

The Decision No (78)/M

**The Chairman of
The Board of Commissioners;**

Based upon the Provisions of;

- The law No (22) for the year 2005, and its changes by the Legislative Decree No (50) for the year 2009;
- The Law No (55) for the year 2006, and its changes by the Legislative Decree No (53) for the year 2009;
- The Legislative Decree No (311) for the year 2018;
- The LICENSING Act for the Financial Services and Intermediary Companies that was issued by Mr. Prime Minister by the Decision No (3942) for the year 2006, and its changes;
- And the Approval of the Board of Commissioners in their Session No (20) that is dated on 13/7/2020;

Decides the following:

The Directives for Activating the On Line Trading Service.

Article (1):

A. The following words and phrases shall have the meanings assigned to them hereunder; in the context of applying the provisions of these Directives:

The Law: The Syrian Commission on Financial Markets and Securities' (SCFMS) Law No (22) for the year 2005 and its changes.

The Commission: The Syrian Commission on Financial Markets and Securities (SCFMS) that was established by the Law No (22) for the year 2005, and represented by the Mr. Chairman of the Board.

The Board: The Commission's Board of Commissioners.

The Market: The Damascus Securities Exchange (DSE) that was established by the Legislative Decree No (55) for the year 2006; and

any other Stock Exchanges that were established in accordance with the Provisions of this Law.

The Executive Board: The Damascus Securities Exchange's Executive Board.

The Company: The Financial Services and Intermediary Company that has obtained the Intermediary order to practice the activity of the Securities' Intermediary.

The Trading System: The effective Electronic Trading System at the Stock Exchange.

The On Line Trading Service: The Service which is submitted by the company to its clients for the purpose of enabling them to insert their purchasing and selling orders into the Electronic Trading System and following them – up by themselves through the usage of the International Information's Network; (The Enter net.)

The Orders' Management System: The used Electronic System by the Company; which is accredited by the Stock Exchange for the purpose of receiving the clients' orders and compliance them with Back Office's System and the Specific Verification Regulations inside the Stock Exchange and then after rendering them into the effective Electronic Trading System at the Stock Exchange.

- B.** The other listed words and phrases in these Directives will have their assigned meaning in the Laws and Regulations for each of the Commission and the Stock Exchange.

Article (2):

The Financial Services and Intermediary Company that has obtained an intermediary order to practice the Intermediary Activity in Securities can activate its Clients' Trading's Service through the Enter net in accordance with the Provisions of these Directives; after the Approval of the Board has been obtained.

Article (3):

The willing Company to activate its clients' Trading Service through the Enter net; has to submit a written application into the Commission in accordance with the defined Pattern for this purpose.

Article (4):

- A.** The Commission will study the submitted application by the Company in the light of its current work's situation, its Administrative and Technical Capacities and its ownership of the adequate financial capacity in accordance with the regulations and Directives to face and fulfill its resulted obligations from its dealing with the Trading Service through the Enter net.
- B.** The Commission will issue its decision to accept the application within a period of two week since the study of it has been ended. And the Commission can reject the application, stipulated the application is attached with a caused rejection.

Article (5):

The Company that has obtained the Commission's Initial Approval can submit a Specific Application into the Stock Exchange to begin the verification's procedures.

Article (6):

The Stock Exchange will verify the necessary Technical and Professional Capacities to submit the Trading Service through the Enter net through the Applicant Company by means of ensuring the following:

- 1)** Providing the adequate infrastructure for the communications, connection and protection in accordance with the specific Guidances and Rules that are issued by the Stock Exchange.
- 2)** Providing Orders' Management's System in accordance with the Technical and Professional requirements that are defined by the Stock Exchange including the Requirements of the Article (7) of these Directives.
- 3)** Providing the necessary Electronic means for receiving and registering the orders of the clients in a safe manner, and in correspondence with the Orders' Management System.
- 4)** Providing the necessary means to verify the client's Identity who uses the service.

