

# TISE

The International  
Stock Exchange  
Authority

## Membership Rules

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## Preface

The **Authority** is responsible for the supervision of **Members** of the **Exchange** and is licensed to operate an investment exchange under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended).

### Authority's Purpose:

Our purpose is to provide a well-regulated listing and trading venue for issuers of global securities and their investors, thus promoting responsible economic growth..

### Authority's Mission:

Our mission is to constantly add value for all our stakeholders by providing a secure and high quality service across a trusted, cost effective and efficient marketplace.

### The Trading and Settlement Rules:

- Govern the requirements for **applicants** to gain admission to membership;
- Govern the continuing obligations requirements of membership;
- Govern the supervision and discipline of **Members** to ensure their compliance with the **Membership Rules**;
- Are subject to revision. Current copies of the **Membership Rules** are available on the **Exchange's** website. The **Authority** will inform **Members** of the **Exchange** of any revisions;
- Are not exhaustive. The **Authority** may impose additional requirements or special conditions where it considers it appropriate, in order to ensure that **Members** demonstrate suitability for membership; and
- May be waived or modified by the **Authority** where it determines the **Member** still demonstrates suitability for membership.

A **Member** is expected to comply with all **Membership Rules** applicable to them, and provide to the **Authority** without delay all the information and explanations that the **Authority** may reasonably require for the purpose of deciding whether to admit an **applicant** to membership, ensure the orderly operation of the market, or to verify compliance with the **Membership Rules**.

Any decision of the **Authority** regarding the interpretation, administration or enforcement of these **Membership Rules** shall be final, conclusive and binding. The **Authority** may publish notes of interpretation, from time to time, to assist in interpreting and complying with the **Membership Rules**.

The admission of any **applicant** to membership of the **Exchange** shall not constitute a warranty or representation by the **Authority** as to the competence of the **Member**, service providers or any other party connected with a **Member**. The **Authority** accepts no liability for any loss, damage, cost or expense whatsoever incurred by any person.

The **Authority** may provide additional guidance on any aspect of the **Membership Rules** and discussions take place in strict confidence subject to any legal or regulatory obligations with which the **Authority** must comply. Please consult with us at an early stage if you are unsure about an **applicant's** suitability for admission to membership, need to clarify potential issues, or have questions regarding the process.

## Principles

The **Membership Rules** require **Members** to adhere to the following Principles, for investors to have and maintain confidence in the markets we operate.

**Members** should:

1. Observe high standards of integrity and fair dealing at all times;
2. Conduct themselves in a manner which positively contributes to the market operated by the **Authority** being fair, efficient and transparent;
3. Act with due skill, care and diligence;
4. Observe high standards of market conduct;
5. Manage conflicts of interest fairly; and
6. Deal with the **Authority** in an open and transparent manner at all times.

## Glossary of terms

Throughout these **Membership Rules**, the following terms, except where the context otherwise requires, have the following meanings:

### agent

a person or legal entity acting on behalf of or in the name of a **Member** whether by way of a contractual relationship or otherwise;

### Appeals Committee

a committee established by the **Board** for the purposes of considering certain final decisions of the **Listing and Membership Committee** or the **Disciplinary Committee**;

### applicant

a **company**, partnership or other legal entity that wishes to apply, or is applying, to become a **Member**;

### associate

in relation to any **director** or **controller** of an **applicant** or **Member**:

- i. who is an individual:
  - that individual's family members; and
  - any **company** of which that individual acts as **director** or whose **directors** are accustomed to act in accordance with the individual's directions or instructions.
- ii. who is a **company**:
  - any person who is an employee of the **company**;
  - any **company** in whose equity securities the **company** is directly or indirectly interested so as to exercise or control the exercise of 15% or more of the voting power at general meetings, or to control the appointment and/or removal of **directors** holding a majority of voting rights at board meetings and any other **company** that is its subsidiary; and
  - any person who is an employee of any subsidiary of the **company**;

### Authority

The International Stock Exchange Authority Limited, also known as TISEA;

### Board

the Board of Directors of the **Authority**;

### business day

any day on which the **Exchange** is open for business, as published on the **Exchange's** website;

### company

a body corporate, wherever incorporated;

### compliance officer

a person who acts as a compliance officer or who fulfils an equivalent role;

### controller

in relation to an **applicant** or **Member**:

- i. who is a **company**:
  - any person in accordance with whose directions or instructions, either alone or with any **associate** or **associates**, the **directors** are accustomed to act (but disregarding advice given in a professional capacity); or
  - any person who, either alone or with any **associate** or **associates**, is entitled to exercise, or control the exercise of, 15% or more of the voting power at any general meeting of the **company** of which it is a subsidiary.
- ii. who is an unincorporated association:
  - any person in accordance with whose directions or instructions, either alone or with any **associate** or **associates**, the officers or members of the governing body of the association are accustomed to act (but disregarding advice given in a professional capacity); or
  - any person who, either alone or with any **associate** or **associates**, is entitled to exercise, or control the exercise of, 15% or more of the voting power at any general meeting of the association;

## Glossary of terms continued

**director**

a person who acts as a director or who fulfils an equivalent role;

**Disciplinary Committee**

a committee established by the **Board** for the purposes of considering disciplinary matters;

**employee**

a person, whether under a contract of service or for services (including a training contract) or any person seconded, whose duties or responsibilities are concerned with the **applicant** or **Member's** activities as a **Member**;

**Exchange**

the investment exchange known as The International Stock Exchange, TISE or any previous or successor name, which is operated by the **Authority**;

**insider dealing**

has the meaning as set out in the Company Securities (Insider Dealing) [Bailiwick of Guernsey] Law, 1996 as amended;

**investment vehicle**

an undertaking, which is either an open-ended investment vehicle or a closed-ended investment vehicle, (in the form of a company, unit trust, limited partnership, REIT or any combination thereof, or other entity) which is not a trading company and which raises capital from one or more investors with a view to investing it in accordance with a defined investment policy for the benefit of its investors;

**Listing and Membership Committee**

a committee established by the **Board** for the purposes of managing, operating and regulating the **Exchange** including, without limitation, the functions set out in Section 2 of Operational Matters in the **Membership Rules**, which may be further delegated to the staff of the **Authority** or any committee;

**listed**

admitted to the Official List (the list of securities admitted to listing and trading on the **Exchange**, which is published and maintained by the **Authority**) and "listing" shall be construed accordingly;

**Listing Agent**

a **Listing Member** appointed by an issuer as a listing agent for the purposes of listing of certain debt securities;

**Listing Document**

means a listing document prepared in accordance with the **Listing Rules**;

**Listing Member**

a **Member** entitled to act as a **Sponsor** or **Listing Agent** for the purposes of obtaining and maintaining a listing of securities on the **Exchange**;

**Listing Rules**

the rules of the **Authority** governing the listing of securities on the **Exchange**, as amended from time to time;

**Listing Undertaking**

the undertaking made by an issuer to the **Authority** in the form set out in Appendix IV [Listing Undertaking] to the **Listing Rules**;

**market abuse**

has the meaning as set out in the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended and the Code of Market Conduct as issued by the Guernsey Financial Services Commission;

**Member**

a **company**, partnership or other legal entity which has been admitted to membership of the **Exchange**;

**Membership Rules**

the rules of the **Authority** concerning, inter alia, its requirements for membership of the **Exchange**, code of conduct, trading, settlement of securities transactions, arbitration and discipline, as amended from time to time;

**Personal Questionnaire**

the personal questionnaire form as required by the **Authority**, or any similar form acceptable to the **Authority**;

**Sponsor**

a **Listing Member** of the **Exchange** appointed by an issuer as sponsor for the purpose of listing certain equity and retail debt securities;

## Glossary of terms continued

### **Supervised**

a firm that is directly licensed, regulated or supervised by a regulatory body recognised by the **Authority**;

### **trader**

an individual who is a **director, employee** or **agent** of a **Trading Member** and who is involved in trading on the **Exchange**;

### **Trading and Settlement Rules**

a subset of the **Membership Rules** concerning inter alia its requirements for trading;

### **Trading Member**

a **Member** who is involved with the trading and settlement of transactions effected under the rules of the **Exchange**;

### **trading system**

the trading system operated by or on behalf of the **Authority**;

### **Unsupervised**

a firm that is not itself directly licensed, regulated or supervised, but is either:

- i. a wholly owned subsidiary of; or
- ii. a member of a group containing;
  - an entity which is directly licensed, regulated or **supervised** by a regulatory body recognised by the **Authority**.

