



CHEMONICS INTERNATIONAL INC.

Electronic Document Submission Title Page

Contract No.: 278-C-00-02-00210-00

Contractor Name: Chemonics International, Inc.

USAID Cognizant Technical Office: Office of Economic Opportunities
USAID Jordan

Date of Product/Report: October 31, 2004

Product/Document Title: The World Federation of Exchanges
Compliance Matrix

Author's Name: Eugene P. Callan

Activity Title and Number: Achievement of Market-Friendly Initiatives and
Results Program (AMIR 2.0 Program)

F/WFE-Compliance Documentation
FMD Component,
Work Plan No. 621.02

Name and Version of Application
Software Used to Create the File: MS Word 2002
MS Power Point

Format of Graphic and/or Image File: N/A

Other Information: N/A

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Final Report**

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Work Plan No. 621.02

The World Federation of Exchanges Compliance Matrix

Final Report

October 31, 2004

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Data Page

Name of Component: Financial Markets Development (FMD)

Authors: Eugene P. Callan

Practice Area: Financial Sector Services

Service Offering: Capital Market Development

List of Key Words Contained in Report:

- World Federation of Exchanges
- WFE
- Jordan Securities Commission
- Securities Depository Center
- Amman Stock Exchange
- JSC
- ASE
- SDC
- Compliance
- Capital Markets
- Stock Exchanges
- Trading
- Market Transparency
- Investor Protection
- Securities Law
- Stock Exchange Regulations

Abstract

This report assists the ASE in its application to the WFE through providing a compliance matrix. The compliance matrix provides a comparison of WFE requirements to ASE rules and regulations, procedures and practices.

The report identifies compliance areas and the documentation associated with supporting ASE compliance to WFE standards. The report also identifies areas of non-compliance and provides the ASE with a plan to meet non-compliance areas.

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Executive Summary

The report assists the ASE in its application to the WFE through providing a compliance matrix. The compliance matrix provides a comparison of WFE requirements to ASE rules and regulations, procedures and practices. The report also identifies compliance areas and the documentation associated with supporting ASE compliance to WFE standards. The report also identifies areas of non-compliance and provides the ASE with a plan to meet non-compliance areas.

The ASE would have to provide substantial proof that the Jordan capital market meets WFE criteria for full membership. The report follows a comprehensive review of the 15 WFE principles.

A comprehensive review of the Jordan Securities Law 2002, ASE rules and regulations, ASE organizational and operations, ASE access to market issues, ASE listing and disclosure standards, ASE trading rules, SDC Clearing and Settlement capability, Jordan capital market technical infrastructure, Jordan capital market risk management, settlement of disputes, supervision surveillance and enforcement, investor protection, business conduct, transparency, foreign investment and compliance with WFE recommendations were reviewed.

This report assists the Amman Stock Exchange (ASE) application to the World Federation of Exchanges (WFE) through providing an analysis of how the ASE compliance with WFE standards. The report also provides the ASE guidance on areas of improvement needed to meet WFE standards.

Compliance Matrix Presentation

THE AMMAN STOCK EXCHANGE
Membership
in
The World Federation of Exchanges

COMPLIANCE MATRIX

Capital Markets Compliance
with

World Federation of Exchanges Market Principles 2002

World Federation of Exchanges – Market Principles 2002

Membership Requirements Compliance Matrix

Matrix Participants & Their Matrix Symbols



Jordan Securities Commission (JSC)

The JSC is the primary regulator for the securities markets in Jordan. This entity collectively represents the Chairman of the JSC and the Board of Commissioners. The JSC will review all regulatory information related to the Amman Stock Exchange (ASE) prior to the incorporation of such information into the ASE's submission to the World Federation of Exchanges (WFE).



JSC Legal

This symbol represents the Legal Department of the Jordan Securities Commission, acting under the direction of the Commission. Based on requests for information submitted by the ASE to the JSC and subsequent approval of such requests by the JSC, the JSC's Legal Department will collect and compile information to be delivered to the ASE. All information delivered by the JSC Legal Department to the ASE are subject to review and approval by the JSC prior to delivery to the ASE.



Amman Stock Exchange (ASE)

This symbol represents the management of the Amman Stock Exchange (ASE). The ASE is the originator of the application for membership to the WFE and as such will be responsible for the completeness and accuracy of information contained in the WFE membership application. The ASE will receive information requested from other entities and review and approve all information prior to incorporation of such information into the WFE membership application.

World Federation of Exchanges – Market Principles 2002

Membership Requirements Compliance Matrix

Matrix Participants & Their Matrix Symbols

◄► ASE Legal

In this project the ASE Legal Department is the central location for the collection of information related to the WFE membership application and the completion of the WFE membership application. Subsequent to the collection and compilation of membership data, all information to be included in the WFE membership application is subject to review and approval of ASE management. External to the project, the normal responsibilities of ASE Legal include, but are not limited to, reviewing listing applications, reviewing issuer compliance with listing requirements, liaison with the JSC, provision of advise to ASE management on legal matters related to the business of the Exchange, etc.

🗂 ASE IT (Information Technology Department)

ASE IT is the central location responsible for the daily operation of the ASE's Trading System. ASE IT is also responsible for the design, testing and implementation of enhancements to the ASE Trading System. Responsibility for the Exchange's Disaster Recovery, Business Resumption and Records Retention Programs rest with the ASE IT.

A ASE Operations

ASE Operations is responsible for the daily business operations of the Exchange. The responsibilities of ASE Operations include, but are not limited to, financial/revenue management, member transaction support, transaction compliance, statistics gathering & reporting, member & issuer financial reporting, etc.

World Federation of Exchanges – Market Principles 2002

Membership Requirements Compliance Matrix

Matrix Participants & Their Matrix Symbols



ASE Human Resources

Responsibilities of the ASE Human Resources Department include, but are not limited to, retention of qualified personnel, recruitment of new/replacement personnel, operation of ongoing professional training programs, maintenance of personnel records, etc. The primary responsibility of the ASE Human Resources Department is to protect the Exchange's investment in intellectual capital.



Securities Depository Center (SDC)

Post-Trade Clearing and Settlement for executed securities trades is the responsibility of the SDC. The SDC is the sole legally authorized and licensed Central Securities Depository (CSD) in Jordan. Responsibilities of the SDC include, but are not limited to, netting market participants' daily positions, maintaining accurate securities positions for market participants, validating completeness and accuracy of security positions, etc. The primary responsibility of the SDC is to insure that Buy Side securities and Sell Side cash are transferred correctly on a Delivery versus Payment (DVP) basis within three days of a trade execution (T+3).



SDC IT (Information Technology)

SDC IT is the central location responsible for the daily operation of the depository's Clearing & Settlement System. SDC IT is also responsible for the design, testing and implementation of enhancements to the ASE Trading System. Responsibility for the depository's Disaster Recovery, Business Resumption and Records Retention Programs rest with the SDC IT.

World Federation of Exchanges – Market Principles 2002

Membership Requirements Compliance Matrix

Matrix Participants & Their Matrix Symbols



SDC Legal

The responsibilities of SDC Legal include, but are not limited to, reviewing participant membership applications, reviewing participant compliance with depository participation, liaison with the JSC, provision of advice to SDC management on legal matters related to the business of the depository, supervision of the Settlement Guarantee Fund, validation of security holder account information, etc. A primary responsibility of SDC Legal is the certification of Legal Transfers as a result of estate settlements, gifts and other non-Exchange mandated transfers of ownership.

4 SDC Operations

SDC Operations is responsible for the daily business operations of the depository. The responsibilities of SDC Operations include, but are not limited to, financial/revenue management, member settlement support, transaction compliance, statistics gathering & reporting, management of the Settlement Guarantee Fund, etc.

Z Central Bank of Jordan

The Central Bank of Jordan is responsible for maintaining monetary stability in the Kingdom, ensuring the convertibility of the Jordanian Dinar and promoting sustained growth of the Kingdom's economy while maintaining the safety of the banking sector.

World Federation of Exchanges – Market Principles 2002

Membership Requirements Compliance Matrix

Matrix Participants & Their Matrix Symbols

	Jordan Securities Commission (JSC)
	JSC Legal
	Amman Stock Exchange (ASE)
	ASE Legal
	ASE IT
	ASE Operations
	ASE Human Resources
	Securities Depository Center (SDC)
	SDC IT
	SDC Legal
	SDC Operations
	Central Bank of Jordan

THE AMMAN STOCK EXCHANGE
Membership
in
The World Federation of Exchanges

World Federation of Exchange
Market Principles 2002
Membership Requirements

World Federation of Exchanges – Market Principles 2002

Membership Requirements Compliance Matrix

1. Purpose

The World Federation of Exchanges Market Structure Best Practices as set out here provides guidance as to the **minimum** level of organization, regulation and supervision a securities market¹ needs to have in order to qualify as organized market. They also serve as a checklist for those securities markets wishing to become a member of the World Federation of Exchanges.

Whilst the paper serves as the basis of preparing an application for membership, members are reminded that they need to maintain them on a continuous basis, and be subject to disclosure and monitoring as agreed at the 1997 General Assembly. Exchanges² should be aware of, and will have to be responsive to, the directives and concerns of relevant self-regulatory and government authorities³ which have jurisdiction over them. They must ensure to the full extent of their authority the compliance of market users⁴ with the requirements of the market and of its applicable laws, rules and regulations.

¹ "Securities Market" as used in these Principles includes a market for financial derivative products and means any entity that organizes, but does not itself provide, liquidity among multiple liquidity providers.

² "Exchange" means that entity which has direct administration over the market, regardless of the way or form of market organization and or the financial products traded.

³ For the following "self-regulatory and government agencies" will be referred to as "regulator". The regulator can be totally based on self-regulation, a co-operative arrangement with the government agency or a government agency alone.

⁴ "Market users" include intermediaries, customers, vendors of and subscribers to market information.

World Federation of Exchanges – Market Principles 2002

Membership Requirements Compliance Matrix

2. Organization and Operations

Exchanges should have available and maintain adequate organizational infrastructure and operational resources to enable them to offer the proper tools for trading in securities.

a. Legal Status

The exchange should have the legal status of a recognized securities market in the country in which it is domiciled. A national securities law should be enacted covering the exchange(s), its powers and obligations.

b. Statutes

The exchange should have properly drafted Statutes, at a minimum covering its governance, the composition of the governing body, indications for constituents from which council members are appointed/elected, its mission, and its rules and regulations.

c. Market Participants

The requirements for market participants should cover: objective qualifications, experience, structure, capital adequacy rules, disciplinary issues, and rights and obligations. Foreign market participants should normally be allowed, adopting mutual recognition of World Federation of Exchanges member market participants⁵. Traders should be authorized to act only at the end of a structured training process and after having passed a qualifying exam.

d. Monitoring of Market Participants

On an on-going basis, the exchange should have infrastructure in place for the supervision for which it has responsibility, indicating the frequency of monitoring, the scope of its authority, actions to be taken in case of non-compliance, etc. The financial and trade reporting obligations of market participants should have their formal basis here. The exchange's oversight should encompass capital adequacy, position limits, collateral quantity and quality, internal compliance rules, market conduct and behavior, etc.

World Federation of Exchanges – Market Principles 2002

Membership Requirements Compliance Matrix

2. Organization and Operations

e. **Organizational Structure**

The organizational structure of the exchange should be formal and allow for the correct management of financial market operations. The staff of the exchange needs to be fit and properly qualified for the job. A formalized human resources activity should be established to attract and keep professional staff, avoiding the risk to operations from high turnover.

f. **Regulatory Infrastructure**

At a minimum, the official exchange rules should include information on: trading, including transparency and reporting, listing, market participation, discipline and sanctions, clearing and settlement, and recourse procedures.

g. **Systems**

The exchange should have systems in place that are of sufficient capacity to ensure the operation of an orderly market and to handle its business activities. Calamity scenarios and contingency plans must be drawn up, and back-up procedures tested on a regular basis.

h. **Funding of the Organization**

The financial soundness of exchange should be the result of a sound business plan. It should show a positive track record for at least 3 years. The annual report of the exchange needs to be certified by an independent chartered accountant, in compliance with International Accounting Standards (IAS), if necessary in the Notes to the Accounts or as a separate statement in addition to compliance with any different local standards.

World Federation of Exchanges – Market Principles 2002

Membership Requirements Compliance Matrix

2. Organization and Operations

a. Legal Status

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 Securities Law of 2002 #76: Legal Status of the JSC (English Translation)	 Review Securities Law of 2002 #76: Legal Status of the JSC	 Identify Compliance Gaps between Securities Law of 2002 #76: Legal Status of the JSC & WFE requirements
 Securities Law of 2002 #76: Legal Status of the ASE (English Translation)	 Review Securities Law of 2002 #76: Legal Status of the ASE  Review Securities Law of 2002 #76: Legal Status of the SDC	 Identify Compliance Gaps between Securities Law of 2002 #76: Legal Status of the ASE & WFE requirements
 Securities Law of 2002 #76: Legal Status of the SDC (English Translation)	 Obtain Independent Counsel Opinion of Legal Status of JSC, ASE & SDC	 Identify Compliance Gaps between Securities Law of 2002 #76: Legal Status of the ASE & WFE requirements  Gather response(s) to Compliance Gaps between the area responses & WFE requirements  Review & approve response information for inclusion in WFE submission  Incorporate Section 2, Organization & Operations: Legal Status into WEF document

 Amman Stock Exchange (ASE)

 ASE Legal

A ASE Operations

 ASE IT

 ASE Human Resources

H Securities Depository Center (SDC)

 SDC Legal

4 SDC Operations

P SDC IT

 Jordan Securities Commission (JSC)

 JSC Legal

Z Central Bank of Jordan



World Federation of Exchanges – Market Principles 2002

Membership Requirements Compliance Matrix

2. Organization and Operations

b. Statutes

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> JSC By-Laws (By-Laws Pending JSC Approval) (English Translation)</p> <p> JSC approved ASE By-Laws (By-Laws Pending JSC Approval) (English Translation)</p> <p> JSC approved SDC By-Laws (By-Laws Pending JSC Approval) (English Translation)</p>	<p> Approve ASE Pending By-Laws:</p> <p> Approve SDC Pending By-Laws:</p> <p> Review JSC By-Laws for compliance with WFE requirements on:</p> <ul style="list-style-type: none"> ◆ Governance ◆ Composition of Governing Body ◆ Member Appointment Procedures ◆ Member Election Procedures ◆ JSC Mission ◆ JSC Rules & Regulations 	<p> Identify Compliance Gaps between Securities Law of 2002 #76 & WFE Requirements for an Security Regulator Statutes</p> <p> Identify Compliance Gaps between Securities Law of 2002 #76 & WFE Requirements for Exchange Statues</p> <p> Identify Compliance Gaps between Securities Law of 2002 #76 & WFE Requirements for Exchange Statues</p>

 Amman Stock Exchange (ASE)

 ASE Legal

A ASE Operations

 ASE IT

 ASE Human Resources

H Securities Depository Center (SDC)

 SDC Legal

4 SDC Operations

P SDC IT

 Jordan Securities Commission (JSC)

 JSC Legal

Z Central Bank of Jordan

World Federation of Exchanges – Market Principles 2002

Membership Requirements Compliance Matrix

2. Organization and Operations

b. Statutes (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> JSC approved ASE By-Laws (By-Laws Pending JSC Approval) (English Translation)</p> <p> JSC approved SDC By-Laws (By-Laws Pending JSC Approval) (English Translation)</p>	<p>◀▶ Review JSC Approved ASE By-Laws for information supporting WFE requirements on:</p> <ul style="list-style-type: none"> ◆ Governance ◆ Composition of Governing Body ◆ Appointment Procedures ◆ Election Procedures ◆ ASE Mission ◆ ASE Rules & Regulations <p>☯ Review JSC Approved SDC By-Laws for compliance with WFE requirements on:</p> <ul style="list-style-type: none"> ◆ Governance ◆ Composition of Governing Body ◆ Appointment Procedures ◆ Election Procedures ◆ SDC Mission ◆ SDC Rules & Regulations 	<p>◀▶ Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p> <p>⚙ Review & approve response information for inclusion in WFE document</p> <p>H Review & approve response information for inclusion in WFE document</p> <p>◀▶ Incorporate Section 2, Organization & Operations: Statues to WEF document</p>

