

# TISE

The International  
Stock Exchange

## Membership Rules

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Introduction	
Preface	3
Principles	4
Glossary of Terms	5
<b>Category 1 Listing Member (Listing Agent) – Qualified Investor Bond Market</b>	
Conditions for membership	9
Application procedure	10
Continuing obligations	11
<b>Category 2 Listing Member (Sponsor) – Equity Market</b>	
Conditions for membership	14
Application procedure	15
Continuing obligations	17
<b>Category 3 Trading Member - All Markets</b>	
Conditions for membership	22
Application procedure	22
Continuing obligations	24
<b>Schedules</b>	
Code of Conduct	29
Supervision and Enforcement	31
<b>Operational Matters</b>	
Role of The Listing and Membership Committee	34
Disciplinary Committee Procedure	35
Appeals	38
Payment of fees and charges	40
<b>Appendices</b>	40

## 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 Membership 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, to ensure that Members demonstrate initial and ongoing suitability for membership.
- 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.

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, any agent of the Member, or any other party connected with the 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

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

Members are responsible for:

1. observing high standards of integrity and fair dealing;
2. conducting themselves in a manner which positively contributes to the market operated by the Authority being fair, efficient, and transparent;
3. acting with due skill, care, and diligence;
4. observing high standards of market conduct;
5. managing conflicts of interest fairly;
6. dealing with the Authority in an open, co-operative, and transparent manner; and
7. not carrying on any other business activities which may bring the Exchange or the Authority into disrepute.

# Glossary of terms

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

## agent

a third person/legal entity acting on behalf of or in the name of a **Member**, in relation to the **Listing** and/or **Membership Rules**, 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**;

## Authorised Person

a person/persons employed by the Member, or a group entity, that is responsible for dealing with the Authority for activities covered by these Membership Rules;

## 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;

## Money Laundering Compliance Officer

a person who acts as a Money Laundering 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;

### 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 1 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 firm approved by the **Authority** as a Category 1 **Listing Member** who can act in relation to Qualified Investor Bond Market issuers;

### Listing Document

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

### Listing Member

a **Member** entitled to act as a Category 1 **Listing Agent** or Category 2 **Sponsor** 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 firm approved by the **Authority** as a Category 2 **Listing Member** who can act in relation to Equity Market issuers;

### Supervised

a firm that is directly licensed, regulated or supervised for anti-money laundering purposes by a regulatory body recognised by the **Authority**;

### TISE

the market known as The International Stock Exchange;

### trader

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

## Glossary of terms continued

### **Trading and Settlement Rules**

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

### **Trading Member**

a firm approved by the Authority as a Category 3 Trading **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** for anti-money laundering purposes, 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**

## Rules

### **Category 1 Listing Member (Listing Agent) – Qualified Investor Bond Market**

Chapter 1 - Conditions for membership

Chapter 2 - Application procedure

Chapter 3 - Continuing obligations



# Conditions for membership

## 1.1. All Category 1 Listing Members

### 1.1.1. A Listing Agent 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 an established legal, financial services, or other relevant institution suitably qualified and experienced in providing debt capital markets advice and services to issuers and arrangers, or a Category 2 **Sponsor** with suitable knowledge and experience;
- satisfy the **Authority** that it has sufficient financial, human, and technical resources with adequate knowledge, experience, training, and competence in relation to qualified investor bond market securities;
- satisfy the **Authority** that it has adequate systems and internal policies, procedures, and controls in place to comply with these Rules; and
- comply with the rules of the **Exchange**, and such other requirements for membership as the **Authority** may from time to time prescribe.

## 1.2. Unsupervised Members

### 1.2.1. An Unsupervised Listing Agent must 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.

#### Guidance:

##### Applicants who are currently a Listing Member for bond products with another exchange

- the **Authority** may agree to rely upon the applicant's current experience of being a **Listing Agent** for another recognised exchange. Such applicants will not be required to provide the **Authority** with evidence of sufficient financial, human, and technical resources, policies and procedures, or controls subject to providing a declaration that these are already currently in line with, or have been updated to become in line with, the requirements of these **Membership Rules**.

