

**Resolution No. (80) of 2026**

**Regarding Amendment to Some Provisions of the Executive Bylaws of Law No.7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments Concerning Exchange Traded Funds**

**Having Perused:**

- Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Executive Bylaws, and their amendments; and
- CMA Board of Commissioners Resolution passed in its meeting No. (25) of 2026 held on 17/06/2026.

**The Following Was Resolved**

**Article (1)**

Module One (Glossary), Module Five (Securities Activities and Registered Persons), Module Twelve (Listing Rules), and Module Thirteen (Collective Investment Schemes) of the Executive Bylaws of Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments are hereby amended pursuant to Annex 1 attached to this Resolution.

**Article (2)**

Appendix 4 (CMA Fees Schedule) of Module Two (Capital Markets Authority) of the Executive Bylaws of Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments is hereby amended pursuant to Annex 2 attached to this Resolution.

**Article (3)**

Appendix 3 (Application for Voluntary Delisting of Listed Fund Units from the Exchange) and Appendix 4 (Application for Voluntary Delisting of Listed Bonds or Sukuk from the Exchange) shall be added to Module Twelve (Listing Rules) of the Executive Bylaws of Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments pursuant to Annex 3 attached to this Resolution.

**Article (4)**

Attachment (12) “Investment Controls of Exchange Traded Funds” shall be added to Appendix 4 (Investment Controls for Each Type of Fund) of Module Thirteen (Collective Investment Schemes) of the Executive Bylaws of Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments pursuant to Annex 4 attached to this Resolution.

**Article (5)**

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

**Emad Ahmed Tifouni**

**Issued on: 18/06/2026.**

**Annex 1**

| # | Module | Article                | Amendment type    | Text before Amendment | Text After Amendment  |
|---|--------|------------------------|-------------------|-----------------------|---|
| 1 | One    | Exchange Traded Funds  | Adding Definition | -                     | An open-ended fund listed on the Exchange that aims to track the performance index of a group of Securities listed on Kuwait Exchange, or a Non-Kuwaiti Exchange, or a specific commodity index, or more.                                 |
| 2 | One    | Authorized Participant | Adding Definition | -                     | A Licensed Person to practice the activity of Market Maker or Qualified Securities Broker Registered with an Exchange who is responsible for the execution of subscription and redemption transactions of the Exchange-Traded Fund Units. |

| # | Module | Article            | Amendment type   | Text before Amendment   | Text After Amendment  |
|---|--------|--------------------|------------------|---|---|
| 3 | Five   | Article<br>1-42-17 | Amending Article | <p>A Security on which a Market Maker registers, is subject to the following:</p> <ol style="list-style-type: none"> <li>1. A period of no less than three months shall elapse from the listing of the Security on the Exchange.</li> <li>2. The number of Market Makers for one Security shall not exceed five, unless the Authority approves an increase to this number.</li> </ol> <p>The Exchange shall set other conditions that shall be applicable to such Securities.</p> | <p>Conditions that must be met for a <u>Security</u> to register a <u>Market Maker</u> and to practice its activity:</p> <ol style="list-style-type: none"> <li>1. The number of <u>Market Makers</u> registered for one <u>Security</u> shall not exceed five, unless the <u>Authority</u> approves an increase to this number.</li> <li>2. The <u>Exchange</u> shall set other conditions that must be met for such <u>Securities</u>.</li> </ol>   |
| 4 | Twelve | Article<br>3-1     | Amending Article | <p><b><u>Listing a Fund in the Exchange:</u></b></p> <p>Without prejudice to the application of Article (1-6) of this Module, Funds submitting a Listing Application for their Units in the Exchange shall meet the investment conditions stipulated in Module Thirteen (Collective Investment Schemes) of the Bylaws, and the listing conditions set forth in the Exchange’s rules, in addition to the following conditions:</p>   | <p><b><u>Listing a Fund in the Exchange:</u></b></p> <p>Without prejudice to the application of Article (1-6) of this <u>Module</u>, <u>Funds</u> submitting a Listing Application for their Units in the <u>Exchange</u> shall meet the investment conditions stipulated in Module Thirteen (Collective Investment Schemes) of the Bylaws, and the listing conditions set forth in the Exchange’s rules, in addition to the following conditions:</p> <ol style="list-style-type: none"> <li>1. The <u>Fund</u> shall be licensed by the <u>Authority</u> and registered in <u>Collective Investment Schemes</u> register</li> </ol> |

| # | Module | Article | Amendment type | Text before Amendment  | Text After Amendment  |
|---|--------|---------|----------------|--|---|
|   |        |         |                | <p>1. The Fund shall be licensed by the Authority and registered in Collective Investment Schemes register by the Authority.</p> <p>2. It shall be a Close-Ended Fund or Exchange-traded Funds (ETFs).</p> <p>3. The Articles of Association of the Fund shall stipulate the possibility to list the Units of the fund on the Exchange.</p> <p>4. The remaining period for the Fund shall not be less than one year from the date of submitting the Listing Application unless its period is extended.</p> <p>5. The Units of the Fund shall be tradable and freely transferable in conformity with the provisions of the Law, these Bylaws, the Articles of Association, and the rules set forth by the Exchange and approved by the Authority. The purchase of the Unit owner of any Unit shall be deemed as an acknowledgment of his perusal and approval of the provisions of the Articles of Association of the Fund. The Fund Manager shall be committed to publishing the Articles of</p> | <p>by the <u>Authority</u>, or a <u>Fund</u> established outside the State of Kuwait and licensed by the <u>Authority</u> to market its <u>Units</u> in the State of Kuwait.</p> <p>2. It shall be a <u>Public Close-Ended Fund</u> or <u>Exchange-traded Funds</u>).</p> <p>3. The <u>Articles of Association</u> of the <u>Fund</u> shall stipulate the possibility to list the Units of the fund on the <u>Exchange</u>.</p> <p>4. The remaining period for the <u>Fund</u> shall not be less than one year from the date of submitting the Listing Application unless its period is extended. 5. The <u>Units</u> of the <u>Fund</u> shall be tradable and freely transferable in conformity with the provisions of the <u>Law</u>, these <u>Bylaws</u>, the <u>Articles of Association</u>, and the rules set forth by the <u>Exchange</u> and approved by the <u>Authority</u>. The purchase of the Unit owner of any <u>Unit</u> shall be deemed as an acknowledgment of his perusal and approval of the provisions of the <u>Articles of Association</u> of the <u>Fund</u>. The <u>Fund Manager</u> shall be committed to publishing the <u>Articles of Association</u> of the <u>Fund</u> and its amendments through the <u>Exchange</u>.</p> |

