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MOROCCO STOCK EXCHANGE DEVELOPMENT

Exhibits

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Volume II - Exhibits

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Exhibit A

COMPENSATION FUNDS

The draft proposals for an Intermediaries Association contemplate that such brokers would organize a fund to compensate customers suffering losses by reason of the failure of a stockbroker. Although this is not believed practical at present by the consultant unless funded by government, rather than brokers, the following rule material is furnished to improve understanding of such funds.

Compensation Fund - The Board may establish a Compensation Fund which shall consist of contributions made thereto as authorized from time to time by the Board, such principal and any net income accumulated therein hereafter sometimes referred to as the Fund.

The Fund shall, except as otherwise provided in this rule, be used solely for the purpose of providing direct or indirect assistance to customers of a Member threatened with loss of their money or securities because of such Member, in the opinion of the Board, is insolvent or is in such financial condition that it may be unable without assistance to meet its obligations to such customers, but shall be used only to the extent if any, and in the manner determined by the Board.

The Fund shall be kept separate and apart from any other funds or other assets of the Exchange and may be a Trust of which members of the Board are trustees.

The net income realized on the Fund shall be added to and become a part of the Fund, except that whenever the net worth is determined to be in excess of the sum of \$---- million, the Board may apply the net income on the Fund in any calendar year thereafter, or so much thereof as they may determine, to the uses and purposes to which the fund may be applied on termination as hereafter provided.

The net worth of the Fund shall be determined by the Board and shall be that amount by which at the close of the preceding calendar year the total assets of the Fund (including cash, accounts receivable and investments stated at their market value but exclusive of accrued interest and accrued dividends) exceeded all its known liabilities.

Unless sooner terminated as hereinafter provided, the Fund shall continue and may accumulate the income from property held therein for such time as may be necessary to accomplish the purpose for which it is created. Upon termination, the Fund shall be transferred, conveyed, and paid over to such person, partnership, association or corporation, other than any Member or the Exchange, for such uses and purposes similar or related to the purposes for which the Fund was established, as the Board, in their sole and absolute discretion, shall determine, or, in the

event the Board shall determine that no such similar or related purpose can be found, to such charitable uses and purposes as the Board in their sole and absolute discretion, shall determine.

No Member, no customer of any Member and no other person shall in any event have any claim or right of action, at law or in equity, whether for an accounting or otherwise, against the Exchange, the Board, or any other person, or against the Fund, as a result of any action taken or the failure to act by the Board in the exercise of their discretion. Whether or not expenditures from the Fund shall be made in any particular case and, if so, in what manner, to whom and to what extent, shall at all times remain exclusively within the sole and absolute discretion of the Board.

The Fund may be retained partly or wholly in the form of cash or may be invested and reinvested in such securities as the Board may from time to time deem appropriate, notwithstanding the provisions of any law governing the investment of funds by fiduciaries.

The Board may pledge any and all of the securities in the Fund to secure the repayment of any borrowing effected by the Fund, the proceeds of which are to be used to provide direct or indirect assistance to customers.

Any action taken by a majority of the Board then in office shall constitute action on behalf of the Fund.

This rule shall not be subject to amendment, modification or revocation in any manner which would permit the Fund or the net income thereon to be applied to uses and purposes other than those set forth in this rule. The Fund may otherwise be amended, modified or revoked by the Board acting pursuant to an amendment of this Rule adopted.

Additional funds. In order to reimburse the Exchange for contributions to the Fund or for payments made directly to supplement the funds available through the Fund, or to enable the Exchange to make such contributions or payments, the Board may authorize the borrowing of funds from time to time on behalf of the Exchange. In anticipation of the possible need for such funds, the Board may authorize the obtaining on behalf of the Exchange of an appropriate indemnity bond or bonds or standby credit arrangements, all on terms and conditions as the Board may determine.

Considerations for the Board. In considering assistance to customers from the Fund, the Board shall decide on such matters as:

a) If creditors of the Member place the Member in liquidation under bankruptcy provisions, should any assistance be deferred

until the proceeds of the liquidation to each customer is determined?

b) If the directors or stockholders by contract agree to place the Member under direction and control of the Exchange Board or a person appointed by that Board, will the Compensation Fund finance operations of the Member pending sale or liquidation and/or guarantee the return of some stated maximum of equity to each customer?

c) In any event, what should be the maximum value of customer security and free credit equity protected against loss to each customer by the Fund?

d) Should there be a maximum dollar commitment of assistance per failed member or new charges on transactions to increase the Fund? Should the Fund be routinely supplemented by letters of credit?

e) Will assignment of rights to subsequent liquidation proceeds by each assisted customer be a condition of assistance?

f) Should contracts with other Members for their customers account be closed out or guaranteed by the Fund?

g) Should bank loans against customer collateral be guaranteed to prevent liquidation?

h) Should financial incentives be given to key employees to remain at work during the liquidation?

h) Should other Members be guaranteed against loss in bulk acceptance of customer accounts or for operation of the entire business or part of it during liquidation?

Exhibit B - Recommended Additions to Exchange Rules

Following are a number of draft exchange rules recommended for addition to the retained exchange rules. They are arranged in nine sections. An easy reference numbering system is used with 50 numbers allocated to each rule topical section. There are blanks in each number sequence to allow for addition of present and future rules.

Section One - Listing

1. Approval for Listing - The Board of Directors shall approve Listing and Delisting of Securities for trading based on their finding that

1. There are or are not sufficient securities outstanding, security values, and security holders to support an auction market in the trading style of the Exchange

2. The issuer enters into a Listing Agreement as prescribed by the Exchange and continues to comply with such agreement.

2. Proxies - Whenever a person soliciting proxies shall furnish a Member with a) copies of all soliciting material which such person is sending to registered holders, and b) satisfactory assurance that he will reimburse the Member for all out-of-pocket costs incurred, including reasonable clerical costs, such Member shall transmit to each beneficial owner of stock in its possession and control the material furnished.

The Member shall transmit with such material either a) a signed proxy indicating the number of shares held for such beneficial owner, a symbol identifying the proxy with the Member's proxy records, and a letter concerning the importance of being represented at the meeting, or b) a request for voting instructions and an explanation of whether the Member may vote the shares without instructions under the conditions following.

After a reasonable time with no response from the beneficial owner, such shares may be voted by the Member if there is no known contest on action to be taken at the meeting or authorization for merger, consolidation of any other matter which may affect substantially the rights or privileges of such stock.

3. Listing Agreement - Any issuer applying for listing of its securities on the Exchange shall enter into an Agreement in the following form, but nothing in the Agreement shall be construed to require the issuer to do any acts in contravention of law or in violation of any regulation of any public authority exercising jurisdiction over the issuer.

Listing Agreement

(hereinafter called the Issuer), in consideration of the listing of the securities covered by this application, hereby agrees with the Casablanca Stock Exchange (hereinafter called the Exchange), as follows:

1. Any notification or report required to be made to the Exchange in this agreement will also promptly be publicly announced.
2. The issuer will promptly notify the Exchange of
 - a) any change in the general character or nature of business,
 - b) any changes of principal officers or directors,
 - c) any disposal of any property or any stock interest in any of its subsidiary or controlled companies if such disposal will materially affect the financial position of the issuer or the nature or extent of its operations,
 - d) any change in, or removal of, collateral deposited under any mortgage or trust indenture under which securities of the issuer listed on the Exchange have been issued,
 - e) within ten days after the close of a fiscal quarter, in the event any previously issued shares of any stock of the issuer listed on the Exchange have been reacquired or disposed of, directly or indirectly, for the account of the issuer during such fiscal quarter, such report showing separate totals for acquisitions and dispositions and the number of shares of such stock so held by it at the end of each quarter,
 - f) all facts relating to the purchase, direct or indirect, of any of its securities listed on the Exchange at a price in excess of the market price of such security prevailing on the Exchange at the time of such purchase,
 - g) any action by it or by others which becomes known to it which will result in the redemption, cancellation or retirement, in whole or in part, of any of its securities listed on the Exchange,
 - h) action taken to fix a stockholder's record date, or to close the transfer books, for any purpose (and will take such action at such time as will permit giving the Exchange at least ten business day's notice in advance of such record date or closing of the books,
 - i) any diminution of the supply of stock available for the market occasioned by deposit of stock under voting trust agreements, if any knowledge of such actual or proposed deposits should come to the official attention of officers or directors of the issuer,
 - j) if it changes its independent public accountants regularly auditing the books and accounts of the issuer, with the reasons for such change.
3. The issuer will furnish to the Exchange on demand such other information concerning the issuer as the Exchange may reasonably require.
4. The issuer will file with the Exchange:

- a) four copies of all material mailed by the issuer to its stockholders with respect to any amendment or proposed amendment to its certificate of incorporation,
- b) a copy of any amendment to its certificate of incorporation, or resolution of directors in the nature of an amendment, certified by competent authority,
- c) a copy of any amendment to its by-laws, certified by a duly authorized officer of the issuer, as soon as such amendment shall have become effective.

5. The issuer will publish at least once a year and submit to its stockholders at least fifteen days in advance of the annual meeting of such stockholders and not later than three months after the close of the last preceding fiscal year of the issuer:

- a) a balance sheet as of the end of such fiscal year, and a surplus and income statement for such fiscal year for the issuer as a separate entity and of each other entity in which it holds directly or indirectly a majority of the equity; or in lieu thereof, eliminating all intercompany transactions, a consolidated balance sheet of the issuer and its subsidiaries as of the end of the last previous fiscal year, and a consolidated surplus statement and a consolidated income statement. If any such consolidated statement shall exclude entities a majority of whose equity stock is owned directly or indirectly by the issuer:

- i) the caption of, or a note to, such statement will show the degree of consolidation,
- ii) the consolidated income account will reflect, either in a footnote or otherwise, the parent company's proportion of the sum of, or difference between, current earnings or losses and the dividends of such unconsolidated subsidiaries for the period of the report; and
- iii) the consolidated balance sheet will reflect, either in a footnote or otherwise, the extent to which the equity of the parent in such subsidiaries has been increased or diminished since the date of acquisition as a result to profits, losses and distributions. Appropriate reserves, in according with good accounting practice, will be made against profits arising out of transactions with unconsolidated subsidiaries in either parent statements or consolidated statements. Such statements will reflect the existence of any default in interest, cumulative dividend requirements, sinking fund or redemption fund requirements of the issuer and of any controlled entity, whether consolidated or unconsolidated. Such statements shall be in the same form as the corresponding statements contained in the listing application in connection with which this listing agreement is made, and shall disclose any substantial items of unusual or non-recurrent nature. Issuers

shall publish either quarterly or mid-year statements of earnings on the basis of the same degree of consolidation as in the annual report. Such statements will disclose any substantial items of unusual or non-recurrent nature and will show either net income before and after income taxes or net income and the amount of income taxes.

b) the number of its shares of stock issuable under outstanding options at the beginning of the year; separate totals of changes in the number of shares of its stock under option resulting from issuance, exercise, expiration, or cancellation of options; the number of shares issuable under outstanding options at the close of the year, the number of unoptioned shares available at the beginning and the close of the year for the granting of options under an option plan, and any changes in the exercise price of outstanding options through cancellation and reissuance, or otherwise, except price changes resulting from the normal operation of anti-dilution provisions of the options.

All financial statements contained in annual reports or proxy statements to shareholders will be audited by independent public accountants qualified under the laws Morocco and in conformance with generally accepted auditing practice, and will be accompanied by a certificate made by them with respect to their audit of such statements showing the scope of such audit and the qualifications, if any, with respect thereto.

6. The issuer will not select any of its securities listed on the Exchange for redemption otherwise than by lot or pro-rata, and will not set a redemption date earlier than 15 business days after the date the issuer action is taken to authorize the redemption.

7. In case securities to be issued are in temporary form, to order permanent engraved securities within thirty days after the date of listing.

8. The issuer will make application to the Exchange for the listing of additional amounts of securities listed on the Exchange sufficiently prior to the issuance thereof to permit action in due course upon such application. The issuer will not make any change in the form or nature of any securities listed on the Exchange, nor the rights and privileges of the holders thereof, without giving twenty days' prior notice to the Exchange of the proposed change, and having made application for the listing of the securities as changed if the Exchange shall so require.

9. The issuer will use its best efforts with any large holders to make reasonable amounts of stock available for loaning purposes on the Exchange if at any time such need should develop.

10. The issuer will not make, or permit any subsidiary controlled by it to make, any substantial charges against capital surplus without notifying the Exchange and if so requested by the Exchange submitting such charges to stockholders for approval or ratification.

11. The issuer will not make any substantial change, nor permit any controlled subsidiary to make, any substantial change in accounting methods, in policies as to depreciation and depletion or in bases of valuation of inventories or other assets, without notifying the Exchange and disclosing the effect of such change in its next succeeding interim and annual report to its stockholders.

12. The issuer will maintain a) at least two members of its Board of Directors or similar governing body who are not officers or controlling persons, and b) an audit committee of its Board with a majority of its members not officers or controlling persons.

