

The Executive Bylaws  
Module Twelve

**Listing Rules**



هَذَا كِتَابٌ أَنْبَأَ فِيهِ الْمَلَأَمُ

## Contents

<b>Chapter</b>	<b>Title</b>
<b>Chapter One</b>	<b>General Provisions and Scope of Application</b>
1-1	Scope of Application
1-3	General Provisions
1-6	Listing Applications of Securities in the Exchange
1-10	Continuous Obligations on the listed Security in the Exchange
1-18	Suspension from trading a listed Security on the Exchange
<b>Chapter Two</b>	<b>Listing Shares of Shareholding Companies in the Exchange</b>
2-1	Listing Shares of Kuwaiti Shareholding Companies in the Exchange
2-2	Listing Shares of Non-Kuwaiti Companies in the Exchange
2-3	Listing a Security listed in the Exchange in Non-Kuwaiti Exchanges
2-4	Delisting of Shares of Shareholding Companies from the Exchange
2-5	Voluntary Delisting of Shares of Shareholding Companies from the Exchange
<b>Chapter Three</b>	<b>Listing of Funds Units in the Exchange</b>
3-1	Listing Application of Fund in the Exchange
3-3	Listing Units of Local Funds in Non-Kuwaiti Exchanges
3-9	Delisting of Funds' Units from the Exchange
3-10	Voluntary Delisting of Funds' Units from the Exchange
<b>Chapter Four</b>	<b>Listing Bonds and Sukuk</b>
4-1	Scope of Application
4-2	General Provisions
4-3	Requirements Related to the Obligor
4-4	Requirements Related to Bonds or Sukuk
4-5	Listing Application
4-11	Listing of the Bonds or Sukuk Issued by a Foreign Issuer
4-13	Listing Units of Bonds or Sukuk in any non-Kuwaiti Exchange
4-14	Delisting of Bonds and Sukuk from the Exchange
4-15	Voluntary Delisting of listed Bonds and Sukuk from the Exchange
<b>Appendices</b>	
Appendix 1	Application for Listing a Listed Security in the Exchange in a Non-Kuwaiti Exchange
Appendix 2	Application for Voluntary Delisting of a Listed Company Shares from the Exchange

**Chapter One****General Provisions and Scope of Application****Scope of Application****Article 1-1**

The provisions of this Module shall apply to the Securities listed on the Exchange or the Securities applying for listing on the Exchange or on a Non-Kuwaiti Exchange.

**Article 1-2**

The provisions of this Module shall apply to the following:

1. Shareholding companies listed on the Exchange.
2. Shareholding companies submitting a Listing Application for its shares on the Exchange.
3. Funds submitting a Listing Application for its Units on the Exchange.
4. Obligor or Issuer- as applicable- submitting a Listing Application for Bonds or Sukuk on the Exchange.
5. Any other Security listed on the Exchange or submits an application for listing on the Exchange or a Non-Kuwaiti Exchange, in a manner consistent with its nature.

**General Provisions****Article 1-3**

No Security may list on the Exchange unless a recommendation is issued by the Exchange and approved by the Authority.

**Article 1-4**

A company, Fund, Issuer or Obligor -as applicable- shall abide by the provisions of the Module Ten (Disclosure and Transparency).

**Article 1-5**

Listed Funds or the listed Issuer if it was a Special Purpose Vehicle Company are exempt from applying the provisions of Module Fifteen (Corporate Governance). Non-Kuwaiti listed companies may be exempt from applying certain provisions of this Module or Module Ten (Disclosure & Transparency) or Module Fifteen (Corporate Governance) in events of conflicts with the relevant laws of the countries where these companies are incorporated or with the requirements of Regulatory Bodies there.

## Listing Applications of Securities in the Exchange

### Article 1-6

Listing Applications shall be submitted as follows:

1. Listing Applications shall be submitted to the Exchange in accordance with the form prepared by the Exchange for this purpose. Listing Applications in a Non-Kuwaiti Exchange and Applications for Voluntary Delisting from the Exchange shall be submitted in accordance with the form prepared by the Authority for this purpose.
2. All documents and information required stated in the Exchange's rules and these Bylaws shall be attached to this application along with the payment of the set fees for the Exchange and the Authority. The Exchange and the Authority may, at any time after receipt of the Listing Application, request additional information or documents it deems necessary to decide on the application request. The application shall be deemed to have been withdrawn if the information and documents required within the period specified by the Exchange or the Authority as applicable.
3. The Exchange shall provide its recommendation to the Authority regarding the Listing Application of a Security in the Exchange, along with all information and documents required pursuant to the Exchange's rules and these Bylaws.
4. The Authority shall decide on all Applications related to Listing within thirty days of receipt of the Listing Application subject to meeting all information and documents required pursuant to the Exchange's rules and these Bylaws. The Authority notifies the applicant and the Exchange of its decision on the Listing Application.
5. The Authority may reject the Listing Application under the following circumstances:
  - a. Not meeting one of the conditions stipulated in this Module or in the Exchange's rules.
  - b. If the Authority deems it necessary for considerations related to the market situation or the national economy in general.
  - c. If the Authority deems it necessary for protecting investors.

In all cases, the decision shall include reasons for such rejection. New Listing Applications may not be submitted before the lapse of six months from the date of the rejection decision.

### Article 1-7

The Authority, with a justified decision, may postpone making a decision regarding the applications of listing or voluntary delisting of any Security listed in the Exchange if it is deemed to be in the public interest.