# Application procedure

## 2.1 Application Documents

2.1.1 An applicant that wishes to become a **Listing Agent** must provide the **Authority** with the following initial application documents:

- a completed application form as set out in Appendix 1;
- a completed declaration confirming that existing [or amended] policies, procedures and controls in place fulfil the requirements of both the **Listing and Membership Rules**;
- A copy of its certificate of incorporation if the relevant information is not otherwise publicly available; and
- any relevant additional information the **Authority** considers necessary to its determination of the application.

### Guidance:

#### Category 2 Listing Member Applications

- If the applicant is applying for Category 2 Listing Membership (which would also automatically include Category 1 Listing Membership), the application documents relating to the Category 2 Listing Membership application are required and this chapter can be ignored.

#### Category 1 Listing Membership Applications

- The **Authority** shall make a final decision regarding an application within 5 business days of receiving a complete application along with any other information that the **Authority** may have requested.

#### Approved Applications for Category 1 Listing Membership

- If the **Authority** approves an application for Category 1 Listing Membership of the **Exchange**, it may do so subject to conditions.
- The **Authority** shall communicate its decision to the applicant no later than 2 days after making the final decision along with any conditions applicable, together with details of the applicant's right of appeal in respect of the conditions.

#### Rejection of an application for Category 1 Listing Membership

- If the **Authority** rejects an application for Category 1 Listing Membership of the **Exchange**, it shall within 5 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.
- the applicant may appeal the **Exchange's** decision in line with the procedures set out in Operational Matters 3.

# Continuing obligations

## 3.1 General Obligations

- 3.1.1 The **Listing Agent** must notify the **Authority** immediately upon the occurrence of:
- the imposition of any disciplinary measures or sanctions on the **Listing Agent** (or its **Supervised** group entity) or any director and/or employee by any statutory, regulatory, professional, or other body exercising its legal powers of enforcement; or
  - any material change to any matter previously notified to the **Authority** that is or may be pertinent to the Authority's consideration of the **Listing Agent's** continued suitability for membership; or
  - its non-compliance with relevant **Membership Rules** or **Listing Rules** unless the **Authority** has already confirmed its knowledge of such non-compliance to the **Listing Agent** in writing; or
  - an application for the winding up of the **Listing Agent** 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; or
  - the appointment of a receiver, administrator, or trustee of the **Listing Agent**; or
  - the making of a composition or arrangement with creditors of the **Listing Agent**; or
  - where the **Listing Agent** is a partnership, an application, or the giving of notice to dissolve the partnership; or
  - an event equivalent to the above points under the **Listing Agent's** local legislation; or
  - It no longer meets the conditions for Membership as set out in Chapter 1.

## 3.2 Name & Address

- 3.2.1 The **Listing Agent** must give the **Authority** 10 business days' notice of any intention to change its name and receive no objection prior to effecting the change.
- 3.2.2 The **Listing Agent** must give the Authority 10 business days' notice of any intended change of address.

## 3.3 Listings and Listing Applications

- 3.3.1 The **Listing Agent** must, in relation to each final application for listing, provide a signed Listing Agents Declaration, as set out in the applicable Appendix of the **Listing Rules**, confirming the requirements of that undertaking have been met.

### Guidance:

#### The 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 submitting all documents supporting the application to the **Authority**.
- Seeking the approval of the **Authority** for the Listing Document.

## Continuing obligations continued

### 3.4 Agents

- 3.4.1 The **Listing Agent** must notify the **Authority**, within 10 business days, of any changes to the details of, or 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.
- 3.4.2 **Agents** that are appointed must have sufficient knowledge, experience, training, and competence to be able to properly discharge the functions for which it has been appointed.
- 3.4.3 The **Listing Agent** must be fully responsible for the acts and omissions of its agents and must take all reasonable steps to ensure that the agents comply with the relevant obligations arising under the Membership Rules and Listing Rules.

### 3.5 Resignation of Membership

- 3.5.1 The **Listing Agent** must serve the **Authority** with at least three months' notice that it wishes to resign its Membership, along with a rationale.
- 3.5.2 Before the resignation will be deemed effective by the **Authority**, the resigning **Listing Agent** must satisfy all obligations to:
- the **Authority**;
  - other Members;
  - its issuers;
  - its agents, and
  - its clients, to the extent considered reasonable by the Authority.
- 3.5.3 The **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**.