| # | Module   | Article     | Amendment type   | Text before Amendment  | Text After Amendment  |
|---|----------|-------------|------------------|--|---|
|   |          |             |                  | <p>Association of the Fund and its amendments through the Exchange.</p> <p>6. Any other conditions or regulations stipulated by the Authority.</p>   | <p>6. Any other conditions or regulations stipulated by the <u>Authority</u>.</p>   |
| 5 | Thirteen | Article 2-3 | Amending Article | <p>According to the nature of its activity, a Fund may take one of the following types:</p> <ol style="list-style-type: none"> <li>1. Equity Fund.</li> <li>2. Private Equity Fund.</li> <li>3. Money Market Fund.</li> <li>4. Debt Instrument Fund.</li> <li>5. Real Estate Fund.</li> <li>6. Fund of Funds.</li> </ol> | <p>According to the nature of its activity, a <u>Fund</u> may take one of the following types:</p> <ol style="list-style-type: none"> <li>1. <u>Equity Fund</u>.</li> <li>2. <u>Private Equity Fund</u>.</li> <li>3. <u>Money Market Fund</u>.</li> <li>4. <u>Debt Instrument Fund</u>.</li> <li>5. <u>Real Estate Fund</u>.</li> <li>6. <u>Fund of Funds</u>.</li> </ol> |

| # | Module   | Article          | Amendment type   | Text before Amendment   | Text After Amendment   |
|---|----------|------------------|------------------|---|--|
|   |          |                  |                  | <p>7. Real Estate Income-Generating Fund (Traded).</p> <p>8. Hedge Fund.</p> <p>9. Venture Capital Fund.</p> <p>10. Sustainable Fund.</p> <p>11. Multi-Asset Fund.</p> <p>12. The Authority may approve the incorporation of any other type not specified in this Article, provided that the submitted application includes a clear investment policy and positioning percentages that do not conflict with the general provisions regulated by the Authority.</p> <p>The general provisions stipulated in this Module shall apply to different types of Funds, unless there is a special provision on investment controls for each type of Fund.</p> | <p>7. <u>Real Estate Income-Generating Fund (Traded)</u>.</p> <p>8. <u>Hedge Fund</u>.</p> <p>9. <u>Venture Capital Fund</u>.</p> <p>10. <u>Sustainable Fund</u>.</p> <p>11. <u>Multi-Asset Fund</u>.</p> <p>12. <u>Exchange Traded Fund</u>.</p> <p>13. The <u>Authority</u> may approve the incorporation of any other type not specified in this <u>Article</u>, provided that the submitted application includes a clear investment policy and positioning percentages that do not conflict with the general provisions regulated by the <u>Authority</u>.</p> <p>The general provisions stipulated in this <u>Module</u> shall apply to different types of <u>Funds</u>, unless there is a special provision on investment controls for each type of <u>Fund</u>.</p> |
| 6 | Thirteen | Article<br>2-4-1 | Amending Article | <p>The Fund's capital is divided into Units of equal value. The liability of the Unit holders in the Fund is limited to the value of their participation in the Fund's capital. The value of Units shall be</p>   | <p>The <u>Fund</u>'s capital is divided into <u>Units</u> of equal value. The liability of the <u>Unit Holders</u> in the <u>Fund</u> is limited to the value of their participation in the <u>Fund</u>'s capital.</p>   |

| # | Module   | Article           | Amendment type      | Text before Amendment  | Text After Amendment   |
|---|----------|-------------------|---------------------|--|--|
|   |          |                   |                     | paid in cash upon subscription or participation. The value of subscription may be paid in instalments if stated in the Articles of Association of the Fund. As an exception of the provision aforementioned - for the Real Estate Fund, Real Estate Income-Generating Fund (Traded) and Private Fund- the value of Units may be paid in kind; provided that the Articles of Association states thereof; the assets in kind shall be set for appraisal in accordance with the provisions of appraisal of shares in kind referred to in Module Eleven (Dealing in Securities) of these Bylaws. | The value of <u>Units</u> shall be paid in cash upon subscription or participation. The value of subscription may be paid in instalments if stated in the <u>Articles of Association</u> of the <u>Fund</u> . As an exception of the provision aforementioned - for the <u>Real Estate Fund</u> , <u>Real Estate Income-Generating Fund (Traded)</u> , <u>Private Fund</u> , <u>and Exchange Traded Fund</u> - the value of Units may be paid in kind; provided that the <u>Articles of Association</u> states thereof; the assets in kind shall be set for appraisal in accordance with the provisions of appraisal of shares in kind referred to in Module Eleven (Dealing in Securities) of these Bylaws, <b>unless that in kind asset is traded in a regulated financial market.</b> |
| 7 | Thirteen | Article<br>2-11-1 | Amending<br>Article | Each Fund must have the following service providers:<br><br>1. A Fund Manager.<br>2. An Investment Controller.<br>3. A Custodian.<br>4. An external Auditor.   | Each <u>Fund</u> must have the following service providers:<br><br>1. A <u>Fund Manager</u> .<br>2. An <u>Investment Controller</u> .<br>3. A <u>Custodian</u> .<br>4. <u>Record Keeper</u><br>5. An <u>External Auditor</u> .   |