### Article 1-8

The Exchange, after obtaining the Authority's approval, may segment the market into several markets, where each market includes a number of listed Securities according to the criteria set by the Exchange. The Exchange's rules shall provide details related to the market segmentation and the distribution of listed Securities in these markets.

**Article 1-9**

The Exchange shall – on an annual basis – review the distribution of the listed Securities in the different markets. It may also transfer any security from one market to another according to the criteria, controls and procedures included in the Exchange’s rules.

**Continuous Obligations on the listed Security in the Exchange**

**Article 1-10**

A Listed Company shall:

1. Provide a notification to the Authority and the Exchange, stating the agenda, date and place of the general assembly meeting - along with all documents relevant to the items listed on the agenda - at least seven Days prior from the date of the meeting.
2. Provide the Authority and the Exchange with the authenticated minutes of the general assembly’s meeting within a maximum of five Business Days from the date of the meeting.
3. Provide the Authority and the Exchange with the certificate of noting the amendment of the Company Contract in the commercial register within a maximum of five Business Days from the date of issuing the commercial register notation.
4. In the case where the amendment of the capital in the Company Contract is pursuant to the minutes of the Board of Directors, a copy of such minutes shall be attached with the certificate of noting in the register mentioned in the previous clause.

**Article 1-11**

The Exchange, after obtaining the Authority’s approval, shall set the rules and provisions of the entitlement of Shares regarding listed Securities.

**Article 1-12**

A Listed Company in the Exchange shall comply with the rules set by the Exchange, and approved by the Authority regarding the entitlement of Shares.

**Article 1-13**

Each Listed Company shall organize and keep books, registers and accounts reflecting detailed and accurate transactions or ownership transfers of the assets of such company, in accordance with International Financial Reporting Standards (IFRS) and the audit standards issued by International Accounting Standards Board (IASB), which are amended from time to time.

**Article 1-14**

Each Listed Company shall:

1. Appoint an Auditor from the auditors registered within the Authority for one financial year, renewable annually for not more than four consecutive years, unless it is in the liquidation phase, provided that such Auditor is not a manager, an official, an employee or a partner in the Listed Company.
2. The same Auditor may be reappointed after the lapse of at least two consecutive years.
3. The Listed Company shall notify the Authority within a period of no more than seven Business Days from the date of appointment, replacement or resignation of the Auditor.
4. The provisions of this article is applicable without prejudice to the rules set by the Central Bank of Kuwait in this regard for Units Subject to the Supervision of the Central Bank.

**Article 1-15**

- a. Every Listed Company on the Exchange shall simultaneously disclose to the Exchange and the Authority its reviewed periodical financial statements within forty-five days from the end date of the period for which the statement is prepared with regard to the periodical financial statements. The shares of the Listed Company shall be suspended from trading if the company is delayed for more than fifteen days.
- b. Every Listed Company shall simultaneously disclose to the Exchange and the Authority its audited annual financial statements within ninety days from the end of the financial year, otherwise, the Listed Company's shares shall be suspended from trading.
- c. Listed Companies – except for banks – shall submit their financial statements mentioned in the two previous articles within the same dates to the Authority, and the Board of Directors of the company is liable for any violation of this article, without prejudice to the rules set by the Central Bank of Kuwait in this regard for Units Subject to the Supervision of the Central Bank.
- d. The Board of Directors of a Listed Company on the Exchange shall be liable if it does not hold its annual ordinary general assembly following the end of the financial year within two months from the disclosure date of its audited annual financial statements. Non-Kuwaiti listed companies on the Exchange are exempt from the provision of this article and are subject to applicable regulations of the exchange in which these companies are listed in its place of incorporation.

**Article 1-16**

The related parties referred to in Article (1-2) of this Module shall commit to pay the fees and subscriptions stated by the Authority and the Exchange.

<b>Article 1-17</b>	<p>All the parties, subject of listing, referred to in Article (1-2) of this Module, shall commit to sign agreements with the <u>Exchange</u>, licensed depository agencies and a licensed <u>Clearing Agency</u> - safekeeping of Securities within a <u>Central Securities Depository</u> - under which the rights and obligations of each party are stated.</p>
	<p><b>Suspension from trading a listed Security on the Exchange</b></p>
<b>Article 1-18</b>	<p>The <u>Authority</u> may temporarily suspend trading in the <u>Exchange</u>, and suspend the trading of any <u>Security</u> listed in the <u>Exchange</u> in any of the following cases:</p> <ol style="list-style-type: none"><li>1. A violation of the <u>Listed Security</u> to any of the obligations imposed on it under the laws and regulations applied by the <u>Authority</u> and the <u>Exchange</u>.</li><li>2. Disasters, crises and unrest that could cause significant adverse effects to the market.</li><li>3. Achieve investor protection in the markets.</li></ol>
<b>Article 1-19</b>	<p>The <u>Exchange</u> may suspend trading any <u>Listed Security</u> in the cases which the <u>Exchange</u> is allowed to do so in accordance with the laws, regulations and rules applied by the <u>Authority</u> and the <u>Exchange</u>.</p>
<b>Article 1-20</b>	<p>All the parties, subject to listing, referred to in Article (1-2) of this Module, shall meet the conditions and requirements necessary for re-listing the <u>Security</u> within the period stated by the <u>Authority</u> or the <u>Exchange</u>.</p>
<b>Article 1-21</b>	<p>The parties referred to in Article (1-2) of this Module whose <u>Securities</u> listing is cancelled or voluntarily delisted from the <u>Exchange</u> may apply for re-listing of their <u>Securities</u> in the <u>Exchange</u>, provided that the requirements necessary for listing are fulfilled. New <u>Listing Applications</u> may not be submitted before the lapse of six months from the date of executing the cancelation or delisting decisions.</p>



## Chapter Two

### Listing Shares of Shareholding Companies in the Exchange

#### Article 2-1

#### Listing Shares of Kuwaiti Shareholding Companies in the Exchange

Kuwaiti companies may be listed in the Exchange if the listing conditions stipulated in the Exchange's rules are met, in addition to the following conditions:

1. The legal form of the company shall be a shareholding company.
2. The company's Shares shall be tradable and freely transferable with no restrictions on trading all of its shares or the transfer of the Shares ownership between the investors.