Article (7):

A. The Applicant Company that wishes to submit the Trading Service through the Enter net must abide by enabling the Stock Exchange to verify the capacity of the Orders' Management's System to ensure the following:

- 1)** The abstaining from inserting any purchasing order to the client into the Trading System, except after verifying the providence of an adequate Currency Balance to complete the Purchasing Process.
- 2)** The abstaining from inserting any selling order to the client into the Trading System except after verifying the providence of the securities at the client's account which are free and un restricted ones to complete the selling process.
- 3)** The immediate and temporary seizure for the securities' prices that are intended to be purchased and the due charge from the current client's Cash Balance Total that is available for trading as soon as the Trading System accepts the purchasing order.
- 4)** The immediate and temporary seizure for the securities' amounts that are intended to be sold from the client's securities' Balance Total that is available for trading as soon as the Trading System accepts the selling order.
- 5)** The increasing of the client's Securities Balance Total (in a manner that equals the purchasing amount) as soon as executing the purchasing order partially or totally.
- 6)** The increasing of the client's Cash Balance Total (in a manner that equals the selling's sum after deducting the due charge on the client) as soon as executing the selling order partially or totally.
- 7)** The abstaining from selling the purchasing security at the same day.
- 8)** Providing the possibility for changing or cancelling the orders by the intermediary in case there are errors or committed contraventions by the client, in accordance with the accredited procedures by the Stock Exchange.

- 9) The capacity for the Electronic Termination of the Trading Session so that the client can not conduct any activity after the Trading Session has been ended – up.
- 10) To notify the client as soon as executing, changing or rejecting
any of his / her sent orders through this System.
- 11) To register and archive all the information that are exchanged between the client and company stating their time, date , and their Issuing Place Address (IP) Address, with providing a Specialized Programming Front Page that is verifiable for research, auditing and printing (Log File).
- 12) Providing the instant information about the motion and case of the Client's Specific Order.
- 13) Providing an instant Exchange Price Screen.
- 14) Providing an instant evaluation for the Client's Portfolio, and His/ Her Cash Balance; in addition to state the Account's Motion.

B. The Commission and the Stock Exchange can add any other requirements that are considered as necessary to ensure the readiness of the Orders' Management System.

Article (8):

The Company is responsible for conducting all the examinations and the necessary programming changes to ensure the full compliance between the Trading's Programming through the Enter net and the Programming of the Stock Exchange under the technical supervisory of the Stock Exchange.

And the Stock Exchange is considered responsible for the supervision of the security examination (the inside and the outside one) through a Specialized Information's Security's Company that is defined by the Stock Exchange.

Stipulated this examination is renewed annually and in case of requirement.

Article (9):

The Board of Directors will issue its Decision's of Approval on the Company's Application as soon as possible instantly as the documents are completed.

And the Board of Directors can reject the application stipulated to be a caused one.

Article (10):

The willing company to submit the Trading's Service through the Enter net must abide by the following:

- 1) To provide the Commission with the approval of the Board of Directors which is mentioned in the Article (9) of these Directives.
- 2) To sign an Agreement of Information's Distribution with the Stock Exchange in accordance with the defined pattern by the Stock Exchange.
- 3) To prepare written working procedures to submit the service that are approved by the Commission.
- 4) To prepare a Pattern of "The Clients' Trading's Agreement Through the Enter net" that ensures the providing of the mentioned Items in the Article (14) of these Directives.
- 5) To provide the direct Technical Support during and after the Trading's Session in a way that ensures the necessary vastness and flexibility to face all the technical problems and obstacles that may face the service.

Article (11):

The Commission will study all the necessary and mentioned documents in the Article (10) of these Directives.

And it can require any other requirements that are considered as a necessary.

And the Board of Commissioners will issue its Final Decision within (30) Thirty Days since the company has completed all the required documents by the Commission.

Article (12):

The Charges' Regulations that are related to the Commission, the Stock Exchange and the Center will be applied on all the Trading's Transactions through the Enter net.