13. The issuer will maintain in the City of Casablanca in accordance with Exchange requirements:

(A) an office or agency where:

a) the principal of and interest on all bonds of the issuer listed on the Exchange shall be payable and where any such bonds which are registerable as to principal or interest may be registered.

b) all stock of the issuer listed on the Exchange shall be transferable.

c) Checks for dividends and other payments with respect to listed stock may be presented for immediate payment

d) Scrip issued to holders of listed securities and representing a fractional interest in a listed security will be accepted for such purpose,

e) Listed convertible securities will be accepted for conversion, and

(B) a Registrar where listed stock of the issuer shall be registerable. Such Registrar shall be a bank or Trust Company not acting as Transfer Agent for the same security.

14. The issuer will not appoint a transfer agent, registrar or fiscal agent of, nor a trustee under a mortgage or other instrument relating to, any listed

security without prior notice to the Exchange. The issuer will not a) appoint a registrar for its listed securities unless such registrar at the effective date is qualified with the Exchange as a registrar or b) select an officer or director of the issuer as a trustee under a mortgage or other instrument relating to a listed security.

15. The issuer will maintain a sufficient supply of certificates to meet the demands for transfer. If stock certificates do not recite the preferences of all classes of its stock, it will furnish to stockholders on request and without charge a printed copy of such preferences.

16. The issuer will not issue any common ownership shares without voting rights and all such shares shall have an equal vote.

17. The issuer will solicit proxies for all meetings of shareholders.

18. The issuer will publish immediately to the holders of any listed securities any action taken by it with respect to dividends or to the allotment of rights to subscribe or to any rights or benefits pertaining to the ownership of listed securities; and will give prompt notice to the Exchange of any such action; and will afford such holders a proper period within which to record their interests and to exercise their rights; and will issue such rights or benefits in form approved by the Exchange and will make the same transferable, exercisable, payable and deliverable in the City of Casablanca.

19. The issuer will issue new certificates for listed securities replacing lost ones forthwith upon notification of loss and receipt of proper indemnity. In the event of the issuance of any duplicate bond as a replacement and subsequent appearance of the original in the hands of an innocent holder, either the original or the duplicate bond will be taken up and canceled and the issuer will deliver to such holder another bond theretofore issued and outstanding.

20. The issuer will pay when due any applicable listing fees established from time to time by the Exchange

Agreement to be dated and signed for the issuer by an duly authorized party.

Section Two - Trading

The following rules are suggested for addition to the Morocco stock exchange rules on trading. The rules of the exchange should be designed with the intention of constituting conditions of contract for Exchange transactions.

50. Change of Ownership - An orally agreed trade between authorized trading attorneys of members on the Exchange constitutes a binding contract pursuant to the rules of the Exchange. Ownership of the traded securities changes at the time of such agreement, with all the rights and privileges of that security as approved for trading by the Exchange at that time, subject to close out on default by either party.

51. Member Responsibility to Customers - Members are responsible to their customers for completion of open trades whether settled with contra members or not.

52. Odd Lots - A Member shall be appointed an odd lot dealer for each listed security. An odd lot is a quantity less than the unit of trading. Odd lots of different customers may be combined into round lots with the consent of each customer. Odd lots shall be traded as agent for two different customers where feasible at the opening or any subsequent trading price, or between the bid and offer if no sale occurs during a trading session. Odd lots not executable as agent shall be purchased or sold by the odd lot dealer at a price 2% from the market in the dealer's favor. No member shall permit a customer to submit orders in several odd lots which could be submitted as round lots.

53. Unlisted Securities - After the close of each listed trading session, Members with orders to execute unlisted securities shall trade such securities by the same trading methods as for listed securities. Members shall not accept orders in securities which could qualify for listing but which are not listed.

54. Crosses - Members holding orders to purchase and sell the same security at the same price (a possible cross), shall announce their intention to the trading session and shall satisfy offers to buy or sell at better prices before executing the cross.

55. Auction Order Priorities - Customer orders shall always have priority for execution at the same price over orders of Members, their employees and immediate families.

At an opening with an imbalance of buys and sells at an executable opening price, execution will be given on the larger side on a pro-rata basis in round lots to the extent possible, after at least one round lot to each order. If the imbalance does not permit one round lot to each order, allocation shall be by time submitted if determinable, otherwise by lot selection (tossing a coin or blind selecting of lot numbers).

The opening and each subsequent transaction clears the auction; subsequent bids and offers have time of entry priority at the best price; ties are broken by pro rata allocation or by matching of coins.

(In very busy markets, size priority may be established to facilitate trading).

56. Customer Order Priorities - Each customer order shall be recorded by a Member in writing with the time and date received. Priority of execution shall be given by Members to customer orders in the same security at the same price in accordance with a system approved by the Board. The presently approved alternative systems are"

(1) Executions at the next trading session shall be in the queue order of time received. Limited price orders which become executable shall be entered into the queue at their entry time.

(2) All customer orders held by a Member at the time trading opens shall be given parity, sharing in proportion to the size of each order in the total executions of such member in that trading session up to the total of such orders at the average price for such orders executed by the Member. Limited price orders held by the Member as such trading opens shall be included in the allocation to the extent that they would have been individually executable during such trading. Customer orders received after trading opens shall be queued by time and executed after the Member completes executions of orders on the same side of the market held at the opening as in (1).

57. Discretion by Attorneys - Member attorneys participating in an auction shall be prohibited from exercising discretion for customers except for time and price. Orders as transmitted to the Auction should not disclose the identity of the Customer.

58. Ex-transactions - Transactions shall be ex-dividend, ex-rights, or ex-subscription as the case may be at an interval fixed by the Board before the

record or other effective date unless made specifically for cash.

59. Cash or Delayed Delivery Transactions - All transactions shall be for settlement at the settlement date fixed by the Board unless made for cash or for a stated delayed delivery date. Cash transactions are for settlement on the same day.

60. Locking Trades - Each trade shall be immediately recorded and acknowledged by each broker in writing in a form provided by the Board. Trades are then final and must be settled. Notice of any subsequent dispute shall be given immediately to the other party; protection by close-out shall be at the option of each party; unless a settlement is voluntarily agreed, the dispute shall be resolved by arbitration pursuant to the rules of the Exchange.

61. Erroneous Reports - The price at which an order was executed and locked in shall be binding notwithstanding the fact that an erroneous report in respect thereto may have been rendered.

62. Records of and Changes in Orders - Every order shall be recorded in writing at the time received, including the name and amount of the security, the terms of the order, the time when received, the time when transmitted, whether agency or principal, and the time at which any cancellation or execution report is received, and the name or designation of the account for which the order is to be executed. No change in the account name or designation shall be made unless authorized in writing by a principal executive officer of the member who shall be personally informed as to the essential facts relative thereto.

63. Commissions - The commission to be charged on brokerage transactions in securities traded on the Exchange shall be not less than the rates established by the Exchange from time to time without any rebate, return, allowance or discount in any shape or manner whatsoever or by any method or arrangement direct or indirect or by any bonus, percentage or portion of a commission, and no remuneration shall be given, paid or allowed by or on behalf of a Member directly or indirectly to any person for business sought or secured for any Member, except as follows:
a) to non-member broker/dealers, domestic or foreign, or banks on transactions for their customer accounts but not for own account - up to 35% of the non-member commission.

- b) to attorneys, accountants, investment advisors and equivalent professionals for their customer accounts, but not for own account, up to 25% of the non-member commission.
- c) to registered representatives of the Member whether employees or independent on transactions for their customer accounts but not for own account, up to 40% of the non-member commission.
- d) to other Members for whom auction execution only is performed, up to 90% of the non-member commission
- e) to other Members for whom execution, settlement and carrying of customer accounts on a disclosed basis is performed, up to 70% of the non-member commission

Confirmations of qualified transactions to non-members shall be rendered with the full amount of non-member commission and any permissible discount allowed shown separately. Confirmations to other members for whom execution only is confirmed shall be at the net amount. Confirmations to other Members for own account transactions settled, carried and optionally executed shall be for the net amount allowed. Confirmations to customer accounts carried (but introduced on a disclosed basis by another Member) for whom settlement, and optionally execution is performed shall be at least the full non-member rate with the shared amount paid to the introducing Member after completion of the contract.

Commission rates ordinarily vary with the value of the transaction and the number of shares as a reflection of the work involved. For very small transactions, there is usually a minimum which may be below cost as an accommodation. Smaller trades within the normal range are likely to be about 2% of the value. The percentage of commission ordinarily decreases as the number of round lots and values traded increase. The percentage on institutional size blocks is sometimes as small as a fraction of 1% or a few cents per share.

In very unusual cases, such as negotiation of unlisted securities trades or principal purchases by a member of shares for which there is no ready market, the commission or short term mark-up may be permissible in the 2-5% range.

Bond transactions are ordinarily in greater dollar amounts per unit than shares and bond commissions consequently are ordinarily less, starting for example at say 1% on 100 bonds.

Commission rates should be high enough to support the promotion and education which the investing public of

the country needs, with adequate incentive to brokers. At the same time, they should be low enough and sufficiently varied by values and work involved to give investors a sense of fairness. As an economy becomes developed, commissions may become negotiated, but fixed commissions are appropriate in communities where policy to encourage the growth of capital is more important than competitive lowering of the cost of investing.

64. Order definitions: The term "security" or "securities" shall have the common meaning of stocks, bonds and similar financial instruments.

The term "stock" includes voting trust certificates, certificates of deposit for stocks, rights, warrants, and other securities of a type classified for trading as stocks by the Exchange.

The term "bond" includes debentures, notes, certificates of deposit for bonds, debentures or notes and other securities of a type classified for trading as bonds on the Exchange.

Permissible Types of Orders:

Cash - a transaction for settlement the same day between brokers directly.

Regular Way - a transaction for settlement on the Settlement Date as established by the Board. Any default in settlement by a broker creates a new contract for a fail-to-deliver vs. a fail-to-receive.

Delayed Delivery - a transaction fixed by contract of the parties for settlement directly between brokers at a date later than regular way settlement.

Market - an order to timely buy or sell a specific quantity of a security at the best price available in the exchange market pursuant to the procedures of the exchange.

Limit - an order to buy or sell all or part of a specified quantity of a security at a stated limit price or better as soon as possible pursuant to the procedures of the exchange.

All or None - an order to buy or sell a specific amount of a security larger than one trading unit simultaneously and not partially, but the total may be to more than one broker.

Not held - an order to buy or sell all or part of a specific amount of a security using the broker's judgement as to timing, and not holding the broker responsible to acquire or dispose of the maximum quantity for which without timing judgement he might compete in the market.

Long - a sale of a security owned.

Short - a sale of a security not owned but to be delivered by a security borrowed.

66. Not Held Prohibition: a market maker in a security shall not accept a not-held order in the same security in which he is making a market. A dealer shall not execute an order for account of the member or associated or related party while holding a not-held order for a customer in the same security.

Section Three - Settlement

100. Members carrying customer accounts shall receive, deliver and maintain custody of all customer and proprietary securities and cash, shall confirm transactions to each party promptly, shall render statements of account as required by these rules, shall effect transfers, claim dividends and other distributions, and otherwise have responsibility for proper conduct of each account. Where a single customer has transactions introduced by different brokers, separate accounts shall be maintained.

101. When an originating member introduces customer accounts to another member on a disclosed basis, the carrying member shall confirm transactions and render statements indicating that the account is introduced and serviced by the originating Member and carried by the reporting member. The respective functions shall be explained to each customer at the opening of the account in a form of letter approved by the exchange which shall explain the respective functions and responsibilities for at least the following: a) opening, approving, and monitoring of accounts, b) extension of credit, c) maintenance of books and records, d) receipt and delivery of funds and securities, e) safeguarding of funds and securities, e) confirmations and statements, f) acceptance of orders and execution of transactions, g) investment information and advice.

102. Introducing Members shall be financially responsible to the Carrying Member for the completion of

any contract entered on the Exchange, and for timely payment of moneys or delivery of securities by introduced customers and shall maintain on deposit with the carrying Member such guarantee fund as may be mutually agreed.

103. Members settling transactions shall maintain in an Exchange Settlement Fund deposited with the Bank for Deposits and Investments (CDG) an amount equal to 5% of the value of securities delivered at the prior regular delivery date plus values of open deliveries not delivered at that date. In the event that a Member fails and its deposit in this fund is insufficient to meet that Member's obligations to deliver securities or pay for purchases, the deficiency shall be met by the Fund and deducted pro-rata from the deposits of other Members in such Fund.

Proprietary accounts of Members shall be carried by the Settlement Agency in the same manner as introduced customer accounts, and may be financed by the agency on such terms as mutually agreed and subject to the Rules of the Exchange.

104. Self-Carrying of Accounts - With the approval of the Board upon showing of appropriate financial and operational capability, a Member may carry its own customer accounts, and settle transactions. Individual members and single shareholder corporations may not carry customer accounts or settle exchange transactions.

