

The Circular No (24)

To: The Financial Services and Intermediary Companies.

After Greeting:

Please to inform You with the issuance of the Board of Commissioners' Decision No (166/M) which was dated on 20/9/2022, concerning **“The Restrictions Imposed Upon the Electronic Account’s Opening for the Securities’ Trading”** which will allow the opportunity for the Clients for the Trading’s Account’s Opening in accordance with the Listed Terms and Restrictions in the attached Decision.

Appreciating Your Cooperation.

Damascus Dated on

21/9/2022.

The Chairman

Of the Board of Commissioners;

Of Syrian Commission on Financial Markets and Securities;

Dr. Abd Fadleah.

The Decision No (166)/M

The Chairman

Of the Board of Commissioners:

Based upon the Provisions of:

- The Law No (22) for the year 2005, and its changes by the Decree No (50) for the year 2009;
- The Law No (55) for the year 2006, and its changes by the Decree No (53) for the year 2009;
- The Decree No (113) for the year 2018;
- The Act of Licensing for the Financial Services and Intermediary Companies which were issued by the Mr. Prime Minister by the Decision No (3942) which was dated on 28/8/2006, and its changes;
- The Act of Dealing Between the Intermediaries and Their Clients which were issued by the Board of Commissioners, by the Decision No (68/M) which was dated on 25/5/2009;
- The Directives of Anti Money Laundering and Combating the Terrorism Financing that was issued by the Board of Commissioners by the Decision No (85/M) which was dated on 15/6/2017, and its changes;
- And the Approval of the Board of Commissioners in their Session No (24) which is dated on 20/9/2022;

Decides the following:

The Restrictions Imposed Upon the Electronic Account's Opening for the Securities' Trading.

The Article (1):

A. The Definitions:

The following words and phrases in the context of applying the provisions of this Decision will have the assigned meanings hereunder:

- **The Law:** The SCFMS Law No (22) for the year 2005, and its changes.
- **The Commission:** The SCFMS.
- **The Stock Exchange:** The Damascus Securities Exchange or any other established Market in accordance with the Provisions of this Law.
- **The Board:** The Commission's Board of Commissioners.
- **The Center:** The Securities' Central Clearance and Storage Center.
- **The Licensing Act:** The Act of Licensing for the Financial Services and Intermediary Companies, and Their Rules for Practicing Their Activities which were issued by the Mr. Prime Minister, by the Decision No (3942), which was dated on 28/8/2006 and its changes;
- **The Dealing Act:** The Act of Dealing Between the Intermediaries and Their Clients which were issued by the Board of Commissioners by the Decision No (68/M) which was dated on 25/5/2009;
- **The Directives of Anti Money Laundering and Combating the Terrorism Financing:** The Directives of Anti Money Laundering and Combating the Terrorism Financing which was issued by the Board of Commissioners by the Decision No (85/M) which was dated on 15/6/2017 and its changes;
- **The Company:** The Legally Licensed Financial Services and Intermediary Company to practice the activity of the Securities' Intermediary.
- **The Electronic Account:** The Electronic Account of the Client at the Intermediary Company which has been settled through the Electronic Web- site, or by the Company's Specific Mobile's application.
- **The Client's Owner of the Electronic Account:** The Natural Person who has opened – up an Electronic Account at the Intermediary Company remotely in accordance with the Listed Provisions in this Decision.
And the Company is prohibited to accept any opening – up of Electronic Tradings' Accounts which are related to the Legal Entity, the Foreign Natural Person, His Vice, the Parent or the Custodian.
- **The (CSD) The Central System Depository:** The Accredited Electronic System at the Central Clearance and Storage Center to register the listed Securities, the transference of their ownerships, the Mortgages, and

their related Due Payments. And its Electronic Registrations are considered a Legal Proof for the owning of these Securities.

- **The Trading's Number:** The Client's Specific Trading's Number at the Stock Exchange.

B. The un defined words and phrases within these Restrictions will have their assigned meanings in The Law No (22) for the year 2005, its Changes, and the related issued Regulations and Directives.