| # | Module | Article | Amendment type | Text before Amendment  | Text After Amendment   |
|---|--------|---------|----------------|--|--|
|   |        |         |                | <p>5. An External Sharia Auditing Office for Funds licensed to operate in accordance with the provisions of Islamic Sharia.</p> <p>It shall be taken into consideration that the Investment Controller, the external Auditor, or the External Sharia Auditing Office may not be a Related Party with the Fund Manager.</p> <p>The Fund Manager may also appoint a Licensed Person which is regulated by a foreign Regulatory Body to carry out some of the duties of the Fund Manager in regard to the Fund's Assets outside of the State of Kuwait. Contracting with any of those entities shall not exempt the Fund Manager from his responsibilities regarding the damages resulted from such contract.</p> | <p>6. An <u>External Sharia Auditing Office</u> for Funds licensed to operate in accordance with the provisions of <u>Islamic Sharia</u>.</p> <p><b>The <u>Exchange Traded Funds</u> shall have the following additional service providers:</b></p> <ol style="list-style-type: none"> <li>1. <u>Authorized Participants</u>.</li> <li>2. <u>Market Maker</u>.</li> </ol> <p>It shall be taken into consideration that the <u>Investment Controller</u>, the <u>External Auditor</u>, or the <u>External Sharia Auditing Office</u> may not be a <u>Related Party</u> with the <u>Fund Manager</u>.</p> <p>The <u>Fund Manager</u> may also appoint a <u>Licensed Person</u> which is regulated by another <u>Regulatory Body</u> to carry out some of the duties of the <u>Fund Manager</u> in regard to the <u>Fund's Assets</u> outside of the State of Kuwait, or appoint any other parties to provide services for the <u>Funds Assets</u> outside the State of Kuwait, provided that those entities are subject to another <u>Regulatory Body</u>. <b>The <u>Fund Manager</u> shall ensure that the external service provider perform its duties in accordance with each party's obligations, as</b></p> |

| # | Module   | Article      | Amendment type   | Text before Amendment   | Text After Amendment  |
|---|----------|--------------|------------------|---|---|
|   |          |              |                  |   | contracting with any of those entities shall not exempt the <u>Fund Manager</u> from his responsibilities regarding the damages resulted from such contract.  |
| 8 | Thirteen | Article 2-12 | Amending Article | <p>A service provider may not combine two or more functions set forth in Article (2- 11) of this Chapter for one investment Fund. As an exception, combination may be conducted in the following cases:</p> <ol style="list-style-type: none"> <li>1. The functions of the Custodian and the Investment Controller may be combined.</li> <li>2. The functions of Fund Manager, Subscription Agent (Selling) and real estate management company may be combined.</li> <li>3. The functions of Subscription Agent (Selling), Investment Advisor, and real estate management company may be combined.</li> <li>4. The functions of Investment Advisor and real estate management company may be combined.</li> </ol> | <p>A service provider may not combine two or more functions set forth in Article (2- 11) of this Chapter for one investment <u>Fund</u>. As an exception, combination may be conducted in the following cases:</p> <ol style="list-style-type: none"> <li>1. The functions of the <u>Custodian</u> and the <u>Investment Controller</u> may be combined.</li> <li>2. The functions of <u>Fund Manager</u>, <u>Subscription Agent</u> (Selling) and real estate management company may be combined.</li> <li>3. The functions of <u>Subscription Agent</u> (Selling), <u>Investment Advisor</u>, and real estate management company may be combined.</li> <li>4. The functions of <u>Investment Advisor</u> and real estate management company may be combined.</li> </ol> |

| # | Module   | Article      | Amendment type   | Text before Amendment  | Text After Amendment   |
|---|----------|--------------|------------------|--|--|
|   |          |              |                  | <p>Provided that the necessary procedures and measures for the segregation of functions assumed by the service provider shall be taken and the conflict of interests that may occur while carrying out the tasks shall be avoided.</p>   | <p>5. Combine the functions of <u>Fund Manger</u> and <u>Market Maker</u>.</p> <p>6. Combine the functions of <u>Authorized Participant</u> and <u>Market Maker</u> on the <u>Exchange Traded Fund</u>.</p> <p>Provided that the necessary procedures and measures for the segregation of functions assumed by the service provider shall be taken and the conflict of interests that may occur while carrying out the tasks shall be avoided.</p>   |
| 9 | Thirteen | Article 2-13 | Amending Article | <p>General Duties</p> <p>Service providers for a Fund, whether they were natural Persons or corporate entities, should comply with the following:</p> <ol style="list-style-type: none"> <li>1. They should have the adequate human resources, technical and financial abilities and capabilities to the sufficient extent to meet the commitments thereof.</li> <li>2. Enter into a contract with the service provider which includes the rights and obligations of the parties thereto, in particular, the fees of the service provider, the bases of calculating it, dates</li> </ol> | <p>General Duties</p> <p>Service providers for a <u>Fund</u>, whether they were natural <u>Persons</u> or corporate entities, should comply with the following:</p> <ol style="list-style-type: none"> <li>1. They should have the adequate human resources, technical and financial abilities and capabilities to the sufficient extent to meet the commitments thereof.</li> <li>2. Enter into a contract with the service provider which includes the rights and obligations of the parties thereto, in particular, the fees of the service provider, the bases of calculating it, dates of payment, the procedures to be taken at the termination of such</li> </ol> |