#### Guidance:

##### Resignation of Membership:

- In exceptional circumstances, the **Authority** may permit a reduced noted period.
- The **Authority** may postpone the effective date of resignation and may request further information or impose other obligations on the **Listing Agent** where it considers it necessary to do so.
- The **Authority** may, in its absolute discretion, refuse to accept a notice of resignation given by the **Listing Agent**, or reject such a notice after it has been served but prior to it taking effect, if the **Authority** considers that:
  - any matter affecting such **Listing Agent** should be investigated under the disciplinary procedures or for any other reason; or
  - it is necessary or desirable for the protection of investors who may be clients or counterparties of the **Listing Agent** when the resignation would otherwise have become effective; or
  - a prohibition or requirement should be imposed on such **Listing Agent** under the **Authority's** powers or that any prohibition or requirement imposed on such **Listing Agent** under those powers should continue in force.

# TISE

**The International  
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## Rules

### **Category 2 Listing Member (Sponsor) – Equity Market**

Chapter 4 - Conditions for membership

Chapter 5 - Application procedure

Chapter 6 - Continuing obligations

## Conditions for membership

### 4.1 All Category 2 Listing Members

#### 4.1.1 A **Sponsor** 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**;
- 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;
- satisfy the **Authority** that it has sufficient financial, human, and technical resources with adequate knowledge, experience, training, and competence;
- satisfy the **Authority** that it has adequate systems and internal policies, procedures, and controls in place to comply with these Rules; and
- comply with the rules of the **Exchange**, and such other requirements for membership as the **Authority** may from time to time prescribe;

### 4.2 Category 1 Listing Member option

#### 4.2.1 If a **Sponsor** elects to take on a Category 1 Listing Member option as part of its Category 2 Listing Membership it must be experienced and knowledgeable and have in place policies and procedures relating to the Qualified Investor Bond Market.

### 4.3 Unsupervised Members

#### 4.3.1 The **Sponsor** must 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.

# Application procedure

## 5.1 Application Documents

5.1.1 An applicant that wishes to become a **Sponsor** must provide the **Authority** with the following initial application documents:

- a completed application form as set out in Appendix 2;
- a copy of its certificate of incorporation if the relevant information is not otherwise publicly available;
- a **Personal Questionnaire** for all directors;
- the name, date of birth and nationality of the **Money Laundering Compliance Officer**;
- 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;
- 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 Category 2 Listing Member; and
- provide any other relevant information as may be requested by the **Authority**.

### Guidance:

### Suitability:

- In considering whether an applicant is suitable for admission to membership, the **Authority's** assessment may also include the scope and status of the applicant's regulation, supervision, or authorisation under relevant legislation.
- The **Authority** may also take into account any information relating to any:
  - director, partner, employee, or agent of the applicant; or
  - controller or associate of the applicant; or
  - other companies in the applicant's group, or any director or controller of any such company; or
  - other information that it considers appropriate in relation to the applicant.
- 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.

## Application procedure continued

### Guidance continued:

#### Category 2 Listing Membership Applications:

- The **Authority** shall make a final decision regarding an application within 5 business days of receiving a complete application along with any other information that the Authority may have requested.

#### Approved Applications for Category 2 Listing Membership:

- If the **Authority** approves an application for Category 2 Listing Membership of the Exchange, it may do so subject to conditions.
- The **Authority** shall communicate its decision to the applicant no later than 2 days after making the final decision along with any conditions applicable, together with details of the applicant's right of appeal in respect of the conditions.

#### Rejection of an application for Category 2 Listing Membership

- If the **Authority** rejects an application for Category 2 Listing 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.
- the applicant may appeal the **Exchange's** decision in line with the procedures set out in Operational Matters 3.



