



**nairobi
securities
exchange**
Discover Opportunity

TRADING RULES
FOR
FIXED INCOME SECURITIES
JULY 2015

TABLE OF CONTENTS

<u>1</u>	<u>Interpretation</u>	2
<u>2</u>	<u>Definitions</u>	3
<u>3</u>	<u>Application Of These Rules</u>	10
<u>4</u>	<u>Access To The Ats</u>	10
<u>5</u>	<u>Trading Procedures</u>	13
<u>5.1</u>	<u>Trading Hours</u>	13
<u>5.2</u>	<u>Fixed Income Securities Board</u>	13
<u>5.3</u>	<u>Board Lot</u>	14
<u>5.4</u>	<u>Fixed Income Securities Trades</u>	14
<u>5.5</u>	<u>Order Input</u>	14
<u>5.6</u>	<u>Cancellation Or Amendment Of Orders</u>	15
<u>5.7</u>	<u>Trading Status Of Security</u>	16
<u>5.8</u>	<u>Announcements</u>	16
<u>6</u>	<u>Trading Sessions</u>	16
<u>6.1</u>	<u>Continuous Trading</u>	16
<u>6.2</u>	<u>Matching Of Orders</u>	16
<u>6.3</u>	<u>Closing</u>	17
<u>6.4</u>	<u>Reference Price Of A Fixed Income Security</u>	17
<u>7</u>	<u>Cancellation Of Transactions</u>	17
<u>8</u>	<u>Trading Halts</u>	17
<u>9</u>	<u>Assistance By The Exchange</u>	18
<u>10</u>	<u>Exclusion Of Liability</u>	18
<u>11</u>	<u>Dispute Resolution</u>	19
<u>12</u>	<u>Official Price List And Other Market Information</u>	19
<u>13</u>	<u>Transitional Provisions</u>	20

1 INTERPRETATION

The definitions used in the Capital Markets Act(Cap. 485A) of the Laws of Kenya and the Central Depositories Act 2000 (including the Regulations and Guidelines issued thereunder) shall apply to these rules.

Unless inconsistent with the context, the singular includes the plural and the use of either gender includes the other.

Headings are purely for reference purposes and shall not be taken into account in the interpretation of the rules.

2 DEFINITIONS

The definitions contained herein shall be as prescribed under the Capital Markets Act Cap. 485A (including the Regulations and Guidelines issued thereunder) and where appropriate, are repeated verbatim.

In these rules unless the context otherwise requires-

- “Act” refers to the Capital Markets Act (Cap. 485A) and the Regulations and Guidelines issued thereunder.
- “Authority” refers to the Capital Markets Authority established under Section 5 of the Capital Markets Act (Cap. 485A).
- “Automated Trading System” (ATS) refers to the software, hardware, communications and network systems forming the electronic trading system for the automatic matching of orders designated and approved by the Exchange for the trading of listed securities in the Exchange.
- “ATS Operator” means an authorized Trading Participant’s Representative certified by the Exchange as an ATS Operator and having a unique identification number.
- “Authorised Securities Dealer” means a person authorized to deal in securities and operate in a specified market segment as may be prescribed by the Authority.
- “Board” refers to the Board of Directors of the Exchange.
- “Bond Reference Price” means the last traded clean price of a fixed income security.
- “Bidding Advance” refers to the allowable margins within which a trader may move the price of a security up or down during trading.
- “Central Depository” means a company licensed by the Authority to -
- (a) establish and operate a system for the central handling of securities –
 - (i) where securities are deposited and held in custody by, or registered in the name of, the company or its nominee company for depositors and dealings in respect of these securities are effected by means of entries in securities accounts without the physical delivery of certificates; or

(ii) which permits or facilitates the settlement or registration of securities transactions or dealings in securities without the physical delivery of certificates; and

(b) provides other facilities and services incidental thereto.