The Article (2):

The Procedures of the Electronic Account's Opening, and the Company's Obligations:

- 1) The Company can open an Electronic Account for the Client Electronically through the Enter net for the willing Clients for such without the necessity for their attendance into the Company.
- 2) The Company will abide by preparing its Electronic Web- site or its Specific Mobile's Application through its Link which is entitled as "The Electronic Account's Opening" which will be used later on for the inserting of the Client's Specific Data and Information which are considered required in accordance with the in effective Laws, Directives and Circulars, and in specific The Act of the Dealing, and The Directives of Anti Money Laundering and Combating Terrorism Financing.
- 3) With the exception of the Article (3) of "The Act of Dealing", the Client will be considered responsible for the inserting of all the required data and information in accordance with the Company's provided – for Pattern.
And He will be responsible for the loading – up of all the necessary documents for such purpose such as "The (ID) Verification's Document, and the Client's Account's Opening and Identification's Application by the Intermediary", stipulated for all of these Documents to be signed in a written manner by the Client.
- 4) The Client must insert a Syrian Licensed Mobile's Number exclusively for one of the Syrian Companies' Mobile Phone for the purpose of completing the necessary procedures for the Electronic Account's Opening for the Client whom will be responsible later on for all the Issued Measures by such Number.

- 5) The Client's Registration to all of His documents in accordance with the available Pattern by the Company for the Electronic Account's Opening will be considered as a consent for all the measures applied, and there will not be any obligations by the company toward the Client unless He is notified by it for the completeness measures of His Account's Opening.
- 6) The Company must exert the necessary Professional Codes of Conducts in the auditing process of all the Client's inserted Data and Documents in accordance with the accredited Pattern for such.

And the Company will compare them with the required Data and Documents in accordance with the in effective Laws.

And the Company is prohibited to accept the openness of any account for the Client or even the submitting of any required services unless the obtaining process of all the required Data and Documents are completed.
- 7) The Intermediary will contact the Client through the Phone Calls' Registration's System, and He will inquire from Him about some of the important questions such as the (ID) Verification's Information as a supportive measure.
- 8) If the Intermediary has completed successfully the Verification Process of all the required Documents and Data's Completeness and correspondence, He will be responsible for the inserting Process of all the Client's information into the " CSD" System; or the Central System Depository", and to send an Electronic Copy of all of the Inserted Data into the Center.
- 9) The Company will hold – up the full responsibility for all the Inserted Information in the "CSD" Central System Depository.
- 10) The Center will make sure that all the Account's Opening information is correct and in accordance with the "ID" Verification Document.
- 11) The Company will send a notification to the Client concerning His Account's opening, and it will send as well His Specific Trading's Number in a Text Message through His Used Mobile's Number in the process of His Electronic Account's Opening.

This sent notification by the Company will be considered its consent for the account's opening.
- 12) Within the Mentioned Limits within the Paragraph (14) of this Article, the Electronic Account will be used correctly for the Securities' purchasing and selling. And this Electronic Account will be considered exclusively for the

Securities' Transactions through it whether such are in purchasing or in selling in even manner.

- 13) The Maximum Limit for any of the Clients' Deposited Electronic Accounts will be (1,000,000) One Million S.L only daily, and the Total Deposited Accounts' Limit will be (5,000,000) S.L Five Millions S.L in any of the Cases.
- 14) The Company must make sure that the inserted orders are not to surpass "1,000,000" One Million S.L daily in the purchasing and in the Selling's Transactions of the Electronic Accounts' Clients' Owners. And in case there are cases of Electronic Tradings for any of these clients, the Intermediary Company must assure the readiness of the "OMS" Orders Management System in a way that it does not accept automatically any Orders' amount that surpasses the defined Sum within this Item.
- 15) The Company is prohibited to open any electronic trading's Account which is related whether to a Legal Entity, or to a Natural Person on behalf of the other, the Parent, the Custodian or even the Foreigners.
- 16) In case there is not any conducted Trading's Transaction by the Client for a period of One (1) year since the date of the Electronic Account's Opening, the Company is allowed to put a sign of "Frozen – up" on the Electronic Account, while the Securities' Central Clearance and Storage Center "The Center" will be notified as well for the cancellation of the Electronic Account on the "CSD" Central System Depository.
- 17) The processes of the Electronic Account's Opening and the Method of dealing with will be subjected to the Provisions of the Laws and Regulations in effective, and in specific the Laws and the Directives of The Anti-Money Laundering and combating Terrorism Financing for the Syrian Arab Republic.