# Continuing obligations

## 6.1 General Obligations

6.1.1 The **Sponsor** must notify the **Authority** immediately where the following occurs:

- the imposition of disciplinary measures or sanctions on the **Sponsor** (or its **Supervised** group entity) or any director and/or employee by any statutory, regulatory, professional, or other body exercising its legal powers of enforcement; or
- any material change to any matter previously notified to the **Authority** that is or may be pertinent to the **Authority's** consideration of the **Sponsor's** suitability for membership; or
- its non-compliance with relevant **Membership Rules** or **Listing Rules** unless the **Authority** has already confirmed its knowledge of such non-compliance to the Member in writing; or
- it has reason to believe that it no longer meets the conditions of Category 2 Listing membership.

### Guidance:

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

## 6.2 Name and Address

The **Sponsor** must give the **Authority** 10 business days' notice of any intention to change its name and receive no objection prior to effecting the change.

The **Sponsor** must give the **Authority** 10 business days' notice of any intended change of address.

## 6.3 Structure and Ownership

The **Sponsor** must provide the **Authority** with 20 business days' notice prior to:

- making any material change in the structure of the **Sponsor**; and
- making any material change in the shareholding, ownership, or beneficial ownership of the **Sponsor**.

## Continuing obligations continued

### 6.4 Winding Up

The **Sponsor** must notify the **Authority** immediately upon the occurrence of:

- a decision being made to enter voluntary liquidation or otherwise commence voluntary winding up of the **Sponsor**; or
- an application for the winding up of the **Sponsor** 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; or
- the appointment of a receiver, administrator, or trustee of the **Sponsor**; or
- the making of a composition or arrangement with creditors of the **Sponsor**; or
- where the **Sponsor** is a partnership, an application, or the giving of notice to dissolve the partnership; or
- an event equivalent to the foregoing under the **Sponsor's** local legislation.

#### Guidance:

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

### 6.5 Authorised Persons

The **Sponsor** must notify the **Authority** within 10 business days of the appointment of a person authorised to represent the **Sponsor** under these **Membership Rules** and immediately where such appointment has been terminated.

### 6.6 Directors Notifications

6.6.1 The **Sponsor** 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**.

6.6.2 The **Sponsor** 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.

#### Guidance:

##### Director Notifications

- Following receipt of a notification, if the **Authority** objects to any such appointment it shall, within 5 business days of its decision, notify the **Sponsor** in writing of its decision and include the grounds for the decision and the principal facts and matters relied upon in making it.
- Following receipt of a notification, if the **Authority** does not object to the appointment it shall, within 5 business days of its decision, notify the **Sponsor** in writing of its decision.

## Continuing obligations continued

### 6.7 Money Laundering Compliance Officer

- 6.7.1 The **Sponsor** must notify the **Authority** within 10 business days of the appointment of a person responsible for its compliance with its anti-money laundering and countering the financing of terrorism obligations and must provide their name, date of birth and nationality.
- 6.7.2 The **Sponsor** must notify the **Authority** within 10 business days of the resignation of a money laundering compliance officer (or where they have otherwise ceased to act) and must provide the **Authority** with the reason for the resignation or cessation.

### 6.8 Listing and Listing Applications

- 6.8.1 The **Sponsor** must, in relation to each final application for listing, provide a signed Listing Agents Declaration, as set out in the applicable Appendix of the **Listing Rules**, confirming the requirements of that undertaking have been met.

#### Guidance:

##### The Category 2 Sponsor 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 submitting all documents supporting the application to the **Authority**.
- seeking the approval of the **Authority** for the Listing Document.

### 6.9 Agents

- 6.9.1 The **Sponsor** must notify the **Authority**, within 10 business days, of any changes to the details of, or 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.
- 6.9.2 **Agents** that are appointed must have sufficient knowledge, experience, training, and competence to be able to properly discharge the functions for which it has been appointed.

#### Guidance:

##### Agents acting on behalf of the Category 2 Sponsor

- The **Sponsor** shall be fully responsible for the acts and omissions of its **agents** and shall take all reasonable steps to ensure that the agents comply with the relevant obligations arising under the **Membership Rules** and **Listing Rules**.