#### Article 2-1-1

Kuwaiti companies that have the form of a Public Shareholding Company shall submit to the Exchange a Listing Application for their Shares in the Exchange within the company's second year of practicing its main activities, otherwise the Authority may take legal measures in respect of the company. However, companies completely owned by the government are exempt from submitting a Listing Application. The Authority shall determine the time at which the company commenced operations in accordance with the available documents.

#### Article 2-1-2

Each shareholding company willing to be listed in the Exchange may offer part of its shares for Public or Private Subscription, whether such shares represent an increase in the capital or shares already issued and owned by the company's shareholders, pursuant to the following provisions:

1. The company shall submit a Listing Application to the Exchange along with the request for approval for the prospectus.
2. The Authority issues its decision regarding the company's intent to make the offer in light of the Exchange's preliminary recommendation regarding the level of the company's fulfilment of the listing conditions, except those relevant to the value of shares owned by the Controller or controlling group, and the number of shares and minimum limits of each shareholder ownership.
3. In the case for the request for offering the shares for Public Subscriptions or and Private Placements together, this shall be done in accordance with the time set by the Authority, and there shall be no preferential conditions - except with the approval of the Authority - for the subscribers in the Private Placement.
4. Subscription must result in fulfilling all conditions set by the Exchange for listing at least in the main market, which are relevant to the value of shares owned by Controller or controlling group, and the number of shareholders and minimum limits of each shareholder ownership. The Prospectus shall include the right of any subscriber to unsubscribe if the subscription did not result in meeting such conditions within five Business Days from announcing the subscription results.
5. The Exchange shall issue its final recommendation to the Authority regarding the company's Listing Application in light of the results of the subscription.
6. If the Authority issues its approval for the Listing Application based upon the Exchange's recommendation, the company shall fulfill the rest of the procedures relevant to listing within a month of being notified of such approval.

<b>Article 2-1-3</b>	The <u>Closed Shareholding Company</u> willing to offer its shares for <u>Public Subscription</u> shall submit a <u>Listing Application</u> for its shares in the <u>Exchange</u> . It shall be subject to the same conditions and procedures provided for in the previous article.
<b>Article 2-1-4</b>	Without prejudice to any legal or contractual restrictions concerning disposal of the <u>Shares</u> that may be mentioned in the <u>Company Contract</u> or <u>Prospectus</u> , the company shall provide an undertaking, from each shareholder whose ownership percentage is equal to or greater than 20% - directly or indirectly - of the company's <u>Shares</u> , to not dispose of a percentage of not less than 20% of these <u>Shares</u> for a period of one year from the listing date. In exception of the above, these shareholders may dispose of these <u>Shares</u> to another Person provided that this Person shall abide by the same undertaking.  In all cases, these <u>Shares</u> may be disposed due to submitting any offer pursuant to the provisions of Module Nine (Mergers and Acquisitions) of these <u>Bylaws</u> .
<b>Article 2-2</b>	<b>Listing Shares of Non-Kuwaiti Companies in the Exchange</b>
<b>Article 2-2-1</b>	Non-Kuwaiti companies may be listed in the <u>Exchange</u> if the listing conditions provided in the Exchange's rules are met, in addition to the following: <ol style="list-style-type: none"><li data-bbox="391 985 1487 1030">1. The legal form of the company shall be a shareholding company.</li><li data-bbox="391 1041 1487 1321">2. The company's <u>Shares</u> shall be tradable and freely transferable with no restrictions on the trading of the shares to be listed or the transfer of the <u>Shares</u> ownership between the investors related to the company nor the country of incorporation of other nationalities, and specifying such restrictions, if any, and specifying the percentage of the <u>Shares</u> that is intended for listing on the <u>Exchange</u>, provided that at least 10% of the total issued <u>Share</u> capital is listed in the <u>Exchange</u> at the time of listing without being considered a continuing obligation on the company.</li><li data-bbox="391 1332 1487 1478">3. The company shall appoint a legal representative in the State of Kuwait provided that it is one of the <u>Licensed Persons</u> to perform the tasks of registering the <u>Shares</u>, distributing profits, and receiving and issuing reports and documents relevant to the business of the company.</li><li data-bbox="391 1489 1487 1534">4. Any other requirements, conditions or rules stipulated by the <u>Authority</u>.</li></ol>
<b>Article 2-2-2</b>	The provision of Article (2-1-2) of this Module shall be applied on the Non-Kuwaiti Shareholding Company that intends to list on the <u>Exchange</u> .

**Article 2-3**

**Listing a Security listed in the Exchange in Non-Kuwaiti Exchanges**

**Article 2-3-1**

Kuwaiti companies listed on the Exchange may not list their Shares on Exchange outside the State of Kuwait until after obtaining the approval of the Authority.

