

KINGDOM OF SAUDI ARABIA

Capital Market Authority

Investment Accounts Instructions

English Translation of the Official Arabic Text

Issued by the Board of the Capital Market Authority

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Important Notice: The current version of these Instructions, 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 Provisions

- a. These Instructions aim to regulate the opening and operation of investment accounts by authorised persons licensed to conduct dealing, management, or custody activities and define the regulatory and supervisory rules related to investment accounts.
- b. These Instructions are without prejudice to the Capital Market Law and its Implementing Regulations, the Anti-Money Laundering Law and its Implementing Regulations, and the Combating-Terrorism Crimes and its Financing Law and its Implementing Regulations.

Article 2: Definitions

- a. Any reference to the “Capital Market Law” in these Instructions shall mean the Capital Market Law issued by the Royal Decree No. M/30 dated 2/6/1424H.
- b. Subject to paragraph (c) of this Article, expressions and terms in these Instructions 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 context indicates otherwise.
- c. For the purpose of implementing these Instructions, the following expressions and terms shall have the meaning they bear as follows, unless the context indicates otherwise:

Freezing the Investment Account: The temporary block on all money transfers from the investment account, the utilisation of its balance, and the transfer or pledge of securities in the investment portfolios linked to it. The freezing of the investment account shall not prevent the client from selling securities and receiving its proceeds or profits on the investment account or transferring funds from his bank account to his investment account.

Investment Account: An accounting record created by the authorised person for the client's money deposited in a client account opened by the authorised person to fund the client's transactions in securities and reflects all the details of the transactions in respect of that account.

Investment Portfolio: An account linked to the investment account that reflects the client's assets received by the authorised person in the course of carrying out securities business as per the Client Asset Rules stipulated in the Authorised Persons Regulations and reflects all the details of the transactions in respect of that account.

GCC Legal Persons: A legal person whose capital is majority owned by citizens or governments of the GCC member states and holds the nationality of one of the GCC member states.

GCC: The Cooperation Council for the Arab States of the Gulf.

Identification Document: The valid identification document issued by the competent authorities and accepted for opening an investment account for the client in accordance with these Instructions.

Non-profit Organization: Any legal entity licensed to engage in collecting, receiving, or paying money for charitable, religious, cultural, educational, social, or solidarity purposes or other charitable activities.

Combating -Terrorism Crimes and its Financing Law: The Combating-Terrorism Crimes and its Financing Law issued by the Royal Decree No. M/21 dated 12/2/1439H.

Anti-Money Laundering Law: The Anti-Money Laundering Law issued by the Royal Decree No. M/20 dated 5/2/1439H.

PART 2: INSTRUCTIONS FOR OPENING INVESTMENT ACCOUNTS

Article 3: Clients Acceptance

- a. The authorised person, before accepting any client and opening an investment account for him, must ensure his compliance with all of his obligations stated in the Capital Market Law and its Implementing Regulations, the Anti-Money Laundering Law and its Implementing Regulations, and the Combating-Terrorism Crimes and its Financing Law and its Implementing Regulations.
- b. The authorised person, when accepting any client, must not provide any services related to dealing, managing, or custody activities until signing an investment account opening agreement with such client that contains all the information mentioned in Article (4) of these Instructions.
- c. The authorised person may rely on a third party to carry out the customer due diligence measures in accordance with the related provisions of the Anti-Money Laundering Law and its Implementing Regulations, and the Combating-Terrorism Crimes and its Financing Law and its Implementing Regulations for any person for whom these Instructions permit the opening of an investment account.
- d. The authorised person must verify the actual relationship between the clients and the natural persons who open or operate investment accounts on their behalf such as guardians, agents, trustees, or authorised signatories in accordance with the relevant provisions in the Anti-Money Laundering Law and its Implementing Regulations, and the Combating-Terrorism Crimes and its Financing Law and its Implementing Regulations.
- e. In all situations in which these Instructions require the verification of copies of documents, data, or information, such verification must be done through documents, data or information from a reliable and independent source.
- f. Depending on the risk profile of a particular client, the authorised person, when carrying out the customer due diligence measures, must determine if original copies of any of the documents should be checked in order to verify their validity.