# TISE

**The International  
Stock Exchange  
Authority**

## Rules

Chapter 1 - Membership

Chapter 2 - Continuing obligations

Chapter 3 - Sponsors and listing agents

Chapter 4 - Code of conduct

Chapter 5 - Compliance

Chapter 6 - Discipline



# Membership

## 1.1. Conditions for Membership

### 1.1.1. A **Member** must at all times:

- be duly incorporated or otherwise established according to the relevant laws of its place of incorporation or establishment or as may be otherwise acceptable to the **Authority**;
- be either **Supervised** or **Unsupervised**;
- if **Unsupervised**, satisfy the **Authority** that it has, and will continue to, adopt and apply the anti-money laundering and countering the financing of terrorism policies, procedures and controls of its **Supervised** group entity;
- satisfy the **Authority** that it is of good financial standing and integrity and that it is fit and proper to be a **Member**;
- satisfy the **Authority** that it has sufficient financial, human and technical resources, including **directors, traders** and/or **employees**, with adequate knowledge, experience, training and competence;
- satisfy the **Authority** that it has adequate systems and internal policies, procedures and controls;
- comply with the rules of the **Exchange**, and such other requirements for membership as the **Authority** may from time to time prescribe; and
- not carry on any other business activities which may be inconsistent with its membership of the **Exchange** or which may bring the **Exchange** or the **Authority** into disrepute.

### 1.1.2. In addition to the above, a **Trading Member** must at all times:

- satisfy the **Authority** that it has sufficient financial, human and technical resources, including **directors, traders** and/or **employees**, with adequate knowledge, experience, training and competence to undertake trading activities; and
  - i subject to the prior agreement of the **Authority**, may deploy other suitably qualified staff from within the **Trading Member's** wider organisation; or
  - ii subject to the prior approval of the **Authority**, may deploy other suitably qualified professionals who are contracted to undertake an assignment as part of the **Trading Member's** team;
- exercise strict supervision over the activities and/or actions of its **directors, traders, employees** and any other persons associated with or engaged by the **Trading Member**; and
- satisfy the **Authority** that it has adequate systems and internal policies, procedures and controls for acting as a **Trading Member**.

## Membership continued

### 1.2 Suitability and Application for Membership

- 1.2.1 An **applicant** must satisfy the **Authority** that it is suitable to carry on business as a **Member** and that it is committed to maintaining the highest standards of integrity and market conduct.
- 1.2.2 In considering whether an **applicant** is suitable for admission to membership, the **Authority's** assessment may include the:
- scope of the **applicant's** proposed business activities and, where applicable, its relevant dealing and/or trading capability;
  - sufficiency of financial, human and technical resources, including **directors, traders** and/or **employees** with adequate knowledge, experience, training and competence for the proper performance of the **Member's** duties;
  - adequacy of systems and internal policies, procedures and controls; and
  - scope of regulation, supervision or authorisation under relevant legislation.
- 1.2.3 The **Authority** may also take into account any information relating to any:
- **director, trader, employee** or **agent** of the **applicant**;
  - **controller** or **associate** of the **applicant**;
  - other **companies** in the **applicant's** group, or any **director** or **controller** of any such **company**; and
  - other information that it considers appropriate in relation to the **applicant**.
- 1.2.4 An **applicant** that wishes to become a **Member** must provide the **Authority** with the following initial application documents:
- a completed application in the form prescribed by the **Authority**;
  - its memorandum and articles of association, partnership agreement or other equivalent constitutional document;
  - its certificate of incorporation;
  - its latest annual accounts prepared according to a recognised international standard or in line with what is commonly accepted for the jurisdiction in which it is based, or as otherwise agreed with the **Authority**, or, if the **applicant** has not yet commenced business or has not produced annual accounts, a budgeted profit and loss account and balance sheet for the twelve-month period following the date of commencement of the business and any consolidated group accounts;
  - evidence that it has the necessary human and technical resources (including **employees**, systems and documented policies, procedures and controls) in place to carry out its duties and responsibilities as a **Member**;
  - a **Personal Questionnaire** and appropriate due diligence for all **directors, compliance officers, traders** and other relevant **employees**;
  - evidence that it has adequate professional indemnity insurance in place;
  - a structure chart setting out the **applicant's** (i) subsidiary(s); (ii) immediate owner(s); (iii) ultimate parent(s); and (iv) the percentage ownership in the structure; and
  - the application fee.

## Membership continued

1.2.5 The **Authority** may at any time after receiving an application require the **applicant** to furnish additional information (whether relating directly to the **applicant** or not) which, in the opinion of the **Authority**, is or could be material to its determination of the application.

1.2.6 The application fee is not refundable, even if the application is unsuccessful.

### 1.3 Approved Applications for Membership

1.3.1 If the **Authority** approves an application for membership of the **Exchange**, it may do so subject to conditions. The **Authority** shall within 10 **business days** of its decision, give the **applicant** notice of its decision and any conditions applicable, together with details of the **applicant's** right of appeal in respect of the conditions.

### 1.4 Rejected Applications for Membership

1.4.1 If the **Authority** rejects an application for membership of the **Exchange**, it shall within 10 **business days** of its decision, give the **applicant** notice of its decision and include the grounds for the decision, the principal facts and matters relied upon in making the decision, and details of the **applicant's** right of appeal.

## Continuing obligations

### 2.1 General Obligations

- 2.1.1 A **Member** must ensure that it is able to discharge all its duties and responsibilities in accordance with the **Membership Rules** and **Listing Rules**.
- 2.1.2 A **Member** must confirm to the **Authority** on an annual basis in the manner prescribed that it is still eligible to act as a **Member**.
- 2.1.3 A **Member** must notify the **Authority** immediately upon the occurrence of:
- the imposition of disciplinary measures or sanctions on the **Member** (or its **Supervised** group entity) or any **director, trader** and/or **employee** by any statutory, professional or other body exercising a regulatory or disciplinary jurisdiction;
  - an intervention order or an order having equivalent effect being served on the **Member** (or its **Supervised** group entity) by an **Authority** responsible for the licensing, regulation, supervision or membership of the **Member** (or its **Supervised** group entity);
  - any material change to any matter previously notified to the **Authority** that is or may be pertinent to the **Authority's** consideration of the **Member's** suitability for membership; or
  - its non-compliance with the **Membership Rules** or **Listing Rules** unless the **Authority** has already confirmed its knowledge of such non-compliance to the **Member** in writing.

Where the **Authority** deems it necessary, action may be taken under this rule without prior notice to the **Member** concerned. Such action may include suspension of the **Member** from membership of the **Exchange**.

- 2.1.4 In addition to the above, a **Trading Member** must notify the **Authority** immediately upon the occurrence of any change of circumstances which may affect the ability of the **Trading Member** to discharge its duties and responsibilities.

### 2.2 Name, Office and Constitutional Documents

- 2.2.1 A **Member** must not undertake business as a **Member** under a name which the **Authority** considers to be misleading. A **Member** must notify the **Authority** of the name under which it carries on its business as a **Member**. A **Member** must not change its name unless the **Authority** has been notified in writing in advance of the proposed name and the **Authority** has notified the **Member** that it does not object to the name.
- 2.2.2 A **Member** shall ensure that the details of the address or addresses at which it carries on its business as a **Member** are up to date and that the **Authority** is notified within 10 **business days** of any changes to such details.
- 2.2.3 A **Member** must not make any material changes to its memorandum and articles of association, partnership agreement or other equivalent constitutional documents, unless the **Authority** has been notified in advance of the proposed changes and the reason for them.

### 2.3 Accounts, Audit and Insurance

- 2.3.1 A **Member** must produce annual accounts prepared according to a recognised international standard or in line with what is commonly accepted for the jurisdiction in which it is based, or as otherwise agreed with the **Authority**, and any consolidated group accounts. A **Member** must submit a copy of its annual accounts to the **Authority** within 10 **business days** of the approval of its annual accounts.
- 2.3.2 Where a **Member** is required to appoint an auditor, the **Member** must notify the **Authority** within 10 **business days** of the appointment or resignation of an auditor and, where this relates to a resignation, the **Member** must provide the **Authority** with the reason for the resignation.