**Article 2-3-2**

In order to list a Security that is listed on the Exchange on any Non-Kuwaiti Exchange, the following conditions shall be met:

1. The Authority's approval on submitting the Listing Application of a Security to a Non-Kuwaiti Exchange.
2. Submitting a study specifying the purpose of listing on a Non-Kuwaiti Exchange and its requirements, and its effect on the activity of Security's issuer, and the obligations arising from listing. Also submit a summary of the technical study including the purpose of listing on a Non-Kuwaiti Exchange, its benefits and anticipated risks, in addition to the precautions taken to limit such risks.
3. Submitting a certified copy of the ordinary general assembly's resolution approving the listing of the Security in the Non-Kuwaiti Exchange upon the request for approval, provided that the approval of the general assembly has not been more than one year.
4. Submitting an undertaking upon the request for approval of not disclosing any information to the Non-Kuwaiti Exchange before or at the same time of disclosing the same to the Exchange.
5. Submitting an undertaking upon the request for approval to provide the Exchange with all requirements and information related to disclosure in the Non-Kuwaiti Exchange.
6. Any other requirements, conditions or rules stipulated by the Authority.

**Article 2-4**

**Delisting of Shares of Shareholding Companies from the Exchange**

**Article 2-4-1**

The Authority may cancel the listing of the Shares of a shareholding company listed in the Exchange in any of the following cases:

1. If the company refrained from appointing a Compliance Officer after being notified by the Authority to do so.
2. If the company is dissolved in accordance with the provisions of the Companies Law.
3. If the trading of the share was suspended for a period of six months without the company meeting the necessary requirements to resume trading.
4. If the company merged with another company or companies whereby such merger leads to the termination of its corporate legal identity.
5. If the listed shareholding company stopped practicing its activities permanently, or if stopped practicing its activities temporarily for more than a year.
6. In case of a Reverse Acquisition which is stipulated in Article (3-10) of Chapter Three of (Mergers and Acquisitions) Module of these Bylaws.
7. If the company breaches one of the listing requirements set forth in these Bylaws or the Exchange's rules.
8. If the Authority deems that canceling the listing is necessary for protecting investors or regulating the market.

**Article 2-4-2**

The Board of Directors of a company shall call the general assembly to discuss the resolution of delisting the company's Shares from the Exchange, including addressing the company's current condition and the future plans to resolve these conditions. Calling for the company's general assembly shall be made within a period of three months from the date of the resolution to delist the company's Shares. The Members of a Board of Directors shall be subject to disciplinary actions in case of refraining from convening the general assembly during the stated period.

The company shall also provide the Authority and the Exchange with a copy of the certified minutes of the general assembly meeting, within a period of not more than two weeks from the date of commencing the general assembly.

**Article 2-5**

**Voluntary Delisting of Shares of Shareholding Companies from the Exchange**

**Article 2-5-1**

Without prejudice to the provisions of Article (1-6) of this Module, any listed shareholding company may request to Voluntary Delist from the Exchange pursuant to the conditions and procedures in the following order:

1. Disclosing on the Exchange about the company's Board of Directors' recommendation to delist from the Exchange and providing reasons for this decision.
2. Obtaining the approval of the general assembly to delist, provided that this approval is agreed upon by the designated authorities, and that not more than a year has passed since obtaining it.
3. Providing the Authority with the reasons for delisting from the Exchange.
4. Providing the Authority with an undertaking guaranteeing payment of any amounts or obligations due from the company to the Exchange for the period of its listing in the Exchange.
5. Providing the Authority with an undertaking, in coordination with a Clearing Agency for payment of any obligations of the company towards the shareholders including cash dividends and bonus shares.
6. Obtaining the Authority's approval for the voluntary delisting, and announcing it in the Exchange.
7. Announcing that a date is specified for delisting from the Exchange at least six months from the date of announcing the Authority's approval, without including any suspension of trading of Shares within this period.

**Article 2-5-2**

If the Authority approves the application for delisting from the Exchange, any Person may submit an offer to purchase the Shares from the shareholders willing to sell before delisting from the Exchange, provided that the purchase price shall not be less than the average share price of the last six months of trading from the disclosure of the Board of Directors' recommendation to delist from the Exchange. The purchase must be completed before the actual date of the delisting.

The Exchange shall specify the rules for such process.

**Article 2-5-3**

In the case that the company intends to withdraw the request of the voluntary delisting from the Exchange, it shall express its intention before the Authority's issuance of its decision regarding the voluntary delisting request. The company shall attach with the withdrawal request the following documents:

1. Letter that explains the reasons for withdrawing the delisting request from the Exchange.
2. Copy of the company's general assembly's decision of withdrawing the decision of delisting from the Exchange, approved by the designated authorities.
3. The Authority may accept the withdrawal request or reject the request and continue to study the delisting request.

**Chapter Three****Listing of Funds Units in the Exchange****Article 3-1****Listing Application of Fund in the Exchange**

Listing a Fund in the Exchange:

Without prejudice to the application of Article (1-6) of this Module, Funds submitting a Listing Application for their Units in the Exchange shall meet the investment conditions stipulated in Module Thirteen (Collective Investment Schemes) of the Bylaws, and the listing conditions set forth in the Exchange's rules, in addition to the following conditions:

1. The Fund shall be licensed by the Authority and registered in Collective Investment Schemes register by the Authority.
2. It shall be a Close-Ended Fund or Exchange-traded Funds (ETFs).
3. The Articles of Association of the Fund shall stipulate the possibility to list the Units of the fund on the Exchange.
4. The remaining period for the Fund shall not be less than one year from the date of submitting the Listing Application unless its period is extended.
5. The Units of the Fund shall be tradable and freely transferable in conformity with the provisions of the Law, these Bylaws, the Articles of Association, and the rules set forth by the Exchange and approved by the Authority. The purchase of the Unit owner of any Unit shall be deemed as an acknowledgment of his perusal and approval of the provisions of the Articles of Association of the Fund. The Fund Manager shall be committed to publishing the Articles of Association of the Fund and its amendments through the Exchange.
6. Any other conditions or regulations stipulated by the Authority.