 Amman Stock Exchange (ASE)

◀▶ ASE Legal

A ASE Operations

 ASE IT

 ASE Human Resources

H Securities Depository Center (SDC)

☯ SDC Legal

4 SDC Operations

P SDC IT

 Jordan Securities Commission (JSC)

⚙ JSC Legal

Z Central Bank of Jordan

World Federation of Exchanges – Market Principles 2002

Membership Requirements Compliance Matrix

2. Organization and Operations

c. Market Participants

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Securities Law of 2002 #76: JSC Licensing Empowerment (English Version)</p> <p> JSC Licensing Procedures for Trading Firms</p> <p> JSC Licensing Procedures for Traders</p> <p> ASC Trading Firm Admission Requirements & Procedures (JSE approved ASE By-Laws)</p>	<p> Review JSC licensing procedures for compliance with WEF requirements</p> <p> Review JSC licensing procedures for requirements specific to Foreign Participants</p> <p> Document procedures specific to licensing of Foreign Participants</p> <p> Review ASE Documentation Required for Trading Firms Exchange Membership:</p> <ul style="list-style-type: none"> ◆ Objective Qualifications ◆ Capital Adequacy Rules ◆ Disciplinary Procedures ◆ Rights & Obligations ◆ Foreign Firms' Exchange Membership 	<p> Identify Compliance Gaps between JSC Rules & Regulations and WEF requirements and compile response, as required</p> <p> Identify Compliance Gaps between ASE By-Laws and WEF requirements and compile response, as required</p> <p> Identify Compliance Gaps between SDC By-Laws and WEF requirements and compile response, as required</p> <p> Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p> <p> Review & approve response information for inclusion in WFE document</p> <p>H Review & approve response information for inclusion in WFE document</p>

 Amman Stock Exchange (ASE)

 ASE Legal

A ASE Operations

 ASE IT

 ASE Human Resources

H Securities Depository Center (SDC)

 SDC Legal

4 SDC Operations

P SDC IT

 Jordan Securities Commission (JSC)

 JSC Legal

Z Central Bank of Jordan

World Federation of Exchanges – Market Principles 2002

Membership Requirements Compliance Matrix

2. Organization and Operations

c. Market Participants (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> ASC Trader Admission Requirements & Procedures (JDC approved ASE By-Laws)</p> <p> SDC Participant Admission Requirements & Procedures (JDC approved ASE By-Laws)</p>	<p> Review SDC Documentation Required for Participant Depository Membership:</p> <ul style="list-style-type: none"> ◆ Objective Qualifications ◆ Capital Adequacy Rules ◆ Disciplinary Procedures ◆ Rights & Obligations ◆ Foreign Investor Requirements 	<p>H Review & approve response information for inclusion in WFE document</p> <p>◀▶ Incorporate Section 2, Organization & Operations: Market Participants into WEF document</p>

 Amman Stock Exchange (ASE)

 ASE Legal

A ASE Operations

 ASE IT

 ASE Human Resources

H Securities Depository Center (SDC)

 SDC Legal

4 SDC Operations

P SDC IT

 Jordan Securities Commission (JSC)

 JSC Legal

Z Central Bank of Jordan

World Federation of Exchanges – Market Principles 2002

Membership Requirements Compliance Matrix

2. Organization and Operations

d. Monitoring of Market Participants

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: ASE Participant Supervision (English Translation)</p> <p> JSC By-Laws: Monitoring Market Participants (By-Laws Pending JSC Approval) (English Translation)</p> <p> JSC approved ASE By-Laws (By-Laws Pending JSC Approval) (English Translation)</p>	<p> Review JSC By-Laws on Monitoring Market Participants:</p> <ul style="list-style-type: none"> ◆ Frequency of Monitoring ◆ ASE Scope of Authority ◆ Compliance Procedures ◆ Non-Compliance Actions ◆ Foreign Investor Monitoring <p>◀ Review ASE's Approved By-Laws on Monitoring Market Participants:</p> <ul style="list-style-type: none"> ◆ Frequency of Monitoring ◆ ASE Scope of Authority ◆ Compliance Procedures ◆ Non-Compliance Actions 	<p>◀ Identify Compliance Gaps between Securities Law of 2002 #76: ASE Participant Supervision & WFE requirements</p> <p> Identify Compliance Gaps between JSC Rules & Regulations for Monitoring Market Participants & WFE requirements</p> <p>◀ Identify Compliance Gaps between ASE's Approved By-Laws for Monitoring Market Participants & WFE requirements</p> <p> Identify Compliance Gaps between ASE's Approved By-Laws for Monitoring Market Participants & WFE requirements</p> <p>◀ Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p>

 Amman Stock Exchange (ASE)

◀ ASE Legal

A ASE Operations

 ASE IT

 ASE Human Resources

H Securities Depository Center (SDC)

 SDC Legal

4 SDC Operations

P SDC IT

 Jordan Securities Commission (JSC)

 JSC Legal

Z Central Bank of Jordan

World Federation of Exchanges – Market Principles 2002

Membership Requirements Compliance Matrix

2. Organization and Operations

d. Monitoring of Market Participants (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<ul style="list-style-type: none">  SDC Operations Procedures for Market Compliance  JSC approved SDC By-Laws (By-Laws Pending JSC Approval) (English Translation)  ASE Operations Procedures for Market Compliance 	<ul style="list-style-type: none">  Review SDC By-Laws on Monitoring Depository Participants: <ul style="list-style-type: none"> ◆ Frequency of Monitoring ◆ SDC Scope of Authority ◆ Compliance Procedures ◆ Non-Compliance Actions ◆ Foreign Investor Monitoring 	<ul style="list-style-type: none">  Review & approve response information for inclusion in WFE document H Review & approve response information for inclusion in WFE document  Incorporate Section 2, Organization & Operations: Monitoring of Market Participants into WEF document

 Amman Stock Exchange (ASE)

 ASE Legal

A ASE Operations

 ASE IT

 ASE Human Resources

H Securities Depository Center (SDC)

 SDC Legal

4 SDC Operations

P SDC IT

 Jordan Securities Commission (JSC)

 JSC Legal

Z Central Bank of Jordan

World Federation of Exchanges – Market Principles 2002

Membership Requirements Compliance Matrix

2. Organization and Operations

e. Organizational Structure

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<ul style="list-style-type: none">  Securities Law of 2002 #76: ASE Organizational Structure (English Translation)  JSC approved ASE By-Laws (By-Laws Pending JSC Approval) (English Translation)  Most Recent JSC ASE By-Laws (By-Laws Pending JSC Approval) 	<ul style="list-style-type: none">  Review JSC approved By-Laws ASE operational management requirements & responsibilities.  Create ASE Human Resources Policy & Mission Statement. Submit to ASE Legal.  Create ASE Employee Educational & business Qualifications Questionnaire  Administer questionnaire to all ASE staff. Compile questionnaire results & submit To ASE Legal.  Compile ASE Employee Turnover historic statistics and submit to ASE Legal. 	<ul style="list-style-type: none">  Identify Compliance Gaps between Securities Law of 2002 #76: ASE Participant & WFE requirements & WFE requirements  Identify Compliance Gaps between Documentation Required and WFE requirements  Draft response(s) to Compliance Gaps  Present Compliance Gap response(s) to ASE Management for Review & Approval  Review & Approve Response(s) to Compliance Gaps  Review ASE Human Resources data for incorporation in document

 Amman Stock Exchange (ASE)

 ASE Legal

A ASE Operations

 ASE IT

 ASE Human Resources

H Securities Depository Center (SDC)

 SDC Legal

4 SDC Operations

P SDC IT

 Jordan Securities Commission (JSC)

 JSC Legal

Z Central Bank of Jordan

World Federation of Exchanges – Market Principles 2002

Membership Requirements Compliance Matrix

3. Access to the Market

Equitable Access

The market should be designed to operate in a manner equitable to all who access it. Any differences in treatment among users, regardless of the means of access (electronic, or other) must not be tolerated. Access to the market should not be arbitrarily granted, and no discrimination should be shown.

Participant Conduct

Procedures should be established such that market participants adhere to the competence, integrity, financial soundness and authority, and that adequate soundness is in place.

Participant Competence

Exchanges rules and regulations must stipulate:

- terms and conditions for equal access to the market, including those to do with financial integrity and business ethics;
- the professionalism of intermediaries and their employees;
- compliance instruments that safeguard the standing and credit worthiness of intermediaries
- enforcement and disciplinary procedures, including the sanctions to be applied; and,
- Management of conflicts of interest among and within market users.

World Federation of Exchanges – Market Principles 2002

Membership Requirements Compliance Matrix

3. Access to the Market

Equitable Access

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> JSC Rules & Regulations: Participant Access to Exchange (English Translation)</p> <p> JSC approved ASE By-Laws: Market Access Requirements (By-Laws Pending JSC Approval) (English Version)</p> <p> JSC approved SDC By-Laws: Depository Membership Requirements (By-Laws Pending JSC Approval) (English Version)</p>	<p>◄► Compare JSC Rules & Regulations: Participant Access to Exchange with WFE requirements</p> <p>◄► Compare JSC approved ASE By-Laws: Market Access Requirements with WFE requirements</p> <p>☯ Compare JSC approved SDC By-Laws: Depository Membership Requirements with WFE requirements</p>	<p>◄► Identify Compliance Gaps between JSC Rules & Regulations: Participant Access to Exchange & WFE requirements</p> <p>◄► Identify Compliance Gaps between JSC approved ASE By-Laws: Market Access Requirements & WFE requirements</p> <p>◄► Identify Compliance Gaps between JSC approved SDC By-Laws: Depository Access Requirements & WFE requirements</p> <p>◄► Draft response(s) to Compliance Gaps between JSC, ASE and SDC Requirements & WFE requirements</p> <p>⚙ Review & approve response information for inclusion in WFE submission</p> <p>◄► Incorporate Section 3, Access to the Market Requirements: Equitable Access into WFE document</p>

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◄► ASE Legal

A ASE Operations

 ASE IT

 ASE Human Resources

H Securities Depository Center (SDC)

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 Jordan Securities Commission (JSC)

⚙ JSC Legal

Z Central Bank of Jordan

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Membership Requirements Compliance Matrix

3. Access to the Market

Participant Conduct

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Participant Conduct (English Translation)</p> <p> JSC approved ASE By-Laws: Participant Code of Ethics (By-Laws Pending JSC Approval) (English Version)</p> <p> JSC approved SDC By-Laws: Depository Membership Requirements (By-Laws Pending JSC Approval) (English Version)</p>	<p>◀▶ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Participant Conduct to WFE requirements</p> <p>◀▶ Compare JSC approved ASE By-Laws: Participant Code of Ethics to WFE requirements</p> <p>☯ Compare JSC approved SDC By-Laws: Participant Code of Ethics to WFE requirements</p>	<p>◀▶ Identify Compliance Gaps between Temporary Law No. (76) for the Year 2002: Participant Conduct & WFE requirements</p> <p>◀▶ Identify Compliance Gaps between ASE By-Laws: Code of Ethics & WFE requirements</p> <p>☯ Identify Compliance Gaps between SDC By-Laws: Code of Ethics & WFE requirements</p> <p>◀▶ Draft response(s) to Compliance Gaps between Securities Law, JSC, ASE and SDC Requirements & WFE requirements</p> <p>⚙ Review & approve response information for inclusion in WFE submission</p> <p>◀▶ Incorporate Section 3, Access to the Market Requirements: Participant Conduct into WFE document</p>

 Amman Stock Exchange (ASE)

◀▶ ASE Legal

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 ASE Human Resources

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Membership Requirements Compliance Matrix

3. Access to the Market

Participant Competence

Market Rules and Regulations

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Participant Competence (English Translation)</p> <p> JSC approved SDC By-Laws: Participant Competence – Depository Monitoring and Enforcement (By-Laws Pending JSC Approval) (English Version)</p>	<p>◀▶ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Participant Competence to WFE requirements</p> <p>◀▶ Compare JSC approved ASE By-Laws: Participant Competence – Exchange Monitoring and Enforcement to WFE requirements</p> <ul style="list-style-type: none"> • Intermediary equal access to market • Intermediary financial integrity & business ethics • Intermediaries professionalism - Firm • Intermediaries professionalism - Employees • Intermediaries minimum capital 	<p>◀▶ Identify Compliance Gaps between Temporary Law No. (76) for the Year 2002: Participant Competence & WFE requirements</p> <p>◀▶ Identify Compliance Gaps between JSC approved ASE By-Laws: Participant Competence – Exchange Monitoring and Enforcement & WFE requirements</p> <p>☹ Identify Compliance Gaps between JSC approved SDC By-Laws: Participant Competence – Depository Monitoring and Enforcement & WFE requirements</p> <p>◀▶ Draft response(s) to Compliance Gaps between Securities Law, JSC & ASE Requirements & WFE requirements</p>

 Amman Stock Exchange (ASE)

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Membership Requirements Compliance Matrix

3. Access to the Market

Participant Competence (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> JSC approved ASE By-Laws: Participant Competence – Exchange Monitoring and Enforcement (By-Laws Pending JSC Approval) (English Version)</p> <p> JSC approved SDC By-Laws: Participant Competence – Depository Monitoring and Enforcement (By-Laws Pending JSC Approval) (English Version)</p>	<p>◀▶ Compare JSC approved ASE By-Laws: Participant Competence – Exchange Monitoring and Enforcement to WFE requirements <i>(continued)</i></p> <ul style="list-style-type: none"> • Intermediary Financial solvency • Intermediary Financial creditworthiness • Intermediary collateral instruments • Disciplinary Procedures - Monitoring • Disciplinary Procedures - Enforcement • Intermediaries conflict of interest resolution <p>☯ Compare JSC approved SDC By-Laws: Participant Competence – Depository Monitoring and Enforcement to WFE requirements</p> <ul style="list-style-type: none"> • Participant access to Depository 	<p>☯ Draft response(s) to Compliance Gaps between SDC Requirements & WFE requirements</p>

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◀▶ ASE Legal

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 ASE Human Resources

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 JSC Legal

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Membership Requirements Compliance Matrix

3. Access to the Market

Participant Competence (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved SDC By-Laws: Participant Competence – Depository Monitoring and Enforcement (By-Laws Pending JSC Approval) (English Version)	 Compare JSC approved SDC By-Laws: Participant Competence – Depository Monitoring and Enforcement to WFE requirements <i>(continued)</i> <ul style="list-style-type: none"> ● Participant financial integrity & business ethics ● Participant professionalism - Firm ● Participant minimum capital ● Participant Financial solvency & creditworthiness ● Depository Disciplinary Procedures – Compliance Monitoring ● Depository Disciplinary Procedures – Enforcement ● Participant contribution to Settlement Guarantee Fund ● Participants' Conflicts of interest - Resolution 	 Review & approve response information for inclusion in WFE submission  Incorporate Section 3, Access to the Market Requirements: Participant Competence into WFE document

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Membership Requirements Compliance Matrix

4. Listing of and Disclosure on Traded Financial Products

Exchange Listing & Disclosure Requirements

Exchanges should require:

- that listed companies be of an adequate size and have sufficient shares in hands of the public to safeguard an orderly and fair market;
- timely and the widest possible disclosure of business and financial information materially affecting listed companies
- regular disclosure of financial information by listed companies; and,
- disclosure to investors of the nature, risk and investment potential inherent in the traded financial products.