105. Carrying members shall send to customers a statement showing transactions since the prior statement and balances of securities and monies held in the account at the close of any month in which transactions were effected, otherwise at the close of each quarter year. A copy of such statement shall be furnished to any introducing Member. Copies of transaction confirmations sent promptly to each customer following each trade shall also be sent to introducing Members.

Members shall maintain such records in a way that they have a continuously accurate record of securities held for each account and balances of money or securities payable.

106. Settlement - Transactions made regular way shall be recorded in customer accounts and payment for purchases shall be remitted to contra brokers within 24 hours of trade. All contracts in securities falling due while the transfer books of such securities are closed shall be settled on the opening of the books.

107. Customer payment for securities purchased or delivery of securities sold in good delivery form shall be due not later than the trade date. Proceeds of customer sales shall be credited to customer accounts within 24 hours of trade and but shall be available for withdrawal on customer instruction only when the member is satisfied with the authenticity and ownership of securities sold. Customer securities bought shall be recorded in customer accounts within 24 hours of trade and delivered on customer instruction as soon as received in good customer delivery form by a member.

108. Any Member failing to meet its money payment obligations as herein required in an amount not larger than its deposit in the settlement fund shall be suspended from making any transactions other than liquidating transactions at subsequent trading sessions until such obligation is satisfied; for failing to meet its obligations in an amount larger than its deposit in the settlement fund, a Member shall be deemed insolvent.

109. Good Delivery and Reclamation - The seller of securities is responsible for the genuineness and complete regularity thereof and a security which is not valid or is not in proper negotiable or transferable form shall be replaced forthwith by one which is valid and is in proper negotiable or transferable form.

A security with an irregularity which has been delivered may be returned or reclaimed after notice has been given to the other party at least one day prior thereto. The party to whom the irregular security is being delivered shall substitute a like security in good delivery form or pay the current market value thereof. Securities with title called into question, reported to have been lost or stolen, or the transfer of which is prohibited or restricted by law or government action shall also thus be returned to the party originally introducing the certificate to the market. Securities partially called may be returned to the party holding such certificate at the time it ceased to be a good delivery.

110. Assignments - A registered security as a good delivery shall be accompanied by a proper assignment executed either upon the certificate itself or on a separate paper for each such certificate. When the name of a party has been inserted in such an assignment as assignee, a power of substitution shall be signed in blank by such party. When the name of a party has been inserted as substitute in such a power of substitution,

a new power of substitution shall be executed in blank by such substitute party.

Any alteration or correction in an assignment, power of substitution or other instrument shall be accompanied by an explanation on the original instrument, signed by the party executing the same.

The signature on such documents shall be technically correct, i.e. it shall correspond with the name written upon the certificate in every particular without alteration or enlargement or any change whatsoever, except that in the case of a firm "and" or "&" or "Company" or "Co" or "Co." may be written either way.

Certificates shall be good delivery only if in a form and with authorizations as required by Rule and for transfer under the laws of the country of jurisdiction.

Standard forms used for Assignments and Substitutions are published by the NYSE following its Rules 225 and 259.

111. Signature file - The Exchange shall maintain an authorized signature file of persons authorized to sign for Members and others frequently delivering securities. Parties registering with the signature file shall submit legal documents authorizing the signature(s) to be used and thereafter shall promptly notify the of any changes in such authorizations with proper documentation for any replacement signature(s). The Exchange shall make available reproductions of the authorized signatures for Members carrying accounts and others having a legitimate interest for a reasonable fee.

112. Delivery Against Payment - Delivery of securities sold or payment for securities purchased may be delayed until the exchange of money and securities in good delivery form can be made in the instance of accounts prohibited by law or national practice from paying or delivering without receipt of value; but interest shall be charged for related financing.

113. Closing of Obligations - A Member may close out at the next trading session any customer transaction not paid or delivered as required by rule. When a Member is found insolvent by the Exchange, other Members holding open contracts with such insolvent member shall without unnecessary delay close out such contracts unless the Board orders a deferment.

Contract between Members shall be closed out as follows:
(a) The initiating Member shall send written notice of pending close out with documentary identification of the open item to the contra Member; A copy of the notice shall be endorsed as received by the contra Member with its position on the matter attached not more than 24 hours later; If such position is a "Don't know", the initiating Member shall close out the contract promptly (The contra Member shall have no subsequent rights but the initiating Member may act to recover resulting damages if any); or (b) if the notice is not returned when due or with information that the delivery cannot be made, then a buy-in order shall be sent to the Exchange for execution at the next trading session as a regular way market order by a disinterested attorney selected by the Exchange unless the Exchange determines to defer or limit the execution because a fair market is not available; delivery may nevertheless be made at any time before the buy-in is executed provided the executing attorney is also notified prior to the buy in; (c) if the party in default replies to the notice that it has possession of the security and intends to make immediate delivery, buy-in shall be deferred until the next settlement date; the procedure in (b) shall be followed if delivery is not then made. Neither contra nor retransmitted Members shall bid or offer for their own account or the account of an associated party on a close out in which they are interested

114. Every reasonable means to borrow securities in order to make delivery on open contracts shall be employed by Members. Application may be made to the Exchange for temporary deferment of close-out for unusual circumstances and unsuccessful efforts to borrow and if the Exchange finds that a fair market in which to close the contract is not available but no such deferment will relieve the party in default from any resulting damages.

115. A Member receiving notice that a contract is to be closed out shall immediately re-transmit such notice to any other Member from whom the securities involved are due, and a subsequent close out against the contra Member shall also close out against the retransmitted Member. Any money difference resulting from a contract closing shall be specified in immediate statements to contra and retransmitted Members and shall be paid at the next settlement.

116. When a loan of money is not paid before the end of the day upon which it becomes due, the borrower shall be considered in default and the lender may, without

notice, sell sufficient of the securities pledged therefore to liquidate the loan.

117. Securities Loans - Members shall not lend or borrow any security to or from any non-member except pursuant to a written contract or confirmation providing at least for: terms for the simultaneous transfer of securities against money or equivalent collateral and the reverse thereof on demand or a date certain and liquidation rights to the Member in any event of insolvency by the non-member.

118. Signature Guarantee - Signatures authorizing transfer of securities shall be guaranteed by the Member or bank.

119. Uniform Forms - Members shall adopt such uniform forms of records, bills, statements, communications, etc. as the Exchange may prescribe to facilitate the orderly flow of transactions within the financial community.

120. Credit - Customer or employee payment for security transactions and delivery of securities sold in good delivery form shall be due and payable prior to trade execution.

A member may extend credit to an account collateralized by readily marketable values in such account pursuant to the rules of the Exchange or such more stringent standards as it may determine.

Interest shall be charged on any balance unpaid by trade date in either a regular account or a credit account.

No Member shall permit a customer or employee to make a practice of meeting payment obligations by liquidating the same or other security or delivery obligations by buying the same security.

Credit accounts shall have a minimum equity of (An amount sufficient to discourage credit purchases by customers who should not afford risk)

Minimum equity for a new purchase in a credit account shall be at least 50% of the values to be in the account after the purchase. Whenever values in a credit account decline to a 35% equity, the customer shall be called to restore the equity to at least 40%. Values shall not be allowed in an account for this purpose which exceed for each security that amount which can be readily liquidated.

Whenever a person extended credit on securities fails to meet a call for equity, sufficient securities shall be sold out at the next trading session to bring the account into compliance with the above requirements unless the Exchange on application of the responsible Member finds that a fair market would not be maintained.

Section Four - Qualification of Members & Personnel

Following are draft rules suggesting methods of approval of Morocco Stock Exchange Members, and their officers, trading attorneys and personnel servicing customer accounts (registered representatives).

150. Approvals - Each Member, each principal officer or registered representative of a member, and each other person required to be approved shall meet the qualification standards of the Exchange and be approved in the capacity applied for.

151. Members - Individual persons who are citizens of Morocco or banks or corporations organized under the laws of Morocco and who are engaged in the securities business may qualify as Members of the Exchange.

The Board shall not approve a bank or corporation as a Member and a corporation shall not continue as a Member unless:

- a) each director of such corporation, each person who controls such corporation, and every person which engages in a securities or kindred business and is controlled by or under common control with such corporation is an approved person.
- b) every principal executive officer supervising the securities business, every person who is an employee designated to trade on the Exchange, and every person who solicits and services securities business as a registered representative is approved by the Exchange as such.
- c) The Board of Directors of such bank or corporation designates its principal executive officers who shall exercise senior principal responsibility over the various areas of the securities business of such corporation in such areas as the rules of the Exchange may prescribe, including operation, finance and credit, compliance with law and rules, sales, underwriting, research and administration.
- d) The bank or corporation, its securities business officers, employees, representatives and approved persons agree to comply with applicable rules of the Exchange as they exist or may be amended in the future.

152. Document Submission - The charter, certificate of incorporation, by-laws, forms of certificates, agreements with stockholders or approved persons (other than those relating to ordinary security transactions) prospectus of other offering circular for a security to be issued, and all like documents of a Member and amendments thereto shall be submitted to and be acceptable to the Exchange before becoming effective. Drafts may be submitted for approval with certified signed copies filed upon execution.

Members shall effectively restrict themselves as follows: No dividend shall be declared or paid which shall impair compliance by a corporation with the capital rules of the Exchange or by a bank with the capital requirements for banks, nor shall any distribution of assets be made to any stockholder unless the remaining value of corporate assets is at least equal to the aggregate of its liabilities and debts, including paid in capital.

Opinion of counsel satisfactory to the Exchange shall be filed stating that a Member corporation is duly organized and existing, that its stock is validly issued and outstanding, and that the restrictions and provisions required by the Exchange on the transfer, conversion and redemption of its stock, payment of dividends and distribution of assets have been made legally effective. A Bank shall submit evidence of its approval as a bank.

153. Control Prevention - Whenever an approved person of a Member fails or ceases to be so approved, the Member shall promptly redeem or convert to a fixed income security such of its outstanding voting stock as to terminate that party's ability, if any, to exercise controlling influence over the management or policies of such Member.

For this purpose, each certificate of incorporation of a Member shall contain provision authorizing the Member to redeem or convert to a fixed income security all or part of the outstanding voting stock owned by any person required to be approved by the Exchange who fails or ceases to be approved as may be necessary to reduce such party's ownership of voting stock below that level which enables such party to exercise controlling influence over the management or policies of such Member.

154. Redemption of stock - The certificate of incorporation of a Member may include provisions that the corporation or its shareholders or both may have a

prior right to purchase the stock of any holder upon such terms and conditions as may be specified therein and if so the stock certificate shall carry on its face such provisions or a full summary thereof.

If the certificate of incorporation provides that a stockholder may compel redemption, it must provide that without the prior written approval of the Exchange, the redemption may only be effected on a date not less than six months after receipt by the Member and the Exchange of a written request for redemption given no sooner than six months after the date of original issuance of such shares or any predecessor shares.

155. Individuals as Members - Individual persons may qualify as Members by meeting the same requirements as hereafter expressed for Principal Executives of Member Corporations and, if they intend to exercise such functions those for trading attorneys and registered representatives as well. Individual Members may not take possession of customer securities or money or carry customer accounts, or settle exchange transactions, rather introducing such accounts to another member on a disclosed basis with appropriate financial guarantees to such other member. An Individual Member may have employees engaged in the securities business which must be approved as required for all members.

156. Prohibitions - Without the written approval of the Exchange, no Member shall:

- a) reduce its equity or debt capital other than by loss or amend its charter, certificate of incorporation, or by-laws. The Exchange may at any time in its discretion require the Member to restore or increase its capital or surplus, or both,
- b) issue any fixed debt in a form qualifying as capital of the Member,
- c) amend, modify or cancel any agreement made by it or any of its stockholders relating to the management of the Member or the issue or transfer of securities of the Member,
- d) redeem or repurchase any shares of its stock on less than six months notice given to the Exchange not less than six months after the original issuance of such shares or any predecessor shares, and shall notify the Exchange if any redemption or repurchase is postponed because prohibited by this rule,
- e) issue stock except for cash or such other consideration as the Exchange determines will not impair the financial responsibility and operational capability of such Member.

157. Principal Executives, Officers, Trading Attorneys and Registered Representatives - The Exchange shall not approve persons as principal executives, officers, trading attorneys, registered representatives or individual Members unless satisfied that:

- a) the applicant has honestly submitted application information as required and is of legal age.
- b) the applicant is of good business reputation and integrity
- c) the application is supported by letters of sponsorship by at least two persons of good business reputation and experience, at least one preferably associated with a Member, who have known the applicant for at least five years.
- d) an applicant as Individual Member, Principal Executive, or Officer, or Registered Representative in charge of an office has at least three years experience in the securities business or equivalent experience; an applicant for trading attorney has at least two months experience as an assistant in the auction market; an applicant for registration has at least six months of training for such or equivalent experience.
- e) a Committee of Peers appointed by the Board finds by oral or written examination and/or by educational and business background that the applicant has appropriate knowledge to perform the duties of such position creditably, and
- f) such person in writing agrees to comply with the rules of the Exchange as they exist or may be amended.

