

The Executive Bylaws  
Module Three

**Enforcement of the Law**





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**Chapter One****Right to Request Information****Article 1-1**

Taking into consideration its objectives, the Authority may request information and documents related to securities activities or dealing in securities from any person as well as any regulatory and governmental entities, and to determine the required time for the receipt of such.

**Article 1-2**

The Authority may appoint, or require a Licensed Person or a Listed Company in the Exchange to appoint, an Auditor from among the Authority's registered Auditors, in order to prepare a special report on a particular subject related to one of Licensed Person's activity, or Listed Company's transactions. Such an Auditor shall provide the Authority with a copy of their report. The relevant Licensed Person or Listed Company shall pay such auditor's fees and expenses as well as providing all required documents, information and assistance to the Auditor.

## Chapter Two

### Supervision and Inspection

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#### Article 2-1

#### Supervision

All Licensed Persons and Registered Persons shall be subject to supervision and inspection by the Authority and to its instructions in this regard. Moreover, Dealings in Securities shall be subject to supervision and inspection by the Authority no matter which Person is undertaking them.

#### Article 2-2

#### Inspection

The Authority shall perform periodical inspection after prior notice to ensure compliance with provisions of the Law and these Bylaws, and applicable policies and procedures. It may inspect without prior notice in order to achieve its objectives stated in the Law and these Bylaws or to investigate complaints and reports submitted to it.

#### Article 2-3

After performing an inspection, the Authority may perform the following procedures:

1. Collect all initial observations by the Authority after completing an inspection and discussing them with the Person who was inspected.
2. Prepare an initial report on the results of the on-site inspection and submit it to the Person who was inspected, in order for it to respond and comment on what was observed by the inspection team within ten Business Days from the date of receiving the report.
3. After reviewing the inspected person's response and comment, the Authority will review all observations in the initial report with the Person who was inspected, in order to correct the observations within a period of time set by the Authority.
4. Prepare a final report on the results of the inspection including all the observations. The Authority may take appropriate disciplinary procedures on any Violations reported in the report.

#### Judicial Officers

#### Article 2-4

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Employees appointed on the recommendation of the Board of Commissioners by a decision made by the Competent Minister shall have the capacity of judicial power to verify the evidence of crimes committed in violation of the Law and the decisions made for its enforcement.

1

Article 2-5

**Powers of Judicial Officer**

Those granted the capacity of judicial power shall have the following powers:

1. Receive notices and complaints, either written or verbal, from individuals and companies and to verify them as well as investigating acts to determine crimes committed in violation of the Law.
2. Visit the relevant premises and carry out an inspection to investigate and discover whether a crime has been committed or not, whether in response to a report from a known or an anonymous source and to collect evidence and any proof of a crime as well as reviewing any license concerned.
3. Practice the powers of the judicial police in the event a crime is observed when performing periodical inspection.
4. Request all information they deem necessary for their work as well as review all records, books, documents and statements. They have the right to call witnesses to hear their testimonies, and to record their personal information. They also may call experts for their technical opinions on technical aspects.
5. Hold documents and papers that they consider as evidence that the inspected entity has committed a crime

Officials in the entities relevant to the previous paragraph shall provide the employees of the Authority vested with judicial powers with the statements and document they request in that regard.

Article 2-6

**Judicial Officer Report**

Judicial officers shall open an official report to document all procedures they undertook in visiting the concerned location, examining documents, investigating the Violators, calling witnesses, hearing their testimonies and documenting any non-compliance or incidents of non-cooperation. In the report they shall write down the day, date, hour, place of issuing the report, name of the report's executor, signature as well as the witnesses' signatures and the summary of the relevant facts of a crime. This report shall be submitted to the competent authority in the Authority to take the necessary actions.

**Obstruction of Judicial Officer**



**Article 2-7**

No Person is allowed to refuse to provide documents or information required by judicial officers on the basis of the confidentiality of such information or documents, or on the basis of their superior's instructions not to disclose them.

**Article 2-8**

No Person is allowed to prevent, nor to induce or assist any other person to prevent, judicial officers from undertaking their competency, either by damaging any document, refusing to provide such or giving false or misleading information or refusing to provide any help that they are able to provide to judicial officers.

**Article 2-9**

In the event of the occurrence of any act that prevents the judicial officers from undertaking their duties, they shall document that in an official report and record the identity of the person who obstructs their work. A report of the said incident shall be submitted to the public prosecutor summarizing it in accordance with the provisions of Article (127) of the Law.

## Chapter Three

### Reporting Violations and Crimes and Protecting a Whistleblower

3

#### Article 3-1

#### Report Submission and its Conditions

1. It is a condition that a Report of a crime or Violation stipulated in the Law shall be based on credible evidence which justifies a Whistleblower's reasonable belief of the reported incident. A Report shall not be considered if it is without documentary or other evidence in justification.

#### Article 3-2

Each Person may submit a Report to the Authority against any person through the following means:

1. Filling in an electronic Report available on the Authority's official website (Internet).
2. Attending in person at the Authority's headquarters during official business hours and submitting a written Report in accordance with the form prepared by the Authority for this purpose that is set in Appendix (5) attached to this Module.
3. Registered mail with acknowledgement of receipt, provided that a written Report shall be submitted in accordance with the form prepared by the Authority for this purpose that is set in Appendix (5) attached to this Module.

The Report shall fulfil the following conditions:

1. A Report shall be written (paper/electronic) based on the method of delivery, and signed by the Whistleblower, stating his capacity and the date of submission as well as his address, contact details and phone numbers. The Whistleblower may attend in person to the Authority and report verbally provided that the competent officer shall execute a Report.
2. A Report shall include sufficient explanation of the facts of the reported crimes and Violations; their time, location and source as well as how they occurred and how the Whistleblower discovered the incident and the names of the reported Person or Persons and their capacities, in addition to any supporting information or evidence.
3. To attach to the Report the supporting documents and papers in support of the reported incident.
4. A declaration of having submitted its subject to any entity inside or outside the Authority and the outcome taken in that regard.

#### Article 3-3

If the Report does not fulfil the format of the previous Article, it will be left on file in accordance with the mechanism decided, or the Report will be referred to the relevant departments at the Authority or to any competent entity, as the case may be, taking into account that the Report includes sufficient evidence and information of importance and significance and the Report fulfils the required formal requirements and conditions based on the initial examination conducted by the entity receiving the Report.

#### Records of Reports

#### Article 3-4

A special record shall be prepared in the Authority to register Reports submitted to it and received by the competent department in accordance with the regulating rules of receipt, examination and acting on the Reports set forth in Appendix (5) attached to this Module. The competent department shall register each Report, a summary of it and its registration date in the same record, and it shall include the actions taken for the Reports, such as dismissal, collecting evidence or reference to another entity.

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### Investigating a Report

- Article 3-5** The Investigation Department at the Legal Affairs Sector shall investigate each Report and give instructions concerning their investigation, the collection of information and supporting documents and their opinion on whether to dismiss, conduct an initial investigation, refer to another entity or submit the matter to the managing director of the Authority. Appendix (5) attached to this Module indicates the procedures of examining and studying the Reports and investigating them.
- Article 3-6** When necessary, it is permitted that Whistleblowers and witnesses may testify using communication technology, video and other means and applications that secure their confidentiality and reliability.
- Article 3-7** Witnesses and those who were harmed by any crime or Violation shall be considered as Whistleblowers if they testify concerning the relevant incidents.

### Protecting Whistleblowers

- Article 3-8** The Authority may provide protection to the Whistleblower through hiding their identity and identifying them only with special codes. The Authority shall prepare confidential records including the original data of one whose identity is decided to be hidden or is being protected. Records shall be maintained as confidential and shall be revealed only by a decision by the Authority or the Competent Court. The Authority may adopt any other measures or procedures it considers necessary to provide protection to a Whistleblower or witness.
- Article 3-9** It is not permissible to take any action against a Whistleblower in his work place that may alter his legal or administrative position, or reduce his rights, or deprive him, or defame him or cause any other measure that may harm him because of his part in revealing an alleged crime or Violation stipulated in the Law.
- Article 3-10** Any person that takes action against the Whistleblower due to their reporting of a crime or of breach of crimes or of Violations shall be subject to disciplinary action in accordance with the provisions of Article (139) of the Law.
- Article 3-11** It is not permitted to charge a Whistleblower with criminal, civil or disciplinary charges as long as the Whistleblower thought in good faith that the incident he reported was appropriate to be reported in this context regardless of the result of the Report.
- Article 3-12** Without prejudice to the provisions of paragraph three of Article (127) of the Law, the Authority has the right to refer to Whistleblower if he submitted false or misleading information in his Report by purpose.
- Article 3-13** The Authority may reward the reporter if he submitted a Report that was complete in format, contained serious information and incidents, and ended in the issuance of a financial penalty against the Violator, according to the system established by the Board of Commissioners.

## Chapter Four

### Investigation

4

#### Notifying the Investigated Person

**Article 4-1** At least seven Business Days before the date set for an investigation to begin, the Authority shall notify the Person to be investigated requiring them to appear before the Authority on the date set for commencement.

**Article 4-2** The investigated person may be notified by facsimile or email through the Authority's system including any electronic system made for that purpose in accordance with the approved mechanisms.

#### Information in a Notice

**Article 4-3** A notice prepared by the Authority shall include the following data at minimum:

1. Date, including hour, day, month and year.
2. Full name of the notified person, his profession or occupation, residency and place of work. If his residency or place of work be unknown at the time of sending the notice, the last known residency or place of work in Kuwait shall be used.
3. Names of concerned parties.
4. Subject of the notice, summary of the violation and its basis in law.
5. Number of the violation, date and place of the session to be held.

#### Notice Date

**Article 4-4** A notice shall be given during the official Business Days from 7 am to 7 pm.

**Article 4-5** The Authority has the right to obtain data related to phone number, facsimile number, email account and address of the notified party from any entity or person which holds them. A submitter of any complaint, a litigant or its representative shall exert all due efforts to complete the service of notice.

#### Notices

**Article 4-6** Notice shall be considered complete and legally effective as of the date of sending such through any means of notice stipulated in Article (4-7) and Article (4-8) of this Module.

#### Means of Notice

**Article 4-7** Notice shall be made through one of the following means:

1. The Authority's client portal.
2. Government applications.
3. Text messages (SMS).
4. Email.
5. Facsimile.
6. Personally delivering the notice to the notified party's residence, workplace, or chosen domicile. It is also permissible to hand-deliver the notice to the whom the notice is for, wherever they may be.
7. Announcement through the Public Prosecution.
8. Any other means.

**Article 4-8**

In the case of personally delivering the notice pursuant to Item (6) of Article (4-7) of this Module, and if the person responsible for delivering the notice did not find the notified party at their residence or workplace, they shall hand-deliver the notice to a person in their service or someone deemed to be a relative or authorized by the noticed party. If they refuse to receive the notice, the person responsible for the notice shall deliver it on the same day to an official at the police station or his representative, within the jurisdiction of the notified party, or workplace, as appropriate.