## Continuing obligations continued

2.3.3 A **Member** must at all times maintain adequate insurance cover in respect of professional indemnity and/or such other policies as may from time to time be specified by the **Authority**. A **Member** must, upon request, provide evidence to the **Authority** that such cover is in place.

### 2.4 Structure, Ownership and Winding Up

2.4.1 A **Member** must provide the **Authority** with prior notice of any material change in the structure of the **Member**.

2.4.2 A **Member** must provide the **Authority** with prior notice of any material change in the shareholding, ownership or beneficial ownership of the **Member**.

2.4.3 A **Member** must provide the **Authority** with 20 **business days** prior notice of any intention to enter voluntary liquidation or otherwise commence voluntary winding up of the **Member**.

2.4.4 A **Member** must notify the **Authority** immediately upon the occurrence of:

- an application for the winding up of the **Member** or of a **company** which is a subsidiary or parent **company** of the **Member** and, if it is an **Unsupervised Member**, of its licensed, regulated or supervised group entity;
- the appointment of a receiver, administrator or trustee of the **Member**;
- the making of a composition or arrangement with creditors of the **Member**;
- where the **Member** is a partnership, an application or the giving of notice to dissolve the partnership; or
- an event equivalent to the foregoing under a **Member's** local legislation.

Where the **Authority** deems it necessary, action may be taken under this rule without prior notice to the **Member** concerned. Such action may include suspension of the **Member** from membership of the **Exchange**.

### 2.5 Directors, Traders, Employees, Agents and Authorised Persons

2.5.1 A **Member** shall take all reasonable steps to ensure that its **directors, traders, employees** and/or **agents** comply with the **Membership Rules** and **Listing Rules** and shall be liable for the acts and omissions of its **directors, traders, employees** and/or **agents** in connection with these rules.

2.5.2 Any **director, trader, employee** and/or **agent** of a **Member** shall together with that **Member** be liable under these **Membership Rules** for any breach, non-compliance, violation or contravention that was committed or caused with the consent or connivance of, or attributable to any neglect on the part of, such **director, trader, employee** and/or **agent**.

2.5.3 A **Member** must ensure that all its **directors, traders, employees** and/or **agents** are suitable to carry out its duties and responsibilities as a **Member** and are appropriately trained, qualified, supervised and authorised.

2.5.4 A **Member** shall ensure that the details provided to the **Authority** of the persons authorised to represent the **Member** are kept up to date and that the **Authority** is notified promptly of any changes to such details. A **Member** must notify the **Authority** within 10 **business days** of the appointment of such a person or immediately where **Authority** has been withdrawn.

## Continuing obligations continued

### 2.6 Directors and their Responsibilities

- 2.6.1 A **Member** must notify the **Authority** within 10 **business days** of the appointment of a **director** and must provide a **Personal Questionnaire** and appropriate customer due diligence documentation in a form acceptable to the **Authority**.
- 2.6.2 Following receipt of a notification, if the **Authority** objects to any such appointment it shall, within 10 **business days** of its decision, notify the **Member** in writing of its decision and include the grounds for the decision and the principal facts and matters relied upon in making it. The decision of the **Authority** shall be final.
- 2.6.3 Following receipt of a notification, if the **Authority** does not object to the appointment it shall, within 10 **business days** of its decision, notify the **Member** in writing of its decision.
- 2.6.4 A **Member** shall ensure that the details provided to the **Authority** of its **directors** are kept up to date and that the **Authority** is notified promptly of any changes to such details.
- 2.6.5 A **Member** must notify the **Authority** within 10 **business days** of the resignation of a **director** (or where they have otherwise ceased to act) and must provide the **Authority** with the reason for the resignation or cessation.
- 2.6.6 A **Member** shall take all reasonable steps to ensure that its **directors** comply with the **Membership Rules** and **Listing Rules** and shall be liable for the acts and omissions of its **directors** in connection with these rules.

### 2.7 Compliance Officers and their Responsibilities

- 2.7.1 Where a **Member**, or in the case of an **Unsupervised Member** its licensed, regulated or supervised group entity, has appointed a **compliance officer**, it must notify the **Authority** within 10 **business days** of the appointment and must provide a **Personal Questionnaire**.
- 2.7.2 A **Member** must notify the **Authority** within 10 **business days** of the resignation of a **compliance officer** (or where they have otherwise ceased to act) and must provide the **Authority** with the reason for the resignation or cessation.
- 2.7.3 A **Member** shall ensure that the details provided to the **Authority** of its **compliance officer** are kept up to date and that the **Authority** is notified promptly of any changes to such details.

### 2.8 Traders and their Responsibilities

- 2.8.1 A **Trading Member** must not appoint a **trader** unless the **Authority** has been notified in advance of the proposed appointment and the **Authority** has notified the **Trading Member** that it does not object to the appointment. Notification of the proposed appointment of a **trader** must be accompanied by a **Personal Questionnaire** in a form acceptable to the **Authority**.
- 2.8.2 Following receipt of a notification, if the **Authority** objects to any such appointment it shall, within 10 **business days** of its decision, give the **Trading Member** written notice of its decision and include the grounds for the decision and the principal facts and matters relied upon in making it. The decision of the **Authority** shall be final.
- 2.8.3 Following receipt of a notification, if the **Authority** does not object to the appointment, it shall, within 10 **business days** of its decision, give the **Trading Member** written notice of its decision.
- 2.8.4 A **Trading Member** shall ensure that the details provided to the **Authority** of its appointed **traders** are kept up to date and that the **Authority** is notified promptly of any changes to such details.

## Continuing obligations continued

- 2.8.5 A **Trading Member** must notify the **Authority** within 10 **business days** of the resignation of a **trader** (or where they have otherwise ceased to act) and must provide the **Authority** with the reason for the resignation or cessation.
- 2.8.6 A **Trading Member** shall be liable under these **Membership Rules** for all transactions made on its behalf by any **directors, traders** and/or **employees** and shall complete such transactions according to these **Membership Rules**. A **Trading Member** shall also be responsible for settlement of any unauthorised transaction entered into the **trading system** through that **Member's** facilities.
- 2.8.7 A **Trading Member** shall ensure that its **directors, traders, employees** and/or **agents** comply with the **Membership Rules**, including the **Trading and Settlement Rules**, and **Listing Rules** and shall be liable for the acts and omissions of its **directors, traders, employees** and/or **agents** in connection with those rules.

### 2.9 Resignation of Membership

- 2.9.1 A **Member** who wishes to resign as a **Listing Member** or **Trading Member** of the **Exchange** must serve at least three months' notice to that effect to the **Authority**. In exceptional circumstances, the **Authority** may permit a reduced notice period.
- 2.9.2 A **Member** shall supply, when required by the **Authority**, such information concerning the circumstances of the resignation as shall, in the opinion of the **Authority**, be necessary for it to determine whether to exercise its powers under these **Membership Rules**.
- 2.9.3 Before the resignation will be deemed effective by the **Authority**, the resigning **Member** must satisfy all obligations to (i) the **Authority**; (ii) other **Members**; (iii) its issuers; and (iv) its clients, to the extent considered reasonable by the **Authority**.
- 2.9.4 The **Authority** may postpone the effective date of resignation and may request further information or impose other obligations on a **Member** where it considers it necessary to do so.
- 2.9.5 The **Authority** may, in its absolute discretion, refuse to accept a notice of resignation given by a **Member**, or reject such a notice after it has been served but prior to its taking effect, if the **Authority** considers that:
- any matter affecting such **Member** should be investigated under the disciplinary procedures or for any other reason;
  - it is necessary or desirable for the protection of investors who may be clients or counterparties of the **Member** when the resignation would otherwise have become effective; or
  - a prohibition or requirement should be imposed on such **Member** under the **Authority's** powers or that any prohibition or requirement imposed on such **Member** under those powers should continue in force.