The Article (3):

The Obligations of the Electronic Account's Client's Owner:

- 1) To notify the Company about any changes or alterations on His Disclosed Personal Information.
- 2) To bear the full responsibility for His Account's information's reserving, and for any illegal usage of the information of the Electronic Account in a way that does not correspond with the Laws and Regulations in effective.

And He will hold – up solely the resulted risks in such regard.

- 3) To pay – up a Physical Visit into the Company’s Location in case of His willing to surpass the defined Limits in accordance with the Two Paragraphs of /13 and 14/ of the Article (2) of these Restrictions, to complete the Procedures of the Supportive due care diligence in a Legal Manner.
- 4) The Electronic Account’s Opening will be considered a notification by the Client to accept the following:
 - A-) The Electronic Account’s Opening through the Enter net in accordance with the Provisions of this Decision for the purpose of the dealing in the Securities at the Stock Exchange.
 - B-) The Correctness and accuracy of all the filled – in data and information by Him in accordance with the Electronic Provided Pattern by the Company.
 - C-) He is the Original Owner, and the Sole beneficiary Person from the Account’s Opening, and He is not dealing with any Anonymous Sources of Sums or in any fake or in correct Names.
 - D-) The abidance by the in effective Laws and Regulations and in specific the Laws and the Regulations of The Anti-Money Laundering and Combating the Terrorism Financing for the Syrian Arab Republic.
 - E-) The suppliance of the Company at any time requested with any required information and data by it.
 - F-) The acknowledgement of the Terms and the Provisions which are related to the Electronic Account’s Opening and the approving on.

The Article (4):

The Cancellation of the Electronic Account:

- 1) The Company must notify the Commission and the Stock Exchange in case there is a contravention that is committed by the Client in a way that He contradicts the Provisions of this Decision or any of the in effective Laws and Regulations.
- 2) The Commission has the right to require from the Company the cancellation of the Client’s Electronic Account, or even to abstain Him from trading at the Stock Exchange in any of the following cases:

- A.) If He submits in correct information in accordance with the filled – in Electronic Pattern by Him.
 - B.) If He contradicts any of the Electronic Account’s Usage’s Rules in accordance with the Provisions of the in effective Terms.
 - C.) If He uses the Electronic Account in a way that contradicts the in effective Laws and Regulations.
- 3) The Electronic Account’s Client’s Owner has the right to submit a litigation application into the Commission which is attached with the related Proven documents, and the Commission will have the responsibility for the studying of this Application and the issuing of its related Decision in such regard within a Period that does not exceed One Month since the date of the submitting of the Litigation Application.

The Article (5):

The Reservation of the Reports:

1. Without the contraventions with the responsibilities and the Public Obligations on the Financial Services and Intermediary Companies which are listed within The Article “13” of The Licensing Act, and in specific the one which is related to The Reservation of the Records and Information, the Company is obliged to reserve and archive all the data and the specialized documents of the Electronic Accounts.
2. The Commission has the right to acknowledge and to obtain copies from all the information and documents which are related to the Electronic Accounts of the Company’s Clients.

The Article (6):

The General Provisions:

The listed Provisions in each of the Commission and the Stock Exchange’s Laws and Regulations are applied in each case wherein there is not an obvious Legal Text within these Restrictions.

The Article (7):

This Decision is notified the concerned for implementation.

Damascus Dated on

20 / 9 / 2022.

The Chairman

Of the Board of Commissioners;

Of Syrian Commission on Financial Markets and Securities;

Dr. Abd Fadleah.

17/10/2022

Translation Directorate.

K.I.