
**REGULATIONS GOVERNING
THE TRADING OF COMMODITIES ON LICENSED MARKETS**

31 OCTOBER 2005

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Part 1 Definitions

Article 1.1 Definitions

In the application of the provisions of these Regulations, the following words and expressions shall have the meanings set forth opposite each of them, unless the context of the provision indicates otherwise:

Law: Federal Law No. 4 of 2000 concerning the Emirates Securities and Commodities Authority and Market and its amendments.

State: The State of the United Arab Emirates.

Authority: The Emirates Securities & Commodities Authority.

Board: The board of directors of the Authority.

Trading: The sale and purchase of Listed Commodities.

Commodities: Food, metal, natural resources or other goods, articles or fixed physical substances in which contracts for future delivery are presently or in the future dealt in.

Commodities Contracts: Commodity Futures Contracts, Financial Futures Contracts, Futures Contracts and Futures Options in accordance with the Market Regulations.

Commodity Futures Contracts: Agreements to buy or sell a specific amount of a Commodity at a specified price on a particular date in the future in accordance with the Market Regulations.

Financial Futures Contracts: Contracts entered into now that provide for the delivery of a specified financial instrument or currency in exchange for the selling price at some specified future date.

Futures Contracts: Agreements to buy or sell a Commodity or financial instrument or currency in a designated future month date at a price agreed upon now by the buyer and seller. Futures Contracts are standardized according to the quality, quantity and delivery time and location for each Commodity in accordance with the Market Regulations.

Futures Options: Options on a Futures Contract. The buyer of an option has the right but not the obligation to buy or sell a Futures Contract in accordance with the Market Regulations.

Listed Commodities: The types of Commodities and Commodities Contracts which have been approved for listing on a Market by the Authority.

Market: A commodities market licensed and regulated in the State by the Authority.

Market Regulations: The regulations laid down by a Market from time to time in relation to membership of a Market, Trading rules and regulations and other regulations which, in each case, have been approved by the Authority.

Market Controller: The person authorized by the director general of the Market to oversee the Trading.

Floor: The trading floor or electronic trading platform in the Market.

Member: A Clearing Member and/or a Market Member.

Market Member: A Juristic Person that has been accepted as a member of a Market and whose membership, at the relevant time, has not been terminated.

Brokerage: The act of executing sale or purchase orders received by Brokers from clients.

Profession: The Brokerage profession.

Broker: A Juristic Person authorized under the provisions of the Law to undertake Brokerage business in the Market.

Broker Member: A Member that is a Broker.

Broker's Office: The location or locations from which a Broker carries out its Brokerage activities.

Broker's Representative: A natural person appointed by a Broker to conduct Brokerage business on its behalf.

Clearing Agency: The entity that conducts the operations of settlement and clearing of Trading on the Market.

Clearing Member: A Juristic Person that has been accepted as a member of a Clearing Agency and whose membership, at the relevant time, has not been terminated.

Clearing Regulations: The regulations for the settlement and clearing of Listed Commodities which are put in place by the Clearing Agency and approved by the Authority.

Books and Records: Books and records pertaining to such transactions and positions in Commodities and Commodities Contracts in such form and manner and for such period as may be required by the Market and approved by the Authority and open to inspection by any representative of the Market or the Authority.

Juristic Person: Any natural person, corporation, company, partnership, limited liability company, business trust or an entity association.

Part 2 Oversight, Structure and Operations of the Market

Article 2.1 Authority Oversight - Supervision by the Authority

The Market shall operate under the regulatory supervision and oversight of the Authority. The Authority may, in coordination with the Markets in cases requiring the same, conduct inspections and investigations necessary to ascertain the application of the Law and the regulations and resolutions relating to commodities issued in implementation thereof, provided that the scope of any investigation is specified and the person to conduct it on its behalf is designated.

Article 2.2 Authority Oversight - Enforcement of Market Regulations

The Market Regulations, and any amendments thereto, shall be approved by the Authority. The Authority authorizes each Market to enforce the relevant Market Regulations. The Authority may take actions on its own accord to enforce Market Regulation, and may at its discretion consult with the Market.

Article 2.3 Authority Oversight - License Required for Market

No Trading shall be permitted on a Market in the State unless such Market is licensed by the Authority.

Article 2.4 Authority Oversight - Conditions for Licensing

The granting of a licence to any Market shall require the following conditions to be satisfied:

- 2.4.1 It is in the form of a local public establishment where local public establishment shall mean a State government establishment, a State quasi-government establishment or an establishment sanctioned by the Authority.
- 2.4.2 It occupies an appropriate building equipped with the technology necessary for its activity to be conducted electronically.

Article 2.5 Authority Oversight - Disclosure of Market Finances to Authority

The Market shall furnish the Authority with the balance sheet and the annual financial statements audited by an internationally recognized auditor, within three months from the end of its financial year. The Authority may request any additional financial information from time to time as it may deem appropriate. The Market shall immediately notify the Authority of any material adverse change affecting the Market's finances prior to the next due financial statements.