158. Changes - A Member shall promptly give notice to the Exchange in writing of:

- a) The death, discharge, retirement or other termination of association of any person who required Exchange approval, together with the reasons therefore,
- b) dissolution of the corporation
- c) any material change in the stockholding of any approved person
- d) any proposed change in the directors or principal executives
- e) any proposed change in the charter, by-laws or other documents on file with the Exchange, or
- f) any failure to comply with all the conditions of approval specified in above.

Each approved person shall promptly notify his Member of any material acquisition or disposition of stock of the Member.

159. Approved Persons - The Board shall not approve persons otherwise required to be approved unless they

satisfy the conditions of sections a), b) and f) of the first paragraph of Paragraph 3 above.

160. Investigation Authorization - Each person required to be approved by the Exchange in any capacity shall authorize in writing "the Exchange and any agent to conduct an investigation of my character, credit worthiness, ability, knowledge, business activities, educational background, previous employment and reason for termination thereof. I authorize and request any of my former employers and any other person to furnish to the Exchange and its agents any information they may have concerning me in those respects and I hereby release each such employer or person from any and all liability of whatsoever nature by reason of furnishing such information to the Exchange and its agents. I recognize that I will be the subject of an investigative report ordered by the Exchange and acknowledge that I have been informed of my right to request information from the Exchange concerning the nature and scope of the investigation requested."

161. Employees of Members - The Exchange may require any information to be furnished by any employee or registered representative of a Member, or by any Member concerning such a person to permit it to enforce compliance with Exchange rules. The Exchange may discipline any such person or disapprove his/her employment by a Member.

162. Employee Investigation - Members shall make a thorough inquiry into the previous record and reputation of persons whom they contemplate employing, including at least personal conversations with employers during the prior three years.

163. Employee Records - Members shall obtain before employment, maintain as changes occur during employment, and preserve for at least three years after termination of employment the following information for each employee and registered representative:

- a) name and address,
- b) starting date of employment and dates of promotions or approvals to new responsibilities,
- c) educational institutions attended with dates and whether graduated,
- d) complete consecutive record of business connections for the prior ten years, including reason for leaving each, and whether full or part time,
- e) any denial of approval for membership, registration or otherwise or any disciplinary action or injunction or any finding that he was a cause of a disciplinary action

or injunction in any securities, financial or kindred business
f) any arrest or indictment for any felony or misdemeanor, except minor traffic violations
g) any other names by which he has been known or has used,
h) whether any surety bond has ever been denied, revoked or surety paid because of such person
i) a recent photograph at employment and at ten year intervals thereafter.

164. Acceptability Hearings - The Exchange may disapprove the application of a prospective Member or of any person required to be approved by the Exchange, or any change in status of such a person requiring Exchange approval after being given the opportunity to be heard by an Acceptability Committee pursuant to this rule.

Any applicant being considered for disapproval shall be furnished with a written memorandum setting forth the pertinent information relevant to the applicant's acceptability, including specific grounds for disapproval under consideration, at least 15 calendar days before an Acceptability Committee is to consider the matter. The applicant shall have an opportunity to reply in writing and to appear before the Acceptability Committee and present any relevant information or witnesses.

An Acceptability Committee shall consist of three persons designated by the Chief Executive Officer, not excluding himself, from the officers and executive staff of the Exchange and members of the Board, Each Committee shall designate one from among themselves as Chairman. The decisions of a majority of the members of an Acceptability Committee shall be final, except subject to appeal as provided in the delegatory paragraph of the General Regulations of the Morocco Stock Exchange.

Section Five - Ethics in Stock Exchange Rules

Present and proposed stock exchange rules and proposed capital markets laws do not yet include specific provisions for ethical conduct of stockbrokers. The following such rules, and as marked also provisions of law, are recommended:

FOR BOTH LAW AND STOCK EXCHANGE RULE

200. Manipulative Trading - No Stock Exchange Member, employee or registered representative or other person

shall execute orders, cause orders to be executed, finance or participate in any way in any manipulative activity, deceptive device or contrivance for the purpose of unfairly influencing the price of a security, including but not limited to:

- a) transactions at successively higher or lower prices for the purpose of creating or inducing a false, misleading or artificial appearance of activity in such security, or unduly or improperly influencing the market price of such security, or making a price which does not reflect the true state of the market in such security.
- b) any pool, syndicate or joint account in any form organized or used intentionally for the purpose of unfairly influencing the market price of any security by means of options or otherwise and for the purpose of making a profit.
- c) effecting any transaction in a security which involves no change in the beneficial ownership thereof.
- d) orders for the purchase or sale of a security with knowledge that contra orders at substantially the same size, price, and time are being entered by the same or different parties.
- e) effecting a series of transactions creating actual or apparent active trading in a security for the purpose of inducing purchase or sale by others.
- f) inducing, for a consideration or otherwise, the purchase or sale of any security by stating that the price of that security is likely to rise or fall because of market operations designed to raise or depress the price of such security.
- g) inducing the purchase or sale of any security by making any false or misleading statement with respect to any material related fact known or with reasonable ground to have known to be so false or misleading

201. Fraudulent Acts - No Stock Exchange Member, employee or registered representative shall:

- a) employ any device, scheme or artifice to defraud
- b) make any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading
- c) engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person in connection with the purchase or sale of any security

202. Customer Reserve Bank Account - Members and the Clearing Agency carrying customer accounts shall maintain with a bank or banks "Special Reserve Bank Account for the Exclusive Benefit of Customers" and shall at all times maintain in such accounts cash or

qualified securities in amounts sufficient to prevent the use of customer funds for financing positions or operations of a Member or Clearing Agency, while at the same time permitting customer funds to be used to finance other customer's properly collateralized debits - any surplus of customer funds being deposited in a designated bank account.

FOR EXCHANGE RULES ONLY

203. Good Business Practice - Every Member and each employee or registered representative of a Member shall at all times adhere to the principles of good business practice in the conduct of his or its business affairs, and shall act in a manner consistent with enhancing the welfare and reputation of the Exchange.

204. Other Employment - Individual Members, and employees and registered representatives of Members shall not create conflicts of interest with the business of their Member employer by other employment, or potential confusion by customers as to which employer is represented. For this purpose, any other employment by such persons shall be requested in writing and approved in writing: for Principal Executives of Members by the Exchange, and for employees and registered representatives of members by such Member. Similar request and approval shall be required for any non-employee type of engagement in any other business, or compensation by others, or financial interest in any other securities, financial or kindred business.

205. Gratuities - Except with the prior written consent of the employer, no Member, member employee or registered representative shall employ or compensate any person or give any gratuity in excess of 450 dirhams per year to any principal, officer, or employee of the Exchange, its subsidiaries, any Settlement Agency, another Member, financial institution, news or financial information media, or non-member broker or dealer in securities, commodities or money instruments.

A gift of any kind is considered a gratuity. Records shall be retained for at least three years of all such gratuities and compensation for inspection by the Exchange. When close relatives work in different financial organizations, gifts arising from the family relationship are not subject to this rule.

206. Reporting of Questionable Conduct - Each Member shall promptly report to the Exchange whenever such member or any employee or registered representative:

- a) has violated any rule of the Exchange or any law or regulation (other than minor traffic violations) or has engaged in conduct which is inconsistent with just and equitable principles of trade or detrimental to the interests and welfare of the Exchange.
- b) is the subject of any written customer complaint involving allegations of theft or misappropriation of funds or securities or of forgery
- c) is arrested, arraigned, indicted, or convicted or pleads guilty or no contest to any criminal offense (other than minor traffic violations)
- d) is associated in any way with any financial organization disciplined by any jurisdictional organization or which is convicted of or pleads no contest to any felony or misdemeanor.
- e) is the subject of any claim for damages or a defendant or respondent in any civil litigation or arbitration which has been disposed of by judgement, award or settlement for an amount exceeding 10,000 dirhams.
- f) is disciplined by the Member by suspension, termination, withholding of compensation or fines in excess of 10,000 dirhams or any other significant limitation of activities for cause.

Each employee or registered representative shall promptly report to his/her employer the existence of any of the conditions specified in the prior paragraph.

207. Guarantees and Sharing in Accounts - No Member, employee or registered representative shall guarantee the payment of a debit balance in another person's account, or guarantee a customer against loss, or represent that the Member will guarantee a customer against loss, or take or receive or agree to take or receive a share in the profits or losses of any customer's account or transaction.

This rule does not prohibit participation in a joint account or investment partnership with the prior written consent of the Member. It does not prohibit the sharing in losses after the Member has established that the loss was caused in whole or in part by the action or inaction of such Member, employee or registered representative.

Misleading Names - No Member shall do business under a name found by the Exchange to be misleading.

208. Discretion - No employee or registered representative of a Member shall exercise any discretionary power in a customer's account without the written authority of the customer and without first

notifying and obtaining the approval of another person delegated by the Member with authority to approve the handling of such accounts. Every order entered on a discretionary basis must be so identified on the order at the time of entry. Such accounts shall receive frequent appropriate supervisory review by a delegated person who is not exercising such discretion pursuant to a written statement of supervisory procedures.

No employee or registered representative shall exercise and no Member shall permit the exercise of discretion in any customer's account to effect purchases or sales of securities which are excessive in size or frequency in view of the financial resources of such customer.

The provisions of this rule shall not apply to discretion as to the price at which or the time when an order given by a customer for the purchase or sale of a definite amount of a specified security shall be executed.

209. Rumor Circulation - No Member or employee or registered representative thereof shall circulate in any manner rumors of a sensational character which might reasonably be expected to effect market conditions on the Exchange generally or in particular securities. Discussion of unsubstantiated information published by a widely circulated public media or the subject of broad inquiry within the financial community is not prohibited when its source and unsubstantiated nature are also disclosed. Report shall be promptly made to the Exchange of any circumstances which give reason to believe that any rumor or unsubstantiated information might have been originated or circulated for the purpose of influencing prices in listed securities.

210. Privacy of Regulatory Information - The Exchange, Members, any Settlement Agency, and employees or registered representatives thereof shall maintain the privacy of all financial and other competitive information obtained in their capacity as regulators and servicers of securities business, except in response to process of law or Exchange rule. Matters of such privacy which may merit attention of the Board shall be first reported by the Exchange Chief Executive Officer to the Chairman or a designated Director who is not representing Members for decision on the extent of such information to be reported to the Board. Otherwise directors are not entitled to access to private financial and competitive information obtained by the Exchange or any Settlement Agency. This rule does not apply to communication of information between a

Settlement Agency and the Exchange or between a Settlement Agency and Members concerning accounts introduced by such Member.

211. Communications with the Public - Traditional standards of truthfulness and good taste shall apply to any form of communication by Members, their employees and registered representatives. Specifically prohibited are:

- a) any untrue statement or omission of a material fact or communication which is otherwise false or misleading,
- b) promises of specific results, exaggerated or unwarranted claims,
- c) opinions for which there is no reasonable basis, or
- d) projections or forecast of future events which are not clearly labeled as such.

Recommendations (even though not labeled as such) must have a basis which can be substantiated as reasonable. When recommending a purchase or sale or switch of specified securities, supporting information must be provided or offered. The market price at the time of recommendation is made must be indicated.

Disclosure shall be made (excluding extemporaneous interviews) in recommending purchase or sale of specific securities if the Member usually makes a market in such security or the transaction is to be on a principal basis with the Member, or the Member was manager or co-manager of the most recent public offering of the issuer, or if any director or principal executive of the Member or its employees preparing the communication have positions in securities or options of the issuer or is a director of such issuer.

Performance records or statistics of past recommendations or actual transactions of the Member shall be balanced and

- a) confined to a specific universe that can be fully isolated and circumscribed and that covers at least the most recent 12-month period,
- b) include the date and price of each initial recommendation or transaction and end of period when liquidation was first recommended or effected. Such detail may be summarized, averaged or offered rather than provided if there is included the total number of items recommended or transacted, the number that advanced or declined and an offer of the complete information on request.
- c) disclose relevant costs and all material assumptions used for annualization,

d) indicate general market conditions during the period covered and any comparison to an overall market indicator such as an index are valid,
e) that the results presented should not and cannot be viewed as an indicator of future performance, and
f) documents and working papers on which the record is based are retained for Exchange review for at least three years.

Projections and predictions must contain the bases or assumptions upon which they are made and offer the bases and assumptions of such materials used.

Comparisons with a Member's service, personnel, facilities or charges with those of others must be factually supportable.

Dating of reports shall be appropriate with identification of any significant information which is not reasonably current.

Sources shall be disclosed of communications not prepared under the direct supervision of the Member.

Testimonials concerning the quality of investment advice must make clear that such statement may not be representative of the experience of other clients and is not indicative of future performance or success. If more than a nominal sum is paid for the testimonial, the fact that it is a paid testimonial shall be indicated. If the testimonial concerns a technical aspect of investing, the person testifying must have knowledge and experience to form a valid opinion.

Exchange review of all or particular communications with the public by Members in advance of or following publication may be required by the Exchange.

