

KINGDOM OF SAUDI ARABIA

Capital Market Authority

**Draft Rules for Qualified Foreign Financial Institutions Investment in Listed
Shares**

**English Translation of the Official Arabic Text
Issued by the Board of the Capital Market Authority
Pursuant to its Resolution Number (00-00-0000)
Dated (00/00/000H) Corresponding to (00/00/0000G)
Based on the Capital Market Law
issued by Royal Decree No. M/30 dated 2/6/1424H**

Arabic is the official language of the Capital Market Authority

**Important Notice: The current version of these Rules, as may be amended, can be found at the
Authority website: www.cma.org.sa**

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PART 1: GENERAL PROVISIONS

Article 1: Preliminary

- a. The purpose of these Rules is to set out the procedures, requirements and conditions for the registration of qualified foreign investors (“QFIs”) with the Authority, and to specify the obligations of authorised persons in their dealings with QFIs.
- b. These Rules shall be read in conjunction with and in addition to the Capital Market Law and its Implementing Regulations, in particular, the Listing Rules, the Market Conduct Regulations, the Authorised Persons Regulations, the Merger and Acquisition Regulations and the Anti-Money Laundering and Counter-Terrorist Financing Rules.
- c. These Rules do not apply to Citizens of the Gulf Cooperation Council states.

Article 2: Definitions

- a. Any reference to the “Capital Market Law” in these Rules shall mean the Capital Market Law issued by Royal Decree No. M/30 dated 2/6/1424H.
- b. Expressions and terms in these Rules have the meaning which they bear in the Capital Market Law and the Glossary of defined terms used in the Regulations and Rules of the Capital Market Authority, unless the contrary intention appears.
- c. For the purpose of implementing these Rules, the following expressions and terms shall have the meaning they bear as follows unless the contrary intention appears:
 - **QFI agreement:** an agreement between the assessing authorised person and the QFI meeting the requirements set out in Article 12 of these Rules.
 - **assessing authorised person:** an authorised person that has agreed with an applicant to assess its application for registration as a QFI, or an authorised person that has executed a QFI agreement with a QFI.
 - **approved QFI client:** a client of a QFI who has been approved in accordance with these Rules.
 - **qualified foreign investor ("QFI"):** a foreign investor registered with the Authority in accordance with these Rules to invest in listed shares.
 - **applicant:** a foreign investor that submits an application for registration to an assessing authorised person.

Article 3: Waivers

- a. The Authority may waive a provision of these Rules in whole or in part as it applies to an applicant, a QFI or any of their clients or an authorised person either on an application from any of the aforementioned persons or on the Authority's own initiative.
- b. The Authority may publicise the waiver of any provisions where it believes that doing so will not materially prejudice the recipient of the waiver.

Article 4: Appeals

Any person subject to these Rules may appeal to the Committee in respect of any decision or action that the Authority takes under these Rules.

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PART 2: APPLICATIONS FOR REGISTRATION

Chapter One: Registration conditions

Article 5: Registration

An applicant may not be registered as a QFI unless it meets each of the conditions prescribed by Article 6 of these Rules.

Article 6: The registration conditions

a. Type of institution

- 1) The applicant must be a legal person that falls within one of the following classes of financial institutions:
 - a) banks;
 - b) brokerage and securities firms;
 - c) fund managers;
 - d) insurance companies; and
- 2) The financial institutions referred to in sub-paragraph a(1) of this Article must be licensed or otherwise subject to regulatory oversight by a regulatory authority in a jurisdiction that applies regulatory and monitoring standards equivalent to those of the Authority or acceptable to it.

b. Size of institution

- 1) The applicant must have assets under management of SAR 18,750,000,000 eighteen billion seven hundred and fifty million Saudi Riyals (or an equivalent amount) or more. The Authority may reduce the minimum for those assets to the SAR 11,250,000,000 eleven billion two hundred and fifty million Saudi Riyals (or equivalent).
- 2) For the purposes of these Rules, assets under management include:
 - a) assets held by the applicant or its group for the purpose of investment; and
 - b) assets managed by the applicant or its group for the account of another person or persons.

c. Investment experience

The applicant or any of its affiliates must have been engaged in activities related to securities and investment therein for a minimum of 5 years.

Article 7: Approval of clients

- a. A QFI may not invest in listed shares on behalf of any of its clients unless the client has been approved in accordance with these Rules.