Furthermore, the person responsible for the notice shall send a registered mail letter, accompanied by a copy of the notice, to the notified party at his residence or workplace - as appropriate - within 24 hours of delivering it to the police station, stating that the copy has been submitted to the police station.

**Article 4-9**

The Authority shall preserve all notices in the form they were sent, either in a paper or electronic record, depending, as the case may be.

**Powers of the Legal Department in an Investigation****Article 4-10**

L 142

The Authority's legal department shall undertake the administrative investigation of the Violations covered by the Law and these Bylaws and which are referred to it by the Authority. The investigator, for the purposes of performing this work shall have the following powers:

1. The right to request any data, documents or papers from any government organization or any organization related to the Authority.
2. The right to hear the testimonies of any witnesses.
3. The right to call on whomever it may deem necessary to testify during the investigation.
4. The right to visit the premises of, and inspect any register or information at, any government body or any entity of relevance to the activities of the Authority.

**Article 4-11**

All persons shall provide the Authority with the data and information required for completing the investigation in a timely manner without any delay.

**Right of Defence During Investigation****Article 4-12**

L 144

Any Person who is subject to investigation shall have the full right to defend himself and to appoint an attorney to defend him.

**Article 4-13**

**Referring an Investigated Person to the Disciplinary Board**

If an investigation shows evidence of Violation, the Authority may refer the Violator to the Disciplinary Board in accordance with the following rules and procedures:

1. The managing director of the Authority shall issue the decision to refer the violation to the Disciplinary Board with documentary evidence and relevant investigation reports.
2. The Disciplinary Board shall issue its decision about the referred Violation.
3. The Board and relevant parties shall be notified about the decision within seven Business Days from the date of issuance of the decision of the Disciplinary Board.

The Authority may warn a Violator to cease committing the Violation and require him to undertake not to repeat it in the future as well as subjecting him to additional supervision.

**Article 4-14**

In the event an investigation is deemed not justified, the investigated person shall be notified with the decision thereof and may obtain a certificate of this from the Authority.

Chapter Five  
Disciplinary Matters

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| Article 5-1 | The reporting and the initiation of an investigation by the Public Prosecution and the filing of the criminal case shall not extinguish the right of the <u>Authority</u> to take disciplinary action. The <u>Disciplinary Board</u> may defer the taking of disciplinary action pending the rendering of a final ruling in the matter of a criminal case. In all events, the penal court judgment shall be binding on all.   |
| L 138       |   |
| Article 5-2 | <b>Definition of Disciplinary Violations</b><br>A <u>Violation</u> is any act that violates the provisions of the <u>Law</u> , these <u>Bylaws</u> or any law, or decision or instructions issued by the <u>Authority</u> .   |
| L 139       |   |
| Article 5-3 | <b>Referring Disciplinary Violations</b><br>The secretary of the <u>Disciplinary Board</u> shall receive the <u>Violations</u> referred to the <u>Disciplinary Board</u> and grievances from the decisions of an <u>Exchange</u> , and the <u>Violations Committee</u> of the Exchange from the relevant persons and submit them to the chairman of the Board as well as notify the parties concerned of the dates of the sessions to be held and any other matters assigned to him by the chairman.  |
| Article 5-4 | The secretary of the <u>Disciplinary Board</u> shall notify a person referred to the <u>Disciplinary Board</u> of the date set by the <u>Disciplinary Board</u> to consider the <u>Violation</u> and its content. A grievant shall be notified of the date of the consideration of their grievance. Notification shall be at least three <u>Business Days</u> prior to the session, in accordance with the mechanism stipulated in Articles from (4-1) through (4-9) of this Module.  |
| Article 5-5 | <b>Considering a Decision of an Exchange</b><br>A grievant shall submit his grievance concerning a disciplinary procedure taken by an <u>Exchange</u> to the <u>Disciplinary Board</u> within fifteen days from the date of notification to the party concerned of the decision in accordance with the form prepared for that purpose by the <u>Authority</u> . The form is included in Appendix 4 of this Module. The <u>Disciplinary Board</u> may decide to support, modify or cancel the decision and shall set out the reasons therefor. |
| Article 5-6 | <b>Disciplinary Board Sessions</b><br>The <u>Disciplinary Board</u> shall use the <u>Authority's</u> premises as its headquarters for holding its sessions. It may also convene remotely through modern communication channels approved by the <u>Authority</u> , provided that the secretary shall coordinate this matter with the concerned parties.  |

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| Article 5-6-1 | <p>The Disciplinary Board shall invite the prosecution body within the <u>Authority</u>, represented by the Legal Affairs Sector, to attend its sessions before adjudicating on disciplinary matters. It may also request the attendance of representatives from the relevant technical departments whenever necessary.</p>  |
|               | <p><b>Guarantees for a Person Referred to the Disciplinary Board</b></p>   |
| Article 5-7   | <p>The secretary of the Disciplinary Board shall enable the person referred to the <u>Disciplinary Board</u> or his representative to view all the documents related to the alleged <u>Violation</u> and provide him with a copy of any such document after he has paid the applicable fees.</p>   |
| Article 5-8   | <p>The <u>Disciplinary Board</u> shall explain the alleged <u>Violation</u> to the referred person and present him with the evidence so that he may be able to defend himself in person by a representative.</p>   |
| Article 5-9   | <p>The <u>Disciplinary Board</u> may, at its own discretion or in response to a demand by the referred person or his representative, hear whosever testimony it wants or is required to hear or from those whose assistance it seeks due to their relevant expertise.</p>  |
|               | <p><b>Absence of a Person Referred to the Disciplinary Board</b></p>   |
| Article 5-10  | <p>The absence of a person referred to the <u>Disciplinary Board</u>, if it be established that the person was duly notified of the date of the session, shall not prevent the Disciplinary Board from considering the <u>Violation</u> or grievance and deciding upon it.</p>   |
|               | <p><b>Penalties Imposed by the Disciplinary Board</b></p>  |
| Article 5-11  | <p>The <u>Disciplinary Board</u> may, being satisfied that a <u>Violation</u> has been committed, issue any of the following penalties:</p>  |
| L 146         | <ol style="list-style-type: none"><li>1. Cautioning the <u>Violator</u> to discontinue the <u>Violation</u>.</li><li>2. Issuing a warning.</li><li>3. Requiring the <u>Violator</u> to re-pass the pre-qualification tests.</li><li>4. Suspending his or its activities for a period not exceeding one year.</li><li>5. Suspending him from practicing his work or profession permanently.</li><li>6. Suspending a license for a period not exceeding six months.</li><li>7. Revoking a license.</li><li>8. Imposing restrictions on the <u>Activity</u> or the <u>Activities</u> of the <u>Violator</u> in accordance with the provisions of Article (5-12).</li><li>9. Cancelling the voting, proxy or authority obtained by the <u>Violation</u> under the provisions of the Law.</li><li>10. Suspending or cancelling any acquisition offer or purchase transaction outside the scope of the acquisition offer if in <u>Violation</u> of the provisions of Chapter Seven of the <u>Law</u> or <u>Bylaws</u>.</li></ol> |



11. Prohibiting the exercise of voting rights for a period not exceeding three years for a shareholder who failed to submit any statement or who submitted an incomplete statement or one contrary to the truth or in violation with the Law or these Bylaws.
12. Suspending the validity of an applicable prospectus according to the provisions of the Law.
13. Ceasing the trading of a Security temporarily, suspending, or cancelling a decision to list a Security before the effective date thereof.
14. Dismissing a Member of the Board of Directors, or a manager of one of the Licensed Companies, or Listed Companies or an Investment Controller or a Custodian of a Collective Investment Scheme who failed to perform his duties as provided in the Law and Bylaws.
15. Imposing financial penalties in accordance with the nature of the Violation, not exceeding fifty thousand Kuwaiti Dinars.

#### Article 5-12

The Disciplinary Board may cancel all transactions related to a Violation and the entailed effects or require the Violator to pay amounts equal to the benefit he acquired or the value of the loss he has avoided as a result of the Violation. The amount may be increased in the event of repeated Violations.

#### Article 5-13

The Disciplinary Board may impose one or more conditions on the activity(s) of the Violator from among the following:

1. Preventing the Licensed or Registered Person from entering into certain types of transactions.
2. Preventing the Licensed or Registered Person from practicing certain activities for a limited period of time.
3. Suspending the licensed Activity for a period of time.
4. Preventing the Registered Person from practicing certain businesses, or suspending, amending or cancelling their registration for the business(es) for which they are registered.
5. Suspending any Person from dealing on a Security(ies) or trading on an Exchange for a limited period of time.

#### Notification of Decisions of Disciplinary Board

#### Article 5-14

The secretary shall notify the Board of Commissioners of all decisions issued by the Disciplinary Board immediately upon their issuance. They shall notify the concerned parties of the decisions issued against them within three Business Days from the issuance, and may use any approved means to send the notification.

#### Enforcing Decisions of the Disciplinary Board

#### Article 5-15

Decisions taken by the Disciplinary Board shall be enforced immediately after issuance unless the decision sets a date for execution. The Authority shall enforce the decision of the Disciplinary Board.

## Enforcing Penalties of the Disciplinary Board

### Article 5-16

In the event that a decision of the Disciplinary Board includes imposing financial penalties on a Violator, the financial penalties shall be fulfilled promptly within the period of time set in the decision of the Disciplinary Board. The Authority shall collect these directly.

### Article 5-17

The Authority may take the necessary legal procedures in order to execute the decisions of the Disciplinary Board. In the event of noncompliance, the Authority may submit a notice to the Capital Markets Prosecution in accordance with the provisions of Article (127) of the Law demanding taking precautionary procedures stipulated in the Law or any other laws.

## Request for Reconsideration of the Disciplinary Board Resolutions

### Article 5-18

The Authority may submit a reasoned request for reconsideration of resolutions issued by the Disciplinary Board based on the justifications it deems appropriate.

Any person against whom a penalty is issued, as set out under the Law, may submit a petition request for reconsideration of the resolution issued by the Disciplinary Board after payment of the prescribed fee, based on the reasons included in Appendix 7 of this Module.

The requests shall be submitted to the Disciplinary Board within three Business Days from the date of notification of the resolution. The Disciplinary Board shall decide on the request within five Business Days from the submission date. These procedures shall not conflict with the legal dates for submitting a grievance or appeal against the resolutions of the Disciplinary Board.

## Submitting Grievance from Decisions of the Disciplinary Board

### Article 5-19

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Any person against whom a penalty as set out under the Law has been decided upon, may submit a grievance in writing before the Authority within fifteen days of the date on which he is notified of the decision in writing. The Authority's decision to reject a grievance shall be final, but may be challenged before the Competent Court. A lack of response to a grievance within thirty days of the date of submittal thereof shall be deemed to establish that that the grievance has been declined.