“CDSC”	refers to the Central Depository and Settlement Corporation Limited a limited liability company incorporated in Kenya and approved under Section 5 of the Central Depositories Act 2000.
“Central Bank of Kenya or CBK”	refers to the Central Bank of Kenya established under the Central Bank of Kenya Act (Cap 491 of the Laws of Kenya).
“Central Depository Rules 2004”	refers to the rules made by the CDSC for the operation of the CDS.
“Chairman”	refers to the Chairman of the Board of Directors of the Exchange.
“Chief Executive”	refers to the Chief Executive Officer of the Exchange.
“CDS Account”	means an account established by a central depository or the Central Bank of Kenya for the recording of securities in respect of dealings in such securities by the person in whose name the account has been established.
“Companies Act”	refers to the Companies Act, Chapter 486 of the Laws of Kenya.
“Daily Trading Summary Schedule”	is a schedule generated by the Exchange in which all transactions dealt by a Trading Participant in a trading session are recorded.
“Days”	means calendar days excluding Saturdays, Sundays and public holidays.
“Dealer”	means a person who carries on the business of buying, selling, dealing, trading, underwriting or retailing of securities whether or not he carries on any other business.
“Dealing in securities”	means making or offering to make with any person, or inducing or attempting to induce any person to enter into or to offer to enter into- (a) any agreement for or with a view to acquiring, disposing of, subscribing for or underwriting listed securities; or (b) any agreement the purpose or intended purpose of which is to secure a profit to any of the parties from the yield of listed

	securities or by reference to fluctuations in the price of listed securities.
“Dealing Spread”	refers to the allowable price margin within which a deal may move up or down during trading.
“Disaster Recovery Site”	refers to the place designated by the Exchange for the relocation of the trading Floor in the event that the Trading Floor and the Remote Broker Servers are inaccessible for purposes of trading.
“Exchange”	refers to Nairobi Securities Exchange Limited.
“Executive Director”	means a Director of a Trading Participant, by whatever name described, who has executive responsibility within a Trading Participant.
“Exchange Trading Workstations”	refers to the Trading Workstations placed on the Trading Floor for use by Trading Participants during an ATS Floor Session.
“Fixed Income Security”	refers to: <ul style="list-style-type: none"> (a) a debentures or bonds issued or proposed to be issued by a government or local authority; or (b) debentures, bonds or notes issued or proposed to be issued by a body corporate.
“Head of Operations and Technology”	refers to the Head of the Operations and Technology Department of the Exchange.
“Issuer”	means an entity that is quoted or listed on the Exchange.
“IT Help Desk”	refers to the function in the Operations and Technology Department of the Exchange dedicated to providing support to Trading Participants accessing the ATS through the Remote Broker Server.
“Listed”	means admitted to the Official List of The Exchange, and listing shall be construed accordingly.
“Lot”	means the number of securities comprising an order.
“Market Halt”	means the stopping of trading in all listed securities during a trading session.
“Market Segment”	means a separate segment of the official list established by a securities exchange, with the approval of the Authority, with respect to listings of securities for which specific eligibility and disclosure requirements are prescribed.

“Material Information” refers to any information that may affect the price of an issuer’s securities or influence investment decisions and includes but is not limited to information on -

- (a) a merger, acquisition or joint venture;
- (b) a block split or stock dividend;
- (c) earnings and dividends of an unusual nature;
- (d) the acquisition or loss of a significant contract;
- (e) a significant new product or discovery;
- (f) a change in control or significant change in management;
- (g) a call of securities for redemption;
- (h) the public or private sale of a significant amount of additional securities;
- (i) the purchase or sale of a significant asset;
- (j) a significant labour dispute;
- (k) a significant law suit against the issuer;
- (l) establishment of a programme to make purchases of the issuer’s own shares;
- (m) a tender offer for another issuer’s securities;
- (n) significant alteration of the memorandum and articles of association of the issuer; or

any other peculiar circumstances that may prevail with respect to the issuer or the relevant industry.

“Official List” means a list specifying all securities which have been admitted to listing on any of the market segments of the Exchange.

“Order” means written instructions by a client to a stockbroker as to the security name, quantity, price or price limits and duration or validity of instructions and for the purposes of these rules means a verified order entered in the ATS to buy or sell securities.

“Order Book” or Central Order Book means the electronic record in the ATS of the sequential list of unexecuted orders entered by the Registered ATS Operators.

“Order ID” is a unique number generated by the ATS that identifies an order.