**Article 3-2**

Units of the Real Estate Income-generating Fund (Traded) shall be listed on the Exchange, and such Units are traded.

### Listing Units of Local Funds in a Non-Kuwaiti Exchange

#### Article 3-3

Units of local Funds listed in the Exchange may not list their Units on any Non-Kuwaiti Exchange without obtaining the Authority's approval.

#### Article 3-4

The Fund Manager shall comply with the provisions of Article (2-4-2) of Module Thirteen (Collective Investment Schemes) of these Bylaws if the capital of the Exchange-Traded Fund is reduced to less than the minimum limit stipulated in the mentioned article.

#### Article 3-5

The Fund Manager of a listed Fund shall publish the basic financial information and any information relating to the Fund Unit holders on the disclosure system in the Exchange, and shall disclose the Material Information pursuant to the provisions of Chapter Four of Module (Disclosure and Transparency) of these Bylaws, in a manner that is consistent with its nature. In all cases, the Fund Manager shall disclose to the Authority and the Exchange the following information:

1. Any transaction for the purchase, sale, mortgage or lease of an asset at a price equal to or greater than 10% of the total value of the Fund's assets in accordance with the latest monthly valuation or financial statements, whether reviewed interim financial statements or audited annual financial statements.
2. Any losses equal to or greater than 10% of the net assets of the Fund in accordance with the latest monthly valuation or financial statements, whether reviewed interim financial statements or audited annual financial statements.
3. The percentage of borrowing or obligations on the Fund from the net value of its assets.
4. If the operating income of a tenant exceeds 10% of the total operating income of the Fund, the Fund Manager shall disclose the duration of the contract and the remaining period in respect to Real Estate Income-generating Funds (Traded).
5. Amendments to the Articles of Association.
6. Any change in the composition of the members of the Board of Directors of the Fund or any change in the service providers.
7. Any cease in any of the Fund's main activities and constitutes a material impact on its revenues.

**Article 3-6** In case of changing the Fund Manager, the new Fund Manager shall commit to the provisions stated in this Module.

**Article 3-7** The Funds shall commit to fill in the prepared and approved by the Authority form for this purpose upon submitting their applications.

**Article 3-8** The Fund Manager shall comply with the provisions of distributing dividends stipulated in the Exchange's rules in respect to the entitlement of Shares, in a manner that is consistent with the nature of this Fund and the provisions to which it is subject.

#### **Delisting of Funds' Units from the Exchange**

**Article 3-9** The Authority may cancel the listing of units of Fund on the Exchange in any of the following cases:

1. If the Fund no longer complies with any of the listing requirements stipulated in this Module, related to the following:
  - a. Failure to appoint a service provider after a period of six months from being notified of its necessity by the Authority.
  - b. If the trading of Units of the Fund was suspended for a more than a period of six months without taking any proper procedures to resume trading by the Fund Manager.
2. If the Fund stopped practicing its licensed activities permanently or if the Fund stopped practicing its licensed activities temporarily for more than a year.
3. If the license of the Fund is cancelled for any reason.
4. If the Fund was terminated for any reason.
5. If the Authority deems that canceling the listing is necessary for protecting investors or regulating the market.



**Article 3-10**

**Voluntary Delisting of Funds' Units from the Exchange**

Any listed Fund may request to delist its Units from the Exchange pursuant to the terms and conditions in the following order:

1. Disclosing on the Exchange about the recommendation of the entity that manages the fund to delist from the Exchange and providing reasons.
2. Without prejudice to the provisions of Article (2-35) of Module Thirteen (Collective Investment Schemes) of these Bylaws, the approval of the Unit holders holding the majority of 75% of the Fund's capital must be obtained, and proof must be submitted to the Authority.
3. If the Exchange-traded Funds of certain Unit holders are not able to recover due to the limited number of their units, the Authority will hold the managers of the Fund responsible and shall require redemption of the units owned by the participants in accordance with the last price for the unit assessment at the redemption time, and proof of the same must be submitted to the Authority.
4. Providing the Authority with the reasons of delisting from the Exchange.
5. Providing the Authority with an undertaking from the entity managing the Fund guaranteeing payment of any amounts or liabilities due from the Fund to the Exchange for the period of listing in the Exchange.
6. Providing the Authority with undertaking, in coordination with a Clearing Agency for payment of any liabilities on the Fund towards the Unit holders including cash profits and returns.
7. Obtaining the Authority's approval for the voluntary delisting, and announcing it in the Exchange.
8. Announcing that a date is specified for delisting from the Exchange at least six months from the date of announcing the Authority's approval, without including any suspension of trading of Units within this period.

## Chapter Four

### Listing Bonds and Sukuk

4

#### Article 4-1

##### Scope of Application

The provisions of this Chapter shall apply to the listing of Bonds and Sukuk issued by:

1. Public Shareholding Companies.
2. Closed Shareholding Companies.
3. Special Purpose Vehicle Companies regulated by the Authority in pursuant with the provisions stipulated in Item (9) of Article (5) of Law.
4. Different Government Bodies, agencies and public institutions.

These provisions also apply to any foreign Issuer submitting Bonds and Sukuk Listing Application for trading on the Exchange.