Article 4: Information Required in the Investment Account Opening Agreement

In addition to the terms of business with clients requirements mentioned in the Authorised Persons Regulations, the investment account opening agreement must include, as a minimum, the following:

- a. Information of the client's identification document, address, contact information, occupation and, if the client is a legal person, its main business activity.
- b. An acknowledgment by the client that he understands the terms and conditions of the investment account opening agreement, and that all data and information provided to the authorised person are correct, complete, valid and not misleading.
- c. An undertaking by the client of his commitment to update his data and information or confirm, upon the authorised person's request, that there are no changes to such data and information at the end of the relevant time period specified by the authorised person (provided that such period does not

exceed 3 years); and provide information of his renewed identification documents upon the expiration of the original identification documents. The client shall provide an acknowledgment of his awareness that the authorised person will freeze his investment account upon his failure to meet such commitment, and also provide an undertaking to adhere to the Capital Market Law and its Implementing Regulations, and other laws and regulations of the Kingdom, especially the Anti-Money Laundering Law and its Implementing Regulations, and the Combating-Terrorism Crimes and its Financing Law and its Implementing Regulations.

- d. Unless the company is listed on an exchange, the investment account opening agreement signed with any company must include an undertaking to immediately notify the authorised person upon any change to any of the documents, information or data that were previously provided when opening the investment account.

Article 5: Investment Account Identification Card

Upon the client's request, the authorised person must issue and deliver an investment account identification card to the client, which shall contain the client's name and number of the investment account as well as the authorised person's name.

Article 6: Instructions for Opening Investment Accounts for Natural Persons

a. Opening Investment Accounts for Saudi Natural Persons

To open an investment account for a Saudi natural person, the authorised person must obtain and verify the client's valid national identification card information.

b. Opening Investment Accounts for the Citizens of the GCC Member States

To open an investment account for a citizen of a GCC member state, the authorised person must obtain and verify the client's valid passport or national identification card information.

c. Opening Investment Accounts for Foreign Residents in the Kingdom

1. Foreign Residents Carrying a Residence Permit (*Iqama*) or Resident Identity

To open an investment account for a foreign resident who holds a residence permit (*Iqama*) or resident identity, the authorised person must obtain and verify his valid residence permit (*Iqama*) or resident identity information.

2. Holders of the Five Year Residency Card

To open an investment account for a holder of a five year residency card, the authorised person must obtain and verify the valid five year residency card information.

3. Members of the Diplomatic Missions in the Kingdom

To open an investment account for a member of a diplomatic mission in the Kingdom, the authorised person must obtain and verify an identification letter from the member's embassy and the member's valid diplomatic identity card information.

d. Opening Investment Accounts for Foreign Natural Persons not Residing in the Kingdom

To open an investment account for a foreign natural person not residing in the Kingdom for the purpose of investing in the permitted securities in accordance with the Capital Market Law and its Implementing Regulations and the related instructions issued by the Authority, the authorised person must obtain and verify the client's valid passport information.

