

The Executive Bylaws  
Module Five

**Securities Activities  
and Registered Persons**





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## Chapter One

### Securities Activities

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#### General Provisions

##### Article 1-1

The provisions on this Module shall apply to all Licensed Persons to practice the Securities Activities provided for in Article (1-2) of this Module. The Authority may exempt the Units Subject to the Supervision of the Central Bank of all or some of the provisions provided for in this Module, pursuant to an MoU signed between the Authority and the Central Bank. The provisions of Chapter Two (Reviewing the Accounts of Licensed Persons, the Sharia Supervisory System for Persons Licensed to Operate in accordance with Islamic Sharia) and Chapter Three (Registered Persons) of this Module shall also apply to the Exchange and Clearing Agency.

#### Securities Activities

##### Article 1-2

The following are included within the realm of Securities Activities:

1. Investment Portfolio manager.
2. Collective Investment Scheme manager.
3. Investment Advisor.
4. Subscription Agent.
5. Custodian.
6. Market Maker.
7. Securities Broker registered in the Securities Exchange.
8. Securities Broker not registered in the Securities Exchange.
9. Investment Controller.
10. Credit Rating Agency.
11. Valuation of Assets.
12. Qualified Securities Broker registered with an Exchange.
13. Any other activities which the Authority may specify.

#### License Requirements

##### Article 1-3

No Person may carry on any Securities Activity in the State of Kuwait without obtaining a license in relation to that securities activity from the Authority.

Taking into consideration the provisions prescribed in Module Eight (Conduct of Business) of these Bylaws, a corporate entity may obtain a license to operate one or more Securities Activities, except where the Authority may prohibit jointly practicing certain activities.

In all cases, each Licensed Person shall separate the operations of different licensed activities, except for activities related to managing Investment Portfolios by the Licensed Person and managing Collective Investment Schemes.

##### Article 1-3-1

Investors must, prior to the signing of any contract regarding the Securities Activities and work with any entity in the State of Kuwait, verify that such entity has obtained a valid license from the Authority.

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Article 1-4

License Application

A license application shall be submitted by each Person who wishes to carry on any Securities Activity, or by his legal representatives or one of the founders of a company in the process of incorporation, in accordance with the license application form set out in Appendix (5) or Appendix (23) of this Module, as the case may be.

Article 1-5

A license application shall include the following information and documents, as the case may be:

1. Name of the license applicant, his address and either the identity number if a natural person or the commercial register number if a legal person.
2. Business plan containing such details as are set out in Appendix 5 (license application form) of this Module.
3. Statement of the Securities Activity or Activities the applicant wishes to practice.
4. Information about the issued and paid up capital of the company that will carry out the activity requested.
5. A statement of the shareholders whose ownership reaches 5% or more of the company that will conduct the activity, according to the type of legal entity subject of the license application.
6. A copy of the Company Contract to which the license application relates and any amendments to the same.
7. Nomination for applicants for Registered Positions and Employment Positions in accordance with the Fit and Proper Rules in Appendix 10 of this Module.
8. Sufficient information of any Effective Control over the company that will carry out the activity requested.
9. Any agreements or undertakings with external entities.
10. The audited financial statements for the last three years prior to the date of application, in addition to forecasts of its expected three-year future financial position of the company that will conduct the activity.
11. Approval of the Central Bank should the applicant be one of the Units Subject to the Supervision of the Central Bank.
12. A legal opinion from an external legal advisor of the company on cases or a group of cases of significant impact to the financial position of the company, whether filed by the company or against it and its Subsidiary Companies, and the estimated amount of such cases, if possible.
13. Declarations signed by the founders of the company to the effect that no verdict of bankruptcy, penalty on a crime of breach of honor or trust, or being convicted of a crime involving a breach of honor or trust or a freedom restricting penalty in any of the crimes stipulated in the Authority's Law or any other law over the five year period preceding the license application, unless he or they have been discharged.
14. A declaration by the license applicant stating that the information contained in the application and the enclosed documents are correct and complete, in addition to any other declarations required by the Authority.
15. Proof of payment of fees for the processing of the application.
16. Any request by the applicant for exemptions to some requirements and the justification for such a request.
17. Any other information or documents that may be required by the Authority.

