Directives of Trading with Securities at the Amman Stock Exchange

Directives of Trading with Securities at the Amman Stock Exchange for the year 2018[1]

Issued by virtue of the provisions of Article (A/70) of the Securities Law No. 18 of 2017 and Article (8) of the Article of association of the Amman Stock Exchange company as adopted by the decision of the Board of Commissioners of the Jordan Securities Commission No. 224/2018 dated 05/07/2018, and is amended by the Board of Commissioners' Decision No. (262/2022) dated 23/08/2022. and No. (319/2023)dated 21/12/2023.

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Article (1)

These directives will be called "Directives of Trading with Securities at the Amman Stock Exchange for the year 2018" and shall enter into force as from 01/09/2018.

Definitions

Article (2)

A. The following words and expressions shall have the meanings assigned thereto below, unless the context indicates otherwise:

Law	The Securities Law in force
Commission	The Jordan Securities Commission.
Exchange	The Amman Stock Exchange Company
Center	The Securities Depository Center
Board of Directors	The Board of Directors of the Exchange
CEO	The Chief Executive Officer of the Exchange
ETS	The Electronic Trading System in use at the Exchange
Trading	Transaction of buying and selling securities at the Exchange
Broker	A juristic person licensed by the Commission to engage in the business of financial brokerage or dealing
Certified Broker	A natural person licensed by the commission to engage in the business of financial brokerage.
Authorization	A request submitted by the client to the Broker authorizing

	the broker to buy or sell any security based on certain conditions set by the client pursuant to these Directives
Buying Order:	An order sent to the ETS to buy a certain security
Selling Order	An order sent to the ETS to sell a certain security.
Block Trade	Trading between two Brokers or through one Broker to buy and sell a security according to Article (16) of these directives
Closing Price	The price of last trading transaction executed on a specific security in the trading session with subject to the provisions of Article (15) of these directives.
Reference Price	The price upon which the allowed price limits are calculated during the trading session.
Reference Number	The number that the Broker assigns to the client for the purposes of trading, and it shall be previously identified at the Center
Foreign Broker:	Any Juristic person licensed to engage in the business of financial brokerage in a non-Jordanian financial market
Investment Manager	Any Juristic person licensed to engage in the business of investment management in the Exchange or a non-Jordanian financial market.
Custodian	Any Juristic person licensed by the Commission to engage in the business of providing safe custody of securities
Online Trading	The process by which the client enters buying and selling orders directly through the Internet by using the Broker's online software which automatically sends it to the ETS
Service:	Online Trading Service
Software:	The special Broker's software approved by the Exchange for the Online Trading purposes
Settlement:	The process by which a trading contract (transaction) is completed with the final, unconditional transfer of securities from the seller to the buyer and the final settlement of price payments in their respect
Floating:	A mechanism adopted by the exchange to determine the opening price for a security in the cases set by the Board of Directors by matching between entered buying and selling orders regardless the allowed price limits for such security
Pricing Set	A set of trading session phases to form the following pricing mechanisms: Fixing, Multi Fixing and Continuous Pricing

B. Words and phrases not defined under these Directives shall have the meanings given thereto under the legislations issued by the Exchange unless the context indicates otherwise.

Section One: Trading at the Exchange

Trading Contracts

Article (3)

A. Trading with securities at the Exchange, shall be carried out only through trading contracts

between brokers for their own account or for the account of their clients, and such contracts shall be recorded in the Exchange registers in accordance with the Exchange By-laws and instructions, which shall be binding upon all parties concerned with trading.

B. No agreement shall be on a price violates what is stipulated in the Trading Contract.

C. Any trading outside the Exchange shall be void except where is permitted by laws, regulations and instructions in force.

D. The entry records of the Exchange registers and accounts, whether written or electronic, as well as any document issued by the Exchange pursuant thereto, shall constitute prima facie legal evidence of the trade and date stated therein unless proven otherwise.

The Broker's Obligations

Article (4)

A Broker shall conclude an agreement of trading in securities with its clients specifying the rights and obligations of both parties according to the legislations issued by the Exchange.

Article (5)

A. The Broker must:

1. Obtain written, voice or electronic authorizations from its clients to empower it to dispose of their securities on their behalf, these authorizations shall be binding to both parties.

2. Verify authorizations information submitted to it in the manner it deems appropriate and on its own fully responsibility.

