ASE Launches Internet Trading

The Chief Executive Officer of the Amman Stock Exchange (ASE), Mr. Jalil Tarif said that the (ASE) launched the internet trading service as of Wednesday 14.7.2010. This new service is another link in the ASE's chain of efforts with the aim of achieving its objectives to develop trading methods and expand the investors' base. All procedures have been already made in launching the internet trading service at the ASE. This service is seen as a major opportunity for a large number of investors and those who are interested in securities trading, regardless of their geographic location. The service will help increase the number of those trading at the ASE and enhance their aptitude to engage in securities trading.

Tarif pointed out that the Jordan Securities Commission (JSC) has approved the Internet Trading Directives which come to regulate all issues related to the internet trading service. These directives emphasized that a brokerage firm, interested in activating the internet trading service, has to obtain a written approval from the ASE and an endorsement from the JSC on its request, and to sign an internet trading agreement with the client wishing to make use of this service. Such agreement must cover all the organizational issues for both parties including a disclosure statement highlighting risks of using the service so that the investors will be aware of the risks of this service which come from using the internet or misuse of the new service. Moreover, the agreement emphasizes on the investor's commitment to observe and comply with the provisions of the Securities Law and bylaws, regulations and directives issued pursuant thereto; investors must take a full legal responsibility for any violations they make as well as the responsibility for entering, modifying or cancelling orders while using the service.

Tarif pointed out that users of the service need to realize some important issues; namely, confidentiality of investors accounts activities in order to dismiss and avoid any probability of outsider intrusion which might cause or result of blocking the service messages, or accessing to the user's computer. He reiterated the importance of familiarity with the mechanism of operation and the software functions used to run the internet trading service. In addition, users must know how to handle cases when the system breaks down due to any damages to the internet; which might be barring the investors from interacting with the orders they enter into the internet trading system.

Tarif stressed that users of the service need to review the risk disclosure statement attached to the agreement that the users have to sign with the broker, they also need to review and understand the software user manual; investors also need to learn of the emergency plan provided by the Broker which enables the investors to communicate with the Broker to follow up the entered orders in case of interruption of the service for any reason.

As for the privileges of using this service, Tarif stressed that by using the service properly, trying to avoid risks of the service and following guidelines of the brokerage firm; the service will provide a great benefit as it enables investors to watch the trading information live and follow up the trading session proceedings and make the investment decisions immediately making use of the investment opportunities once they are available, since this service does not require the client's presence at the brokerage firm premises; nor to make a phone call with them, the clients just need to enter the buy or sell order through the software used for the service, then the order enters the electronic trading system, after the order's fulfillment of requirements gets electronically verified by the broker's systems. It is worth mentioning that this service enables investors to follow up the executions of their orders and managing their investment portfolio directly and at any time.

Tarif also explained that the internet trading service will give the broker an opportunity to attract a large number of new investors whether they are local or foreigners considering the benefits that investors will gain by using this service, consequently, the trading revenues of the broker will increase due to the increased activities of the new service. Moreover, the service will help save time, cost, and effort compared with the traditional method. Tarif pointed out that brokers will be able to assume their major role of analyzing securities and studying the price movement to advise

the clients rather than getting involved in entering orders on behalf of clients.

Tarif also explained that the mechanism of this service starts with the investor selecting a brokerage firm licensed by the ASE to provide the internet trading service. Once all the required procedures have been fulfilled to open the account, the agreement has been signed, the risk statement has been reviewed, the clients get the user name and the password to activate their account with the broker and enable them to use it solely by themselves. Then the clients start to enter their own orders and follow-up their execution directly. Note that, the brokerage firms' software has been developed to cope with the Internet Trading Directives.

Tarif explained that by virtue to the Internet Trading Directives, the ASE can restrict or suspend the broker's/client's operation with the internet trading service in case of misuse and breach of the provisions of Securities Law, regulations, and directives issued thereto.

So far, four brokerage firms have already completed the procedures required and started offering the internet trading service as of yesterday; namely, ABC Investments, the United Company for Financial Investments, Al-Bilad Company for Securities and Investment, and Excel for financial investment. The ASE announces that the opportunity is available for other brokerage firms to apply for the internet trading service provided that all new applicants are to adhere and fulfill all legal and technical requirements to ensure they fulfill all the requirements of the service and suit the execution of trading properly.