Article 2.6 Authority Oversight - Market to Provide Reports on Trading to Authority

- 2.6.1 The Market shall submit to the Authority the following regular reports on Trading movement in the Listed Commodities:
 - a. A daily report on Trading movement, including a statement of the types of Commodities and Commodities Contracts traded, the price

of each, the quantity of Commodities and Commodities Contracts traded and the total number of transactions in the day.

- b. A monthly report on Trading movement, including a statement of the volume of Trading, the gross value thereof, the number of transactions and the last closing price.
- c. An annual report on Trading movement, including a statement of the quantity of Commodities traded, their value, the number of transactions compared with the previous year, the distribution of trading movement amongst the various sectors of activity, the most significant phenomena occurring in the year, the extent of their impact on the Market and the proposals of the board of directors of the Market as to remedying any adverse effects of such phenomena.

2.6.2 The Market shall provide the Authority with access to information so as to enable the Authority to monitor Market activity.

Article 2.7 Authority Oversight - Markets to Cooperate in Enforcement Proceedings

At the direction of the Authority, the Market shall cooperate with other Markets and foreign regulators as needed in connection with investigations or enforcement proceedings that span multiple markets.

Article 2.8 Authority Oversight - Suspension of Trading; Rules or Regulations Relating to the Market

- 2.8.1 The Board may decide, by a majority of its members present, to direct the Market to temporarily halt trading in the Market or in any Commodities or Commodities Contracts upon the occurrence of exceptional circumstances which threaten the proper and regular working of that Market.
- 2.8.2 The Board may also decide, by the same majority, to freeze, suspend or bring back into force any rules or regulations relating to the Market or any of its operations.

Article 2.9 Authority Oversight - Imposing Penalties

In the event a Market fails to pay any amounts due to the Authority, the Board may levy any of the following penalties in the following order:

- 2.9.1 Send a warning to the Market detailing the financial default.
- 2.9.2 Send a notice to the Market informing it of the necessity to cure the default within thirty days of the notice date.
- 2.9.3 Impose a fine in the amount of:
 - a. 1% of the due amount for the first month of the delay.

- b. 2% of the due amount for the second month of the delay.
- c. 5% of the due amount for the periods following the second month.

Each fraction of a month shall be considered a full month in calculating the penalty above.

2.9.4 In addition, halt the trading on the Market temporarily in the event that the default continues after thirty days of the notice date.

Article 2.10 Market Structure - Board of Directors and Director General Subject to Law and Regulations; Procedures for Meetings

2.10.1 The members of the Market's board of directors and its director general shall be subject to the constraints and conditions stated in the provisions of the Law and the regulations and resolutions relating to commodities issued in implementation thereof.

2.10.2 The Market's internal regulations shall specify the procedure for calling its board of directors to meet, the place of the meeting, the quorum for the validity thereof, the passing of resolutions and the remuneration of the members.

Article 2.11 Market Structure - Authority of Board of Directors

2.11.1 The Market's board of directors shall have competence to deal with the Market's affairs and to take, within the limits of general policy, the steps necessary to achieve the objectives for which it has been established. In particular, it shall have competence to:

- a. Appoint the Market's director general and determine his/her powers.
- b. Establish the Market's organizational structure and the annexes thereto, the internal regulations and all administrative rules and instructions, and enforce the compliance of members and other participants in the Market with such regulations, rules and instructions; provided, however, that such regulations, rules and instructions shall be subject to the Authority's approval.
- c. Draft the necessary proposals in relation to the amending of the Market Regulations and present them to the Authority.
- d. Monitor Trading so as to ensure justice as between transacting parties.
- e. Present reports and data to the Authority and issue the press releases necessary to secure transparency and disclosure.
- f. Approve the annual balance sheet of the Market's income and expenditures.
- g. Levy penalties on Market Members in accordance with the applicable Market Regulations, and recommend to the Authority

the removal of a Broker from the register of licensed Brokers, where applicable.

- h. Consult with the Authority with respect to transaction fees charged by the Market.
- i. Handle applications for the admission of Market Members.
- j. Conduct inspections of Members regarding their compliance with capital and margin requirements, Books and Records requirements, and the other regulations, rules and instructions of the Market
- k. Where applicable, enter into memoranda of understanding with the Authority regarding the exercise of the Market's authority to make and enforce its own regulations, rules and instructions, its responsibility to share information with the Authority and other matters.
- l. Any other matters to ensure the proper and regular working of the Market.

2.11.3 The Market's board of directors may delegate certain of its powers to the Market's director general or his deputy or to any committee established by the Market.