“Par Value”	means the nominal value of a fixed income security or the price at which it will be redeemed.
“Principal Officer”	in relation to a Trading Participant means an officer, by whatever name called, identified by the Trading Participant to the Exchange as the person who is primarily responsible for the management of the day to day affairs of the Trading Participant.
“Remote Broker Server”	means Trading Stations registered with the Exchange for use by Trading Participants for remote trading.
“Remote Trading”	refers to the trading of Listed Securities under the ATS using Remote Broker Servers.
“Restricted Board ”	refers to a trading board where listed fixed income securities arising from a restricted public offer shall trade.
“restricted public offer”	A public offer of securities which is either – <ul style="list-style-type: none"> (a) restricted to sophisticated investors ; or (b) directly communicated to a prescribed category and number of persons; or (c) restricted offer in relation to asset backed securities as defined under the Act;
“Rules”	refers to the rules of the Exchange currently in force as approved by the Authority.
“Securities”	means: <ul style="list-style-type: none"> (a) debentures or bonds issued or proposed to be issued by a government; (b) debentures, shares, bonds, commercial paper or notes issued or

- proposed to be issued by a body corporate;
- (c) derivatives including futures contracts and options contracts on-
 - (i) securities;
 - (ii) indices;
 - (iii) interest or other rates;
 - (iv) currency;
 - (v) futures; or
 - (vi) commodities
 - (d) any unit, interest or share offered under a collective investment scheme or other similar vehicles, whether established in Kenya or not; or
 - (e) any instruments commonly known as securities but does not include-
 - (i) bills of exchange;
 - (ii) promissory notes; or
 - (iii) certificates of deposits issued by a bank or financial institution licensed under the Banking Act

“Security Code”	means the abbreviation used to identify an Issuer’s securities in the ATS.
“Security Halt”	means the temporary stopping of trading in a particular security during a trading session other than by reason of suspension of that security.
“Sell Buy Back Transaction”	means a transaction for the sale and a forward repurchase of a fixed income security.
“Sell Buy Back Contract”	is a written agreement between the seller and the buyer in a Sell Buy Back Transaction.
“Settlement”	refers to the fulfillment of the obligation arising from a transaction including payment to the seller and transfer of title to the buyer.
“Sophisticated investor”	means any person eligible as a sophisticated or qualified investor under the Act;
“System Failure”	refers to equipment breakdown or the breakdown, interruption, suspension, termination or failure or defect in any system (hardware

	or software), including but not limited to any trading system, or service rendered by or on behalf of the Exchange.
“Trading and Compliance Committee”	means the Trading and Compliance Committee appointed by the Exchange.
“Trading Floor”	refers to any place designated and operated by the Exchange for the physical location of Exchange Trading Workstations.
“Trading Halt”	means a market halt or a security halt.
“Trading Participant”	refers to a body corporate admitted to Trading Participantship of the Nairobi Securities Exchange Limited as a full or associate Trading Participant.
“Trading Participant’s Representative”	means a representative of any person licensed by the Authority who is in the employment of the licensed person and who plays a critical role in that company, and includes a trader, director, general manager, analyst, or any other person employed by the licensee who plays a critical role.
“Trading Session”	means the hours during which trades may be entered into and matched through the ATS as specified in these rules.
“Transaction”	means the matching and execution of a buy and a sell order.
“Unrestricted board”	refers to a trading board where only publicly offered and listed fixed income securities other than those arising from a restricted public offer shall trade.
“Validation”	is a process carried out by the ATS prior to the acceptance of an order in the ATS.

Acronyms:

“CDS”	Central Depository
“FISMS”	Fixed Income Securities Market Segment
“T”	In reference to a transaction is the day the transaction is effected
“T+”	A number indicated after T+ means the indicated number of days after the day the transaction is effected. T+1 therefore means one day following the day the transaction is effected and so forth.