Regulatory Cooperation & Cross-Border Trading

Exchanges should work towards:

- regulatory cooperation among markets where financial products are jointly listed In order that there may be synchronized disclosure of information; and,
- the support of cross-border listing and trading

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Membership Requirements Compliance Matrix

4. Listing of and Disclosure on Traded Financial Products (continued)

Securities Issuance & Listing Requirements

The listing procedures, time schedules for the processing of the dossier, costs for the company, minimum size of capitalization and other requirements should be compiled in one rulebook, which is publicly available. In case listing responsibilities are shared with the supervisory agency, it should be clear where the ultimate decision in the listing process lies. Foreign listing companies should be subject to the same rules as the domestic ones.

Length of Listing Procedure

The procedure to gain listing should be sufficiently long to assure that all the requirements of the Exchange Have been fully complied with, but not so long as to impair access to the capital market.

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Membership Requirements Compliance Matrix

4. Listing of and Disclosure on Traded Financial Products

Exchange Listing & Disclosure Requirements ^①

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<div style="display: flex; flex-direction: column; gap: 10px;"> <div>  Temporary Law No. (76) for the Year 2002 The Securities Law: Registration as a Public Company (English Translation) </div> <div>  JSC approved ASE By-Laws: Listing Requirements (By-Laws Pending JSC Approval) (English Version) </div> </div>	<div style="display: flex; flex-direction: column; gap: 10px;"> <div>  Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Registration as a Public Company to WFE requirements </div> <div>  Compare JSC approved ASE By-Laws: Listing Requirements to WFE requirements <ul style="list-style-type: none"> ● Listed companies size ● Listed companies trading shares (Public Float) ● Timely disclosure of material events ● Regular financial information disclosure ● Risks inherent in trading company shares </div> </div>	<div style="display: flex; flex-direction: column; gap: 10px;"> <div>  Identify Compliance Gaps between Temporary Law No. (76) for the Year 2002 The Securities Law: Registration as a Public Company & WFE requirements </div> <div>  Identify Compliance Gaps between JSC approved ASE By-Laws: Listing Requirements & WFE requirements </div> </div>

^① *In establishing compliance with WFE Market Principle 4 it will required, for purposes of clarity, to document all of the the options available to a company wishing to establish itself as a legal Public Company. Options should include whether the company wishes to: (i) issue shares or not to issue shares, or (ii) have its shares traded or not traded. It is recommended that this process be attached to the WFE submission as an Appendix and referred to in the body of the WFE submission, as required.*

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Membership Requirements Compliance Matrix

4. Listing of and Disclosure on Traded Financial Products

Exchange Listing & Disclosure Requirements (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved SDC By-Laws: Security Depository Eligibility Rules (By-Laws Pending JSC Approval) (English Version)	 Compare JSC approved SDC By-Laws: Issue Depository Eligibility Rules to WFE requirements	<ul style="list-style-type: none">  Identify Compliance Gaps between JSC approved SDC By-Laws: Issue Depository Eligibility Rules & WFE requirements  Draft response(s) to Compliance Gaps between Securities Law, JSC, ASE and SDC requirements & WFE requirements  Review & approve response information for inclusion in WFE submission  Incorporate Section 4, Listing of and Disclosure on Traded Financial Products: Listing & Disclosure Requirements into WFE document

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Membership Requirements Compliance Matrix

4. Listing of and Disclosure on Traded Financial Products

Regulatory Cooperation & Cross-Border Trading

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Regulatory Cooperation (English Translation)</p> <p> JSC Policy on Regulatory Cooperation (English Translation)</p> <p> Temporary Law No. (76) for the Year 2002 The Securities Law: Cross-Border Listing & Trading of Securities (English Translation)</p> <p> JSC Memorandum of Understanding (MOU) with IOSCO (English Translation)</p>	<p>◄ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Regulatory Cooperation to WFE requirements</p> <p>☀ Compare JSC Policy on Regulatory Cooperation to WFE requirements</p> <p>☀ Compare Temporary Law No. (76) for the Year 2002 The Securities Law: Cross-Border Listing & Trading of Securities to WFE requirements</p> <p>☀ Compare JSC Memorandum of Understanding (MOU) with IOSCO to WFE requirements</p>	<p>◄ Identify Compliance Gaps between Temporary Law No. (76) for the Year 2002 The Securities Law: Regulatory Cooperation & WFE requirements</p> <p>☀ Identify Compliance Gaps between JSC Policy on Regulatory Cooperation & WFE requirements</p> <p>☀ Identify Compliance Gaps between Temporary Law No. (76) for the Year 2002 The Securities Law: Cross-Border Listing & Trading of Securities to WFE requirements</p> <p>☀ Identify Compliance Gaps between JSC Memorandum of Understanding (MOU) with IOSCO & WFE requirements</p>

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Membership Requirements Compliance Matrix

4. Listing of and Disclosure on Traded Financial Products

Regulatory Cooperation & Cross-Border Trading (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved ASE By-Laws: Listing Requirements for Cross-Border Issues (By-Laws Pending JSC Approval) (English Version)	 Compare JSC approved ASE By-Laws: Listing Requirements for Cross-Border Issues to WFE requirements	 Identify Compliance Gaps between JSC approved ASE By-Laws: Listing Requirements for Cross-Border Issues & WFE Cross-Border requirements
 JSC approved SDC By-Laws: Security Depository Eligibility Rules (By-Laws Pending JSC Approval) (English Version)	 Compare JSC approved SDC By-Laws: Security Depository Eligibility Rules to WFE requirements	 Identify Compliance Gaps between JSC approved SDC By-Laws: Security Depository Eligibility Rules & WFE Cross-Border requirements
 JSC approved SDC By-Laws: Depository Membership Requirements (By-Laws Pending JSC Approval) (English Version)	 Compare JSC approved SDC By-Laws: Depository Membership Requirements to WFE requirements	 Identify Compliance Gaps between JSC approved SDC By-Laws: Depository Membership Requirements & WFE Cross-Border requirements  Identify Compliance Gaps between Central Bank Public Policy on Currency Controls & Repatriation of Profits & WFE Cross-Border requirements

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Membership Requirements Compliance Matrix

4. Listing of and Disclosure on Traded Financial Products

Regulatory Cooperation & Cross-Border Trading (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 Central Bank Public Policy on Currency Controls & Repatriation of Profits (English Version)	Z Compare Central Bank Public Policy on Currency Controls & Repatriation of Profits To WFE requirements	 Draft response(s) to Compliance Gaps between Securities Law, JSC, ASE, SDC and Central Bank requirements & WFE requirements  Review & approve response information for inclusion in WFE submission  Incorporate Section 4, Listing of and Disclosure on Traded Financial Products: Regulatory Cooperation & Cross-Border Trading into WFE document

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Membership Requirements Compliance Matrix

4. Listing of and Disclosure on Traded Financial Products

Securities Issuance & Listing Requirements ^②

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<ul style="list-style-type: none">  Temporary Law No. (76) for the Year 2002 The Securities Law: Securities Offerings (English Translation)  JSC approved ASE By-Laws: Listing Requirements (By-Laws Pending JSC Approval) (English Version) 	<ul style="list-style-type: none"> ◄▶ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Securities Offerings to WFE requirements ◄▶ Compare JSC approved ASE By-Laws: Listing Requirements to WFE requirements 	<ul style="list-style-type: none"> ◄▶ Identify Compliance Gaps between Temporary Law No. (76) for the Year 2002 The Securities Law: Securities Offerings & WFE requirements ◄▶ Identify Compliance Gaps between JSC approved ASE By-Laws: Listing Requirements & WFE requirements ◄▶ Draft response(s) to Compliance Gaps between Securities Law and JSC approved By-Laws: Securities Issuance & Listing Requirements & WFE requirements  Review & approve response information for inclusion in WFE submission ◄▶ Incorporate Section 4, Listing of and Disclosure on Traded Financial Products: Securities Issuance & Listing Requirements into WFE document

② *In establishing compliance with WFE Market Principle 4: Market Listing Requirements, it is important to clearly establish the distinction between JSC requirements for the issuance of new shares, either an Initial Public Offering or additional shares for an existing issue and ASE requirements for the listing of similar shares.*

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Membership Requirements Compliance Matrix

4. Listing of and Disclosure on Traded Financial Products

Length of Listing Procedure ^③

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Securities Offerings (English Translation)</p> <p> JSC approved ASE By-Laws: Listing Requirements (By-Laws Pending JSC Approval) (English Version)</p>	<p>◄► Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Securities Offerings- Prospectus Requirements to WFE requirements</p> <p>◄► Compare JSC approved ASE By-Laws: Listing Requirements to WFE requirements</p>	<p>◄► Identify Compliance Gaps between Temporary Law No. (76) for the Year 2002 The Securities Law: Securities Offerings Prospectus Requirements & WFE requirements</p> <p>◄► Identify Compliance Gaps between JSC approved ASE By-Laws: Listing Requirements & WFE requirements</p> <p>◄► Draft response(s) to Compliance Gaps between Securities Law and JSC approved By-Laws: Securities Issuance & Listing Requirements & WFE requirements</p> <p>⚙️ Review & approve response information for inclusion in WFE submission</p> <p>◄► Incorporate Section 4, Listing of and Disclosure on Traded Financial Products: Length of Listing Procedure into WFE document</p>

③ *In establishing compliance with WFE Market Principle 4: Length of Listing Procedures, it is important to clearly establish the difference between JSC's rules for share issuance and the ASE's rules for issue listing.*

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Membership Requirements Compliance Matrix

5. Trading

Exchange Accountability

The accountability of the Exchange to market users should be described, especially in any agreements that seek to modify the distribution of responsibilities among actors.

Transaction Audit Trails

Transaction audit trails should be available to investors and regulator; only the information to regulators will include non-public information. Pre- and post-trade information should be provided on a timely basis

Price & Quotation Processing

The Exchange should be able to demonstrate to the regulator that the processing, queuing, and display of prices and quotations within the market are equitable to all classes of participants.

Market Transparency

The transparency of the market is a crucial element of fairness and must be assured at all times. Although markets may offer different degrees of transparency depending upon the balance struck between transparency and liquidity, nevertheless, whatever the structure transactions must be reported immediately to the exchange, with details as to price and volume.

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Membership Requirements Compliance Matrix

5. Trading *(continued)*

Investor Protection

Exchanges should undertake:

- to promote well balanced transparency by publicly disclosing transaction data;
- to establish and maintain trading rules to protect investors, such as “best execution” rules, Regulatory trading halts, etc.
- to create transparency with respect to the capacity in which the intermediaries operate

Investor Protection

Exchanges should undertake:

- to promote well balanced transparency by publicly disclosing transaction data;
- to establish and maintain trading rules to protect investors, such as “best execution” rules, Regulatory trading halts, etc.
- to create transparency with respect to the capacity in which the intermediaries operate

Regulatory Mutual Recognition

The basic principle should be that national supervisory agencies must respect each other’s efforts to assure that a securities market complies with generally accepted investor protection standards such as disclosure, transparency and efficiency. This mutual recognition of each other’s regulatory status and professional competence requires a good understanding of the mechanics and underlying approaches taken in that country.

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Membership Requirements Compliance Matrix

5. Trading

Exchange Accountability⁴

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Exchange Responsibility to Investors (English Translation)</p> <p> JSC approved ASE By-Laws: ASE Operating Procedures (By-Laws Pending JSC Approval) (English Version)</p>	<p>◀▶ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Exchange Responsibility to Investors to WFE requirements</p> <p>◀▶ Compare JSC approved ASE By-Laws: ASE Operating Procedures & Accountability WFE requirements</p>	<p>◀▶ Identify Compliance Gaps between Temporary Law No. (76) for the Year 2002 The Securities Law: Exchange Responsibility to Investors & WFE requirements</p> <p>◀▶ Identify Compliance Gaps between JSC approved ASE By-Laws ASE Operating Procedures and Responsibilities & WFE requirements</p> <p>◀▶ Draft response(s) to Compliance Gaps between Securities Law and JSC approved By-Laws: Securities Issuance & Listing Requirements & WFE requirements</p> <p> Review & approve response information for inclusion in WFE submission</p> <p>◀▶ Incorporate Section 5, Trading – Exchange Accountability into WFE document</p>

⁴ In order to provide additional compliance support for ASE Agreements it is recommended that reference to Jordan's Contract Law be in this section and a copy of Jordan's Contract Law be attached to the WFE submission as an appendix.

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Membership Requirements Compliance Matrix

5. Trading

Transaction Audit Trails ⁵

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Exchange Operations Procedures (English Translation)</p> <p> JSC approved ASE By-Laws: ASE Record Keeping Procedures (By-Laws Pending JSC Approval) (English Version)</p>	<p>◄ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Exchange Operations Procedures to WFE requirements</p> <p>A Compare JSC approved ASE By-Laws: ASE Record Keeping Procedures to WFE requirements</p>	<p>◄ Identify Compliance Gaps between Temporary Law No. (76) for the Year 2002 The Securities Law: Exchange Operations Procedures & WFE requirements</p> <p>A Identify Compliance Gaps between JSC approved ASE By-Laws: ASE Record Keeping Procedures & WFE requirements</p> <p>◄ Draft response(s) to Compliance Gaps between Securities Law and JSC approved By-Laws: Securities Issuance & Listing Requirements & WFE requirements</p> <p>⚙ Review & approve response information for inclusion in WFE submission</p> <p>◄ Incorporate Section 5, Trading: Transaction Audit Trails into WFE document</p>

⁵ Information on the Price Display Queuing Algorithm is extremely important as it forms the basis of fair and accurate display of transparent information. The timely availability of accurate Price information is critical to investors formulating and implementing investment strategies. The WFE places a strong emphasis on the fairness, accuracy and technical strength of this data.

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Membership Requirements Compliance Matrix

5. Trading

Price & Quotation Processing ⁵

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Exchange Operations Procedures – Price Transparency (English Translation)</p> <p> JSC approved ASE By-Laws: ASE Market Data Dissemination (By-Laws Pending JSC Approval) (English Version)</p>	<p>◀▶ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Exchange Operations Procedures – Price Transparency to WFE requirements</p> <p>A Compare JSC approved ASE By-Laws: ASE Market Data Dissemination to WFE requirements</p>	<p>◀▶ Identify Compliance Gaps between Temporary Law No. (76) for the Year 2002 The Securities Law: Exchange Procedures – Price Transparency & WFE requirements</p> <p>A Identify Compliance Gaps between JSC approved ASE By-Laws: ASE Market Data Dissemination to WFE requirements</p> <p>◀▶ Identify Compliance Gaps between Price Display Algorithm information provided by ASE IT Dept. & WFE requirements</p>

⁵ Information on the Price Display Queuing Algorithm is extremely important as it forms the basis of fair and accurate display of transparent information. The timely availability of accurate Price information is critical to investors formulating and implementing investment strategies. The WFE places a strong Emphasis on the fairness accuracy and accuracy of this data.

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5. Trading

Price & Quotation Processing (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 ASE Systems Operating Procedures (English Version, as available)	 Compare JSC approved ASE Systems Operating Procedures to WFE requirements. Provide technical data to support Price Display Algorithm ⁶	<p>  Draft response(s) to Compliance Gaps between the Temporary Law No. (76) for the Year 2002, JSC approved ASE By-Laws: Market Data Dissemination, and ASE Systems Operating Procedures & WFE requirements </p> <p>  Review & approve response information for inclusion in WFE submission </p> <p>  Incorporate Section 5, Trading: Price & Quotation Processing into WFE document </p>

⁵ Information on the Price Display Queuing Algorithm is extremely important as it forms the basis of fair and accurate display of transparent information. The timely availability of accurate Price information is critical to investors formulating and implementing investment strategies. The WFE places a strong Emphasis on the fairness accuracy and accuracy of this data.