212. Account Transfers - Upon notice from a customer of his instruction to transfer his account(s) or the servicing of his accounts from one Member to another, such transfer shall be expedited by any carrying Member. Upon failure of prompt transfer upon application of any party and opportunity to be heard by all parties, the Exchange may direct the establishment of collateralized fails between the carrying parties.

213. Maximum Commissions and Mark-ups - It shall be deemed an unfair practice for a Member to charge commissions larger than, or both buy and sell, or sell and buy, a security as principal on the same day at a spread of more than:

- a) Double the minimum commission on a listed security in normally traded size
- b) 5% on an unlisted security substantially larger than the normal trading size
- c) 10% on a new issue of a security or on a secondary distribution of a security requiring comparable special preparation and efforts.

This rule does not apply to long or short positions held by a Member at least overnight.

Notwithstanding the above, commissions and markups on the same day may be deemed unfair based on the particular circumstances of the transactions.

214. Fair Corporate Financing - Members shall not participate in any distribution of securities when the underwriting or other arrangements in connection with or related to the distribution, or the terms and conditions relating thereto, are unfair or unreasonable.

215. Free Riding and Withholding - A Member and its associated persons shall not fail to make a bona-fide public distribution of a public offering which is expected to or does trade at a premium in the secondary market whenever such secondary market begins. Members and associated parties shall

- a) not continue to hold any such securities acquired by underwriting or otherwise in own account(s)
- b) not sell any such security to any person associated with any broker/dealer; or to any senior officer or person trading or brokering securities or influencing securities trading or brokering for any financial institution; or to any finder in respect to the public offering; or to any fiduciary to the managing underwriter or the issuer such as attorneys, accountants and financial consultants; or any member of the immediate family of any such person to which such person contributes support; or to any broker/dealer, bank or other conduit without assurance that such purchase is not for such prohibited parties.
- c) except that sales are not prohibited to such parties where both the aggregate sold to such parties and the amount to each individual is insubstantial and not disproportionate as compared to sales to members of the public and in accordance with the normal investment practice of the purchasers.

216. Disclosure of Conflicting Interest - Disclosure shall be made in advance of any transaction to any customer where a Member or associated person has a conflicting interest, including but not limited to

- a) instances where compensation is to be paid by the contra party
- b) instances where the broker is distributing or acquiring securities for a fee, or receiving a fee
- c) positions are held by the broker

217. Inside Information - No Member or associated person shall trade when in possession of, or accept orders to trade from any other person believed to be in possession of, information originating from an issuer material to the price of its security which is not generally available to the investment community. Any such instance shall be promptly reported to the Exchange.

Section Six - Supervision

250. Business Supervision - a) Each office, department or business activity of a Member shall be under the supervision and control of the Member establishing it and of the personnel delegated such authority and responsibility.

The person in charge of a group of employees or registered representatives shall reasonably discharge his duties and obligations in connection with supervision and control of the activities of those persons related to the business of the Member and compliance with securities laws and regulations.

b) The directors of each Member shall provide for appropriate supervisory control and shall designate a chief executive officer to assume overall authority and responsibility for internal supervision and control of the organization and compliance with securities law and regulation. This person shall:

- (1) delegate to qualified employees responsibility and authority for supervision and control of each office, department or business activity, and provide for appropriate procedures of supervision and control.
- (2) establish a separate system of follow-up and review to determine that the delegated authority and responsibility is being properly exercised.

c) The prior consent of the Exchange shall be obtained for each office established by a Member other than the main office, by a showing that proper supervision and financing for the office and business to be produced is available.

d) Qualified persons acceptable to the Exchange shall be in charge of any office of a Member, any regional or other group of offices, any sales department or

activity. Any person who is a candidate for acceptability under this rule should have a creditable record as a registered representative or equivalent experience, and is to satisfy a Committee of Peers appointed by the Board by oral or written examination that he has the knowledge and competency to supervise the proposed activity.

e) the amounts and types of credit extended or guaranteed by a Member shall be supervised by employees qualified by experience for such control in the types of business for which credit is extended.

f) Duties of supervisors of registered representatives ordinarily should include at least approval of new accounts and review of correspondence of registered representatives, transactions, and customer accounts. Appropriate records should be maintained evidencing the carrying out of supervisory responsibilities such as a written statement of the supervisory procedures currently in effect and initialling of correspondence, transactions, blotters or statements reviewed in the supervisory process.

g) Members shall provide for the supervision and control of each general ledger bookkeeping account and account of like function.

251. Diligence as to Accounts - Every Member is required through a principal executive or competent person designated to

a) Use due diligence to learn the essential facts relative to every customer, every order, every cash or credit account accepted or carried by or for such Member and every person holding power of attorney over any such account.

b) Supervise diligently all accounts handled by registered representatives of the Member

c) Specifically approve the opening of an account prior to or promptly after the completion of any transaction for the account of or with a customer. The person approving the account shall be personally informed as to the essential facts relative to the customer and to the nature of the proposed account and shall indicate approval in writing on a document which is part of the permanent records of the Member.

For a credit account of a non-member corporation, definite knowledge should be had that the corporation has the right under its Charter and By-laws to engage in credit transactions for its own account and that the persons from whom orders are received are duly

authorized to so act by the corporation. Copies of the corporate charter, by-laws and authorizations are advisable, otherwise the Member should file a signed memorandum of reasons for believing that credit transactions are legal and authorized.

For a cash account of a non-member corporation, the Member should assure itself through a principal officer of the corporation that the person entering orders has the authority to do so.

For an agency account, the name of the principal for whom the agent is acting and written evidence of the agent's authority should be obtained.

For estate and trustee accounts, Members should have counsel's advice as to documents to be obtained.

Information as to citizenship of a customer is an essential fact.

252. Designation of Accounts - No Member shall carry or guarantee an account in the name of a person other than that of the customer, except that an account may be designated by a number or symbol provided that the Member has on file a written statement signed by the customer attesting the ownership of the account.

253. Employee Accounts - No Member shall carry or guarantee an account or effect a transaction, without the prior written consent of the employer, in which an employee or registered representative of another Member, or an employee of the Exchange, its subsidiaries or the Settlement Agency is directly or indirectly interested.

Duplicate reports and statements shall be sent promptly to the employer, attention of a designated principal executive, other than the interested employee.

No Member shall carry or guarantee a credit account or transaction, without the prior written consent of the employer, in which an employee of a financial institution or business is directly or indirectly interested.

No employee or registered representative of a Member and no employee of the Exchange, its subsidiaries, or the Settlement Agency shall open an account or enter orders for transactions with other Members, non-member broker/dealers or banks without the prior written consent of a principal executive other than himself

designated to sign such consents, and shall arrange for duplicate confirmations and statements to be sent to such person.

254. Discretion - No Member, employee or registered representative shall exercise any discretionary power in any customer's account or accept orders for an account from a person other than the customer without first obtaining written authorization of the customer, and written approval of the Member to exercise such discretion. Every order entered for a discretionary account shall be marked as to whether or not discretion was used. Every discretionary order shall be reviewed by an authorized person on the day entered, and discretionary accounts shall be reviewed as such at least monthly. Delegation by the customer of decision as to time and price of execution is not deemed discretion.

255. Public Communications - Any communication generally distributed or made available by a Member to customers or the public shall be approved in advance by a principal officer or other delegated person qualified for such supervision. Such communication includes but is not limited to advertisements, market letters, research reports, books, sales literature, electronic communications of like content, communications with or by means of the media, and wires or memoranda to branches, employees or registered representatives which are shown or distributed to customers or the public. Letters containing investment advice or information by registered representatives shall also be reviewed in advance of mailing by a competent delegated person.

Research reports are generally defined as an analysis of individual companies, industries, market conditions, securities or other investment vehicles which provide information reasonably sufficient upon which to base an investment decision, and shall be prepared and then approved by different individuals competent for such preparation and the supervision thereof. Supervision may be by employees of the Member or part time competent consultants retained for that purpose. In stock exchange communities with securities analysis as a developed profession, the Exchange should establish qualification standards for supervisory analysts and require approval of research reports by such persons. Basic analysis in research reports by a person without technical expertise in some areas of the report shall be co-approved by a product specialist so qualified.

256. Offices of Members - shall be physically located or organized in such a way as to eliminate any confusion by customers as to the entity with which they are doing business or any subsidy of non-members constituting rebate of commissions.

For this purpose approval of the Exchange of specific arrangements shall be required for any office jointly occupied with any other business. Acceptable methods of differentiation of businesses in joint tenancy include ceiling high or partial walls with prominent signage at entrances, wearing of badges by employees, barring of any customers from the space, different telephone numbers, and no stationery or advertising showing both organizations.

Section Seven - Member Finance and Operations

FOR LAW OR CNVM RULE AND STOCK EXCHANGE RULE

300. Hypothecation of Customer's Securities - No Member or employee thereof shall directly or indirectly hypothecate or arrange for or permit the continued hypothecation of any securities carried for customers under any circumstances that will permit:

- a) the commingling of securities carried for the account of any customer with securities carried for the account of any other customer without first obtaining the written consent of each such customer to such hypothecation,
- b) such securities to be commingled with securities carried for all accounts of any person other than a bona fide customer of such Member under a lien or loan made to such entity,
- c) securities carried for the account of customers to be hypothecated or subject to any lien or liens or claim or claims of the pledgee or pledgees for a sum which exceeds the aggregate indebtedness of customers on such day.

302. Custody of Customer Securities - Members shall promptly obtain and shall thereafter maintain physical possession or control of all customers fully-paid securities and all securities subject to lien in credit accounts in excess of 140% of the debit balances in such accounts.

303. Borrowing Customer Securities - Further, violation will not be deemed if the Member or Settlement Agency and a Securities Lender at or before the time of the loan, enter into a written agreement that at a minimum sets forth in a separate schedule or schedules the basis

of compensation for any loan and generally the rights and liabilities of the parties as to the borrowed securities, provides that the Lender will be given a schedule of the securities actually borrowed at the time of the borrowing of the securities, and specifies that the borrower will provide the Lender on that day with collateral in cash, government bills or notes, or an irrevocable line of credit issued by a bank which fully secures the loan of securities, and that at the close of each successive business day the loaned securities will be marked to the market and collateral if insufficient restored to at least 100% by the close of the next business day.

304. Books and Records - Every Member shall make and preserve for at least three years such books and records as the Exchange may prescribe. Records made and preserved by another member for accounts introduced by a Member shall be deemed to be records of the Member for this purpose.

Every member shall make, keep current, and maintain for at least three years the following books and records relating to his business:

a) Records of original entry containing an itemized daily record of all purchases and sales of securities, all receipts and deliveries of securities (including certificate numbers), all receipts and disbursements of cash, and all other debits and credits. Such records shall show the account for which such transaction was effected, the name and amount of securities, the unit and aggregate purchase or sale price (if any), the trade date, and the name or other designation of the person from whom purchased or received or to whom sold or delivered.

b) Ledgers (or other records) reflecting all assets and liabilities, income and expense and capital accounts.

c) Itemized ledger accounts (or other records) itemizing separately as to each cash or credit account of every customer and employee of such Member, all purchases, sales, receipts, and deliveries of securities for such account and all other debits and credits to such account.

d) Securities ledgers (or other records) reflecting securities in transfer, dividends and interest received, securities borrowed and loaned, monies borrowed and loaned (with collateral therefore and any substitutions), securities failed to receive and

deliver, all long and all short stock record differences arising from examination, count verification and comparison showing for each security the number of long or short count differences.

e) A securities record or ledger reflecting separately for each security as of the settlement dates all long or short positions (including securities in safekeeping) carried by such Member for his account or for the account of customers or employees and showing the location of all securities long and the offsetting position to all securities long or short including long and short securities count differences classified by date of the physical count and verification in which they were discovered and in all cases the name or designation of the account in which each position is carried.

f) Brokerage order memoranda of each brokerage order and any other instruction given or received in original form as received and as transmitted for the purchase or sale of securities, whether executed or unexecuted. Such memorandum shall show the terms and conditions of the order or instructions and of any modification or cancellation thereof, the account for which entered, the time of entry, the price at which executed and if pursuant to the exercise of discretionary power by such member or employee or registered representative thereof, whether so determined. The term instruction includes instructions between employees and/or registered representatives of a Member. The term time of entry shall be deemed to be the time when such order or instruction for execution is received.

g) Proprietary trade memoranda of each purchase and sale for the account of a Member, showing the price, and to the extent feasible, the time of execution; and in addition, where such purchase or sale is with a customer other than a broker or dealer, a memorandum of each order received showing the time of receipt, the terms and conditions of the order, and the account for which entered.

h) Contract note copies for all purchases and sales of securities and copies of notices of all other debits and credits for securities, cash and other items for the account of customers, employees and registered representatives.

i) Cash and credit account records indicating the name and address of the beneficial owner, whether or not the beneficial owner of securities registered in the name of

such Member wishes disclosure of his or her identity, address and securities position to issuers (in the case of a joint or corporate account, such records apply to the person or persons authorized to transact business for the account).

j) Trial balance records of the proof of money balances of all ledger accounts in the form of trial balances, and a record of the computation of capital as of trial balance date.

k) Unresolved security difference position valuations shall be made at least once a month as of the date of the computation of net capital. Differences remaining after adjustments or entries reflecting subsequent securities counts shall always reflect the date of the original or earliest remaining difference.

