digital Financial Advisory</u> service provider applying for registration in the Financial Technologies Services Register to provide the <u>Digital Financial Advisory</u> service shall have a minimum paid-up capital of 50,000 (Fifty Thousand) Kuwaiti Dinars.</p> <p>In the event that the applicant has licenses for other <u>Securities Activities</u> issued by the <u>Authority</u>, he shall be subject to the highest limit of the paid-up capital of those licenses.</p>
	<p>d. Client Onboarding</p>
Article 3-2-14	<p>The <u>Digital Financial Advisory</u> service provider shall establish effective internal and methodological procedures for establishing and verifying the identity of investors and their sources of funds by undertaking due diligence towards the investor (know your client), which should include the <u>Foreign Account Tax Compliance Act (FATCA)</u> details. These procedures must be set out in writing and strictly adhered to.</p> <p>These procedures may be conducted electronically using any modern means of communication without the need to meet the client, provided that this should not affect the integrity of the process and the ability to properly onboard the investor.</p>
Article 3-2-15	<p>The <u>Digital Financial Advisory</u> service provider shall adopt the requirements of due diligence towards the investor (know your client) stipulated in Article No. (3-2-13) of this Module as a minimum requirement, according to Form No. (3) (<u>Client</u> due diligence (KYC)) from Appendix 2 of this module.</p>
Article 3-2-16	<p>The <u>Digital Financial Advisory</u> service provider shall consider the following when presenting its recommendations to the <u>Client</u>:</p> <ol style="list-style-type: none"> 1. Have a reasonable basis for recommending any investment product to the <u>Client</u>, in which he may rely on this recommendation to make his investment decisions. 2. Provide suitable recommendations to the <u>Client</u>. 3. The recommendation does not constitute a conflict of interest between the service provider and the investment product subject of the recommendation.

- Article 3-2-17** When determining the suitability of investment recommendations for the Client, the Digital Financial Advisory service provider should consider taking the accurate and comprehensive records of the Client's personal data, provided that it includes the required amount of important data for the algorithms on which the Digital Financial Advisory service technology is based, through conducting a suitable assessment using the (Risk Profile Questionnaire) which contains (at a minimum) the following information:
- Information about the Client's overall financial situation, including regular sources of income, financial returns objectives, investment time horizon, Client liquidity rate, legal issues, taxes and any other special constraints.
 - Information to assess the Client's risk tolerance for investment, risk capacity, and risk appetite.
 - Have a procedure in place to resolve contradictory or inconsistent responses in a Client proofing tool or questionnaire, if any.
 - Have a procedure for assessing whether investing (rather than saving or paying off debt) is suitable for the retail Client.
 - Other requirements and circumstances related to the Client that the Digital Financial Advisory service provider must be aware of.

- Article 3-2-18** The Digital Financial Advisory service provider licensed by the Authority is committed to designing a survey to identify the risk level to assess the suitability of the Client, as it shall ensure to the Authority that the Client meets the following requirements:
- The information obtained to assess the suitability of the Client's investment recommendations is appropriate to the level of complexity and risk of the recommended investments, as the Digital Financial Advisory service provider that offers specific investments with relatively high risks, or with complex specifications, is committed to exerting more Due Diligence intensively to form a reasonable basis for evaluating the suitability of these products for the Client.
 - Establishing a mechanism for notifying and alerting the Client of what has been provided by the Digital Financial Advisory service, or who needs advice beyond the scope of what the Digital Financial Advisory service can provide.

Where these mechanisms take the form of “definite” questions, for example (warning and informing the Client whose investment desire or liquidity needs are not compatible with the current investments or recommendations provided by the Digital Financial Advisory service).

In the event that the Client selects products or a portfolio that is not recommended, the Digital Financial Advisory service provider shall, after analyzing the Client's personal data and what is indicated in the survey to identify the risk level, undertake the following:

- Provide information to the Client explaining the reasons behind why the recommended portfolio is the most suitable one.
- State the level of risk associated with these products and portfolios.

- Article 3-2-19** The Digital Financial Advisory service provider must agree in writing to the terms of business with their Clients, and ensure that the following conditions are stipulated:
- The full scope of digital financial advice.
 - The basis for providing Digital Financial Advisory service, including but not limited to, methodologies used for the algorithm.
 - Fees, or commissions related to the service provided.
 - Conditions, limits and processes related to the suspension or discontinuation of Client's interface tool related to the Digital Financial Advisory service, including the possibility of using or replacing human resources to implement the financial advisory requirements.
 - Any change in the algorithm used, the scope of the main data, and the statements underlying the Client interface of the Digital Financial Advisory service.
 - Procedures put in place to settle Client's disputes, in the event that the Client wishes to file a complaint.
 - Terms and conditions about the mechanism of Client withdrawal from the agreements and any associated costs.
- Article 3-2-20** The terms of business referred to in Article (3-2-19) of this Module shall be presented in a digital format, and the Client's consent can be obtained in an electronic format subject to complying with the relevant laws in this regard.
- Article 3-2-21** The automated Investment Advisor service provider, when qualifying Clients, and before signing agreements with the Client, is obligated to do the following:
- Description on the scope of the advice.
 - A statement that the advice falls within the scope of what is being provided.
 - Explain the methodology and strategy used in the algorithms that underpin the service.
 - Notify the Client if the Digital Financial Advisory service provider believes that the digital financial advice is not suitable for him based on what was concluded from the analysis of the Client's data and from the risk profile questionnaire that was submitted by the Client.
 - Informing the Client of the potential benefits and risks resulting from digital financial advice.
 - Ensure that the Client has a clear understanding that the performance figures presented are hypothetical projections of expected return, and that the actual performance of the portfolio may differ from the initial hypothetical projections.
- Article 3-2-22** The Digital Financial Advisory service provider must establish a mechanism for contacting Clients in order to update changes to their profiles, at the least annually. This is achieved by requiring the Clients to resubmit the risk profile questionnaire or by posting a more targeted set of questions to identifying any changes in the Client's personal circumstances that could affect the suitability of the assets held in the Client's portfolios.

Chapter Three
Digital Financial Advisor
Section 3: Controls & Governance

3

a. Algorithm Governance

Article 3-3-1	<p>The core of the digital financial advice tools is the algorithms embedded in the software. The algorithms use a variety of financial modeling techniques and assumptions to translate data inputs into suggested actions at each step of the financial advice value chain, as the whole process shall be subject to a comprehensive governance and controls framework.</p> <p>This framework will enable the Board of Directors and senior management of the <u>Digital Financial Advisory</u> service provider to securely supervise and control the design, performance, deployment, and the security of the algorithms. The roles and responsibilities of all employees who oversee the design, performance, and integrity of the algorithms shall be clearly defined.</p>
Article 3-3-2	<p>The Board of Directors and senior management of the <u>Digital Financial Advisory</u> service provider is held responsible in case of delegating the daily operational oversight and governance of <u>Client</u> interface to other employees.</p>
Article 3-3-3	<p>The <u>Digital Financial Advisory</u> service provider shall ensure that the algorithms that were embedded within the <u>Client</u> interface were done accurately, and that the algorithms were embedded to analyze the information sufficiently in order to provide a suitable recommendation.</p> <p>Algorithms shall also be able to recognize and identify <u>Clients</u> who are unsuitable for investing in the products available.</p>

Article 3-3-4

The Digital Financial Advisory service provider must do the following:

1. Have system design documentation, which clearly defines the purpose, scope, and design of the algorithms.
2. Establish decision trees or decision rules as part of the documentation, where relevant.
3. Establish controls to detect any error or basis in the algorithms, which ensure that the results produced by the model are interpretable, trackable, and repeatable.
4. Have appropriate processes in place to manage any changes to the algorithms, which should include security arrangements to monitor and prevent unauthorized access to the algorithms.
5. Be able to control, monitor and keep records describing any changes made to the algorithms.
6. Review and update the algorithms whenever there are factors that may affect their relevance (e.g. market changes and changes in the law).
7. Have in place controls and processes to suspend the provision of digital financial advice in the event that two or more conflicting answers are detected in the risk profiling questionnaire, or when an error is detected within the algorithms, which in turn may lead to the loss of the Client and/or a breach of the terms of the agreement with the Client or the laws and regulations governing.
8. Have in place an internal work procedure for authorizations and approvals to ensure that the requirement above has been followed.
9. Conduct compliance inspections on the quality of the financial advice issued by the service and its technical applications, provided that this check is done on a quarterly basis, and this shall include a sample test after the service is provided.
10. Ensure the availability of having adequate human resources with sufficient competence and experience to develop and review the methodology of the algorithm, on an ongoing basis.
11. Notify the Client in the event of any modification, Violation, or suspension of the algorithms.
12. Disclosure to the Client of the status of trading orders, in an automatically updated manner, and displaying a record of all previous and existing transactions so that they are a reference to the Client and the speed of completion of the required process.

Article 3-3-5

The Digital Financial Advisory service provider may build its algorithms on different methodologies (such as modern portfolio theory). Each algorithm would have different assumptions, factors, and limitations.

The Digital Financial Advisory service provider may also override the automated algorithms, or temporarily suspend the digital advisory service as a result of extreme market conditions.

Article 3-3-6

The Digital Financial Advisory service provider must perform back-testing to ensure that the methodology implemented in the service reliably produces outputs that are consistent with the investment recommendations issued.

The back-testing must be performed at periodic intervals, at least quarterly, and when any changes are made to the technologies and applications used in the service. Back-testing refers to the testing of technologies and applications used in a Digital Financial Advisory service, which seeks to estimate the performance of a strategy or model if it had been employed during a previous period. It requires simulating past conditions in sufficient detail.