An applicant for a license for Securities Activities of a One Person Company shall submit the information and documents in accordance with controls and regulations contained in Appendix (22) of this Module.

**Article 1-6** The Authority may waive some requirements or it may impose additional requirement depending on the type of activity.

### **Determination of a License Application**

**Article 1-7** The Authority will review each license application and if applicable may notify the applicant with the necessity to submit additional information or documentation to demonstrate the following:

1. The ability and capability required to practice the activity.
2. Sufficiency of resources to practice the activity.
3. The administrative experience, technical resources, and systems and operational procedures sufficient to practice the activity.
4. Persons in Registered Positions and Employment Positions have the necessary qualifications, skills and experience as stipulated in Chapter Three of this Module.

If the applicant fails to submit the required information and documents within the period stipulated in writing by the Authority without an excuse acceptable to the Authority, the application shall be deemed to have been withdrawn.

**Article 1-8** The Authority shall set the minimum paid up capital of the Licensed Person in accordance with each of the Securities Activities. Also, it shall set the legal form of the company that shall practice the activity, in accordance with the table stated in Appendix 1 of this Module.

**Article 1-9** The Authority shall determine a license application within three months from the date of receipt of all required information and documents in accordance with Article (1-5) and Article (1-7) of this Module, and Article (2-1) of Module Six (Policies and Procedures of Licensed Person) of these Bylaws.

**Article 1-10** The Authority may take any of the following decisions regarding the license application:

1. Grant the application for a license to all or some of the Securities Activities for which the applicant is seeking a licence.
2. Issue an initial conditional approval subject to the completion of certain procedures or the fulfilment of specific criteria within a period of time set by the Authority. The Authority may extend the term as it deems necessary after the license applicant's payment of the prescribed fees of extension.
3. Reject the license application.

**Article 1-11** The Authority shall inform the applicant of its determination of the application to obtain a license. In the event of a rejection of the application, the determination shall be justified.

## Article 1-12

### License Term and Renewal

A license to carry on Securities Activities remains valid for a term of three years from the date on which it is granted. A Licensed Person intending to renew its license for another three years shall apply for a license renewal.

In the event that a Licensed Person does not intend to renew some or all Securities Activities, they shall comply with the provisions of Article (1-16) of this Module.

### Submitting an Application for License Renewal

## Article 1-12-1

A license renewal application shall be submitted in accordance with the requirements of the Application for Renewing Securities Activities License set out in Appendix 6 of this Module three months prior to the license expiration date, with payment of the prescribed fees.

The Authority may request, at any time after the receipt of the application, any additional documents or information if it deems necessary.

If the Licensed Person fails to submit the required documents and information within the period stipulated by the Authority without an excuse acceptable to the Authority, the application shall be deemed to have been withdrawn.

### Determination of a License Renewal

## Article 1-12-2

The Authority shall determine a license renewal within two months from the date of receipt of this application attached with all required information and documents. The Authority may take one of the following decisions regarding the license renewal:

1. Approval of a license renewal for some or all Securities Activities.
2. Rejection of a license renewal for some or all Securities Activities.

The Authority may reject a license renewal for any of the licensed activities if the Licensed Person does not fulfil the main conditions stipulated in Article (1-7) of this Module.

The Authority shall inform the Licensed Person of its determination of the license renewal application. In the event of a rejection, the determination shall be justified.

### Cancellation, Suspension or Restriction of the License by the Authority

## Article 1-13

The Authority may decline, suspend, revoke, or restrict the activity of any Licensed Person in any Securities Activity, or any Related Party, if it be given evidence of any of the following:

1. He has committed a major fault, given misleading information, or omitted to mention a material fact when applying for a license, or omitted to mention any other information that should be submitted to the Authority.
2. He has failed to meet the standards applied under the Law or any other subsequent system or Bylaws issued accordingly.
3. He has violated any provision, rule, regulation or Bylaws issued under this Law, or under any law related to its activity, or a Securities law, or rule or bylaws of another country.
4. He has been negligent in monitoring one of his affiliates (subordinates) by failing to prevent him from acting in a way which might be a violation of the provisions of this Law or Bylaws.