e. Special Provisions for Opening Investment Accounts for Natural Persons

1. Opening an Investment Account for a Blind Person or a Person Unable to Read

- a) When opening an investment account for a blind client or a client unable to read, the client shall be entitled to have a personal referee in attendance to explain to him the investment account opening procedures and terms and conditions stated in the investment account opening agreement. In cases where the client does not have a personal referee in attendance, an employee of the authorised person must explain the procedures to him, and an officer in the branch or the main offices of the authorised person must certify that the client was provided with all information of Know Your Customer Form and investment account opening agreement, and that terms and conditions of the investment account were read to him, and he acknowledged that he bears all responsibilities of opening that investment account.
- b) The referee of the blind person or the person unable to read must be a natural person with full legal capacity who personally knows the blind person or the person unable to read intending to open an investment account; hold a valid identification document; be able to explain the investment account opening procedures to the blind person or the person unable to read; be able to read the terms and conditions of the investment account opening agreement; and provide an acknowledgement in writing of such.
- c) The valid identification document information of the personal referee must be obtained and verified.
- d) When an investment account is opened for a blind client or a client unable to read, such client shall not be allowed to use any services provided by telephone or electronic channels for operating the investment account until one of the authorised person's employees or his personal referee reads to him the terms and conditions related to such services and the authorised person informs him that such services are provided to him based on his will, choice, and awareness of the risks associated with using such services and the client's legal liability for all transactions executed through such services. The authorised person shall also obtain a written acknowledgement signed by the client indicating that he understands the above terms.
- e) The authorised person may use the client's fingerprint or personal stamp as his personal signature in all of his transactions.
- f) With the exception of any transactions carried out by telephone or electronic channels, in order for the authorised person to accept any instructions from a blind client or a client unable to read, the authorised person must obtain the client's signature on such instructions with the client's awareness and responsibility of the instructions he signs. Also, if the blind

client or the client unable to read was accepted as a client with a personal referee when opening the account, the authorised person must obtain an acknowledgement in writing signed by a personal referee that meets the conditions stated in subparagraph (b-1) of paragraph (e) of this Article that the client is aware of the procedure's nature and that he bears liability as a personal referee.

2. Opening an Investment Account for Persons Under the Age of (18) Hijri Calendar Years:

- a) An investment account for a person under the age of (18) Hijri calendar years is opened by a guardian, provided that the investment account is under the name of the client and operated by the guardian.
- b) The valid identification document information of the client who is under the age of (18) Hijri calendar years and the identification document information of his guardian must be obtained and verified.
- c) If the client is a Saudi citizen under the age of (15) Hijri calendar years, the family card information that shows the client's information and the valid national identification card information of his guardian must be obtained and verified, without requiring the client to provide a national identification card.
- d) If the client is under the age of (18) Hijri calendar years and under legal guardianship, the authorised person must obtain and verify a copy of the guardian's deed issued by the competent court and comply with all its provisions.
- e) If the client is a foreigner under the age of (18) Hijri calendar years and his name is added to another person's residence permit (Iqama) or resident identity, the information of the valid residence permit (Iqama) or resident identity (to which the client's name is added) must be obtained and verified, provided that the investment account is under the name of the client and opened and operated by the holder of the residence permit (Iqama) or the resident identity to which the client is added.
- f) The authorised person must carry out customer due diligence measures in relation to the guardian, and the guardian when acting on behalf of the client under the age of (18) Hijri calendar years shall comply with all legal responsibilities applicable to such client.

3. Opening an Investment Account for an Incapacitated Person

- a) An investment account for an incapacitated person is opened by his guardian, provided that the account is in the name of the client and operated by his guardian.
- b) The authorised person must obtain and verify information of the guardian identification document and information of the identification card of the incapacitated client above the age of (18) Hijri calendar years or information of the family card if the client is below the age of (15) Hijri calendar years.
- c) A copy of a final decision or a decision subject to expeditious execution issued by the competent court which illustrates that the client for whom the investment account is to be opened is considered incapacitated must be obtained and verified, and the authorised person must comply with all its provisions.

- d) The authorised person must carry out customer due diligence measures in relation to the guardian, and the guardian when acting on behalf of the incapacitated client shall comply with all legal responsibilities applicable to such client.
4. Opening an Investment Account for a Person Unable to Write and Sign

The authorised person must open the investment account for a client unable to write and sign in the same procedures of opening an investment account for natural persons. However, the authorised person must take the fingerprints or personal stamp of such client as a substitute for his personal signature.

5. Opening Investment Accounts for the Interdicted Person

- a) The investment account of an interdicted person is opened by his guardian, provided that the investment account is under the name of the interdicted person and operated by his guardian.
- b) Information of the valid identification documents of the interdicted person and his guardian must be obtained and verified.
- c) A copy of a final decision or a decision subject to expeditious execution issued by the competent court must be obtained and verified, and the authorised person must comply with all its relevant provisions.
- d) The authorised person must carry out customer due diligence measures in relation to the guardian, and the guardian when acting on behalf of the interdicted person shall comply with all legal responsibilities applicable to such client.