Article 3-3-7

The Digital Financial Advisory service provider must document and maintain the policies, procedures and controls set to monitor and test their algorithms. They must ensure - as a minimum - the existence and application of the procedures approved by the Board of Directors and senior management, as follows:

Have a documented testing strategy that describes and explains the scope of the Digital Financial Advisory service provider's testing of algorithms, which should include:

1. Test plans.
2. Test cases.
3. Test results: Developing solid testing of algorithms prior to providing the Digital Financial Advisory service on a regular basis.
4. Troubleshooting (if any).
5. Establish safeguards, including those related to information security and safety controls and access channels, with the aim of ensuring the integrity of the model used.
6. Provide the relevant capacity and resources to modify the model in case there is a need to stop the algorithms or make changes to them.
7. Conduct stress tests at least once a year, under various scenarios, including extreme adverse and unpredictable market conditions.

Article 3-3-8

- a. The Digital Financial Advisory service provider may outsource the development services and daily maintenance services of Client interface tools to external parties. However, the Digital Financial Advisor service provider remains responsible for the underlying approach of the financial advice issued by the service, the methodology, the design inputs, the quality of the advice provided, its ability to understand and control the principles used, and the risks and the decision rules of the algorithms.
- b. The Digital Financial Advisory service provider may not outsource the main operations and management of the technologies and applications used in Client interface tools.
- c. The Digital Financial Advisory service provider must apply and subject the external service provider to appropriate due diligence procedures.

Article 3-3-9	<p>The <u>Digital Financial Advisory</u> service provider is obliged to ensure that the scope of work of the overall control framework and the algorithm functionalities are evaluated and tested independently by an independent external consultant other than the external Auditor, provided that they are submitted to the Board of Directors, senior management and the <u>Authority</u>. This should be done as follows:</p> <ol style="list-style-type: none"> 1. Initially upon implementation of this Module and prior to launching the <u>Digital Financial Advisory</u> service. 2. When there are any material changes to the systems and controls. 3. At least once every 3 years. <p>The <u>Digital Financial Advisory</u> service provider who holds licenses for other <u>Securities</u> from the <u>Authority</u> is exempted from the provisions of this Article and that is in the event that it evaluates and tests the comprehensive control framework and algorithm functionality within the internal control report.</p>
Article 3-3-10	<p>The <u>Digital Financial Advisory</u> service provider must ensure that the evaluation reports referred to in article (3-2-17) from this Module are submitted to the <u>Authority</u> within two weeks of completing the reports.</p>
Article 3-3-11	<p>The Board of Directors and senior management of the <u>Digital Financial Advisory</u> service provider must review the internal governance structure and the measures put in place to ensure that they remain appropriate and effective, provided that this process is carried out on an annual basis at least.</p>
b. Technology Governance	
Article 3-3-12	<p>The <u>Digital Financial Advisory</u> service provider should establish appropriate governance and supervision mechanisms for the technologies and applications used in the process of inventorying and preserving the <u>Client's</u> personal data.</p>
Article 3-3-13	<p>The <u>Digital Financial Advisory</u> service provider should ensure that the systems and controls are appropriate for the scale, nature and complexity of its business. This applies, in particular, to the systems and controls related to the following:</p> <ol style="list-style-type: none"> 1. Transmission and storage of information. 2. Manage, evaluate and reduce risks related to the provision of <u>Digital Financial Advisory</u> services, including data security. 3. Executing and monitoring the transactions of the <u>Digital Financial Advisory</u> service provider. 4. The technical operations of the <u>Digital Financial Advisory</u> service, including contingency arrangements for disruption to its facilities 5. Operation of its functions relating to the safeguards and protections to investors 6. Outsourcing.

Article 3-3-14	<p>The <u>Digital Financial Advisory</u> service provider should ensure that its security policy document is updated, which shall include the following information:</p> <ol style="list-style-type: none"> 1. A description of the IT systems that support the technologies and applications of the <u>Digital Financial Advisory</u> service. 2. The security procedures and mechanisms in place, specifying the scope of the <u>Digital Financial Advisory</u> service provider's control of access to information, in addition to determining the nature and frequency of this control. 3. Policies and processes for system monitoring, authentication, confidentiality of communications, intrusion detection, virus protection systems and system logs. 4. Security procedures and mechanisms for premises and the data center of the <u>Digital Financial Advisory</u> Service provider, such as access controls and environmental security. 5. The type of authorized communications from outside, such as technology partners, service providers and remote employees, including the rationale for such connections, where applicable.
	<p>c. Internal Controls</p>
Article 3-3-15	<p>The <u>Digital Financial Advisory</u> service provider should establish adequate internal controls to safeguard their <u>Clients</u> from unsuitable advice, and to effectively manage operational risks and other related risks arising therefrom.</p>
Article 3-3-16	<p>The <u>Digital Financial Advisory</u> service provider is obligated to ensure that there are documented measures to safeguard the confidentiality of <u>Client</u> data through the applying internationally accepted measures regarding data protection and data privacy.</p>
Article 3-3-17	<p>The Board of Directors and senior management of the <u>Digital Financial Advisory</u> service provider must establish systems and work procedures to ensure a sound risk management culture, as well as compliance with relevant rules and regulations, which include the following:</p> <ol style="list-style-type: none"> a. Approving the design and methodology of developing the interface for dealing with the <u>Client</u> and ensuring the provision of appropriate maintenance for it. b. Approving the policies and procedures that apply to the work systems and procedures of the <u>Client</u> interface. c. Ongoing supervision and maintenance of <u>Client</u> interface management, such as appropriate staffing to approve changes to algorithms, and having security arrangements in place to identify and prevent unauthorized access to algorithms. d. Proper documentation on an ongoing basis for the design and development of algorithms.

Chapter Three
Digital Financial Advisor
Section 4: Disclosures

Article 3-4-1	a. Disclosure Regarding the Algorithms
	The <u>Digital Financial Advisor</u> service provider should disclose to its <u>Clients</u> in writing the matters related to the algorithms used, including the following: A. Assumptions, limitations, and risks of algorithms. B. Conditions under which digital financial advisor service provider may overlook algorithms or temporarily halt the digital advisor service. C. Any material adjustments on algorithms
	Article 3-4-2 The digital financial advisor service provider should disclose the full details of any arrangement in writing, including the basis for commissions, costs, or fees, and related parties including the <u>Parent Company</u> , partners, and subsidiaries.
Article 3-4-3	b. Conflicts of Interest
	The digital financial advisor service provider should disclose to his <u>Clients</u> in writing about any actual or potential conflict of interest that may arise in any connection or association with the provider of financial products or instruments, including any <u>Material Information</u> or facts that may compromise their objectivity or independence.

Chapter Three
Digital Financial Advisor
Section 5: Advertising & Marketing

3

b. Conflicts of Interest

Article 3-5-1	The digital financial advisor service provider should ensure that the advertisements are not incorrect or misleading. Advertisements including disclosures should contain clear and appropriate information.
Article 3-5-2	The digital financial advisor service provider should clearly highlight in writing to the <u>Clients</u> that the past performance is not necessarily indicative of future performance.
Article 3-5-3	The digital financial advisor service provider may advertise the digital advisory services in general. However, he should not advertise on specific financial products or portfolios that are available.
Article 3-5-4	The digital financial advisor service provider is required to ensure that all advertisements are presented in clear language.

Chapter Three

Digital Financial Advisor

Section 6: Obligations toward the Authority

3

Obligations toward the Authority

Article 3-6-1

In addition to complying with the provisions stipulated in this Module, The digital financial advisor service provider is required to submit to the Authority an annual report within ninety days after the end of its financial year, provided that such report shall include the following showing:

1. Description of key activities.
2. Description of key achievements and the challenges.
3. Description of the risk management systems and the main developments that occurred on all the practical aspects, technological, administrative, financial, and other key aspects.
4. Summary of the detected adverse material violations, Clients' complaints, whistle blowing cases in addition to manipulations.

Article 3-6-2

The digital financial advisor service provider is required to submit to the Authority a copy of their annual financial statements audited by an Auditor registered with the Authority, within ninety days from the end of their financial year. The financial statements should be prepared in accordance with international accounting standards

Article 3-6-3

The digital financial advisor service provider is required to provide the Authority with an updated copy of the work rules, internal regulations, and policies, within 5 Business Days upon the approval of the highest authority matrix depending on the structure of the legal entity and authority matrix.

This obligation still applies when changes to the work rules, regulations and policies occur, in which the digital financial advisor service provider should highlight the places of change and the reasons behind it.

DISCLAIMER:

This “translation” of the Bylaws of the Capital Markets Authority from Arabic into English is provided solely for reference. No translation can exactly reflect every aspect of an original text and accordingly this “translation” may be used for guidance but not for legal purposes. Only the Arabic original shall be considered for legal proceedings and legal actions before the competent courts of jurisdiction and in any arbitration mechanism agreed upon by contracting parties to any transaction made under the Law and the Bylaws thereof. The Capital Markets Authority shall not be responsible for any mistake, error and/or misinterpretation made or given by any party based on that party’s interpretation of the Law and the Bylaws whether arising from a reading of the Arabic text or, specifically in the context of this document, the English “translation”. The original Arabic versions, as approved and accordingly published by the Authority, shall constitute the only source of the provisions and regulations of the Law and its Bylaws.

