



E-Transactions Committee Regulations



Issued vide CMA Board Resolution No. (2-69-2016) dated 03/09/1437 H.
corresponding to 08/06/2016;

pursuant to the Capital Market Law, issued by Royal Decree No. (M/30) dated
2/6/1424 H.;

Amended by Resolution of the Board of the Capital Market Authority Number (4-
33-2017) Dated 24/6/1438H Corresponding to 23/3/2017G



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Article (1): Definitions:

- a) In this document, the following definitions of words and phrases apply unless the context clearly requires otherwise:
- **“CMA”** refers to the Capital Market Authority.
 - **“Board”** refers to the Board of Commissioners of the CMA.
 - **“CML”** refers to the Capital Market Law issued vide Royal Decree No. (M/30) dated 2/6/1424 H.
 - **“Regulations”** refers to the E-transactions Committee Regulations.
 - **“Committee”** refers to the E-transactions Committee (i.e.; Electronic Transactions Committee).
 - **“Chairman of the Board”** refers to the Chairman of the CMA Board, CEO.
 - **“Vice-chairman of the Board”** refers to the Vice-chairman of the CMA Board.
 - **“Chairman”** refers to the Chairman of the E-transactions Committee.
 - **“Vice-chairman”** refers to the Vice-chairman of the E-transactions Committee.
 - **“Member”** refers to the Member of the E-transactions Committee, which all together shall be referred to as **“Members”**.
 - **“Secretary”** refers to the Secretary of the E-transactions Committee.
 - **“Senior Management”** includes Deputy CEOs, Director-level and direct reports to the CEO.
 - **“Authority Matrix”** refers to the document determining the powers of the Board and its Chairman, and specifying the distribution of those authorities to supervisory positions, deputies and different divisions across the CMA.



- **“Conflict of Interests”** the occurrence or existence of interest, directly or indirectly, real or perceived, for any Member in a subject listed in the committee's agenda and such interest would influence the contribution of that concerned Member through his presented opinion that reflects his professional point of view.
- **“Yasser Program”** the E-government Program supervised by the Ministry of Communications and Information Technology and joined by the other governmental bodies.
- **“E-transactions Plan”** An internal plan developed by the IT Division of the CMA, which aims at transforming the provision of its services to electronic transactions.
- **“National Plan for Communication and Information Technology”** A national plan for information technology, and the preparation of its mechanisms. It is developed and executed by the Ministry of Communication and Information Technology.
- **“Execution Plan for E-government in the Kingdom”** A strategic plan to execute the transformation to E-government to reach an informational-technology society. It is developed by Yasser Program.
- **“Standers of Measuring the Extent of E-government Transformation”** A methodology developed by Yasser Program, which aims at measuring the extent of E-government transformation. It includes four stages; construction, availability, excellence & enhancement, and integration.
- **“Committee Scope of Work”** includes all matters relating to E-transactions in the CMA, according to the following:
 - E-government (individuals; C-G): relates to the use of information technology and communication to electronically provide government services to individuals.



- E-government (business; B-G): relates to the use of information technology and communication to electronically provide government services to the business sector.
- b) Without prejudice to the provisions of paragraph (a) of this article, the words and phrases contained in the Regulations have the meanings set forth in the CML and the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority.

Article (2): Purpose

The Regulations aims to determine the standards and procedures of the Committee's works. The purpose is also to specify its scope of work and responsibilities, as well as indicating its mechanism of making decisions and recommendations. The Regulations also aims to set the roles and responsibilities of the Chairman, Vice-chairman, Members and the Secretary.

Article (3): Committee Duties and Responsibilities

- a) Without prejudice to the powers and roles of the Board stipulated in the CML and its implementing regulations and CMA's internal regulations, the Committee shall perform its roles and responsibilities according to its Scope of Work. It shall be responsible – in particular – for the following:
- 1) Develop and approve the E-transactions Plan in light of the National Plan for Communications and Information Technology, as well as the Execution Plan for E-government in the Kingdom, and identify their requirements.
 - 2) Review the information technology projects in the CMA, as well as their standards for priority execution, and approve such execution.
 - 3) Oversee the execution of the E-transactions Plan of the CMA in accordance with the technical specifications and policies common between the government bodies, and those set by the Yasser Program; to



enable the electronic link between such bodies, and to facilitate the execution of transactions and the exchange of data between them.