A Member which introduces customer accounts on a disclosed basis to another Member shall keep a Memorandum Record of any security or money received from or paid to a customer with transmission time the same day to or from the customer and carrying entity.

FOR STOCK EXCHANGE RULE ONLY

305. Reports to Exchange - Members, employees and registered representatives shall submit to the Exchange at such times as may be designated in such form and within such time period as may be prescribed such information as the Exchange deems essential for the protection of investors and the public interest.

Each member shall file quarterly with the Exchange a report in a form prescribed by the Exchange on its financial and operational condition, profitability and compliance with the capital and operational requirements of the Exchange. Such report for the month of the Member's annual audit by independent public accountants shall be audited and any adjustments reported to the Exchange. The monthly reports shall be filed not later than the 15th of the following month. A Member may be required to provide financial and operational reports for its affiliated and subsidiary organizations.

A fee of a significant amount shall be paid for each day that any required report is overdue, unless a temporary extension is granted upon application at least three business days before the due date. Any report with material inaccuracies will be deemed not filed.

306. Suspense Accounts - Any account used temporarily to record money charges or credits and/or receipts or deliveries of securities pending determination of their ultimate disposition shall be clearly identified as a suspense account, and a record maintained of all information known with respect to each item so recorded.

307. Account supervision - A qualified employee shall be assigned responsibility for each general ledger bookkeeping account and account of like function used by a Member and such employee shall control and oversee entries in each such account and shall determine at all times that the account is current and accurate.

A competent supervisory employee shall, as frequently as is necessary considering the function of the account but in any event at least monthly, review each account to determine that it is current and accurate and that any items which become aged and/or uncertain as to resolution are promptly identified for research and possible transfer to suspense accounts. A written record shall be kept of the names of employees assigned such primary and supervisory responsibility for each such account.

308. Confirmation of Transactions - Promptly after a trade is contracted for a customer and before its settlement, a carrying Member shall send to the customer written notification disclosing:

- a) whether the servicing Member was acting as agent for such customer, some other person, or both (and if so offering the name of any contra party and any amount of any remuneration by such contra party), or as principal,
- b) the identity, price and number of shares or units or principal amount transacted, and furnishing or offering to furnish the date and time of the transaction
- c) for an odd lot, any differential in price from the regular market at the time of execution.
- d) for a debt security effected for a dirham price, the dirham price and the yield to maturity calculated from the dirham price (unless the security has a maturity date which may be extended by the issuer with a variable interest rate or a participation interest in notes secured by liens on real estate continuously subject to prepayment),
- e) for a debt security effected on the basis of yield, the percentage amount of yield and its characterization (current, to maturity, to call with yield, type, date and price of call; the dollar price calculated from the effected yield; and for a basis other than yield to maturity where the yield to maturity is lower than the

represented yield, both yields unless the conditions of the parenthesis in (d) applies.

309. Retention of Records - Members shall preserve for at least six years, the first two in an easily accessible place, all records required to be made pursuant to Paragraphs a, b, c, and e of the prior Rule; and shall preserve for at least three years, the first two in an easily accessible place all records required to be made pursuant to other paragraphs of that Rule and

- a) all check books, bank statements, canceled checks and cash reconciliations
- b) all bills receivable and payable, or copies, paid or unpaid
- c) originals of all communications received and copies of all communications sent
- d) all trial balances, computations of capital with working papers therefore, financial statements, branch office reconciliations and internal audit working papers
- e) all guarantees of accounts and all powers of attorney or other evidence of granting of any discretionary authority and copies of resolutions empowering an agent to act on behalf of a corporation
- f) all written agreements, or copies, entered into
- g) records which support in detail all amounts included in the financial and operational report to the Exchange as of the audit date and in the annual financial statements
- h) a record of the preparer(s) and supervisory approver(s) with copies of each communication with the public governed by Exchange Rule.

Members shall preserve for a period of not less than six years after the closing of a customer's account any account cards or records which relate to the terms and conditions with respect to the opening and maintenance of such account.

Members shall preserve for the life of the enterprise and any successor enterprise, all articles of incorporation or charter, minute books and stock certificate books.

Every member shall maintain and preserve in an easily accessible place all records required for employees and registered representatives and approved persons for at least three years after the person has terminated his association with the Member.

310. Capital Required - A Member introducing all accounts on a disclosed basis to the Settlement Agency

shall maintain net capital equal to 125% of any deposit required by the carrying firm.

A non-bank Member carrying customer or proprietary accounts shall at all times maintain net capital equal to the greater of DH 800,000. A bank member shall maintain capital at least 125% of that required for banks.

The term net capital means the net worth of the Member adjusted by

- a) adding or deducting unrealized profits or losses with all long or short security positions marked to their market value,
- b) excluding liabilities subordinated pursuant to a satisfactory subordination agreement approved by the Exchange,
- c) deducting fixed assets and other assets not readily convertible to cash such as real estate, furniture and fixtures; exchange memberships; prepaid items, goodwill; unsecured or partially secured advances, loans, customer and other accounts; receivables - in excess of DH 40,000 per free shipment of securities or from free shipments aged more than 7 days, from mutual fund redemptions aged more than 16 days, from unsecured receivables, or others outstanding more than 30 days; collateral deficiencies in secured demand notes; assets doubtful of collection; the excess of market value of securities failed to receive outstanding for 30 days or more over the contract value of such fails,
- d) deducting the market value of all short security differences unresolved 14 days after discovery, and the market value of any long securities differences sold before adequately resolved less any reserves established therefore,
- e) Deducting for securities or money market instruments in the proprietary or other accounts of the Member 5% of the market value of any security issued or guaranteed by the government of this country, 30% of the market value of any listed security up to the quantity which is readily marketable, and 100% for all other securities (Lesser deductions will be allowed for securities accepted as adequate collateral by a bank at the percentage loaned by the bank, or where a ready market on a foreign Exchange and currency convertibility can be demonstrated),
- f) deducting the amount of cash required in each carried or guaranteed account of a customer, employee or registered representative needed to meet the maintenance requirement of the Exchange for credit extension accounts and outstanding five business days or more.

311. Capital Withdrawal - No equity capital may be withdrawn by action of a stockholder or through payment of dividends or other distribution, nor may any loan be made to a stockholder or employee or registered representative if, after giving effect thereto and to any other such withdrawals, advances, loans, its net capital should fail to equal 150% of that required.

312. Special Capital Requirement - The Exchange may at any time or from time to time with respect to a particular Member or all Members, or new Members prescribe greater net capital requirements than those otherwise prescribed, including more stringent treatment of items in computing net capital or net worth.

313. Loan and Advance Restriction - No drawing, unsecured or partially secured loans or advances of funds shall be made by a Member to any associated or approved party or parties associated with approved persons, except with prior written approval of the Exchange, when the Member's net capital is less than 150% of its capital requirement.

314. Financing Arrangements - No Member shall consummate a sale or financing arrangement intended to improve its capital computation before submitting related documentation to the Exchange for approval. Such events include sale and leasebacks of any assets, sale or factoring or financing of unsecured accounts receivable, loans by a bank upon collateral otherwise deemed not readily marketable, etc.

315. Quarterly Security Counts - Member carrying securities accounts shall at least once in each quarter-year:

- a) physically examine and count all securities held,
- b) account for all securities in transfer, in transit, pledged, loaned, borrowed, deposited, failed to receive, and failed to deliver or otherwise subject to its control or direction but not in physical possession by examination and comparison of supporting detail records with the appropriate ledger control accounts,
- c) verify all securities referred to in b where such securities have been in said status for longer than 30 days,
- d) compare the results of the count and verification with its records, and
- e) record on its books and records all unresolved differences setting forth the security involved and date of comparison in a security count difference account no later than 7 business days after the date of each such required security examination, count and verification.

316. Audits - The Exchange may at any time require any Member or the Settlement Agency to cause an audit to be made by an independent public accountant of its accounts in accordance with requirements prescribed by the Exchange.

Every Member and the Settlement Agency shall file annually, on a calendar or fiscal year basis, a report which shall be audited by a certified independent public accountant as of the same fixed or determinable date unless a change is approved by the Exchange.

The annual audit report shall contain a Statement of Financial Condition, a Statement of Income, a Statement of Changes in Stockholder's Equity, and Statement of Changes in Liabilities Subordinated to Claims of General Creditors. Such statements shall be in a format and on a basis which is consistent with such statements filed quarterly with the Exchange. If a Statement of Financial Condition is not consolidated, a summary of financial data, including the assets, liabilities, and net worth or stockholder's equity shall be included for subsidiaries not consolidated.

Supporting schedules shall include for all Members a computation of required capital.

317. Financial Statements to Customers - Members and the Settlement Agency shall file with the Exchange and send to each person specified below the following:

Audited statements within 105 days of the required annual audit date including

- a) a balance sheet with appropriate notes prepared in accordance with at least international generally accepted accounting principles,
- b) a footnote containing a statement of the amount of the entity's net capital and required net capital computed in accordance with Exchange rules and including summary financial statements of subsidiaries, consolidated when material, and the effect thereof on the capital required of the entity, and
- c) if the independent accountant commented on any material inadequacies, a statement by the Member that a copy of such report and comments is currently available for the customer's inspect.

Unaudited statements containing the similar information as of a date six months from the audit date shall be furnished not later than 65 days after the as of date.

Persons specified to receive these statements are any person who has a claim for property or funds which is part of the capital of the Member or is subordinated to the claims of creditors of the Member, or with whom the Member has effected a securities transaction or carried or guaranteed a securities or money balance during the month before or after the balance sheet date.

318. Statements of Account - Members shall send to their customers statements of account showing security and money positions and entries at least quarterly to all accounts having an entry, money or security position during the preceding quarter.

319. Addresses - Confirmations, statements or other communications to a customer shall not be addressed to any Member or employee or registered representative thereof (except as follows) and shall be addressed to a person holding power of attorney only upon written instruction of the customer or with duplicate copies sent to the customer at some other address designated in writing by the customer. Exceptions shall be for such Member personnel's own accounts or accounts of corporations, trusts, or estates for which such person is legally qualified and properly authorized to receive communications concerning the account.

Upon the written instructions of a customer and with the written approval of a principal executive, a Member may hold mail for a customer for a period of absence not to exceed three months.

319. Loans to Exchange personnel - Without the prior consent of the Board, no member of the Board or any committee of the Exchange and no officer or employee of the Exchange shall directly or indirectly make any loan or borrowing of money or securities from or to any Member or associated entity unless such loan is fully secured by readily marketable collateral, or made by a director or committee member to or obtained by a director or committee member from the Member of which he is a principal executive or employee.

320. Reports of Options - Each Member, employee and registered representative through the Member shall report to the Exchange any substantial option or repurchase agreement relating to listed securities of which it has knowledge. The Exchange may disapprove of the connection of any person subject to its jurisdiction with any such option which it determines to be contrary to the best interest or welfare of the Exchange or would

be likely to create prices which will not fairly reflect market values.

321. Insurance - The Board may require Members and the Settlement Agency to maintain such policy or policies of insurance as the Board may consider desirable and available against losses caused by the dishonest acts of Member personnel and against losses caused by handling stolen and forged documents of title or securities or other defective instruments, providing such insurance is available.

322. Membership Certificates - Every office of a Member serving customers shall display prominently a certificate of membership provided by the Exchange which shall remain the property of the Exchange and be returned upon termination of the office or of the membership of the corporation.

Discipline

350. Access Prohibition - Except as hereafter provided, the Exchange shall not prohibit or limit any qualified person from access to services offered by the Exchange or any Member without prior written notification with specific grounds and 15 days opportunity to be heard thereupon.

351. Summary discipline - The Exchange may summarily suspend a Member who is in such financial or operational difficulty that the Exchange determines that the Member cannot be permitted to continue to do business as a Member with safety to investors, creditors, other Members, or the Exchange.

The Exchange may summarily limit or prohibit any person from access to services offered by the Exchange or any Member if the Exchange determines that such person does not meet the qualification requirements or other prerequisites for such access and that such person cannot be permitted to continue to have such access with safety to investors, creditors, Members, or the Exchange. Any person subject to such summary action shall be notified in writing of specific grounds for such action and promptly afforded an opportunity to be heard upon those grounds.

352. Whenever a Member fails to perform its contracts, becomes insolvent, or is in such financial or operating difficulty that it cannot be permitted to continue to do business as a Member with safety to investors,

creditors, other Members and the Exchange, such Member shall promptly give written notice to the Exchange.

353. A party who does not pay any fine within 45 days after payable may after written notice be summarily suspended from association in any capacity with a Member.