- b. A QFI client may not be approved as such unless:
 - 1) the QFI or the applicant is responsible for the management of the client fund when invested in listed shares; and
 - 2) the client is either:
 - a) an investment fund (or any other type of collective investment schemes) which must be incorporated or licensed in a jurisdiction that applies regulatory and monitoring standards equivalent to those of the Authority or acceptable to it; or
 - b) a financial institution that meets each of the conditions prescribed by Article 6 of these Rules.

Chapter Two: Registration procedures

Article 8: Application for registration

- a. An application for registration must be made by submitting an application in the form prescribed by the Authority to an assessing authorised person and be accompanied by the information and documents required under Annex 2.1 of these Rules.
- b. The assessing authorised person must assess the application in accordance with the criteria and procedure set out in Chapter Three of this Part.

Article 9: Additional conditions to be met by applicant investing on behalf of their clients

Where an applicant intends to invest in listed shares on behalf of one or more of its clients, the applicant must:

- 1) notify the assessing authorised person of its intention to invest in listed shares on behalf of its clients, and the identity of the client(s) in question; and
- 2) provide the assessing authorised person with the additional information required by Annex 2.1 to enable the assessing authorised person to assess whether the clients in question meet the applicable registration conditions as specified in these Rules.

Article 10: Accuracy of information submitted to the assessing authorised person

- a. All information and documents that are submitted to the assessing authorised person by the applicant must be complete accurate, up-to-date and not misleading.
- b. An applicant must notify the assessing authorised person immediately of any material changes to the information or documents provided previously.

Chapter Three: Determination of applications

Article 11: Determination by the assessing authorised person

- a. The assessing authorised person must determine the application for registration within 5 days of receiving all information and documents required by these Rules.
- b. The assessing authorised person must accept the application - after taking all steps necessary to ensure all information and documents referred to in paragraph (a) of this Article are complete and accurate - if it is satisfied that:
 - 1) the application complies with the requirements prescribed by these Rules; and
 - 2) the applicant and each of its QFI clients (if relevant) meets the applicable registration conditions prescribed by these Rules.
- c. If the requirements and/or conditions in paragraph b of this Article are not met, the assessing authorised person must reject the application.

Article 12: QFI agreements

- a. An assessing authorised person, where it accepts an application for registration, must agree with the applicant a draft form of QFI agreement meeting the minimum requirements specified in this Article.
- b. A QFI agreement must in all cases include the following minimum requirements:
 - 1) a representation by the applicant that it meets the registration conditions stated in these Rules;
 - 2) an undertaking by the applicant to provide the assessing authorised person with all information required under these Rules;
 - 3) an undertaking by the applicant to notify the assessing authorised person of any event or circumstance requiring such notification under these Rules;
 - 4) a confirmation by the applicant of its consent that the assessing authorised person may disclose to the Authority or the Exchange information which the assessing authorised person receives under these Rules or the Capital Market Law and its Implementing Regulations, and that such information may also be disclosed to other government agencies of the Kingdom as required by law;
 - 5) an undertaking by the applicant to abide by the Capital Market Law and its Implementing Regulations and the rules of the Exchange.

Article 13: Notice of determination to the Authority

- a. The assessing authorised person must within 1 day of determining an application provide the Authority with written notice of its determination, including a written statement of the reasons for its determination in such form as the Authority may require.
- b. Where the assessing authorised person has accepted the application it must also submit to the Authority:

- 1) the documents and information referred to in paragraphs 1 (i) and 1 (j) of Annex 2.1 of these Rules.
- 2) the draft QFI agreement; and
- 3) a written declaration to the Authority confirming that:
 - a) the applicant (and, where relevant, each of its approved QFI clients) meets the applicable registration conditions stated in these Rules;
 - b) it has agreed a draft form of QFI agreement with the applicant meeting the minimum requirements specified by Article 12 of these Rules;

Article 14: Review by the Authority

- a. Subject to paragraph b of this Article, the assessing authorised person's determination becomes final upon the lapse of 3 days of the Authority's receipt of all applicable documents and information required under Article 13 of these Rules.
- b. The Authority, as it deems appropriate, may impose an additional period to review the determination of the assessing authorised person and in which case it will notify the assessing authorised person in writing of this fact before the lapse of the period referred to in Paragraph a of this Article.
- c. The Authority will notify the assessing authorised person in writing within the time period specified in the notice referred to in paragraph b of this Article that the determination of the assessing authorised person shall be reversed or maintained.
- d. Where the determination of the assessing authorised person is to reject the application and the Authority decides that the determination shall be reversed under paragraph c of this Article, the assessing authorised person must submit its reviewed determination to the Authority as well as all documents and information required under paragraph b of Article 13 of these Rules.