### Article 5-20

The written notification provided for in the preceding Article may be declared in the same mechanism as provided in Articles (4-2), (4-4), (4-5), (4-6), (4-7) of Chapter Four of this Module, subject to the period stipulated in Article (5-13) of this Chapter.

## Chapter Six

### Submission of Notices to the Capital Markets Prosecution and Precautionary Procedures

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| <b>Article 6-1</b>                     | <b>Notice Submission to Prosecution Department</b><br><p>In the event that the <u>Authority</u> has evidence of the committing of one of the crimes stipulated in the <u>Law</u>, the <u>Authority</u> shall issue a decision of referral to the Capital Markets Prosecution. The <u>Authority</u> shall prepare a report to be submitted to the Capital Markets Prosecution setting out the relevant incidents, articles violated and the name of any <u>Person</u> that the <u>Authority</u> believes to have committed the crime or participated in it.</p>   |
| <b>Article 6-2</b><br><div>L 132</div> | <b>Suspension</b><br><p>The Attorney General may, at his own discretion or at the request of the <u>Authority</u> or the employer, if the interests of an investigation so requires, order work, employment or a profession by a person to be suspended temporarily if that person is to be investigated in respect of a crime as stipulated in the <u>Law</u>; and anyone who has been referred to the Penal Court shall be suspended from work by the force of <u>Law</u>. However, the court may during the course of the proceedings order otherwise at its own discretion or upon the request of a person of interest.</p>  |
| <b>Article 6-3</b><br><div>L 133</div> | <b>Precautionary Procedures</b><br><p>The Attorney General may, if he has adequate evidence with regard to one person or a group of persons that such a person has committed any of the crimes under the <u>Law</u>, or pursuant to a request from the <u>Authority</u> or a person authorized by it so to do, order that such person or persons be banned from travel and from disposing and managing their money as well as take any other precautionary measures in this regard in respect of the funds that are under the hands of the accused or others, in whole or in part, and without prejudice to the right of the <u>Authority</u> or interested party to take any prudential lawful action. The Attorney General may take the same actions over the money of the minor children or spouse of the accused. It is permissible to submit a grievance concerning this decision to the <u>Competent Court</u> within twenty days of the date of issuance.</p> |
| <b>Article 6-4</b><br><div>L 134</div> | <p>The Attorney General shall take a decision regarding a request of the <u>Authority</u> as stipulated in Article (6-3) within twenty-four hours of the time of submission. In the event that the request is rejected, the cause of such rejection shall be stated. The <u>Authority</u> may submit a grievance within fifteen days of the Attorney General's decision to the <u>Competent Court</u>. The court shall take a prompt decision on this grievance.</p>   |

**Article 6-5**

L 135

Funds reserved under custody may not exceed the maximum financial punishment that may be imposed upon the accused. The Attorney General or the court may seek the assistance of the Authority in estimating the benefit obtained by the accused.

**Article 6-6**

L 136

The Attorney General or the court may, at the request of the Authority or a person of interest, lift a precautionary measure if the accused has submitted sufficient security acceptable to the Authority or the court.

**Article 6-7**

L 137

In the event that an accused is prevented from managing his money, the Attorney General shall appoint a manager to manage the money held. This management shall be performed in accordance with written instructions issued by the Authority setting out the duties, powers and controls governing the work of such manager.

## Chapter Seven

### Settlement

#### Article 7-1

L 131

The Authority may, at any stage of criminal court proceedings prior to a conclusive judgment being determined, offer reconciliation with or accept such from any person who committed any of the crimes provided for in the Law, in consideration for an amount which is not less than the minimum amount of the prescribed fine and not more than the maximum amount of that fine. It shall be a condition for reconciliation in the crimes provided for in Articles 122, 124, 126 and 127 of the Law, in addition to paying the amounts referred to, that the amount of any benefit achieved or losses avoided be refunded, provided that the perpetrator is not a recidivist. The Authority shall determine the time period during which the accused shall fulfil the reconciliation conditions according to the aforesaid rules. In the event where reconciliation is achieved, the criminal case shall be terminated.

#### Submitting an Application for Settlement

#### Article 7-2

An application for a settlement may be submitted to the Authority by the accused or his legal representative. The Authority shall consider the application and estimate a reconciliation amount.

In the event that there are multiple parties to a settlement (as a Licensed Person(s) or individuals) and a third party is a stakeholder or has a right in settlement, all the parties shall approve the settlement agreement for it to be effective.

#### Article 7-3

In the event that the Authority approves a settlement application, the terms and conditions of the settlement shall be prepared in writing provided that the Authority shall set a specific period of time for the fulfilment of the conditions. The competent judicial entity shall be informed of the completion of the settlement and the decision shall be published on the Authority's website.

## Chapter Eight Complaints

### Article 8-1

#### Competency for Considering a Complaint

Any person with an interest can submit an individual or collective complaint to the Complaints and Grievances Committee either against any Licensed Person or any person subject to the Authority's supervision regarding Violations and crimes stipulated in the Law and these Bylaws.

The collective complainers shall have a joint interest at the time of submitting the complaint, and the complaint shall only be submitted by their agent.

#### Details of Complaints

### Article 8-2

A complaint shall be submitted in writing by the complainers' agent in accordance with the form specially prepared for that purpose by the Authority and as included in Appendix (2) of this Module to the secretary of the Complaints and Grievances Committee. It shall include the following information:

1. The complainer or complainers' names, capacities, professions, addresses and the civil number or identification, phone number, facsimile and email account.
2. The complaint and any supporting documents.
3. Signature of the complainer or the complainers' agent and the date of submitting the complaint.
4. The name of the defendant and their full address including the phone number, facsimile and email account.
5. A statement of whether:
  - The complaint was initially submitted to the Licensed Person or person subject to the Authority's supervision, and the complaint's outcome.
  - The complaint was submitted to any other entity inside or outside the Authority, specifying the entity and the outcome of the complaint, and whether or not any legal actions were taken regarding the complaint.

#### Examining the Complaint

### Article 8-3

The secretary of the Complaints and Grievances Committee shall examine the complaint submitted by the complainer to ensure meeting the following:

1. Data required in the Complaint Form are complete.
2. Evidence of having submitted the complaint initially to the Licensed Person or person subject to the Authority's supervision, and the complaint's outcome.
3. The complainer or complainers did not file the subject of the complaint in front of court or general prosecution, and that these two entities did not look into such complaint.
4. The complaint filed by the complainer or complainers is based on the articles of the Law or these Bylaws, or any of the resolutions and regulations issued by the Authority within the framework of the Law.
5. The complainer did not previously submit the same subject of the complaint to the Complaints and Grievances Committee, unless it includes new incidents.

The complainer or complainers shall pay the fee specified for the complaint, if he meets all the conditions mentioned in this Article.

**Complaints Record**

**Article 8-4** The secretary of the Complaints and Grievances Committee shall keep a special record to document the complaints that meet all the requirements submitted by concerned persons. Complaints shall be registered in this record under a serial number basis according to the day of submission, and the complainer or the complainers' agent – as the case may be – shall receive a copy of the complaint with the registration number and date stated thereon.

**Article 8-5** As soon as a complaint is registered, the secretary of the Complaints and Grievances Committee shall refer it to the chairman of the Complaints and Grievances Committee. The secretary shall then notify the managing director of the Authority of the complaint within two Business Days.

**Investigating and Deciding on Complaints**

**Article 8-6** The Complaints and Grievances Committee shall conduct an administrative investigation in the complaint, pursuant to the procedures and competences stipulated in Chapter Four of this Module, except for articles (4-13) to (4-14).

**Article 8-7** The Complaints and Grievances Committee, after completing the investigation procedures, may recommend the Board not to process the complaint, or refer it to the Disciplinary Board or general prosecution or take any other legal measures.

**Article 8-8** The Complaints and Grievances Committee shall submit its recommendation in the complaint to the Board within thirty days of the date of the complaint's submission. The Committee may extend a deadline if justified.

**Article 8-9** The Complaints and Grievances Committee shall notify the managing director of the Authority and the parties to a complaint of the Board's decision within five Business Days of the day of issuance.

**Article 8-10** The Authority may reward the complainer or complainers if the complaint submitted was complete in format, contained serious information and incidents, and ended with the issuance of a financial penalty against the Violator, according to the system established by the Board of Commissioners in this regard.

## Chapter Nine

### Submitting Grievances

#### Article 9-1

The Complaints and Grievances Committee shall receive the grievances from concerned parties against the decisions issued by the Authority in accordance with the Law, these Bylaws and decisions issued to execute both of them. A grievance shall be submitted to the Committee within fifteen days from the date of notification of the concerned party with the decision, being published in the Official Gazette or on the website of the Authority or their affirmed knowledge of it. All of the above shall be undertaken without violating the rights of the parties concerned to object to decisions issued by the Authority before the competent court within sixty days from being notified of the decision or the publishing of the decision in the Official Gazette or the website of the Authority or their affirmed knowledge of it.

#### Details of Grievances

#### Article 9-2

Grievances shall be submitted in writing in accordance with the form specially prepared for that purpose by the Authority, included in Appendix 3 of this Module. The following data shall be included:

1. Name of the grievant, his capacity, address including the civil identification number or identification, phone number, facsimile and email account, name of his legal representative (if any) together with number of any power of attorney and their address including the civil identification number or identification, phone number, facsimile and email account.
2. The number of the decision in respect of which the grievance is submitted, date of issuance and date of notifying the grievant or their coming to know of it.
3. The subject of the grievance and its reasons, with supporting documents attached.

#### Record of Grievances

#### Article 9-3

The Authority shall keep a special record to document the grievances submitted by the parties concerned. Grievances shall be registered in this record under a serial number. On the day of submission, the grievant shall receive a copy of their grievance with its registration number and the date.

#### Consideration of a Grievance

#### Article 9-4

Grievances shall be submitted to the chairman of the Complaints and Grievances Committee as soon as it is received in order to set a date for its consideration. The grievant shall be notified of the date for him to attend before the Committee by himself, through an attorney or a representative. The Committee may Demand from parties concerned whatever explanations and documents it requires. The secretary of the Committee shall notify the managing director of the Authority concerning each grievance when submitted. The Committee may require one of the Authority's departments to write a memorandum of its opinion concerning the grievance.

#### Deciding on a Grievance



**Article 9-5**

The Complaints and Grievances Committee shall decide on the grievance, whether to accept it or refuse it, within sixty days from submission. Not responding to the grievance within sixty days from submission shall be deemed a refusal, without violating the extension of that date in the event that the Committee is considering a possible acceptance of the grievance.

**Article 9-6**

If the Complaints and Grievances Committee decides to refuse the grievance, the grievant may object to the Authority's decision before the Competent Court within sixty days from the date of being notified of the refusal of the grievance, publishing the refusal decision on the website of the Authority or their affirmed knowledge of it. If the Committee recommends accepting the grievance, it shall refer that recommendation to the managing director of the Authority to submit it to the Board to take the final decision of accepting or refusing the grievance.