3. Confirm date and time when receiving authorization to observe the sequence of entering orders into the ETS including authorizations of its own portfolio.

4. Prove at any time that it has an authorization shows the client name, issuer name, transaction type (buy or sell), securities total number, price, date and time as well as the authorization validity.

5. Keep authorizations for a period set by the Board of Directors.

B. Notwithstanding what stated in in Sub-paragraph (1) of Paragraph (A) of this Article, the Broker may enter buying and selling orders on behalf of custodian's client upon authorizations issued by Foreign Broker or Investment Manager provided that, a trading in securities agreement shall be concluded between the Broker and the Foreign Broker or the Investment Manager.

C. The authorization shall determine the price, which the Client wishes to execute according to the types of orders permitted by the Exchange.

D. Voice and electronic recordings kept by the Broker, shall be deemed in case of any disagreement between the Broker and the Client.

Article (6)

The Broker shall commit to notify the Client the following:

A. Buying and selling orders executed for the client upon the execution or as per the agreement concluded between them.

B. Buying and selling orders not executed for the client upon the expiration of the authorizations submitted to the Broker.

Trading Rules

Article (7)

The Exchange shall operate the ETS on a daily basis in order to trade with securities at the Exchange except for public and official holidays.

Article (8)

The Board of Directors shall determine the following:

A. The pricing set for each market in the Exchange.

B. The hours and phases of trading sessions at the Exchange, and the CEO may change the timetable of the trading sessions in urgent situations and shall immediately notify the Commission, the Center and the Brokers of that.

C. The percentage of allowed price limits from the reference price.

D. The minimum quantity a broker can display of the total quantity of securities entered in the buy and sell orders.

E. The period of time that must elapse after entering or modifying the order though the ETS so that the Broker can cancel it or modify it.

F. The minimum executed trading value during the closing uncrossing phase for the execution price to be considered the closing price of the security; otherwise, the closing price shall be the last traded price during the continuous trading phase, or to the previous closing price if no trade occurred.

Article (9)

a. Securities shall be priced either in Jordanian Dinar or in any other currency.

b. Securities shall be priced in the price ticks determined by the Board of Directors.

Article (10)

Securities shall be traded in one security and multiples unless the Board of directors decides otherwise.

Article (11)

a. The reference price of a security shall equal the previous day's closing price during the trading session.

b. The reference price shall be adjusted in the cases determined by the Board of Directors.

c. The Opening price of the security shall be floated in the cases determined by the Board of Directors, and once traded its opening price shall be set as a refrence price for that day.

Article (12)

In the cases deemed necessary to the market, the CEO may suspend trading session or suspend trading of one or more securities for a specified period during the trading session and the Commission, the Center and brokers shall be immediately notified thereof.

Trades and Orders Cancelation

Article (13)

A. The Exchange shall cancel active buying and selling orders entered into the ETS in the following cases:

1. The day follows distribution of cash dividends.

2. All cases in which the Exchange calculates a new reference price.

3. If the prices or volumes of such orders may interrupt trading on that security.

4. Floating the price of the security.

5. Upon broker's request.

6. Any case whenever it deems necessary and determined by CEO. B. Whenever it deems necessary, The CEO may cancel any trade executed during the trading session and the concerned brokers shall be immediately notified thereof.

C. The Exchange shall not bear any legal and/or financial liability towards the broker or its clients which may result of cancelation of buy and sell orders and trades according to Paragraphs (A and B) of this Article.

Adjusting Reference Numbers

Article (14)

A. The CEO may amend the reference numbers in the trading contracts in urgent situations whenever it is deemed necessary.

B. The Exchange may take all the procedures and request all documents it deems necessary to do the amendments.

C. The Exchange shall not bear any legal and/or financial liability towards the broker or its clients

which may result of amending reference numbers in the trading contracts according to paragraph (b) of this Article. Adjusting Closing Prices.

Article (15)

If the last transaction is rejected by the Center, then the closing price shall be the price of the last transaction in a manner that does not contravene the valid legislation provisions or the previous closing price if there are no any transactions.

Block Trades

Article (16)

A. The Board of directors shall determine the following:

1. The execution Time of block trades in the Exchange.

2. The minimum market value of the block trade.

3. The reference Price and the percentage of allowed price limits for the block trades.

B. The Broker must:

1. Execute the block trade upon the authorization of its client in accordance with these Directives.

2. Ensure that the Securities to be sold are available in the concerned Client's account with that Broker, and that those Securities are free from any ownership restrictions that may prevent its absolute disposal or direct delivery.

