

Resolution No. (26) of 2013
of CMA Board of Commissioners
Concerning Notifying the Capital Markets Authority of Defaulting Traders
in Kuwait Stock Exchange

After Perusal of:

- Law No. 7 of 2010 concerning the Establishment of the Capital Markets Authority and Regulating Securities' Activity, and its Executive Bylaw ; and
- Markets' Director Resolution No. 3 of 2009 concerning observing the execution and settlement of the consequent obligations of trading in Kuwait Stock Exchange; and
- The Unified Trading Contract Form between traders in Kuwait Stock Exchange and the brokers; and
- Pursuant to Resolution No. 10 of 2013 of CMA Board in its meeting held on 19/6/2013 concerning notifying Capital Markets Authority of the defaulting traders in Kuwait Stock Exchange.

The following was resolved

Article (1): The following procedures shall be implemented on every individual who fail to meet his financial obligations towards the Clearing Agency when buying or selling shares.

Article (2): A person shall be deemed to be in default in the operations of buying or selling shares, when the total value of his assets - in his trading account and in the Registry of the Listed Companies at the Securities Exchange – fails to fulfill the liabilities (obligations) of his trading account,

which requires the intervention of the Guarantee Fund in order to cover his obligations.

Article (3): Kuwait Stock Exchange and the Clearing Agency are both obliged to notify the Capital Markets Authority within two working days upon the occurrence of the default as follows:

1. A statement of the default cases concerning any of the Trades stating their names and data, and a statement of the purchased or sold shares and their value.
2. The actions taken against the defaulter, a notification which shall include a report about the defaulter's data, the net amount due from his part and the actions taken against him, and a copy of the report that shall be sent to the defaulter.

Article (4): Provisions of this Resolution shall come into force from the date of issuance; any contradicting provisions shall be cancelled.

Saleh Mubarak Al-Falah

Chairman, CMA Board of Commissioners

Issued on 30 / 6 / 2013