⁶ In order to best support the compliance level of the ASE's Price Display & Queuing Algorithm it is recommended that the ASE IT Department provide information in two formats: (i) Business Information and (ii) Technical Information. Business Information is intended for WFE's non-technical oriented business staff and the Technical Information is intended for WFE's non-business oriented technical staff. Graphics may be used, as appropriate.

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5. Trading

Market Transparency

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 Temporary Law No. (76) for the Year 2002 The Securities Law: Exchange Operations Procedures – Price Transparency (English Translation)  JSC approved ASE By-Laws: ASE Market Data Dissemination (By-Laws Pending JSC Approval) (English Version)	<p>◀▶ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Exchange Operations Procedures – Price Transparency to WFE requirements</p> <p>A Compare JSC approved ASE By-Laws: ASE Market Data Dissemination to WFE requirements</p>	<p>◀▶ Identify Compliance Gaps between Temporary Law No. (76) for the Year 2002 The Securities Law: Exchange Procedures – Price Transparency & WFE requirements</p> <p>A Identify Compliance Gaps between JSC approved ASE By-Laws: ASE Market Data Dissemination to WFE requirements</p> <p>◀▶ Identify Compliance Gaps between JSC approved ASE Operating Procedures – Trade Reporting requirements & WFE requirements</p>

6 In order to best support the compliance level of the ASE's Price Display & Queuing Algorithm it is recommended that the ASE IT Department provide information in two formats: (i) Business Information and (ii) Technical Information. Business Information is intended for WFE's non-technical oriented business staff and the Technical Information is intended for WFE's non-business oriented technical staff. Graphics may be used, as appropriate.

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Membership Requirements Compliance Matrix

5. Trading

Market Transparency (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 ASE Systems Operating Procedures (English Version, as available)	 Compare JSC approved ASE Systems: Trade Reporting Requirements to WFE requirements. Provide technical data to support Trade Reporting timing ⁶	<p>◀▶ Draft response(s) to Compliance Gaps between the Temporary Law No. (76) for the Year 2002, JSC approved ASE By-Laws: Market Data Dissemination, and ASE Systems Operating Procedures & WFE requirements</p> <p> Review & approve response information for inclusion in WFE submission</p> <p>◀▶ Incorporate Section 5, Trading: Price & Quotation Processing into WFE document</p>

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Membership Requirements Compliance Matrix

5. Trading

Investor Protection

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Exchange Operations Procedures – Price Transparency (English Translation)</p> <p> JSC approved ASE By-Laws: ASE Market Data Dissemination (By-Laws Pending JSC Approval) (English Version)</p>	<p>◀▶ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Exchange Operations Procedures – Price Transparency to WFE requirements</p> <p>A Compare JSC approved ASE By-Laws: ASE Market Data Dissemination to WFE requirements</p> <ul style="list-style-type: none"> ● Timely Market Data Dissemination ● Trading Rules to Protect Investors ● Transparency in Intermediary Transactions 	<p>◀▶ Identify Compliance Gaps between Temporary Law No. (76) for the Year 2002 The Securities Law: Exchange Procedures – Price Transparency & WFE requirements</p> <p>A Identify Compliance Gaps between JSC approved ASE By-Laws: ASE Market Data Dissemination to WFE requirements</p> <p> Identify Compliance Gaps between JSC approved ASE Operating Procedures – Trade Reporting requirements & WFE requirements</p>

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Membership Requirements Compliance Matrix

5. Trading

Investor Protection (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 ASE Systems Operating Procedures (English Version, as available)	 Compare JSC approved ASE Systems: Trade Reporting Requirements to WFE requirements. Provide technical data to support Trade Reporting timing ⁷	<p>◀▶ Draft response(s) to Compliance Gaps between the Temporary Law No. (76) for the Year 2002, JSC approved ASE By-Laws: Market Data Dissemination, and ASE Systems Operating Procedures & WFE requirements</p> <p> Review & approve response information for inclusion in WFE submission</p> <p>◀▶ Incorporate Section 5, Trading – Investor Protection into WFE document</p>

⁷ In order to best support the compliance level of the ASE's Trade Reporting & Market Dissemination it is recommended that the ASE IT Department provide information in two formats: (i) Business Information and (ii) Technical Information. Business Information is intended for WFE's non-technical oriented business staff and the Technical Information is intended for WFE's non-business oriented technical staff. Graphics may be used, as appropriate.

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Membership Requirements Compliance Matrix

5. Trading

Regulatory Mutual Recognition

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> IOSCO & JSC Bilateral Memorandum of Understanding (MOU)</p> <p> IOSCO Objectives & Principles of Securities Regulation. Section D. Items 12 & 13</p>	<p>◄► Compare JSC's agreement to Regulatory Mutual Recognition contained in the IOSCO Bilateral MOU to WFE requirements</p> <p>◄► Compare JSC's agreement to Regulatory Mutual Recognition contained in IOSCO's Objectives & Principles of Securities Regulation. JSC as an IOSCO has agreed to abide by the IOSCO document</p>	<p>◄► Support JSC's agreement to Regulatory Mutual Recognition by content of IOSCO Documents</p> <p> Review & approve compliance information for inclusion in WFE submission</p> <p>◄► Incorporate Section 5, Regulatory Mutual Recognition into WFE document</p>

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Membership Requirements Compliance Matrix

6. Clearing and Settlement

The clearing and settlement facilities provided by the Exchange, its subsidiaries or others must provide for the efficient, safe and prompt settlement of transactions within the internationally accepted standards of the G-30 and ISSA, or be better.

The Exchange will :

- make adequate arrangements for safe and timely clearing, and correct and final settlement of the transactions concluded on the market ;
- see to it that cross-border clearing and settlement activities are facilitated ;
- be instrumental in the development of national central securities depositories, immobilization, dematerialization of securities, lending and borrowing contracts and arrangements;
- contribute to the standardization and implementation of securities industry processes;
- assure that ownership of securities should be explicitly embedded in national law. A well-defined system of laws relating to property, contracts, securities, trusts, bankruptcy and taxation should exist.

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Membership Requirements Compliance Matrix

6. Clearing and Settlement

Safe and Timely Clearing, and Correct and Final Settlement of Transactions

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<ul style="list-style-type: none">  Temporary Law No. (76) for the Year 2002 The Securities Law: Securities Clearing & Settlement (English Translation)  The Group of Thirty (G-30) Recommendations on Clearing & Settlement  The International Securities Services Association Handbook (2002) Clearing & Settlement recommendations ^⑧  JSC Rules & Regulations: Securities Clearing & Settlement (English Translation)  JSC approved SDC By-Laws: Securities Clearing & Settlement (By-Laws Pending JSC Approval) (English Version) 	<ul style="list-style-type: none">  Compare Documentation Required to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ Settlement Cycle ◆ Immobilization of Physical Securities ◆ SDC Validation of Shareholder Data ◆ SDC Settlement Guarantee Fund ◆ Securities Law Finality of Settlement ◆ SDC Operational Procedures supporting T+3 Settlement ◆ SDC Surveillance Procedures on Short Sales 	<ul style="list-style-type: none">  Identify Compliance Gaps between Documentation Required and WEF requirements  Draft response(s) to Compliance Gaps between the Documentation Required & WFE requirements  Review & approve response information for inclusion in WFE submission  Incorporate Section 6, Clearing & Settlement – Safe and Timely Clearing, and Correct and Final Settlement of Transactions into WFE document

^⑧ Due to the cost of obtaining the ISSA Handbook (US\$ 950) it is recommended that an alternate source of ISSA Clearing & Settlements information be used. In the event that a readily available source is not available, then it is recommended that the G-30 requirements be used instead

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Membership Requirements Compliance Matrix

6. Clearing and Settlement

Cross-Border Clearing & Settlement

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Foreign Investment (English Translation)</p> <p> The Group of Thirty (G-30) Recommendations on Clearing & Settlement</p> <p> JSC Rules & Regulations: Securities Clearing & Settlement (English Translation)</p> <p> JSC approved ASE By-Laws: Securities Clearing & Settlement (By-Laws Pending JSC Approval) (English Version)</p> <p> JSC approved SDC By-Laws: Foreign Account Maintenance (By-Laws Pending JSC Approval) (English Version)</p>	<p> Compare Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none">  ♦ Special requirements for Foreign Investors ♦ Currency Controls: Inward & Outward ♦ Controls on Foreign Ownership of Securities ♦ Special requirements for maintenance of a Custodial Account ♦ Rules on Foreign Repatriation of Profits ♦ General requirements for Foreign Investors in Jordan (individuals & institutions) 	<p> Identify Compliance Gaps between Documentation Required and WEF requirements</p> <p> Draft response(s) to Compliance Gaps between the Documentation Required & WFE requirements</p> <p> Review & approve response information for inclusion in WFE submission</p> <p> Incorporate Section 6, Cross-Border Clearing & Settlement into WEF document</p>

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Membership Requirements Compliance Matrix

6. Clearing and Settlement

Development of Central Securities Depositories

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Central Bank of Jordan: Rules & Regulations on Foreign Investment</p> <p> Temporary Law No. (76) for the Year 2002 The Securities Law: Foreign Investment (English Translation)</p> <p> The Group of Thirty (G-30) Recommendations on Clearing & Settlement</p> <p> JSC Rules & Regulations: Clearing & Settlement of Securities Transactions (English Translation)</p> <p> JSC approved ASE By-Laws: Clearing & Settlement of Securities Transactions (By-Laws Pending JSC Approval) (English Version)</p>	<p> Compare Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Creation of the CSD in Jordan ◆ Development of the CSD in Jordan ◆ Development of SDC Business Operations ◆ Development of SDC Information Technology Systems ◆ Development of SDC's Delivery versus Payment Operations ◆ SDC membership in IOSCO 	<p> Identify Compliance Gaps between Documentation Required and WEF requirements</p> <p> Draft response(s) to Compliance Gaps between the Documentation Required & WFE requirements</p> <p> Review & approve response information for inclusion in WFE submission</p> <p> Incorporate Section 6, Development of Central Securities Depositories into WEF document</p>

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6. Clearing and Settlement

Securities Borrowing & Lending

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Foreign Investment (English Translation)</p> <p> The Group of Thirty (G-30) Recommendations on Clearing & Settlement</p> <p> JSC Rules & Regulations: Clearing & Settlement of Securities Transactions (English Translation)</p> <p> JSC approved ASE By-Laws: Clearing & Settlement of Securities Transactions (By-Laws Pending JSC Approval) (English Version)</p>	<p> Compare Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ No legal prohibition on Securities Borrowing & Lending ◆ SDC Business & Technical Capacity to manage a Securities Borrowing & Lending Program ◆ Protection under the Rule of Law for Securities Borrowing & Lending contracts <p>H Prepare Plan Outline for creation of an SDC operated Securities Borrowing & Lending Program</p> <p></p>	<p> Identify Compliance Gaps between Documentation Required and WEF requirements</p> <p>H Draft response(s) to Compliance Gaps between the Documentation Required & WFE requirements</p> <p></p> <p> Review & approve response information for inclusion in WFE submission</p> <p> Incorporate Section 6, Securities Borrowing & Lending into WEF document</p>

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Membership Requirements Compliance Matrix

6. Clearing and Settlement

Standardization of Securities Industry Processes

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Foreign Investment (English Translation)</p> <p> The Group of Thirty (G-30) Recommendations on Clearing & Settlement</p> <p> JSC Rules & Regulations: Clearing & Settlement of Securities Transactions (English Translation)</p> <p> JSC approved SDC By-Laws: Clearing & Settlement of Securities Transactions (By-Laws Pending JSC Approval) (English Version)</p>	<p> Compare Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ G-30 Compliance ◆ IOSCO Membership ◆ Adherence to T+3 Settlement ◆ SDC requirement for participants to conform to SDC By-Laws & Operational Rules 	<p> Identify Compliance Gaps between Documentation Required and WEF requirements</p> <p>H Draft response(s) to Compliance Gaps between the Documentation Required & WFE requirements</p> <p> Review & approve response information for inclusion in WFE submission</p> <p> Incorporate Section 6, Securities Borrowing & Lending into WEF document</p>

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6. Clearing and Settlement

Rule of Law

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Foreign Investment (English Translation)</p> <p> JSC Rules & Regulations: Clearing & Settlement of Securities Transactions (English Translation)</p> <p> JSC approved ASE By-Laws: Clearing & Settlement of Securities Transactions (By-Laws Pending JSC Approval) (English Version)</p> <p> JSC approved SDC By-Laws: Clearing & Settlement of Securities Transactions (By-Laws Pending JSC Approval) (English Version)</p>	<p> Compare Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ New Securities Law ◆ Shareholder Right of Ownership ◆ JSC Rules for Public Companies ◆ ASE Listing Requirements ◆ SDC Shareholder Validation Procedures (Authentication) ◆ Bankruptcy Law & Procedures⁹ 	<p>◀▶ Identify Compliance Gaps between Documentation Required and WEF requirements</p> <p> ◀▶ Draft response(s) to Compliance Gaps between the Documentation Required & WFE requirements ¹⁰</p> <p> Review & approve response information for inclusion in WFE submission</p> <p>◀▶ Incorporate Section 6, Securities Borrowing & Lending into WEF document</p>

⁹ The Bankruptcy Law and Procedures and the SDC Chart of Accounts should focus on investor protections offered. I.e. in the event of a Bankruptcy of a Brokerage Firm or a Bank dealing in client securities, the SDC procedure of holding shares down to the level of Beneficial Ownership offers shareholders the ultimate level of protection.

¹⁰ Depending on the time required and the expense involved, it is recommended that an independent assessment of the Rule of Law in Jordan be obtained. In order to minimize the expense involved it is recommended that the external opinion be obtained from one of Jordan's Law Schools.

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Membership Requirements Compliance Matrix

7. Technical Infrastructure

The market IT systems should maintain adequate capacity to meet the needs of market users. Back-up systems and contingency procedures to be followed in the event of an operational failure are to be maintained on a current, ready basis. Before implementation and on a periodic basis thereafter, the market and system interfaces should be subject to an objective risk assessment to identify vulnerabilities, which may exist in the system design, development, or implementation. These would include the risk of unauthorized access, internal failures, human errors, attacks and natural catastrophes.