Appendix 1

Crowdfunding Forms

Form No. 1
Registration of Crowdfunding Platform

NOTE:

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

Date: ____/____/____

Company name:	
Commercial Registration No.:	
Please answer the following questions:	
Do you hold a license from the Authority to carry out Subscription Agent activities?	
<input type="checkbox"/> Yes (Please provide relevant documents)	<input type="checkbox"/> No (Please fill out Form 2)
Have you been registered with any Regulatory Body?	
<input type="checkbox"/> Yes (Please provide relevant documents)	<input type="checkbox"/> No
Do you require any permission from any other regulator, government agency or any other professional body to be licensed as a Crowdfunding platform?	
<input type="checkbox"/> Yes (Please provide relevant documents; if any)	<input type="checkbox"/> No
Have you been refused (or canceled) a license or authorization to carry on any regulated financial activity?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No
Are you under liquidation and/or have any litigation pending in any court of law?	
<input type="checkbox"/> Yes (please provide authorized documents from the independent legal office)	<input type="checkbox"/> No
Do you understand that the registration of the Securities-Based Crowdfunding Platforms in the Authority's registers is only valid for a period of three years (starting from the date of registration with the Authority)?	
*Note: the registration may be renewed for a similar period upon request.	
<input type="checkbox"/> Yes	<input type="checkbox"/> No

Please declare the following:

1	<p>The electronic systems and controls used by the Registered Crowdfunding Platform are safe, efficient and reliable and were tested and checked according to internationally acceptable criteria (through submitting certificate/s issued by a qualified and licensed third party), and appropriate for the scale and nature of its business, including systems and controls which protect the data collected from investors against cybersecurity and other risks.</p> <p>**Please provide a copy of any relevant test report and certificate/s issued by a qualified third party.</p>	<input type="checkbox"/> Yes
2	The Registered Crowdfunding Platform implements and maintains proper record-keeping measures for the accurate collection of information and documents related to the purchase of crowdfund Securities where applicable.	<input type="checkbox"/> Yes
3	The Registered Crowdfunding Platform has adequate measures to ensure the security of information systems, business continuity plan and procedures, risk management, data integrity and confidentiality, record keeping and audit trail, for daily operations and to meet emergencies.	<input type="checkbox"/> Yes
4	The Registered Crowdfunding Platform has sufficient IT and technical support arrangements.	<input type="checkbox"/> Yes
5	The Registered Crowdfunding Platform implements security assessment which includes penetration and vulnerability testing that determines the measures taken to address high and medium risks/vulnerabilities as well as implementing and maintaining internationally accepted measures regarding data protection and data privacy.	<input type="checkbox"/> Yes
6	The Registered Crowdfunding Platform has sufficient financial, human and other resources for daily operations.	<input type="checkbox"/> Yes
7	The Registered Crowdfunding Platform must provide the Authority with a copy of all approved operations and work rules, internal regulations and policies approved by the Board of Directors/owners, and an updated copy in the event that any changes occurred within five Business Days after being approved by the highest authority depending on the structure of the legal entity and authority matrix highlighting the places of change and the reasons behind it.	<input type="checkbox"/> Yes
8	The Registered Crowdfunding Platform is required to immediately disclose on any detected errors or misleading data or information, or any new risks related to the investment resulting from a defect in the platform or the listed offer.	<input type="checkbox"/> Yes
9	Paid up capital is 50,000 Kuwaiti Dinars or above.	<input type="checkbox"/> Yes

I/ _____
the undersigned hereby confirm the facts given in the application form and documents enclosed with it are true, correct and complete. I understand that, in the event that any information is found false or incorrect at any stage or at any time in the future, I bear any and all legal liabilities that arise and that my registration may be revoked. I undertake to inform the Authority in writing of any material or information change relevant to this application. I also authorized the Authority to contact any person or relevant within the submission period or any time in the future.

Name	
Signature	
Date	

Form No. 2
Subscription Agent/s

NOTE:

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

Date: ____/____/____

Company name:		
Commercial Registration No.:		
Please answer the following questions:		
Do you have a Subscription Agent/s?		
<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Do the Subscription Agent/s hired hold a license from the Authority to act as an intermediary?		
<input type="checkbox"/> Yes	<input type="checkbox"/> No	
If yes, please provide the following details:		
Name of the Subscription Agent	The Authority's License No.	Start date and end date

I/ _____	
the undersigned hereby confirm the information given in the application form and documents enclosed with it are true, correct and complete. I understand that, in the event that any information is found false or incorrect at any stage or at any time in the future, I bear any and all legal liabilities that arise and that my registration may be revoked. I undertake to inform the Authority in writing of any material or information change relevant to this application. I also authorized the Authority to contact any person or relevant within submission period or at any time in the future.	
Name	
Signature	
Date	

Form No. 3
Investor Due Diligence (Know Your Client)

NOTE:

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

Date: ____/____/____

The Registered Crowdfunding Platform should, prior to accepting any Client, prepare a KYC form including FATCA report. This form summarizes the minimum requirements that should be included in any KYC conducted in accordance with Article (3-1) of Module 16 (Anti-Money Laundering and Combating Financing of Terrorism) of the Executive bylaws:

Client's Personal Information					
1	Full name as stated in official documents:				
2	Date of Birth:				
3	Place of Birth:	4	Gender	5	Social Status:
6	Nationality/Nationalities:				
7	Civil ID No. (Kuwaiti citizens and Residents):				
*Attach a Civil ID copy.					
8	Passport No. (Non-residents):				
*Attach a Passport copy.					
9	Address: (Residential address, City, Country):				
10	Postal code/ Zip code:				
11	Mobile No.:	12	E-mail Address:		
13	Designation:				
14	Employer's Name:				
15	Employer's Address:				
16	Employers Contact Details (Office telephone no., personal email):				

Client's Income Details:

1	Income Source: <i>*You can select more than one category.</i> <input type="checkbox"/> Salary/pension/social security (Certificate required) <input type="checkbox"/> Financing/ loans <input type="checkbox"/> Private Business / Investment Income <input type="checkbox"/> Other, please specify.
2	Monthly Income (KWD): <input type="checkbox"/> Below 1,000 <input type="checkbox"/> Between 1,000-5,000 <input type="checkbox"/> Between 5,000-10,000 <input type="checkbox"/> More than 10,000
3	Average Annual Income (KWD): <input type="checkbox"/> Below 10,000 <input type="checkbox"/> Between 10,000-60,000 <input type="checkbox"/> Between 60,000-100,000 <input type="checkbox"/> More than 100,000
4	Estimated Wealth (KWD): <input type="checkbox"/> Below 100,000 <input type="checkbox"/> Between 100,000-250,000 <input type="checkbox"/> Between 250,000-500,000 <input type="checkbox"/> Between 500,000-1,000,000 <input type="checkbox"/> More than 1,000,000

Client's Investment Preference:	
1	Previous Investing Experience:
	*You can select more than one category.
	<input type="checkbox"/> Securities <input type="checkbox"/> Sukok
	<input type="checkbox"/> Bonds <input type="checkbox"/> Real Estate
	<input type="checkbox"/> Investment Funds <input type="checkbox"/> Other, please specify
2	Type of Investor:
	*By selecting one of the following, you are declaring that you fall under this specific category.
	<input type="checkbox"/> Qualified Professional Investor - A person that has transactions of large sizes with an average not less than KWD 250,000 every quarter for the past two years; the size of money and assets a person has with one or more Licensed Persons is not less than KWD 100,000; A person who works or has previously worked in the financial sector for at least one year in a professional position that requires knowledge in dealing and the services to be provided to him.
	<input type="checkbox"/> Professional Investor- A person that has transactions of large sizes with an average not less than KWD 125,000 every quarter for the past two years, the size of money and assets a person has with one or more Licensed Person is not less than KWD 50,000, A person who works or has previously worked in the financial sector for at least one year in a professional position that requires knowledge in dealing and the services to be provided to him.
	<input type="checkbox"/> Retail Investor – Any investor that is not classified as Qualified Professional Investor or Professional Investor.
3	Investment Objective:
	<input type="checkbox"/> Short-term Investment
	<input type="checkbox"/> Long-term Investment
	<input type="checkbox"/> Other, please specify
4	Risk Tolerance:
	<input type="checkbox"/> High <input type="checkbox"/> Moderate <input type="checkbox"/> Low
5	Preferred Products:
	<input type="checkbox"/> Investment Portfolio <input type="checkbox"/> Direct Investment
	<input type="checkbox"/> Real Estate Investment <input type="checkbox"/> Other, please specify

Client's Bank Details:

1	Are you investing for your own account or on behalf of others? <input type="checkbox"/> For my own account <input type="checkbox"/> On behalf of others
2	Who are the beneficiaries that you are investing on behalf of? A. State their name/s B. State the nature of your relationship *DISCLAIMER: THE ACTUAL BENEFICIARY SHOULD COMPLETE A KYC FORM AND ATTACH ALL THE AUTHENTICATED DOCUMENTS THAT VERIFIES THAT HE IS THE ACTUAL BENEFICIARY.
3	Actual beneficiary full name, as per official documents:
4	Account No.
5	Bank name and branch:
6	IBAN:
7	Other:

Client's Political Position, if any:

1	Are you politically exposed person? Specify your position. <input type="checkbox"/> Ruling Family <input type="checkbox"/> Member of the National Assembly <input type="checkbox"/> Senior Judicial/Military/Government Official <input type="checkbox"/> Senior Executive in a corporation possessed by a foreign state <input type="checkbox"/> No
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2	Are any of your family members (First and Second Degree) or associates is a politically exposed person?	
	A. Specify the position	
	<input type="checkbox"/> Ruling Family	
	<input type="checkbox"/> Member of the National Assembly	
	<input type="checkbox"/> Senior Judicial/Military/Government Official	
	<input type="checkbox"/> Senior Executive in a corporation possessed by a foreign state	
	<input type="checkbox"/> No	
	B. State their name/s	
	-	-
	C. State the nature of your relationship	
-	-	
D. Provide their Civil ID No.		
-	-	