Article 7: Instructions for Opening Investment Accounts for Legal Persons

- a. **Opening Investment Accounts for Saudi Companies and Companies from GCC Member States**
- 1) To open an investment account for a Saudi company, the company must be incorporated in accordance with the Companies Law, and to open an investment account for a company from a GCC member state, the company must fall within the scope of the definition of a GCC legal person.
 - 2) Unless the company is listed on the Exchange, the company's bylaws, shareholders assembly resolution, articles of association, or partners' resolution must provide that the company is permitted to invest in securities.
 - 3) To open an investment account for a Saudi or GCC company, the authorised person may use the guidance list of documents provided in Annex (1) of these Instructions by obtaining copies of the documents and verifying them.

- 4) When opening an investment account for a listed company on the Exchange (excluding banks and insurance companies) or an affiliate of the listed company included in its consolidated financial statements, the authorised person must comply with the following additional conditions:
- The listed company's investment in securities listed on the Exchange shall be based on a Board of Directors' resolution of the listed company and the company that the investment account is to be opened for (if it is an affiliate of that company). Such resolution shall also determine the investment controls, and prior to opening the investment account, the authorised person must obtain and verify a copy of the resolution.
 - Unless the investment of the listed company, or that of its affiliate, is for one year (in which period the company commits not to sell the security before the elapsing of one year from the time of last purchase of the security issued by the same issuer), the investment in securities must be through an investment fund or investment portfolio managed by an authorised person based on a management contract, which clearly states that there is a complete segregation between the listed company, its affiliates, and the investment decisions, and that the terms of contract do not conflict with such requirement. The authorised person must ensure that the terms of contract are in accordance with these controls prior to signing the management contract with the listed company or its affiliate.
 - The authorised person must notify the Authority without delay of any management contract signed with any listed company or its affiliate and refer to the number of the investment account opened for such purpose and the number of the investment portfolio linked to it.

b. Opening Investment Accounts for Foreign Legal Persons

The authorised person may open an investment account for a foreign legal person who has no premises in the Kingdom for the purpose of investing in the permitted securities in accordance with the Capital Market Law and its Implementing Regulations and the relevant instructions issued by the Authority, including opening an investment account for a foreign legal person for the purpose of entering into a swap agreement in accordance with the Authority's instructions related to swap agreements.

c. Opening Investment Accounts for Qualified Foreign Investors

To open an investment account for a qualified foreign investor in accordance with the provisions of the Rules for Qualified Foreign Financial Institutions Investment in Listed Securities, the authorised person may use the guidance list of documents provided in Annex (2) of these Instructions by obtaining copies of the documents and verifying them.

d. Opening Investment Accounts for Funds Owned by a Governmental Entity

- 1) An authorised person may open an investment account for a fund of a governmental entity, provided that the fund is fully owned by a Saudi governmental entity or a governmental entity of a GCC member state.
- 2) The authorised person, when opening an investment account for the fund referred to in paragraph (1) above, must obtain copies of the following documents and verify them:
 - The fund's bylaws.
 - The issued resolution assigning the authorised signatories to open and operate the investment account of the fund and their valid identity documents.
 - The fund's articles of association (if any) and its annexes, which clearly show the structure of the fund's capital and its management.
 - Documents that show the names of members of the Board of Directors.

e. Opening Investment Accounts for Non-profit Organizations in the Kingdom:

When opening an investment account for a Non-profit Organization in the Kingdom, the authorised person must obtain copies of the following documents and verify them:

- The license issued by the competent authority.
- The bylaws that have an express provision permitting the Non-profit Organization to invest in securities, and if the Non-profit Organization's bylaws do not explicitly state that, the authorised person must obtain a letter from the Non-profit Organization licensing authority stating its approval to invest in securities.
- The Board of Directors' resolution approving the opening of the investment account and assigning the authorised signatories to operate the investment account.