| # | Module | Article | Amendment type | Text before Amendment   | Text After Amendment  |
|---|--------|---------|----------------|---|---|
|   |        |         |                | <p>of payment, the procedures to be taken at the termination of such contract, and procedures and implications resulting from the termination of the relationship with such service provider, except the Fund Manager who may be replaced by the Fund's Articles of Association which includes the requirements of this Item.</p> <p>3. Assume Care of a Prudent Person when undertaking the responsibilities of a service provider, and cooperate with the other service providers of the Fund, being reliable for any default, professional negligence, or fraud that may occur while carrying out his tasks, and compensate every Person harmed as a result of an error committed by the service provider, provided that the Authority shall be notified within five Business Days once any of the events stipulated in this item occurs.</p> <p>4. The service provider may not deal in the Fund's Units for its interest or on anyone's behalf, except in the following cases:</p> <p>a. Fund Manager.</p> <p>b. Subscription Agent (Selling), Investment Advisor, and real estate management company in regard to the Real Estate Fund or the Real Estate Income Generating Fund (Traded), provided that it shall not conflict with investment provisions of each Fund.</p> | <p>contract, and procedures and implications resulting from the termination of the relationship with such service provider, except the Fund Manager who may be replaced by the Fund's <u>Articles of Association</u> which includes the requirements of this Item.</p> <p>3. Assume Care of a <u>Prudent Person</u> when undertaking the responsibilities of a service provider, and cooperate with the other service providers of the <u>Fund</u>, being reliable for any default, professional negligence, or fraud that may occur while carrying out his tasks, and compensate every Person harmed as a result of an error committed by the service provider, provided that the <u>Authority</u> shall be notified within five <u>Business Days</u> once any of the events stipulated in this item occurs.</p> <p>4. The service provider may not deal in the <u>Fund's Units</u> for its interest or on anyone's behalf, except in the following cases:</p> <p>a. <u>Fund Manager</u>.</p> <p>b. <u>Subscription Agent (Selling)</u>, <u>Investment Advisor</u>, and real estate management company in regard to the <u>Real Estate Fund</u> or the <u>Real Estate Income Generating Fund (Traded)</u>, provided that it shall not conflict with investment provisions of each <u>Fund</u>.</p> <p>c. <u>Authorized Participant for the Exchange Traded Fund</u>.</p> <p>5. Comply with the <u>Law</u>, these <u>Bylaws</u>, the circulars, resolutions, and regulations issued by the <u>Authority</u>, the <u>Articles of Association</u>, and the <u>Prospectus</u>.</p> |

| #  | Module   | Article      | Amendment type   | Text before Amendment   | Text After Amendment  |
|----|----------|--------------|------------------|---|---|
|    |          |              |                  | <p>5. Comply with the Law, these Bylaws, the circulars, resolutions, and regulations issued by the Authority, the Articles of Association, and the Prospectus.</p> <p>6. Take all necessary measures immediately to rectify any failure to comply with its obligations stipulated in the Articles of Association and these Bylaws and any instructions issued by the Authority.</p> <p>7. Review, at any time, the records, documents, and papers related to the Fund, which are held by other service providers, within the limits of their competences and their ability to perform as required.</p> <p>8. Not to exploit the Fund Assets for a personal benefit.</p> | <p>6. Take all necessary measures immediately to rectify any failure to comply with its obligations stipulated in the <u>Articles of Association</u> and these <u>Bylaws</u> and any instructions issued by the <u>Authority</u>.</p> <p>7. Review, at any time, the records, documents, and papers related to the <u>Fund</u>, which are held by other service providers, within the limits of their competences and their ability to perform as required.</p> <p>8. Not to exploit the <u>Fund Assets</u> for a personal benefit.</p> |
| 10 | Thirteen | Article 2-23 | Amending Article | <p>The Public Fund - that is licensed by the Authority to be incorporated - may be listed on the Exchange according to the rules set forth in Module Twelve (Listing Rules) of these Bylaws and the Exchange's rules.</p> <p>Funds incorporated outside of the State of Kuwait - which are licensed by the Authority to market their Units in the State of Kuwait - may apply for listing on the Exchange according to</p>  | <p>The <u>Public Fund</u> - that is licensed by the <u>Authority</u> to be incorporated - may be listed on the Exchange according to the rules set forth in <u>Module Twelve</u> (Listing Rules) of these <u>Bylaws</u> and the <u>Exchange's</u> rules.</p> <p><u>Funds</u> incorporated outside of the State of Kuwait - which are licensed by the <u>Authority</u> to market their <u>Units</u> in the State of Kuwait - may apply for listing on the <u>Exchange</u> according to the requirements and</p>                          |

| #  | Module   | Article        | Amendment type   | Text before Amendment   | Text After Amendment   |
|----|----------|----------------|------------------|---|--|
|    |          |                |                  | <p>the requirements and conditions specified by the Exchange's rules and regulations.</p> <p>As an exception of Exchange Traded Funds, the investment controls of the Funds requesting their listing should not conflict with the investment controls of the Public Funds set out in this Module.</p> | <p>conditions specified by the <u>Exchange's</u> rules and regulations. <b>The <u>Listing Application</u> may coincide with the application to license the marketing of <u>Units</u> in the State of Kuwait.</b></p> <p>As an exception of <u>Exchange Traded Funds</u>, the investment controls of the <u>Funds</u> requesting their listing should not conflict with the investment controls of the <u>Public Funds</u> set out in this <u>Module</u>.</p> |
| 11 | Thirteen | Article 2-26-3 | Amending Article | <p>The Fund's Assets must be evaluated in accordance with the last day of the Dealing Days and no later than one Business Day after the deadline for submitting subscription and redemption applications.</p>   | <p>The <u>Fund's Assets</u> must be evaluated in accordance with the last day of the <u>Dealing Days</u> and no later than one <u>Business Day</u> after the deadline for submitting subscription and redemption applications.</p> <p><b>The <u>Assets</u> of the <u>Exchange Traded Fund</u> shall be valued at the end of each trading day on the <u>Exchange</u>.</b></p>   |