Foreign Account Tax Compliance Act (FATCA)

1	Does the actual beneficiary of the account have any interest related to the U.S.A?	
	<input type="checkbox"/> Yes (Please fill the following details)	<input type="checkbox"/> No
2	Born in the U.S.A:	
3	U.S.A passport holder/ Other passports:	
4	U.S.A Social Security No./ Driver's license No.:	
5	Nationality/Residence/US Green Card No.:	
6	U.S.A Bank Account No.:	
7	Residence/Mailing Address, overseas:	
8	In care of Hold Mail Address, overseas:	
9	International Mobile No., overseas:	

10	Residency outside Kuwait for tax purposes (Provide Tax Identification No.):
11	Residency in U.S.A for tax purposes (Provide Tax Identification No.):
12	Personal E-mail:
13	Designation:
14	Employer's name:
15	Employer's address:
16	Employers contact details (Office telephone no., personal email):
17	I Agree to notify and disclose my financial accounts to Internal Revenue Service (IRS) according to (FATCA) requirements.
	<input type="checkbox"/> Yes <input type="checkbox"/> No (IRS will be notified)
18	Do you have/ intend to have a standing instruction to transfer funds to U.S.A?
	<input type="checkbox"/> Yes <input type="checkbox"/> No
19	Do you have/ intend to provide a power of attorney to a person whose address in U.S.A?
	<input type="checkbox"/> Yes <input type="checkbox"/> No

Declarations:

1. I declare that I have examined the information on this form and to the best of my knowledge and belief; it is true, correct, and complete. I understand that, in the event any information is found false or incorrect at any stage or at any time in the future, I bear any and all legal liabilities that arise.
2. I agree to provide a copy of this form or use and disclose the information mentioned above to any third party, or any competent authority responsible for compliance, regarding FATCA.
3. I acknowledge that I am the only beneficiary (or I am authorized to sign for the Person that is the beneficiary only) of all the income to which Investor Due Diligence (Know Your Client) Form relates or I am using it to document myself as a person that is an owner or account holder in the foreign financial institution.
4. I acknowledge and agree that on a specific request from any relevant tax authorities or any party authorized to audit or conduct a similar control for tax purposes, the information contained in Investor Due Diligence (Know Your Client) Form and/or a copy of it can be disclosed to such tax authorities or such party.
5. In case of any change in circumstances that causes the information contained herein to become incorrect, I undertake that I will have to provide a suitable updated Investor Due Diligence (KYC) Form within thirty days of such change in circumstances.
6. I acknowledge and agree that this acknowledgment is final and not subject to cancellation or any amendments.

Reportable Jurisdiction as per The Tax Information Exchange Agreement (Individuals):
Before you answer the following questions, you should refer to the countries that are classified as “Reportable Jurisdiction”:

1	Are you a resident of Reportable Jurisdiction?
	<input type="checkbox"/> Yes (Please specify) <input type="checkbox"/> No
2	Do you have a current residence/mailling address (including P.O. Box) in a Reportable Jurisdiction?
	<input type="checkbox"/> Yes (Please specify) <input type="checkbox"/> No
3	Do you have one or more telephone numbers in a Reportable Jurisdiction and no telephone number in the jurisdiction of the Reporting Financial Institution?
	<input type="checkbox"/> Yes (Please specify) <input type="checkbox"/> No
4	Do you have a “hold mail” instruction or “in-care-of” address in a Reportable Jurisdiction?
	<input type="checkbox"/> Yes (Please specify) <input type="checkbox"/> No
5	Have you provided a standing instruction (other than with respect to a Depository Account) to transfer funds to an account maintained in a Reportable Jurisdiction?
	<input type="checkbox"/> Yes (Please specify) <input type="checkbox"/> No
6	Have you a currently effective power of attorney or signatory authority granted to a person with an address in a Reportable Jurisdiction?
	<input type="checkbox"/> Yes (Please specify) <input type="checkbox"/> No

I/_____

the undersigned hereby confirm that the information given in this application form and all documents enclosed with it are true, correct and complete. I understand that, in the event that any information is found false or incorrect at any stage or at any time in the future, I bear any and all legal liabilities that arise. I undertake to inform the Securities-Based Crowdfunding Platform in writing of any material or information change relevant to this form.

Name	
Signature	
Date	

Form No. 4

Risk Awareness - Retail and Professional Investors

NOTE:

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

Date: ____/____/____

This form must be filled by both Professional and Retail Investors of the Crowdfunding Offer (for each Crowdfunding offering they wish to participate in), to ensure that they are fully aware of the risks associated with the investment.

Do you understand that:	
Liquidity risk is high because a secondary market for this Crowdfund security may not necessarily develop?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No
That it is possible to lose your entire investment?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No
There may not be a dividend or interest pay-outs from your investment?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No
You have the right to withdraw?	
* You must submit a written notice to the registered platform and the subscription agent no later than five business days after the payment has been made for the subscription in the listed offer.	
<input type="checkbox"/> Yes	<input type="checkbox"/> No

Investor limits:	
As a Professional Investor, you can invest up to 50,000 KWD in total, during twelve-month period?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No
As a Retail Investor, you can invest up to 1,000 KD per Crowdfunding offering?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No
As a Retail Investor you can invest up to 10,000 KD in total, during twelve-month period?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No

You confirm that:

You have read this entire form and understood all the risks associated with this investment?

☐ Yes

☐ No

You have read the entire crowdfunding offering document?

☐ Yes

☐ No

You have understood the contents of the crowdfunding offering document?

☐ Yes

☐ No

As a Professional Investor, you will not invest more than 50,000 KD in a twelve-month period.

☐ Yes

☐ No

As a Retail Investor, you will not invest more than 1,000 KD in a single Crowdfunding Offer?

☐ Yes

☐ No

As a Retail Investor, you will not invest more than 10,000 KD in a twelve-month period?

☐ Yes

☐ No

I/ _____
the undersigned hereby confirm the information given in this form and all documents enclosed with it, are true, correct and complete. I understand that, in the event of any information is found false or incorrect at any stage or at any time in the future, I bear all legal liabilities that arise. I undertake to inform the registered Securities-Based Crowdfunding platform in writing of any material or information change relevant to this application.

Name

Signature

Date

Form No. 5
Crowdfunding Offer Document

NOTE:

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

Date: ____/____/____

Please fill out the tables below:

1. Offer Issuer Details:
Name of the Offer Issuer:
Full Corporate name of the Offer Issuer:
Company registration number with the Ministry of Commerce and Industry:
Issued and paid-up capital:
Date of incorporation:
Jurisdiction of incorporation:
Telephone number of the Offer Issuers' registered address:
Email Address:
Website:
Legal Structure of the Offer Issuer (attach a copy of the Offer Issuers' Memorandum and Articles of Association):
Name of the Registered Crowdfunding Platform that the issuers want to list in:
Number of Securities qualified for offer:

2. Detailed Description of the Offering and the Offering terms:

Explain the purpose of the fundraising in detail:

Beginning Date:

End date:

***Securities offered by an Offer Issuer shall only be available for purchase for a limited time.**

Deadline/s for the Issuer to collect the Funds :

Date for allotment of Securities:

Number of Shares to be offered in the Eligible Offer:

Percentage of Shares to be listed:

Minimum and maximum amounts of subscription:

Target offering amount to be raised:

The history of the Issuer (i.e. previous crowdfunding project and whether they were successful or not):

Ownership structure of the Eligible Issuer:

3. Disclosure of Issuances:

Is the Eligible Offer Issuer concurrently issuing any other offerings?

☐ Yes (State the details below)☐ No

Has the Eligible Offer Issuer previously issued any other offering?

☐ Yes (State the details below)☐ No

4. Information of all Directors and Officers

List names of all officers along with their ownership level and Know Your Clients (KYC) information.

5. Details of the offering use of proceeds:

State the intended use of the proceeds (i.e. What is the business going to do with all the funds raised?)

Estimated gross net proceeds to be received by the Offer Issuer:

Describe in reasonable detail each of the principal purposes, with approximate amounts, for which net proceeds will be used by the Offer Issuer, which shall include the following:

- a. The acquisition of specified property or another specified asset.
- b. Specified capital expenditure.
- c. General day capital.
- d. Expenses relating to the offer.
- e. Commission and brokerage fees.
- f. The full-time frame for full utilization of the proceeds from the offer.
- g. Other, specify:

6. Investor Warning

Include a warning statement to the effect that the information which follows is only a summary of the information contained in the Crowdfund offering document, that the transfer of Securities is restricted for a certain period, and that prospective purchasers are advised to read the entire Crowdfund offering document prior to deciding whether to invest in the Securities being distributed or not.

7. Changes in the Terms of Agreement

Describe provisions as to modifications or amendments of any rights or other terms attached to the Securities being offered.

8. List all shareholders who currently own 10% or more of the Offer Issuer's Securities with their applicable percentage of Shares.**9. State and show the relationship between the Issuer and any of its Subscription Agent/s:****10. Development plan and growth strategy:**

A brief summary of a development plan and growth strategies of the Issuer (if any), including any projections the Issuer has developed:

11. Risk Factors

Describe the factors material to the Offer Issuer that a reasonable investor must consider, including the following:

- a. Risks relevant to the nature and activities of the Offer Issuer's business.
- b. Risks associated with the Offer Issuer's financial position.
- c. Business factors that may adversely affect the Offer Issuer's operations.
- d. Or any other risks known to the Offer Issuer:

12. Rights of withdrawal

All investors have the right to exercise their right of withdrawal by submitting written notice to the Registered Crowdfunding Platform no later than five Business Days after payments have been made for the subscription in the distributed offer.