**Article 9-7**

Both the concerned party and the Authority's managing director shall be notified of the decision of the Complaints and Grievances Committee regarding the grievance as well as its reasons if the decision was a refusal.

## Chapter Ten

### Service of Process

#### Article 10-1

L 109

#### Service of Judicial Documents from the Investigator or the Criminal Court

Judicial papers and any writ of summons issued by the investigation officers or by the court to the accused shall be served through the competent notice officers of the Authority in accordance with the rules set out in Chapter Two of the first part of the Law of Penal Procedures and Trials. The accused may be served with notice at his workplace by delivering a copy thereof to the person who states that he is in charge of his service, employed by him, his relative or someone authorized by him. If he refuses to receive the notice, the officer delivering the notice shall deliver it on the same day to the responsible police station or its representative, within his jurisdiction, his place of residence, or his workplace, as the case may be.

The officer delivering the notice shall send a registered mail with a copy of the notice, to the person required to attend at his residence or workplace - as the case may be - within 24 hours of delivering it to the police station, notifying him that the copy has been delivered to the police station.

Furthermore, these papers and writ of summons may be served to parties other than the accused, in accordance with Article (4-7) and Article (4-8) of the same Module.

#### Service of Judicial Documents Related to Civil, Commercial and Administrative Disputes

#### Article 10-2

L 110

As an exception to the rules related to the process for service of judicial papers as set forth in the Law of Civil and Commercial Pleadings, judicial papers related to civil, commercial and administrative disputes provided for in the Law may be served in the same way stipulated in Article (4-7) and Article (4-8) of the same Module.

## Chapter Eleven

### Expert Assistance

#### Article 11-1

If the Complaints and Grievances Committee or the Disciplinary Board, during consideration of a complaint or a violation, considers it is necessary to seek expert opinion in a field outside the Authority's prescribed competencies pursuant to the Law, either of them may request the Authority to appoint an expert or a technical committee of the required field, provided that it shall set out in the decision of appointing such an expert the task of that expert or committee as well as a date to deliver the report and another date to hold a session to discuss the report. Also, it shall set the amount of money to be deposited to cover the fees, the party to deposit the money and the date set for the deposit.

The secretary shall notify the concerned parties of the decision to appoint the expert or the technical committee – after their selection/appointment by the Authority – within three Business Days.

#### Article 11-1-1

The assigned expert shall comply with the following procedures:

1. Coordinate with the secretary of the Disciplinary Board/Complaints and Grievances Committee regarding the dates and place of holding the expert sessions, whether in the Authority's premises or through modern communication channels approved by the Authority.
2. Instruct the secretary of the Disciplinary Board/Complaints and Grievances Committee to notify the concerned parties to attend the expert sessions within a maximum of seven Business Days from the date the appointed expert sets the session.
3. Set a date for the session within five Business Days of being assigned the task.
4. Notify the Authority's representatives of the date of the expert session.
5. The date allowed for the parties referred to the expert shall not exceed seven Business Days.
6. Submit the report to the Disciplinary Board/Complaints and Grievances Committee within a maximum of 40 days from the date of commencing the task, unless there are special circumstances that are presented in advance to the Disciplinary Board/Complaints and Grievances Committee, in which case they may grant the expert an extension to submit the report.

## Chapter Twelve

### Settling Disputes with Arbitration and Arbitration Rules

#### Article 12-1

#### General Principles

#### Article 12-1-1

L 148

Disputes arising from the obligations set forth in the Law or any other law may be resolved by arbitration according to arbitration rules referred to in this Module, if in respect of capital market transactions.

#### Independence of Provisions for Arbitration

#### Article 12-1-2

An arbitration provision included in a given contract is deemed independent from other contract provisions. Original contract shall not be null, cancelled or terminated for any reason based upon the arbitration condition, if that provision was valid in and of itself.

#### Validity of Provisions for Arbitration

#### Article 12-1-3

Agreement to Arbitrate shall be considered valid unless there is no other evidence. The Arbitral Tribunal has the power to decide on the defences related to its non-jurisdiction including defences related to the existence of an Agreement to Arbitrate, its validity or that it does not include the subject of dispute.

The Arbitral Tribunal may decide to examine any of those defences before deciding on the subject matter as a primary matter or it may include it with the subject and to decide on both of them together.

The defences referred to in the previous paragraph shall be dealt with before dealing with the subject of the dispute. In all cases the Arbitral Tribunal shall accept the late defences referred to in this Article if it deemed delay is justified.

The Arbitral Tribunal shall consider the validity of the Agreement to Arbitrate even if it was not within the demands of both arbitration parties.

#### Assigning the Right to Object

#### Article 12-1-4

It is considered an assignment of the right to object if any party knows there was a violation of an Agreement to Arbitrate of one of the provisions of this Module or of a provision of the applicable Law which may be agreed to be violated and they did not object to that violation within ten Business Days before the Authority or the Arbitral Tribunal when formed.

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| <b>Article 12-1-5</b> | <p><b>Arbitration Term</b></p> <p>The ruling of the <u>Arbitral Tribunal</u> shall be issued within four months from the date of the first valid session with which both parties are notified. The Arbitral Tribunal may extend the date by one month. Extension of a term shall be made only by a decision of the <u>Authority</u> based upon an application, setting out the reasons from the <u>Arbitral Tribunal</u> with a maximum limit of one month after deliberation with parties. Parties may put a condition to shorten the <u>Agreement to Arbitrate</u>.</p> <p>If the litigation is stopped or terminated before the <u>Arbitral Tribunal</u>, the term shall be stopped. It shall be resumed from the date the <u>Authority</u> becomes aware of the end of the cause of the stop or the termination.</p>   |
| <b>Article 12-1-6</b> | <p><b>Disputes of a special nature</b></p> <p>The arbitration term shall be one month commencing from the date of the first session in the disputes arising from the transactions of the securities held in the Exchange, and related to the following cases:</p> <ol style="list-style-type: none"> <li>1. Covers the obligations related to the provision of shares at the time of settlement.</li> <li>2. Covers the obligations related to the cash settlement.</li> <li>3. Modifying transactions arising from errors of licensed brokers.</li> <li>4. The Custodian refused to settle the obligations related to the securities transactions.</li> <li>5. Breach of obligations between the registered persons in the Exchange and their clients, or between Registered Persons for securities transactions.</li> </ol> <p>A new term shall not be added except by an Authority decision based on a reasoned request from the Arbitral Tribunal, and up to a maximum of one month.</p> |
| <b>Article 12-1-7</b> | <p><b>The Duty of Acceptance and Disclosure</b></p> <p>An arbitrator shall accept his appointment in writing. When accepting, he shall disclose to the <u>Authority</u> any circumstances or reasons that may raise doubts on his independence or neutrality. The Arbitrator is required from his appointment and throughout the arbitration procedures, to disclose within five <u>Business Days</u> from the date of any occurrence of those circumstances or reasons.</p> <p>The <u>Authority</u> shall notify arbitration parties with the arbitrator's disclosure in order for them to take appropriate measures within the following five <u>Business Days</u> of the notification.</p>  |
| <b>Article 12-1-8</b> | <p><b>Registration of Arbitrators and Experts</b></p> <p>The registration of arbitrators and experts in the <u>Authority</u> shall be in accordance with the procedures and conditions set forth in Appendix (1) of this Module.</p>   |

## Article 12-2

### Forming the Arbitral Tribunal

#### Appointing the Arbitrator

## Article 12-2-1

- (a) Each of the arbitration parties, even if many, may choose an arbitrator among those registered in the Arbitrators' Register in the Authority, or among others, within seven Business Days from the date of being notified by the Authority. In the event that none of the parties make such a selection, the Authority shall appoint the arbitrator next in the line among the arbitrators registered at the Authority in accordance with the nature of the dispute.
- (b) The Authority shall appoint the casting arbitrator next in the line in the Arbitrators' Register in the Authority within three Business Days with notification of the names of arbitrators to the two parties.
- (c) As an exception to the provisions set out in the preceding two paragraphs, and where one of the cases of disputes of a special nature referred to in Article (12-1-6) of this Chapter, the Authority shall select the Arbitral Tribunal within seven Business Days from the date of submission of Arbitration Applications.

#### Fees and Expenses

## Article 12-2-2

The fees and expenses of an arbitration dispute shall be in accordance with Appendix (1) of this Module. Fees shall be paid equally between the parties to the arbitration within five Business Days from the date of notification thereof. If the Defendant abstains from paying their share of the fees, this shall be raised to the Applicant in the case they wish to continue the proceedings for payment within three Business Days from the date of receiving the abstention from the other party. The fees shall be paid to the arbitrator upon the final issuance of the ruling ending the dispute and it being delivered to the Authority. In all cases, if the specified periods expire without the deposit of such fees, the Authority shall issue a decision to leave the case on file.

The minimum fees listed in item (1) of Appendix (6) of this Module shall apply to the disputes of a special nature stipulated in Article (12- 1- 6) of this Chapter, whatever the value of the arbitration dispute.

#### Arbitrator's Resignation or Dismissal

## Article 12-2-3

The arbitrator shall not resign after accepting the task unless there are serious reasons therefor as decided on by the Authority based upon an application submitted by the arbitrator. Otherwise, parties may resort to the courts for compensation.

It is not permitted to dismiss the arbitrator without the approval of all the parties. If the arbitrator is unable to execute his task, or does not perform it or has stopped performing it in a way that may lead to unjustified delay in the arbitration procedures, the Authority may terminate his appointment in response to an application submitted by one of the parties to the arbitration setting out the reasons.