## Annex 2

### Appendix (4)

#### Schedule of the CMA Services Fees

| 2. Listing and Delisting: |  |  |  |
|---------------------------|--|--|--|
| #                         | Service  | Fee Amount (Kuwaiti Dinars)              | Maturity                                 |
| 2-1                       | Request of listing the shares of both Kuwaiti and Non-Kuwaiti Shareholding Companies in the Exchange.                                  | KWD 5,000 (five thousand Kuwaiti Dinars) | Upon submitting the listing application. |
| 2-2                       | Request of listing the shares of Kuwaiti Companies in Non-Kuwaiti exchanges.   | KWD 2,000 (two thousand Kuwaiti Dinars)  | Upon submitting the listing application. |
| 2-3                       | Request of listing both a Kuwaiti and non-Kuwaiti Collective Investment Scheme in the Exchange.  | KWD 2,000 (two thousand Kuwaiti Dinars)  | Upon submitting the listing application. |
| 2-4                       | Request of voluntary delisting of the shares of a company listed in the Exchange.  | KWD 5,000 (five thousand Kuwaiti Dinars) | Upon submitting the listing application. |
| 2-5                       | Request of listing the shares of both Kuwaiti and Non-Kuwaiti Shareholding Companies in the Emerging Companies Market in the Exchange. | KWD 500 (five hundred Kuwaiti Dinars)    | Upon submitting the listing application. |
| 2-6                       | Request of listing Bonds or Sukuk in the Exchange  | KWD 1,000 (one thousand Kuwaiti Dinars)  | Upon submitting the listing application. |

|     |  |   |                                 |
|-----|--|---|---------------------------------|
| 3-6 | Application for Voluntary Delisting of Listed Fund Units from the Exchange     | KWD 2,000 (two thousand Kuwaiti Dinars) | Upon submitting the application |
| 4-6 | Application for Voluntary Delisting of Listed Bonds or Sukuk from the Exchange | KWD 1,000 (one thousand Kuwaiti Dinars) | Upon submitting the application |

**Appendix 3 (Application for Voluntary Delisting of Listed Fund Units from the Exchange)**

**(1) Information of the Fund**

**Fund Name\***

**Fund Manager's Name\***

**Address of Fund Manager's Headquarters\***

| <b>(2) List of documents required upon submission of the application</b> |   |                          |            |  |                |
|--|---|--------------------------|------------|--|----------------|
| <b>SR.</b>   | <b>Document</b>   | <b>Appendix</b>          | <b>N/A</b> | <b>Review Status<br/>(Capital Market<br/>Authority only)</b> | <b>Remarks</b> |
| <b>1*</b>  | A letter from the Fund Manager requesting voluntary delisting from the Exchange.  | <input type="checkbox"/> |            |  |                |
| <b>2*</b>  | Copy of the announcement of the entity managing the Fund's recommendation of delisting from the Exchange and specifying the reasons for such a decision.        | <input type="checkbox"/> |            |  |                |
| <b>3*</b>  | A letter specifying the reasons of delisting from the Exchange.   | <input type="checkbox"/> |            |  |                |
| <b>4*</b>  | A copy of the minutes of the Unit holder's meeting of approving the delisting, in accordance with Item No. (2) of Article 3-10 of Chapter Three of this module. | <input type="checkbox"/> |            |  |                |

|           |  |                          |  |  |  |
|-----------|--|--------------------------|--|--|--|
| <b>5*</b> | An undertaking from the entity managing the Fund guaranteeing payment of any amounts or obligations due from the Fund to the Exchange during its listing period at the Exchange.   | <input type="checkbox"/> |  |  |  |
| <b>6*</b> | An undertaking from the Fund in coordination with a Clearing Agency for payment of any obligations of the Fund towards the Unit holders including profits and revenues.  | <input type="checkbox"/> |  |  |  |
| <b>7*</b> | Copy of Fees Payment Receipt of the Delisting Application  | <input type="checkbox"/> |  |  |  |
| <b>8</b>  | Providing proof that the Fund Manager has redeemed the participants' units at the last valuation price per unit at the time of redemption. This applies to Exchange-Traded Funds in which some Unit holders are unable to redeem their units due to a small number of units. | <input type="checkbox"/> |  |  |  |

No application shall be admitted unless this form is completed, especially the mandatory fields marked with \*. If none of the above documents are available, please notify the Authority with an official letter explaining the reason.

|  |  |                        |
|--|--|------------------------|
| Application Reviewer<br>(Capital Market Authority) |  | Applicant              |
| Date ...../...../.....                             |  | Date ...../...../..... |
| Signature  |  | Signature              |
| Stamp  |  | Stamp                  |