f. Opening Investment Accounts for Endowments

- 1) When opening an investment account for an endowment in the Kingdom, the authorised person must obtain copies of the following documents and verify them:
 - The deed of endowment and the deed of trusteeship.
 - National identification card of the endowment's trustee / board of trustees.
 - The resolution of the trustee or the board of trustees (if there is a board of trustees) approving the opening of the investment account and assigning the authorised signatories to operate the investment account.
- 2) The deed of endowment must include a provision that permits investment in securities, or the trustee must provide a letter from the governmental authority that supervises the endowment granting its approval to invest in securities and also granting permission to the authorised signatories to operate the investment account (if the endowment's trustee or the board of trustees delegates the power to operate such account.)

g. Opening Investment Accounts for Governmental Entities

To open an investment account for a governmental entity (Saudi or from another GCC member state), the authorised person must obtain copies of the following documents and verify them:

- The main documents of the governmental entity according to its administrative regulations and relevant laws.
- The resolution of the competent person in the governmental entity to assign the authorised signatories that will open and operate the investment account, and the identification documents of such signatories.
- The approval of the Ministry of Finance (or its equivalent in the GCC member state) to open the investment account, unless there are legal provisions issued by the competent authority that explicitly give the right to such governmental entity to invest in securities.

h. Opening Investment Accounts for International Organizations and Institutions:

To open an investment account for international organizations and institutions that have premises in the Kingdom, the authorised person must obtain copies of the following documents and verify them:

- The Association Agreement and/or bylaws.
- The premises agreement signed with the government of the Kingdom that permits the international organization or institution to invest in securities.
- The resolution of the competent person in accordance with the Association Agreement and/or bylaws assigning the authorised signatories to open and operate the investment account.

i. Opening Investment Accounts for Investment Funds Established in the Kingdom or in a GCC member state:

To open an investment account for an investment fund established in the Kingdom or in a GCC member state, the authorised person may use the guidance list of documents provided in Annex (3) of these Instructions by obtaining copies of the documents and verifying them.

Article 8: Opening Investment Accounts for Other Persons

If the authorised person is approached by a natural or legal person for whom these Instructions do not state the procedures for opening an investment account, the authorised person must obtain the Authority's approval to open an investment account for that person.

PART 3: INSTRUCTIONS FOR OPERATING INVESTMENT ACCOUNTS

Article 9: Transactions on the Investment Account

- a. The authorised person must not enable his client to buy securities unless the purchase is made from the client's investment account balance.
- b. The authorised person, in respect of the investment account, must ensure his compliance with the provisions related to clients' money and assets stated in the Authorised Persons Regulations.
- c. The authorised person must not accept any cash amounts from the client or from a third party for the benefit of the client for investment purposes or in exchange for a services provided by the authorised person, and the authorised person must not deliver to the client or any third party any cash amounts from the investment account.

Article 10: Opening and Operating the Investment Account by Power of Attorney

- a. The authorised person shall accept a power of attorney to open or operate an investment account for his client whenever the following conditions are met:
 - 1) The power of attorney is issued by the Notary Public, a person licensed as a notary, or out of the Kingdom and certified by the Saudi Embassy or Consulate at the issuing country and the Ministry of Foreign Affairs in the Kingdom.
 - 2) The attorney-in-fact is a relative of the client as a parent, son, daughter, spouse, brother, or sister or appointed by heirs to liquidate the investment account of the deceased and close it.
 - 3) The power of attorney must be issued by the client or the guardian if the client is under the age of (18) Hijri calendar years, and any power of attorney issued by the attorney-in-fact on behalf of the client shall not be accepted.
- b. The authorised person must verify the validity of the power of attorney and that it explicitly states the powers given to the attorney-in-fact, whether it is opening an investment account, operating it, performing transfers, purchasing or selling securities, or closing the investment account, and the authorised person must comply with the provisions of the power of attorney.
- c. The authorised person shall not accept any power of attorney except for that set out in paragraph (a) of this Article.

Article 11: Appointment of Court-Appointed Receiver over the Investment Account

When a court-appointed receiver is appointed over an investment account, the authorised person must comply with the following:

- a. The authorised person, before permitting a judicial receiver to have access to an investment account, must obtain and verify a copy of a final decision or a decision subject to expeditious execution issued by the competent judicial authority that includes the appointment of judicial receiver and its

authorities, and also obtain and verify information of the judicial receiver's valid national identification card if he is a natural person, or a copy of the commercial register of the judicial receiver and the information of the national identification card of its representative if it is a legal person.