13. Financial information, to be included with the Crowdfund offering document

Compiled or Interim Audited Financial Statements of the Offer Issuer for the past year, which must include the following:

- a. The Auditor's report.
- b. Statement of financial position.
- c. Statement of comprehensive income.
- d. Statement of changes in equity.
- e. Statement of cash flows.
- f. Notes to the financial statements.

14. Financial Forecast

A forecast may be included in a Crowdfunding offer document only if the following was included:

- a. The forecast is identified as such in the Crowdfunding offer document.
- b. The future forecast is for a period of twelve months or less.
- c. A disclaimer immediately follows the forecast stating in substance that the forecast is only a forecast and actual results may materially differ from the forecast.
- d. Disclose the assumptions upon which the forecast is based on.

15. Dividend Policy

Describe the Offer Issuer's dividend or distribution policy and any intended change in dividend or distribution policy:

16. Restrictions

Describe any restriction that could prevent the Offer Issuer from paying dividends or distributions:

17. Legal Proceedings

Provide details of any material legal proceedings to which the Offer Issuer is a party, or which any of its property or assets is the subject matter, and any such proceedings to be contemplated, including the name of the court or agency; the date instituted; the principal parties to the proceedings; the nature of the claim; the amount of the claim (if any); if the proceedings are being contested, and the present status of the proceedings.

18. Number of Investors

The Offer Issuer attests that there is no restriction on the number of investors that can subscribe to this offer.

☐ Yes

☐ No
19. Ongoing Disclosure

Once the offering has been closed, the Offer Issuers must comply with ongoing requirements related to the following:

- a. Audited Financial Statements by a registered Auditor with the Authority.
- b. Progress interim reports

20. Islamic Sharia

Include any statement/s that sets out the Islamic Sharia opinion (if the Securities comply with the Islamic Sharia provisions).

I/ _____
the undersigned hereby confirm the information given in this application form and all documents enclosed with it, true, complete and correct. I understand that, in the event that any information is found false or incorrect at any stage or at any time in the future, I bear any and all legal liabilities that arise. I undertake to inform the Securities-Based Crowdfunding Platform in writing of any material or information change relevant to this form.

Name	
Signature	
Date	

Form No. 6

Founders, Board of Directors and Executive Management

NOTE:

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

Date: ____/____/____

Company name:

Select the status you represent in the company:

- | | |
|---|--|
| <input type="checkbox"/> Founder | <input type="checkbox"/> Board Member |
| <input type="checkbox"/> General Manager | <input type="checkbox"/> Chief Executive Officer |
| <input type="checkbox"/> Compliance Officer | |

Personal Information:

1	Full name as stated in official documents:		
2	Date of birth:	3	Place of birth:
4	Gender:	5	Social status:
6	Nationality/Nationalities:		
7	Civil ID No. (Kuwaiti citizens and residents):		
*Attach a Civil ID copy.			
8	Passport No. (Non-residents):		
*Attach a passport copy.			
9	Address: (Residential address, city, country):		
10	Postal code/ Zip code:		
11	Mobile No.:		
12	E-mail address:		

13	Designation:
14	Date of appointment:
15	Are you a politically exposed person? Specify your position
	<input type="checkbox"/> Ruling Family <input type="checkbox"/> Member of National Assembly <input type="checkbox"/> Senior Judicial/Military/Government Official <input type="checkbox"/> Senior Executive in a corporation possessed by a foreign state <input type="checkbox"/> No

Income Details:

1	Income source:
	*You can select more than one category.
	<input type="checkbox"/> Salary/pension/social security (Certificate required) <input type="checkbox"/> Financing/ loans <input type="checkbox"/> Private business / Investment income <input type="checkbox"/> Other, please specify.
2	Monthly Income (KWD):
	<input type="checkbox"/> Below 1,000 <input type="checkbox"/> Between 1,000-5,000 <input type="checkbox"/> Between 5,000-10,000 <input type="checkbox"/> More than 10,000

Academic and Sophisticated Qualifications:

1	Academic/Professional qualification:
2	Major:
3	Qualification issuing entity:
4	Date of receiving qualification:

Previous Professional Experience:

1	Name of entity:
2	Period served (Dates):
	From: To:
3	Nature of the entity's activity:

4	Is the entity subject of a regulatory authority? If yes, mention the name of the regulatory authority.
5	Responsibilities and duties:
6	Reasons for leaving? <input type="checkbox"/> Resignation <input type="checkbox"/> Expiration of contract <input type="checkbox"/> Relocation <input type="checkbox"/> Retirement <input type="checkbox"/> Termination <input type="checkbox"/> Other, please specify

Total years of experience:

1	Total years of experience:
2	Total years of experience in financial or banking institutions:
3	Number of years in executive position:
4	Number of years in positions of key middle management position:

If you own any equity of 5% or more, you must provide the following:

1	Name and location of the entity/s:
2	Nature of entity's activity:
3	Percentage of ownership in the entity:
4	Is the entity subject to any government or regulatory authority? If yes, mention their names.

If you are a director/partner/employee in any other company, you must provide the following:

1	Name and location of the entity/s:
2	Designation:
3	Nature of entity's activity:
4	Is the entity subject to any government or regulatory authority or professional body? If yes, state them:

Membership of Board of Directors you previously occupied, if any:

	Name of the entity	Position	Start date	End date
1				
2				
3				
4				
5				
6				
7				

Standards and Financial Soundness:

1	Have you ever been convicted of a crime/felony involving breach of honor or trust or related to money laundering, financing terrorism or any other financial crime?
	<input type="checkbox"/> Yes, please state reasons in detail <input type="checkbox"/> No
2	Have you ever, in the course of your employment, refrained to adhere to provisions of the compliance with regulations, monitoring requirements or professional standards, or have you obstructed procedures or been misleading or dishonest in your cooperation with regulatory bodies?
	<input type="checkbox"/> Yes, please state reasons in detail <input type="checkbox"/> No
3	Have you ever been convicted or penalized by professional or regulatory entity for matters related to credibility, integrity or professional misconduct?
	<input type="checkbox"/> Yes, please state reasons in detail <input type="checkbox"/> No

4	Have you ever been suspended/dismissed from your position or prohibited from applying to any entity?
	<input type="checkbox"/> Yes, please state reasons in detail <input type="checkbox"/> No
5	Have you ever been a partner in the ownership or management of an entity that was prohibited from registration or licensing to practice an activity, or revoked by the Authority or any other regulatory entity?
	<input type="checkbox"/> Yes, please state reasons in detail <input type="checkbox"/> No
6	Has a judgment of bankruptcy ever been rendered against you, whether in Kuwait or abroad?
	<input type="checkbox"/> Yes, please state reasons in detail <input type="checkbox"/> No

I/ _____
the undersigned hereby confirms the facts given in the application form and documents enclosed with it are true, complete, and correct. I understand that, in the event that any information is found false or incorrect at any stage or at any time in the future, I bear any and all legal liabilities that arise. I undertake to inform the Authority in writing of any material or information change relevant to this application. I also authorized the Authority to contact any person or relevant within submission period or at any time in the future.

Name	
Signature	
Date	

Form No. 7

Registered Crowdfunding Platform Obligations toward the Authority

NOTE:

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

Date: ____/____/____

Registered Platform Name:
No. of Registration:

The registered platform is required to submit to the Authority an annual report within ninety days after the end of its financial year showing the following:

Details:	
1	Description of key activities.
2	Description of key achievements and the challenges.
3	Description of risk management systems and the main developments that occurred in all practical aspects: technological, administrative, financial and other key aspects.
4	Summary of the detected adverse material violations, Clients' complaints, whistleblowing cases, in addition to material manipulations and violations (if any).
5	Submit to the Authority a copy of the approved annual audited financial statement ,based on its fiscal year, within ninety days after the end of its financial year. *Disclaimer: The financial statements must be audited by a registered Auditor with the Authority.

I/ _____
the undersigned hereby confirms the facts given in the application form and documents enclosed with it true, correct and complete. I understand that, in the event that any information is found false or incorrect at any stage or at any time in the future, I bear any and all legal liabilities that arise and that my registration may be revoked. I undertake to inform the Authority in writing of any material or information change relevant to this application. I also authorized the Authority to contact any person or relevant within the submission period or at any time in the future.

Name	
Signature	
Date	

Form No. 8

Offer Issuer Obligations towards the Authority

NOTE:

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

Date: ____/____/____

Offer Issuer:

Name of the Registered Crowdfunding Platform:

Each Offer Issuer shall file a report with the Authority and the Registered Crowdfunding Platform, six months following the close of an offer, and every 12 months thereafter, until the completion of the objective of establishing a Special Purpose Vehicle Company, including the following details:

Details:

1	How the proceeds of the Crowdfunding Offer were used by the Offer Issuer.
2	Administrative or disciplinary actions against the Offer Issuer (if any).
3	Current status of the business and progress toward the intended goals.
4	Any additional funding acquired during the year by the Offer Issuer (if any).
5	Payments made to investors during the period (if any).
6	After the completion of the offer, the Offer Issuer must submit to the Authority a copy of the approved annual audited financial statement, based on its financial fiscal year, within one hundred and twenty days after the end of its financial year. *Disclaimer: The financial statements must be audited by a registered Auditor with the Authority

I/ _____
the undersigned hereby confirms the information given in the application form and documents enclosed with it are true, correct and complete. I understand that, in the event that any information is found false or incorrect at any stage or at any time in the future, I bear any and all legal liabilities that arise and that my registration may be revoked. I undertake to inform the Authority in writing of any material or information change relevant to this application. I also authorized the Authority to contact any person or relevant within the submission period or at any time in the future.