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| <b>Article 12-2-4</b> | <p><b>Disqualifying an Arbitrator</b></p> <p>It is not permitted to disqualify an arbitrator except for the reasons given by the judge in accordance with Article (102) and Article (104) of the Code of Civil and Commercial Procedures, or there are serious doubts upon their neutralism or independency. A party may not disqualify the arbitrator that they appointed or in whose appointment they participated unless for reasons which have emerged or occurred after the time of the appointment.</p> <p>An application for disqualification shall be submitted to the Competent Court that originally considered the case explaining the reasons for disqualification and the circumstance within five Business Days from the date of notifying the disqualified applicant with the arbitrator disclosure or from the date of knowing the disqualification reason.</p> |
| <b>Article 12-2-5</b> | <p><b>Replacing the Arbitrator</b></p> <p>In the event that an arbitrator is recused, has resigned, been dismissed or their appointment is terminated, a replacement shall be appointed in accordance with the same procedures followed in the original appointment.</p>  |
| <b>Article 12-3</b>   | <p><b>Arbitration Procedures</b></p>  |
| <b>Article 12-3-1</b> | <p><b>Application of Arbitration</b></p> <p><u>Arbitration applications</u> shall be submitted in writing to the <u>Authority</u> including the following:</p> <ol style="list-style-type: none"> <li>1. <u>Arbitration applicant's</u> name, capacity, and address.</li> <li>2. <u>Defendant's</u> name, capacity, and address.</li> <li>3. Subject of dispute, its incidents, documents, evidence, supporting documents and demands.</li> <li>4. A copy of the <u>Agreement to Arbitrate</u>.</li> </ol>  |
| <b>Article 12-3-2</b> | <p><b>Notifying the Defendant of an Arbitration Application</b></p> <p>The <u>Authority</u> shall notify the <u>Defendant</u> of the <u>Arbitration Application</u> with its documents and papers as well as the name of the arbitrator chosen by the Applicant and their disclosure by certified mail or any other modern means within five <u>Business Days</u> from the date of receiving the <u>Arbitration Application</u>.</p>  |
| <b>Article 12-3-3</b> | <p><b>Responding to the Application</b></p> <p>Taking into consideration Article (12-2-1) regarding the period of choosing the arbitrator, a Defendant shall submit within five Business Days from the date of the Arbitration Application notification a defence memorandum including their responses and defences to the application against them as well as their demands. <u>Defendant</u> may demand from the <u>Authority</u> an additional grace period not exceeding five <u>Business Days</u> to submit a response memorandum to the <u>Arbitration Application</u>.</p>   |

### Counterclaim

**Article 12-3-4** A Defendant who desires to submit a counterclaim after being notified or during the arbitration hearings, provided that it shall be relevant to the dispute and within the Agreement to Arbitrate, may submit such a counterclaim to the Authority or to the Arbitral Tribunal as the case may be and the counterclaim shall be included within the arbitration file after paying the stipulated fees, if any.

### Referring an Arbitration File to the Arbitral Tribunal

**Article 12-3-5** The Authority shall refer the dispute file to the Chairman of the Arbitral Tribunal within three Business Days from the date of the Arbitral Tribunal formation. The Arbitral Tribunal shall proceed with the due processes within ten Business Days from the day of being notified.

### Setting an Arbitration Hearing

**Article 12-3-6** Taking into consideration Article (12-3-5), the chairman of the Arbitral Tribunal shall set a hearing to consider the dispute and shall notify the members of the Arbitral Tribunal and parties to it through certified mail or through any method agreed upon by the parties to the arbitration.

### Seat of Arbitration

**Article 12-3-7** The seat of arbitration shall be the premises of the Authority. The Authority or the Arbitral Tribunal may hold the arbitration hearings in any other place it deems appropriate.

### Arbitration Language

**Article 12-3-8** The approved arbitration language before the Arbitral Tribunals stipulated in this Module is the Arabic language. Parties to the Arbitration may accept another language provided that they obtain the approval of all the members of the Arbitral Tribunal. The Arbitral Tribunal may, in accordance with the circumstances and conditions of the dispute, seek the assistance of translators specialized in the language of the defendant, provided that the translators' fees shall be borne by the latter. The Authority shall provide translators in accordance with what is stipulated in that concern. Moreover, the Arbitral Tribunal may accept memorandums and documents submitted by both parties in a language other than Arabic language provided that attached thereto are official certified translations into Arabic.



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| <b>Article 12-3-9</b>  | <p><b>Applicable Rules and Procedures</b></p> <p>The <u>Arbitral Tribunal</u> shall respect all the principles of litigation specially the right of defence, confrontation and judicial equality between parties. Arbitration procedures shall be in accordance with the provisions of this Module. The arbitration shall be subject to the procedural rules in the Civil and Commercial Procedures Law regarding any matter not set out in this Module.</p>  |
| <b>Article 12-3-10</b> | <p><b>Applicable Law</b></p> <p>The <u>Arbitral Tribunal</u> shall decide on a dispute in accordance with the laws of the State of Kuwait unless the disputing parties agreed to apply another law but in no circumstances so as to violate the rules relating to public order in Kuwait.</p>   |
| <b>Article 12-3-11</b> | <p><b>Seeking Legal Assistance</b></p> <p>During an arbitration hearing the <u>Arbitral Tribunal</u> may seek legal assistance from the <u>Competent Court</u> in the following cases:</p> <ol style="list-style-type: none"> <li>1. Ruling to apply the legally stipulated penalty on a witness who does not attend or who refuses to answer.</li> <li>2. Ruling to require a third party to reveal a document in their possession that is necessary to issue the arbitration ruling.</li> <li>3. Ordering judicial representation.</li> </ol>   |
| <b>Article 12-3-12</b> | <p><b>Seeking Assistance of Experts</b></p> <p>The <u>Arbitral Tribunal</u> may seek the assistance of one or more experts on the Authority's Experts Schedule, where the number of the experts shall not be an even number, in order to provide a written or verbal report to be documented in the hearing's minutes regarding one or two matters set by the <u>Arbitral Tribunal</u>. The <u>Arbitral Tribunal</u> shall notify each of the disputing parties with its decision regarding the assistance of experts and defining the task assigned to the experts.</p> <p>Both disputing parties shall provide the expert with all information related to the dispute. Each of them shall enable such expert to examine or inspect all documents, goods, financial records or other items related to the dispute. The <u>Arbitral Tribunal</u> shall decide on any dispute that may arise between an expert and any of the original disputing parties in that regard.</p> <p>Before commencing his appointment each expert shall submit to the <u>Authority</u> a disclosure of any reasons or information that may lead to doubts concerning his neutrality or independence.</p> <p>Arbitration parties may object to the choice of an expert, within two <u>Business Days</u> from the date of notification of the above disclosure. The <u>Arbitral Tribunal</u> shall decide on that objection and its reasons.</p> |

### Appearing Before the Tribunal

#### Article 12-3-13

Parties shall appear before the Tribunal in person or through an attorney or representative. Arbitration sessions shall be confidential.

### Minutes of an Arbitral Tribunal

#### Article 12-3-14

The Arbitral Tribunal shall open a minutes book for the hearings to register the presence and absence of the disputing parties and whether the absence was for a reason or not. Moreover, the minutes shall register all documents, memorandums, papers submitted by both parties, names of witnesses if any with their testimonies and to record the signatures of the Arbitral Tribunal and of both parties. The Arbitral Tribunal shall seek the assistance of a secreteriat to write the minutes provided that he shall be an employee of the Authority.

### Absence of Litigants

#### Article 12-3-15

If the Plaintiff or the Defendant or both of them misses the Arbitral Tribunal hearings without a due excuse, the Arbitral Tribunal may continue procedures up to the point of issuing its ruling unless the case was ready to issue a ruling, in which case the Arbitral Tribunal shall leave the case on file.

### Termination and Renewal of Arbitration Proceedings

#### Article 12-3-16

Arbitration proceedings shall be terminated for the reasons stipulated in Article (92) of the Civil and Commercial Procedures Law and shall be resumed in accordance with Article (93) of the same law.

### Cessation of Arbitration Procedures

#### Article 12-3-17

The Arbitral Tribunal may stop the arbitration procedures while deciding on another legal or arbitrated dispute related to the same proceedings provided that the other judicial or arbitrated procedures commenced before the arbitration and have continued since then. Moreover, the Arbitral Tribunal may stop the arbitration procedures if one of the cases in Article (12-3-11) of this Module concerning the request of legal assistance is met.

### New Demands before the Tribunal

#### Article 12-3-18

The Arbitral Tribunal may accept any new demand from a litigant in an arbitration if it is related to the subject of the dispute and is subject to the Agreement to Arbitrate provided that such demand is made prior to the closing pleadings.

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| <b>Article 12-3-19</b> | <b>Authorizing an Arbitral Tribunal for Settlement</b><br><br>Both disputing parties may authorize the <u>Arbitral Tribunal</u> to reconcile between them if the members of the <u>Arbitral Tribunal</u> are appointed by name in the <u>Agreement to Arbitrate</u> . Moreover, at any stage, they may demand a record be made of what they agreed upon in reconciliation or settlement. The <u>Arbitral Tribunal</u> will issue its ruling accordingly. |
| <b>Article 12-3-20</b> | <b>Controlling the Hearing</b><br><br>Controlling and managing the hearing are assigned to the chairman of the <u>Arbitral Tribunal</u> . The chairman shall be the one who poses questions to arbitration parties and witnesses and shall receive memoranda and documents. Any of the other two members of the <u>Arbitral Tribunal</u> may pose questions at their discretion.   |
| <b>Article 12-3-21</b> | <b>Submitting Memoranda and Demands</b><br><br>During the procedures, the <u>Arbitral Tribunal</u> may allow the arbitration parties to submit documents, memoranda or any new evidence.<br><br>When the <u>Arbitral Tribunal</u> is ready to issue a ruling, it may allow the submission of further documents or closing memoranda on dates it sets. Submitting those documents or memoranda shall be through the <u>Authority</u> .                    |
| <b>Article 12-3-22</b> | <b>Postponing the Hearing</b><br><br>Except in cases where the <u>Arbitral Tribunal</u> as deemed and mentioned in the hearing's minutes, hearings shall not be postponed for more than five <u>Business Days</u> in each time or to be postponed for more than one time for one reason due to arbitration parties.  |
| <b>Article 12-4</b>    | <b>Arbitration Award</b>   |
| <b>Article 12-4-1</b>  | <b>Deliberation</b><br><br>Before issuing a ruling, the <u>Arbitral Tribunal</u> shall meet to deliberate upon the ruling. Deliberation shall be confidential. Only arbitrators who participate in hearing the pleadings are allowed to participate in deliberation, otherwise pleading of the case shall be heard again and the date of adjudication shall be reset.  |
| <b>Article 12-4-2</b>  | <b>Returning the Case to Pleading</b><br><br>During deliberation, the <u>Arbitral Tribunal</u> may not hear any of the parties, unless it decides to open the pleading upon justification for reasons submitted by one of the arbitration parties, provided that the other party shall be notified of the date of the session set by the <u>Arbitral Tribunal</u> for pleading.  |

|                              |  |
|------------------------------|--|
| <p><b>Article 12-4-3</b></p> | <p><b>Award</b></p> <p>An arbitration award shall be issued in accordance with a majority opinion and it shall be announced by the <u>Arbitral Tribunal</u> in open court. The names of the parties, the date and place of issuing the ruling, arbitration case circumstances, litigants' demands, summaries of their pleadings and responses shall be mentioned. The announcement of an award shall state the reasons and include the names and signatures of the arbitrators as well as defining the party that shall bear the arbitration fees and arbitrator fees. An award shall be deemed valid if the majority of the arbitrators sign it, even if one or more of them has resigned after announcing the case is in adjudication and after the start of deliberation. In any event, the award shall be in the Arabic language even if the arbitration language was another language, provided that it shall be accompanied with official translation in the arbitration language from the <u>Arbitral Tribunal</u>.</p> |
| <p><b>Article 12-4-4</b></p> | <p><b>Depositing, Registering and Sending an Award</b></p> <p>The original version of the ruling shall be delivered to the <u>Authority</u> with the case file attached thereto for it to be deposited and filed. The <u>Authority</u> shall order a true and certified copy of the ruling to both arbitration parties through registered mail or by any other method within three <u>Business Days</u> from the date of issuing the ruling.</p>   |
| <p><b>Article 12-4-5</b></p> | <p><b>Conclusiveness of an Award</b></p> <p>Arbitration rulings shall be binding and final. They shall be executable only after obtaining the writ of execution in accordance with the legal procedures stipulated in chapter twelve of the Civil and Commercial Procedures Law.</p>   |
| <p><b>Article 12-4-6</b></p> | <p><b>Correcting and Interpreting an Award</b></p> <p>Each of the arbitration parties may apply for correction or interpretation of an arbitration ruling or apply for a decision on undecided demands. Application shall be submitted to the <u>Authority</u> which shall invite the <u>Arbitral Tribunal</u> to consider such demands.</p> <p>Rulings shall be issued within one month from the date at which the consideration of such a demand has commenced. A ruling concerning such demands shall complement the arbitration ruling and be subject to its provisions.</p> <p>In the event that the <u>Arbitral Tribunal</u> which issues a ruling is unable to consider the demands referred to in the previous paragraph, a new <u>Arbitral Tribunal</u> shall be formed in accordance with the same procedures stipulated in this Module. The ruling shall be issued within two months from the date at which the consideration of such demand has commenced.</p>   |