- b. The investment account information must show that the investment account is under judicial receivership.
- c. Only the court-appointed receiver shall have the authority to operate the investment account and sign for its transactions, unless the judicial authority's decision provides otherwise.

Article 12: Closing the Investment Account

- a. If a client requests to close his investment account, he must submit a written request to the authorised person.
- b. Without prejudice to paragraphs (c) and (d) of this Article, the authorised person must accept the client's request to close his investment account and notify him of such, unless the investment account is attached, or the client has financial obligations owing to the authorised person.
- c. The authorised persons must permit their Saudi and GCC clients to close their frozen investment accounts without updating their information, provided that the investment account is not subject to attachment, there are no restrictions or balance on the account, any securities in the investment portfolios linked to it, or any claims in relation to it.
- d. Unless the Authority instructs otherwise, the authorised person must not permit the foreign resident in the Kingdom to close his investment accounts if his residence permits (*Iqama*) or resident identity is expired, until such client provides a renewed residence permit (*Iqama*) or resident identity or a final exit visa.
- e. After the authorised person ensures that the investment account of the foreign resident in the Kingdom is not subject to attachment or under any restrictions or claims, the authorised person, after (12) months of the account being frozen, must liquidate the securities in any investment portfolio linked to that account and transfer its sale proceeds to the client and then close the investment account.
- f. If five years elapse from the date of freezing the investment account without the client providing the required updated information, and the investment account is not subject to attachment, has no securities linked to it and is not under any restrictions or claims, the authorised person may transfer the available balance on the investment account to a bank account under the client's name, close the investment portfolios linked to the investment account and the client account opened by the authorised person (unless it is linked to more than one investment account), and then close the investment account.
- g. If a year elapses without any balance on the investment account of the client and without any securities in any investment portfolio linked to it, and if such account is not subject to attachment or under any restrictions or claims, the authorised person may close the investment account after (30) days from notifying the client of such.

PART 4: REGULATORY AND SUPERVISORY INSTRUCTIONS

Article 13: Electronic Record

For the purpose of establishing a unified electronic database for investment accounts, the authorised person that holds investment accounts for clients must create an electronic record to link the investment account with all the information set out in the documents provided by the client for opening the investment account.

Article 14: Updating the Investment Accounts Information

- a. The authorised person shall require his clients to update the information that were provided when opening the investment account as and when there are any changes to the original information provided or at least once every three years from the date of opening the investment account or date of last update, and the authorised persons must maintain policies and procedures to fulfill this requirement.
- b. The authorised person must inform his clients at least ninety calendar days in advance of the expiry date that the original documents are going to expire shortly.
- c. Ninety calendar days prior to the Saudi minor client reaching the age of (15) Hijri Calendar years, the authorised person must request the guardian to update the information of the client's investment account, and obtain and verify the client's national identification card information.
- d. Ninety calendar days prior to the Saudi minor client reaching the age of (18) Hijri Calendar years, the authorised person must notify the guardian of the necessity of updating the information of the client's investment account, obtain and verify the client's national identification card information, and sign a new investment account opening agreement with the client as soon as he becomes (18) Hijri Calendar years' old, provided that it contains all the information mentioned in Article (4) of these Instructions.

Article 15: Freezing the Investment Accounts

- a. The authorised person must freeze all the investment accounts of the client at the expiration date of the documents provided when opening the investment account if the client has not updated them or if the client has not updated his investment accounts information upon the authorised person's request in accordance with paragraph (a) of Article 14 of these Instructions.
- b. The authorised person must notify his clients of the date of freezing the investment account at least one month prior to the freezing date. The authorised person must also maintain policies and procedures to fulfil this requirement and keep records of its applications.
- c. If the documents provided when opening the investment account for the legal person do not include a specific expiration of the validity date, the authorised person must freeze such investment account

after the elapsing of three years from the date of opening the investment account or the date of the last update of the investment account, until the client updates the account's information.