Article 15: Registration

- a. The Authority will register the applicant as a QFI and notify the assessing authorised person in writing of this fact within the period specified under paragraph a of Article 14 of these Rules provided that:
 - 1) the Authority does not impose an additional period to review the determination of the assessing authorised person in accordance with Paragraph b of Article 14 of these Rules; and
 - 2) the determination of the assessing authorised person is to accept the application.
- b. Where the determination of the assessing authorised person is to accept the application and the Authority decides, following imposing the additional review period in accordance with Paragraph b of Article 14 of these Rules, that the determination shall be maintained, the Authority will register the applicant as a QFI and notify the assessing authorised person in writing of this fact within the mentioned additional review period.
- c. Where the determination of the assessing authorised person is to reject the application and the Authority decides, following imposing the additional review period in accordance with Paragraph b of Article 14 of these Rules, that the determination shall be reversed, the Authority will register the applicant as a QFI and notify the assessing authorised person in writing of this fact within 5

days of receiving the documents and information required under paragraph d of Article 14 of these Rules.

- d. An applicant becomes a QFI upon being registered with the Authority as such.

Article 16: Notice of registration

- a. The assessing authorised person must immediately give the QFI written notice that it has been registered with the Authority as a QFI following receipt by the assessing authorised person of notification of this fact from the Authority under Article 15 of these Rules.
- b. Following receipt of the Authority's notification of registration under Article 15 of these Rules, the assessing authorised person must:
 - 1) accept the QFI as a client in accordance with the Authorised Persons Regulations; and
 - 2) execute the QFI agreement agreed with the applicant under Article 12 of these Rules, and submit a signed copy of the QFI agreement to the Authority.

Article 17: Record Keeping

- a. The QFI must retain, and make available to the Authority on request, the information and documentation required under these Rules for as long as the person remains registered as a QFI.
- b. The assessing authorised person must retain, and make available to the Authority on request, the information and documentation required under these Rules for as long as the person remains registered as a QFI (or, where the applicant has been rejected or where the QFI has had its registration cancelled under Articles 26 or 28 of these Rules) for 6 years from the date of rejecting the application or the date of cancellation of registration.

Chapter Four: Further requirements following registration

Article 18: Commencement of trading

- a. A QFI may not invest in any listed shares unless it:
 - 1) holds a client account;
 - 2) holds an account with the Depository Center; and
 - 3) has satisfied any conditions as may be imposed by the Authority.
- b. The requirements in paragraph (a) of this Article must be satisfied by each of the approved QFI clients.

Article 19: Approval of new QFI clients

Where a QFI wishes to seek approval for any further clients on whose behalf it intends to invest in listed shares, the procedures in Chapters 2 and 3 of this Part (with the exception of Article 12) apply to the approval of the new QFI client(s), save that:

- 1) references to the acceptance or rejection of the application for registration should be read as references to the acceptance or rejection of the client(s) in question as approved QFI clients; and
- 2) references to the registration of the applicant should be read as references to the approval of the client in question.

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Annex 2.1 Information and documents to be provided by applicants

1. Information and documents to be provided by applicants:

The applicant must provide the below information to the assessing authorised person, in each case in such form as the Authority may prescribe.

- a. Details of the applicant's legal form and jurisdiction of establishment, supported by copies of relevant constitutional documents.
- b. A description of the applicant's business activities (which may be extracted from the applicant's annual report or equivalent corporate documents, but should include confirmation of the period for which the applicant has been engaged in activities related to securities and investment therein).
- c. Evidence of the applicant's regulatory status.
- d. Details of the control structure of the applicant.
- e. A copy of the most recent annual report and consolidated accounts of the applicant and (where applicable) its group.
- f. The identity of any affiliate who is a QFI or an approved QFI client.
- g. Details of any other account names or affiliations under which the applicant or its affiliates transact in the Kingdom.
- h. Details of all authorised persons of which the applicant or any of its affiliates or its clients on whose behalf it intends to invest in listed shares is a client.
- i. Details of all of the following legal or regulatory sanctions imposed on the applicant or its affiliates during the past 10 years:
 - 1) the suspension or revocation by a regulatory authority of any licence or permission in any jurisdiction or the imposition by a regulatory authority of any material restriction or condition upon any such licence or permission; and
 - 2) any criminal, civil or regulatory sanction or penalty imposed as a result of insider trading, market manipulation or other market abuse or misconduct.