##### General Provisions

#### Article 4-2

An Issuer of Bonds or Sukuk, approved by the Authority to be offered through a Public Offering, shall submit a Listing Application to the Authority to list these Bonds or Sukuk on the Exchange prior to them being issued to the public.

An Issuer of the Bonds or Sukuk which are offered via a Private Placement may submit a Listing Application to the Authority for listing these Bonds and Sukuk on the Exchange.

### Requirements Related to the Obligor

#### Article 4-3

The Obligor of the Bonds or Sukuk submitting a Listing Application shall meet the following conditions:

1. It shall be dully incorporated in accordance with the provisions stipulated in the laws of its country of incorporation and be operating in conformity with its Company Contract.
2. The issued capital of the Issuer shall be fully paid.
3. That a period of no less than three financial years have passed since the Obligor incorporation for which three audited financial statements have been issued prior to the submission of the Listing Application.
4. The Obligor shall have been practicing one or more of its main licensed activities for the last three financial years prior to the date of submitting the Listing Application.
5. To be able to demonstrate on its own or with its Subsidiaries its ability to meet the working capital requirements for the Issuer for the twelve months immediately following the Listing Application date.
6. The members of the senior management or the Obligor's Members of a Board of Directors shall have sufficient expertise and experience for the management of its business.
7. Obtaining the written approval of the Authority and other Regulatory Bodies for issuance of Bonds or Sukuk for which listing is sought.
8. Appointment of a Listing Advisor.
9. Any other conditions or regulations stipulated by the Authority.

### Requirements Related to Bonds or Sukuk

#### Article 4-4

Bonds and Sukuk may be listed in the Exchange if the listing conditions stipulated in the Exchange's rules are met, in addition to the following conditions:

1. Bonds or Sukuk shall be duly issued in accordance with the provisions of the laws and regulations applicable to the Issuer and the Obligor and in conformity with their respective Company Contract.
2. Bonds or Sukuk shall be tradable and freely, and there shall not be any restrictions that may obstruct their trading or the transfer of their ownership between the traders of the Issuer or the Obligor or their respective countries of incorporation, and specifying such restrictions, if any.
3. The Sukuk shall be issued and approved for trading in accordance with the provisions of Islamic Sharia and approved by an External Sharia Auditing Office.
4. Forming a Bondholders Association or Sukukholders Association.
5. Obtaining a credit rating for the Bonds or Sukuk from a Credit Rating Agency licensed or accepted by the Authority.
6. Any other conditions or regulations stipulated by the Authority.

Article 4-5

**Listing Application**

The Listing Application shall be signed by the Issuer or Obligor and submitted to the Authority on the form prepared for this purpose, accompanied by the following documents:

1. An authorization letter from the Issuer or Obligor - as applicable - to the Listing Advisor for following up with the process of listing the Bonds or Sukuk on the Exchange.
2. Copy of the Company Contract of the Issuer, Obligor and Guarantor pursuant to the applicable laws in the country of its incorporation and a copy of all the amendments that occurred to the same.
3. Basic and financial details of the Issuer or Obligor - as applicable - as follows:
  - a. The name of the Issuer or Obligor - as applicable - and its legal form.
  - b. The amount of the capital.
  - c. The Issuer or Obligor - as applicable - main licensed activities and its relationship with any other holding, Subsidiary, Associate or Ally company.
  - d. The list of the names of the Members of a Board of Directors.
  - e. The list of the authorized signatories and sample of signatures.
  - f. The country in which the Issuer or Obligor - as applicable - and the place of its headquarters are incorporated.
  - g. The name and address of the external Auditor and the external Sharia Audit Office.
  - h. Copy of the company's shareholders register issued by a Clearing Agency.
  - i. Copy of the Prospectus.
  - j. Copy of the Trust Document, if any.
  - k. Copy of the guarantee of the issuance, as applicable.
4. The approved original copy of the audited financial statements of the Issuer or Obligor - as applicable - and any other guarantor for the last three financial years prior to the submission of the Listing Application, in addition to the latest audited quarterly financial statements if more than three months have passed since the last annual financial statements of the company. In case where the Issuer is a Special Purpose Vehicle Company set up for the purposes of issuing Asset-Backed Bonds or Asset-Backed Sukuk, this requirement shall not be applied.
5. A copy of the Board of Directors or the related management of the Issuer or Obligor to approve the Listing Application.
6. In case of Guaranteed Issue, a copy of the resolution of the Board of Directors' or the Administrative Authority to the guarantor approving the Listing Application, in the case of a guaranteed issue of Sukuk .
7. A copy of the approval sought from the Authority or any other Regulatory Bodies for the Bonds or Sukuk issue, in addition to a letter from the Listing Advisor of the Issuer - as applicable - confirming that all the necessary approvals has been obtained.

8. An undertaking or acknowledgment from the Board of Directors or members of the Administrative Authority of the Issuer or Obligor - as applicable - to comply with the applicable laws, regulations and resolutions of the Authority and the Exchange and provide all information and statements required by the Authority and the Exchange while ensuring that such information and statements are accurate and true.
9. With regards to the Sukuk Issued outside the State of Kuwait, a copy of the report of the external Sharia Audit Office or the legal opinion of the Sharia Audit Officer approving the issue and trading of Sukuk.
10. A legal opinion from the Issuer and Obligor's external legal advisor setting out all the cases or group of cases filed for or against the Issuer or Obligor that have a material effect on the financial position of the Issuer or Obligor, including amounts and details of such claims.
11. A detailed report on the assets of the Issuer or the Bond Assets or Sukuk Assets related to the indirect issuances, issued by its Auditor stating that these Assets have been valued in accordance with generally accepted rules and standards. The Authority may request a copy of these valuations.
12. Payment receipt of the Listing Application fees to the Authority.
13. Other documents required by the Authority from the Issuer, Obligor, Originator or Guarantor, as applicable.