- d. The authorised person must monitor the validity of identification documents for the authorised signatories of the legal persons as well as the persons who provided information of their identification documents upon opening the investment account, and the authorised person must freeze their authority to operate the investment account until they provide renewed identification documents information.

Article 16: Instruction on the Attachment of Investment Accounts and Disclosure of their Information

a. Provisional Attachment of the Investment Account and Disclosure of its Information Upon the Authority's Request

- 1) Subject to the provisions of Article (25) of the Capital Market Law and Article (29) of the Authorised Persons Regulations, the authorised person is not permitted to provisionally attach or disclose the information of any investment account, unless requested by the Authority or a competent judicial authority through the Authority.
- 2) When the authorised person receives a request from the Authority to disclose any information related to an investment account of any of its clients, the authorised person must provide the Authority with the requested information in a maximum period of (3) business days, unless the Authority specifies otherwise.
- 3) Unless the Authority's request is specific, the authorised person must disclose information of all of the client's investment accounts.
- 4) When the authorised person receives a request from the Authority to disclose an investment account statement related to any of its clients, the authorised person must provide the Authority with the requested investment account statement, containing, as a minimum, the required information stipulated in Annex (4) of these Instructions.
- 5) When the authorised person provisionally attaches the investment accounts of a certain client at the Authority's request, the authorised person must not allow that client to take any action in relation to the balances of any attached investment accounts, unless the Authority's request was to provisionally attach a specific amount, then the client shall be allowed to take action in respect of any amount exceeding the specified amount.
- 6) When the authorised person receives a request from the Authority to provisionally attach the investment accounts of a client, the authorised person must attach the investment account and immediately provide the Authority with information of the attached investment accounts.
- 7) When an investment account is provisionally attached based on subparagraph (a-5) of this Article, the authorised person must stop all money transfer and withdrawal transactions and must not allow the utilization of the investment account balance in any form.

- 8) The authorised person must not remove the provisional attachment of any investment account that was attached based on subparagraph (a-5) of this Article until the authorised person receives a request from the Authority.

b. Blocking the Investment Account Upon the Client's Bankruptcy, Insolvency, or Loss of Legal Competence

- 1) If the authorised person receives a notification, enclosing official documents as evidence, regarding the client's insolvency, bankruptcy, or loss of legal competence, the authorised person must block all the investment accounts of that client without delay.
- 2) When an investment account is blocked based on subparagraph (b-1) of this Article, the authorised person must stop all money transfer and withdrawal transactions and must not allow the utilization of the investment account balance in any form.
- 3) The authorised person must not unblock the investment account that was blocked based on subparagraph (b-1) of paragraph (b) of this Article until the authorised person receives a request from the Authority.

c. Disclosing the Investment Account information, Blocking it, and Liquidating it Upon the Client's Being Deceased

- 1) If the authorised person is officially notified or becomes aware that the client is deceased, the authorised person must block all of the client's investment accounts without delay.
- 2) When any person requests to be provided with information of the investment accounts of the deceased client, the authorised person must provide him in writing with detailed and clear information of the investment accounts of the deceased client after verifying the identity of that person and ensuring that he is one of the heirs or attorney-in-fact of one of them. The authorised person must also obtain and verify the valid identification document information of that person, a copy of the power of attorney if that person was an attorney-in-fact of the heirs or one of them, a copy of the death certificate of the deceased client, and a copy of the determination of heirs.
- 3) The authorised person, after freezing the investment account of the deceased client, must not carry out any transactions from such account except for liquidating the investment account for the benefit of the heirs.
- 4) The authorised person must not liquidate the investment account for the benefit of the heirs unless all heirs, guardians of the minor heirs, or their attorneys-in-fact are present and provide copies of the heirs determination deed, the guardianship deed for the minor heirs (if there is minor heirs) and power of attorney (if any) and verify them. The authorised person must also obtain and verify the identification document of the guardian, attorney-in-fact, and heirs who have no guardian or attorney-in-fact, and if there is a judicial deed for the distribution of the inheritance issued by the competent court, the authorised person must obtain a copy of the deed and verify it.
- 5) If the heirs of the deceased client are non-resident foreigners, the authorised person must not liquidate the investment accounts of the deceased client until the requirements aforementioned

in sub-paragraph (4) are fulfilled, and ensure, if the documents were issued outside the Kingdom, that they are authenticated by the Saudi Embassy or Consulate at the issuing country and the Ministry of Foreign Affairs in the Kingdom.