- 4) Develop and approve appropriate plans to meet the measurement standards of the extent of transforming e-government transactions in the CMA, and work to meet such standards.
 - 5) Enable the CMA to carry out the transformation to E-government and take decisions that help to achieve such goal.
 - 6) Review of potential threats and risks to services, equipment and electronic systems in the CMA, and adopt the necessary plans and procedures for protection to reduce such risks.
- b) The Committee is committed to exercise its functions mentioned in paragraph (a) of this article within its authority specified for it pursuant to the Authority Matrix.

Article (4): Composition of Committee

a) The Committee shall consist of the following:

- | | |
|---|-----------------|
| 1) The Chairman of the Board | (Chairman) |
| 2) A Board member | (Vice-chairman) |
| 3) CMA Deputy of Strategy and International Affairs | (Member) |
| 4) CMA Deputy of Corporate Resources | (Member) |
| 5) Director of Communication and Awareness | (Member) |
| 6) Director of Risk Management | (Member) |
| 7) Director of Information Technology | (Member) |

b) The member mentioned in paragraph (2\ a) of this article to be named by the Board.



- c) Any change in the membership of the Committee requires the approval of the Board.

Article (5): Chairman Duties and Responsibilities

The basic responsibilities of the Chairman are to:

- a) Supervise the work of the Committee and ensure that such work complies with its Regulations.
- b) Administer the business of the Committee and follow-up on its work with the assistance of the Secretary.
- c) Ensure the soundness of the decisions taken by the Committee, and that they are built on well-informed foundations and focus on the interest of achieving the objectives of the CMA and its strategic plans.
- d) Follow-up on the application of the Committee's decisions and recommendations in coordination with the Secretary.

Article (6): Vice-chairman Duties and Responsibilities

The Vice-chairman shall perform the functions and tasks of the Chairman in his absence.

Article (7): Members Duties and Responsibilities

When performing their tasks in the Committee, Members shall be committed to the following:

- a) Cooperate to achieve the objectives of the Committee.
- b) Keen to be present to actively participate in the Committee's meetings. Each Member must attend at least two thirds of the meetings held in one year.



- c) Contribute with opinions and express one's point of view responsibly and impartially; taking into account the public interest of the CMA.

Article (8): Secretary Duties and Responsibilities

The Chairman, with the assistance of the General Secretary, shall appoint a Secretary to the Committee from among the staff of the Secretariat. He shall not be entitled to vote. His responsibilities are as follows:

- a) Prepare and coordinate meetings; including the preparation of the agenda in coordination with the Chairman.
- b) Follow-up on compliance with the Regulations, and ascertain the extent of the need to update it.
- c) Attend the Committee's meetings, and collect and document the minutes of the meeting. In addition to that, he counts the votes, state the results of the vote, and record the supporters and opponents of the decisions or recommendations made.
- d) Provide the Members of the Committee and related parties with copies of the meeting minutes.
- e) Collect signatures for the Committee's minutes of meeting.
- f) Maintain all documents of the Committee; including the agendas, minutes, and records of monitoring the implementation of its decisions.
- g) Follow up on the enforcement of decisions and application of recommendations that have been agreed upon at the meetings of the Committee.

Article (9): Administrating Meetings and Attendees

- a) The Chairman shall be responsible for managing the Committee's meetings; including the approval of the agenda, supervising the decision-making process



and voting on it, and announcing the results with the assistance of the Secretary.

- b) The Committee may invite whom it deems appropriate to attend its meetings, provided that it must be recorded in the minutes of the meeting. Such a person shall not have the right to vote on the Committee's decisions.
- c) Board members, other than the Members, may attend the meetings of the Committee, without having the right to vote.

Article (10): Scheduling Meetings

- a) The Committee shall hold its meetings at least four times per year. The Chairman may call the Committee for a meeting whenever needed.
- b) The Chairman may cancel the meetings with a prior notice to Members.

Article (11): Agenda and Distribution of Documents

- a) The meetings of the Committee must comply with the pre-agreed agenda (except for any emergency issues approved by the Chairman).
- b) Members may send to the Secretary their proposed subjects to be put up for discussion and decisions needed to be taken by the Committee during the next meeting. Such proposals must be sent at least ten working days before the date of the meeting.
- c) The Chairman sets the agenda for each meeting with the assistance of the Secretary, taking into account the subjects sent by Members, as well as any other matters the Chairman deems appropriate to include.
- d) The time of the meeting shall be specified in the agenda, as well as the time allocated for each subject included in the agenda.