## Sponsors and listing agents

### 3.1 General

- 3.1.1 An issuer must have a **Sponsor** or **Listing Agent** appointed at all times while it is an applicant for listing or is **listed**.
- 3.1.2 The **Authority** has three categories of **Listing Members**, the eligibility requirements for which are set out in Membership Rules 3.3, 3.4 and 3.5 respectively:
- “Category 1” **Listing Members** may act as **Listing Agents** only in respect of the listing of non-retail debt securities;
  - “Category 2” **Listing Members** may act as **Sponsors** only in respect of the listing of the securities of **investment vehicles**; and
  - “Category 3” **Listing Members** may act as **Sponsors** in respect of the listing of securities that the **Authority** permits to be **listed** on its market, but which are not covered by Categories 1 or 2.

### 3.2 Qualifications

- 3.2.1 A **Sponsor** or **Listing Agent** must be:
- a **Listing Member** of the **Exchange**; and
  - approved by the **Authority** as meeting the eligibility criteria for one or more of the categories of membership as set out below.
- 3.2.2 A **Sponsor** or **Listing Agent** must notify the **Authority** immediately if at any time it has reason to believe that it no longer meets the relevant eligibility criteria set out below.

### 3.3 Category 1 Eligibility Criteria

- 3.3.1 Category 1 **Listing Agents** must:
- have relevant and satisfactory experience to undertake listing activities in relation to non-retail debt securities;
  - employ suitably qualified staff;
    - i subject to the prior agreement of the **Authority**, deploy other suitably qualified staff from within their wider organisation; or
    - ii subject to the prior agreement of the **Authority**, deploy other suitably qualified professionals who are contracted to undertake an assignment as part of their team;
  - have adequate and documented policies, procedures and controls in place for acting as a Category 1 **Listing Agent**; and
  - confirm to the **Authority** on an annual basis and in the manner prescribed that it is still eligible to act as a Category 1 **Listing Agent**.



## Sponsors and listing agents **continued**

### 3.4 Category 2 Eligibility Criteria

#### 3.4.1 Category 2 **Sponsors** must:

- have relevant and satisfactory experience to undertake listing activities in relation to the securities of **investment vehicles**;
- employ suitably qualified staff or, subject to the prior agreement of the **Authority**, deploy other suitably qualified staff from within their wider organisation;
- have adequate and documented policies, procedures and controls in place for acting as a Category 2 **Sponsor**; and
- confirm to the **Authority** on an annual basis and in the manner prescribed that it is still eligible to act as a Category 2 **Sponsor**.

### 3.5 Category 3 Eligibility Criteria

#### 3.5.1 Category 3 **Sponsors** must:

- have relevant and satisfactory experience to undertake listing activities in relation to securities that the **Authority** permits to be **listed** on its market, but which are not covered by Categories 1 or 2;
- employ suitably qualified staff or, subject to the prior agreement of the **Authority**, deploy other suitably qualified staff from within their wider organisation;
- have adequate and documented policies, procedures and controls in place for acting as a Category 3 **Sponsor**; and
- confirm to the **Authority** on an annual basis and in the manner prescribed that it is still eligible to act as a Category 3 **Sponsor**.

### 3.6 Rejected Application – Sponsor or Listing Agent

- 3.6.1 If the **Authority** rejects an application to act as a **Sponsor** or **Listing Agent**, or grants it subject to conditions, it shall, within 10 **business days** of its decision, give the **applicant** written notice of its decision and include the grounds for the decision, the principal facts and matters relied upon in making the decision, and details of the **applicant's** right of appeal.

## Sponsors and listing agents **continued**

### 3.7 Sponsor or Listing Agent Responsibilities

3.7.1 A Category 1 **Listing Agent** must, in relation to each listing application, satisfy itself, to the best of its knowledge and belief, and having made reasonable enquiry of the issuer and its advisers, that:

- all of the documents required by the **Listing Rules** in relation to a listing application have been supplied to the **Authority**;
- all of the relevant conditions and other requirements of the **Listing Rules** have been complied with;
- there are no matters other than those disclosed in the relevant **listing document** or otherwise in writing to the **Authority** which should be taken into account by the **Authority** and the **Listing and Membership Committee** in considering the suitability for listing of the securities for which application is made;
- it understands the nature and purpose of the application for listing;
- the **directors** of the issuer have been advised of the nature of their responsibilities under the **Listing Rules** and the **Listing Undertaking**;
- appropriate due diligence has been undertaken in relation to the issuer in accordance with the **Member's** documented anti-money laundering and countering the financing of terrorism policies and procedures; and must
- in respect of each issuer for which it is acting as **Listing Agent**, undertake to the **Authority** in the prescribed form set out in the **Listing Rules**, to accept the responsibilities of a **Listing Agent** and discharge those responsibilities at all times to the satisfaction of the **Authority**.

3.7.2 A Category 2 or Category 3 **Sponsor** must, in relation to each listing application, satisfy itself, to the best of its knowledge and belief, and having made due and careful enquiry of the issuer and its advisers, that:

- all of the documents required by the **Listing Rules** to be included in the application for listing have been supplied to the **Authority**;
- all of the relevant conditions for listing and other requirements of the **Listing Rules** have been complied with;
- there are no matters other than those disclosed in the relevant **listing document** or otherwise in writing to the **Authority** which should be taken into account by the **Authority** and the **Listing and Membership Committee** in considering the suitability for listing of the securities for which application is made;
- it understands the nature and purpose of the application for listing;
- the **directors** of the issuer appreciate the nature of their responsibilities and can be expected to honour their obligations under the **Listing Rules** and the **Listing Undertaking**;
- the issuer is not in breach of the **Listing Rules**;
- appropriate due diligence has been undertaken in relation to the issuer in accordance with the **Member's** documented anti-money laundering and countering the financing of terrorism policies and procedures;
- the issuer is guided and advised as to the application of the **Listing Rules**; and must
- in respect of each issuer for which it is acting as **Sponsor**, undertake to the **Authority** in the prescribed form set out in the **Listing Rules**, to accept the responsibilities of a **Sponsor** and discharge those responsibilities at all times to the satisfaction of the **Authority**.

## Sponsors and listing agents continued

- 3.7.3 The **Sponsor** or **Listing Agent** is responsible for the following in relation to any application for listing:
- communications and dealings with the **Authority** on all matters arising in connection with the application for listing;
  - preparing the formal application for listing and lodging it and all the documents supporting the application with the **Authority**; and
  - seeking the approval of the **Authority** for the **Listing Document**.
- 3.8 Appointment of an Agent by a Sponsor or Listing Agent**
- 3.8.1 A **Sponsor** or **Listing Agent** may, at its discretion, appoint a third party as its **agent** to discharge on its behalf some or all of the responsibilities set out in **Membership Rule 3.7**.
- 3.8.2 A **Sponsor** or **Listing Agent** who wishes to appoint an **agent** under this rule must not do so unless the **Authority** has been notified in advance of the proposed appointment and the **Authority** has notified the **Sponsor** or **Listing Agent** that it does not object to the appointment. Any such **agent** appointed must have sufficient knowledge, experience, training and competence to be able to properly discharge the functions for which it has been appointed.
- 3.8.3 Following receipt of a notification, if the **Authority** objects to any such appointment it shall, within 10 **business days** of its decision, notify the **Sponsor** or **Listing Agent** in writing of its decision and include the grounds for the decision and the principal facts and matters relied upon in making it. The decision of the **Authority** shall be final.
- 3.8.4 Following receipt of a notification, if the **Authority** does not object to the appointment it shall, within 10 **business days** of its decision, notify the **Sponsor** or **Listing Agent** in writing of its decision.
- 3.8.5 The **Sponsor** or **Listing Agent** shall be fully responsible for the acts and omissions of its **agent** and shall take all reasonable steps to ensure that the agent complies with the obligations arising under the **Membership Rules** and **Listing Rules**.
- 3.8.6 The **Sponsor** or **Listing Agent** shall ensure that the details provided to the **Authority** of its appointed **agent** are kept up to date and that the **Authority** is notified promptly of any changes to such details.
- 3.8.7 The **Sponsor** or **Listing Agent** must notify the **Authority** within 10 **business days** of the resignation of an **agent** (or where they have otherwise ceased to act) and must provide the **Authority** with the reason for the resignation or cessation.
- 3.9 Resignation of Sponsor or Listing Agent**
- 3.9.1 A **Sponsor** or **Listing Agent** who wishes to resign from one or more categories of membership must serve at least 20 **business days'** notice to that effect on the **Authority**. In exceptional circumstances, the **Authority** may permit a reduced notice period.
- 3.9.2 The **Sponsor** or **Listing Agent** shall supply, when required by the **Authority**, such information concerning the circumstances of the resignation as shall, in the opinion of the **Authority**, be necessary for it to determine whether to exercise its powers under these **Membership Rules**.
- 3.9.3 Before the resignation will be deemed effective by the **Authority**, a resigning **Sponsor** or **Listing Agent** must:
- give sufficient notice to any issuers affected by the resignation to enable them, should they wish to remain **listed**, to appoint an alternative **Sponsor** or **Listing Agent**; and
  - satisfy all of its obligations to the **Authority** and its issuers to an extent considered reasonable by the **Authority**.
- 3.9.4 The **Authority** may postpone the effective date of resignation and may request further information or impose other obligations on the **Sponsor** or **Listing Agent** where it considers it necessary to do so.