**Chapter Thirteen****Cancellation of License or Registration by the Authority**

|                     |   |
|---------------------|---|
| <b>Article 13-1</b> | <b>Cancellation of License</b> <hr/> <p>Cancellation, Suspension or Restriction of the License by the Authority</p> <p>The <u>Authority</u> may decline, suspend, revoke, or restrict the activity of any <u>Licensed Person</u> in respect of any <u>Securities Activity</u>, or any <u>Related Party</u>, after being given evidence that the Person has fallen within any of the following provisions:</p> <ol style="list-style-type: none"><li>1. Commits a major fault, gives misleading information, or omits to mention a material fact when applying for a license, or omits to mention any other information that should be submitted to the <u>Authority</u>.</li><li>2. Fails to meet the standards applicable under Module 5 (Securities Activities and Registered Persons) of these Bylaws or any rules issued accordingly.</li><li>3. Violates any provision, rule, regulation or bylaws issued under this law, or under any law related to its activity, or a securities law, or a rule or bylaws of another country.</li><li>4. Is negligent in monitoring one of his affiliates (subordinates) by failing to prevent him from acting in a way which might be a violation of the provisions of this <u>Law</u> or <u>Bylaws</u>.</li></ol> |
| <b>Article 13-2</b> | <b>Cancellation of Registration</b> <hr/> <p>The <u>Authority</u> may cancel the registration of any <u>Registered Person</u> or restrict their activity in the event of it not fulfilling or it violating any conditions or provisions related to their work. It may re-register such persons when all conditions and provisions are fulfilled.</p>  |

**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**

### **Procedures and Conditions of Registration in the Panel of Arbitrators and Experts**

**Procedures and Conditions of Registration in the Panel of Arbitrators and Experts**

1. Filling in all the required information in the registration form.
2. Attaching all the required documents in the registration form.
3. The registration form shall be submitted to the Authority, and paying the fees stipulated to the Authority and attaching the payment receipt.
4. The registration shall be completed only after the approval of the Authority.
5. The Capital Markets Authority shall notify the applicant with its decision.

**Registration Conditions****Registration Conditions for Arbitrators**

**The applicant may apply to be an arbitrator if they have fulfilled the following conditions:**

**To be registered in this panel, the following conditions shall be fulfilled:**

1. To sign the specific form prepared for that purpose and to pay the stipulated fees as follows: KD 500.00 as a registration fees to be paid when submitting the application, and in case the application was refused or is withdrawn by the applicant the KD 450.00 shall be refunded, and KD 50.00 shall be paid every three years upon renewal of the registration.
2. Applicant's age shall not be less than thirty-five calendar years.
3. The registered arbitrator in the panel shall be of Kuwaiti nationality.
4. Applicant shall have practiced commercial, legal or professional business for a period of fifteen years. If they were judges, practicing lawyers or heads of legal departments in the government, private sector or at major commercial companies, or if they were members of the faculty in the university or equal educational institutions, or if they previously participated in any arbitration committees of tribunals, the required years shall be reduced to ten years.
5. They shall not be convicted of a crime/ felony involving a breach of honour or integrity unless they were rehabilitated.
6. They shall not be prohibited by the provisions of laws and systems that they shall be subject to as an arbitrator.
7. Submitting proof of approval from their work entity to be registered in the panel. If the third arbitrator is a judge, the approval of the supreme judicial council shall be obtained.
8. They shall not be dismissed from service by a disciplinary decision unless at least three years have lapsed since its issuance.

The Authority shall process the applications and issue its decision of approval, or conditioned approval of passing the courses specified by the Authority, or refusal. It may request the attendance of the applicant to fulfill some requests or clarify some issues.

Names of arbitrators and part of their CVs shall be published in the Authority's official website.

The member of the panel shall lose their membership if not fulfilled any of these conditions.

To register international arbitrators in the Authority, the applicant must be registered with one of the international arbitration centres.



## Registration Conditions for Experts

**The applicant shall be registered in the experts' panel if they have fulfilled the following conditions**

1. To sign the specific form prepared for that purpose and to pay the stipulated fees as follows: KD 250.00 as a registration fees to be paid when submitting the application, and in case the application was refused the KD 225.00 shall be refunded, and KD 50.00 shall be paid every three years upon renewal of the registration.
2. Applicant's age shall not be less than thirty-five calendar years.
3. To be an expert in their own domain from one of the accepted governmental or non – governmental authorities and departments or they have practical expertise for a period not less than ten years.
4. They shall not be convicted of a crime/ felony involving a breach of honour or integrity unless they were rehabilitated or if they were registration was revoked from the experts' panel of any other entity for reasons related to their performance.
5. They shall not be prohibited by the provisions of laws and systems that they shall be subject to as an expert.
6. They shall not be dismissed from service by a disciplinary decision unless at least three years have lapsed since its issuance.
7. Submitting a proof of the approval of their work entity to be registered in the panels. If the expert works in the experts' department in the ministry of justice, they shall obtain the approval of the experts' affairs council.

Names of arbitrators and part of their CVs shall be published in the Authority's official website.

The member of the panel shall lose their membership if they have not fulfilled any of these conditions.

## Appendix 2

### Complaint 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.

**Complaint**

| Complainers' Data                    |   |
|--------------------------------------|---|
| Complainers' names                   | Identification or Civil Identification Number |
| 1.                                   |   |
| 2.                                   |   |
| 3.                                   |   |
| 4.                                   |   |
| 5.                                   |   |
| 6.                                   |   |
| 7.                                   |   |
| 8.                                   |   |
| 9.                                   |   |
| 10                                   |   |
| Capacity and stating the association |   |
| Complainers' agent                   |   |
| Address or chosen domicile           |   |
| Phone number                         |   |
| Fax number                           |   |
| Email Address:                       |   |
| Defendant's Data                     |   |
| Defendant's name                     |   |
| Address or chosen domicile           |   |
| Phone number                         |   |
| Fax number                           |   |
| E-mail Address                       |   |
| Subject of the Complaint             |   |
|                                      |   |

| Articles of the Authority's Law, Bylaws or regulating decisions that were violated  |  |
|---|--|
|   |  |
| Supporting documents of the complaint   |  |
|   |  |
| Was the complaint submitted by one of the parties to another entity?  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If the answer is yes, please mention these entities   |  |
| Were there any legal actions taken regarding this complaint?  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If the answer is yes, please mention these actions in detail  |  |
| Acknowledgment and Pledge   |  |
| I, the undersigned, acknowledge that all the data in this form and attachments are correct and in accordance to reality and on my personal liability. |  |
| Name  |  |
| Signature   |  |
| Date  |  |

**Conditions to accept the application:**

1. Filling in the data required in the form.
2. Attaching proof of capacity of both the complainer and the defendant.
3. Attaching the documents that support the complaint.
4. Attaching a statement indicating the submission of a complaint to the Licensed Person.

**Notes:**

- The required information and complete details of the incident subject to the complaint shall be attached on separate paper, if necessary.
- In the case of any statement or condition for accepting the complaint is lacking, it would not be possible to accept the complaint request.

**Notice:**

- The collective complaint is the core of the collective lawsuit.

## **Appendix 3**

### **Grievance Form against the Authority's Decision**

**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.

**Grievance Form against the Authority’s Decision**

| Grievant Data   |  |
|---|--|
| Grievant name   |  |
| Profession  |  |
| Civil identification number or identification                 |  |
| Address or chosen place                                       |  |
| Phone number  |  |
| Fax number  |  |
| Email   |  |
| Legal representative  |  |
| Power of Attorney number                                      |  |
| Address or chosen place                                       |  |
| Email   |  |
| Data of the decision against which the grievance is submitted |  |
| Decision No.  |  |
| Date of issuance of the decision                              |  |
| Date of being notified with the decision                      |  |
| Reasons of grievance  |  |
| Supporting Documents of the Grievance                         |  |
|   |  |

**Acknowledgment and a Pledge**

I, the undersigned, acknowledge that all the data in this form and attachments are correct and in accordance to reality and on my personal responsibility.

|            |  |
|------------|--|
| Name:      |  |
| Signature: |  |
| Date:      |  |

**Conditions to accept the application:**

1. Attach a copy of the decision for which the grievance is submitted.
2. Filling in the data required in the form.
3. Attaching documents that support the grievance.

**Note:**

- In case of the lack of any statement or condition of accepting the grievance, it would be difficult to accept the grievance.

## **Appendix 4**

### **Grievance Form against the Decision of the Exchange or the Violations Committee**



**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.

### **Grievance Form against the Decision of the Exchange or the Violations Committee in the Exchange**

| <b>Grievant Data</b>                          |  |
|---|--|
| Grievant name                                 |  |
| Profession                                    |  |
| Civil identification number or identification |  |
| Address or chosen place                       |  |
| Phone number                                  |  |
| Fax number                                    |  |
| Email   |  |
| Legal representative                          |  |
| Power of Attorney number                      |  |
| Address or chosen place                       |  |
| Email   |  |
| <b>Data of the Grievance Decision</b>         |  |
| Decision No.                                  |  |
| Date of issuance of the decision              |  |
| Date of being notified with the decision      |  |
| <b>Reasons of Grievance</b>                   |  |
|   |  |

**Supporting Documents of the Grievance****Urgent Applications with Reasons****Acknowledgment and a Pledge**

I, the undersigned, acknowledge that all the data in this form and attachments are correct and in accordance to reality and on my personal responsibility.

|            |  |
|------------|--|
| Name:      |  |
| Signature: |  |
| Date:      |  |

**Conditions to accept the application:**

1. Attach a copy of the decision for which the grievance is submitted.
2. Filling in the data required in the form.
3. Attaching documents that support the grievance.
4. Attaching proof of the grievant capacity

**Notes:**

- In the event that any statement or any of the conditions for accepting the grievance is missing, it would not be possible to accept the grievance request.