## Article 1-14

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### 1-14-1

The Authority shall issue justified decision for the suspension, cancellation or restriction of the activities of a Licensed Person. The decision shall be effective from the date of its publication or notification to the Licensed Person.

In the event of suspension of a license or restriction on the activities of the Licensed Person, the following measures shall be taken:

1. The Licensed Person shall prepare a plan to address the reasons for restriction or suspension and submit them to the Authority, provided that it includes the following:
  - A legal opinion from an external legal advisor of the company on any lawsuits of material influence on the legal position of the company, whether the said lawsuits were filed by the company or against it and its Subsidiary Companies as well as the amounts of those lawsuits, if possible.
  - A declaration and undertaking of the Board chairman or his representative to abide by the controls set in the Law and these Bylaws, and not to repeat the Violation by the Licensed Person and any other declarations determined by the Authority.
  - Any documents or other information required by the Authority to ensure that the Licensed Person meets the basic conditions set forth in Article (1-7) of this Module.
2. The Authority shall decide on re-practicing the activity of the Licensed Person who is suspended or restricted within two months from the date of receiving the plan referred to in the previous item, and completing all the required information and documents.
3. The Authority shall notify the Licensed Person of its decision to approve or reject the plan.

In the case that the Authority approves the plan, the Authority shall issue a decision for the Licensed Person to re-practice the suspended or restricted activity after payment of the prescribed fees.

Article 1-14-2

In the event of cancelation of the licensed activities of a Licensed Person who manages or safekeeps Clients' Funds and Clients' Assets by the Authority, the following actions shall be taken:

- 1- The Person whose license has been canceled shall immediately notify his Clients - by the means agreed upon in the contract between the two parties - regarding his work termination due to the license cancelation by the Authority and his taking of the necessary measures to hand over the Clients' Funds and Clients' Assets to the party concerned with holding, managing, or safe-keeping. The Licensed Person shall safe-keep the Clients' Funds and Clients' Assets until completing the handing over process within the time period specified by the Authority in its resolution.
- 2- The Person whose license is canceled shall submit follow up reports of the handing over process of Clients' Funds and Clients' Assets to them or to the party concerned with holding, managing or safe-keeping in accordance with the instructions stipulated in Appendix (3) of Module Seven (Clients' Funds and Clients' Assets) of these Bylaws, from the issuance date of the resolution until the completion of the handover.
- 3- The Person whose license is canceled shall submit to the Authority the following documents upon completion of the handover in accordance with the closing stage stipulated in Appendix (3) of Module Seven (Clients' Funds and Clients' Assets) of these Bylaws:
  - A- Notification from the Clearing Agency regarding the settlement of all obligations due to the market and Clients.
  - B- Report from an external Auditor registered with the Authority stating that the handing over process of Clients' Funds and Clients' Assets is completed in accordance with the Authority's regulations and instructions in this regard, in addition to confirming that the Person does not own any of Clients' Funds and Clients' Assets.

The report referred to above shall be issued by an Auditor registered with the Authority who is different from the external Auditor of the Person whose license is canceled and does not belong to the same office.
  - C- Any other information requested by the Authority.
- 4- The Person whose license has been canceled shall amend the Company's Contract to remove the provision including securities activities in its objectives, within one year from the date of issuing the resolution. The Authority shall be provided with proof thereof.

## Article 1-15

The Authority's cancellation, renewal rejection, suspension, or restriction of a license shall not prevent the Authority from exercising its right to undertake an investigation or to take any procedures against the Licensed Person or any other person related to any Violation taking place before the date of the Authority's decision of cancellation, renewal rejection or suspension of the license or restricting the activity.

The Person shall take all procedures and measures that ensure that the interests of his Clients or the integrity of the financial system are not adversely affected as a result of one of the procedures mentioned in the previous paragraph. Handing over the Clients' Funds and Clients' Assets shall be in accordance with the provisions of Module Seven (Clients' Funds and Clients' Assets) of these Bylaws.