354. Any suspended, limited, or prohibited person shall on request submit such books and records as to which it has access and furnish information or appear or testify or cause any employee to appear and testify before the Exchange. Any such person may be disciplined pursuant to rule for any offense committed before or after suspension, limitation or prohibition in all respects as if not so impaired. A Member suspended shall be deprived during the term of suspension of all rights and privileges of membership. Any suspension of an employee or registered representative shall create a vacancy in any office or position held by such person. Any such person may be relieved from suspension, limit or prohibition by the Board.

355. Disciplinary Bases & Penalties - If a Member, employee, registered representative, or approved person is adjudged guilty by a Hearing Panel in a proceeding pursuant to this rule of any of the following offenses, the Hearing Panel may impose on such party expulsion; suspension; limitation as to activities, functions and operations; fine; censure; suspension or bar from being associated with any Member; or any other fitting sanction, any of which may be remitted or reduced by the Panel on such terms and conditions as it deems fair and equitable. Offenses are:

- a) violating any provision of a governmental securities law or regulation, any agreement with the Exchange, or any rule of the Exchange,
- b) making a material misstatement to the Exchange,
- c) fraud or fraudulent acts,
- d) conduct or proceeding inconsistent with just and equitable principles of trade,
- e) acts detrimental to the interest and welfare of the Exchange,
- f) making or transmitting a fictitious bid, offer, or transaction or giving an order for the purchase or sale of securities the execution of which would involve no change of ownership (a wash sale) or executing or transmitting any such order with knowledge of its character,
- g) making any purchases or sales or offers of purchases or sale of securities for the purpose of upsetting the equilibrium of the market or bringing about a condition

in which prices do not fairly reflect market values or assisting in making such transactions with knowledge of such purpose, or being with such knowledge a party to or assisting in carrying out any plan or scheme for the making of such transactions.

h) having made a misstatement or omission of fact on an application for membership or approval, or on any financial statement, report or other submission filed with the Exchange, or

i) refusing or failing to comply with a request of the Exchange to submit books and records subject to access or control or to furnish information to or to appear and testify before the Exchange.

An employee of a Member is liable to discipline and penalties for any act or omission of such Member as for his own personal act or omission.

356. Disciplinary Hearings - Disciplinary consideration shall be by a Hearing Panel composed of a chairman appointed by the Board who is a disinterested director or employee of the Exchange or other qualified person and two disinterested peers of the defendant from a panel appointed by the Board and selected by the Chairman subject to two challenges by each party. The decision of a Hearing Panel by majority shall be final and conclusive unless appealed to the Board by either party.

The Chairman shall resolve any procedural or evidentiary matters without appeal, but shall not authorize the discovery or inspection of internal Exchange documents prepared in connection with the proceeding.

The specific charges against a respondent shall be served in a written Charge Memorandum signed by an authorized employee of the Exchange, with service deemed effective upon personal delivery or by leaving at or mailing to the respondent's last business or residence address as reflected on Exchange records.

A written, signed Answer to the Charge shall be filed within 25 days of service or such longer period as approved by the Chairman, and shall indicate specifically which assertions of fact and charges in the Charge Memorandum are denied and which are admitted, with any specific facts in contradiction and any affirmative defenses. Any assertions of fact not specifically denied may be deemed admitted and failure to file an Answer may be deemed an admission of facts asserted in the Charge.

The Chairman shall determine the specific facts put into issue and with respect to those facts only, the Exchange and the respondent may produce witnesses and any other evidence and may examine and cross examine any witnesses so produced. Any failure by a respondent to Answer as required above shall limit consideration of any witnesses or other evidence to determination of the penalty to be imposed. A respondent who fails to file an Answer but appears at the Hearing shall not be permitted to produce witnesses, evidence or testimony, but the Hearing Panel may determine that the respondent had adequate reason to excuse his failure to file and adjourn the Hearing and direct the respondent to file a proper Answer.

After hearing witnesses and considering evidence, the panel shall consider whether the respondent is guilty of the Charges, and if so fix and impose the penalty or penalties, with written notice to the respondent and the Exchange. The determination and penalty shall become final and conclusive 20 days after notice thereof has been served unless a request to the Board for review has been filed in which case any penalty shall be stayed pending review.

357. Disciplinary Appeals - The staff of the Exchange which brought the Charges, the respondent, or any member of the Board of the Exchange may require a review by the Board by filing a written request stating the basis and reasons therefore within 20 days of the notice of determination. All concerned parties shall be notified of such review request. Any reviews by the Board shall be based on oral argument and written briefs and shall be limited to consideration of the record before the Hearing Panel. The Board by majority vote may sustain, modify or reverse any determination of the Hearing Panel and increase, decrease or eliminate any penalty, or impose any penalty permitted by these rules as it deems appropriate.

If either party on review shows to the satisfaction of the Board that additional evidence is material and there was reasonable ground for failure to produce it before the Hearing Panel, the Board may remand the matter to the Hearing Panel for further proceedings.

358. Stipulation and Consent - In lieu in part of the above procedures, a Hearing Panel may make a determination and impose penalties on the basis of a written Stipulation and Consent entered into between the respondent and an authorized employee of the Exchange. Such document shall contain a stipulation with respect

to the facts, or on the basis for findings of fact by the Hearing Panel; a consent to findings of fact by the Hearing Panel, including a finding that a specific offense has been committed; and a consent to the imposition of a specific penalty. The Panel may fix and impose the penalty agreed to or any penalty which is less severe or may remand for further proceedings.

359. Counsel - Respondents have the right to be represented by counsel in any hearing, review or investigation by the Exchange.

360. Suspended or terminated parties - A suspended party may be proceeded against for any offense other than that for which suspended.

If prior to termination or within one year of termination of any person associated with a Member, such person is served written notice that the Exchange is making inquiry into a matter occurring prior to that termination, the Exchange thereafter may require such party to comply with requests, appear, testify, submit books and records, attend hearings, etc. and such party shall be subject to charges, determinations and penalties in every respect in the same manner and to the same extent as if such person had remained associated with a Member. A party who refuses to comply may be barred from association with a Member permanently, or for such period of time as may be determined, of until such time as such party has complied and the Exchange has completed its investigation and any resulting Hearing is completed, and any penalties imposed carried out .

Arbitration

400. Controversies Arbitrated - Any controversy arising out of the securities business of a Member or its dissolution shall be arbitrated pursuant to these rules which is

- a) between parties who are Members, their employees, registered representatives or approved persons, or
- b) between such persons and any non-member at the instance of the non-member party or as provided by any duly executed and enforceable written agreement.

Comment - Arbitration is based on the assumption that the laws of the country permit enforcement of arbitration judgements by governmental courts and that appeals to courts are possible only for unlawful conduct of the arbitration. It is also assumed that Members

will provide in their written account agreements with customers for arbitration of disputes with customers.

401. Arbitrators - The Board shall appoint two standing panels, one consisting of representative executives, employees, registered representatives, attorneys and approved persons of Members or retired such persons, the other consisting of non-members knowledgeable in securities matters. The Board shall also appoint an Exchange employee or other person as Arbitration Director to perform the ministerial duties of arbitration.

For each controversy or related group of controversies, the arbitration director shall select seven disinterested persons as potential arbitrators from the appropriate panel(s) and submit their names and backgrounds to the arbitrating parties. Each arbitrating party may request that not more than two of the potential arbitrators be removed from such list. From the remaining list, the arbitration director shall appoint in the case of arbitrations involving non-members, two persons from the non-member panel and one from the membership community panel, and in the case of controversy within the member community, three persons from the member panel. Other persons from the remaining list may be substitute arbitrators in case of death or incapacity of an arbitrator. The arbitration director shall designate one arbitrator as chairman.

402. Arbitration Agreement - Pursuant to these rules, the decision of an Exchange Arbitration shall be binding and final upon any Member, employee, registered representative, attorney or approved person thereof. Any non-member party shall have agreed in writing that the arbitration shall be binding and final either in a separate document or in any existing duly executed and enforceable agreement.

403. Arbitration Proceedings - Additional rules of arbitration procedure should be developed consistent with the arbitration law of Morocco.

Exhibit C - Suggested Enabling Act for Morocco Stock Exchange

LAW

Article (1):

The general regulations for stock exchanges, attached to this law shall be applicable, subject to future amendment by law or by any future regulatory authority prescribed by law.

Article (2):

The Morocco Stock Exchange is a public institution, with a moral personality and with financial autonomy, under the supervision of the government.

Promptly after the listing on the Stock Exchange of the securities of the tenth entity whose shares are distributed in the current privatization of Moroccan entities, the Morocco Stock Exchange shall become a corporate, not-for-profit, moral, legal person governed by a private sector Board of Directors which shall take charge of the funds, properties and responsibilities of the Morocco Stock Exchange managing the funds and operations of all present and future stock exchanges in Morocco, and shall have a legal capacity for litigations.

Article (3): The application of the provisions of the general regulations for stock exchanges ratified by the decree issued as Law No. are canceled.

Article (4): Control of the accumulated surplus of the Stock Exchange in Casablanca and of future such funds, if any, shall be vested in the Board of Directors of the Morocco Stock Exchange to be used to advance the capital needs of the exchanges and education in securities ownership.

Article (5):

This Decree shall be published in the Official Journal; and it shall have the force of law, and shall be applicable as from the date of its publication, subject to the following transitional provisions:

Article (6): The Board of Directors while the Stock Exchange is a government entity shall be composed as follows:

Chairman : The Minister of Finance or his representative.

President and Chief Executive Officer: The present Managing Director of the Exchange

Vice chairman: the Governor of the central bank or his representative.

5 directors of financial institutions or portfolio organizations or their representatives, designated by the Minister of Finance.

the President of the Bankers Association or his representative.

the President of the Moroccan Insurance Association or his representative.

the President of the Brokers Association or his representative

the President of the Chamber of Commerce or his representative.

A representative of the industrial and commercial corporations, designated by the Minister of Commerce and Industry.

Article (7): The initial Board of Directors when the Stock Exchange becomes a private sector institution shall be composed as provided in the attached General Regulations of the Morocco Stock Exchange.

Article (8): The Stock Exchange in Casablanca shall continue to operate under present law and rules for one month following constitution of the new Board of Directors authorized in Article (6) above when sole authority shall pass to that Board. Sole authority for the Morocco Stock Exchange shall pass from the Board authorized in Article (6) to the Board authorized in Article (7) one month after the Board authorized in Article (7) is constituted.

The Members of the Stock Exchange in Casablanca shall be initial members of the Morocco Stock Exchange.

Article (9): In the absence of amendment by the Board or of modification by the attached General Regulations, the rules and practices of operation of the stock exchange in Casablanca shall remain in effect as rules of the Morocco Stock Exchange.

This decree shall be stamped with the seal of the State, and shall enter into force as one of its laws.

Issued by the on the //// of ////, ////// (the //th, 19//)

The General Regulations for the Morocco Stock Exchange

Article 1, Objects - The Purposes and objects of the Morocco Stock Exchange shall be

a) to furnish facilities for the convenient transaction of their business by its subsidiaries and Members; to maintain high standards of commercial honor and integrity among its Members; and to promote and inculcate just and equitable principles of trade and business;

b) to conduct and carry on the functions of an Exchange and of a Board of Trade and to conduct and carry on any and all activities incidental to the foregoing which may lawfully be conducted and carried on by a corporation of its type under law.

Article 2, Members - Members of the Exchange shall be corporations or individuals engaged in the securities business and qualified as Members pursuant to the rules of the Exchange.

Article 3, Governance - Governance of the Exchange shall be by a Board of Directors initially as authorized in Articles (6) and (7) of the enabling act for the Morocco Stock Exchange of _____ date, and succeeded at the end of the next calendar year by a Board of eight or more directors composed half of Chief Executives of Members or principal officers of Members elected at a General Assembly of Members, and the other half principal officers of listed companies and representatives of individual and institutional investors elected by the Chamber of Commerce, each category in such proportion as determined from time to time by the Board, plus a Chief Executive Officer elected by the Board who shall not be associated with a Member or listed company or other financial institution. The Board may elect a Vice Chairman of the Board from among its number, but if so this office shall rotate in alternate years between a representative of Members and a representative of non-members.

Each director not associated with a Member shall be deemed to have agreed to uphold the rules of the Exchange.

Article 4, Powers of Board - The Board shall have authority to determine and amend the Rules of the Exchange, subject to disapproval by the Conseil National des Valeurs Mobilieres of the Government of Morocco.

The Board shall be vested with all powers necessary for the government of the Exchange, the regulation of business conduct of Members and their personnel in connection with their conduct of the business of Members, and the promotion of the welfare, objects, and purposes of the Exchange and in the exercise of such powers may adopt such rules, issue such orders and directions and make such decisions as it may deem appropriate.