3 APPLICATION OF THESE RULES

- 3.1** All listed fixed income securities shall be traded in accordance with these rules through the ATS unless otherwise specifically exempted by these rules or the Act.
- 3.2** Fixed income securities including preference shares that have not been immobilized are exempted from these rules and shall be traded in accordance with the Exchange's Trading Rules as approved by the Authority on April 15th 2002.
- 3.3** English shall be the official language of communication for all users of ATS both during Remote Trading and ATS Floor Sessions.
- 3.4** The Chief Executive shall have the discretion to deny any Trading Participant and/or Trading Participant Representative access to the ATS if they are in breach of the Trading Rules.

4 ACCESS TO THE ATS

4.1 General Access Rules

- 4.1.1** Each Trading Participant shall at all times strictly comply with the Rules of the Exchange and any guidelines, manuals and instructions issued pursuant thereto from time to time by the Exchange, Central Depository or any Regulator relating to ATS Trading.
- 4.1.2** Each Trading Participant shall inform the Exchange of its designated ATS Operators and shall immediately inform the Exchange of any changes thereto.
- 4.1.3** Each designated ATS Operator shall access the ATS using a unique personal identification user name and code provided by the Exchange.
- 4.1.4** Trading Participants shall at all times ensure that only their designated ATS operators access the ATS for order inputs and executing transactions.
- 4.1.5** Trading Participants shall be liable for any loss that may arise in the event that their Remote Broker Server is accessed by unauthorized persons to input orders in the ATS.
- 4.1.6** Officers of the Exchange and the Authority who have been granted access to the ATS shall access ATS using a unique personal identification user name and code provided by the Exchange.

4.1.7 No Trading Participant shall:

- (i) establish or permit to be established any form of electronic device or system capable of routing orders directly from its clients into the ATS or any part of the ATS.
- (ii) connect or cause to be connected to -
 - (a) The ATS or any part thereof (whether directly or indirectly) any device, equipment or facilities for any purpose whatsoever without the written approval of the Exchange; or
 - (b) any device, equipment or facilities which have been approved by the Exchange to be connected to ATS or any part thereof, any additional device, equipment or facilities.

4.1.8 A Trading Participant which is unable to update or remove orders from the ATS or unable to access the ATS through its designated terminal shall immediately notify the Exchange. The notification shall be directed to either the Exchange's Chief Executive, the Head of Operations and Technology and/or the IT Help Desk by telephone and in writing, by electronic mail or by facsimile.

4.1.9 The Exchange shall immediately provide an alternative terminal to a Trading Participant upon receipt of notification under rule 4.1.8.

4.1.10 A Trading Participant which has notified the Exchange of its inability to update or remove orders from the ATS or to access the ATS may request the Exchange to remove its orders from the ATS. Such instruction shall be confirmed in writing immediately thereafter but in any event no later than the end of the trading session.

4.1.11 Access to the ATS shall be through the Remote Broker Server or through the Exchange Trading Workstations.

4.2 Access Through Remote Trading

4.2.1 Provisions to Safeguard the Operations of Remote Trading

4.2.1.1 The Exchange shall be responsible and bear all costs for providing, connecting and maintaining the Remote Broker Server which shall at all times remain the property of the Exchange.

4.2.1.2 Trading Participants shall not in any form or fashion modify the Remote Broker Server.

4.2.2 Use of Remote Trading

- 4.2.2.1 Trading Participants may participate in trading on the Exchange via Remote Trading.
- 4.2.2.2 Each Trading Participant shall have access to the Remote Broker Server and connectivity to the ATS.
- 4.2.2.3 Remote trading can only be conducted by an ATS Operator.

4.3 Access Through the Trading Floor

- 4.3.1 Each Trading Participant shall be granted access to the ATS through a terminal located on the Trading Floor.
- 4.3.2 The Exchange shall assign each Trading Participant a designated terminal on the Trading Floor through which the Trading Participant's designated ATS Operators shall access the ATS.
- 4.3.3 No unauthorized person shall be permitted onto the Trading Floor.
- 4.3.4 Authorized persons shall include Trading Participants representatives, ATS Operators, officers of the Exchange, officers of the CDSC, officers of the Authority, and any persons authorised by the Head of Trading or the Chief Executive.
- 4.3.5 ATS Operators shall at all times strictly comply with the Rules of the Exchange and any guidelines, manuals and instructions issued pursuant thereto from time to time by the Exchange relating to the ATS Floor Sessions.
- 4.3.6 Save as provided for in rule 4.3.5, Trading Participants shall not be allowed to bring clients onto the Trading Floor.