## Continuing obligations continued

### 6.10 Resignation of Membership

- 6.10.1 The **Sponsor** must serve the **Authority** with at least three months' notice that it wishes to resign its Membership, along with a rationale.
- 6.10.2 Before the resignation will be deemed effective by the Authority, the resigning Sponsor must, to the extent considered reasonable by the Authority, satisfy all obligations to:
- the Authority;
  - any Members;
  - its issuers;
  - its agents; and
  - its clients.
- 6.10.3 The **Sponsor** 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**.

#### Guidance:

##### Resignation of Membership:

- In exceptional circumstances, the **Authority** may permit a reduced noted period.
- The **Authority** may postpone the effective date of resignation and may request further information or impose other obligations on the **Sponsor** where it considers it necessary to do so.
- The **Authority** may, in its absolute discretion, refuse to accept a notice of resignation given by the **Sponsor**, or reject such a notice after it has been served but prior to it taking effect, if the **Authority** considers that:
  - any matter affecting such Category 2 Sponsor 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 Category 2 Sponsor when the resignation would otherwise have become effective;
  - a prohibition or requirement should be imposed on such Category 2 Sponsor under the **Authority's** powers or that any prohibition or requirement imposed on such Category 2 Sponsor under those powers should continue in force.

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## Rules

### **Category 3 Trading Member (Trading Member) – All Markets**

Chapter 7 - Conditions for membership

Chapter 8 - Application procedure

Chapter 9 - Continuing obligations

## Conditions for membership

### 7.1 All Category 3 Trading Member

#### 7.1.1 A **Trading 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**;
- 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;
- satisfy the **Authority** that it has sufficient financial, human, and technical resources with adequate knowledge, experience, training, and competence;
- satisfy the **Authority** that it has adequate systems and internal policies, procedures, and controls in place to comply with these Rules;
- comply with the rules of the **Exchange**, and such other requirements for membership as the **Authority** may from time to time prescribe; and
- be directly regulated or supervised by a regulatory body acceptable to the **Authority**.

## Application procedure

### 8.1 Application Documents

#### 8.1.1 An applicant that wishes to become a **Trading Member** must provide the **Authority** with the following initial application documents:

- a completed application form as set out in Appendix 3;
- a copy of its certificate of incorporation if the relevant information is not otherwise publicly available;
- a Personal Questionnaire and appropriate due diligence for all directors and traders;
- the name, date of birth and nationality of the Money Laundering Compliance Officer;
- 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;
- provide any other relevant information as may be requested by the **Authority**.

**Guidance:****Suitability**

- In considering whether an applicant is suitable for admission to membership, the **Authority's** assessment may also include the scope and status of the applicant's regulation, supervision, or authorisation under relevant legislation.
- The **Authority** may also take into account any information relating to any:
  - director, partner, employee, or agent of the applicant; or
  - controller or associate of the applicant; or
  - other companies in the applicant's group, or any director or controller of any such company; or
  - other information that it considers appropriate in relation to the applicant.
- 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.

**Category 3 Trading Member Applications**

- The **Authority** shall make a final decision regarding an application within 5 business days of receiving a complete application, along with any other information that the **Authority** may have requested.

**Approved Applications for Category 3 Trading Membership**

- If the **Authority** approves an application for Category 3 Trading Membership of the **Exchange**, it may do so subject to conditions.
- The **Authority** shall communicate its decision to the applicant no later than 2 days after making the final decision along with any conditions applicable, together with details of the applicant's right of appeal in respect of the conditions.

**Rejection of an application for Category 3 Trading Membership**

- If the **Authority** rejects an application for Category 3 Trading 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.
- the applicant may appeal the **Exchange's** decision in line with the procedures set out in Operational Matters 3.

# Continuing obligations

## 9.1 General Obligations

- 9.1.1 The **Trading Member** must notify the **Authority** immediately where the following occurs:
- the imposition of disciplinary measures or sanctions on the **Trading Member** (or its **Supervised** group entity) or any director and/or employee by any statutory, regulatory, professional, or other body exercising its legal powers of enforcement; or
  - any material change to any matter previously notified to the **Authority** that is or may be pertinent to the **Authority's** consideration of the **Trading Member's** suitability for membership; or
  - its non-compliance with relevant **Membership Rules** or **Trading and Settlement Rules** unless the **Authority** has already confirmed its knowledge of such non-compliance to the Member in writing; or
  - it has reason to believe that it no longer meets the conditions of Category 3 Trading Membership.