C. The Exchange shall have the right to request all documents it deems necessary before permitting the broker to execute a block trade.

Article (17)

A. The Board of Directors may exclude some block trades from allowed Price limits for the block trade.

B. Trading Commissions for block trades stipulated in Paragraph (A) of this Article shall be calculated at either the execution price or the closing price of the relevant security on the execution day, whichever is higher.

C. In order to execute block trades stipulated in Paragraph (A) of this Article, the exchange may upon the broker's written authorization enter the buy and sell orders into the ETS on behalf of the Broker who will be entirely responsible for such entry.

Article (18)

No Broker shall offer the Service before obtaining the Exchange written approval in accordance with the specific mechanism in these directives.

Article (19)

A. The Broker wishing to offer the service must submit an application to the Exchange, together with all required documents which are certified by the Exchange as per the standard form made for this purpose, the documents should include the following:

1. A draft form of Broker - Client Contract to regulate offering the service in accordance with the requirements of Article (C/25).

2. A written Contingency Plan describing the broker's strategy and available resources to enter buying and selling orders for the clients on behalf of them when the service online trading becomes unavailable to the clients for any reason.

3. A Risk Disclosure Statement, which shall prominently and explicitly state all risks related to buying and selling securities through the service.

4. Fees to be charged by the broker for offering the service.

5. A statement of minimum qualifications required in the client who wishes to use the service.

B. The Exchange may request any additional requirements to consider the application of the broker who wishes to provide the service.

Article (20)

The Exchange approves the broker's application to provide the service after confirming the following:

A. All documents and information attached with the application are accurate, complete and in compliance with these directives.

B. The software which is used by the broker meets the service requirements.

C. The broker's IT infrastructure is suitable to carry out the online trading operations in a correct and without interruption.

D. Installation of the software and communication systems with the ETS meets the Exchange technical and operational requirements.

Broker Obligations

Article (21)

The broker who obtained the Exchange's approval to provide the service shall sign a data distribution agreement with the Exchange and provide its clients who use the service with the following live trading information:

A. Live Market Watch.

B. A "Market Depth" reflecting at least the best five bid/ask prices and quantities for the selected security, as supported by the Exchange.

C. The client's cash and securities balances (stamped with time and date). D. An immediate assessment for the client's portfolio.

E. Status of all the client's entered orders.

F. A statement shows the client's transactions (stamped with time and date).

G. Any additional information, required by the Exchange and/or the Commission.

Article (22)

The Broker, who obtained the Exchange's approval to provide the service, shall publish the Risk Disclosure Statement indicated in Article (19/A/3) of these directives on its website before proceeding to provide the service.

Article (23)

The Broker must immediately notify the Exchange and the Commission in writing of prohibited acts committed in violation of the provisions of the Securities Law, regulations, directives, and decisions issued pursuant thereto by its clients who use the service.

Article (24)

The Broker shall provide the service to its clients in accordance with the method of dealing on a cash basis or margin basis.

The Relation between the service provider and its recipient

Article (25)

A. Subject to qualifications required by the Exchange and/or the Commission, the broker, as it deems appropriate, may require qualifications in the client who use the Service.

B. The Broker shall take all necessary procedures to verify the identity of the client who requests opening an Internet trading account and shall retain copies of all documents used to verify the identity of the client.

C. No Broker shall offer the service before signing a contract with its client consistent with the contract draft, which includes particularly;

1. A Risk Disclosure Statement and acknowledgment that the client has received and read the statement.

2. A Statement of Fees to be charged by the broker for offering the service

3. A detailed statement of both the broker's and the client's rights and obligations.

4. Emphasis on the client responsibility to maintain his username and password.

5. The client approval to receive the documents and correspondences electronically.

6. Emphasis that the client understands the nature of the risks that may occur to his investments in securities as a result of Internet trading, particularly those arising from the possible delay in the arrival of orders sent to the ETS.

7. Emphasis that the client bears responsibility for his mistakes during orders entry, modification or cancelation.

8. A provision confirming the client's commitment to the Securities Law provisions, regulations, directives, and decisions issued pursuant thereto, and his full liability for the violations committed by him.