together with a declaration from the applicant that no other such sanctions have been imposed on the applicant or its affiliates during this period. If no legal or regulatory sanctions falling within the categories specified in this paragraph have been imposed on the applicant or its affiliates during the past 10 years, a declaration by the applicant to this effect.
- j. Details of any pending or ongoing criminal or regulatory investigations or civil proceedings.
- k. Details of any settlement regarding criminal or regulatory investigations or civil proceedings
- l. Financial statements prepared and accredited by the applicant's auditors in accordance with accounting standards prescribed by the relevant authorities in the applicant's jurisdiction of establishment, and showing the applicant's current financial position, including its capital, financial resources, revenues and expenses at the date of the financial statements.

- m. Confirmation of its consent that the assessing authorised person may disclose to the Authority or the Exchange information which the assessing authorised person receives under these Rules or the Capital Market Law and its Implementing Regulations, and that such information may also be disclosed to other government agencies of the Kingdom as required by law.
- n. Confirmation by the applicant of its consent to disclose any information or documents required by the Authority or other government agencies of the Kingdom.
- o. Such other documents or other evidence as may be sufficient to satisfy each of the registration conditions under these Rules.

2. Additional information and documents to be provided by applicants intending to invest on behalf of QFI clients:

Where an applicant intends to deal in listed shares on behalf of one or more its clients, it must provide, in relation to each client for which approval is sought:

- a. the information and documents specified in paragraph 1 of this Annex insofar as they apply to each relevant client (save that, for clients that are investment funds, only evidence of the investment fund's jurisdiction of establishment, its investment policy and details of its controllers need to be provided to satisfy paragraph 1 of this Annex); and
- b. a signed written confirmation from persons duly authorised to sign on behalf of the applicant, confirming that:
 - 1) the client for which approval is sought meets the applicable registration conditions under these Rules;
 - 2) the applicant has discretion to manage the client's funds when investing in listed shares; and
 - 3) the applicant will notify the assessing authorised person immediately of any changes to the terms of its investment management that would alter or impede the extent of this discretion.

PART 3: ONGOING REQUIREMENTS

Article 20: Compliance with laws and regulations

A QFI must at all times comply with the applicable provisions stated in the Capital Market Law and its Implementing Regulations, as well as the rules and the regulations of the Exchange and other relevant laws.

Article 21: Investment limit

Investments of QFIs shall be subject to the following limitations:

- 1) Each QFI, together with its affiliates, or each approved QFI client together with its affiliates may own a maximum of 5% of the issued share of any issuer whose shares are listed.
- 2) Where a QFI deals for an approved QFI client, it must not execute a transaction which would result in the relevant client, together with its affiliates, owning more than 5% of the issued share of any particular issuer whose shares are listed.
- 3) The maximum proportion of the issued share of any particular issuer whose shares are listed that may be owned by all foreign investors (in all categories, whether residents or non-residents) in aggregate is 49%, including interests under swaps.
- 4) The maximum proportion of the issued share of any particular issuer whose shares are listed that may be owned by QFIs and approved QFI clients is 20%.
- 5) The maximum proportion of the issued share of all issuers whose shares are listed that may be owned by QFIs and approved QFI clients in aggregate is 10% by market value, including any interests under swaps.
- 6) Other legislative limitations on foreign ownership in joint stock companies.
- 7) The limitations set forth in the articles of association or by-laws of the listed companies or any instructions issued by the supervisory or regulatory authorities to which these companies are subject

Article 22: Changes to assessing authorised persons engaged by QFI

- a. A QFI must have, for as long as it remains registered as a QFI, an assessing authorised person engaged by it.
- b. For the purposes of these Rules, a QFI has engaged an assessing authorised person if it has executed a QFI agreement with the assessing authorised person and that agreement remains in force.
- c. A QFI's registration shall not be revoked by reason of the lapse or termination by either party of a QFI agreement, provided that the QFI engages a replacement assessing authorised person within 10 days. The replacement assessing authorised person shall without delay notify the Authority in writing of its appointment and submit to it a copy of the executed QFI agreement.
- d. If a QFI fails to engage a replacement assessing authorised person within the period prescribed by Paragraph c of this Article, it must notify the Authority of this fact without delay, whereupon the Authority may either grant an extension or revoke the QFI's registration.