2.11.4 The internal regulations and administrative rules and instructions of the Market shall contain regulations, rules and instructions including but not limited to those:

- a. Promoting fair competition and prohibiting anticompetitive conduct among members.
- b. Ensuring that the Market exercises its own powers objectively so as to promote fairness among members and between members and their clients.
- c. Prohibiting any criminal activity involving the Market or its members, including but not limited to money laundering and imposing requirements on the reporting of potentially criminal conduct to law enforcement authorities.
- d. Prohibiting any fraudulent or deceptive transaction, practice, conduct or course of business or the use of any device, scheme or artifice to defraud.
- e. Establishing ongoing capital and margin requirements for Market Members.
- f. Requiring Members to maintain adequate Books and Records, promptly report trades and to create and maintain an audit trail in readily accessible electronic form for inspection by the Market and the Authority.
- g. Providing for clear and effective standards relating to the obligations of a Broker to a client, including the fair valuation of client assets, the protection and proper segregation of client assets

and their preservation in the event that the Broker becomes insolvent.

- h. Requiring Broker Members to enter into written contracts (in paper or electronic form) of engagement with their clients and providing for the disclosure by Broker Members to their clients in a clear and comprehensible manner of the risks inherent in trading in Commodities and Commodities Contracts.
- i. Requiring Broker Members to collect information from their clients regarding the client's financial status, tax concerns, investment experience, trading objectives, and other information relevant to the conduct of Commodities trading activities.

Article 2.12 Market Structure - Additional Powers of Board of Directors

To achieve the objects of the Market, the board of directors of the Market may exercise the following powers:

- 2.12.1 Establish specialist technical functions for the Market to perform its tasks, including:
 - a. A function for Trading, clearing and settlement.
 - b. A function for the monitoring of prices.
 - c. A function for monitoring and investigation.
 - d. A function for research and studies.
 - e. Financial and administrative functions.
- 2.12.2 Work to develop, train and render qualified the necessary cadres in accordance with the most modern technical and administrative methods.
- 2.12.3 Form permanent or interim specialist committees.

Article 2.13 Market Structure - Membership in the Market Board of Directors

No member of the board of directors of a Market Member or a representative of a Market Member may hold membership of the board of directors of the Market. The Market must notify the Authority if any member of the board of directors of any public joint stock company also holds membership of the board of directors of the Market. The Market must notify the Authority if any member of the board of directors of the Market has a personal interest that may cause conflict.

Article 2.14 Market Structure - Termination of Membership on Board of Directors

Membership of the board of directors of the Market shall terminate if the member is convicted of an offence of dishonour or breach of trust or declares bankruptcy.

Article 2.15 Market Structure - Financing for the Market

The Market may determine from time to time the sources of financing for its operations, which may include the following sources:

- 2.15.1 Fees levied on Trading (as approved by the Authority).

- 2.15.2 Fees for the services rendered by the Market.
- 2.15.3 Fees levied on Members.
- 2.15.4 Fines levied on Members.

Article 2.16 Market Operations - Trading of Commodities

No Listed Commodities may be traded on a Market other than through a Market Member registered with such Market and in accordance with the relevant Market Regulations.

Article 2.17 Market Operations - Membership and Register

- 2.17.1 Each Market shall prepare a membership register in which members shall be entered following issue of the Authority's approval (if applicable). The Authority shall be notified thereof within one week from each such entry.
- 2.17.2 Members shall be subject to the instructions of the Market, the provisions of the Law and the regulations and resolutions relating to commodities issued in implementation thereof.

Article 2.18 Market Operations - Daily Price Bulletins

The Market shall prepare a daily price bulletin on the trading, including the following particulars:

- 2.18.1 The Commodities and Commodities Contracts traded.
- 2.18.2 The highest and lowest daily prices at which transactions were effected.
- 2.18.3 The settlement price of Listed Commodities even if there was no dealing therein.
- 2.18.4 A comparison of the day's settlement prices with the settlement prices of the immediately preceding working day.

Article 2.19 Market Operations – Corporate Governance

It is the declared policy of the Authority that the Market must enact and implement the highest standards of corporate governance, independence and transparency. To this end, the Market shall (a) prepare draft charters for review and approval by the Authority, including charters for the Board and such committees as the members of the Board shall establish from time to time, and (b) annually assess and evaluate its corporate governance system and operations of such committees and prepare a report to the Authority thereon including identification of weaknesses and proposed improvements.

Article 2.20 Market Operations - Market to Provide Reports and Data

The Market shall be obligated to provide the Authority with the reports and data it requests and shall report promptly all transactions electronically to the Authority.

Article 2.21 Market Operations - Electronic Data Processing System

The Market shall make the arrangements necessary to secure the proper performance of the electronic data processing system and the system for recovery of the data saved in it in case of failure thereof.

Article 2.22 Market Operations - Risk Mitigation

The Market shall make arrangements to ensure that the financial failure of a Market Member does not create systematic risk concerns for the Market, which may include procuring appropriate collateral to mitigate such risks.

Article 2.23 Market Operations - Recording Transactions

The Market shall enter in its records all transactions effected in the Commodities and Commodities Contracts listed therein. Any transaction in Commodities and Commodities Contracts listed on the Market shall be null and void unless entered in accordance with the provisions of the Law and the regulations and resolutions relating to commodities issued in implementation thereof. The Market shall provide for the prompt publication of information relating to trades in order to encourage efficient pricing and promote confidence in the Market.