4.4 Conduct and Dress Code

- 4.4.1 All persons on the Trading Floor shall be expected to conduct themselves in a respectable and responsible manner.
- 4.4.2 All persons on the Trading Floor shall be well groomed. Dress shall be formal and for the gentlemen shall include a jacket and a tie.
- 4.4.3 NSE Trading Floor Personnel shall wear green jackets while on the Trading Floor.
- 4.4.4 Stockbroker ATS Operators shall wear red jackets while on the Trading Floor.
- 4.4.5 Dealer ATS Operators shall wear light blue jackets while on the Trading Floor.
- 4.4.6 CDSC officers, Officers of the Authority and all authorised persons shall wear identification badges while on the Trading Floor.

4.5 Disaster Recovery Transition

- 4.5.1 Upon the determination by the Exchange that an event has occurred that renders the ATS inaccessible the Exchange shall provide access to the ATS through the Disaster Recovery Site.
- 4.5.2 The determination of such event shall be made by the Chief Executive in consultation with Chairman of the Exchange and the Chairman of the Trading and Compliance Committee. In the absence of any or all of the persons mentioned above, the determination shall be made by any three Trading Participants of the Board.
- 4.5.3 The Exchange shall within two hours of such determination inform all Trading Participants of the location of the designated Trading Floor and the procedures to be followed by the Trading Participants for the resumption of trading at the designated Trading Floor.

5 TRADING PROCEDURES

5.1 Trading Hours

- 5.1.1 Trading of listed fixed income securities shall be conducted continuously in daily trading sessions commencing at 9.00 a.m. and closing at 3.00 p.m. each day.
- 5.1.2 Time shall be determined by the clock displayed through the ATS trading software.
- 5.1.3 The Chief Executive may, in consultation with the Authority, vary the Trading Hours upon the occurrence of an event that prevents adherence to the set trading hours.

5.2 Fixed Income Securities Board

- 5.2.1 Fixed income securities shall be traded on the Fixed Income Securities Board in ATS.
- 5.2.2 The Fixed Income Securities Board shall be divided into the following Boards for purposes of trading:-
 - i. Unrestricted Board
 - ii. Restricted Board
- 5.2.3 Trading on the Restricted Board shall be restricted to sophisticated investors only.
- 5.2.4 All transactions on the Fixed Income Securities Board shall be settled by T+3.

5.3 Board Lot

The minimum board lot on the Fixed Income Securities board shall be as prescribed by the issuer but in any case not less than one unit of the security.

5.4 Fixed Income Securities Trades

- 5.4.1** Fixed income securities shall be listed in a separate order book on the Fixed Income Securities Board.
- 5.4.2** Fixed income securities with periodic partial principal repayments shall be traded at the subsequent minimum nominal value following the partial principal repayments. Where the fixed income securities traded bear a floating rate of interest, the daily applicable reference interest rate shall be displayed on the Fixed Income securities Board at the start of the trading session.
- 5.4.3** All fixed income securities shall be traded cum coupon up to the date fixed for the closure of books for determination of entitlements as communicated by the issuer.
- 5.4.4** A fixed income security issued by the Government shall not be traded within the last 2 working days of the principal redemption.
- 5.4.5** A fixed income security issued by a body corporate shall not be traded within the last 3 working days of the principal redemption.
- 5.4.6** All transactions of fixed income securities issued by the Government shall be settled by T+3.
- 5.4.7** All transactions of fixed income securities shall be settled by T+3.

5.5 Order Input

- 5.5.1** All orders shall be entered by ATS operators in the ATS through their trading terminals which shall then be processed by the ATS for validation, acceptance and execution.
- 5.5.2** Once the order is accepted by the ATS it shall be automatically time stamped and allocated an order ID which shall be used for all future references to the order.
- 5.5.3** Orders input into the ATS shall be anonymously displayed to the market.
- 5.5.4** A Trading Participant shall be solely responsible for the accuracy of details of orders entered into the ATS system in accordance with these rules.
- 5.5.5** The order entry instructions for fixed income securities shall include:
 - (i) Security code
 - (ii) CDS Account
 - (iii) An indication whether it is a buy or sell order.
 - (iv) Quantity/Volume

- (v) Yield or price (either clean price or dirty price)
- (vi) Duration of validity of instructions; and
- (vii) Names of two authorized signatories of the CDS account.