#### Appendix 4 (Application for Voluntary Delisting of Listed Bonds or Sukuk from the Exchange)

##### (1) Information of the Issuer

Issuer Name\*

Address of Issuer's Headquarters\*

| <b>(2) List of documents required upon submission of the application</b> |   |                 |            |  |                |
|--|---|-----------------|------------|--|----------------|
| <b>SR.</b>   | <b>Document</b>   | <b>Appendix</b> | <b>N/A</b> | <b>Review Status<br/>(Capital Market<br/>Authority only)</b> | <b>Remarks</b> |
| <b>1*</b>  | A letter from the Issuer requesting voluntary delisting from the Exchange.  |                 |            |  |                |
| <b>2*</b>  | Copy of the announcement of the Board of Directors recommendation to the Issuer of delisting from the Exchange and specifying the reasons for such a decision.  |                 |            |  |                |
| <b>3*</b>  | A copy of the notification letter including a written notice to the Bondholders' or Sukukholders whose delisting is required, provided that it includes a clear explanation of what is stipulated in Item (2) of Article 4-13 of Chapter Four of this module. |                 |            |  |                |
| <b>4*</b>  | A copy of the approval letter of two-thirds of the Bondholders' or  |                 |            |  |                |

|           |  |  |  |  |  |
|-----------|--|--|--|--|--|
|           | Sukukholders to delist from the Exchange.  |  |  |  |  |
| <b>5*</b> | An undertaking from the Issuer and Obligor guaranteeing payment of any amounts or obligations due from the Issuer and Obligor – as the case may be- to all related parties for the listing period. |  |  |  |  |
| <b>6*</b> | An undertaking from the company in coordination with a Clearing Agency for payment of any obligations of the company towards the Bondholders or Sukukholders including profits and revenues.       |  |  |  |  |
| <b>7*</b> | Copy of Fees Payment Receipt of the Delisting Application  |  |  |  |  |

No application shall be admitted unless this form is completed, especially the mandatory fields marked with \*. If none of the above documents are available, please notify the Authority with an official letter explaining the reason.

|  |  |                        |
|--|--|------------------------|
| Application Reviewer<br>(Capital Market Authority) |  | Applicant              |
| Date ...../...../.....                             |  | Date ...../...../..... |
| Signature  |  | Signature              |
| Stamp  |  | Stamp                  |

## **Appendix 4**

### **Investment Controls of Each Type of Fund**

#### **Attachment (12) Investment Controls of Exchange-Traded Funds**

Exchange-Traded Fund is an Open-Ended Fund listed on the Exchange, that aims to track the performance index of a group of Securities listed on Kuwait Exchange, or a Non-Kuwaiti Exchange, or a specific commodity index, or more.

The provisions of the Funds provided for in this Module shall apply to the Exchange-Traded Funds unless otherwise specified in this attachment and in a manner consistent with its nature, objectives, and mechanism of work, and subject to the following terms and conditions:

#### **First: Regulatory Requirements for Exchange- Traded Funds**

Exchange Traded Fund shall comply with the following provisions:

1. When selecting the benchmark index, the Fund Manager must consider the following:
  - a. The index shall not be issued by an index provider following the same group as the Fund Manager, and there must be no conflict of interest between the Fund Manager and the index provider.
  - b. It must track a performance index of a group of Securities listed on the Exchange, or a non-Kuwaiti Exchange, or a specific commodity index, or more. The benchmark index shall be one of the indices of Exchange or from an index provider that is a member of the Index Industry Association (IIA).
  - c. The index provider must comply with EU regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.
  - d. The index must be clearly defined and appropriately reflect the Fund's objective and scope.
  - e. Its components must be traded on the Exchange or any other exchange set by a regulatory authority.

2. The indicative net asset value per unit (iNAV per Unit) must be calculated by the Fund Manager or Investment Controller. The Fund Manager is required to disclose this value during the trading day and display it on the Exchange's website, and update it every 15 seconds during trading hours.
3. The net asset value per unit (NAV per Unit) must be calculated during the trading day and displayed by the Fund Manager on the Exchange's website no later than fifteen minutes before the start of the next trading session.
4. The Fund Manager must consider the following and add them to the mandatory information stipulated in Article (2-10-2) of this Module:
  - a. A statement of the index name and the index provider's name.
  - b. The fund's index tracking mechanism, which shall be one of the following two methods:
    - Investment in all Securities or commodities comprising the index (Full Replication)
    - Selective investment in Securities or commodities comprising the index (Sampling)
  - c. A method of informing the public about the index, its components, and its calculation methodology.
  - d. Set a maximum limit for Tracking Error, defined as the annual standard deviation of the difference between the Fund's performance and the index performance followed by the Fund, and a statement of the risks and circumstances that may lead to Tracking Error, and the measures the Fund Manager may take to minimize them.
  - e. Determine the mechanism for calculating the indicative net asset value per unit (iNAV per Unit).
  - f. Details of the regulatory requirements for subscription and redemption procedures, taking into account the suspension or delisting of any component of the index followed by the Fund.
  - g. The cash percentage and other assets for liquidity purposes to cover the Fund's operating costs (if any).
  - h. Investment Areas for the Fund's Available Cash.
  - i. The risks related to the followed investment strategy or investment fields, provided that these explanations are clear, complete, and accurate.

j. For the Feeder Exchange-Traded Fund mentioned in (Seventh) of this Appendix, the following shall be added:

- The name of the main Fund, its Manager, and its regulatory entity.
- The investment policy of the main fund.
- The total fees and expenses incurred by the investor for both the Feeder Exchange Traded Fund and the main Fund combined. Clearly, no undisclosed arrangements for sharing fees or commissions between the Feeder Fund Manager and the main Fund or any related parties are permitted.
- Risks related to dependance on the main Fund, including liquidity risk, redemption suspension risk, and currency risk (if any).
- A statement of the influence of any material events affecting the main Fund on the Feeder Exchange Traded Fund and the mechanism for notifying the Authority, the Exchange, and Unit Holders of such events.