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Membership Requirements Compliance Matrix

7. Technical Infrastructure

IT Systems Capacity

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> JSC Rules & Regulations: Conduct of an Orderly Market (English Translation)</p> <p> JSC approved ASE By-Laws: Conduct of an Orderly Market (By-Laws Pending JSC Approval) (English Version)</p> <p> JSC approved SDC By-Laws: Conduct of an Orderly Market (By-Laws Pending JSC Approval) (English Version)</p> <p> ASE Systems Documentation, Testing Procedures & Test Results (English Version)</p> <p> SDC Systems Documentation, Testing Procedures & Test Results (English Version)</p>	<p>◀▶ Compare ASE Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ JSC requirements for the maintenance of an Orderly Market ◆ ASE By-Laws requirements for the maintenance of an Orderly Market <p>☯ Compare SDC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ JSC requirements for the maintenance of an Orderly Market ◆ ASE By-Laws requirements for the maintenance of an Orderly Market 	<p>◀▶ Identify ASE Compliance Gaps between Documentation Required and WEF requirements</p> <p>☯ Identify SDC Compliance Gaps between Documentation Required and WEF requirements</p> <p>◀▶ Draft response(s) to ASE Compliance Gaps between the Documentation Required & WFE requirements</p> <p>☯ Draft response(s) to SDC Compliance Gaps between the Documentation Required & WFE requirements</p> <p>⚙ Review & approve response information for inclusion in WFE submission</p> <p>◀▶ Incorporate Section 7, Technical Infrastructure: IT Systems Capacity into WEF document</p>

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Membership Requirements Compliance Matrix

7. Technical Infrastructure

Back Up Systems & Contingency Procedures

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<ul style="list-style-type: none">  JSC Rules & Regulations: Conduct of an Orderly Market (English Translation)  JSC Rules & Regulations: Operational Contingency Procedures (English Translation)  JSC approved ASE By-Laws: Conduct of an Orderly Market (By-Laws Pending JSC Approval) (English Version)  JSC approved SDC By-Laws: Conduct of an Orderly Market (By-Laws Pending JSC Approval) (English Version)  ASE Systems Documentation: Disaster Recovery & Business Resumption Plan (English Version) 	<ul style="list-style-type: none"> ◄ Compare ASE Documentation Required to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ ASE By-Laws requirement for a Disaster Recovery & Business Resumption Plan ① ☯ Compare SDC Documentation Required to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ SDC By-Laws requirement for a Disaster Recovery & Business Resumption Plan ① A Compare SDC Documentation Required to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ Operational Logistics of Disaster Recovery & Business Resumption Plan ◆ Cite successful usage of Disaster Recovery & Business Resumption Plan 	<ul style="list-style-type: none"> ◄ Identify Compliance Gaps between ASE By-Laws and WEF requirements and compile response, as required ☯ Identify Compliance Gaps between SDC By-Laws and WEF requirements and compile response, as required A Identify ASE Operational Compliance Gaps between ASE Operations and WEF requirements and compile response, as required 4 Identify SDC Operational Compliance Gaps between SDC Operations and WEF requirements and compile response, as required  Identify ASE Technical Compliance Gaps between ASE Technical Systems and WEF requirements and compile response, as required

① In the event that the Disaster Recovery and Business Resumption has ever actually been implemented, it is recommended that details of the implementation be included to support practical compliance with WFE requirements.

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7. Technical Infrastructure

Back Up Systems & Contingency Procedures (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 SDC Systems Documentation: Disaster Recovery & Business Resumption Plan (English Version)	<p>4 Compare SDC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Operational Logistics of Disaster Recovery & Business Resumption Plan ◆ Cite successful usage of Disaster Recovery & Business Resumption Plan ¹¹ <p> Compare ASE Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Technical Components of Disaster Recovery & Business Resumption Plan ◆ Cite testing results of Disaster Recovery & Business Resumption Plan ¹¹ <p>P Compare SDC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Technical Components of Disaster Recovery & Business Resumption Plan ◆ Cite testing results of Disaster Recovery & Business Resumption Plan ¹¹ 	<p>P Identify SDC Technical Compliance Gaps between ASE Technical Systems and WFE requirements and compile response, as required</p> <p>◀▶ Gather response(s) to Compliance Gaps between the Documentation Required & WFE requirements</p> <p> Review & approve response information for inclusion in WFE document</p> <p>◀▶ Incorporate Section 7, Technical Infrastructure: Back Up & Contingency Procedures into WFE document</p>

¹¹ In the event that the Disaster Recovery and Business Resumption has ever actually been implemented, it is recommended that details of the implementation be included to support practical compliance with WFE requirements.

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Membership Requirements Compliance Matrix

7. Technical Infrastructure

Objective Risk Assessment

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> JSC Rules & Regulations: Conduct of an Orderly Market (English Translation)</p> <p> ASE Systems Documentation: System Operating Procedures (English Version)</p> <p> SDC Systems Documentation: System Operation Procedures (English Version)</p> <p> AMIR Program Systems Documentation: System Review & Assessments (English Version)</p>	<p> Compare ASE Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ System Security ◆ Overall Systemic Risk ◆ General Maintenance Procedures <p>P Compare SDC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ System Security ◆ Overall Systemic Risk ◆ General Maintenance Procedures 	<p> Identify ASE Technical Compliance Gaps between ASE Technical Systems and WFE requirements and compile response, as required</p> <p>P Identify SDC Technical Compliance Gaps between ASE Technical Systems and WFE requirements and compile response, as required</p> <p>◀▶ Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p> <p> Review & approve response information for inclusion in WFE document</p> <p>◀▶ Incorporate Section 7, Technical Infrastructure: Objective Risk Assessment into WFE document</p>

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8. Risk Management

Regulators and the Exchange should consider any risk exposures pertinent to the system, including those arising from interaction with related financial systems, domestic or abroad. This would include the foreign exchange markets, derivative markets, the banking market and payment systems. To assure the financial integrity of the market and the ability of its participants to fulfill their obligations as users, the Exchange should have in place risk management tools, such as position limits, margin requirements, minimum capital requirements, mark-to-market systems, etc.

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8. Risk Management

Interaction with Related Financial Systems

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<ul style="list-style-type: none">  Temporary Law No. (76) for the Year 2002 The Securities Law: Foreign Investment (English Translation)  Central Bank of Jordan: Bank Securities Transactions Rules & Regulations (English Translation)  Central Bank of Jordan: Custodial Banks holding Securities Assets - Rules & Regulations (English Translation)  JSC Rules & Regulations: Banking Institution Investment Rules & Regulations (English Translation) 	<ul style="list-style-type: none">  Compare Documentation Required to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ JSC Requirements for Bank participation in the Securities Market ◆ Clearly-defined compliance responsibilities between the JSC and the Central Bank of Jordan ◀ Compare ASE Documentation Required to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ Extent of ASE control over Banks as participants in the Securities Market ◆ Clearly-defined compliance responsibilities between the ASE and the Central Bank of Jordan 	<ul style="list-style-type: none">  Identify Regulatory Gaps between possible overlapping responsibilities between the JSC and the Central Bank of Jordan JSC and WEF requirements and compile response, as required 12 ◀ Identify Regulatory Gaps between possible overlapping responsibilities between the ASE and the Central Bank of Jordan JSC and WEF requirements and compile response, as required 12

12 Although there does not appear to be any conflict or overlapping areas of regulatory responsibility between the JSC, the ASE, the SDC and the Central Bank of Jordan, the absence of such overlapping areas must be clearly documented to comply with the WFE requirements.

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8. Risk Management

Interaction with Related Financial Systems (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> JSC approved ASE By-Laws: Bank Participation in Securities Market (By-Laws Pending JSC Approval) (English Version)</p> <p> JSC approved SDC By-Laws: Banks as Depository Participants – Rules & Regulations (By-Laws Pending JSC Approval) (English Version)</p>	<p> Compare SDC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Extent of SDC control over Banks as participants in the Depository ◆ Clearly-defined compliance responsibilities between the SDC and the Central Bank of Jordan 	<p>◆ Identify Regulatory Gaps between possible overlapping responsibilities between the SDC and the Central Bank of Jordan JSC and WFE requirements and compile response,¹² as required</p> <p>◆ Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p> <p> Review & approve response information for inclusion in WFE document</p> <p> Review & approve response information for inclusion in WFE document</p> <p>◆ Incorporate Section 8 Technical Risk Management: Interaction with Related Financial Systems into WFE document</p>

¹² Although there does not appear to be any conflict or overlapping areas of regulatory responsibility between the JSC, the ASE, the SDC and the Central Bank of Jordan, the absence of such overlapping areas must be clearly documented to comply with the WFE requirements.

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Membership Requirements Compliance Matrix

8. Risk Management

Risk Management Tools

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved SDC By-Laws: Settlement Guarantee Fund (By-Laws Pending JSC Approval) (English Version)	 Compare SDC Documentation Required to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ Initial Membership Financial Condition and Financial Disclosure requirements ◆ Ongoing requirements for Financial Condition & Financial Disclosure ◆ Settlement Guarantee Fund Structure, Operation & Operation ◆ Settlement Transaction Surveillance 	 Review & approve response information for inclusion in WFE document  Review & approve response information for inclusion in WFE document  Incorporate Section 8 Risk Management: Risk Management Tools into WEF document

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Membership Requirements Compliance Matrix

9. The Settlement of Disputes, Dealing with Complaints of Investors, and Arbitration Facilities

The Exchange should put facilities in place which offer effective treatment of disputes and complaints from investors regarding the behavior and business conduct of intermediaries. These should be as simple and expeditious as possible, within the limitations of national law.

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Membership Requirements Compliance Matrix

9. The Settlement of Disputes, Dealing with Complaints of Investors, and Arbitration Facilities

Treatment of Disputes and Complaints

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> JSC Rules & Regulations: Arbitration & Dispute Resolution Procedures (English Translation)</p> <p> JSC approved ASE By-Laws: Member Code of Ethics (By-Laws Pending JSC Approval) (English Version)</p> <p> JSC approved ASE By-Laws: Arbitration & Dispute Resolution Procedures (By-Laws Pending JSC Approval) (English Version)</p>	<p> Compare JSC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Dispute Resolution Procedures ◆ Arbitration Procedures ◆ Recourse to Foreign Investors <p> Compare ASE Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Members' Code of Ethics ◆ Dispute Resolution Procedures ◆ Arbitration Procedures ◆ Recourse for Foreign Investors 	<p> Identify Compliance Gaps between JSC Rules & Regulations and WFE requirements and compile response, as required</p> <p> Identify Compliance Gaps between ASE By-Laws and WFE requirements and compile response, as required</p> <p> Identify Compliance Gaps between SDC By-Laws and WFE requirements and compile response, as required</p>

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Membership Requirements Compliance Matrix

9. The Settlement of Disputes, Dealing with Complaints of Investors, and Arbitration Facilities

Treatment of Disputes and Complaints (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> JSC approved SDC By-Laws: Participant Code of Ethics (By-Laws Pending JSC Approval) (English Version)</p> <p> JSC approved SDC By-Laws: Arbitration & Dispute Resolution Procedures (By-Laws Pending JSC Approval) (English Version)</p>	<p>◀▶ Compare SDC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Participants' Code of Ethics ◆ Dispute Resolution Procedures ◆ Arbitration Procedures ◆ Recourse for Foreign Investors 	<p>◀▶ Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p> <p> Review & approve response information for inclusion in WFE document</p> <p> Review & approve response information for inclusion in WFE document</p> <p>◀▶ Incorporate Section 9 The Settlement of Disputes, dealing with Complaints of Investors and Arbitration Facilities into WFE document</p>

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◀▶ ASE Legal

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 ASE IT

 ASE Human Resources

H Securities Depository Center (SDC)

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Membership Requirements Compliance Matrix

10. Supervision, Surveillance & Enforcement

The Exchange must assure that mechanisms are in place to ensure that the information necessary to conduct adequate surveillance of the market for supervisory and enforcement purposes is available on a timely basis. The securities regulatory agency must be established with broad inspection and enforcement authority, and adequate oversight over the players in the market. Its enforcement of applicable regulations must be transparent. In case of a division of regulatory responsibilities between the Exchange and the regulator, the responsibilities and powers of each party should be formalized and cover the entire area to be supervised.

Markets, which have a separate banking supervisor, should have a clear separation of responsibilities, in the event that banks may be actors on the securities markets. Regulatory co-ordination between the regulators should be fostered.

The Exchange should report to the regulator when it becomes aware that reasonable grounds exist to suspect that a market user may have violated the jurisdiction's laws, or its internal rules and regulations.

Records made or received by the Exchange stemming from the operation of its trading system, relating to financial statements, and data regarding indications of market interest, quotations, orders, and trades in the system itself should all be preserved for a reasonable period of time, in most instances meaning many years. These should be furnished promptly upon request by the relevant regulator.

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Membership Requirements Compliance Matrix

10. Supervision, Surveillance and Enforcement

Surveillance Information

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Foreign Investment (English Translation)</p> <p> JSC Rules & Regulations: Market Surveillance & Enforcement (English Translation)</p> <p> JSC approved ASE By-Laws: Market Surveillance (By-Laws Pending JSC Approval) (English Version)</p> <p> JSC approved SDC By-Laws: Transaction Surveillance (By-Laws Pending JSC Approval) (English Version)</p>	<p> Compare JSC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ JSC requirements for Market Surveillance ◆ Surveillance Information availability & time requirements ◆ Surveillance reporting schedule(s) <p>◀▶ Compare ASE Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ ASE requirements for Market Surveillance ◆ Surveillance Information availability & time requirements ◆ Surveillance reporting schedule(s) ◆ Disclosure of Material Events ◆ Members' Code of Ethics ◆ ASE responsibilities as an SRO 	<p> Identify Compliance Gaps between JSC Rules & Regulations and WEF requirements and compile response, as required</p> <p>◀▶ Identify Compliance Gaps between ASE By-Laws and WEF requirements and compile response, as required</p> <p>☯ Identify Compliance Gaps between SDC By-Laws and WEF requirements and compile response, as required</p> <p>A Identify ASE Operational Compliance Gaps between ASE Operations and WEF requirements and compile response, as required</p>

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Membership Requirements Compliance Matrix

10. Supervision, Surveillance and Enforcement

Surveillance Information (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> ASE Systems Documentation: Trade Surveillance & Compliance Functionality (English Version)</p> <p> SDC Systems Documentation: Settlement Transactions Surveillance & Compliance Functionality(English Version)</p>	<p> Compare SDC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ SDC requirements for Settlement Transaction Surveillance ◆ Surveillance Information availability & time requirements ◆ Surveillance reporting schedule(s) ◆ Participants' Code of Ethics ◆ SDC responsibilities as an SRO <p> Compare ASE Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Surveillance Functionality ◆ Reporting Requirements ◆ JSC Notification requirements <p>P Compare SDC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Surveillance Functionality ◆ Reporting Requirements ◆ JSC Notification Procedures 	<p> Identify ASE Technical Compliance Gaps between ASE Technical Systems and WEF requirements and compile response, as required</p> <p>P Identify SDC Technical Compliance Gaps between ASE Technical Systems and WEF requirements and compile response, as required</p> <p> Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p> <p> Review & approve response information for inclusion in WFE document</p> <p> Review & approve response information for inclusion in WFE document</p> <p> Incorporate Section 10, Supervision, Surveillance and Enforcement: Surveillance Information into WEF document</p>

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Membership Requirements Compliance Matrix

10. Supervision, Surveillance and Enforcement

Oversight and Enforcement

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Foreign Investment (English Translation)</p> <p> JSC Rules & Regulations: Market Oversight & Enforcement Powers (English Translation)</p>	<p> Compare JSC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ JSC Oversight Empowerment under The Securities Law ◆ JSC Enforcement Empowerment under the Securities Law ◆ JSC as an Independent Regulator ◆ JSC Funding ◆ JSC Governance ◆ JSC Accountability <ul style="list-style-type: none"> ❖ Governmental ❖ Investors 	<p> Identify JSC Compliance Gaps between JSC, The Securities Law and JSC Rules & Regulations and WEF requirements and compile response, as required</p> <p>◀▶ Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p> <p> Review & approve response information for inclusion in WFE document</p> <p> Review & approve response information for inclusion in WFE document</p> <p>◀▶ Incorporate Section 10, Supervision, Surveillance and Enforcement:: Oversight and Enforcement into WEF document</p>

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Membership Requirements Compliance Matrix

10. Supervision, Surveillance and Enforcement

Separation of Regulatory Powers

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Foreign Investment (English Translation)</p> <p> Central Bank of Jordan: Bank Securities Transactions Rules & Regulations (English Translation)</p> <p> Central Bank of Jordan: Custodial Banks holding Securities Assets - Rules & Regulations (English Translation)</p>	<p> Compare JSC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ JSC Oversight Empowerment under The Securities Law ◆ JSC Enforcement Empowerment under the Securities Law ◆ JSC as an Independent Regulator ◆ JSC Funding ◆ JSC Governance ◆ JSC Accountability <ul style="list-style-type: none"> ❖ Governmental ❖ Investors 	<p> Identify JSC Compliance Gaps between JSC, The Securities Law, JSC Rules & Regulations and Central Bank Legislation and WEF requirements and compile response, as required</p> <p>◀▶ Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p> <p> Review & approve response information for inclusion in WFE document</p>

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Membership Requirements Compliance Matrix