Article 2.24 Market Operations - Recording Evidence of Trades

Unless the contrary is proved, entries registered in the Market's records, whether entered manually or electronically, and any documents issued by the Market, shall be deemed legal evidence of the Trading therein appearing as of the date of such records or documents.

Article 2.25 Market Operations - Resolution of Disputes by Arbitration

2.25.1 Disputes between transacting parties in the Market in the field of Commodities and Commodities Contracts shall be determined by way of arbitration, unless otherwise agreed between the parties. In this respect, the provisions of the Market Regulations approved by the Authority shall apply.

2.25.2 Transacting in the Market shall be deemed to be an acknowledgment of acceptance of arbitration, an obligation to satisfy the arbitrators' award and a waiver of any form of appeal against such award other than that prescribed in the regulations referred to in Article 2.25.1.

Article 2.26 Market Operations - Opening Hours; Clearing Agency Operations

The Market shall make the rules relating to the fixing of the opening hours for the Floor and the operations of the Clearing Agency, the rules as to admittance thereto and the instructions to be observed by those present therein.

Article 2.27 Market Operations - Allocation of Numbers

The Market shall allocate a unique number to each Member and each Broker Member shall allocate a unique number to each of its clients.

Article 2.28 Market Operations - Settlement Intervals

Settlement and clearing of Trading in a Market shall be carried out in accordance with the relevant Clearing Regulations.

Article 2.29 Market Operations - Market Fiscal Year

The Market's fiscal year shall commence on the first day of January and end on the last day of December of the same year. Notwithstanding the foregoing, the Market's first fiscal year shall commence on the date the Market's work commences and end on the thirty-first of December of the year following the date work commences.

Part 3 Brokerage Licence

Article 3.1 Membership Required for Brokers

Membership of a Market shall be obligatory for Brokers in order to trade in Listed Commodities pursuant to the provisions of the Law.

Article 3.2 Applications for Licence

The Market shall submit to the Authority for its review and approval any application to become a Market Member by a Juristic Person proposing to be licensed as a Broker that the Market has initially approved. There shall be annexed to the said application a signed copy of the initial approval by the Market.

Article 3.3 Applications Signed by Representative

The licence application shall be signed by an authorized signatory of the applicant.

Article 3.4 Review by Authority

- 3.4.1 The Authority shall determine whether a licence application is compliant with the documentary requirements published from time to time by the Authority within a period not exceeding fifteen days from the date it was received.
- 3.4.2 If the application is compliant, a recommendation shall, within fifteen days from the date of the Authority's decision that an application is compliant, be placed before the Board for a decision to be taken thereon. If the application is not compliant, the concerned parties shall be notified of the documents required to complete the application within a period not exceeding fifteen days from the date of the Authority's decision.

Article 3.5 Review by Board

- 3.5.1 Applications placed before the Board or any committee of the Board for it to take a decision thereon shall be decided on within a period not exceeding fifteen days from the date compliant applications are laid before it.
- 3.5.2 The Market in question shall be notified of the Authority's decision within a period not exceeding one week from the date the decision was rendered, and the Market must thereafter notify the concerned parties of the Board's decision within one week of the Market being notified of the Board's decision.

Article 3.6 Licence Required for Broker

No Juristic Person may practise the Profession unless it has been issued with a licence to do so by the Authority.

Article 3.7 Notification by Market when Broker Ceases to be a Member

The Market shall promptly notify the Authority in writing when a Broker ceases to be a Member of the Market.

Article 3.8 Register of Brokers

The Authority shall prepare a register of Brokers that shall be entered on it after the Authority's approval is issued.

Article 3.9 Obligations of Brokers to Comply with Law and Regulations

Brokers shall comply with the provisions of the Law and the regulations and resolutions relating to commodities issued in implementation thereof and the Market Regulations of the Market in which they are Broker Members.

Article 3.10 Inspection of Brokers; Regulations

3.10.1 The Board may enact regulations for the inspection of Brokers on a periodical basis or upon request by a concerned party in order to ascertain the extent of compliance with the Law or the rules and regulations and resolutions relating to commodities issued in implementation thereof.

3.10.2 The inspection shall be conducted in coordination with the management of the Market in cases where that is required.

Article 3.11 Inspection of Brokers by Authority

The inspector appointed by the Authority may enter the Broker's office during official working hours, request any particulars relating to its activity, obtain production of any document having a connection with the inspection and make copies of records and documents pertaining to the member's activity.

Article 3.12 Code of Professional Conduct for Brokers; Inspections

The Market's board of directors shall, with the approval of the Authority, lay down a code of professional conduct which shall be applied to Brokers, and provisions for monitoring them. Brokers shall be subject to a regime of inspection on a periodical basis or upon request by a concerned party. The inspection shall be conducted in coordination with the management of the Market in cases where that is required.