## Appendix 5 Report Form

## Regulating Rules of Receipt, Examination and Acting on the Reports

### **Preamble:**

The Authority is entitled, according to the Law, to carry out all the procedures that may lead to uncovering capital markets crimes, and to receive complaints about crimes and violations related to securities activities pursuant to the provisions of Clauses (2/3) of Article (5) of the Law.

These Bylaws have explained in Module Three/Chapter Three the general provisions of submitting reports to the Authority and the relevant conditions.

The following are the detailed rules of regulating the receipt of reports at the Authority and the controls of their examination and methods of action:

## Section 1: Submitting and Receiving Reports and their Registration

### **First: Scope of the Authority's competence in receiving reports**

The Authority receives reports about:

- Crimes stipulated in Chapter Eleven (Penalties and Disciplinary Actions) of the Law.
- Violations that occur pursuant to the provisions of the Law or these Bylaws, or any rules or regulations issued by the Authority.

### **Second: Adopted means for submitting and receiving reports**

Reports shall be submitted to the Authority through the following means:

1. Attending in person at Authority's headquarters during official business hours.
2. Registered mail.
3. Facsimile assigned by the Authority for such purpose.
4. Filling the electronic Report form shown on the Authority's official website on the internet.

### Third: Registering and monitoring reports, and regulating their submission procedures

#### a. Registering and monitoring reports:

1. The Authority shall create an annual record for registering reports which are received through the approved means according to serial numbers with date and time of receipt. It shall include the necessary information about the report, which include personal information about the whistleblower and the reported person, in addition to the subject of the report and the supporting evidence.
2. The Coordination and Follow-up Office at the Legal Affairs Sector shall assign a person to be in charge of holding the record of reports and receiving them from their sources. The Head of Legal Affairs Sector shall review and audit the report weekly and add his annotation to indicate perusal or give directives of what is deemed necessary.

The Head of Legal Affairs Sector, through the Coordination and Follow-up Office, shall prepare a monthly report on the fulfilled reports submitted to the Authority and registered in the Record, the results of their examination, and ways of acting on them, and present it to Authority's Managing Director in order for him to submit it to the Board of Commissioners for perusal and monitoring.

#### b. Regulating the procedures of the means of receiving and registering reports:

##### 1. Attending in person at the Authority's headquarters:

The whistleblower may come to the Authority's headquarters in person or represented by a proxy of a special power of attorney authorized by the concerned entities, or a representative in case of a corporate body pursuant to an authorization letter signed and approved by the legal representative, to submit his report during the business hours and fill the approved form (Attachment No. 1). In such case, the attendant shall be present in front of the competent officer at the Coordination and Follow-up Office at the Legal Affairs Sector to state the subject of his report in official minutes which shows the time and date of attendance, the attendant's personal information and capacity and the personal information of the whistleblower and the reported person, in addition to the subject of the report and the supporting evidence, time and date of closing the minutes, the attendant's signature, number and type of the identification document, and any other necessary information.

##### 2. Registered mail:

The report may be sent by the whistleblower to the Authority as per the approved form (Attachment No. 1) through registered mail. In such case, the attendant shall be mentioned in the public record section at the Authority pursuant to the adopted procedures, and then the report shall be submitted to the Coordination and Follow-up Office at the Legal Affairs Sector in order to register it in the record of reports, and state its facts, content and attachments, if any.

##### 3. Facsimile:

The whistleblower may send his report to the Authority as per the approved form (Attachment No. 1) through the facsimile on the number designated by the Authority for that purpose. In such case, the Coordination and Follow-up Office at the Legal Affairs Sector shall receive the message and register the report in the record of reports when the registration requirements are met in terms of fulfilling the necessary information and stating its facts, content and attachments, if any.

**4. Filling the electronic Report form:**

The whistleblower may submit his report to the Authority through its official website on the internet, according to the adopted system. In such case, the Coordination and Follow-up Office of the Legal Affairs Sector shall receive the message, register the report in the concerned record and state its facts, content and attachments, if any.

**c. Completing the information or data in the report:**

The Coordination and Follow-up Office of the Legal Affairs Sector shall register the reports submitted to the Authority through the adopted means that meet all necessary requirements. If the data or information of the report are incomplete, the whistleblower shall be contacted through the designated phone line to complete the necessary data or information within five business days, otherwise the report shall be considered incomplete unless he was granted another similar period after the approval of the Head of Legal Affairs Sector.

Without prejudice to the provisions stipulated in these Bylaws regarding protecting the whistleblower, the report's documents and registration records may only be perused by or circulated among the concerned persons in the Authority. Any information relevant to the reports may not be revealed without a justified approval from the Authority or pursuant to a court order.

**Fourth: Requirements of the Report**

Accepting the registration of the report in the concerned record at the Authority is subject to the following:

1. It shall be submitted directly to the Authority in the name of the Chairman of the Board of Commissioners – Managing Director through one of the means approved in clause b/Third.
2. Its subject shall be part of the Authority's competence.
3. It shall be written (paper, electronic) according to the means of delivery.
4. Its source shall be known, and the necessary personal information about the whistleblower shall be complete.
5. It shall include a clear statement about the incidents of the reported crime or violation, time and place of occurrence, the way through which he became aware of it, and any information or evidence which proves its occurrence.
6. It shall include a statement about the reported person, his capacity and relationship to the whistleblower.
7. The whistleblower shall state whether he has previously submitted a report on the same subject to any entity, and mentions the decision made regarding the same.
8. The subject shall not be in reality a complaint. The provisions of these rules differentiate between a complaint and a report. In a complaint, the complainant has a direct personal interest. The Coordination and Follow-up Office of the Legal Affairs Sector shall assess whether the direct private interest exists or not.

## Section Two: Examination, Study and Investigation of Reports

1. The Legal Affairs Sector shall present the reports, submitted to the Authority and after registering them, to the Managing Director on the day of their receipt or on the following business day. The Managing Director may refer the reports that meet the necessary requirements to the Investigation Department, or reject the reports that do not meet the necessary requirements, or refer them to the concerned technical department at the Authority if required, or give directives towards fulfilling what is necessary as he deems appropriate. If the subject of the report includes a complaint, then he shall direct towards contacting the complainant and informing him to follow the procedures of submitting a complaint.

The Legal Affairs Sector shall execute the directives of the Managing Director and complete the register's data accordingly.

2. The Coordination and Follow-up Office at the Legal Affairs Sector shall submit the reports referred to the Investigation Department right after receiving a directive of the same and annotate the delivery and its date in the record. He shall also complete what is necessary in the unfulfilled reports and deliver the unfulfilled reports that were decided to be referred to the concerned technical departments at the Authority and annotate the delivery and its date in the record, or keep the rejected reports in a special file. If the subject of the report is in reality a complaint, he shall notify the whistleblower through the phone to follow the assigned procedures for submitting a complaint pursuant to the provisions of Chapter Eight of this Module, while considering that the whistleblower is not permitted to ask the Authority regarding the report's examination or action taken upon it.
3. The Investigation Department shall carry out its work regarding the reports referred to it according to its procedures which are stipulated in Chapter Four of this Module in terms of examination, study and investigation after conducting the following:

- a. Collecting facts about the report.
- b. Adding legal adaptation to the incident to identify its legal characterization in light of the approved legal rules, and specify whether they are considered crimes or violations according to the provisions of the Law and these Bylaws or not.
- c. Verifying the validity of the incidents of the report.
- d. Ensuring that the incidents of the report have not been previously examined, studied or investigated by the Authority.

In order to achieve that, the Investigation Department may refer to the concerned technical departments at the Authority or use its adopted methods for collecting information and evidence, as the case may be.

- e. Including the latest registered report with the previous one if the subject is the same, and annotating the same in the record of reports.
- f. Conducting the necessary coordination according to the adopted procedures to know what procedure or action is taken regarding an incident which is reported to other entities or one in which competences overlap, in order to avoid conflicts.
- g. Notify the Coordination and Follow-up Office of the Legal Affairs Sector of the final procedure taken by the Investigation Department regarding the Report to include them in the record after that.

4. The Investigation Department shall prepare a memorandum on the result of the examination and study of the report, or its investigation in which it states the incidents of the report's legal adaptation, what supports its occurrence and the person in charge, in addition to the recommendations regarding its disposal. The memorandum shall be viewed by the Head of the Legal Affairs Sector and after that by the Authority's Managing Director according to the adopted procedures to deem what is necessary.

### Section Three: Acting on the Reports

The Authority's Managing Director may take an action on the reports in one of the following ways:

- 1. Dismissal:**

A report is dismissed in case it is proved that the incident reported is not true or does not form a crime or violation within the scope of implementing the provisions of the Law or these Bylaws, or if the incidents are no longer punitively accountable due to expiration of the period, or if they were previously investigated and decided upon, or if identifying the responsible person becomes impossible due to lack of evidence.

It is also permissible to dismiss the report if it is unimportant and the incidents subject of the report are not of a serious matter and do not require continuing the process of identifying the responsible party, and if disregarding them would be more appropriate and for public interest.

- 2. Referral to the Disciplinary Board:**

Referral to the Disciplinary Board shall be in case of affirming the incidents subject of the report, and that such incidents form a disciplinary violation of the provisions of the Law or any regulations, Bylaws or resolutions issued by the Authority.

- 3. Notifying the Public Prosecution:**

Notifying the Public Prosecution shall be in case of affirming the incidents subject of the report, and that such incidents form a criminal offense as provided for in the Law.

It is permissible to perform both actions; referral to the Disciplinary Board and notifying the Public Prosecution if the incidents subject of the report form disciplinary violations and criminal offenses at the same time.

In all cases, the Managing Director shall present the memorandum of the result along with the necessary recommendation to the Board of Commissioners to decide what it deems appropriate.