10. Supervision, Surveillance and Enforcement

Separation of Regulatory Powers (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC Rules & Regulations: Market Oversight & Enforcement Powers (English Translation)	 Compare JSC Documentation Required to WFE requirements with a focus on the separation of Regulatory Powers between the Central Bank (CBJ) and the JSC, including: <ul style="list-style-type: none"> ◆ JSC Oversight Empowerment under The Securities Law ◆ JSC Enforcement Empowerment under the Securities Law ◆ JSC as an Independent Regulator ◆ JSC Governance ◆ JSC Accountability <ul style="list-style-type: none"> ❖ Governmental ❖ Investors ◆ CBJ Oversight Empowerment under Legislation ◆ CBJ Enforcement Empowerment under Legislation ◆ CBJ as an Independent Regulator ◆ CBJ Governance ◆ CBJ Accountability <ul style="list-style-type: none"> ❖ Governmental ❖ Investors 	 Review & approve response information for inclusion in WFE document  Incorporate Section 10, Supervision, Surveillance and Enforcement:: Oversight and Enforcement into WEF document

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Membership Requirements Compliance Matrix

10. Supervision, Surveillance and Enforcement

Reporting of Violations

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Foreign Investment (English Translation)</p> <p> JSC Rules & Regulations: Market Oversight & Enforcement Powers (English Translation)</p> <p> JSC approved ASE By-Laws: Market Surveillance (By-Laws Pending JSC Approval) (English Version)</p> <p> JSC approved SDC By-Laws: Transaction Surveillance (By-Laws Pending JSC Approval) (English Version)</p>	<p> Compare JSC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ JSC Oversight Empowerment under The Securities Law ◆ JSC Enforcement Empowerment under the Securities Law ◆ JSC Report Violation Requirements ◆ JSC Reporting Time Requirements & Documentation Formats 	<p> Identify JSC Compliance Gaps between JSC, The Securities Law, JSC Rules & Regulations and Central Bank Legislation and WEF requirements and compile response, as required</p> <p>◆◆ Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p> <p> Review & approve response information for inclusion in WFE document</p> <p> Review & approve response information for inclusion in WFE document</p> <p>◆◆ Incorporate Section 10, Supervision, Surveillance and Enforcement:: Reporting of Violations into WEF document</p>

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Membership Requirements Compliance Matrix

10. Supervision, Surveillance and Enforcement

Records Retention

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Foreign Investment (English Translation)</p> <p> JSC Rules & Regulations: Market Oversight & Enforcement Powers (English Translation)</p> <p> JSC approved ASE By-Laws: Market Surveillance (By-Laws Pending JSC Approval) (English Version)</p>	<p> Compare JSC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Types of Records to be retained ◆ Retention Format ◆ Retention Time Period ◆ Availability of records to the JSC <p>◀▶ Compare ASE Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ ASE Records to be retained ◆ Retention Format ◆ Retention Time Period ◆ Availability of records to the JSC 	<p> Identify JSC Compliance Gaps between JSC Rules & Regulations and WFE requirements and compile response, as required</p> <p>◀▶ Identify Compliance Gaps between ASE By-Laws and WFE requirements and compile response, as required</p> <p>☯ Identify Compliance Gaps between SDC By-Laws and WFE requirements and compile response, as required</p> <p>◀▶ Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p> <p> Review & approve response information for inclusion in WFE document</p>

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Membership Requirements Compliance Matrix

10. Supervision, Surveillance and Enforcement

Records Retention (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved SDC By-Laws: Transaction Surveillance (By-Laws Pending JSC Approval) (English Version)	◀▶ Compare SDC Documentation Required to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ SDC Records to be retained ◆ Retention Format ◆ Retention Time Period ◆ Availability of records to the JSC 	 Review & approve response information for inclusion in WFE document ▶▶ Incorporate Section 10, Supervision, Surveillance and Enforcement:: Records Retention into WEF document

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Membership Requirements Compliance Matrix

11. Investor Protection

Specific rules and regulations, like on disclosure and transparency, that serve to protect investors should be in place. These include guarantees such as compensation funds, insurance policies or their equivalent. If the Exchange or a related organization holds or safeguards funds intended to guarantee the clearing of trades, or to compensate investors in the event of the insolvency of a member of the market, procedures and controls should be implemented to assure the availability of those funds. These funds are on stand-by as a lender of the last resort to the market.

A specific regime should be in place for staff of the Exchange and the clearinghouse/depository, to avoid conflicts of interest and insider trading. Comparable rules should be in place for all other users of the market. Insider trading and other forms of unfair markets should be prohibited, either by law or code of conduct, with adequate enforcement tools available.

Brokers and banks must assure absolute segregation between clients' money and their own accounts, and respect the priority in which client orders are executed.

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Membership Requirements Compliance Matrix

11. Investor Protection

Disclosure and Transparency

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Foreign Investment (English Translation)</p> <p> JSC Rules & Regulations: Market Oversight & Enforcement Powers (English Translation)</p> <p> JSC approved ASE By-Laws: Market Surveillance (By-Laws Pending JSC Approval) (English Version)</p>	<p>◀▶ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Exchange Operations Procedures – Price Transparency to WFE requirements</p> <p>◀▶ Compare JSC approved ASE By-Laws: ASE Market Data Dissemination to WFE requirements</p> <p>🗄️ Compare JSC approved ASE Systems: Trade Reporting Requirements to WFE requirements. Provide technical data to support Trade Reporting timing</p>	<p>◀▶ Identify Compliance Gaps between ASE By-Laws and WEF requirements and compile response, as required</p> <p>🗄️ Identify Compliance Gaps between ASE By-Laws and WEF requirements and compile response, as required</p> <p>◀▶ Identify Compliance Gaps between ASE By-Laws and WEF requirements and compile response, as required</p> <p>A Identify Compliance Gaps between ASE By-Laws and WEF requirements and compile response, as required</p>

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Membership Requirements Compliance Matrix

11. Investor Protection

Disclosure and Transparency (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved SDC By-Laws: Transaction Surveillance (By-Laws Pending JSC Approval) (English Version)	A Compare JSC approved ASE By-Laws: ASE Market Data Dissemination to WFE requirements	 Gather response(s) to Compliance Gaps between the area responses & WFE requirements  Review & approve response information for inclusion in WFE document  Incorporate Section 11, Investor Protection: Disclosure and Transparency into WEF document

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Membership Requirements Compliance Matrix

11. Investor Protection

Investor Protection Guarantees

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Clearing & Settlement of Securities Transactions (English Translation)</p> <p> The Group of Thirty (G-30) Recommendations on Clearing & Settlement</p> <p> JSC Rules & Regulations: Market Investor Protection (English Translation)</p>	<p>◀▶ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Exchange Investor Protection to WFE requirements</p> <p>☀ Compare JSC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ ASE Compensation Fund: Structure & Management ◆ SDC Settlement Guarantee Fund: Structure & Management <p>◀▶ Compare ASE Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Compensation Fund Structure & Management ◆ Compensation Fund Contingency Measures 	<p>◀▶ Identify Compliance Gaps between ASE By-Laws and WEF requirements and compile response, as required</p> <p>☯ Identify Compliance Gaps between SDC By-Laws and WEF requirements and compile response, as required</p> <p>◀▶ Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p> <p>⚙ Review & approve response information for inclusion in WFE document</p>

 Amman Stock Exchange (ASE)

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 ASE IT

 ASE Human Resources

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☯ SDC Legal

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P SDC IT

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Membership Requirements Compliance Matrix

11. Investor Protection

Investor Protection Guarantees (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> JSC approved ASE By-Laws: Investor Protection (By-Laws Pending JSC Approval) (English Version)</p> <p> JSC approved SDC By-Laws: Investor Protection (By-Laws Pending JSC Approval) (English Version)</p>	<p> Compare SDC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Settlement Guarantee Fund Fund Structure & Management ◆ Settlement Guarantee Fund Contingency Measures 	<p>H Review & approve response information for inclusion in WFE document</p> <p> Incorporate Section 11, Investor Protection: Investor Protection Guarantees into WEF document</p>

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Membership Requirements Compliance Matrix

11. Investor Protection

Unfair Practices

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Fair Market Practices (English Translation)</p> <p> JSC Rules & Regulations: Fair Market Practices (English Translation)</p> <p> JSC approved ASE By-Laws: Fair Market Practices (By-Laws Pending JSC Approval) (English Version)</p>	<p>◀▶ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Fair Market Practices to WFE requirements</p> <p>☀ Compare JSC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Insider Trading ◆ Conflicts of Interest ◆ Market Manipulation ◆ ASE Members' Code of Ethics ◆ ASE Disciplinary Procedures <p>◀▶ Compare ASE Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Insider Trading ◆ Conflicts of Interest ◆ Market Manipulation ◆ ASE Members' Code of Ethics ◆ ASE Disciplinary Procedures 	<p>☀ Identify Compliance Gaps between JSC Rules & Regulations and WEF requirements and compile response, as required</p> <p>◀▶ Identify Compliance Gaps between ASE By-Laws and WEF requirements and compile response, as required</p> <p>☯ Identify Compliance Gaps between SDC By-Laws and WEF requirements and compile response, as required</p>

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11. Investor Protection

Unfair Practices (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved SDC By-Laws: Fair Market Practices (By-Laws Pending JSC Approval) (English Version)	 Compare SDC Documentation Required to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ Short Sales (Naked Shorts) ◆ Shareholder Records ◆ Transfers of Share Ownership ◆ Sail Fails ◆ Cash Fails ◆ SDC Disciplinary Procedures 	 Gather response(s) to Compliance Gaps between the area responses & WFE requirements  Review & approve response information for inclusion in WFE document  Review & approve response information for inclusion in WFE document  Incorporate Section 11, Investor Protection: Unfair Practices into WEF document

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11. Investor Protection

Segregation of Assets

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Segregation & Protection of Investor Assets (English Translation)</p> <p> JSC Rules & Regulations: Segregation & Protection of Investor Assets (English Translation)</p> <p> JSC approved ASE By-Laws: : Segregation & Protection of Investor Assets (By-Laws Pending JSC Approval) (English Version)</p>	<p>◀▶ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Segregation & Protection of Investor Assets</p> <p>☀ Compare JSC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Trading Firm Account Structure ◆ Trading Firm Segregation Procedures ◆ Trading Firm Client Agreements ◆ ASE Members' Code of Ethics ◆ ASE Disciplinary Procedures <p>◀▶ Compare ASE Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Trading Firm Account Structure ◆ Trading Firm Segregation Procedures ◆ Trading Firm Client Agreements ◆ ASE Members' Code of Ethics ◆ ASE Disciplinary Procedures 	<p>☀ Identify Compliance Gaps between JSC Rules & Regulations and WEF requirements and compile response, as required</p> <p>◀▶ Identify Compliance Gaps between ASE By-Laws and WEF requirements and compile response, as required</p> <p>☯ Identify Compliance Gaps between SDC By-Laws and WEF requirements and compile response, as required</p> <p>◀▶ Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p>

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Z Central Bank of Jordan

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Membership Requirements Compliance Matrix

11. Investor Protection

Segregation of Assets (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved SDC By-Laws: Fair Market Practices (By-Laws Pending JSC Approval) (English Version)	 Compare SDC Documentation Required to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ SDC's Account Structure ◆ SDC's Asset Segregation of Assets Procedures ◆ SDC Participants' Client Agreements ◆ SDC Participant's Code of Ethics ◆ SDC Disciplinary Procedures 	 Review & approve response information for inclusion in WFE document H Review & approve response information for inclusion in WFE document  Incorporate Section 11, Investor Protection: Unfair Practices into WEF document

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Membership Requirements Compliance Matrix

12. Business Conduct

One of the ***most important parameters for regulated markets*** is the level of investor confidence achieved through both the national legal environment and the market regulatory infrastructure. An important element of investor confidence is the fair treatment of the customer. This section elaborates the IOSCO International Conduct of Business Principles (the IOSCO Principles⁸) and puts them in the context of markets, their participants and customers. It aims at offering a benchmark of best practice against which members which have existing codes or formal regulations could test their practice and perhaps revise their codes.

The primary requirements of Principle 12 include:

a. *Honesty and Fairness*

Market Participants should refrain from any action that would hinder and disrupt the orderly functioning of the market.

b. *Diligence*

The diligence required in effecting securities transactions is best execution of customer orders. This involves executing agency orders promptly, and if a market order, at the best available price. Charges should be an agreed upon, or else be based on a customary, commission that is fully disclosed. Diligence also involves executing net trades or principal orders at a price closely related to the market price,

Recommendations by market participants or their employees to customers as to the purchase or sale of securities should be based on adequate and reliable information about the issuer and the nature of the financial instrument.

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Membership Requirements Compliance Matrix

12. Business Conduct *(continued)*

c. Capabilities

Consideration should be given to what qualifications Exchanges should impose for membership, and for the qualifications of employees.

Exchanges should have financial responsibility rules for market participants. Market participants should adhere to such rules in a manner that does not jeopardize customer funds or securities held as custodian.

d. Information about Customers

It is recommended that Exchanges require their members to obtain such information as may be necessary to recommend investments suitable to customers. Exchanges may wish to specify the type of the documentation to fulfill this requirement. This recommendation is particularly important where the client has a fiduciary role, i.e. a trust or estate or pension fund. Circumstances under which firms exercise discretionary trading powers should be defined, and it should be made explicit that such trading gives rise to other special fiduciary obligations.

e. Information for Customers

A confirmation of each transaction should be sent to customers, including note of such information as may be appropriate to confirm fair dealing. There should be disclosure of such facts as may impair a firm's independence in its dealings with customers. Market participants should keep and maintain a detailed record of each trade, in order to be able to respond to customers or the Exchange concerning best execution.

A market participant should disclose its financial condition to customers upon request.

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Membership Requirements Compliance Matrix

12. Business Conduct *(continued)*

f. Conflicts of Interest

It is recommended that Exchanges require their members to manage potential conflicts in such a way that customers are not at a disadvantage. The most common conflicts include those between a market participant's investment banking, trading, research, mergers and acquisitions advisory business, and lending activities. Where feasible, conflicts should be managed by obtaining the informed consent of customers to a transaction. In addition, the management of conflicts may be ameliorated by the creation of appropriate Chinese walls.

Recommendations to customers must be based on the interests of customers and not be made to increase or reduce a market participant's trading position. Market participants and their employees cannot be permitted to effect trades for their own accounts ahead of customers' orders.

g. Compliance

Market participants should ensure that their partners or officers and directors are sufficiently active in the affairs of the firm to demonstrate their compliance with statutory and self-regulatory obligations.

Firms should develop systems for the supervision of accounts of employees and compliance with applicable regulations.

Rules of conduct for Exchange staff members as well as employees from market participants should be formulated. A system for reporting of employee securities transactions should be put in place by Exchanges and market participants. Such a system should include the need for prior consent by market participants for employees to maintain accounts of any other market participant.

Market participants should keep accurate and detailed records and ensure that all reports to be made are honest. Market participants should conform to the just and equitable principles of conduct embodied in exchange rules and commonly practiced in the marketplaces in which they conduct business.