- 6) After the investment account of the deceased client and all investment portfolios linked to it are liquidated, the authorised person must close the investments portfolios linked to the investment account and the client account opened by the authorised person, then close the client's investment account.
- 7) After the authorised person completes, upon the Authority's instructions, the liquidation of the investment account of the deceased client and all of the investment portfolio linked to it, the authorised person must notify the Authority, immediately, if he receives any dividends or bonus shares belonging to that client.

PART 5: PUBLICATION AND ENTRY INTO FORCE

Article 17: Publication and Entry into Force

These Instructions shall be effective in accordance with its approval resolution.

Annex 1: Guidance List of Documents for Opening an Investment Account for Saudi Companies or Companies from GCC Member States

- The commercial register issued by the competent authority.
- The company's articles of association, bylaws, and their annexes and amendments.
- A list of the Board of Directors and senior managers' names.
- The Board of Directors' or partners' resolution approving the opening of the investment account and assigning authorised signatories to operate the investment account.
- A list of authorised signatories to operate the investment account in accordance with the company's commercial register, articles of association, bylaws and the Board of Directors' resolution.
- Any licenses issued for the company by any government entity to conduct certain activities.

Annex 2: Guidance List of Documents for Opening an Investment Account for Qualified Foreign Investors

- The license or the commercial register for the foreign investor obtained from the relevant authority in the county of establishment.
- The by-laws and its annexes, or a copy of the article of association and its annexes.
- A list of the names of the legal entity's managers and authorised signatories on behalf of the foreign investor in regard to the account.
- A delegation from the Board of Directors specifying names of authorised signatories in relation to the account.

Annex 3: Guidance List of Documents for Opening an Investment Account for Investment Funds Established in the Kingdom or GCC Member States

- The commercial register of the fund manager.
- The Bylaws or Articles of Association of the fund manager and any amendments to them.
- The authorization issued by the Authority or the competent authority in the GCC member state for the fund manager to conduct managing activities and the commencement letter.
- The notification issued by the Authority or the competent authority in GCC member states approving the establishment of the investment fund and offering its units.
- The investment fund's Terms and Conditions and any amendments to them.
- The issued resolution approving the opening of the investment account and assigning the authorised signatories to operate the investment account.

Annex 4: Required Information in the Investment Account Statement

The investment account statement must be printed, at the request of the Authority to be disclosed, in Arabic and on the official letter head of the authorised person, and shall contain at minimum the following information:

1. Formal information:

- The authorised person's stamp on the investment account statement.
- The date and time of printing the investment account statement.
- The beginning and the end dates of the period of the investment account statement in the Hijri and Gregorian dates.
- Number of the printed pages and its total number.

2. Basic information:

- For a natural person: the client's full name and identity number as per the identification document, address and contact information.
- For a legal person: the client's full name as per the proof of incorporation, commercial register number (if any), address and contact information.
- The full name of the person authorised to operate the investment account and his identity number as per the identification document (if any).
- The client's investment account number.
- The client's Center Account number at the depository center.
- The investment account status – including but not limited to: active, frozen, pledged, closed.

3. Investment Account Statement Information:

- The balance available on the investment account and its currency.
- The transactions log, provided that it includes as minimum: all cash transfers to and from the investment account, its time, date and source, a brief and clear description of the transaction and all transactions executed on securities, indicating the date, time, type, the name of the issuer and its symbol, the amount of securities, the price, the value of the transaction, the commission, the total value, and the executed channel. In addition, the accumulated balance, the transaction executor, all actions performed on shares as split and reverse split of shares, bonus shares, and priority rights shares.