## Code of conduct

### 4.1 Scope

4.1.1 These **Membership Rules** govern the Code of Conduct expected of all **Members** of the Exchange and, where appropriate, **Members** shall be expected to comply strictly with, and adhere to, the provisions of these rules.

### 4.2 Principles of Best Practice

4.2.1 Failure to comply with these principles of best practice may give rise to suspension or restriction of the types of business that the **Member** can undertake or, in more serious cases, expulsion or other sanctions in accordance with the **Authority's** disciplinary procedures.

4.2.2 A **Member** should observe high standards of integrity and fair dealing at all times.

4.2.3 A **Member** should at all times act with due skill, care and diligence.

4.2.4 A **Member** should observe high standards of market conduct.

4.2.5 A **Member** should either avoid any conflicts of interest arising or, where conflicts do arise, have in place and maintain, policies, procedures and controls which ensure that such conflicts do not adversely affect, or give the perception of adversely affecting, its ability to perform its functions as a **Member**.

4.2.6 Save as required by law, the **Membership Rules** or the **Listing Rules** a **Member** should not unfairly place its interests above those of its clients and, where a properly informed client would reasonably expect that the **Member** would place the client's interests above its own, the **Member** should live up to the client's reasonable expectation.

4.2.7 A **Member** should organise and control its internal affairs in a responsible manner, keeping proper records, and should have adequate arrangements to ensure that all **directors** and **employees** are suitable, adequately trained and properly supervised, together with defined compliance procedures and controls.

4.2.8 A **Member** should deal with the Authority in an open and co-operative manner and keep the **Authority** promptly informed of anything concerning the **Member**, which the **Authority** might reasonably be expected to be disclosed to it.

4.2.9 **Members** are required to comply with the laws and regulations applicable in all jurisdictions relevant to their activities as **Members** of the **Exchange**.

### 4.3 Conduct of Business

4.3.1 A **Member** shall not do anything that would adversely affect the reputation or public image of the **Exchange**, the **Authority** or its **Members**.

4.3.2 Except with the prior approval of the **Authority**, a **Member** shall not trade in a security that has been suspended.

4.3.3 Under no circumstances shall a **Member** trade with another **Member** whose trading rights have been suspended, except to settle a trade executed prior to the suspension of the **Member**.

4.3.4 A **Member** must take all reasonable steps to ensure that neither it nor any of its **agents**, **directors** or **employees** offers or gives, or solicits or accepts, any inducement that conflicts with the duties owed to its clients.

4.3.5 Where a **Member** has an interest in a transaction to be entered into with or for a client, or a relationship which gives rise to a conflict of interest in relation to such a transaction, the **Member** must not either advise, or trade in the exercise of discretion, in relation to that transaction unless it takes all reasonable steps to ensure fair treatment for, and to inform, the client.

## Code of conduct **continued**

4.3.6 A **Member** must take all reasonable steps, including the establishment and maintenance of policies, procedures and controls, to ensure that its directors and employees act in conformity with:

- the **Member's** duties and responsibilities under these rules;
- the requirements of any statutory restrictions on **market abuse** including **insider dealing**; and
- appropriate arrangements on propriety in personal dealings.

### 4.4 **Forbidden Market Practices**

4.4.1 A **Member** shall not intentionally create or cause to be created, or do anything with the intention of creating, or knowingly assist any other person in the creation of a:

- false or misleading appearance of active trading in any securities **listed** or traded on the **Exchange**;
- false market in respect of any securities **listed** or traded on the **Exchange**; or
- fictitious trade or false trade price to be inputted into the **trading system**.

4.4.2 For the purposes of **Membership Rule** 4.4.1 a “false market” is a market in which a movement in the price of a share is brought about or sought to be brought about by contrived factors including, but not limited to;

- buyers and sellers acting in collaboration with each other;
- any action, or inaction, which has the effect of preventing or inhibiting the free negotiation of market prices; or
- the employment of any fictitious device or any other form of deception or contrivance.

4.4.3 A **Member** shall not effect or purport to effect any purchase or sale of securities:

- with the intention of depressing, raising or causing fluctuations in the market price of any securities; or
- which involves no actual change in the beneficial ownership of those securities;

nor shall any **Member** knowingly assist any other **Member** or any other person to effect any such purchases or sales.

4.4.4 A **Member** shall not circulate or disseminate or authorise or assist in the circulation or dissemination of any statement or information to the effect that the price of any securities will or is likely to rise or fall when, to the **Member's** knowledge, the rises or falls or likely rises or falls are attributable to any action which, if done by a **Member**, would be in contravention of Section 4.4 of the **Membership Rules**.

4.4.5 A **Member** shall not, directly or indirectly, in connection with any transaction with any **Member** or any other person, involving the purchase, sale or exchange of securities employ any device, scheme or artifice to defraud that **Member** or person, or engage in any act, practice, or course of business which operates as a fraud or deception or is likely to operate as a fraud or deception of that **Member** or person.

4.4.6 A **Member** shall not, either alone or with another **Member** or any other person, effect or knowingly assist in effecting any series of transactions for the purchase or sale of any securities for the purpose of fixing the price of such securities. Temporary stabilisation to cushion the effect of short-term disparities in supply and demand is allowed within **Trading and Settlement Rule** 1.15, if disclosure of this activity has been made with the approval and guidance of the **Authority**.

## Code of conduct **continued**

4.4.7 A **Member** shall not, directly or indirectly, for the purposes of inducing the sale of the securities of any issuer, make or knowingly assist any other person to make with respect to the operations or the past or future performance of the issuer:

- any statement which is at the time and in the light of the circumstances in which it is made, false or misleading with respect to any material fact and which the **Member** knows or has reason to believe to be false or misleading; or
- any statement which is, by reason of the omission of a material fact, rendered false or misleading and which the **Member** knows or has reasonable grounds for knowing is rendered false or misleading by reason of the omission of that fact.

4.4.8 A **Member** shall not participate in any **insider dealing** in relation to any securities **listed** or traded on the **Exchange** or knowingly encourage or assist any **Member** or any other person to participate in any such **insider dealing**.

### 4.5 Anti-Money Laundering and Countering the Financing of Terrorism

4.5.1 A **Supervised Member** must ensure that it applies all necessary measures in relation to all applicable anti-money laundering and countering the financing of terrorism legislation and regulatory standards in its relevant jurisdiction, place of incorporation or establishment when undertaking its activities as a Member of the Exchange.

4.5.2 An **Unsupervised Member** must:

- undertake, to the satisfaction of the **Authority**, that it has, and will continue to, adopt, and apply, the anti-money laundering and countering the financing of terrorism policies, procedures and controls of its **Supervised** group entity;
- on request, provide copies of;
  - i. those policies, procedures and controls along with any supporting evidence as may be required by the **Authority**; and
  - ii. the client due diligence material relied upon in order to assess the money laundering and terrorist financing risks posed in relation to each applicant;
- confirm at the time of each listing application, in the form prescribed by the **Authority**, that;
  - i. it has undertaken appropriate due diligence in relation to each issuer in accordance with its anti-money laundering and countering the financing of terrorism policies and procedures; or
  - ii. that the relevant issuer has a client relationship with the **Member's Supervised** group entity and that such entity has undertaken appropriate anti-money laundering and countering the financing of terrorism due diligence in relation to that issuer; and
- confirm annually, in the form prescribed by the **Authority**, in respect of the issuers for which it acts as **Sponsor** or **Listing Agent**, that it meets its ongoing anti-money laundering and countering the financing of terrorism obligations in accordance with its policies and procedures.