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Membership Requirements Compliance Matrix

12. Business Conduct

a. Honesty and Fairness

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Fair Market Practices (English Translation)</p> <p> JSC Rules & Regulations: Fair Market Practices (English Translation)</p>	<p>◀▶ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Fair Market Practices to WFE requirements</p> <p>☀ Compare JSC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Price Formation Mechanisms ◆ Generation of False Information ◆ Manipulative Practices ◆ Insider Dealing ◆ JSC New Product Authorization <p>◀▶ Compare ASE Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Member Code of Ethics ◆ Manipulative Trading Practices ◆ Exchange Oversight Mechanisms ◆ ASE Member Compliance ◆ ASE Disciplinary Procedures ◆ ASE Arbitration Procedures 	<p>☀ Identify Compliance Gaps between JSC Rules & Regulations and WEF requirements and compile response, as required</p> <p>◀▶ Identify Compliance Gaps between ASE By-Laws and WEF requirements and compile response, as required</p> <p>A Identify Compliance Gaps between ASE Operations Procedures and WEF requirements and compile response, as required</p> <p>🗄 Identify Compliance Gaps between ASE Systems Procedures and WEF requirements and compile response, as required</p>

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Membership Requirements Compliance Matrix

12. Business Conduct

a. Honesty and Fairness (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> JSC approved ASE By-Laws: : ASE Code of Ethics (By-Laws Pending JSC Approval) (English Version)</p> <p> JSC approved SDC By-Laws: Participant Code of Ethics (By-Laws Pending JSC Approval) (English Version)</p>	<p>A Compare JSC approved ASE By-Laws: ASE Code of Ethics to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Operational Oversight Procedures ◆ Member Reporting Procedures ◆ Operational Reporting Procedures ◆ Compliance Investigative Procedures <p> Compare JSC approved ASE By-Laws to WFE requirements. Provide technical data to support Market Surveillance & Compliance</p> <p> Compare SDC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Settlement Transaction Surveillance ◆ Transaction Compliance ◆ Settlement Guarantee Fund Operation ◆ Disciplinary Procedures ◆ Arbitration Procedures 	<p> Identify Compliance Gaps between SDC By-Laws and WFE requirements and compile response, as required</p> <p> Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p> <p> Review & approve response information for inclusion in WFE document</p> <p>H Review & approve response information for inclusion in WFE document</p> <p> Incorporate Section 12, Business Conduct: Honesty & Fairness into WEF document</p>

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Membership Requirements Compliance Matrix

12. Business Conduct

b. Diligence

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Fair Market Practices (English Translation)</p> <p> JSC Rules & Regulations: Fair Market Practices (English Translation)</p>	<p>◀▶ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Fair Market Practices to WFE requirements</p> <p>☀ Compare JSC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Best Execution Rules ◆ Commission Schedule Review & Approval ◆ Price Mark-Up & Mark-Down Rules ◆ OTC Trading ◆ Underwriter Disclosure Rules ◆ Margin Call Customer Securities Sales 	<p>☀ Identify Compliance Gaps between JSC Rules & Regulations and WEF requirements and compile response, as required</p> <p>◀▶ Identify Compliance Gaps between ASE By-Laws and WEF requirements and compile response, as required</p> <p>A Identify Compliance Gaps between ASE Operations Procedures and WEF requirements and compile response, as required</p> <p>🗄 Identify Compliance Gaps between ASE Systems Procedures and WEF requirements and compile response, as required</p>

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Membership Requirements Compliance Matrix

12. Business Conduct

b. Diligence (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved ASE By-Laws: : ASE Code of Ethics (By-Laws Pending JSC Approval) (English Version)	<p>◀▶ Compare ASE Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Best Execution Rules ◆ Member Services Commissions ◆ Mark-Up & Mark-Down Rules ◆ Underwrite IPO Rules ◆ Margin Trading Rules & Procedures ◆ Compliance Procedures ◆ Arbitration & Client Recourse Procedures <p>A Compare JSC approved ASE By-Laws: ASE Code of Ethics to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Operational Oversight Procedures ◆ Member Reporting Procedures ◆ Operational Reporting Procedures ◆ Compliance Investigative Procedures <p>📁 Compare JSC approved ASE By-Laws to WFE requirements. Provide technical data to support Trading System's Surveillance & Compliance capabilities</p>	<p>☯ Identify Compliance Gaps between SDC By-Laws and WEF requirements and compile response, as required</p> <p>P Identify Compliance Gaps between SDC Systems Procedures and WEF requirements and compile response, as required</p> <p>◀▶ Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p>

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12. Business Conduct

b. Diligence (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved SDC By-Laws: Participant Code of Ethics (By-Laws Pending JSC Approval) (English Version)	<p> Compare SDC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Settlement Transaction Surveillance ◆ Transaction Compliance ◆ Segregation of Client Assets Controls ◆ Control of Broker Access to Client Shares ◆ Disciplinary Procedures ◆ Arbitration Procedures <p> Compare JSC approved ASE By-Laws to WFE requirements. Provide technical data to support Trading System's Surveillance & Compliance capabilities</p> <p>P Compare JSC approved ASE By-Laws to WFE requirements. Provide technical data to support SDC System's Surveillance & Compliance capabilities</p>	<p> Review & approve response information for inclusion in WFE document</p> <p>H Review & approve response information for inclusion in WFE document</p> <p> Incorporate Section 12, Business Conduct: Diligence into WEF document</p>

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Membership Requirements Compliance Matrix

12. Business Conduct

c. Capabilities

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Fair Market Practices (English Translation)</p> <p> JSC Rules & Regulations: Fair Market Practices (English Translation)</p>	<p>◄ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Fair Market Practices to WFE requirements</p> <p>☀ Compare JSC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Trading Firm Licensure Requirements ◆ Broker Licensure Requirements ◆ Licensee Fitness Requirements ◆ Licensure Revocation Procedures ◆ Licensure Revocation Appeal 	<p>☀ Identify Compliance Gaps between JSC Rules & Regulations and WEF requirements and compile response, as required</p> <p>◄ Identify Compliance Gaps between ASE By-Laws and WEF requirements and compile response, as required</p> <p>A Identify Compliance Gaps between ASE Operations Procedures and WEF requirements and compile response, as required</p>

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Membership Requirements Compliance Matrix

12. Business Conduct

c. Capabilities (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved ASE By-Laws: : ASE Code of Ethics (By-Laws Pending JSC Approval) (English Version)	<p>◀▶ Compare ASE Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Exchange Licensure Review Procedures ◆ ASE Membership Requirements ◆ Membership Compliance Review ◆ ASE Financial Disclosure Requirements ◆ Financial Disclosure Compliance ◆ Financial Disclosure Enforcement ◆ Membership Suspension Procedures ◆ Suspension Appeal Procedures <p>A Compare JSC approved ASE By-Laws: Membership Requirements to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Member Financial Reporting Schedules ◆ Member Financial Reporting Review ◆ Financial Reporting Compliance ◆ Internal Reporting Procedures 	<p>☯ 4 Identify Compliance Gaps between SDC By-Laws and WFE requirements and compile response, as required</p> <p>◀▶ Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p> <p>⚙ Review & approve response information for inclusion in WFE document</p>

⚙ Amman Stock Exchange (ASE)

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Membership Requirements Compliance Matrix

12. Business Conduct

c. Capabilities (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved SDC By-Laws: Participant Code of Ethics (By-Laws Pending JSC Approval) (English Version)	 Compare SDC Documentation Required to 4 WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ Participant Membership Requirements ◆ Participant Compliance ◆ Participant – Client Agreement Review ◆ Disciplinary Procedures ◆ Arbitration Procedures 	H Review & approve response information for inclusion in WFE document  Incorporate Section 12, Business Conduct: Capabilities into WFE document

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12. Business Conduct

d. Information about Customers

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Fair Market Practices (English Translation)</p> <p> JSC Rules & Regulations: Fair Market Practices (English Translation)</p>	<p>◀▶ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Fair Market Practices to WFE requirements</p> <p>☀ Compare JSC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ “Know Your Customer” Rule ◆ Rule Documentation Requirements ◆ Filing/Reporting Procedures ◆ Documentation Review ◆ Compliance & Enforcement <p>◀▶ Compare ASE Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ ASE “Know Your Customer” Rule ◆ Rule Documentation Requirements ◆ Documentation Review ◆ ASE Inspection Empowerment ◆ Inspection Procedures ◆ Investor/Client Recourse Procedures ◆ Arbitration Procedures ◆ JSC Reporting Procedures 	<p>☀ Identify Compliance Gaps between JSC Rules & Regulations and WEF requirements and compile response, as required</p> <p>◀▶ Identify Compliance Gaps between ASE By-Laws and WEF requirements and compile response, as required</p> <p>A Identify Compliance Gaps between ASE Operations Procedures and WEF requirements and compile response, as required</p> <p>☯ Identify Compliance Gaps between SDC By-Laws and WEF requirements and compile response, as required</p>

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12. Business Conduct

d. Information about Customers (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> JSC approved ASE By-Laws: : ASE Code of Ethics (By-Laws Pending JSC Approval) (English Version)</p> <p> JSC approved SDC By-Laws: Participant Code of Ethics (By-Laws Pending JSC Approval) (English Version)</p>	<p>A Compare JSC approved ASE By-Laws: Membership Requirements to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ “Know Your Customer Rule Compliance Documentation Review ◆ Reporting Review ◆ Member Rule Compliance ◆ Internal Reporting Procedures <p> Compare SDC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Participant – Client Disclosure Requirements ◆ Disclosure Requirements Filing & Review ◆ Member Compliance ◆ Internal Reporting Procedures ◆ JSC Reporting Procedures 	<p>◀▶ Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p> <p> Review & approve response information for inclusion in WFE document</p> <p>H Review & approve response information for inclusion in WFE document</p> <p>◀▶ Incorporate Section 12, Business Conduct:Information about Customers into WEF document</p>

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12. Business Conduct

e. Information for Customers

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Fair Market Practices (English Translation)</p> <p> JSC Rules & Regulations: Fair Market Practices (English Translation)</p>	<p>◀▶ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Fair Market Practices to WFE requirements</p> <p>⚙ Compare JSC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Confirmation Issuance Requirements ◆ Fair Dealing Disclosure Rules ◆ ASE Compliance Reporting Procedures <p>◀▶ Compare ASE Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Confirmation Issuance Requirements ◆ Confirmation Issuance Surveillance ◆ Confirmation Issuance Compliance ◆ Best Execution Disclosure ◆ Investor Complaints ◆ Dispute Resolution Procedures ◆ Fair Dealing Disclosure Requirements ◆ Best Execution Rules 	<p>⚙ Identify Compliance Gaps between JSC Rules & Regulations and WEF requirements and compile response, as required</p> <p>◀▶ Identify Compliance Gaps between ASE By-Laws and WEF requirements and compile response, as required</p> <p>A Identify Compliance Gaps between ASE Operations Procedures and WEF requirements and compile response, as required</p>

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Membership Requirements Compliance Matrix

12. Business Conduct

e. Information for Customers (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> JSC approved ASE By-Laws: : ASE Code of Ethics (By-Laws Pending JSC Approval) (English Version)</p> <p> JSC approved SDC By-Laws: Participant Code of Ethics (By-Laws Pending JSC Approval) (English Version)</p>	<p>A Compare JSC approved ASE By-Laws: Membership Requirements to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Best Execution Compliance Review ◆ Compliance Performance Reporting ◆ Records Retention Procedures ◆ JSC Access to Records ◆ Investor Access to Records <p> Compare SDC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Participant – Client Contract Content ◆ Disclosure Requirements Filing & Review ◆ Participant Compliance ◆ Internal Reporting Procedures ◆ Investor Depository Account Holdings Reports ◆ Records Retention Procedures ◆ Participant Access to Records ◆ Investor Access to Records ◆ JSC Reporting Procedures 	<p> Identify Compliance Gaps between SDC By-Laws and WFE requirements and compile response, as required</p> <p>◀▶ Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p> <p> Review & approve response information for inclusion in WFE document</p> <p>H Review & approve response information for inclusion in WFE document</p> <p>◀▶ Incorporate Section 12, Business Conduct:Information for Customers into WFE document</p>

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12. Business Conduct

f. Conflicts of Interest

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Fair Market Practices (English Translation)</p> <p> JSC Rules & Regulations: Fair Market Practices (English Translation)</p>	<p>◀▶ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Fair Market Practices to WFE requirements</p> <p>☀ Compare JSC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Market Participants' Segregation of Business Lines ◆ Customer Transaction Consent ◆ Participants' Disclosure of Customer Consent <p>◀▶ Compare ASE Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Member Code of Ethics ◆ Code of Ethics Compliance ◆ Code of Ethics Enforcement ◆ Members' Segregation of Business Lines ◆ Investor Complaints ◆ Dispute Resolution Procedures 	<p>☀ Identify Compliance Gaps between JSC Rules & Regulations and WEF requirements and compile response, as required</p> <p>◀▶ Identify Compliance Gaps between ASE By-Laws and WEF requirements and compile response, as required</p> <p>A Identify Compliance Gaps between ASE Operations Procedures and WEF requirements and compile response, as required</p> <p>☯ Identify Compliance Gaps between SDC By-Laws and WEF requirements and compile response, as required</p>

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Membership Requirements Compliance Matrix

12. Business Conduct

f. Conflicts of Interest (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> JSC approved ASE By-Laws: : ASE Code of Ethics (By-Laws Pending JSC Approval) (English Version)</p> <p> JSC approved SDC By-Laws: Participant Code of Ethics (By-Laws Pending JSC Approval) (English Version)</p>	<p> Compare SDC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Shareholder Segregation of Assets ◆ Participant – Client Agreement Requirements ◆ Participant Code of Ethics ◆ Internal Review & Reporting Procedures ◆ Investor Depository Account Holdings Reports ◆ Records Retention Procedures ◆ Participant Access to Records ◆ Investor Access to Records 	<p>◀▶ Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p> <p> Review & approve response information for inclusion in WFE document</p> <p>H Review & approve response information for inclusion in WFE document</p> <p>◀▶ Incorporate Section 12, Business Conduct: Conflicts of Interest into WEF document</p>

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12. Business Conduct

g. Compliance

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Fair Market Practices (English Translation)</p> <p> JSC Rules & Regulations: Fair Market Practices (English Translation)</p>	<p>◀▶ Compare Temporary Law No. (76) for the Year 2002, The Securities Law: Fair Market Practices to WFE requirements</p> <p>☀ Compare JSC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Market Firms' Principal Participation Rules ◆ Principals' Participation Compliance ◆ Market Firms' Employee Account Supervision ◆ Trading Firm Employee Account Maintenance Rules ◆ Market Participant Compliance Reporting Rules ◆ JSC Enforcement Empowerment under Law ◆ JSC Inspection Powers ◆ Construct Brief JSC Enforcement History <ul style="list-style-type: none"> - Number of Complaints - Number of Cases Investigated - Case Enforcement 	<p>☀ Identify Compliance Gaps between JSC Rules & Regulations and WFE requirements and compile response, as required</p> <p>◀▶ Identify Compliance Gaps between ASE By-Laws and WFE requirements and compile response, as required</p> <p>☯ Identify Compliance Gaps between SDC By-Laws and WFE requirements and compile response, as required</p> <p>◀▶ Gather response(s) to Compliance Gaps between the area responses & WFE requirements</p>

 Amman Stock Exchange (ASE)

◀▶ ASE Legal

A ASE Operations

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 ASE Human Resources

H Securities Depository Center (SDC)

☯ SDC Legal

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P SDC IT

 Jordan Securities Commission (JSC)

☀ JSC Legal

Z Central Bank of Jordan

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Membership Requirements Compliance Matrix

12. Business Conduct

g. Compliance (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> JSC approved ASE By-Laws: : ASE Code of Ethics (By-Laws Pending JSC Approval) (English Version)</p> <p> JSC approved SDC By-Laws: Participant Code of Ethics (By-Laws Pending JSC Approval) (English Version)</p>	<p>◄► Compare ASE Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Member Code of Ethics ◆ Code of Ethics Enforcement ◆ ASE Code of Ethics Compliance Review ◆ Member Firm Principals' Participation ◆ ASE & Member Firm Employee Account Maintenance Rules ◆ Dispute Resolution Procedures ◆ Compliance Enforcement <p>☯ Compare SDC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Participant Code of Ethics ◆ SDC Code of Ethics Surveillance ◆ SDC Code of Ethics Enforcement ◆ Internal Review & Reporting Procedures ◆ SDC Employee Account Maintenance Rules ◆ Shareholder Complaint Procedures ◆ Dispute Resolution Procedures ◆ Arbitration Procedures 	<p>⚙ Review & approve response information for inclusion in WFE document</p> <p>H Review & approve response information for inclusion in WFE document</p> <p>◄► Incorporate Section 12, Business Conduct: Compliance into WEF document</p>

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◄► ASE Legal

A ASE Operations

 ASE IT

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H Securities Depository Center (SDC)

☯ SDC Legal

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 Jordan Securities Commission (JSC)

⚙ JSC Legal

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Membership Requirements Compliance Matrix

13. Transparency

a. *Statistics*

The market should have a statistics function which allows it to gain insights into the trading activity, activity on the primary market, indices, etc. The methodology used in compiling the statistics should be clearly explained.

b. *Market Information*

The Exchange should have systems and procedures in place assuring that important information related to listed companies and of a price-sensitive nature be distributed as soon as possible to all market participants. Pre- and post-trade information should be available for market participants and supervisors. Selected market data should be available to the public, either through the traditional media or using modern communication tools.

c. *Trading*

The trading methodology should be transparent, in accordance with principles of fairness and equality and principles for the protection of investors. Principles like "time/price" priority, equitability and integrity must be adhered to. The trading activity should be checked constantly by audit trails, stock watch systems, etc. on a real-time basis if possible. Investors should have access to public data, in order to verify that their orders were executed at a fair price.

