About OTC

What is the OTC Market?

The Over-The-Counter (OTC) Market is a market specialized in buying and selling of securities which are unlisted at the Amman Stock Exchange (ASE), aims to provide a place and a mechanism to enable those who are interested in such securities to sell and buy them easily and conveniently.

The OTC Inception

The ASE, in cooperation with the Jordan Securities Commission (JSC) and the Securities Depository Center (SDC), prepared new directives, which allow trading at the OTC Market, and modified the Listing Securities Directives at the ASE in consistence with the establishment of this market. Accordingly, the OTC Market was established.

The Aim of its Inception

Giving an opportunity for the shareholders of the unlisted companies to sell their shares through an electronic system prepared for this purpose and according to supply and demand forces. Also, enabling investors who are interested in buying the shares of these companies. It is worth noting that the trades of the OTC Market are independent from trades of the ASE main markets and don't affect the ASE calculated indices as well.

Cases in which companies are allowed to trade in the OTC Market

1. If the company has been delisted from the ASE due to the continued suspension of trading or the continued trading under the restricted trading for more than one year, provided that it remains registered with the Ministry of Industry and Trade, the Jordan Securities Commission, and the Securities Depository Center.

2. Companies that are not listed on the ASE due to their failure to meet the listing conditions of the Second Market, such as:

- The company's net shareholders' equity is less than 50% of its paid-in capital.
- The company's free float percentage is less than 5% of such companies whose paid-in capital is less than 10 million Jordanian dinars.

3. Newly established private or public shareholding companies.

Transparency and Disclosure

OTC-Traded companies should disclose the following data:

- Annual Reports.
- A Quarterly 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.
- Any information or statements deemed necessary by the ASE.

Cases of Suspension from Trading

Trading in securities in this market shall be suspended in the following cases:

- All cases determined by the JSC.
- All cases determined by the ASE.
- Voluntary Liquidation.
- Compulsory Liquidation
- Changing the legal status of the company, or writing it off from the Ministry of Industry and Trade's records.
- Capital reduction.
- Merging.
- On the date of the general assembly meeting of the company.

Cases of Trading Cancellation

- Companies that have fulfilled the conditions for listing at the ASE, after submitting an application to list their shares at the ASE and the completing all necessary procedures.
- When the ASE is informed of the voluntary liquidation resolution passed by the company's extraordinary general assembly.
- When the ASE is informed of the submission of an application for compulsory liquidation by a statement of claim to the court, or by a decision to liquidate the company issued by a competent authority in accordance with legislation in force.
- When the ASE is informed of the Minister of Industry and Trade's decision to change the company's legal status or written it off from the Ministry of Industry and Trade's records.

Price Thresholds

The OTC Securities are permitted to trade within (± 10%) thresholds of the reference price.

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