# Compliance

## 5.1 General

5.1.1 In discharging its responsibility to oversee and regulate **Members'** compliance with the **Membership Rules**, including the **Trading and Settlement Rules**, and the **Listing Rules**, the **Authority** may, at any time, on notice or otherwise conduct an onsite visit and/or request documentation and explanations from a **Member**.

## 5.2 Co-operation of Member Required

5.2.1 A **Member** shall co-operate and comply fully with any compliance activities that may be carried out by or on behalf of the **Authority** under these **Membership Rules** and shall give all necessary assistance including but not limited to:

- furnishing the **Authority** with such information as it may require within a reasonable timeframe and verified in such a manner as the **Authority** may require;
- making available its **directors, compliance officer, traders, employees** and/or **agents** to be interviewed by or on behalf of the **Authority**, ensuring as far as possible that they answer truthfully and fully any questions put to them;
- giving full access to any premises where the **Member** carries on its business and/or maintains records;
- permitting documents, records or other material in its possession or under its control to be produced, inspected and copied by the **Authority**; and
- completing, within a reasonable timeframe and verified in such a manner as the **Authority** may require, all remedial actions identified by the **Authority**.

## 5.3 Failure to Comply

5.3.1 Where, as a result of its compliance activities, the **Authority** has reason to believe that a **Member** is not compliant with any part of the:

- **Membership Rules**, including the **Trading and Settlement Rules**;
- **Listing Rules**; or
- Remedial actions identified by the **Authority**;

the **Authority** may initiate disciplinary action.

# Discipline

## 6.1 Inspection by the Authority

6.1.1 Where the **Authority** has reason to believe that a **Member** is not or may not be compliant with any part of the **Membership Rules**, including the **Trading and Settlement Rules**, or **Listing Rules** it may, at any time, on notice or otherwise:

- conduct an inspection to satisfy itself that a **Member** is in compliance with the **Membership Rules** or **Listing Rules**; and/or
- require a **Member** to furnish the **Authority** with such information and accounts as it may require within a reasonable time and verified in such a manner as the **Authority** may specify.

## 6.2 Investigation by the Authority

6.2.1 The **Authority** may, at any time, on notice or otherwise, conduct an investigation in respect of a **Member** where it appears to the **Authority** that such action is or may be appropriate or desirable for the protection of investors, or as a result of a complaint or information received, or as a result of an inspection or compliance activities.

6.2.2 An investigation may be instigated under **Membership Rule** 6.2.1 where one or more of the following events has occurred:

- there are circumstances suggesting that the **Member** has or may have ceased to be fit and proper to carry on the business of a **Member**;
- there has or may have been a contravention by the **Member** of the **Membership Rules** or **Listing Rules**, or decisions taken by the **Authority**; or
- the **Member** has or may have provided the **Authority** with false, inaccurate or misleading information in purported compliance with any requirement under the **Membership Rules** or **Listing Rules**.

6.2.3 The **Authority** may appoint such individuals to conduct an investigation and may call upon such outside assistance in connection with any such investigation as it sees fit.

6.2.4 The **Authority** shall notify the **Member** of the reasons for an investigation, unless it appears to the **Authority** that such notification may inhibit the conduct of the investigation.

## 6.3 Co-operation of Member Required

6.3.1 A **Member** shall co-operate and comply fully with any inspection or investigation that may be carried out by or on behalf of the **Authority** under these **Membership Rules** and shall give all necessary assistance including but not limited to:

- furnishing the **Authority** with such information as it may require within a reasonable timeframe and verified in such a manner as the **Authority** may require;
- making available its **directors, compliance officer, traders, employees** and/or **agents** to be interviewed by or on behalf of the **Authority**, ensuring as far as possible that they answer truthfully and fully any questions put to them;
- giving full access to any premises where the **Member** carries on its business and/or maintains records; and
- permitting documents, records or other material in its possession or under its control to be produced, inspected and copied by the **Authority**.



## Discipline continued

### 6.4 Failure to Comply

6.4.1 Where as a result of compliance action, or otherwise, the **Authority** has reason to believe that a **Member** is not compliant with any part of the **Membership Rules**, including the **Trading and Settlement Rules**, or **Listing Rules** it may:

- impose on the **Member** conditions relating to their staffing, training, policies, procedures and controls or any other relevant matters;
- restrict the scope of **Exchange** business conducted by the **Member** (including **Sponsor**, **Listing Agent** and/or trading activities);
- initiate disciplinary action, including referring the **Member** to the **Disciplinary Committee** [OPERATIONAL MATTERS 3];
- suspend the **Member** from membership of the **Exchange** for such time as it thinks fit; and/or
- terminate the **Member's** membership of the **Exchange**.

### 6.5 Referral to the Disciplinary Committee

6.5.1 The **Authority** may refer a **Member** to the **Disciplinary Committee** [OPERATIONAL MATTERS 3] where it considers that:

- the **Member** has or may have ceased to be fit and proper to carry on the business of a **Member** of the **Exchange**;
- the **Member** has or may have contravened any provision of the **Membership Rules** or **Listing Rules**, or decisions taken by the **Authority**;
- the **Member** has or may have provided the **Authority** with false, inaccurate or misleading information in purported compliance with any requirement under the **Membership Rules** or **Listing Rules**; and/or
- such action is or may be appropriate or desirable for the protection of investors.

# TISE

The International  
Stock Exchange  
Authority

## Operational matters

1. Payment of fees and charges
2. Role of the listing and membership committee
3. Role of the disciplinary committee
4. Appeals [disciplinary]
5. Appeals [non-disciplinary]

## 1. Payment of fees and charges

1. The **Authority** may, from time to time, for the purposes of the administration of the **Exchange**, impose fees and charges in such respects and on such terms as the **Authority** may prescribe.
2. The applicable fees and charges imposed by the **Authority** may, from time to time, be revised by the **Authority** without prior notice as it shall in its absolute discretion think fit.
3. A **Member** (or **applicant**) shall pay to the **Authority** all applicable fees and charges as set out in the fees and charges schedule published by the **Authority** from time to time and all other sums notified by the **Authority**.
4. Unless otherwise specified by the **Authority**, a **Member** (or **applicant**) shall pay all applicable fees, charges or other sums due to the **Authority** in full and in accordance with the terms and conditions specified on the invoice.
5. Where a **Member** fails to pay in accordance with these **Membership Rules**, other than in the case of a legitimate dispute, the **Authority** may at any time suspend or terminate its membership without prejudice to any other action which the **Authority** may take.

## 2. Role of the listing and Membership committee

Subject to the appeals procedure set out in OPERATIONAL MATTERS 4 and OPERATIONAL MATTERS 5, the terms of reference of the **Listing and Membership Committee** include the following responsibilities:

1. operating and regulating the **Exchange**;
2. determining the suitability and approval of applications for admission to or resignation as a **Member** of the **Exchange**;
3. determining the suitability and approval of applications for admission to or resignation from the **Exchange's** register of **Sponsors** and **Listing Agents**;
4. supervising **Members'** compliance with their obligations; and
5. interpreting, applying and enforcing the **Membership Rules**.