And the Company will receive its Charges in accordance with the defined percentage at "The Trading Charges Act of the Financial Services and Intermediary Companies and its Changes."

Article (13):

The Company will receive from the client an Annual Charge in exchange for submitting the service, which is defined by an issued Decision by the Board of Directors.

Article (14):

“The Trading Agreement through the Enter net Between the Company and the Client” must include at least the following items:

- 1) The definition of the Trading’s Concept through the Enter net.
- 2) An Application for Activating the Trading’s Service Through the Enter net which is signed by the Client.
- 3) To define required documents and data by the client in accordance with the Provisions of “ The Dealing’s Act Between the Intermediaries and Their Clients” , and “ The Control Act of the Banking and Financial Transactions for the Purpose of Combating the Money Laundering and the Terrorism Financing “ and specifically these that are related to verify the client’s identity in accordance with the Patten “ Know your Client” and the Contact and the Communication information with Him / Her.
- 4) A Contingency Plan about the Company’s Strategy for inserting the Clients’ Orders on their behalf in case the trading by means of the Specific Programmings’ Trading through the Enter net are un available for any reason.
- 5) A Statement with the risks that are related to the Trading’s Service through the Enter net, including an abundant explanation about the type of resulted risks because of the usage of this service. (And publishing this statement at the Company’s Web- site before the initiating of the implementation of this service.)
- 6) The resulted amount of charges on the client because of the usage of this service in detailed manner.
- 7) The client’s received Pattern for the User Name, and the specific Pass Word for applying the Orders’ Management System, including the client’s responsibility for holding – up all the liabilities resulted in securing the User Name and His / Her specific Pass Word and protecting them in the usage of this service.

- 8) The defining of the resulted rights and obligations on each of the company and the client in accordance with the Provisions of the Commission's and the Stock Exchange's Laws, Regulations and Directives. And specifically these that are related to the defining of the related obligations to the Cash Deposit and the Financial Settlement in accordance with the Provisions of the Dealing's Act Between Intermediaries and Their Clients.
- 9) The definition of the resulted rights and obligations on each of the company and the client in accordance with the Provisions of these Directives and the most important of them are:
- A.** The Company's obligation to submit the direct Technical Support, and the necessary Technical Assistance for its client who uses this service.
And the providing of the Support's Hot Line within the Company's Official Working's Hours.
 - B.** The Company's obligation to insert the Client's Orders on His / Her behalf based on His / Her submitted authorization in accordance with the Provisions of the effective Regulations and Decisions. Acknowledging the verification of the providence of an Adequate Cash Balance or the providing of the securities at its Client's Account before inserting any order or conducting any changes on a previous inserted order by Him / Her on the Electronic Trading System. And such in case there is not any Trading's Service through the Enter net for the Client, or in case the Trading through the Specific Programming for this service is un available.
 - C.** The abidance of the company to notify the Client with any changes or development on the Programs and the used applications for the purpose of the Trading through the Enter net before the activating of these changes in an adequate time. In addition to define the Client with the Method for using of these Programs after the changing.
 - D.** The Company's abidance by cancelling the issued Client's Orders through this service. (In accordance with the accredited

measures at the Stock Exchange.) In case they include any case of contraventions to the effective Laws and Regulations.