Article 3.13 Revocation of Broker's Licence

The Broker's licence may be revoked in any of the following cases:

3.13.1 Failure to satisfy a condition for being licensed as a Broker.

3.13.2 Rendering of a disciplinary decision by the Board or a competent authority or committee for the expulsion of the Broker.

3.13.3 Failure by the Broker to pay any applicable fees (if any) for renewal of registration with the Authority.

- 3.13.4 Gross breach of any of the duties or obligations prescribed pursuant to the provisions of the Law or the regulations and resolutions relating to commodities issued in implementation thereof.
- 3.13.5 Repeated failure to maintain adequate Books and Records.
- 3.13.6 Declaration of the Broker's bankruptcy.
- 3.13.7 Ceasing operations of a Broker due to insolvency, winding-up, liquidation or other involuntary event.
- 3.13.8 Ceasing of a Broker to be a Member of a Market.
- 3.11.8 Desire of the Broker to cease definitively from practice of the Profession, provided that a written request therefor is submitted to the Authority and copied to the relevant Market three months before the date of actual cessation.

Article 3.14 Resolutions for Revocation of Licence

The resolution of revocation of licence shall be issued by the Board and notified to the Broker and the relevant Market by the Authority. The Authority shall publish the decision of license revocation in two daily newspapers appearing in the State in Arabic and English at the Broker's expense.

Article 3.15 Appeal after Revocation of License

A Broker may appeal a decision issued by the Authority for revocation of licence before the competent court within thirty days from the date the decision was rendered if in praesentia, and from the date the Broker was notified of the decision if in absentia.

Article 3.16 Brokers' Representatives

Subject to the provisions of the Law and the regulations and resolutions relating to commodities issued in implementation thereof, the Market shall lay down the rules relating to the approval of Brokers' Representatives, and the schemes for rendering them technically qualified and successful in the examination to be set by the Market, said rules and examinations to be approved by the Authority.

Article 3.17 Discipline for Brokers

- 13.17.1 The executive director of the Authority or the director general of the Market may refer a Broker to a disciplinary committee formed for this purpose by the Board in any of the following cases:
 - a. If the Broker breaches the provisions of the Law and the regulations, resolutions and instructions relating to commodities issued in implementation thereof.
 - b. If the Broker fails to settle its dealings with the Clearing Agency or with clients.
 - c. If the Broker submits forged or false documents, information or reports.
 - d. If the Broker acts in a manner intended, directly or indirectly, to mislead transacting parties generally as to Trading in the Market.

13.17.2 The above penalties shall be in addition to any other penalties imposed by applicable Market Regulations.

Article 3.18 Penalties for Violations by Brokers

3.18.1 Without prejudice to criminal imprisonment or fines and civil penalties or damages under the applicable laws and regulations of the State and any penalties imposed by applicable Market Regulations, the Authority shall have the right to impose administrative penalties, in accordance with its policies and procedures applicable from time to time, on any person performing brokerage functions without being appropriately licensed by all the appropriate authorities.

3.18.2 The penalized person may appeal to the arbitration panel (as set forth in the Authority's resolutions) the decision of the Authority within thirty days from the date of the issue of said decision if made in praesentia and from the date of the notification of such decision if made in absentia. The decision of said arbitration panel shall be final.

Part 4 Membership of the Market

Article 4.1 Registration of Members

The Market shall determine the conditions required to be satisfied for the registration of Members, provided that such conditions are not less than what is required by the Law and the regulations and resolutions relating to commodities issued in implementation thereof and provided that said conditions have been approved by the Authority. The Market shall also prescribe the model format for applications for the registration of Members and shall specify the procedures for the submission thereof, the Market being bound not to consider any application before ascertaining that the applicant has obtained a licence from the Authority.

Article 4.2 Obligations of Members to Comply with Law and Regulations

Members shall comply with the provisions of the Law and the regulations and resolutions relating to commodities issued in implementation thereof and the Market Regulations of the Market in which they are Market Members.

Part 5 Listing of Commodities and Commodities Contracts

Article 5.1 Authority Approval

- 5.1.1 No Commodities or Commodities Contracts may be listed on the Market without the prior approval of the Authority.
- 5.1.2 Article 5.1.1 does not apply to the listing for Trading of additional delivery months or options series for a Commodities Contract that has otherwise been approved for listing by the Authority in accordance with Article 5.1.1.

Article 5.2 Trading in Listed Commodities

Trading in the Markets shall be restricted to Listed Commodities and shall be conducted in accordance with the relevant Market Regulations.

Article 5.3 Application for Listing of Commodities and Commodities Contracts

Listing shall take place upon the approval of the Authority of the listing following an application by the relevant Market.

Article 5.4 Listing Conditions

The Board may from time to time establish conditions for the listing of Commodities or Commodities Contracts for Trading in the Market.

Article 5.5 Format for Applications for Listing

Applications for listing shall be submitted to the Authority on the model format prepared therefor, supported by the documents required for the type of Commodities or Commodities Contracts for which listing is being applied for.

Article 5.6 Signatures for Applications for Listing

The application for listing shall be signed by an authorized signatory of the Market for which the listing is applied for, or by whomever is authorized under applicable laws and regulations to do so.