## 3. Role of the disciplinary committee

1. The **Authority** must serve notice in writing of its referral of any matters to the **Disciplinary Committee**. The notice should set out the name of the **Member**, the grounds for the actual or alleged failure or breach and all material facts and shall have attached to it copies of all documents relevant to the matter. A copy of the notice will be forwarded by the **Disciplinary Committee** to the **Member**.
2. The **Member** may, within 10 **business days** (or, by exception, such other period agreed between the parties) of receipt of notice of disciplinary action, submit to the Chairman of the **Disciplinary Committee** a statement in response setting out all the material facts and having attached to it copies of all documents relied upon.
3. Following receipt of all relevant papers, the **Member** will be given not less than 15 **business days'** notice of the date, time and place of the hearing by the Chairman or the Secretary of the **Disciplinary Committee**. The notice period may be shortened with the consent of the parties. Once a hearing time and date have been set, all parties should assume that the hearing will proceed as notified unless notified to the contrary.
4. No party may rely on any statement or document not served on the **Disciplinary Committee** more than 2 **business days** before the hearing save with the leave of the **Disciplinary Committee** and, at its discretion, to adjourn the hearing to a later date in order to consider such additional statement or document.
5. The Chairman of the **Disciplinary Committee** will notify the parties to the proceedings of the names of the members of the **Disciplinary Committee** who will be participating in the disciplinary hearing and any proposed legal adviser. If any party to the proceedings believes that a potential conflict of interest exists, it shall notify the Chairman of the **Disciplinary Committee**, at the earliest possible opportunity, who will take appropriate action.
6. Other than between the **Disciplinary Committee** and its legal adviser, either party may require that the **Disciplinary Committee** holds any document submitted to it as confidential and not to be divulged to any other parties.
7. All parties shall keep confidential any matters related to the disciplinary action save where disclosure is permitted or required by law or compelled by court order or a valid request by a competent authority.
8. **Disciplinary Committee** hearings shall be conducted in private.
9. As part of any disciplinary hearing the **Member** shall be given an opportunity to appear before the **Disciplinary Committee** to make written or oral representations and to cross examine any witnesses called against it. The **Disciplinary Committee** may, at its discretion, permit the **Member** to be legally represented and to call witnesses to give evidence at the hearing. Where a legal representative is to be appointed, the Secretary of the **Disciplinary Committee** must be advised in writing at least 2 **business days** prior to the hearing of the person's full name and professional qualification.
10. If the **Member** elects not to attend, the hearing may proceed in the absence of the **Member**.
11. The **Disciplinary Committee** may determine the issue on written representations if, having regard to the nature and gravity of the matter in issue, it is satisfied that it is suitable for such determination and the **Member** consents to such a procedure being adopted.
12. The order of proceedings and all practices shall be at the discretion of the **Disciplinary Committee**.
13. The parties will be asked to confirm that there is no reasonable objection to any of the **Disciplinary Committee** members participating in the hearing (or their legal adviser) on the grounds of conflict of interest. Such confirmation shall not be unreasonably withheld.

### 3. Role of the disciplinary committee **continued**

14. A record of the hearing will be made and, for the avoidance of doubt, it shall be sufficient for such record to be in the form of minutes taken by the Secretary of the **Disciplinary Committee**. A transcription or copy of the record will be available to any party, on payment of the cost of making such transcription as the Chairman of the **Disciplinary Committee** in his discretion shall determine. The deliberations of the **Disciplinary Committee** will not be recorded.
15. Following the hearing, the **Disciplinary Committee** may deliberate at any time and make any decision in the absence of the parties. The **Disciplinary Committee** may adjourn the hearing at any time as it thinks fit. The **Disciplinary Committee** is entitled to reach decisions on a majority basis. In the case of an equality of votes, the Chairman of the **Disciplinary Committee** shall have a second or casting vote. The **Disciplinary Committee** shall not be required to disclose the reason for its decision, including on appeal.
16. In making its decision, the **Disciplinary Committee** may exercise any of the following powers delegated to it by the **Authority**:
- declare that there is no case for the **Member** to answer;
  - decide that no further action should be taken;
  - issue a private warning or reprimand to the **Member**;
  - issue a notice of public censure against the **Member**;
  - impose a financial penalty on the **Member** in such amount as may be considered appropriate; and
  - suspend or revoke the registration of the **Member's directors, traders and/or employees**;
- and shall in each such case make a written record of any action so taken.
17. In making its determination, where the **Disciplinary Committee** is satisfied that:
- the **Member** has ceased to be fit and proper to carry on the business of a **Member** of the **Exchange**;
  - the **Member** has contravened any provision of the **Membership Rules, Listing Rules, or decisions taken by the Authority**;
  - the **Member** has provided the **Authority** with false, inaccurate or misleading information in purported compliance with any requirement under the **Membership Rules or Listing Rules**; and/or
  - action is considered to be appropriate for the protection of investors;
- it may exercise any of the following powers delegated to it by the **Authority**:
- expel a **Member** from membership of the **Exchange** (an 'Expulsion Order'); or
  - suspend all or any of a **Member's** rights of membership for a fixed or continuing period (a 'Suspension Order').
18. Where the matter in issue against a **Member** is found to be proved, which shall be on a balance of probabilities, the **Disciplinary Committee** shall, before exercising its disciplinary powers, allow the **Member**, or anyone on its behalf, to address the **Disciplinary Committee** in mitigation of the penalty.

### 3. Role of the disciplinary committee **continued**

19. Following the conclusion of the proceedings, the **Disciplinary Committee** will notify the parties in writing of:
  - its final decision(s), including any penalty;
  - any statement intended for publication; and
  - any further charges payable, including costs payable by either party which, regardless of the outcome of the case, in the **Disciplinary Committee's** view have been unnecessarily caused.
20. At the conclusion of any disciplinary proceeding (other than one in which (i) no charge is found proven; or (ii) no penalty is imposed other than a private warning or reprimand; or (iii) the financial penalty imposed does not exceed £25,000 in total), including the time for appeal or, if appropriate, upon delivery of the decision of the **Appeals Committee**, the **Authority** shall publicise by such means as it thinks fit the name of the **Member** and the terms and/or summary of the final decision of the **Disciplinary Committee** and, if appropriate, the **Appeals Committee**.
21. Only final decisions of the **Disciplinary Committee** are subject to the appeals procedure set out in OPERATIONAL MATTERS 4.

## 4. Appeals (disciplinary)

1. Only final decisions of the **Disciplinary Committee** may be appealed to the **Appeals Committee** in accordance with the procedures set out below.
2. An appellant must serve notice in writing of its appeal to the **Authority** within 10 **business days** of the service of the final decision of the **Disciplinary Committee**. The notice should set out the name of the appellant, the final decision appealed against, the grounds of appeal and all material facts and shall have attached to it copies of all documents relevant to the appeal. A copy of the notice will be forwarded by the **Authority** to the Secretary of the **Appeals Committee**.
3. Where the requirements for serving notice of an appeal are not met, the final decision of the **Disciplinary Committee** shall be final and binding on all parties.
4. A minimum fee (as set out in the fees and charges schedule on the **Exchange's** website which is subject to change from time to time) will be payable by the appellant to the **Authority** for an appeal hearing to be conducted. The fee will be dependent upon the nature and complexity of the appeal and will be proportionate to the time taken to consider the appeal. Further charges may, at the absolute discretion of the Chairman of the **Appeals Committee**, be incurred for more complex or lengthy appeals.
5. The **Authority** may, within 10 **business days** (or such other period agreed between the parties) of receipt of notice of an appeal, submit to the Chairman of the **Appeals Committee** a statement in response setting out all the material facts and having attached to it copies of all documents relied upon.
6. Following receipt of all relevant papers, the appellant will be given not less than 15 **business days'** notice of the date, time and place of the hearing by the Chairman or the Secretary of the **Appeals Committee**. The notice period may be shortened with the consent of the parties. Once a hearing time and date have been set, all parties should assume that the hearing will proceed as notified unless notified to the contrary.
7. No party may rely on any statement or document not served on the **Appeals Committee** more than 2 **business days** before the hearing save with the leave of the **Appeals Committee** and, at its discretion, to adjourn the hearing to a later date in order to consider such additional statement or document.
8. The Chairman of the **Appeals Committee** will notify the parties to the proceedings of the names of the members of the **Appeals Committee** who will be hearing the appeal and any proposed legal adviser. If any party to the proceedings believes that a potential conflict of interest exists, it shall notify the Chairman of the **Appeals Committee**, at the earliest possible opportunity, who will take appropriate action.
9. Other than between the **Appeals Committee** and its legal adviser, either party may require that the **Appeals Committee** holds any document submitted to it as confidential and not to be divulged to any other parties.
10. All parties shall keep confidential any matters related to the appeal save where disclosure is permitted or required by law or compelled by court order or a valid request by a competent authority.
11. **Appeals Committee** hearings shall be conducted in private.
12. As part of any appeal the appellant shall be given an opportunity to appear before the **Appeals Committee** to set out the grounds for its appeal. Similarly, the **Disciplinary Committee** shall be given an opportunity to submit a statement in response setting out all the material facts and having attached to it copies of all documents relied upon and to appear before the **Appeals Committee**.