5.5.6 Following the entry of an order, the ATS shall validate the order by confirming that the seller's CDS account holds the required number of securities and that the same are available for trading.

5.5.7 Where an order fails validation, it shall be rejected and the reasons for such rejection given.

5.6 Cancellation or Amendment of Orders

5.6.1 An ATS operator may cancel or amend orders at any time prior to execution.

5.6.2 Where an order has been partially executed, the unexecuted portion of the order may be cancelled.

5.6.3 ATS operators shall have access only to orders input by them in the ATS for cancellation or amendment.

5.6.4 Order shall only be amended in respect of price/ yield, volume attributes or duration of validity of instructions.

5.6.5 An amended order shall be considered to be a new order with a new time stamp

5.7 Sell Buy Backs

5.7.1 The parties to a Sell Buy Back Transaction shall negotiate and sign a Sell Buy Back Contract containing the following minimum information prior to the execution of the Sale Buy Back Transaction:

- i. Security Name,
- ii. Quantity
- iii. Price (Dirty and Clean)
- iv. Duration and validity of instructions
- v. Second leg price (Dirty and Clean)
- vi. Names of two authorized signatories of the CDS account.

5.7.2 The parties to a Sell Buy Back Transaction shall report to the Exchange a Sell/Buy Back transaction concluded during a given trading session.

5.8 Trading Status of Security

The following status shall be indicated against individual securities in accordance with the timetable provided by the Issuer:-

- 's' To signify that the security has been suspended from trading and no transactions shall be recorded on that particular security.
- 'xc' To signify that the security is trading ex coupon.
- 'Q' To indicate that the auditors' opinion on the annual financial statements of the company is qualified. The annotation shall be removed once the company produces an unqualified opinion of its auditor.

5.8 Announcements

5.8.1 An issuer shall as soon as possible but not later than twenty four hours, release announcements in accordance with Chapter 10 of the NSE Listing Manual.

5.8.2 Immediately upon receipt of material information and corporate action announcements in respect of entitlements and other market information, the Exchange shall send copies of the entire text of the information or announcement as the case may be, and not an abridged version, to Trading Participants through the ATS.

6 TRADING SESSIONS

6.1 Continuous Trading

Orders shall be entered and matched on a continuing basis during trading.

6.2 Matching of Orders

6.2.1 All orders shall be ranked in the order book by reference to first price and then time.

6.2.2 Priority shall be given to the highest buy orders and the lowest sell orders.

6.2.3 When buy or sell orders are entered at the same buy or sell price priority shall be given to the earliest buy or sell order on a first-in-first-out basis.

6.2.4 Orders for fixed income securities shall execute when the yield or clean price matches.

6.2.5 Where a partial execution of an order occurs the remaining volume will be registered in the order book preserving its original time stamp.

6.3 Closing

The trading session for fixed income securities shall close at 3.00 p.m.

6.4 Reference Price of a Fixed Income Security

The bond reference price of a fixed income security shall be the last traded clean price and for a newly listed fixed income security shall be the average price received from the primary market.

7. CANCELLATION OF TRANSACTIONS

Cancellation of transactions shall only be done in instances of fraud and with the approval of the Authority.

8. TRADING HALTS

8.1 The Chief Executive may, upon prior consultation with the Authority, vary the duration of trading and/or suspend trading for one or more trading sessions or any part of a trading session. Any such halts or variations shall be immediately reported to the Trading and Compliance Committee to note.

8.2 A trading halt may be imposed by the Exchange for a time period during a trading session or may be extended beyond one trading session.

8.3 The Exchange shall inform the Trading Participants of trading halts via the announcement system of the ATS.

8.4 The Exchange shall make a public announcement of a market halt that extends beyond one trading session.

8.4.1 Market Halts

A market halt can occur during a trading session in the following circumstances:

- i. Due to a technical failure of the ATS.
- ii. Where in the opinion of the Chief Executive circumstances exist or are about to occur that could result in other than the transparent, fair and orderly trading of the listed securities.