5. As an exemption from the provisions of the Public Fund, after the conclusion of the period of subscription of the Fund, direct subscription and redemption of the fund is restricted to the Authorized Participant, provided that the Fund's Articles of Association stipulate that **it** may subscribe to or redeem Fund Units in cash or in kind.

### **Second: Additional Provisions for Service Providers of Exchange Traded Fund**

#### 1) Fund Manager

Without prejudice to the Fund Manager's obligations stipulated in this Module, the Exchange Traded Fund Manager shall comply with the following:

- a. Receive subscription requests from eligible subscribers or from the Subscription Agent (selling) and to review them prior to approval.
- b. Issue units based on the subscription process, in coordination with the Custodian and the Record Keeper, after meeting the required Fund capital.
- c. Prepare a statement of the Units composition of Securities, cash, or commodities, and display it on the Fund Manager's website and the Exchange's website. This statement shall be updated on a daily basis fifteen minutes prior to the commencement of each trading session.

- d. Receive subscription and redemption requests from the Authorized Participant and review them prior to approval.
- e. Issue and cancel Units based on subscription and redemption transactions, in coordination with the Custodian and the Record Keeper.
- f. Verify the accuracy of the Fund's components and cash balances after the execution of subscription and redemption transactions and notify the Custodian and the Authorized Participant to settle any errors.
- g. The Fund shall clearly and notably display its name and type as an Exchange-Traded Fund in all disclosures, statements, and reports, whether published on its website or the Exchange's website.
- h. The Fund shall disclose to the Exchange the data it is obliged to notify Unit Holders of, in accordance with the provisions of Chapter Two of this Module, within the timeframes specified for each notification and to the extent that this does not conflict with the nature, objectives, and operating mechanism of the Exchange-Traded Fund. These disclosures shall replace those notifications.

2) Authorized Participant:

The Exchange-Traded Fund shall have one or more Authorized Participant from Licensed Persons for the activity of Market Maker or Qualified Securities Brokers Registered with an Exchange. They shall be appointed by the Fund Manager after notifying the Authority. Each Authorized Participant shall comply with the following:

- a. The provisions of Article 2-13 of this Module.
- b. Implement subscription and redemption transactions for Fund Units.
- c. Deal with the Fund's components for the purpose of implementing subscription and redemption transactions for Fund Units.
- d. Coordination with the Fund Manager to implement and manage subscription and redemption transactions.
- e. Submitting subscription or redemption requests for Fund Units in accordance with the minimum requirements stipulated in the Articles of Association.
- f. In the case of subscription, the Authorized Participant shall deposit the Unit components and cash with the Custodian simultaneously with the subscription request and in proportion to the number of Units to be subscribed.

g. In the case of redemption, the Authorized Participant shall deposit a number of Units with the Custodian simultaneously with the implementation of the redemption request and in proportion to the number of Units to be redeemed.

### 3) Custodian

The Custodian of the Exchange-Traded Fund is bound by the Custodian obligations stipulated in this Module, in addition to the following:

- a. Reviewing subscription, participation, and redemption requests submitted to the Fund Manager and ensuring that the number of Fund Units issued or cancelled and their values resulting from subscription, participation, and redemption transactions match the Fund's assets and the values received or paid for those Units.
- b. The Fund Manager shall maintain the Unit components along with the cash deposited by the Fund Manager simultaneously upon submission of the participation application, in proportion to the number of units requested. In the case of redemption, the Fund Manager shall maintain the units deposited in proportion to the Units to be redeemed.
- c. In the case of subscription, the Fund Manager shall coordinate with the Record Keeper regarding the Clearing Agency transfer of ownership of the Unit components from the subscribers' accounts to the Fund's account in exchange for issuing and depositing the Units into the subscribers' accounts.
- d. In the case of participation, the Fund Manager shall coordinate with the Record Keeper regarding the Clearing Agency transfer of ownership of the Unit components from the subscription agent's account to the Fund's account in exchange for issuing and depositing the Units into the Authorized Participants account.
- e. In the case of redemption, the Fund Manager shall coordinate with the Record Keeper regarding the Clearing Agency transfer of ownership of the Unit components from the Fund's account to the Authorized Participant's account in exchange for canceling the units from the Authorized Participants account. If the Unit components included Securities or commodities listed on a non-Kuwaiti Exchange, the primary Custodian may engage a secondary Custodian licensed by another regulatory authority to transfer ownership as outlined in this item. This is subject to obtaining a written approval from the Fund Manager for all contracts between the primary and secondary Custodians.

f. Coordinating with the Fund Manager and the Record Keeper to issue and cancel Units in accordance with subscription and redemption transactions.

g. Ensuring at the end of each trading day that the number of issued Units matches the assets received.

h. The Authorized Participant and the Fund Manager shall address and resolve any differences between the Fund's Units and assets.

#### 4) Market Maker:

An Exchange-Traded Fund shall have one or more Market Makers, who are licensed for the activity of Market Maker and appointed by the Fund Manager, provided that they are registered with the Exchange, and notify the Authority before practicing the activity on the Fund's Units.

The Market Maker shall comply with the provisions of Article 2-13 of this Module, these Bylaws, and the rules of the Exchange and the Clearing Agency.

