New Listing Directives and Regulating Directives for Trading in Unlisted Securities Starting 4/8/2016

The Amman Stock Exchange (ASE) will start applying the "**The Regulating Directives for Trading in Unlisted Securities at the ASE**" which were issued by virtue of the provisions of Article 72 of the Securities law No. 76 of 2002 as of the 4th of August,2016 coincide with applying the" **Listing Securities Directives for the year 2016**". The issued directives introduced new concepts and advanced overview taking into consideration the international standards in transparency and disclosure, and introducing mechanism for trading in unlisted securities in a separate market that is the Over-The-Counter (OTC) Market.

The ASE in cooperation with the Jordan Securities Commission (JSC) and the Securities Depository Center (SDC) prepared **The Regulating Directives for Trading in Unlisted Securities at the ASE**, which allowed trading in unlisted securities. The ASE also issued the **Listing Securities Directives for the year 2016** in consistence with the inception of the OTC Market, where it conducted the necessary technical modifications to the Electronic Trading System so as to ensure trading of these companies through the System.

In accordance with the new Directives, The OTC Market is introduced to give an opportunity for the shareholders of unlisted companies and listed companies that are suspended from trading to sell their shares through an electronic system prepared for this purpose, and according to supply and demand forces. Also, enabling the investors who are interested in buying the shares of these companies to do so.

Companies which will be allowed to be traded in the OTC Market are; companies that were delisted from the ASE and still registered at the Ministry of Trade and Industry's records as public shareholding companies, newly established private or public shareholding companies ,public or private shareholding companies which have never been listed at the ASE and to be listed at the JSC and the SDC, and listed companies which are suspended from trading on the organized market, and are temporarily transferred to be traded in the OTC market. According to Directives, the SDC shall provide the ASE on the effective date of these Directives with a list of securities of all companies mentioned earlier to enable the ASE to take the necessary procedures to start trading in these shares in the OTC Market.

Note that the trades of the OTC Market will be independent from the trades of the ASE organized markets and will not affect the ASE calculated indices as well. The OTC-Traded securities will be permitted to trade within (±10%) thresholds of the reference price. Taking into consideration that the trading time in that market will be according to the time table as set forth below within the continuous trading group:

Time	Phase
9:45 - 30:8	Inquiry
±9:50 - 45:9	Pre-Opening
±9:50	Opening
±50:9 - 10:15	Continuous Trading
12:45 - 12:30	Trades Block

On the other hand, Mr. Azar confirmed that the Directives determined the cases of suspension as following; all cases determined by the JSC and by the ASE, the cases of voluntary and compulsory liquidation, changing the legal status of the company, or written it off from the Ministry of Industry

and Trade's records, capital reduction and merger cases.

The Directives gave the traded companies in the OTC market the right to submit an application to list their shares in the Second Market after fulfilling all listing conditions in the ASE organized market. OTC-traded securities shall be transferred from the OTC Market to the ASE's organized markets in the two following cases: Demising the reasons of suspension from trading in the organized market and a period not less than three month should have been elapsed from its trading in the (OTC) market and after the company fulfilling the listing conditions in the organized market.

In regard to the OTC-Traded company's obligations, companies traded in that market should disclose the ASE with the annual reports, semi annual reports, information and decisions passed by them, which might affect the price of the share, the agenda of their general assembly meetings and the decisions passed by them and any information or statements deemed necessary by the ASE.

Mr. Azar said that once the Listing securities Directives for the year 2016 and The Regulating Directives for Trading in Unlisted Securities at the ASE are effective, the third market will be cancelled as of 16/4/2017 and the companies listed at the Third market will be transferred to the Second market if they fulfill its listing conditions. Companies which do not meet the listing conditions will be delisted and transferred to be traded in the OTC Market.

The most important amendments included in the Listing Directives for the year 2016 were: suspending the trading on the company's shares directly if it doesn't provide its reviewed audited annual reports and reviewed interim reports at the specified date; until the company provides the ASE with the required reports, where this amendments aims at increasing awareness on the importance of disclosure in the financial markets field. Note that the competent authority that issued the decision of suspension of the listed companies' shares at the ASE organized market has the right to transfer the shares of the suspended company to the OTC market or not.

The Listing Securities Directives for the year 2016 allowed for the first time the listing of the private shareholding companies' shares at the ASE upon their request, consistent with the Companies Law in force which considers that the shares and the bonds that had been issued by private shareholding companies as securities that the company may ask to be listed and traded at the market, where all the provisions of Listing Securities Directives will be applied in case of listing their shares at the ASE.