### Guidance:

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

## 9.2 Name and Address

- 9.2.1 The **Trading Member** must give the **Authority** 10 business days' notice of any intention to change its name and receive no objection prior to effecting the change.
- 9.2.2 The **Trading Member** must give the **Authority** 10 business days' notice of any intended change of address.

## 9.3 Structure, Ownership

- 9.3.1 The **Trading Member** must provide the **Authority** with 20 business days' notice prior to:
- making any material change in the structure of the **Trading Member**; and
  - making any material change in the shareholding, ownership, or beneficial ownership of the **Trading Member**.

## 9.4 Winding Up

- 9.4.1 The **Trading Member** must notify the **Authority** immediately upon the occurrence of:
- a decision being made to enter voluntary liquidation or otherwise commence voluntary winding up of the **Trading Member**; or
  - an application for the winding up of the **Trading Member** or of a company which is a subsidiary or parent company of the Member; or
  - the appointment of a receiver, administrator, or trustee of the **Trading Member**; or
  - the making of a composition or arrangement with creditors of the **Trading Member**; or
  - where the **Trading Member** is a partnership, an application, or the giving of notice to dissolve the partnership; or
  - an event equivalent to the foregoing under the **Trading Member's** local legislation.



## Continuing obligations continued

### Guidance:

Where the Authority deems it necessary, action may be taken under this rule without prior notice to the Category 3 Trading Member concerned. Such action may include suspension of the Category 3 Trading Member from membership of the Exchange.

### 9.5 Directors Notifications

- 9.5.1 The **Trading Member** must notify the **Authority** within 10 business days of the appointment of a director and must provide a Personal Questionnaire in a form acceptable to the **Authority**.
- 9.5.2 The **Trading 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.

### Guidance:

#### Approved Applications for Category 2 Listing Membership:

#### Directors Responsibilities:

- The **Trading Member** and any director, Trader employee and/or agent of it shall together with that **Trading 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, employee and/or agent.

#### Director Notifications

- Following receipt of a notification, if the **Authority** objects to any such appointment it shall, within 10 business days of its decision, notify the **Trading Member** in writing of its decision and include the grounds for the decision and the principal facts and matters relied upon in making it.
- 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 **Trading Member** in writing of its decision.
- The **Trading 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.

### 9.6 Authorised Persons

- 9.6.1 The **Trading Member** must notify the **Authority** within 10 business days of the appointment of a person authorised to represent the **Trading Member** under these **Membership Rules** and immediately where such appointment has been terminated.

### 9.7 Money Laundering Compliance Officer

- 9.7.1 The **Trading Member** must notify the **Authority** within 10 business days of the appointment of a person responsible for its compliance with its anti-money laundering and countering the financing of terrorism obligations and must provide their name, date of birth and nationality.
- 9.7.2 The **Trading Member** must notify the **Authority** within 10 business days of the resignation of a money laundering compliance officer (or where they have otherwise ceased to act) and must provide the **Authority** with the reason for the resignation or cessation.

## Continuing obligations continued

### 9.8 Trader Notifications

- 9.8.1 The **Trading Member** must provide the **Authority** with 10 business days' prior notification of the proposed appointment of a trader together with a Personal Questionnaire in a form acceptable to the **Authority**.
- 9.8.2 The **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.

#### Guidance:

##### Trader Notifications

- 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.
- Following receipt of a notification, if the **Authority** does not object to the appointment, it shall, within 2 business days of its decision, give the **Trading Member** written notice of its decision.
- The **Trading 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.

### 9.9 Resignation of Membership

- 9.9.1 The **Trading Member** must serve the **Authority** with at least three months' notice that it wishes to resign its Membership, along with a rationale.
- 9.9.2 Before the resignation will be deemed effective by the Authority, the resigning Trading Member must satisfy all obligations:
- the Authority;
  - other Members;
  - its issuers;
  - its agents, and
  - its clients, to the extent considered reasonable by the Authority.
- 9.9.3 The **Trading 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**.