8.4.2 Security Halts

The Exchange may temporarily halt trading in one or more securities in the following circumstances:

- i. Upon the request of the Authority;
- ii. By the Exchange
- iii. Prior to obtaining a clarification from the company on a report regarding the company which has been brought to the attention of the Exchange.
- iv. When there are unusual market movements in price/volume of a security.
- v. Where in the opinion of the Chief Executive circumstances exist or are about to occur that could result in other than the transparent, fair and orderly trading of the specific securities.

8.5 Trading Participants shall be prohibited from effecting transactions in the security/securities for which a halt of trading has been announced.

8.6 Where the Exchange has reasonable grounds to suspect collusion or market manipulation, the Exchange may delete the orders in the order book at the time of halt.

8.7 Where the orders are not deleted by the Exchange, Trading Participants may withdraw their own orders during the period of halt. No other changes to the order book shall be permitted during the halt.

8.8 The Exchange may upon the request of a Trading Participant, purge all the outstanding orders in the order book of the security/securities on which there has been a halt.

8.9 The Exchange shall immediately inform the Issuer of any halt in the trading of its securities other than for the purposes of making an announcement and in any event no later than 30 minutes after such halt is imposed.

8.10 Trading in the security/securities will resume as soon as the clarification from the Exchange or the issuer is disseminated to the market.

8.11 When the halt is lifted, trading in the security/ securities will resume as per the current market status.

9 ASSISTANCE BY THE EXCHANGE

9.1 The Exchange may suspend or impose restrictions on a Trading Participant who fails to settle a transaction upon receiving a written request from CDSC or CBK.

9.2 Rule 9.1 shall be effected by the Exchange after receiving authorization from the Authority.

10 EXCLUSION OF LIABILITY

10.1 When acting in good faith and without negligence, the Exchange shall not be liable to any person for:

- (i) any loss of opportunity, profit, goodwill, interest or use of money or securities;
- (ii) any other special, indirect or consequential loss, damage, expense, liability or claim;

which is suffered resulting from the failure of the ATS Service.

10.2 Where the Exchange or a Trading Participant is unable to operate the ATS Service due to a market halt, security halt or system failure, or due to an Act of God or force majeure or any act outside the control of the Exchange, the Exchange shall not be liable to pay any compensation or indemnity to any person who incurs a loss as a result of a delay in effecting any transaction.

11 DISPUTE RESOLUTION

11.1 The Head of Operations and Technology shall be responsible for interpreting the Trading Rules and settling all disputes on the Trading Floor.

11.2 Any person aggrieved by any decision of the Head of Operations and Technology may appeal to the Chief Executive. If the aggrieved party is not satisfied with the decision of the Chief Executive he may appeal to the Trading and Compliance Committee.

12 OFFICIAL PRICE LIST AND OTHER MARKET INFORMATION

12.1 The Exchange's Official Price List, Market Report and all reports generated by the ATS are the sole property of the Exchange. The copyrights of the Exchange therein are reserved. No person may make a commercial use of the proprietary information of the Exchange in any form or manner whatsoever, unless prior written consent has been given by the Exchange and on such terms and conditions for such use as the Exchange at its absolute discretion shall impose.

12.2 All copyright subsisting in the Exchange's 20 Share Index, all share index, sectoral indices and all other indices that the Exchange may from time to time create and their constituent lists vests in Exchange.

12.3 Transmission of live feeds of market data and information generated through the ATS shall be the sole preserve of the Exchange and redistribution of such live feeds is not permitted without the express prior written consent of the Exchange.

12.4 The Exchange shall publish information on the prices, the traded volumes and the index.

12.5 The Exchange shall determine the particulars to be published for all listed securities, and the form in which and the precise time within which the information is to be provided, as well as the means by

which it is to be made available, having regard to the nature, size and needs of the market concerned and of the investors operating on that market.

13 TRANSITIONAL PROVISIONS

These Trading Rules shall come into effect after approval by the Authority on a date to be determined by the Exchange.