Article 23: Disclosure requirements

- a. A QFI must disclose annually and/or quarterly (as the case may be) to the assessing authorised person engaged by it the information and documents set out in Annex 3.1 of these Rules.
- b. Subject to paragraph c of this Article, a QFI must immediately notify the assessing authorised person engaged by it if any of the notifiable events set out in Annex 3.1 of these Rules occur.
- c. Where a notifiable event set out in Annex 3.1 of these Rules has occurred and the QFI reasonably believes that disclosure of the event to an assessing authorised person in accordance with paragraph b of this Article would materially prejudice the operations and businesses of the QFI or a third party, the QFI may make an immediate notification to the Authority in substitution for the notification required under paragraph b of this Article.
- d. The QFI must provide without delay to the Authority any information, documents or written explanation as it may request.
- e. All information and documents disclosed and notifications made to the assessing authorised person or to the Authority under this Article must be accurate, up-to-date and not misleading.

Annex 3.1 Information and documents to be disclosed by QFIs to assessing authorised persons

1. Documents to be disclosed annually

A copy of the QFI's (and where applicable its approved QFI clients) annual report and consolidated accounts.

2. Information and documents to be disclosed quarterly

Any material changes to the information provided by the QFI under Annex 2.1 of these Rules or furnished subsequently in connection with; (1) the granting or maintenance of the QFI's registration; and/or (2) the approval of its approved QFI clients.

3. Notifiable events

- a. the commencement of insolvency proceedings against the QFI or any of its approved QFI clients in any jurisdiction;
- b. the commencement of criminal or legal or regulatory proceedings against the QFI or any of its approved QFI clients in any jurisdiction;
- c. any breach or anticipated breach by the QFI or any of its approved QFI clients of the investment limits and restrictions set out in paragraphs (1) and (2) of Article 21 of these Rules;
- d. any breach or anticipated breach by the QFI or any of its approved QFI clients of any obligations under these Rules;
- e. The QFI becomes a client of another authorised person for the purpose of investing in listed shares.
- f. any material change that affects its status or activities to:
 - 1) the business of the QFI or any of its approved QFI clients;
 - 2) the regulatory status or permissions of the QFI or any of its approved QFI clients in its home jurisdictions;
 - 3) the identity of any controller(s) of the QFI or any of its approved QFI clients;and
- g. the QFI becoming aware that it or any of its approved QFI clients no longer meets or will no longer meet the registration conditions stated in these Rules.

PART 4: REQUIREMENTS APPLICABLE TO AUTHORISED PERSONS

Article 24: Eligibility of authorised persons and their obligations

- a. An authorised person must not consider any applications for registration in accordance with these Rules or engage with a QFI unless it is duly authorised to conduct dealing activities.
- b. An assessing authorised person must not be an affiliate with the applicant or the QFI.
- c. An authorised person must not accept a QFI as a client for the purpose of investing in listed shares unless it is satisfied that the QFI is duly registered with the Authority in accordance with these Rules.
- d. The Authority may impose any conditions and/or limitations that it sees fit on authorised persons in relation to their dealings with QFIs.
- e. An assessing authorised person must pay such fees as determined by the Authority for the registration of applicants and/or the approval of QFI clients.

Article 25: Monitoring of QFIs

- a. An assessing authorised person that has been engaged by a QFI must review on a quarterly basis whether each QFI by which it has been engaged (and where applicable, its approved QFI clients) continues to meet the applicable registration conditions stated in these Rules and complies with all of its obligations under these Rules.
- b. If at any time an assessing authorised person finds that a QFI by which it has been engaged (or any of its approved QFI clients) no longer meets the applicable registration conditions stated in these Rules or has breached any of its obligations under these Rules, it must report such findings to the Authority in writing without delay.
- c. An assessing authorised person must report to the Authority in writing immediately after being aware of any of the following events in relation to each QFI by which it has been engaged:
 - 1) Details of the commencement of insolvency proceedings against the QFI or any of its approved QFI clients in any jurisdiction ; and
 - 2) details of the commencement of criminal or legal or regulatory proceedings against the QFI or any of its approved QFI clients in any jurisdiction.
 - 3) The QFI becomes a client of another authorised person for the purpose of investing in listed shares.