Article 5.7 Market to Supervise Accuracy of Applications for Listing

The members of the board of directors of the Market shall be responsible for the completeness and accuracy of all information submitted to the Authority.

Article 5.8 Authority Not Responsible for Accuracy of Data Submitted by Market

The Authority shall not be responsible for the data, information, reports and documents submitted by the Market, whether submitted for the purposes and objectives of the Market or for publication. The fact that the Authority is cognisant of them or has confirmed them in its publications shall not be taken as an admission of the accuracy of their contents or as an admission of the legality of action taken by any person on the basis of them.

Article 5.9 Processing of Applications for Listing

5.9.1 The Authority shall prepare a register in which shall be entered the applications for listing with serial numbers according to the date each is received. Each application shall be given its own file in which the documents and any related procedures shall be filed.

5.9.2 The Authority shall provide the person submitting the application with a receipt evidencing submission of the application, its date and its entry number in the said register.

Article 5.10 Standards for Review of Applications for Listing

In evaluating an application for listing, the Authority may consider:

5.10.1 Whether such listing is appropriate for a particular Market.

5.10.2 Whether Trading in such Commodities or Commodities Contracts may be expected to serve the public interest.

5.10.3 Whether Trading in such Commodities or Commodities Contracts may be oppressive or violative of clients' rights.

5.10.4 The extent to which such Commodities or Commodities Contracts have the potential for abuse as part of a device, scheme or artifice to defraud other persons.

5.10.5 Such other criteria as the Authority in its discretion may select.

Article 5.11 Committee Review of Applications for Listing

5.11.1 A committee composed of technical and legal members shall be formed by resolution of the chairman of the Board to examine the applications for listing.

5.11.2 If the application is complete, the committee shall make its decision thereon within a period not exceeding fifteen days from date of its submission. If it is incomplete, the concerned parties shall be notified of the necessity of completing it within a period not exceeding fifteen days from the date of the notification, otherwise the applicant shall be deemed to have abandoned its application.

Article 5.12 Board Review of Applications for Listing

5.12.1 The decisions of the committee shall be placed before the Board within fifteen days of the decision of the committee under Article 5.11.2. The Board shall make its decision on the application within a period not exceeding thirty days from the date the applications were placed before the Board.

5.12.2 The Board may, before determining the application for listing, request any particulars it deems necessary in order to issue its decision.

Article 5.13 Notification of Board Decisions Regarding Applications for Listing

The concerned parties shall be notified of the Board's decision within a period not exceeding one week from the date it is issued.

Article 5.14 Effect of Board Decision Regarding Applications for Listing

The Board's decision approving the listing of any Commodities or Commodities Contracts shall entitle the Market making the application for such listing to list such Commodities or Commodities Contracts for Trading. Such Market shall inform the Authority of the effecting of the entry within a period not exceeding one week from the date of the entry.

Article 5.15 Market to Establish Trading Codes and Abbreviated Names

The Market shall provide all Commodities and Commodities Contracts approved for Trading on such Market with individual trading codes and abbreviated names. The selecting of the code and the abbreviated name shall be the Market's prerogative, provided that there is no similarity of names in other Markets.

Article 5.16 Register of Listed Commodities

The Market shall maintain a register of the Commodities and types of Commodities Contracts listed therein, and inform the Authority of the entering of any Commodities or Commodities Contracts therein within a period not exceeding one week from the date the entry took place. It shall also inform the Authority of all amendments relating to information previously entered immediately upon the effecting of such amendments.

Article 5.17 Suspension or Cancellation of Listing

5.17.1 The Authority may, after investigation and consultation with the Markets, suspend or cancel the listing of any Commodities or Commodities Contracts from Trading in the Market, if there occur exceptional circumstances or threats to proper working, or if it considers that Trading in such Commodities or Commodities Contracts does not serve the public interest or is oppressive or violative of clients' rights, or for any other reasons.

5.17.2 The Market may appeal the decision of the Authority within thirty days from the date the decision was taken in praesentia, and from the date it was notified if in absentia.

Article 5.18 Suspension of Listing; Revocation

The Authority may decide to revoke a decision to suspend the listing of any Commodities or Commodities Contracts, upon request by the Market, where the causes which led to the suspension of listing no longer exist.

Part 6 Trading

Article 6.1 Market Rules Regarding Trading

The Market shall make rules regarding the fixing of working hours on the Floor, the rules as to admittance thereto and the instructions to be observed by those present therein.

Article 6.2 Trading - Trading in the Market

6.2.1 Trading shall be carried out on the Floor over at least five working days in the week, excluding official holidays. Trading activity shall not be for less than two hours in the day.

6.2.2 The Market shall advise the Authority of the days and hours of work it approves. The Market may vary such days and hours and shall advise the Authority accordingly.

Article 6.3 Trading - Electronic Trading System Required

Trading on a Market may be through an electronic Trading system in which case shall provide for online monitoring and control of Members' Trading activities including withdrawal of Trading rights where trading by the Member exceeds collateral commitment provided.