#### 5) Record Keeper

Without prejudice to the obligations of the Record Keeper stipulated in this Module, the Record Keeper shall comply with the following:

a. In the case of a subscription, coordinate with the Custodian regarding the Clearing Agency transfer of ownership of the Unit components from the subscribers' account to the Fund's account in exchange for issuing and depositing the Units into the subscribers' account.

b. In the case of a participation, coordinate with the Custodian regarding the Clearing Agency transfer of ownership of the of Unit components from the Authorized Participant's account to the Fund's account in exchange for issuing and depositing the Units into the Authorized Participant's account.

c. In the case of redemption, coordinate with the Custodian regarding the Clearing Agency transfer of ownership of the Unit components from the Fund's account to the Authorized Participant's account in exchange for canceling the Units from the Authorized Participant's account.

- d. Coordinate with the Fund Manager and the Custodian for the issuance and cancellation of Units in accordance with subscription and redemption transactions.
- e. Notify the Exchange upon issuance or cancellation of Units in accordance with subscription and redemption transactions.
- f. Maintaining and updating the Unit Holders' register after fulfilling the required technical and legal requirements, provided that the register includes the information stipulated in these Bylaws.

**Third: Investment Rules for Exchange Traded Funds**

- 1. Subject to tracking error, the Fund shall track its target index, as outlined in the Prospectus and Articles of Association.
- 2. The Fund's cash borrowing must not exceed 10% of its net asset value, and such borrowing is limited to cover emergencies and redemption requests.
- 3. The Fund may engage in Securities lending and borrowing, up to a maximum of 25% of its net asset value, subject to the following conditions:
  - a. No single entity or individual may be lent more than 10% of the Fund's net asset value.
  - b. If the Fund provides guarantees for lending in the form of Securities issued by a single issuer, these guarantees must not exceed 50% of the total guarantees provided for lending.
- 4. The Fund may assign a percentage, as stipulated in its Articles of Association, for cash and other assets for liquidity purposes and to cover the Fund's operating costs.
- 5. Subject to the preceding item, or in the event of a trading suspension on any of the index components, the Fund may invest the cash available in other investment fields, provided that the following conditions are met:
  - a. These areas shall be specified in the Fund's Articles of Association and are subject to the Authority's approval to determine the impact of such investments on the Fund's primary objective and nature.
  - b. These fields must not conflict with the investment fields stipulated in the Investment Controls for Securities Funds included in this Appendix.

- c. As an exemption from item (b) above, the Fund may not invest in Bonds, Sukuk, unlisted companies, or Closed-End Funds.
- d. The Manager must ensure the selection of low-risk, and highly liquidity investments that enable the Fund to achieve its investment objective as stipulated in its Articles of Association.

#### **Fourth: Operational Requirements for Exchange-Traded Fund (Established in the State of Kuwait)**

In the event of the delisting of an Exchange-Traded Fund from the Securities Exchange, it shall be liquidated according to the procedures outlined in these Bylaws, unless the Unitholders' Assembly approves its continuation as a Securities Fund by a majority of more than 50% of the issued capital of the Fund, provided that the Fund is compatible with the provisions of these Bylaws. In the event of the expiration of the Fund in accordance with the conditions set forth in Chapter Two of this Module, the Fund shall be considered delisted and shall be liquidated in accordance with the Bylaws and Articles of Association of the Fund.

#### **Fifth: Special Regulations for Non-Kuwaiti Exchange-Traded Funds**

The regulations stipulated in Item First of this Attachment, related to the regulatory requirements for Exchange-Traded Funds, shall apply to non-Kuwaiti Exchange-Traded Fund.

#### **Sixth: Additional Information to be Listed in the Form of Monthly Information for Exchange Traded Funds**

Without prejudice to the provisions of Article (2-32) and the form stipulated in Appendix No. (5) of this Module, the form of monthly information for Exchange-Traded Funds shall include the following additional information:

1. A statement of the Exchange-Traded Funds components and their respective weights.
2. Tracking Error and the percentage of expenses relative to the Fund's total assets.
3. Lending and borrowing of Securities transactions and amounts (if any).

#### **Seventh: Special Controls for Feeder Exchange-Traded Funds**

The Authority may permit the establishment of a feeder Exchange-Traded Fund as a type of Exchange-Traded Fund, which is an Exchange-Traded Fund that invests its Funds in another Exchange-Traded Fund (the main Fund) for the purpose of tracking its performance.

The provisions governing Funds as outlined in this Module, including the controls stipulated in this Attachment, shall apply to the feeder Exchange-Traded Fund, noting that it does not conflict with the nature, purposes, and operating mechanism of the Fund. The following conditions and controls shall be complied with:

1. The feeder Exchange-Traded Fund's investment in the main Fund shall not be less than 85% of the main Fund's net asset value during the Fund's term.
2. The feeder Exchange-Traded Fund may not invest in another feeder Exchange-Traded Fund.
3. The main Fund shall meet the following conditions:
  - a. It shall be licensed or regulated by another regulatory authority.
  - b. It shall be listed on a regulated financial market and subject to periodic disclosure requirements.
  - c. It shall provide periodic and transparent information about its components to enable the feeder Exchange-Traded Fund Manager to comply with disclosure and regulatory requirements. This shall include a link to the main Fund's website that provides the investors with information on the Fund, such as net asset value, Fund components, periodic reports, and other relevant information to enable them to make investment decisions based on sufficient knowledge.
4. In the occurrence of material events that put the interests of the assets of the feeder Exchange-Traded Fund into risk, including the suspension of subscription or redemption, or delisting of the main Fund, the Manager of the feeder Exchange-Traded Fund must notify the Authority, the Exchange, and the Unitholders immediately upon becoming aware of them. The notification must include disclosure of the measures taken to address the impact on the feeder Exchange-Traded Fund.