Article 26: Cancellation of a QFI's registration and withdrawal of approval of approved QFI clients

- a. Where an assessing authorised person receives a request from a QFI to cancel its registration or withdraw the approval of any of its approved QFI clients, it must submit a request to the Authority to that effect (a "cancellation or withdrawal request").
- b. Where the cancellation or withdrawal request relates to the cancellation of the QFI's registration, it must be accompanied with a confirmation from the QFI that it does not, nor does any of its

approved QFI clients, own any listed shares. If the cancellation or withdrawal request relates to the withdrawal of approval of any of the QFI's approved QFI clients, it must be accompanied with a confirmation from the QFI that the clients in question do not own any listed shares.

- c. The Authority may issue a notice rejecting a cancellation or withdrawal request submitted under paragraph a of this Article within 2 days of receiving such request, giving reasons for the refusal.
- d. If the Authority does not issue a notice under paragraph c of this Article within 2 days of receiving the cancellation or withdrawal request from the assessing authorised person, the cancellation of the QFI registration or the withdrawal of approval of its approved QFI clients (as the case may be) shall be effective.
- e. The assessing authorised person must give the person who made the cancellation or withdrawal request a notice confirming that the request has been rejected or has become effective as applicable.

Article 27: Powers of the Authority in relation to authorised persons engaged with QFIs

- a. The Authority may at any time by notice in writing prohibit an authorised person from engaging with QFIs.
- b. The Authority may require an authorised person to provide without delay any information, documents or written explanation relating to its dealings with QFIs.
- c. The Authority may require an authorised person, or its representative, to attend before the Authority to answer questions and explain any aspect of its dealings with QFIs.
- d. If the Authority considers that circumstances amounting to an emergency require it do so, it may assume any assessing authorised person's rights against a QFI upon sending written notice of such fact from the Authority to the relevant QFI and the assessing authorised person.

PART 5: POWERS OF THE AUTHORITY IN RELATION TO QFIS

Article 28: Powers of the Authority in relation to QFIs

- a. If the Authority considers that any of the events specified in paragraph d of this Article has occurred in relation to a QFI or any of its approved QFI clients, or is likely to occur, the Authority may:
- 1) require the QFI to provide such information, documents and/or written explanation as the Authority requires in respect of the matters giving rise to its consideration;
 - 2) require the QFI or its representative, to attend before the Authority to answer questions and explain any matter the Authority considers relevant;
 - 3) carry out any enquiries that it considers appropriate;
 - 4) take steps to verify any information furnished by the QFI, including by communicating with overseas regulatory authorities;
 - 5) suspend the QFI's registration for such period as the Authority requires to investigate the matters giving rise to its consideration;
 - 6) revoke the QFI's registration, or withdraw the approval of any of its approved QFI clients;
 - 7) prohibit the QFI from dealing on behalf of one or more of the approved QFI's clients in listed shares; and
 - 8) exercise any of its other powers under the Capital Market Law.
- b. Suspension or revocation of registration or prohibition of dealing on behalf of approved QFI clients or withdrawal of their approval under sub-paragraphs (5), (6) or (7) of paragraph a of this Article shall be effective immediately upon sending written notice of such fact from the Authority to the QFI or the relevant authorised person.
- c. The Authority may publish the identity of any institution whose registration has been suspended or revoked or whose approval has been withdrawn.
- d. The events referred to in paragraph a of this Article include the following:
- 1) the QFI or any of its approved QFI clients no longer meets the conditions, obligations or requirements stated in these Rules;
 - 2) the QFI has not commenced trading in listed shares within 30 days of its registration;
 - 3) an insolvency event has occurred in relation to the QFI or any of its approved QFI clients;
 - 4) the QFI or any of its approved QFI clients has breached any of its obligations under the Capital Market Law and its Implementing Regulations and/or any other laws of the Kingdom;
 - 5) the QFI has obtained its registration or the approval of any of its approved QFI clients on the basis of false or misleading information;
 - 6) the QFI or any of its approved clients has been the subject of any material legal or

regulatory sanction in any jurisdiction; and

- 7) any other event that the Authority believes necessitates its intervention in order to protect investors or safeguard the functioning of the capital market within the Kingdom.
- e. Following revocation or suspension of registration, the investor in question may not purchase (whether for its own account or for the account of its approved QFI clients) any listed shares.
 - f. Following revocation or suspension of registration, the investor in question may not dispose of shares held in its account (and/or in the accounts of its approved QFI clients) with the Depository Center without the prior consent of the Authority.

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PART 6: CLOSING PROVISIONS

Article 29: Publication and entry into force

These Rules shall become effective upon their publication.

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