Article 6.4 Trading-Clearing Members

A Member shall not be permitted to trade on a Market unless the Member is a Clearing Member or is guaranteed by a Clearing Member.

Article 6.5 Entry of Orders

A Broker shall enter sale or purchase orders in good faith through the channels provided by the Market. All orders must be executed in the Market on a competitive basis in accordance with the Market Regulations.

Article 6.6 Trading - Trading Through Electronic Trading System and Otherwise

Unless otherwise authorized under the relevant Market Regulations, Trading in the Market shall be carried out through an electronic Trading system made available by the Market and in accordance with the provisions as to Trading in the Law and the regulations and instructions relating to commodities issued in implementation thereof.

Article 6.7 Price Limits on Trading

The Market shall set in its contract specifications price limit on Trading per type of Commodity and Commodities Contracts.

Article 6.8 Regulations for Display of Prices

The prices of the Listed Commodities shall be displayed in accordance with the Market Regulations.

Article 6.9 Role of Market Controller

- 6.9.1 The Market Controller shall oversee the opening of Trading sessions and the proper functioning thereof. He or she shall be assisted by a number of officers. The Market Controller shall be responsible for managing the Floor of the Market and observing the Members' compliance with the Trading practices on the Floor.
- 6.9.2 The Market Controller shall forthwith inform the director general of the Market of any irregularity in order to take the action that the director general deems appropriate thereon.

Article 6.10 Recording Transactions

Any transactions which purport to constitute Trading in Listed Commodities which are not recorded in the relevant Market thereof shall be null and void.

Article 6.11 Deceptive Trading

- 6.11.1 Any fraudulent or deceptive transaction, practice, conduct or course of business or the use of any device, scheme or artifice to defraud, including, but not limited to any of the following actions, shall be punishable by one or more of the penalties provided for in Article 6.11.3:
- a. Entering or purporting to enter into any false or fictitious transaction.
 - b. Purporting to make or reporting or purporting to report any false or fictitious transaction.
 - c. Directly or indirectly using or knowingly facilitating or participating in the use of any manipulative or deceptive method of Trading in connection with any Commodities Contract whereby the trade or trades could reasonably be expected to create a false or misleading appearance of Trading activity or an artificial price for the Commodities Contract, the underlying Commodity or any related contracts.
 - d. Manipulating or attempting to manipulate prices of any Listed Commodities.
 - e. Acting or attempting to act in any fashion which might bring about or permit a potential corner or squeeze or an opportunity for the manipulation of prices of any Commodity or Commodity Contract traded on the Market.
 - f. Disseminating any false, misleading or knowingly inaccurate information, including a report concerning crop or market information or conditions that may affect or tend to affect the price of any Commodity or Commodity Contract traded on the Market.

- g. Purchasing or selling or offering to purchase or sell Commodities or Commodities Contracts in a manner which may have the effect of upsetting the equilibrium of the Market, or of demoralising the Market, so that prices will not properly reflect reasonable commercial values.
 - h. Making or assisting in making such purchases or sales, or offering to purchase or sell with the knowledge or intent to or assist in carry out any plan or scheme that is in violation of the Law or any regulations or resolutions relating to commodities issued in implementation thereof.
- 6.11.2 Where a partner, director, officer, agent, employee, messenger or clerk of any Member commits any of the violations contained in the Law or any regulations or resolutions relating to commodities issued in implementation thereof, the Member shall also be deemed to have committed such violation(s).
- 6.11.3 Without prejudice to criminal imprisonment or fines and civil penalties or damages under the applicable laws and regulations of the State and penalties imposed by applicable Market Regulation, the Board may impose administrative penalties, on any Juristic Person violating the provisions of this Article 6.11. The penalized person may appeal to the arbitration panel (as set forth in the Authority's resolutions) the decision of the Authority within thirty days from the date of the issue of said decision if made in praesentia and from the date of the notification of such decision if made in absentia. The decision of said arbitration panel shall be final

Article 6.12 Market Suspension of Trading

The director general of the Market may, take a decision temporarily to halt the trading in the Market or to suspend Trading in any Commodities or Commodities Contracts listed in the Market upon the occurrence of exceptional circumstances or that which threatens the proper working of, and order in, the Market. The director general shall immediately advise the Authority of the said decision.

Article 6.13 Daily, Weekly and Monthly Market Bulletins

- 6.13.1 The Market shall prepare a daily and a weekly bulletin as to Commodities and Commodities Contracts traded. The bulletin shall be approved by the director general of the Market or whoever he or she authorises, and shall be regularly made available in a minimum of two daily newspapers appearing in the State in Arabic and English.
- 6.13.2 The Market shall also prepare a monthly bulletin containing information as to the Commodities and Commodities Contracts listed during the month, the total monthly trading volume in the various sectors of activity

compared to the previous month, and with a statement of the Trading indices, if any.