Name	
Signature	
Date	

Appendix 2

Digital Financial Advisory Forms

Form No. 1

Application Form for Licensing Financial Advisor to Provide Digital Financial Advisory Service and Registration in the Financial Technologies Register

Table of Content

Instructions

1. Procedures to obtain a license and register in the financial technologies register at the Authority
2. Applicant details
3. Required service details
4. Founders statement
5. Statement of the team responsible for the Digital Financial Advisory service
6. Declarations
7. Attachments and required documents

INSTRUCTIONS

- This form indicates the procedures, stages, documents, and attachments necessary for obtaining the Investment Advisor License for providing the Digital Financial Advisory service and registering in the financial technologies register.
- This form shall be filled in the event that the Licensed Person to Practice the Investment Advisor activity wishes to include the Digital Financial Advisory service.
- All the information, documents, requirements, and attachments included in this form shall be submitted to the Authority in full based on the status of the applicant at the time of the application.
- In the event that the applicant wishes to provide digital financial advice and arrange/execute investment recommendations without the assistance of an intermediary, they shall obtain a securities activities license that suits the mechanism of arranging and executing the recommendation before applying to obtain an Investment Advisor License for providing the Digital Financial Advisory service.
- 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 and registration in the financial technologies register.
- Failure to provide the Authority with the documents and attachments that support the application may delay the process of issuing the license and registering in the financial technologies register. 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 applicant of the license and registration in the financial technologies register.
- 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

1-Procedures to obtain a license and register in the financial technologies register at the Authority

1. Company Under Incorporation

- a. Submit an application to obtain the Investment Advisor License for providing the Digital Financial Advisory service and registering in the financial technologies register by completing this form to obtain preliminary approval for the company's incorporation.
- b. Begin the incorporation procedures of the company that will practice Digital Financial Advisory services after obtaining the preliminary approval.
- c. Call for an Incorporation general assembly and begin the selection of the members of the Board of Directors.
- d. Request an Investment Advisor License for providing the Digital Financial Advisory service in the name of the new company.
- e. A license shall be given to the applicant along with registration in the financial technologies register after fulfilling all the conditions related to practicing Digital Financial Advisory service.

2. Existing Company

- a. Submit an application to obtain the Investment Advisor License for providing the Digital Financial Advisory service and registering in the financial technologies register by completing this form:
 1. If the company's objectives do not include Investment Advisor activity, go to step (b)
 2. If the company has a valid license from the Authority to practice Investment Advisor activity, go to step (c)
- b. Once the preliminary approval has been given from the Authority, the company must hold an extraordinary general assembly to amend the company's objectives.
- c. A license shall be given to the applicant (or adding the service to the valid Investment Advisor License for the Licensed Persons to practice the activity of Investment Advisor) and registered in the financial technologies register at the Authority after fulfilling all the conditions related to practicing the Digital Financial Advisory service.

2. Applicant's Details

2.1 Applicant's Details

Name (Individual)/ Commercial name (Company)

Address

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

Phone number

Fax number

Email

2.2 Liaison Officer Details

Name

Capacity

- ☐ Founder of a new company
- ☐ Employee of the applicant
- ☐ Others Details

Phone number

Fax number

Email

2.3 Applicant's Status

- ☐ Company Under Incorporation
- ☐ Existing Company licensed for practicing Investment Advisor Activity.
- ☐ Existing Company without a provision that allows practicing Investment Advisor Activities.

Choose the legal form of the Company that will offer the Investment Advisor Activity

- ☐ Shareholding Company
- ☐ Limited Liability Company

Is the applicant subject to the surveillance of the Central Bank?

☐ Yes ☐ No

Is the applicant subject to the surveillance of any other regulatory entity (local, foreign) or subject to its supervision? ☐ Yes ☐ No

If the answer is yes, please fill in the following table:

Type of Activity (Service) Surveilling Place /Supervision	Location (country)	Name of Regulatory Entity

3. Required Service Details

Specify the Form to submit for the Digital Financial Advisory Service:

- ☐ Provide Digital Advisory Services only, without configuration/implement recommendations.
- ☐ Provide Digital Financial Advisory Services, with configuration/implementation recommendations through an intermediary.

(Kindly fill out form No. (2) of this appendix regarding the statement of intermediaries)

☐ Provide Digital Financial Advisory Services, with configuration/implement investment recommendations through service providers after obtaining the required licenses from the Authority **(kindly fill the table below to specify the activities required to practice to implement the investment recommendations, for example not limited to: Fund Manager, Custodian, A Securities Auditor Registered with the Exchange).**

#	Type of activity	Is there a valid license from the Authority?
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

What is the type of supervision and examination the company will apply regarding algorithms?

***Note: Testing should be carried out before any digital advice is provided to clients, and on an ongoing basis after that. Testing should look at the output of the algorithms and consider whether the advice provided to clients is legally compliant.**

4. Founders Statement according to the legal entity and the team liable for the Digital Financial Advisory Service

#	Major Shareholders	Number of shares	Nationality
1.			
2.			

- * The Authority must be provided with the names of the Major Shareholders that own 5% or more of the company's capital, in case the applicant is an existing company.
- ** The Authority shall be provided with the names of the founders with the attachments in an individual paper with this form in case the number exceeds the table above.

5. Please fill out the table below regarding the details of the work team liable for the Digital Financial Advisor Service

#	Name	Designation	Job Description
1			
2			
3			

6. Declaration

- ☐ The applicant acknowledges and declares that he and all his staff will comply with the provisions of Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities, its Executive Bylaws and their amendments, as well as all laws, regulations, policies concerning the service provider.
- ☐ The applicant confirms that he has experience in the following fields - Provide financial product advice to:
 - ☐ Qualified Professional Client
 - ☐ Other investors
- ☐ The applicant declares to undertake Client risk questionnaires, which shall include Know Your Client, know your product, know investment risk, Client risk profiling, etc.
- ☐ The applicant declares that the responsible manager / managers are qualified to direct the Digital Financial Advisory Service.
- ☐ The applicant declares that one of the employees supervising the performance of the algorithms fulfills the academic and professional qualifications and experience stipulated in Appendix No. (3) of Module Nineteen (Financial Technologies).
- ☐ The applicant undertakes to settle fees of the license and registration in the financial technologies register and any other fees related to the procedures of licensing and registration of financial technologies in the financial technologies register as specified by the Authority as per any determination issued thereby in this regard.
- ☐ The applicant declares to confirm that all internal policies and procedures and regulations approved by the Board of Directors and senior management are present and available to submit to the Authority upon request.

I,
the undersigned hereby confirms the information given in the application form and the documents enclosed with it are true, correct, and complete. I understand that, in the event of any information being found false or incorrect at any stage or at any time in the future, I bear any legal liabilities that arise, where my license and registration may be canceled. I undertake to inform the Authority in writing of any material or information change relevant to this application. I also authorized the Authority to contact any person or relevant within the submission period or at any time in the future.

Name

Signature

Date

7. List of Required Documents and Attachments

#	Attachment/ required document	Status of the Attachment		Comments
1	Business plan	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
2	Audited financial statements for the last 3 years prior to the request submission date	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
3	Approvals from regulatory entities (local, foreign) to provide Digital Financial Advisory Service, in case applicant is subject to their surveillance	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
4	Copy of submitted request and license fee receipt	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
5	Copy of Founders ID (for Individuals) Copy of the Commercial License (for Companies)	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
6	Statement of acknowledgment from the founders or managers of the company prepared in an acceptable form to the Authority (Appendix 2 of this form)	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
7	Copy of the company's draft contract	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
8	Statement with the incorporated company's new name for license request attached with approval of legal representative (authorized signatory) prepared in an acceptable form to the Authority (Appendix 2 of this form)	<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	Work schedule for the incorporation general assembly	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
11	Authorization from the Ministry of Commerce and Industry for the incorporation of the company	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	

12	Meeting minutes of the Incorporation general assembly	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
13	Copy of the contract with an auditor that is registered with the Authority	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
14	Certificate written “to whom it may concern” from the Ministry of Commerce and Industry which includes the names of the members of the Board of Directors	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
15	A legal opinion from an external legal firm regarding cases or a group of cases that has a significant impact on the financial status of the company, whether filed by it or against it ,or its subsidiary companies , and if possible the estimated amount of such cases.	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
16	The organizational structure of the company, and the c.v. of all the managers responsible and work team specialized in the Digital Financial Advisory Service, which shall include the following: a. List of names. b. Contacts. c. Qualifications. d. Years of experience. e. Experience.	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
17	Regarding the algorithm model: a. Decision Tree b. Algorithms logic, transfer of inputs to outputs. c. A third-party audit of the algorithm model. d. Applicable guarantees regarding accessing information and security.	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	

18	<p>Business plan, internal policies and procedures approved by the Board of Directors and senior management related to:</p> <ul style="list-style-type: none"> a. Risk management b. Monitoring systems and internal control programs c. Policies and procedures of implementing and managing business operations for the Digital Financial Advisory Service, provided that the documentation cycle required to be followed in the completion of activities. d. Compliance procedures, including KYC and Anti-Money Laundering and Combating Financing of Terrorism procedures. e. Valuation and Client reporting procedures. f. Controls for the surveillance of testing of algorithms related to the Digital Financial Advisory Service. 	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
19	The signed contracts with the intermediaries and other external parties	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
20	The written declaration set forth in Article (3-2-9) of Module Nineteen (Financial Technologies)	<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.