9. Technical support and the necessary technical assistance provided by the broker to its clients.

D. No broker may shift legal responsibility to any client for losses arising from third party misuse of, or technical failures in, the broker's software authentication or security mechanisms.

Article (26)

A. Except scheduled maintenance times, the client may at all times enter new buying and selling orders, modify and cancel non-executed and partially executed existing orders, through the program which sends them to the ETS during the trading hours in the Exchange.

B. The client may authorize the broker to enter new buying and selling orders or request modifying or cancelling non-executed and partially executed existing orders in behalf of him/her, during the broker's regular business hours, if the service is not available to the client for any reason.

C. If the client authorizes the broker to enter an order according to Paragraph (B) of this Article, the broker must verify the sufficiency of the client's cash or securities balances in his account before any order entry or modification of an existing order into the ETS.

Online Trading Software Mechanism

Article (27)

A. The Software verifies the sufficiency of the client's cash or securities balances, before any order entry, or modification of an existing order into the ETS. B. The Software shall electronically do the following:

1. When a buying order is sent to the ETS, the cost of the securities to be bought, together with the

value of trading commissions and due charges, shall be seized from the client's cash account available for trading.

2. When a selling order is sent to the ETS, the amount of securities to be sold shall be seized from the client's securities account available for trading.

3. When a buying order is totally or partially executed, the cost of the bought securities, together with the value of trading commissions and due charges, shall be deducted out of the seized cash balance, and the client's securities account balance shall be increased by the quantity of bought securities.

4. When a selling order is totally or partially executed, the quantity of sold securities shall be deducted out of the seized securities balance, and the client's cash account balance shall be increased by an amount equal to the selling amount, minus the value of trading commissions and due charges.

5. In case an order is rejected by the ETS, or modified or cancelled by the client, the client's cash and securities account balances shall be readjusted accordingly.

Third section

General Provisions

Article (28)

The Board of directors shall determine the following:

1. The charge which the Exchange collects for activating the service

2. The minimum balance required, in cash or equivalent securities for opening an online trading account.

3. The types of buying and selling orders and their validity which the client is permitted to enter through the service.

Article (29)

A. The Exchange shall maintain an electronic performance log for all the brokers which offer the service includes the following data and information for each broker:

1. The date, time and duration the service is unavailable for its clients for any reason.

2. A description of the service outage.

3. A description of the procedures taken to correct the service outage.

4. Clarification of the service outage causes. B. The Exchange shall submit the log and its updates to the Commission on a monthly basis.

Article (30)

The Commission and/or the Exchange may carry out one or more of the following actions:

A. Restrict, suspend or forbid the offering of the service.

B. Restrict, suspend or forbid the activity of any Broker regarding offering the service.

C. Restrict, suspend or forbid the offering of the service to any specific client.

D. Reorganize the service.

Article (31)

If the exchange finds any violation of the provisions of these directives, the exchange shall submit a report to the Commission, which includes the facts and violations to take the appropriate actions.

Article (32)

A. Only the certified brokers can use the Exchange's trading station to enter buy and sell orders into the ETS.

B. The number of the Exchange's trading stations which the Broker uses, shall not exceed the number of certified brokers.

Article (33)

If any broker could not have access to the ETS due to technical failure, the Exchange shall assist and permit to use the backup systems available at the Exchange to enter orders into the ETS. In case several brokers being unable to access to the System, the CEO will have the right to decide to resume or stop the trading session as per the market interest.

Article (34)

Phone calls taking place during the trading session between brokers and the Exchange officers in charge of market control shall be recorded and kept for the period set by the Board of Directors. These recordings shall be used as a reference for the purposes of implementing the provisions of law, bylaws, and directives issued in compliance therewith.

Article (35)

The Board of Directors shall issue the trading rulebook in the exchange.

Article (36)

It is prohibited to execute block trades though the Online Trading service.

Article (37)

The CEO shall take all necessary decisions and procedures to implement the provisions of these Directives, unless otherwise stipulated for.

Article (38)

The Board of Directors shall handle any case not stipulated in these Directives and shall take the necessary decisions in respect thereof.

Article (39)

The Trading Directives on Amman Stock Exchange for the year 2004 and Internet Trading Directives on Amman Stock Exchange for the year 2009 shall be repealed.

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[1] These Directives are issued in Arabic and translated into English. In the event of any discrepancy between the two languages, the Arabic version shall prevail, for the purpose of interpretation and implementation