**Article 4-6**

In the cases where the issuance of Bonds or Sukuk is guaranteed by the Government of the State of Kuwait or in such other circumstances as the Authority may decide, the Authority may grant exemptions and waive some or all of the requirements stipulated in this chapter.

**Article 4-7**

The Members of a Board of Directors and the Chief Executive Officer of the Issuer or Obligor - as applicable - shall be responsible for the contents of the Listing Application submitted to the Authority and the Exchange and the Listing Advisor shall be responsible for the completeness of information disclosed in the Listing Application.

In case of the Guaranteed Issue, the Guarantor shall be responsible for the contents of the Listing Application related to the Guarantor or the guarantee.

**Article 4-8**

The Issuer or Obligor - as applicable - or any other parties stated in this Article of this Chapter, shall be primarily responsible for satisfying the regulatory requirements for the approval of the listing of Bonds or Sukuk without the Listing Advisor being responsible for such task.

**Article 4-9**

In case of the Guaranteed Issue of bonds or Sukuk, the relevant guarantee shall be issued in conformity with the laws which are relevant to the Guarantor and in conformity with the Guarantor Company Contract and all authorizations needed for its issues under such laws shall have been duly given.

**Article 4-10**

Without prejudice to the listing requirements stipulated in this Module, the Convertible Bonds or Convertible Sukuk may be admitted to listing, only if the Shares of the same class into which they are convertible are already listed on the Exchange or an Exchange outside Kuwait under the supervision of a foreign authority with supervising competences.

**Listing of the Bonds or Sukuk Issued by a Foreign Issuer**

**Article 4-11**

A foreign Issuer applying for the listing Bonds and Sukuk shall be subject to the provisions of Chapter Three of this Module in addition to the following requirements:

1. The foreign Issuer of Bonds or Sukuk shall already be listed on an Exchange and subject to the supervision of a competent foreign authority. In case the foreign Issuer is a Special Purpose Vehicle Company and the Obligor or originator is registered in the State of Kuwait, this item shall not apply.
2. The Foreign Issuer shall provide an undertaking to publish its latest audited financial statements and business results on two daily Arabic newspapers prior to the commencement of trading of the Bonds or Sukuk on the Exchange. In case the Foreign Issuer is a Special Purpose Vehicle Company and the Obligor or originator is registered in the State of Kuwait, this Item shall not apply.
3. The Foreign Issuer shall appoint a legal representative in the State of Kuwait and one of the Licensed Persons by the Authority and assume duties of the Bonds or Sukuk registration, all financial obligations including periodic distributions of profits and redemption, receiving and submitting related required reports, and any other matters related to the Bonds or Sukuk.
4. Any other conditions or regulations stipulated by the Authority.

**Article 4-12**

Without prejudice to the listing requirements stipulated in this chapter, a Foreign Issuer shall submit to the Authority the following documents:

1. Certificate of listing of the Bonds or Sukuk in any Exchange in a jurisdiction other than the State of Kuwait. In case the Foreign Issuer is a Special Purpose Vehicle Company and the Obligor or originator is registered in the State of Kuwait, this Item shall not apply.
2. The documentation related to the appointment of the legal representative of the Foreign Issuer in the State of Kuwait.

**Listing Units of Bonds or Sukuk in any non-Kuwaiti Exchange**

**Article 4-13**

Issuers of Bonds or Sukuk listed in the Exchange may list Bonds or Sukuk in Non-Kuwaiti Exchanges only after obtaining the prior approval of the Authority.

### Delisting of Bonds and Sukuk from the Exchange

#### Article 4-14

The Authority may cancel the listing of any Bonds or Sukuk listed on the Exchange in any of the following conditions:

1. If a final judgment or any resolution was passed to dissolve or liquidate the Issuer or Obligor.
2. If the Issuer or Obligor stopped practicing its licensed activities temporarily for more than a year.
3. If the Issuer or Obligor merges with another entity or person whereby such Merger leads to the termination of its corporate legal identity, or which includes the redemption of the issued Bonds or Sukuk, or the conversion of the whole or large part of the Bonds or Sukuk into a different form of Securities.
4. If there is redemption of all the listed Bonds or Sukuk before the final maturity date.
5. If there is conversion of all the listed Bonds or Sukuk into a different form of Securities.
6. If the Bonds or Sukuk are delisted in any regulated foreign Exchanges in outside the State of Kuwait.
7. If the Authority deems that delisting is necessary for protection of the investors or the maintenance of an orderly market.

Article 4-15

**Voluntary Delisting of listed Bonds and Sukuk from the Exchange**

An Issuer may apply for voluntary delisting in accordance with the conditions and procedures in the following order:

1. The Issuer shall announce the Board of Directors recommendation of delisting from the Exchange and specifying the reasons for such a decision.
2. Notifying the Bondholders or Sukukholders required to be withdrawn, and the Authority and the Exchange by a written notification providing prior to the date stated for the withdrawal from the listing. Such notice shall include a clear and adequate explanation of the following:
  - a. Its decision to delist.
  - b. The intended date and time of the delisting.
  - c. The nature of the events affecting the activities of the Issuer.
  - d. Any other information the Authority may request.
3. Submitting an undertaking to the Authority from the Issuer and Obligor guaranteeing payment of any amounts or liabilities due from the Issuer or Obligor - as applicable - to all the relevant parties for the listing period.
4. Providing the Authority with undertaking, in coordination with a Clearing Agency for payment of any liabilities on the company towards the Bondholders Association or Sukukholders Association including cash profits or returns.
5. Obtain the approval of two thirds of the Bondholders or Sukukholders to delist from the Exchange and deposit the approval with the Authority.
6. An Issuer shall obtain the Authority approval to delist from the Exchange, and shall announce it in the Exchange.
7. Announcing the specification of the date of delisting from the Exchange within a period than six months from the date of the Authority approval without suspension of Bonds or Sukuk during this period.