## 4. Appeals (disciplinary) continued

13. The parties may attend the hearing but any hearing may proceed in the absence of one or both of the parties.
14. Any party may be legally represented at the hearing. Where a legal representative is to be appointed, the Secretary of the **Appeals Committee** must be advised in writing at least **2 business days** prior to the hearing of the person's full name and professional qualification.
15. The order of proceedings at the hearing shall be at the discretion of the **Appeals Committee**.
16. The parties will be asked to confirm that there is no reasonable objection to any of the **Appeals Committee** members hearing the appeal (or their legal adviser) on the grounds of conflict of interest. Such confirmation shall not be unreasonably withheld.
17. A record of the hearing will be made and, for the avoidance of doubt, it shall be sufficient for such record to be in the form of minutes taken by the Secretary of the **Appeals Committee**. A transcription or copy of the record will be available to any party, on payment of the cost of making such transcription as the Chairman of the **Appeals Committee** in his discretion shall determine. The deliberations of the **Appeals Committee** will not be recorded.
18. Following the hearing, the **Appeals Committee** may deliberate at any time and make any decision in the absence of the parties. The **Appeals Committee** may adjourn the hearing at any time as it thinks fit. The **Appeals Committee** is entitled to reach decisions on a majority basis. In the case of an equality of votes, the Chairman of the **Appeals Committee** shall have a second or casting vote. The decision of the **Appeals Committee** in any matter shall be final and the **Appeals Committee** shall not be required to disclose the reason for its decision on appeal.
19. In making its decision, the **Appeals Committee** may uphold or reverse the **Disciplinary Committee's** earlier final decision.
20. The **Appeals Committee** will only reverse or vary the **Disciplinary Committee's** earlier final decision if it is satisfied, on the balance of probabilities, that the final decision is a misinterpretation of or an erroneous application of the **Membership Rules** or **Listing Rules**, or is not justified by the evidence on which it is based.
21. Where the matter in issue against a **Member** is found to be proved, which shall be on a balance of probabilities, the **Appeals Committee** may increase or decrease the penalty imposed by the **Disciplinary Committee** and make any order which the **Disciplinary Committee** could have made.
22. Following the conclusion of the proceedings, the **Appeals Committee** will notify the parties in writing of:
  - Its final decision(s), including any penalty;
  - any statement intended for publication; and
  - and any further charges payable, including costs payable by either party which, regardless of the outcome of the case, in the **Appeal Committee's** view have been unnecessarily caused.
23. At the conclusion of any appeal proceeding (other than one in which (i) no charge is found proven; or (ii) no penalty is imposed other than a private warning or reprimand; or (iii) the financial penalty imposed does not exceed £25,000 in total), the **Authority** shall publicise by such means as it thinks fit the name of the **Member** and the terms and/or summary of the decision of the **Disciplinary Committee** and, if appropriate, the **Appeals Committee**.

## 5. Appeals (non-disciplinary) continued

1. Only final decisions of the **Listing and Membership Committee** relating to the following matters may be appealed to the **Appeals Committee** in accordance with the procedures set out below:
  - approval of an application to be a **Member** which is granted subject to conditions;
  - rejection of an application to be a **Member**;
  - approval of an application to be a **Sponsor** or **Listing Agent** which is granted subject to conditions; and
  - rejection of an application to act as **Sponsor** or **Listing Agent**.
2. An appellant must serve notice in writing of its appeal to the **Authority** within **10 business days** of the service of the final decision of the **Listing and Membership Committee**. The notice should set out the name of the appellant, the final decision appealed against, the grounds of appeal and all material facts and shall have attached to it copies of all documents relevant to the appeal. A copy of the notice will be forwarded by the **Authority** to the Secretary of the **Appeals Committee**.
3. Where the requirements for serving notice of an appeal are not met, the final decision of the **Listing and Membership Committee** shall be final and binding on all parties.
4. A minimum fee [as set out in the fees and charges schedule on the **Exchange's** website which is subject to change from time to time] will be payable by the appellant to the **Authority** for an appeal hearing to be conducted. The fee will be dependent upon the nature and complexity of the appeal and will be proportionate to the time taken to consider the appeal. Further charges may, at the absolute discretion of the Chairman of the **Appeals Committee**, be incurred for more complex or lengthy appeals.
5. The **Authority** may, within **10 business days** (or such other period agreed between the parties) of receipt of notice of an appeal, submit to the Chairman of the **Appeals Committee** a statement in response setting out all the material facts and having attached to it copies of all documents relied upon.
6. Following receipt of all relevant papers, the appellant will be given not less than **15 business days'** notice of the date, time and place of the hearing by the Chairman or the Secretary of the **Appeals Committee**. The notice period may be shortened with the consent of the parties. Once a hearing time and date have been set, all parties should assume that the hearing will proceed as notified unless notified to the contrary.
7. No party may rely on any statement or document not served on the **Appeals Committee** more than **2 business days** before the hearing save with the leave of the **Appeals Committee** and, at its discretion, to adjourn the hearing to a later date in order to consider such additional statement or document.
8. The Chairman of the **Appeals Committee** will notify the parties to the proceedings of the names of the members of the **Appeals Committee** who will be hearing the appeal and any proposed legal adviser. If any party to the proceedings believes that a potential conflict of interest exists, it shall notify the Chairman of the **Appeals Committee**, at the earliest possible opportunity, who will take appropriate action.
9. Other than between the **Appeals Committee** and its legal adviser, either party may require that the **Appeals Committee** holds any document submitted to it as confidential and not to be divulged to any other parties.
10. All parties shall keep confidential any matters related to the appeal save where disclosure is permitted or required by law or compelled by court order or a valid request by a competent authority.

## 5. Appeals (non-disciplinary) continued

11. **Appeals Committee** hearings shall be conducted in private.
12. As part of any appeal the appellant shall be given an opportunity to appear before the **Appeals Committee** to set out the grounds for its appeal. Similarly, the **Listing and Membership Committee** shall be given an opportunity to submit a statement in response setting out all the material facts and having attached to it copies of all documents relied upon and to appear before the **Appeals Committee**.
13. The parties may attend the hearing but any hearing may proceed in the absence of one or both of the parties.
14. Any party may be legally represented at the hearing. Where a legal representative is to be appointed, the Secretary of the **Appeals Committee** must be advised in writing at least 2 **business days** prior to the hearing of the person's full name and professional qualification.
15. The order of proceedings at the hearing shall be at the discretion of the **Appeals Committee**.
16. The parties will be asked to confirm that there is no reasonable objection to any of the **Appeals Committee** members hearing the appeal (or their legal adviser) on the grounds of conflict of interest. Such confirmation shall not be unreasonably withheld.
17. A record of the hearing will be made and, for the avoidance of doubt, it shall be sufficient for such record to be in the form of minutes taken by the Secretary of the **Appeals Committee**. A transcription or copy of the record will be available to any party, on payment of the cost of making such transcription as the Chairman of the **Appeals Committee** in his discretion shall determine. The deliberations of the **Appeals Committee** will not be recorded.
18. Following the hearing, the **Appeals Committee** may deliberate at any time and make any decision in the absence of the parties. The **Appeals Committee** may adjourn the hearing at any time as it thinks fit. The **Appeals Committee** is entitled to reach decisions on a majority basis. In the case of an equality of votes, the Chairman of the **Appeals Committee** shall have a second or casting vote. The decision of the **Appeals Committee** in any matter shall be final and the **Appeals Committee** shall not be required to disclose the reason for its decision on appeal.
19. In making its decision, the **Appeals Committee** may uphold or reverse the **Listing and Membership Committee's** earlier final decision or, in the case of a rejection of an application for membership or to act as **Sponsor** or **Listing Agent**, may approve the application subject to the applicant complying with any conditions imposed by the **Appeals Committee**.
20. The **Appeals Committee** will only reverse or vary the **Listing and Membership Committee's** earlier final decision if it is satisfied, on the balance of probabilities, that the final decision is a misinterpretation of or an erroneous application of the **Membership Rules**, or is not justified by the evidence on which it is based.
21. Following the conclusion of the proceedings, the **Appeals Committee** will notify the parties in writing of its decision(s) and any further charges payable.

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