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Membership Requirements Compliance Matrix

13. Transparency

a. Statistics

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC Rules & Regulations:: Trading Rules & Audit Trails (English Translation)	 Compare JSC Documentation Required to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ Transaction Record Keeping Requirements ◆ Transaction Audit Trails Required ◆ Market Data Disclosure Requirements ◆ Market Data Dissemination Requirements A Compare ASE Documentation Required to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ Record Keeping Requirements ◆ Statistics Maintained ◆ Data Gathering Methodology ◆ Statistics Validation Techniques ◆ Statistics Dissemination ◆ Records Retention Schedule 	 Identify Compliance Gaps between JSC Rules & Regulations and WEF requirements and compile response, as required A Identify Compliance Gaps between ASE Operations and WEF requirements and compile response, as required

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 SDC Legal

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Membership Requirements Compliance Matrix

13. Transparency

a. Statistics (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved ASE By-Laws: : Transaction Processing & Audit Trails (By-Laws Pending JSC Approval) (English Version)	 Compare ASE Documentation Required to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ Data Storage Options ◆ Data Gathering Methodology ◆ Audit Trail Maintenance ◆ Data Gathering Validation Techniques ◆ Data Gathering Documentation ◆ Data Security Access Levels ◆ Data Access Controls & Enforcement ◆ Fata Gathering Schedules ◆ Data Dissemination 4 Compare SDC Documentation Required to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ Record Keeping Requirements ◆ Statistics Maintained ◆ Data Gathering Methodology ◆ Statistics Validation Techniques ◆ Statistics Dissemination ◆ Records Retention Schedule 	 Identify Compliance Gaps between ASE Technology Systems and WEF requirements and compile response, as required 4 Identify Compliance Gaps between SDC Operations and WEF requirements and compile response, as required P Identify Compliance Gaps between ASE Technology Systems and WEF requirements and compile response, as required

 Amman Stock Exchange (ASE)

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A ASE Operations

 ASE IT

 ASE Human Resources

H Securities Depository Center (SDC)

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P SDC IT

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 JSC Legal

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Membership Requirements Compliance Matrix

13. Transparency

a. *Statistics* (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved SDC Final Settlement & Audit Trails (By-Laws Pending JSC Approval) (English Version)	P Compare ASE Documentation Required to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ Data Storage Options ◆ Data Gathering Methodology ◆ Audit Trail Maintenance ◆ Data Gathering Validation Techniques ◆ Data Gathering Documentation ◆ Data Security Access Levels ◆ Data Access Controls & Enforcement ◆ Data Gathering Schedules ◆ Data Dissemination 	 Gather response(s) to Compliance Gaps between the area responses & WFE requirements  Review & approve response information for inclusion in WFE document H Review & approve response information for inclusion in WFE document  Incorporate Section 13, Transparency: Statistics into WFE document

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 ASE IT

 ASE Human Resources

H Securities Depository Center (SDC)

 SDC Legal

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 JSC Legal

Z Central Bank of Jordan

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Membership Requirements Compliance Matrix

13. Transparency

b. Market Information

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC Rules & Regulations:: Market Information (English Translation)	 Compare JSC Documentation Required to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ Market Data Gathering Requirements ◆ Market Data Dissemination Requirements ◆ Market Data Dissemination Schedules ◆ Market Data Retention Requirements ◆ Public Company Information Disclosure Requirements ◆ Exchange-Listed Company Information Disclosure Requirements ◆ Definition of Listed Company's Material Events ◆ Material Event Disclosure Requirements 	 Identify Compliance Gaps between JSC Rules & Regulations and WEF requirements and compile response, as required  Identify Compliance Gaps between ASE By-Laws and WEF requirements and compile response, as required  Identify Compliance Gaps between ASE Operations and WEF requirements and compile response, as required

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 ASE Legal

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Membership Requirements Compliance Matrix

13. Transparency

b. Market Information (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved ASE By-Laws: : Market Information (By-Laws Pending JSC Approval) (English Version)	 Compare ASE Documentation Required to WFE requirements with a focus on: A <ul style="list-style-type: none"> ◆ Market Data Gathering Requirements ◆ Market Data Dissemination Requirements ◆ Market Data Dissemination Schedules ◆ Market Data Retention Requirements ◆ Public Company Information Disclosure Requirements ◆ Exchange-Listed Company Information Disclosure Requirements ◆ Definition of Listed Company's Material Events ◆ Material Event Disclosure Requirements 	 Identify Compliance Gaps between SDC By-Laws and WEF requirements and compile response, as required 4 Identify Compliance Gaps between SDC Operations and WEF requirements and compile response, as required

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 JSC Legal

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Membership Requirements Compliance Matrix

13. Transparency

b. Market Information *(continued)*

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved SDC By-Laws: Market Information (By-Laws Pending JSC Approval) (English Version)	 Compare JSC Documentation Required to WFE requirements with a focus on: <ul style="list-style-type: none"> 4 ♦ Settlement Data Gathering Requirements ♦ Dissemination of Settlement Data Requirements ♦ Data Dissemination Schedules ♦ Settlement Data Retention Requirements ♦ Depository-Eligible Company Information Disclosure Requirements ♦ Corporate Event Disclosure Requirements ♦ Depository-Eligible Company Capital Increase Notification Requirements ♦ Significant Shareholder Position Disclosure Requirements ♦ Protection of Shareholder Record Data 	<ul style="list-style-type: none"> ◀▶ Gather response(s) to Compliance Gaps between the area responses & WFE requirements  Review & approve response information for inclusion in WFE document H Review & approve response information for inclusion in WFE document ◀▶ Incorporate Section 13, Transparency: Market Information into WEF document

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◀▶ ASE Legal

A ASE Operations

 ASE IT

 ASE Human Resources

H Securities Depository Center (SDC)

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Membership Requirements Compliance Matrix

13. Transparency

c. Trading

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC Rules & Regulations:: Maintenance of an Orderly Market (English Translation)	 Compare JSC Documentation Required to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ Market Transparency Requirements ◆ Price Formation Requirements ◆ Fairness of Price Display Requirements ◆ Market Surveillance Requirements ◆ Market Compliance Requirements ◆ Compliance Exception Reporting Requirements ◆ Reporting to JSC Requirements ◆ Transaction Audit Trail Requirements ◆ Surveillance Data Retention Requirements 	 Identify Compliance Gaps between JSC Rules & Regulations and WEF requirements and compile response, as required  Identify Compliance Gaps between ASE By-Laws and WEF requirements and compile response, as required A Identify Compliance Gaps between ASE Operations and WEF requirements and compile response, as required

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Membership Requirements Compliance Matrix

13. Transparency

c. Trading (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved ASE By-Laws: : Maintenance of an Orderly Market (By-Laws Pending JSC Approval) (English Version)	 Compare ASE By-Laws to WFE requirements with a focus on: A <ul style="list-style-type: none"> ◆ Market Transparency Requirements ◆ Price Formation Requirements ◆ Fairness of Price Display Requirements ◆ Market Surveillance Requirements ◆ Market Compliance Requirements ◆ Compliance Exception Reporting Requirements ◆ Reporting to JSC Requirements ◆ Transaction Audit Trail Requirements ◆ Surveillance Data Retention Requirements 	 Identify Compliance Gaps between SDC By-Laws and WFE requirements and compile response, as required  Gather response(s) to Compliance Gaps between the area responses & WFE requirements

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Membership Requirements Compliance Matrix

13. Transparency

c. Trading (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved SDC By-Laws: Maintenance of an Orderly Market (By-Laws Pending JSC Approval) (English Version)	 Compare SDC By-Laws to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ Trade Data Protection ◆ Settlement Data Protection Requirements ◆ Shareholder Records Protection ◆ Investor/Shareholder Access to Depository Account Data 	 Review & approve response information for inclusion in WFE document H Review & approve response information for inclusion in WFE document  Incorporate Section 13, Transparency: Trading into WEF document

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Membership Requirements Compliance Matrix

14. Foreign Investment

In the event that foreign investors are not allowed to trade domestic securities, and domestic investors are unable to trade foreign securities, a time plan should exist for the abolition of existing restrictions, including the authorities concerned.

There should be:

- no approval needed for foreign investment ;
- no inward or outward foreign exchange remittance restrictions that cause delays;
- no special classes of shares for foreign investors;
- no or minimal restrictions on the foreign ownership of home market securities.

The entire financial market must observe banking and other financial rules and regulations that exist for the prevention of money laundering and similar misuse of the financial markets to the detriment of their integrity and honesty.

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Membership Requirements Compliance Matrix

14. Foreign Investment

All Areas

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
<p> Temporary Law No. (76) for the Year 2002 The Securities Law: Foreign Investment (English Translation)</p> <p> JSC Rules & Regulations: Foreign Investment (English Translation)</p>	<p> Compare Securities Law & JSC Documentation Required to WFE requirements with a focus on:</p> <ul style="list-style-type: none"> ◆ Foreign Investor Prohibition on Domestic Securities Investment ◆ Domestic Investor Prohibition on Foreign Securities Investments ◆ Approvals required of Foreign Investors ◆ Inward & Outward Currency Controls ◆ Restriction Levels on Foreign Ownership ◆ Money Laundering Rules & Regulations ◆ Money Laundering Surveillance, Compliance & Enforcement Rules 	<p> Identify Compliance Gaps between Securities Law & JSC Rules & Regulations and WEF requirements and compile response, as required</p> <p>Z Identify Compliance Gaps between Central Bank of Jordan Rules & Regulations and WEF requirements and compile response, as required</p>

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Membership Requirements Compliance Matrix

14. Foreign Investment

All Areas (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 Central Bank of Jordan Rules & Regulations: Foreign Investment (English Translation)	Z Compare Central Bank of Jordan Documentation Required to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ Approvals required of Foreign Investors ◆ Inward & Outward Currency Controls ◆ Restriction Levels on Foreign Ownership ◆ Money Laundering Rules & Regulations ◆ Money Laundering Surveillance, Compliance & Enforcement Rules ◆ Foreign Investor Special Reporting Requirements ◆ Foreign Investor Special Fees, Licenses, etc. 	◆ Identify Compliance Gaps between ASE By-Laws and WFE requirements and compile response, as required A Identify Compliance Gaps between ASE Operations and WFE requirements and compile response, as required

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Membership Requirements Compliance Matrix

14. Foreign Investment

All Areas (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved ASE By-Laws: : Foreign Investment (By-Laws Pending JSC Approval) (English Version)	 Compare ASE By-Laws to WFE requirements with a focus on: <ul style="list-style-type: none"> A <ul style="list-style-type: none"> ◆ Foreign Investor Rules for Market Participation ◆ Listing of Foreign Securities Issues ◆ Approvals required of Foreign Investors ◆ Restriction Levels on Foreign Ownership ◆ Exchange Money Laundering Rules & Regulations ◆ Money Laundering Surveillance, Compliance & Enforcement Rules 	 Identify Compliance Gaps between SDC By-Laws and WEF requirements and compile response, as required 4 Identify Compliance Gaps between SDC Operations and WEF requirements and compile response, as required

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Membership Requirements Compliance Matrix

14. Foreign Investment

All Areas (continued)

Documentation Required	How To Meet Requirements	Compliance Gaps & Submission
 JSC approved SDC By-Laws: Foreign Investment (By-Laws Pending JSC Approval) (English Version)	 Compare SDC By-Laws to WFE requirements with a focus on: <ul style="list-style-type: none"> ◆ Foreign Investor Rules for Depository Participation ◆ Eligibility of Foreign Securities Issues ◆ Approvals required of Foreign Investors Depository Account(s) ◆ Restrictions on Foreign Investor Depository Participation ◆ Exchange Money Laundering Rules & Regulations ◆ Money Laundering Surveillance, Compliance & Enforcement Rules 	 Gather response(s) to Compliance Gaps between the area responses & WFE requirements  Review & approve response information for inclusion in WFE document  Review & approve response information for inclusion in WFE document  Incorporate Section 14, Foreign Investment:: All Areas into WEF document

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A ASE Operations

 ASE IT

 ASE Human Resources

H Securities Depository Center (SDC)

 SDC Legal

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 Jordan Securities Commission (JSC)

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Membership Requirements Compliance Matrix

15. Compliance with the Federation Recommendations

Members and candidates for membership of World Federation of Exchanges are obligated to bring their business operations in line with these recommendations as rapidly as is feasible, and to assure that they remain in line or become even better.

Market Compliance - Summary Statement

Conformity with WFE Market Principle 15 is to be accomplished by the creation of Summary Compliance Statement (Compliance Statement). The Compliance Statement will refer to the overall ASE Application as evidence of current compliance with WFE recommendations.

The Compliance Statement will also contain, as required, specific plans, schedules and methodologies necessary to bring those areas identified as not in compliance or in partial compliance with WFE recommendations.

In order to demonstrate the highest possible level of consensus, it will be required that the Compliance Statement be signed by all entities participating in the application process.

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Membership Requirements Compliance Matrix

ANNEX 1 The IOSCO Principles

Conformity with WFE Recommended IOSCO Principles will be demonstrated by the creation of Regulatory Compliance Statement (Regulatory Statement) by the Jordan Securities Commission (JSC).

The body of the Regulatory Statement will consist of a history of the JSC's participation in and contributions to IOSCO as an active contributory member.

In addition to supporting the JSC/s commitment to international regulatory standards, the Regulatory Statement will, based on The Securities Law and the JSC's Rules & Regulations, specifically evidence compliance in the areas of:

1. Honesty and Fairness

In conducting its business activities, a firm should act honestly and fairly in the best interests of its customers and the integrity of the market.

2. Diligence

In conducting its business activities, a firm should act with due skill, care and diligence, in the best interests of its customers and the integrity of the market.

3. Capabilities

A firm should have and employ effectively the resources and procedures which are needed for the proper performance of its business activities.

4. Information about Customers

A firm should seek from its customers information about their financial situation, investment experience and investment objectives relevant to the services to be provided.

5. Information for Customers

A firm should make adequate disclosure of relevant material information in its dealings with its customers.

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Membership Requirements Compliance Matrix

ANNEX 1 The IOSCO Principles *(continued)*

6. Conflicts

A firm should try to avoid conflicts of interest, and when they cannot be avoided, should ensure that its customers are fairly treated.

7. Compliance

A firm should comply with all regulatory requirements applicable to the conduct of its business activities so as to promote the best interests of customers and the integrity of the market.

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Membership Requirements Compliance Matrix

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 Jordan Securities Commission (JSC)	 JSC Legal			
Z Central Bank of Jordan				