**DISCLAIMER:**

This “translation” of the Bylaws of the Capital Markets Authority from Arabic into English is provided solely for reference. No translation can exactly reflect every aspect of an original text and accordingly this “translation” may be used for guidance but not for legal purposes. Only the Arabic original shall be considered for legal proceedings and legal actions before the competent courts of jurisdiction and in any arbitration mechanism agreed upon by contracting parties to any transaction made under the Law and the Bylaws thereof. The Capital Markets Authority shall not be responsible for any mistake, error and/or misinterpretation made or given by any party based on that party’s interpretation of the Law and the Bylaws whether arising from a reading of the Arabic text or, specifically in the context of this document, the English “translation”. The original Arabic versions, as approved and accordingly published by the Authority, shall constitute the only source of the provisions and regulations of the Law and its Bylaws.

## **Appendix 1**

### **Application for Listing a Security in the Exchange in a Non-Kuwaiti Exchange**

**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**(1) Information of the company**

Company Name: ❖

Address of the company's permanent headquarters: ❖

**(2) Information of the Listing Advisor**

Name of the Listing Advisor: ❖

Liaison Officer:

Department:

Mobile No.:

Fax. no:

Tel No.:

E-mail

**(3) Financial Details**

The company's current issued and paid capital: ❖

Authorized capital: ❖

Number of Shares: ❖

Percentage of Shares to be listed in the foreign exchange: ❖

Number of shareholders registered in the share record: ❖

**(4) Information of the Auditor**

Auditor name: ❖

Mobile No.:

Fax No.:

Tel. No.:

E-mail:

**(5) Information of the Legal Advisor**

Legal Advisor name: ❖

Mobile No.:

Fax No.:

Tel. No.:

E-mail:

**(6) List of documents required upon submission of the application**

S	Document	Enclosure	N/A	Review Status (Capital Market Authority only)	Remarks
1❖	A study specifying the objective of listing in the Non-Kuwaiti Exchange along with the requirements, and its effect on the activity of the Issuer of the Security, and the obligations of listing, and a brief of the technical study including the objective of the listing in the Non-Kuwait Exchange, its privileges and anticipated risks, in addition to the procedures taken by the company to limit such risks.	<input type="checkbox"/>			
2❖	A certified copy of the ordinary general assembly's resolution approving the listing of the Security in the Non-Kuwaiti Exchange upon the request for approval, provided that the approval of the general assembly has not been more than one year.	<input type="checkbox"/>			
3❖	An undertaking of not disclosing any information to the Non-Kuwait Exchange before or at the same time of disclosing to the Exchange.	<input type="checkbox"/>			
4❖	An undertaking of abiding with providing the Exchange with all the requirements and details related to disclosure in the Non-Kuwait Exchange.	<input type="checkbox"/>			
5❖	Copy of Fees Payment Receipt of the Application.	<input type="checkbox"/>			

Note: No application shall be admitted unless this form is completed, especially the mandatory fields marked with ❖. If none of the above documents are available, please notify the Authority with an official letter explaining the reason.

**Application Reviewer  
(Capital Market Authority)**

Date ...../...../.....

Signature


Stamp

**Applicant**

Date ...../...../.....

Signature


Stamp

## **Appendix 2**

### **Application for Voluntary Delisting of a Listed Company Shares from the Exchange**

**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**(1) Information of the company**

Company Name: ❖

Address of the company’s permanent headquarters: ❖

**(2) List of documents required upon submission of the application**

SR.	Document	Appendix	N/A	Review Status (Capital Market Authority only)	Remarks
1❖	A letter from the company requesting delisting from the Exchange.	<input type="checkbox"/>			
2❖	Copy of the announcement of the Board of Directors recommendation of delisting from the Exchange and specifying the reasons for such a decision.	<input type="checkbox"/>			
3❖	Providing the Authority with the reasons of delisting from the Exchange.	<input type="checkbox"/>			
4❖	A copy of the minutes of the general assembly’s meeting of approving the delisting, provided that the approval is certified by the concerned bodies and that not more than one year has passed since that approval.	<input type="checkbox"/>			
5❖	An undertaking from the company guaranteeing payment of any amounts or obligations due from the company to shareholders of cash dividends and bonus shares.	<input type="checkbox"/>			
6❖	An undertaking from the company in coordination with a Clearing Agency for payment of any obligations of the company towards the shareholders including cash dividends and bonus shares.	<input type="checkbox"/>			
7❖	Copy of Fees Payment Receipt of the Delisting Application.	<input type="checkbox"/>			

No application shall be admitted unless this form is completed, especially the mandatory fields marked with ❖. If none of the above documents are available, please notify the Authority with an official letter explaining the reason.

**Application Reviewer  
(Capital Market Authority)**

Date ...../...../.....

Signature

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Stamp

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**Applicant**

Date ...../...../.....

Signature

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Stamp

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