Article 6.14 Publication of Data

What the Market publishes shall be restricted to aggregated statistical data, without reference to names of transacting parties or Members; provided, however, that the Authority shall be entitled to receive any information it requests from the Market, including the names of transacting parties and/or Members.

Article 6.15 Market to Provide Data to Authority as Required

The Market shall furnish to the Authority the data as to Trading on the model formats prepared by the Authority in this respect.

Part 7 Clearing and Settlement

Article 7.1 Role of Clearing Agency

The Clearing Agency shall undertake a number of principal tasks, which shall include but not be limited to:

- 7.1.1 Allocating numbers to Clearing Members and to supervise the same.
- 7.1.2 Operating the Market's clearing system.
- 7.1.3 Issuing orders for payment of residual amounts due to Clearing Members (if any).
- 7.1.4 Issuing orders for collection of net amounts due from Clearing Members (if any).
- 7.1.5 Keeping and administering collateral posted by Clearing Members pursuant to applicable Clearing Regulations.

Article 7.2 Authority to Approve Clearing Regulations

The Authority must approve the regulations for the settlement and clearing of Listed Commodities which shall be put in place by the Clearing Agency.

Article 7.3 Netting of Payments

Settlement of payments will occur on a daily basis in accordance with the Clearing Regulations.

Article 7.4 Demands on Guarantees

The Clearing Agency may require a Clearing Member to post cash or other collateral in accordance with the Clearing Regulations.

Article 7.5 Reports to the Authority

The Clearing Agency shall provide such regular reports to the Authority as it may request and shall comply promptly with all Authority requests for information.

Part 8 Disclosure and Transparency

Article 8.1 Purpose of Rules

To secure the integrity and accuracy of transactions and the interaction of the forces of supply and demand so as to ensure the natural setting of prices and protection of the Markets and participants in the Markets by establishing the bases for sound and just dealings, the following rules for disclosure and transparency in Articles 8.2 to 8.5 shall be observed.

Article 8.2 Authority to Regulate Disclosure and Transparency

The Authority shall ensure that disclosure and transparency are subsisting and regulated in the manner prescribed in the Law and the regulations and the resolutions relating to commodities issued in implementation thereof.

Article 8.3 Board Inspection of Members

- 8.3.1 The Board may order the performance of an inspection of Market Members periodically or upon request by a concerned party, in order to ascertain the extent of compliance with the Law and the rules and regulations relating to commodities issued in implementation thereof, in accordance with the regulations which it makes in this respect.
- 8.3.2 The inspection shall be conducted in coordination with the management of the Market in cases where that is appropriate.

Article 8.4 Board May Compel Disclosure and Order Investigations

- 8.4.1 The Board may compel any Juristic Person believed by the Board to have a connection with activities in a Commodities Contract traded on a Market, to make a disclosure to the Authority and to submit any information related to such Commodity Contracts to the Authority.
- 8.4.2 In the performance of its duties, the Board may also order the performance of any investigation it deems necessary in applying the provisions of the Law and the regulations and resolutions relating to commodities issued in implementation thereof.

Article 8.5 Market to Ensure Disclosure and Transparency

The board of directors of the Market shall present reports and data to the Authority and issue the press notices necessary to ensure transparency of information and disclosure.

Part 9 Final Provisions

9.1 Fees

The Market and the Brokers shall pay fees to the Authority as prescribed by the Authority from time to time.

9.2 Amendment to Resolutions by the Authority

9.2.1 The following Board Resolutions (and its amendments) shall not apply to any Commodities, Commodities Contracts or Markets as defined in these Regulations:

- (a) Resolution No 1 of 2000 as to the Regulation of Brokers.
- (b) Resolution No 2 of 2000 as to Membership of the Market.
- (c) Resolution No 3 of 2000 as to the Disclosure and Transparency (as amended by Resolutions No 75 of 2004 and 63 of 2005).
- (d) Resolution No 11 of 2000 as to Market Licensing and Supervision.
- (e) Resolution No 12 of 2000 as to the Listing of Securities and Commodities.
- (f) Resolution No 2 of 2001 as to Trading, Clearing, Settlement, Transfer or Ownership and Custody of Securities.
- (g) Resolution No 3 of 2001 as to the Functioning of the Market.
- (h) Resolution No 7 of 2002 concerning the Listing of Foreign Companies.
- (i) Resolution No 18 of 2002 concerning the Fees due to the Authority.
- (j) Resolution No 70 of 2003 concerning Opening of Trading Halls.
- (k) Resolution No 93 of 2005 as to Listing of Islamic Sukuks.
- (l) Resolution No 94 of 2005 as to Listing of Debt Instruments.

9.2.2 Any references in any of the above Resolutions to a "Market" shall be interpreted as a reference to securities markets only.

9.2.3 All Future resolutions issued by the Authority shall clearly specify whether they apply to securities, commodities or both. Any regulations or resolutions issued by the Board shall not apply to Regulations unless otherwise clearly specified.

9.2 Effective Date

These Regulations shall be published in the Official Gazette and shall be effective from the date of their gazetting.