## Continuing obligations continued

### Guidance:

#### Resignation of Membership

- In exceptional circumstances, the **Authority** may permit a reduced noted period.
- The **Authority** may postpone the effective date of resignation and may request further information or impose other obligations on the **Trading Member** where it considers it necessary to do so.
- The **Authority** may, in its absolute discretion, refuse to accept a notice of resignation given by the **Trading Member**, or reject such a notice after it has been served but prior to it taking effect, if the **Authority** considers that:
  - any matter affecting such **Trading Member** should be investigated under the disciplinary procedures or for any other reason; or
  - it is necessary or desirable for the protection of investors who may be clients or counterparties of the **Trading Member** when the resignation would otherwise have become effective; or
  - a prohibition or requirement should be imposed on such **Trading Member** under the **Authority's** powers or that any prohibition or requirement imposed on such **Trading Member** under those powers should continue in force.

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## Rules

### Schedules

Schedule 1 - Code of conduct

Schedule 2 – Supervision and Enforcement

# Code of Conduct

## 10.1 Conduct of Business

- 10.1.1 Category 3 Trading Members shall not trade in a security that has been suspended without the prior approval of the **Authority**.
- 10.1.2 Category 3 Trading Members shall not trade in securities listed on the Qualifying Investor Bond Market unless the order comes from a professional client or qualified investor who is particularly knowledgeable in investment matters.
- 10.1.3 Under no circumstances shall a Category 3 Trading Member trade with another Category 3 Trading Member whose trading rights have been suspended, except to settle a trade executed prior to the suspension of the Category 3 Trading Member.
- 10.1.4 **Members** 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.
- 10.1.5 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.
- 10.1.6 **Members** must take all reasonable steps to ensure that its directors, traders 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.
  - appropriate arrangements on propriety in personal dealings.

## 10.2 Market Abuse

- 10.2.1 **Members** 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**.
  - fictitious trade or false trade price to be input into the trading system.
  - aide, abet, counsel or procure any activities that may be consistent with 'Market Abuse'
- 10.2.2 For the purposes of **Membership Rule** 10.2.1 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.
  - the employment of any fictitious device or any other form of deception or contrivance.
- 10.2.3 **Members** 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.
  - 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.

## Code of Conduct continued

- 10.2.4 **Members** 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 10.2 of the **Membership Rules**.
- 10.2.5 **Members** 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.
- 10.2.6 **Members** 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.
- 10.2.7 **Members** 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.
- 10.2.8 **Members** 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.
- 10.3 Anti-Money Laundering and Countering the Financing of Terrorism**
- 10.3.1 **Supervised Members** 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**.
- 10.3.2 **Unsupervised Members** 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**,
    - ii. the client due diligence material relied upon to assess the money laundering and terrorist financing risks posed in relation to each applicant, and
  - confirm at the time of each listing application, in the form prescribed by the **Authority**, that 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

# Supervision and Enforcement

## 11.1 General

11.1.1 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**.

## 11.2 Supervision

11.2.1 A **Member** must co-operate and comply fully with any supervisory activities, including inspections and investigations, 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 or documentation as it may require and, in a format, specified by the **Authority** within a reasonable timeframe;
- making available its directors, money laundering 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 any other material, howsoever held in its possession or under its control to be produced to or inspected by **Authority** staff and provide copies of that material as required or requested; and
- completing, within a reasonable timeframe and in such a manner as the **Authority** may require, all remedial actions identified by the **Authority**.

## 11.3 Escalation

11.3.1 The **Authority** may initiate an inspection or investigation where, resulting from its supervisory 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**; or
- **Listing Rules**; or
- conditions or remedial actions imposed on a **Member** by the **Authority**.

## 11.4 Inspection by the Authority

11.4.1 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** complies with the **Membership Rules** or **Listing Rules**; or
- require a **Member** to comply with any requirements as set out in **Membership Rule 11.2.1**

## Supervision and Enforcement continued

### 11.5 Investigation by the Authority

- 11.5.1 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, information received, or as a result of supervisory activities or an inspection. Any such investigation shall be conducted in the manner of an inspection.
- 11.5.2 An investigation may be instigated under **Membership Rule** 11.5.1 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** of the **Exchange**.
  - there has or may have been a contravention by the **Member** 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**.
- 11.5.3 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.
- 11.5.4 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.