The Board may adopt, amend or repeal rules with respect to:

- a) the making and settling of Exchange contracts,
- b) the access of members to, the use of members of, and the conduct of members in respect to exchange facilities,
- c) insolvency of members,
- d) the formation of member corporations, the continuance thereof and the interests of persons therein,
- e) the officers, directors, stockholders, employees, exchange brokers, and registered representatives of members,
- f) the offices of members,
- g) the business conduct of members and associated parties,
- h) the business connections of members and associated parties and their association with or domination by or over other parties engaged in the securities business,
- i) capital requirements for members,
- j) the procedure for arbitration,
- k) types, terms, conditions and issuance of securities of member corporations and trading in such securities,
- l) conduct and procedure of disciplinary hearings and reviews therefrom.

The Board shall have general supervision over members and their associated parties. It may examine into the business conduct and financial condition of members. The Board may require that transactions in securities by its members shall be executed and settled by use of exchange facilities. It shall have supervision over all matters relating to the collection, dissemination and use of quotations and reports of prices on the Exchange and shall take appropriate measures to safeguard the property rights of the exchange in such information.

The Board may approve applications for the listing of securities and their admission to dealings upon the Exchange, and may suspend or remove the same from trading or listing.

Whenever in the opinion of the Board, a corner has been created in a security, the Board may postpone the time for delivery or direct the settlement of such contracts by payment of money at a fair settlement price agreed to by the parties or determined by the Board after giving an opportunity to all interested parties to be heard.

The Board may prescribe and impose penalties for the violation of rules and for neglect or refusal to comply with orders, directions, or decisions of the Board or for any offense against the Exchange the penalty for which is not specifically prescribed by rule.

The Board may delegate such of its powers as it may from time to time determine to such officers, employees, technical Document committees and subsidiaries as the Board may authorize, provided however that a party affected by a decision may require a review of such decision by the Board by filing with the Chief Executive Officer a written demand therefore within 10 days after the decision has been rendered.

The Board shall have control of the property and finances of the Exchange and its subsidiaries and shall be responsible for safeguarding the interests of the Members in such property. It may employ auditors, counsel or accountants for examinations on its behalf. The Board may fix fees and charges for use of the facilities and services of the exchange.

Article 5, Meetings of Board - The Board shall meet at such times as the Board determines but at least quarterly, or at the request of the Chief Executive or any two directors, at a reasonable place and with reasonable notice to each director. A quorum of the Board shall consist of at least half the Member representatives and half the Non-member representatives. No person shall participate in the adjudication of any matter in which he is personally interested.

Article 6, Liability for Use of Facilities - The Exchange shall not be liable for any damages sustained by a Member growing out of the use of or enjoyment by such Member, its employees, representatives, and customers for the use of the facilities afforded by the Exchange or its subsidiaries to Members for the conduct of their business.

Article 7, Interpretation of Rules - Any dispute or difference which may arise as to the meaning or interpretation of the rules or as to the powers of the officers of the Exchange or the validity of any

election, or proceeding of a general meeting of the membership, or of any proceeding of the Board shall be determined by the Board whose decision shall be final and binding upon all Members and Committees of the Exchange.

Article 8, Directors term of office - Directors shall be elected for two year terms and shall be ineligible to serve as directohnical Document six consecutive years. A director who is Chief Executive Officer shall be exempt from this limitation.

Article 9, Indemnification - Any person made, or threatened to be made, a party to any action or proceeding, whether civil or criminal, by reason of the fact that he is or was a director or officer, committee member, arbitrator, hearing board member, or employee of the exchange shall be indemnified by the Exchange, and the exchange may advance his related expenses to the full extent permitted by law.

Article 10, Chief Executive Officer - The Chief Executive Officer shall be responsible for the management and administration of the affairs of the exchange and shall be the official representative of the Exchange in all public matters. He may appoint such officers, (other than the Vice Chairman of the Board), other employees of the exchange, counsel and expert or professional advisers as he may determine are required for the efficient management and operation of the exchange and fix their duties, responsibilities, terms and conditions of employment and termination of employment. In case of the resignation, dismissal, death, or incapacitation of the Chief Executive Officer, the Vice Chairman shall serve as such until a successor is named by the Board.

Article 11, Annual Meetings - An annual meeting of representatives of Members and Listed Companies entitled to vote shall be held annually in May and special meetings shall be held upon determination of the Board for the purpose of electing members of the Board, or such other business as may properly be considered. Proxies shall be solicited reasonably in advance of such meetings for absentees to vote on matters known to be brought to vote at the meeting. At the annual meeting, the Board shall present a report of the preceding fiscal year.

Exhibit D - Professional Training, Public Education

[Background note - The consultant for this project had 15 years of professional experience in multi-media c promotion before joining the New York Stock Exchange. For 31 years he then was involved in policy formation for the massive NYSE promotional and educational program. In the 1960s as exchange member firms began to grow, he established a US-wide educational program for member personnel, including courses in eight universities and exchange seminars which reached thousands of member employees over an eight year period. The NYSE communication program to members remained under his supervision until retirement in 1986.]

The Casablanca Stock Exchange as its first educational task should seek to establish a formal training system for the professionals who will be needed in the securities industry. This involves principles of corporate organization, law and finance, reading and analysis of financial statements, study of methods of operation of securities markets, related economics, techniques of selling intangibles, etc. Training for the various specialties of the securities professions is highly developed in advanced economies. There are good study outlines and textbooks from which Morocco can select the basic parts appropriate for conditions here.

A place to start will be to write to Mr. Donald VanWeezel, Regulatory Department, New York Stock Exchange, 11 Wall Street New York, NY, 10005 and ask for a copy of the NYSE study outline for the registered representative examination and the related bibliography of study materials. Ask him also whether he or the NYSE library would have recommendations for a basic educational library for the Morocco Stock Exchange. Also write to the Securities Training Center of Merrill Lynch & Co. in Princeton, NJ and ask them to send you a copy of their publications which they feel may be helpful in an educational program for Morocco. Edward O'Brien, President of the Securities Industry Association, would also respond positively for a copy of their publications. I do not have that address, but the fax number in New York is 212 608 1604.

Search Morocco for possible instructors for an Exchange organized training course. There may be potential teachers who could be assembled for a continuing basic education program.

If such teaching resources are not found in Morocco, foreign assistance should be available. The objective

should be to teach a core group of Moroccans who could in turn teach others. The core group should include both some future securities professionals from the Moroccan Stock Exchange members, banks, financial institutions, and university teachers of business and finance. A group of say 30 such individuals could be students for a course in Morocco taught by foreign securities training specialists. There are several securities training organizations in the U.S. qualified for such teaching. The New York Institute of Finance has the most experience in teaching foreign securities personnel, both in New York and in about 30 sessions in other countries. The contact there is William Rini, NYIF, 70 Pine Street, New York, NY, code either 10004 or 10005.

Sri Lanka has one of the most advanced promotional planning and securities professional education programs for countries currently changing to a market driven economy. Additionally, as part of an extended USAID financed capital markets project, an excellent marketing study has been completed by the head of the Dublin, Ireland, Stock Exchange. Also underway is a substantial seminar and coaching program financed by the Asian Development Bank and implemented by a teaching subsidiary of an Australian bank. This program includes both

Foreign donors are a potential source of help in financing such a course (*). Foreign consultants and staff coming to Morocco for other purposes may have appropriate background to give the core group lectures also appropriate agencies in Morocco are asked to watch for such opportunities.

Simultaneously draw up a request to donors to provide a basic library of securities study materials. A decent basic library should cost less than \$1,000.

Development of a Moroccan training facility for securities professionals, especially by university faculty, is likely to have a side benefit of producing a Moroccan textbook. Perhaps even earlier it could produce Two pamphlets of 20-30 pages each. The first could explain the organization of corporations, types of securities, trading of securities, and description of exchange markets. The second would be on how to read financial statements and elementary principles of securities analysis. These booklets would be tools of beginning education for individual investors.

The Morocco Stock Exchange should develop through staff or consultants the benefits of skill in utilizing the public media in press conferences, radio and TV interviews and financial magazine publication. Involvement in the promotional campaign for privatization will also be essential for the exchange continuing to centralize this role as privatization is completed.

There will be many more securities educational techniques useful in the more distant future. The most important will be face-to-face, one-to-one education of customers by securities professionals.

Seed Education of Securities Professionals

Educating future securities professionals is clearly a priority. The Morocco Stock Exchange as it exists can be an instrument through which to organize such activity. It should encourage future potential professionals in other parts of the financial infrastructure and especially the teaching professionals in finance and business on university faculties.

There is an international need for a program for this purpose. One method could be a series of video tapes equivalent to university one or two semester courses. The combination of American resources which could produce such a video series are: the Merrill Lynch training school at Princeton, NJ, which has a teaching staff, securities training experience, and video production facilities, the New York Institute of Finance which has experience in training foreign securities professionals in New York and abroad plus written training materials, and a securities consultant with experience in securities industry training and developing country exchanges.

Until such a facility is available, second choice would be a seed course taught by foreign instructors in Morocco to 30 or so adults, including potential stockbrokers, analytic personnel in banks, insurance companies and other financial institutions, and appropriate university faculty. The students should be selected in part for their commitment to teach future courses in Morocco.

There are at least two sources for such initial instruction in Morocco. Both do and should have securities industry teaching experience as a

prerequisite. The first is one of the American securities teaching organizations among the large NYSE member firms and independent organizations. There are at least six candidates. The most experienced is the New York Institute of Finance which for about 15 years has conducted special courses in New York for foreign securities professionals, and for at least five years has also taught such sessions in a variety of countries.

The second source would be recruitment of a securities teacher retired from a NYSE member training program or a university. There are not many such individuals but there are at least three who may be available. The likely organization to work through in seeking such a person would be the International Executive Service Corps. That organization has recently recruited retired securities executives to teach investment banking and organization of brokerage firms in Hungary and Yugoslavia. For this seed Morocco training an experienced securities training professional is a prerequisite.

Any training by American instructors in Morocco should be supplemented by participation by any experienced Moroccans who can be found.

I would be happy to brief anyone selected to teach such a course well in advance on conditions in Morocco.

The educational program should be supplemented by a library of securities texts and training materials. There should be several copies of the major student tools for lending.

Educational Travel

The second area of priority in education is the traditional USAID/USIS technique of sending a few key people to the U.S. and other financial centers to become acquainted with the breadth of securities business there. From having entertained hundreds of such pilgrims to the NYSE, this consultant is not convinced of the securities educational value. Rather the benefit is exposure to the American way of life and its benefits, increasing the enthusiasm of participants for using similar techniques at home. So I would confine such trips to only one or two stock exchange leaders.

Shorter trips to small exchanges for a half dozen or so potential exchange brokers would be desirable.

Exhibit E - Persons Contacted/Met

Mr.Abderrazak LARAKI	Directeur de la Bourse des Valeurs de Casablanca
<u>USAID/Rabat</u> Denis Chandler Richard Burns	Mission Director, Private Sector Office Director
Mark Kraczkiewicz Abderrahim Bouazza	Program Economist Economist, Program Office
<u>Citibank Al Maghrib</u> Mr.Kishore Gopaul Mr.Denis C.Richard	Vice President Vice President
<u>Ministry of Finance</u> Mr.Mohamed Dairi	Directeur, Direction du Tresor et des Finances Exterieures
Mr.Abdellatif Faouzi	Chef, Division de Monnaie et Credit
Mr.Youssef Allal Al Bakhti	Chef du Service des Marches des Capitaux
Mr.Samir Lahlou	Service du Marche des Capitaux
Mr.Benbrik	Chef, Division Impots Directs
<u>Ministry of Privatization</u> Mr.Mouline Dr.Alfred Saulniers	Minister of Privatization Special Advisor
<u>Banque Marocaine du Commerce Exterieur</u> Mr.Jouhari Mr.Abdel-Hakim Gasmi	Chairman Directeur Central Direction du Developpement
Mr.Abdelhak Berrada	Directeur Central Adjoint
<u>Caisse De Depot et de Gestion</u> Mr.Youssef Iraqui Houssaini Mr.Mahmoud Laghmari	Directeur Financier Chef de Division Portefeuille
<u>Societe Nationale d'Investissement - SOMACOVAM</u> Abdelkrim Lahlou	Secretaire General
<u>Price Waterhouse - Casablanca</u> Mr.Aziz Bidah Mr.Abdelaziz Belkasmi	Senior Partner Partner

Mr. Abdelwaret Kabbaj	Tax Director
<u>Federation Marocaine des Societes d'Assurance et de Reassurance</u>	
Mr. Abdejlil Chraibi	President and General Manager of Al Wataniya (Insurance Co.)
Mr. Hamid Besri	Directeur
<u>Berliet Maroc</u>	
Mr. Omar Amraoui	Directeur General, et President de la Commission Economique et Financiere de la Confederation Generale Economique Marocaine
<u>Banque Commerciale du Maroc</u>	
Mr. Kamil Ouazzani	Directeur, Departement de l'Ingenierie Financiere
<u>Credit Immobilier et Hotelier</u>	
Mr. Othmane Slimani	President Directeur General
<u>SOPAR - Holding of Wafabank</u>	
Mr. Saad Kettani	Vice Chairman
Mr. Azzedine Kettani	Attorney at Law, Professor of Law at Hassan II University