

The Money and Credit Council,
By virtue of the provisions of the Law of Central Bank of Syria;
the Basic Monetary Law No./23/ of 2002;
the memorandum prepared by the Second Deputy Governor on 04.08.2009,
enclosing the letter of the chairman of the Syrian Commission on Financial
Markets and Securities No.885/S.A on 27.07.2009;
and the memoranda adopted in its session dated 05.08.2009,

Decided to:

Submit a Recommendation to the Prime Minister Including the Draft
Regulations for the Investment of Arabs and Foreign Nationals in the
Damascus Securities Exchange

Article 1

Investors of Arab and foreign nationalities, individuals and/or legal persons, shall be allowed to invest their funds to purchase and/or sell securities listed in Damascus Securities Exchange. They are allowed to own securities issued by the joint stock companies listed in the Damascus Securities Exchange, taking into consideration the effective laws, regulations and resolutions applicable to banks, exchange companies, insurance companies and small enterprises funding companies.

Article 2

Licensed financial services companies – on their own full responsibility – shall inquire about Arabs and foreign nationals willing to invest in the Damascus Securities Exchange. Prior to dealing with any clients, financial services companies must acquire information on their identity, financial position and solvency, legal competence, the extent of their expertise in investment, and their investment objectives in relation to the services requested.

Article 3

Licensed financial services companies are allowed to subscribe for and/or buy Syrian securities for the benefit of Arab and foreign nationals, in accordance to the following terms:

1. An account for the investor of Arab or foreign nationality shall be opened, in Syrian pounds, at the financial services company, which is fed from foreign currency deposits at a licensed bank. Such deposits are a result of external remittances and the currency shall be exchanged into Syrian Liras

for the purpose of opening the account.

2. The bank shall acquire a written approval from the Arab or foreign national to declare on his behalf, when necessary, about his foreign currency deposits allocated for investment in the Damascus Securities Exchange.

3. The financial services company shall inform the Syrian Commission on Financial Markets and Securities, on a monthly basis, of the individuals or legal persons of Arab and foreign nationalities investing in the Damascus Securities Exchange.

Article 4

A. The value of the purchased securities shall be settled by Arab and foreign investors in Syrian Liras, resulting from the exchange of the foreign currency equivalent in the investor's foreign currency deposit, according to the aforementioned herein. The investor, nevertheless, shall provide the financial services company with all the documents issued by the bank relating to his foreign currency account and the kind of currency transmitted and/or exchanged.

B. Exchange rates are defined in accordance with the Foreign Exchange Quotations Publication issued by the Central Bank of Syria as for the date of purchasing the securities.

Article 5

The Syrian Commission on Financial Markets shall ensure that financial services companies comply with Article (3) hereof, and notify the Government Commission on Banks at the Central Bank of Syria of any violations.

Article 6

Financial services companies are requested to submit periodic reports to the Syrian Commission on Financial Markets and Securities on all investments in Syrian securities by Arab or foreign nationals, and upon their dealing therein.

Article 7

Arab and foreign shareholders in the financial services companies shall settle the value of their share in the capital thereof in foreign currency equivalent to the share in Syrian Liras, according to the purchase price in the Foreign Exchange Quotations Publication issued by The Central Bank of Syria on the date of settlement.

Article 8

The Arab or foreign national shall invest in the securities listed in Damascus Securities Exchange in no less than 500,000 Syrian Liras, excluding his subscription in joint stock companies.

Article 9

After obtaining the approval of the Central Bank of Syria, licensed banks are allowed to sell foreign currencies to Arab and foreign investors in the Damascus Securities Exchange, in order to transmit their deposit in foreign currencies, which has been previously exchanged to Syrian Liras for investing in the Exchange, in accordance with the following:

- In the event that the Arab or foreign investor desires to transmit the deposit with profits and returns in foreign currency, within less than six months from the date of exchanging the deposit to Syrian Liras, 50% of the profits resulting from dealing in securities shall be deducted for the account of the Damascus Securities Exchange.
- In the event that the Arab or foreign investor desires to transmit the deposit with profits and returns in foreign currency, within six to twelve months from the date of exchanging the deposit to Syrian Liras, 25% of the profits resulting from dealing in securities shall be deducted for the account of the Damascus Securities Exchange.
- The Arab or foreign investor shall transmit his deposit with all profits and returns resulting from dealing on the Exchange in foreign currency, without deduction, after a year from the date of exchanging the deposit to Syrian Liras.
- No commission is deducted in the event that the sum to be transmitted is equal or less than the sum of the original deposit on the date it was exchanged to Syrian Liras.

Article 10

Arabs and foreign residents in Syria are treated as Syrians in their dealings in the Damascus Securities Exchange.

Article 11

Licensed banks are prohibited from granting credit facilities to their clients to trade in the Damascus Securities Exchange.

Article 12

Licensed banks are prohibited from granting loans and opening debit accounts in Syrian Liras for Arab and foreign investors in exchange for

pawning any stocks or bonds listed in the Damascus Securities Exchange. Banks violating these provisions are subject to legal and/or administrative penal measures.

Article 13

This Resolution shall be notified to the persons concerned for implementation.

Damascus, 05.08.2009.

Signed by the Chairman of the Money and Credit Council

Damascus, 20.08.2009.

Certified by Engineer Naji Otri, the Prime Minister