### 11.6 Enforcement

- 11.6.1 Where, as a result of supervisory activities 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; or
  - restrict the scope of **Exchange** business conducted by the **Member** (including **Sponsor**, **Listing Agent** and/or trading activities); or
  - refer the **Member** to the **Disciplinary Committee** [OPERATIONAL MATTERS 2]; or
  - suspend the **Member** from membership of the **Exchange** for such time as it thinks fit; or
  - terminate the **Member's** membership of the **Exchange**.

### 11.7 Disciplinary Committee

- 11.7.1 The **Authority** may refer a **Member** to the **Disciplinary Committee** [OPERATIONAL MATTERS 2] 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**; or
  - the **Member** has or may have contravened any provision 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**; or
  - such action is or may be appropriate or desirable for the protection of investors.



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## Rules

### **Operational Matters**

- 1 - Role of the Listing and Membership Committee
- 2 - Disciplinary Committee Procedure
- 3 - Appeals
- 4 - Payment of fees and charges

## Role of the Listing and Membership Committee

Subject to the appeals procedure set out in OPERATIONAL MATTERS 3, the terms of reference of the **Listing and Membership Committee** include the following responsibilities:

- operating and regulating the **Exchange**;
- determining the suitability and approval of applications for admission to or resignation as a **Member of the Exchange**;
- supervising **Members'** compliance with their obligations; and
- interpreting, applying and enforcing the **Membership Rules**.
- referring relevant matters to the **Disciplinary Committee** to consider any appropriate enforcement action.

## Disciplinary Committee Procedure

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.

## Disciplinary Committee Procedure 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; or
  - decide that no further action should be taken; or
  - issue a private warning or reprimand to the **Member**; or
  - issue a notice of public censure against the **Member**; or
  - impose a financial penalty on the **Member** in such amount as may be considered appropriate; or
  - 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**; or
  - the **Member** has contravened any provision of the **Membership Rules**, **Listing Rules**, or decisions taken by the **Authority**; or
  - 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**; or
  - action is considered appropriate for the protection of investors; or

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.

## Disciplinary Committee Procedure 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 3.

## Appeals

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** (any Category) which is granted subject to conditions.
  - Rejection of an application to be a **Member**.
2. Only final decisions of the **Disciplinary Committee** on matters referred to it by the **Listing and Membership Committee** may be appealed to the **Appeals Committee** in accordance with the procedures set out below.
3. 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**.
4. Where the requirements for serving notice of an appeal are not met, the final decision of the **Listing and Membership Committee** or **Disciplinary Committee** shall be final and binding on all parties.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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.
12. **Appeals Committee** hearings shall be conducted in private.

## Appeals continued

13. 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** or **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**.
14. The parties may attend the hearing, but any hearing may proceed in the absence of one or both of the parties.
15. 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.
16. The order of proceedings at the hearing shall be at the discretion of the **Appeals Committee**.
17. 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.
18. 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.
19. 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.
20. In making its decision, the **Appeals Committee** may uphold or reverse the **Listing and Membership Committee's** or **Disciplinary Committee's** earlier final decision.
21. The **Appeals Committee** will only reverse or vary the **Listing and Membership Committee's** or **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.
22. 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 **Listing and Membership Committee** or **Disciplinary Committee** and make any order which the **Listing and Membership Committee** or **Disciplinary Committee** could have made.
23. 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 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.
24. 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 **Listing and Membership Committee** or **Disciplinary Committee** and, if appropriate, the **Appeals Committee**.

## Payment of fees and charges

1. 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.
2. Where a Member fails to pay in accordance with point 1 above, 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.

## Appendices

The appendices below can be found on our website: <https://www.tisegroup.com/members/membership-rules/>

Appendix 1 – Application form for Category 1 Listing Member

Appendix 2 – Application form for Category 2 Listing Member

Appendix 3 – Application form for Trading Member



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