

The QFMA's Board Decision No. 03 of 2018
Concerning the Issuance of Omnibus Orders Rules

The Board of Directors,

Having considered Law No. 8 of 2012 of Qatar Financial Markets Authority;

QFMA's Board Decision No. 5 of 2009 concerning the issuance of Financial Services Rulebook;

QFMA Board's Decision No. 1 of 2016 regarding Ownership of Shares in Listed Companies on QSE;

Qatar Stock Exchange Rulebook;

Rules of Qatar Central Securities Depository;

Proposal of the QFMA's Chief Executive Officer;

And QFMA's Board approval at its 2nd meeting of 2018 on 1st of August 2018;□

We have decided the following:

Article (1)

Omnibus Orders Rules annexed to this decision shall come into full force and effect.

Article (2)

All competent authorities, each within its jurisdiction, shall implement this decision. The decision shall be effective from the date of issuance and shall be published in the Official Gazette.

Abdulla Bin Saoud Al-Thani

The Governor

Chairman of the Board of Directors

Issued on 16/01/1440 H

Corresponding to: 26/09/2018

Published in the Official Gazette

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This is a translation of the Official Arabic version of

Omnibus Orders Rules.

In case of any discrepancies, the Arabic version shall prevail.

Omnibus Orders Rules

First: Definitions:

Depository: Qatar Central Securities Depository (QCSD).

Investment Entity: A local or international investment entity licensed or authorized to perform the activity of securities' investment management and open an allocation account on its name at the company.

Omnibus Orders: The action of collecting sale and purchase orders by the Investment Entity for the clients having associated accounts and entering such orders into the market through a broker using the Allocation Account.

Financial Services Company: The company licensed by Qatar Financial Markets Authority (QFMA) to perform the activity of execution of securities purchase or sale's orders for a third party. (the broker).

Allocation Account: An account that is created on the Depository systems in the Investment Entity' name and used to enter Omnibus Orders of securities' sale and purchase for the clients having the Associated Accounts as one order through the Financial Services Company.

Associated Account(s): The clients' accounts to be associated with the Allocation Account by the Investment Entity in order for the securities to be allocated to them after executing the omnibus sale and purchase transactions (the transaction) according to the orders issued in favor of the clients.

Allocation of Securities: The transfer and distribution of securities resulting from the execution of the omnibus sale and purchase transactions (the transaction) from the Allocation Account to the accounts of the clients participating in the transaction (the Associated Accounts) according to the orders issued in their favor.

Deadline for Securities Allocation: The date on which the securities are allocated to the Associated Accounts which is the date after the market close on the same trading day (T + 0).

Second: Rules:

Article (1)

The Investment Entity shall submit an application for the issuance of Allocation Account to the Depository through local custodian or Financial Services Company to open Allocation Account in its name on the Depository's electronic systems for the purpose of using the Omnibus Orders. This application shall include the data of accounts associated with the Allocation Account, and the documents relating to the establishment and licensing or authorization the Investment Entity as set forth in the application. The application shall also include the acknowledgment of compliance with the legislation of the QFMA, Qatar Stock Exchange (QSE) and the Depository in respect of use of the Omnibus Orders and payment of the fees prescribed in this regard.

Article (2)

Both the Investment Entity and the Financial Services Company must ensure that the clients involved in the Allocation Account and having sales orders shall have sufficient funds to cover the executed transactions. It is not allowed to enter quantities more than the available with the clients.

Article (3)

The Financial Services Company shall enter the orders of the Associated Accounts' clients in accordance with the quantities and data issued by the Investment Entity and shall be obliged to execute them as they are and bear the responsibility thereof.

Article (4)

The securities shall be allocated on the same trading day T + 0 until 2:00 pm.

Article (5)

In the event that the Financial Services Company does not conduct the allocation up to 2:00 on day of T + 0 for any reason, the Depository shall make the allocation based on the Financial Services Company's information relating to the transaction

and the Associated Account to be allocated without any liability. The Financial Services Company or the Investment Entity shall bear any damages that may be incurred to the customer from doing so. The Financial Services Company shall also undertake to pay the prescribed fees in this regard.

Article (6)

Both the Investment Entity and the clients owning the Associated Accounts shall comply with the legislations, rules, decisions and instructions issued or will be issued by QFMA, Qatar Central Bank (QCB) or the Depository in determining the ownership percentage in the share capital of the listed companies.

Article (7)

The applicant for the issuance of the Allocation Account (whether local Financial Services Company or local custodian) shall verify the authenticity of the documents and data submitted to it by the Investment Entity regarding the issuance of an Allocation Account on the Depository systems. The applicant also shall ensure that the Investment Entity is licensed or authorized to conduct securities' investment management activity for third party and shall submit these documents and data to the Depository, sealed with its stamp confirming the authenticity, validity and completeness of the documents and data required for the issuance of the Allocation Account. The Depository role shall be limited to issuing an Allocation Account according to its approved mechanism.

Article (8)

The applicant for issuing Allocation Account shall bear the full legal responsibility for the authenticity of any documents or data provided to the Depository. The Investment Entity shall also provide the Depository with any relevant documents or data or with the Allocation Account and Associated Accounts upon request, and undertake to update the data periodically and whenever changes occur.

Article (9)

The Investment Entity, the Custodian or the Financial Services Company related to the Allocation Account shall bear individually the legal responsibility for implementation of Anti-Money Laundering & Combating Terrorist Financing (AML/CFT) rules and regulations on the Allocation Account and Associated Accounts.

Article (10)

The maximum ownership limit of a person in the capital of the listed shareholding companies shall be consistent with the relevant legislation. The Financial Services Company shall commit to sell the shares that lead to exceeding the ownership limit in the Associated Account on the day following the allocation without referring to the person exceeding that, taking into account his interest in that. In cases where exceeding the percentages prescribed in the articles of association, the shares owner is prohibited from taking advantage of the excess amounts in respect of voting rights in the General Assembly or in the management of the company. All profits realized as a result of violating these rules or correcting this violation shall be transferred to QFMA.

Article (11)

If share price of the listed company (sale or purchase) reaches the maximum allowed limit per session, the financial broker / Investment Entity shall be bound to the maximum amount of each omnibus order QR 10 million.