6.1 Steps of providing the Authority with the required appendices according to the legal form of the applicant

Company Under Incorporation-	<p>Before incorporation -the Authority shall be provided with the following appendices:1, 3, 4, 5, 6, 7.</p> <p>After incorporation - the Authority shall be provided with the following appendices: 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 ,18,19, 20</p>
Existing Company- (There is no provision in the company's objectives which allow practicing Investment Advisor Activities)	<p>Before incorporation-The Authority shall be provided with the following appendices:1, 2, 3, 4, 5, 6, 9.</p> <p>After amending the company's objectives, the Authority shall be provided with the following appendices:9, 13, 14, 15, 16, 17, 18, 19, 20</p>
Existing Company (licensed for practicing Investment Advisor Activity).	The Authority shall be provided with the following appendices: 1, 2, 3, 4, 5, 6, 9, 13, 14, 15, 16, 17, 18, 19, 20

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 Digital Financial Advisory Service and registration of the Financial Technologies registry in a more detailed and thorough manner.
- The applicant has the right, in the manner that they deem fit, to prepare a business plan along with guaranteeing the availability of the requirements and conditions of licensing and registration in the Financial Technologies registry 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.
- The volume of details required for the business plan depends on the quantity and nature of the activities intended to be carried out by the applicant.

1. Introduction

- **History of the Company:** a presentation of the company's history along with a statement of its milestones that the company witnessed and any substantial changes which occurred at the company as of establishment.
- **An executive summary:** a synopsis of the company and its future vision and a summary of the business plan with a focus on the Digital Financial Advisory Service carried out by the applicant and the activity that they wish to license.

2. Company's Activities

- **Main activities:** a summary of the activities carried out (or to be carried out) by the company with a reference to the services and products offered by the company (or to be offered by the company) in each activity and their target clients with a focus on the Digital Financial Advisory Service.
- **A statement of all contracts or agreements entered into with external entities:** all details of such arrangements and contracts shall be mentioned along with names of entities and persons in charge of coordinating with such entities at the company.

3. Financial Performance of the Company

- **Market study:** statement of the market directions and main elements affecting the Digital Financial Advisory Service market to be licensed shall be presented in order to assess the volume of demand for the company's services that reflect the future predictions of its revenues. Market risk analysis shall be presented along with an analysis of opportunities, points of strength and weakness related to the service.
- **Expected Performance of the Company:** Financial statements forecasted for the upcoming three years shall be prepared. Said predictions shall reflect the conclusions of the market study and shall reflect the vision and strategy of the company mentioned in the executive summary. The effect of the service, and license on the company's expected performance, shall also be clarified.

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 provision to declaring bankruptcy, conviction of a felony or misdemeanour in honour, or sentenced for a crime stipulated in commercial, companies or Capital Market's Authority laws.

Signature

Date

Form No. 2
Intermediary (ies) Form

NOTE:

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

Date: ____/____/____

Please answer the following:

Do you have an Intermediary /ies?

☐ Yes

☐ No

Do the Intermediary /ies that you hired, hold a license from the Authority?

☐ Yes

☐ No

If yes, please provide the following details:

Name of the Intermediary	Intermediary type (Portfolio Managers/and, or Custodians/and, or Brokerage Companies)	Start date and end date

I/_____

the undersigned hereby confirms the information given in the application form and documents enclosed with it are true, correct, and complete. I understand that, in the event of any information being found false or incorrect at any stage or at any time in the future, I bear any legal liabilities that arise. I undertake to inform the Authority in writing of any material or information change relevant to this application. I also authorized the Authority to contact any person or relevant within the submission period or at any time in the future.

Name	
Signature	
Date	

Form No. 3
Client Due Diligence (KYC)

NOTE:

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

The digital advisor should, prior to accepting any Client, prepare a KYC form including the FATCA report. This form summarizes the minimum requirements that should be included in any KYC conducted (In accordance with the Module 16, Article (3-1) of CMA's Executive Bylaws):

Client's Personal Information:					
1	Full name as stated in official documents:				
2	Date of birth:				
3	Place of birth:	4	Gender	5	Social status:
6	Nationality/Nationalities:				
7	Civil ID No. (Kuwaiti citizens and residents):				
*Attach a Civil ID copy.					
8	Passport No. (Non-residents):				
*Attach a Passport copy.					
9	Address: (Residential address, city, country):				
10	Postal code/ Zip code:				
11	Mobile No.:	12	E-mail address:		
13	Designation:				
14	Employer's name:				
15	Employer's address:				
16	Employers contact details (Office telephone no., personal email):				

Client's Income Details:	
1	Income source: *You can select more than one category.
	<input type="checkbox"/> Salary/pension/social security (Certificate required) <input type="checkbox"/> Financing/ loans <input type="checkbox"/> Private business / Investment Income <input type="checkbox"/> Other, please specify.
2	Monthly Income (KWD):
	<input type="checkbox"/> Below 1,000 <input type="checkbox"/> Between 1,000-5,000 <input type="checkbox"/> Between 5,000-10,000 <input type="checkbox"/> More than 10,000
3	Average Annual Income (KWD):
	<input type="checkbox"/> Below 10,000 <input type="checkbox"/> Between 10,000-60,000 <input type="checkbox"/> Between 60,000-100,000 <input type="checkbox"/> More than 100,000
4	Estimated Wealth (KWD):
	<input type="checkbox"/> Below 100,000 <input type="checkbox"/> Between 100,000-250,000 <input type="checkbox"/> Between 250,000-500,000 <input type="checkbox"/> Between 500,000-1,000,000 <input type="checkbox"/> More than 1,000,000

Client's Investment Preference:	
1	Previous Investing Experience: *You can select more than one category.
	<input type="checkbox"/> Securities <input type="checkbox"/> Sukok <input type="checkbox"/> Bonds <input type="checkbox"/> Real Estate <input type="checkbox"/> Investment Funds <input type="checkbox"/> Other, please specify
2	Type of Investor: *By selecting one of the following, you are declaring that you fall under this specific category.
	<input type="checkbox"/> Qualified Professional Client- A person that has transactions of large sizes with an average not less than KWD 250,000 every quarter for the past two years; the size of money and assets a person has with one or more Licensed Persons is not less than KWD 100,000; A person who works or has previously worked in the financial sector for at least one year in a professional position that requires knowledge in dealing and the services to be provided to him. <input type="checkbox"/> Professional Investor- A person that has transactions of large sizes with an average not less than KWD 125,000 every quarter for the past two years, the size of money and assets a person has with one or more Licensed Person is not less than KWD 50,000, A person who works or has previously worked in the financial sector for at least one year in a professional position that requires knowledge in dealing and the services to be provided to him. <input type="checkbox"/> Retail Investor – Any investor that is not classified as Qualified Professional Investor or Professional Investor.

3	Investment Objective:
	<input type="checkbox"/> Short-term Investment <input type="checkbox"/> Long-term Investment <input type="checkbox"/> Other, please specify
4	Risk Tolerance:
	<input type="checkbox"/> High <input type="checkbox"/> Moderate <input type="checkbox"/> Low
5	Preferred Products:
	<input type="checkbox"/> Investment Portfolio <input type="checkbox"/> Direct Investment <input type="checkbox"/> Real Estate Investment <input type="checkbox"/> Other, please specify

Client's Bank Details:

1	Are you investing for your own account or on behalf of others?
	<input type="checkbox"/> For my own account <input type="checkbox"/> On behalf of others
2	Who are the beneficiaries that you are investing on behalf of?
	A. State their name/s B. State the nature of your relationship Disclaimer: The actual beneficiary should complete a KYC form and attach all the authenticated documents that verify that he is the actual beneficiary.
3	Actual beneficiary full name, as per official documents:
4	Account No.
5	Bank name and branch:
6	IBAN:
7	Other:

Client's Political Position, if any:

1	Are you A politically exposed person? Specify your position.
	<input type="checkbox"/> Ruling Family <input type="checkbox"/> Member of the National Assembly <input type="checkbox"/> Senior Judicial/Military/Government Official <input type="checkbox"/> Senior Executive in a corporation possessed by a foreign state <input type="checkbox"/> No
2	Are any of your family members (First and Second Degree) or associates a politically exposed person?
	a. Specify the position
	<input type="checkbox"/> Ruling Family <input type="checkbox"/> Member of the National Assembly <input type="checkbox"/> Senior Judicial/Military/Government Official <input type="checkbox"/> Senior Executive in a corporation possessed by a foreign state
	b. State their name/s
	- -
	c. State the nature of your relationship
	- -
	d. Provide their Civil ID No.
	- -

Foreign Account Tax Compliance Act (FATCA)

1	Is the actual beneficiary of the account have any interest related to the U.S.A?
	<input type="checkbox"/> Yes (Please fill the following details) <input type="checkbox"/> No
2	Born in the U.S.A:
3	U.S.A passport holder/ Other passports:
4	U.S.A Social Security No./ Driver's license No.:
5	Nationality/Residence/US Green Card No.:
6	U.S.A Bank Account No.:
7	Residence/Mailing Address, overseas:

8	In care of Hold Mail Address, oversees:
9	International Mobile No., oversees:
10	Residency outside Kuwait for tax purposes (Provide Tax Identification No.):
11	Residency in U.S.A for tax purposes (Provide Tax Identification No.):
12	Personal E-mail:
13	Designation:
14	Employer's name:
15	Employer's address:
16	Employers contact details (Office telephone no., personal email):
17	I Agree to notify and disclose my financial accounts to Internal Revenue Service (IRS) according to (FATCA) requirements.
	<input type="checkbox"/> Yes <input type="checkbox"/> No (IRS will be notified)
18	Do you have/ intend to have a standing instruction to transfer funds to U.S.A?
	<input type="checkbox"/> Yes <input type="checkbox"/> No
19	You have/ intend to provide a power of attorney to a person whose address in U.S.A?
	<input type="checkbox"/> Yes <input type="checkbox"/> No

Declarations:

1. I declare that I have examined the information on this form and to the best of my knowledge and belief; it is true, correct, and complete. I understand that, in the event any information is found false or incorrect at any stage or at any time in the future, I bear any and all legal liabilities that arise.
2. I agree to provide a copy of this form or use and disclose the information mentioned above to any third party, or any competent authority responsible for compliance, regarding FATCA.
3. I acknowledge that I am the only beneficiary (or I am authorized to sign for the Person that is the beneficiary only) of all the income to which Investor Due Diligence (Know Your Client) Form relates or I am using it to document myself as a person that is an owner or account holder in the foreign financial institution.
4. I acknowledge and agree that on a specific request from any relevant tax authorities or any party authorized to audit or conduct a similar control for tax purposes, the information contained in Investor Due Diligence (Know Your Client) Form and/or a copy of it can be disclosed to such tax authorities or such party.
5. In case of any change in circumstances that causes the information contained herein to become incorrect, I undertake that I will have to provide a suitable updated Investor Due Diligence (KYC) Form within thirty days of such change in circumstances.
6. I acknowledge and agree that this acknowledgment is final and not subject to cancellation or any amendments.