- E.** The company will bear the responsibility for any prohibited works that are committed by the Client under its knowledge. With its reserved right to oblige the Client to bear the responsibility of the inserted Orders by Him / Her.
- F.** The Company's abidance by abstaining from publishing any recommendations or notifications for the purchasing or selling of any securities through this service in case of any contravention.
- G.** The Client's Statement for His / Her acknowledgement of the risks' Statement that is related to the Trading through the Enter net. (And is attached with this Agreement.) And His / Her full acknowledge of these risks and full, legal responsibility for His / Her inserted Orders through the Orders' Management's System, His / Her contraventions or errors that are committed through inserting these orders, changing them, or cancelling.
- H.** The Client's Statement that His / Her obtained information as part of the Trading's Service through the Enter net; is not considered as a promotion or recommendation for the purchasing or selling of any securities. And the Selling and Purchasing Transactions that are conducted by Him / Her, are upon His / Her responsibility solely.
- I.** The Client's Statement that the used Programs and applications for the purpose of Trading through the Enter net are for the Company's Ownership. And His / Her right is exclusive on the usage of these programs for the purpose of Trading only.
And He / She has not the right to use His / Her obtained information through these Programs outside the framework of this Agreement's Terms and Provisions.
- J.** The Client's Approval to receive all the documents, correspondences, and information electronically.
- K.** To abstain from exempting the Company for its legal responsibility toward the Clients' losses that are resulted from

the mis – usage of the service because of the lack of providing the necessary protection for the used programs and equipments or due to the Technical Damages in the documentation’s method and the specific protection for all of the System.

- L. The Company’s and the client’s abidance by the Provisions of the Laws for each of the Commission and the Stock Exchange, and their related issued Regulations and Directives in addition to any changes occurred on them.

And these Laws, Regulations, and Directives are considered a basic part of this Agreement.

- M. The Company’s nullification’s of its responsibility for any damage in the Trading’s Service through the Enter net in case there is an evidence that the damage is outside the Company’s intention, and is un – avoidable.

Article (15):

The Stock Exchange will make – up all the necessary measures to ensure the infrastructure and the appropriate Connection System to operate the Trading’s Service through the Enter net.

Article (16):

The Stock Exchange must supply the commission monthly with a registration that includes the date, time and the dis- connection’s Period with the Intermediary Companies.

Article (17):

Without the contradiction with the Provisions of these Directives, the Executive Board of the Stock Exchange will set – up the methods and the restrictions for the usage of the Trading’s Service through the Enter net.

Article (18):

Taking into consideration the Provisions of the effective Laws and Regulations, the Board of Commissioners have the right in case of the commitment of any contravention; to take any of the following measures:

- 1) To restrict or prohibit the company from submitting the Trading’s Service through the Enter net.
- 2) To restrict or prohibit any of the clients from the usage of the Trading’s Service through the Enter net.

- 3) To add any new requirements that are considered as a necessary by the Commission and the Stock Exchange to stop the contravention.

Article (19):

The company that submits the Trading's Service through the Enter net will abide – by the following:

- 1) To abstain from conducting any modernization or development on all of the reservoirs and the specific Programs to submit the Service; without the approval of the Stock Exchange.
- 2) To abide by the neutrality and objectivity in all the offered indexes within the specific Programmings of the users.
- 3) To publish a clear and obvious statement with the resulted risks from the usage of the Trading's Service through the Enter net.
- 4) To supply the Commission and the Stock Exchange with a monthly registration that states the date, the time, and the Period of the Service's Stopping with stating the Stopping's reasons, and the made – up measures since its occurrence.
- 5) To keep –up a reserved copy for all the registrations and the related documents to the Service for a period that does not decrease (10) Ten years.

Article (20):

The service's Stopping:

- The Company will abide by notifying the Commission and the Stock Exchange with its willingness to terminate the submitting of the Trading's Service through the Enter net temporarily or permanently.
- The Stock Exchange will make – up all the related measures to the termination's process.
- The Stock Exchange will supply each of the Commission and the Company with a letter that benefits the termination of the Stopping's Procedures. And the service is considered stopped legally with the issuance's date of this letter.

Article (21):

The company has not the right to use, publish, sell or copy all the information and the related data to the Trading through the Enter net, except after obtaining a previous approval by the Stock Exchange.

Article (22):

The listed Provisions in each of the Commission's and the Stock Exchange's laws and Regulations will be applied in each that there is not a clear legal text within these Directives.

Damascus Dated on

22 / 7 / 2020.

**The Chairman
Of the Board of Commissioners;
Of Syrian Commission on Financial Markets and Securities;
Dr. Abd Fadleah.**