**Attachment No. (1)**  
**Report Form**

Report No. (    /    )

Submitted to the Capital Markets Authority

| Whistleblower's Data                                     |   |
|--|---|
| Name of the Whistleblower or their Legal Representative* |   |
| Capacity and Legal Basis*                                |   |
| Occupation*  |   |
| Whistleblower's Relationship to the Reported Person*     |   |
| Civil Identification Number or Identification*           |   |
| Address or Chosen Place*                                 |   |
| Phone Number*  |   |
| Fax Number   |   |
| Email Address*   |   |
| Means of Submitting the Report*                          | <input type="checkbox"/> Electronic Form <input type="checkbox"/> In Person <input type="checkbox"/> Mail |

  

| Witnesses' Data* <input type="checkbox"/> Available <input type="checkbox"/> Not Available |  |
|--|--|
| Name of the Witness*   |  |
| Capacity*  |  |
| Occupation*  |  |
| Whistleblower's Relationship to the Witness*   |  |
| Civil Identification Number or Identification*   |  |
| Address or Chosen Place*   |  |
| Phone Number*  |  |
| Fax Number   |  |
| Email Address  |  |

\*If there is more than one witness, the form shall be completed more than once.

| Reported Person's Data*                       |  |
|---|--|
| Name of Reported Person*                      |  |
| Capacity*                                     |  |
| Occupation*                                   |  |
| Civil Identification Number or Identification |  |
| Address or Chosen Place*                      |  |
| Phone Number*                                 |  |
| Fax Number                                    |  |
| Email Address                                 |  |

\*If there is more than one reported person, the form shall be completed more than once.

| Incident of the Report*                                   |   |
|---|---|
| Time of the Violation/Crime*                              |   |
| Place of the Violation/Crime*                             |   |
| Source and Means of Knowing about it*                     |   |
| Statement on the Incident*                                | <div>.....</div> <div>.....</div> <div>.....</div> <div>.....</div> <div>.....</div> <div>.....</div> <div>.....</div> <div>.....</div> <div>.....</div> <div>.....</div> |
| Is the incident reported to another entity?*              | Yes - No  |
| If the answer is yes, please mention these entities:*     |   |
| Were there any legal actions taken regarding the report?* | Yes - No  |
| If the answer is yes, mention these actions in detail: *  |   |

Reference the Articles of the Authority’s Law, Bylaws or regulating decisions  
that were violated\*

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Supporting Documents and Evidence for the Reported Subject\*  
☐ Available ☐ Not Available

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**Acknowledgment and a Pledge**

I, the undersigned, acknowledge that all the data in this form and attachments are correct and in accordance with the truth and under my personal liability. I also acknowledge my penal, civil and disciplinary responsibility if the report submitted by me is considered one of the crimes or violations stipulated in Law No. 7 of 2010 on the Establishment of the Capital Markets Authority and Regulating Securities Activities and its amendments or any other law. I undertake to provide the Authority with any data or documents required to complete studying, examining or investigating the report submitted to the Authority within the period it specified. I also acknowledge that I have reviewed the obligations of Law No. 7 of 2010 on the Establishment of the Capital Markets Authority and Regulating Securities Activities and its amendments and its Executive Bylaws, and that the Authority has the right of dismissing any report that does not fulfil the required data and conditions or referring the report to other competent entities as deemed necessary for each case. I have no right of inquiring about the Authority's investigation or action on the report.

|            |  |
|------------|--|
| Name:      |  |
| Signature: |  |
| Date:      |  |

Essential data that must be fulfilled.

**Official Use****Competent Employee's Use**

|           |  |
|-----------|--|
| Name      |  |
| Signature |  |
| Date      |  |

**Managing Director's Use**

|           |  |
|-----------|--|
| Signature |  |
| Date      |  |

**Legal Department's Use**

|                 |  |
|-----------------|--|
| Receiver's Name |  |
| Signature       |  |
| Date            |  |

## **Appendix 6**

### **Arbitrator Fees Schedule**

### Arbitrator Fees Schedule

| Arbitration Value |            |            | Percentage  | Minimum      | Maximum      |
|-------------------|------------|------------|---|--------------|--------------|
|                   | From       | To         |   | Value of Fee | Value of Fee |
| 1                 | 0          | 99,999     | $500 + 0.5\% \times (\text{Arbitration Value})$         | 500          | 1000         |
| 2                 | 100,000    | 499,999    | $1,000 + 0.25\% \times (\text{if above } 100,000)$      | 1,000        | 2,000        |
| 3                 | 500,000    | 999,999    | $2,000 + 0.2\% \times (\text{if above } 500,000)$       | 2,000        | 3,000        |
| 4                 | 1,000,000  | 4,999,999  | $3,000 + 0.05\% \times (\text{if above } 1,000,000)$    | 3,000        | 5,000        |
| 5                 | 5,000,000  | 9,999,999  | $5,000 + 0.04\% \times (\text{if above } 5,000,000)$    | 5,000        | 7,000        |
| 6                 | 10,000,000 | 24,999,999 | $7,000 + 0.02\% \times (\text{if above } 10,000,000)$   | 7,000        | 10,000       |
| 7                 | 25,000,000 | 49,999,999 | $10,000 + 0.016\% \times (\text{if above } 25,000,000)$ | 10,000       | 14,000       |
| 8                 | 50,000,000 | And above  | 15,000  |              |              |

### Expert Fees Schedule

| Arbitration Value |            |            | Percentage  | Minimum      | Maximum      |
|-------------------|------------|------------|---|--------------|--------------|
|                   | From       | To         |   | Value of Fee | Value of Fee |
| 1                 | 0          | 99,999     | $500 + 0.5\% \times (\text{Arbitration Value})$         | 250          | 500          |
| 2                 | 100,000    | 499,999    | $1,000 + 0.25\% \times (\text{if above } 100,000)$      | 500          | 1,000        |
| 3                 | 500,000    | 999,999    | $2,000 + 0.2\% \times (\text{if above } 500,000)$       | 1,000        | 2,000        |
| 4                 | 1,000,000  | 4,999,999  | $3,000 + 0.05\% \times (\text{if above } 1,000,000)$    | 2,000        | 3,000        |
| 5                 | 5,000,000  | 9,999,999  | $5,000 + 0.04\% \times (\text{if above } 5,000,000)$    | 3,000        | 4,000        |
| 6                 | 10,000,000 | 24,999,999 | $7,000 + 0.02\% \times (\text{if above } 10,000,000)$   | 4,000        | 6,000        |
| 7                 | 25,000,000 | 49,999,999 | $10,000 + 0.016\% \times (\text{if above } 25,000,000)$ | 6,000        | 9,000        |
| 8                 | 50,000,000 | And above  | 10,000  |              |              |

## Administrative Fees Schedule

| Arbitration Value |            |            | Percentage  | Minimum      | Maximum      |
|-------------------|------------|------------|---|--------------|--------------|
|                   | From       | To         |   | Value of Fee | Value of Fee |
| 1                 | 0          | 99,999     | $500 + 0.5\% \times (\text{Arbitration Value})$         | 250          | 500          |
| 2                 | 100,000    | 499,999    | $1,000 + 0.25\% \times (\text{if above } 100,000)$      | 500          | 1,000        |
| 3                 | 500,000    | 999,999    | $2,000 + 0.2\% \times (\text{if above } 500,000)$       | 1,000        | 2,000        |
| 4                 | 1,000,000  | 4,999,999  | $3,000 + 0.05\% \times (\text{if above } 1,000,000)$    | 2,000        | 3,000        |
| 5                 | 5,000,000  | 9,999,999  | $5,000 + 0.04\% \times (\text{if above } 5,000,000)$    | 3,000        | 4,000        |
| 6                 | 10,000,000 | 24,999,999 | $7,000 + 0.02\% \times (\text{if above } 10,000,000)$   | 4,000        | 6,000        |
| 7                 | 25,000,000 | 49,999,999 | $10,000 + 0.016\% \times (\text{if above } 25,000,000)$ | 6,000        | 9,000        |
| 8                 | 50,000,000 | And above  | 10,000  |              |              |

- 1- All the values in the tables are in Kuwaiti Dinars or equivalent in foreign currencies at the date of the submission of the Arbitration Application.
- 2- The Authority may review the schedule of the administrative, the arbitrator and the expert fees as it deems fit.
- 3- The parties to the dispute shall pay 25% of the administrative fees for the arbitration and the arbitrator and expert fee if they have reconciled prior to submitting the arbitration dispute file in the Arbitral Tribunal.
- 4- The administrative fees for the arbitration shall be paid by the Applicant.
- 5- The fees of the Defendant shall be determined by the same fees due from the Applicant.
- 6- The fees of the third arbitrator shall be determined equally between the Applicant and the Defendant.



## Appendix 7

### Application for Petition Request of Disciplinary Board Resolution

## Application for Petition Request of Disciplinary Board Resolution

| Petitioner Details   |  |
|--|--|
| Petitioner Name  |  |
| Occupation   |  |
| Civil Identification Number  |  |
| Address or chosen place  |  |
| Phone number   |  |
| Fax number   |  |
| Email Address  |  |
| Legal Representative   |  |
| Number of Power of Attorney  |  |
| Address or Chosen Domicile   |  |
| Email Address  |  |
| Details of the Requested Resolution  |  |
| Resolution Number  |  |
| Issuance Date of the Resolution  |  |
| Notification Date of the Resolution  |  |
| Petition Cases   |  |
| <p>Petition is only accepted in the following cases:</p> <ul style="list-style-type: none"> <li>- If the resolution was based on incorrect papers.</li> <li>- If the petitioner obtained conclusive papers on the violation after the issuance of the resolution that were not submitted.</li> <li>- If the resolution decided on something not mentioned in the referral notification.</li> <li>- If the operative part of the resolution was conflicting.</li> <li>- If the resolution was issued on a natural or legal person that was not a correct legal representative during the meetings of the Disciplinary Board.</li> </ul> |  |
| Petition Reasons   |  |
|  |  |

**Supporting Documents of the Petition****Acknowledgement and Pledge**

I, the undersigned, acknowledge that all the data in this form and attachments are correct and in accordance with reality and on my personal liability.

|            |  |
|------------|--|
| Name:      |  |
| Signature: |  |
| Date:      |  |

**Conditions to accept the petition:**

1. Attach copy of the requested resolution.
2. Fill in the data required in the form.
3. Attach the supporting documents of the petition.
4. Pay the prescribed fee.
5. Submit the application during the specified dates.

**Note:**

- In case of failure to fulfil any statement or condition of the petition conditions, the request will not be accepted.

## Appendix 8

### Grievance Form against Disciplinary Board Resolution

**Grievance Form against Disciplinary Board Resolution**

| Grievant Details  |  |
|---|--|
| Grievant Name   |  |
| Occupation  |  |
| Civil Identification Number   |  |
| Address or chosen place   |  |
| Phone number  |  |
| Fax number  |  |
| Email Address   |  |
| Legal Representative  |  |
| Number of Power of Attorney   |  |
| Address or Chosen Domicile  |  |
| Email Address   |  |
| Details of the Resolution against which the Grievance is Submitted  |  |
| Resolution Number   |  |
| Issuance Date of the Resolution   |  |
| Notification Date of the Resolution   |  |
| Grievance Cases   |  |
| Grievance is only considered in the following cases:<br>- Mistake in the attribution's article/s.<br>- Mistake in interpreting the attribution's article/s.<br>- Omitting to respond to substantive plea/s. |  |
| Grievance Reasons   |  |
|   |  |

**Supporting Documents of the Grievance****Acknowledgement and Pledge**

I, the undersigned, acknowledge that all the data in this form and attachments are correct and in accordance with reality and on my personal liability.

Name:

Signature:

Date:

**Conditions to accept the grievance:**

1. Attach copy of the against which the Grievance is Submitted.
2. Fill in the data required in the form.
3. Attach the supporting documents of the grievance.
4. Pay the prescribed fee.
5. Submit the application during the specified dates.

**Note:**

- In case of failure to fulfil any statement or condition of the grievance conditions, the request will not be accepted.