Reportable Jurisdiction as per The Tax Information Exchange Agreement (Individuals):
Before you answer the following questions, you should refer to the countries that are classified as “Reportable Jurisdiction”:

1	Are you a resident of Reportable Jurisdiction?
	<input type="checkbox"/> Yes (Please specify) <input type="checkbox"/> No
2	Do you have a current residence/mailling address (including P.O. Box) in a Reportable Jurisdiction?
	<input type="checkbox"/> Yes (Please specify) <input type="checkbox"/> No
3	Do you have one or more telephone numbers in a Reportable Jurisdiction and no telephone number in the jurisdiction of the Reporting Financial Institution?
	<input type="checkbox"/> Yes (Please specify) <input type="checkbox"/> No
4	Do you have a “hold mail” instruction or “in-care-of” address in a Reportable Jurisdiction?
	<input type="checkbox"/> Yes (Please specify) <input type="checkbox"/> No
5	Have you provided a standing instruction (other than with respect to a Depository Account) to transfer funds to an account maintained in a Reportable Jurisdiction?
	<input type="checkbox"/> Yes (Please specify) <input type="checkbox"/> No
6	Have you a currently effective power of attorney or signatory authority granted to a person with an address in a Reportable Jurisdiction?
	<input type="checkbox"/> Yes (Please specify) <input type="checkbox"/> No

I/ _____
the undersigned hereby confirms that the information given in the application form and documents enclosed with it are true, correct, and complete. I understand that, in the event that any information is found false or incorrect at any stage or at any time in the future, I bear any legal liabilities that arise. I undertake to inform the Authority in writing of any material or information change relevant to this application. I also authorize the Authority to contact any person relevant in relation to this application and the information enclosed within the submission period or at any time in the future.

Name	
Signature	
Date	

Form No. 4

Founders, Board of Directors and Executive Management

NOTE:

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

Date: ____/____/____

Company name:

Select the status you represent in the company:

- | | |
|---|--|
| <input type="checkbox"/> Founder | <input type="checkbox"/> Board Member |
| <input type="checkbox"/> General Manager | <input type="checkbox"/> Chief Executive Officer |
| <input type="checkbox"/> Senior Executive Officer | <input type="checkbox"/> Compliance Officer |

Personal Information:

1	Full name as stated in official documents:		
2	Date of birth:	3	Place of birth:
4	Gender:	5	Social status:
6	Nationality/Nationalities:		
7	Civil ID No. (Kuwaiti citizens and residents):		
*Attach a Civil ID copy.			
8	Passport No. (Non-residents):		
*Attach a Passport copy.			
9	Address: (Residential address, city, country):		
10	Postal code/ Zip code:		
11	Mobile No.:		
12	E-mail address:		

13	Designation:
14	Date of Appointment:
15	Are you a politically exposed person? Specify your position
	<input type="checkbox"/> Ruling Family <input type="checkbox"/> Member of National Assembly <input type="checkbox"/> Senior Judicial/Military/Government Official <input type="checkbox"/> Senior Executive in a corporation possessed by a foreign state <input type="checkbox"/> No

Income Details:

1	Income Source:
	*You can select more than one category.
	<input type="checkbox"/> Salary/pension/social security (Certificate required) <input type="checkbox"/> Financing/ loans <input type="checkbox"/> Private Business / Investment Income <input type="checkbox"/> Other, please specify.
2	Monthly Income (KWD):
	<input type="checkbox"/> Below 1,000 <input type="checkbox"/> Between 1,000-5,000 <input type="checkbox"/> Between 5,000-10,000 <input type="checkbox"/> More than 10,000

Academic and Sophisticated Qualifications:

1	Academic/Professional qualification:
2	Major:
3	Qualification issuing entity:
4	Date of receiving qualification:

Previous Professional Experience:

1	Name of entity:
2	Period Served (Dates):
	From: To:
3	Nature of the entity's activity:

4	Is the entity subject of a regulatory authority? If yes, mention the name of the regulatory authority.
5	Responsibilities and duties:
6	Reasons for leaving? <div> <input type="checkbox"/> Resignation <input type="checkbox"/> Expiration of contract <input type="checkbox"/> Relocation <input type="checkbox"/> Retirement <input type="checkbox"/> Termination <input type="checkbox"/> Other, please specify </div>

Total years of experience:

1	Total years of experience:
2	Total years of experience in financial or banking institutions:
3	Total years of experience in financial or banking field:
4	Number of years in executive position:
5	Number of years in positions of key middle management position:

If you own any equity of 5% or more, you must provide the following:

1	Name and location of the entity/s:
2	Nature of entity's activity:
3	Percentage of ownership:
4	Is the entity subject to any government or regulatory authority or professional body? If yes, mention them.

If you are a director/partner/employee in any other company, you must provide the following:

1	Name and location of the entity/s:
2	Designation:
3	Nature of entity's activity:
4	Is the entity subject of any government or regulatory authority or professional body? If yes, mention them.

Membership of Board of Directors you previously occupied, if any:

	Name of the entity	Position	Start date	End date
1				
2				
3				
4				
5				
6				
7				

Standards and Financial Soundness:

1	Have you ever been convicted of a crime/felony involving breach of honor or trust or related to money laundering, financing terrorism or any other financial crime?
	<input type="checkbox"/> Yes, please state reasons in detail <input type="checkbox"/> No
2	Have you ever, in the course of your employment, refrained to adhere to provisions of the compliance with regulations, monitoring requirements or professional standards, or have you obstructed procedures or been misleading or dishonest in your cooperation with regulatory bodies?
	<input type="checkbox"/> Yes, please state reasons in detail <input type="checkbox"/> No
3	Have you ever been convicted or penalized by professional or regulatory entity for matters related to credibility, integrity or professional misconduct?
	<input type="checkbox"/> Yes, please state reasons in detail <input type="checkbox"/> No

4	Have you ever been suspended/dismissed from your position or prohibited from applying to any entity?
	<input type="checkbox"/> Yes, please state reasons in detail <input type="checkbox"/> No
5	Have you ever been a partner in the ownership or management of an entity that was prohibited from registration or licensing to practice an activity, or revoked by the Authority or any other regulatory entity?
	<input type="checkbox"/> Yes, please state reasons in detail <input type="checkbox"/> No
6	Has a judgment of bankruptcy ever been rendered against you, whether in Kuwait or abroad?
	<input type="checkbox"/> Yes, please state reasons in detail <input type="checkbox"/> No

I/ _____
the undersigned hereby confirm the information given in the application form and documents enclosed with it are true, correct, and complete. I understand that, in the event that any information is found false or incorrect at any stage or at any time in the future I bear any legal liabilities that arise. I undertake to inform the Authority in writing of any material or information change relevant to this application.

Name

Signature

Date

Appendix 3

Academic Qualifications and Professional Experience of the Supervisor in Charge of Digital Financial Advisory Service

Registered Positions and Employment Positions	Base Requirements	Academic and/or Professional Qualifications Status	Required Professional Expertise	Professional Qualifications Program
Digital Financial Advisory	<p>1. Academic or professional qualification and professional experience.</p> <p>2. Passing the Professional Qualifications Program.</p>	<p>Holders of a Ph,D, degree, a Master degree or a Bachelor degree in the fields of economics, management or finance; or one of the following professional certificates:</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>No previous experience is required.</p>	<p>1. Technical Qualification: International Introduction to Securities & Investment</p> <p>-Technical Qualification for registered employment positions for licensed persons who practice their activities in accordance with the provisions of Islamic Sharia:</p> <p>Islamic Finance Qualification</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 of the technical qualification.</p> <p>2. Regulatory Qualification:</p> <p>- CMA Kuwait Rules and Regulations</p> <p>3.Specialized Qualifications (Optional):</p> <p>-Specialized Qualifications for the position of an Investment Advisor Representative:</p> <p>International Certificate in Wealth & Investment Management</p> <p>-Specialized Qualifications for the position of a Custodian Representative:</p> <p>International Certificate in Wealth & Investment Management</p>

				<p>-Specialized Qualifications for the position of Investment a Controller Representative:</p> <p>International Certificate in Wealth & Investment Management</p> <p>-Specialized Qualifications for the position of a Subscription Agent Representative:</p> <p>Corporate Finance Technical Foundations</p> <p>-Specialized Qualifications for the position of an Asset Valuator Representative:</p> <p>International Certificate in Wealth & Investment Management</p>
--	--	--	--	--