- e) The Secretary sends the agenda and documents related to the meeting to the Members and to those invited to attend the meeting (if any) at least five working days prior to the meeting date.
- f) Except in emergency cases, any Member of the Committee has the right to abstain from voting if the documents were not sent to him on time. This must be recorded in the minutes of the meeting.

Article (12): Conflict of Interests

- a) If any Member has a conflict of interests in a subject listed on the Committee's agenda, he must disclose that before beginning the discussion of the subject. This must be recorded in the minutes of the meeting. In this case, he should not attend the discussion of that subject, participate in its discussion, nor vote on it.
- b) If the Member doubt as to whether he faces a conflict of interests, he may request the opinion and guidance from the Chairman.
- c) If the Chairman or the Vice-chairman discloses the existence of a conflict of interest - according to the provisions of paragraph (a) of this article - and the other was not present at the relevant meeting, discussing the subject shall be adjourned to another meeting where one of them does not have a conflict of interest and is present.

Article (13): Minutes of Meeting

The Secretary carefully and accurately prepares the minutes of the meeting as follows:

- a) Minutes must be prepared for each meeting the Committee holds. It shall include the following:
 - Meeting date and number.
 - Venue.



- Attendees names.
 - Statement indicating the reasons why absentees were unable to attend.
 - Subjects presented, discussions and deliberations.
 - All decisions and recommendations taken and their rationale, as well as the attachments.
 - Document proof of the results of the vote.
 - Reservations expressed by present Members of the Committee on any of the decisions or recommendations made by the Committee.
- b) The Secretary sends the meeting minutes to the Members for review within two working days after the date of the meeting.
- c) Each Member may propose changes to the drafting of the minutes or its content within two working days of receipt. The minutes becomes final if no changes or amendments were proposed during this period, and if the Chairman has no objections to the content.
- d) If changes or modifications were proposed to the minutes of the meeting, or the Chairman objected to the content, modification or change shall be made after the approval of the Chairman. In all cases, modification or change that may alter the operative part of the decision which were voted by the Members or changes its content may not be made to the minutes of the meeting.
- e) The meeting minutes shall be signed by the Chairman of the meeting and present Members. The Secretary shall provide members of CMA Board and the Members with a copy of the minutes within three working days after the date of approval.
- f) All related documents to the meeting shall be enclosed to the meeting minutes.

Article (14): Quorum

- a) The Committee's meetings shall not take place unless with the presence of the Chairman or Vice-chairman, and at least half of the other Members.



- b) The Member may participate in the meeting via modern communication technologies. This would complete the legal quorum for the meeting.

Article (15): Making Decision and Recommendations, and Requesting Documents

- a) The Committee's decisions and recommendations are taken by the majority of votes participating in the meeting.
- b) In case of a tie, the position with which the Chairman of the meeting has voted shall prevail.
- c) The Committee may ask the relevant departments to attend meetings or to provide additional information and documentation; in order for the process of making decisions and recommendations be built on well-informed bases.
- d) The Committee, whenever necessary, may assign one of its Members or one of the CMA other staff to study one of the subjects presented to the Committee and submit the results of the study to the Committee, provided that this be recorded in the minutes of the meeting.

Article (16): Announcing Decisions and Recommendations

The Chairman shall handle the announcement of the decisions and recommendations taken by the Committee and notifying stakeholders in coordination with the Secretary.

Article (17): Following-up Execution of Decisions and Recommendations

- a) The Secretary shall be responsible for following up the implementation of the Committee's decisions and recommendations.



- b) The Secretary distributes at the end of each quarter of the year to Members the updated list of the follow-up record of implementing the Committee's decisions and recommendations, along with the minutes of the meeting; to ensure that Members are informed on the situation and developments of the implementation of the Committee's decisions and recommendations.
- c) The Secretary shall submit to the Chairman any obstacles facing the work process of the Committee, including any delay in implementing its decisions and recommendations.

Article (18): Reports

The Committee, with the assistance of the Secretary, shall prepare a quarterly report to be submitted to the Board. It should include information on the number of meetings held by the Committee, and the number of attendees. In addition to that, the report should also include the work of the Committee, its decisions and recommendations taken during the reporting period, and what did the related parties do regarding the implementation of those decisions and recommendations.

Article (19): Review of Regulations

This Regulations is subject to annual review as part of the Board Governance Effectiveness Review described in the CMA Board Regulations. It shall not be changed nor altered except by a decision of the Board.

Article (20): Enforcement

The Regulations shall be in force as of the date of approval by the Board.