### License Cancellation at the Request of a Licensed Person

## Article 1-16

A Licensed Person may apply for a cancellation of its license, whether for all or some of the licensed Securities Activities, provided that the application for the license cancellation shall be submitted at least six months prior to its expiry.

In the event that a Licensed Person fails to comply with the periods specified for license cancellation, they must immediately apply for license renewal.

The Licensed Person shall also comply with the regulations included in Appendix 27 (Regulations of the Application for Cancellation of Some or all Securities Activities License) of this Module.

### Submitting a License Cancellation Application

## Article 1-16-1

The Licensed Person shall submit the license cancellation application in accordance with the requirements of the Application for Cancellation of Securities Activities License set out in Appendix 7 of this Module and pay the prescribed fees, attached with all the documents and information required by the Authority. It shall also include evidence of the notification sent to the Central Bank regarding units subject to its supervision.

The Authority, at any time after the receipt of the application, may require any additional documents or information if it deems necessary.

If the Licensed Person fails to submit the required documents and information within the period set by the Authority without an excuse acceptable to the Authority, the application shall be deemed to have been withdrawn.

## Article 1-16-2

### Determination of the License Cancellation

The Authority shall determine a license cancellation within two months from the date of receipt of this application attached with all required information and documents. The Authority may take one of the following decisions regarding the license renewal:

1. Approval of the license cancellation of some or all Securities Activities.
2. Rejection of the license cancellation of some or all Securities Activities.

The Authority may reject a license cancellation of any of the licensed activities if it deems necessary or if the Licensed Person does not fulfil the regulations stipulated in Appendix 27 or the requirements of cancellation stipulated in Appendix 7 of this Module.

The Authority shall inform the Licensed Person of its determination of this request. In the event of rejection, the determination shall be justified.

### Person's Obligations after a License Cancellation

## Article 1-16-3

1. The company is required to amend the memorandum and articles of association by cancelling the provision of "Securities Activities" from its purposes within one year from the issuance date of the cancellation resolution or upon holding the company's extra-ordinary general assembly, whichever is earlier, in accordance with the applicable measures at the Authority.
2. If a license cancellation was justified for the purpose of liquidation, the company shall fulfil the liquidity procedures in accordance with the provisions of the Companies Law and its Executive Bylaws, and it shall provide the commercial register notations that indicate the approval of the general assembly on the appointment of the liquidator.
3. The company or the liquidator, as the case may be, shall notify the Authority with the supporting documents approving the amendment mentioned in the items of this Article to complete the procedures of cancelling the company from the Licensed Persons register.

### Temporary Suspension of Activity

## Article 1-17

A Licensed Person who intends to temporarily suspend his Securities Activities shall notify the Authority with the intended date of suspension and reasons behind the same at least three months before the actual date of suspension. The Licensed Person shall ensure the accomplishment of any work intended to be suspended or shall transfer the same to another Licensed Person and shall notify its Clients within an appropriate period prior to his suspension.

The Authority may require the Licensed Person to take certain measures and procedures to protect its Clients or any other Persons.

Article 1-18

Notice Requirements

A Licensed Person shall:

1. Notify the Authority at least thirty days prior to the date of any change of address of its headquarters or the chosen domicile to which notices or documents should be addressed.
2. Notify the Authority within five Business Days as of incorporation, ownership, sale or dissolution of a Subsidiary Company, or in the event of any change in the information submitted to the Authority with regard to the branch offices through which the Licensed Person practices Securities Activities either inside or outside Kuwait.
3. Notify the Authority within five Business Days from the date of the appointment, resignation, or replacement of its Auditor.
4. Notify the Authority immediately upon the occurrence of any development pertaining to the insolvency or liquidation of the Licensed Person, any Controller controlling the same or a member in their Group, or if any regulatory authority conducts an investigation, imposes disciplinary measures or punishments on the Licensed Person in relation to its Securities Activities or in the event that issuance of a judgment that has a material influence on the financial position of the Licensed Person or in the event of any Violation of the provisions stipulated in the Law or these Bylaws, without prejudice to Article (8-2) of Module Seven (Clients' Funds and Clients' Assets) of these Bylaws.
5. Notify the Authority with any decision or procedure issued by a foreign regulatory authority to grant or cancel any licenses to practice Securities Activities of the Licensed Person.
6. Notify the Authority upon admission or refusal of the Licensed Persons' membership at a Securities Exchange or a Clearing Agency.
7. Hold its annual ordinary general assembly following the end of the financial year within two months from the date of providing the Authority with its annual audited financial statements.
8. Notify the Authority of the agenda and place of the ordinary and extra ordinary general assembly's meeting -along with all documents relevant to the items listed on the agenda- at least ten Business Days prior to the commencement of the meeting.
9. Providing the Authority with a copy of the minutes of the ordinary and extraordinary meeting -whatever the case may be- authenticated, in addition to a certificate of noting the amendment of the Company Contract in the commercial register within a maximum of two weeks from the date of the commencement of the meeting.
10. Obtaining the Authority's prior approval on any amendment of the Company Contract.
11. Providing the Authority with updated copies of the policies, procedures, documents, information, services, and data relevant to granting the license within five Business Days from the date of their approval by the Board of Directors of the Licensed Person.
12. Providing the Authority with a copy of the updated supporting documents of the company's license issued by the Ministry of Commerce and Industry within five Business Days from the date of this update.

## Effective Control

### Article 1-19

Anyone who desires to enter into arrangements or agreements that lead to Effective Control of a Licensed Person shall obtain the prior approval of the Authority before completion of such control, according to the procedures stipulated in Article (1-19-1) of this Module.

Obtaining the prior approval of the Central Bank for the units subject to its supervision shall be taken into account.

A Person who is complying with the provisions of Module Nine (Mergers and Acquisitions) of these Bylaws shall be excluded from the provision of this Article.

### Article 1-19-1

The request to obtain the approval of Effective Control of a Licensed Person to the Authority shall be submitted according to the following procedures:

1. The application shall be submitted in accordance with the form provided in Appendix No. (11) of this Module along with payment of the prescribed fees at least sixty (60) days prior to entering into the arrangements or agreements that lead to Effective Control of the Licensed Person. The period shall be calculated from the date of completing all required data and information.
2. The Authority shall decide on the application within a maximum period of sixty (60) days from the date of its submission after fulfilling any information or documents required by the Authority. The Authority grants its approval of the application after ensuring that any Effective Control on the Licensed Person or the acquisition of Shares or capital Shares shall not affect controlling and supervising the Licensed Person or their compliance to the Law and these Bylaws, and after the applicant's payment of the prescribed fees. In the case of the Authority's refusal of the application, the refusal decision must be reasoned.

## Settlement Procedures for Licensed Persons

### Article 1-20

A Licensed Person, prior to filing settlement against bankruptcy, shall inform the Authority at least ten Business Days prior to presenting the same, and provide any documents required by the Authority and coordinate with the latter before initiating the procedures. This provision is not applicable for Units Subject to the Supervision of the Central Bank.

### Article 1-21

A Licensed Person is prohibited from the date of commencement of a settlement against bankruptcy case until the end of the same without the prior approval of the Authority from:

1. Accepting money or assets from new Clients.
2. Acting in respect of Clients' money or assets unless upon written instructions from the Client.
3. Concluding any settlement, mortgage or executing any transfer of property not required in the ordinary course of business.

This provision is not applicable to Units Subject to the Supervision of the Central Bank.

## Liquidation Procedures

### Article 1-22

No appointment of a liquidator to a Licensed Person shall be made without obtaining the Authority's approval, except in appointment by a judicial judgment.

A Licensed Person that wishes to appoint liquidator and proceed with the company's liquidation shall submit a justified license cancellation application in accordance with the provisions of Article (1-16) of this Module.

The Authority may instruct a liquidator to take certain procedures or measures to maintain the assets and cash reserves of the Clients of the Licensed Person whether those monies are under custody of the Licensed Person or another person.

This provision does not apply on Units Subject to the Supervision of the Central Bank.

### Article 1-22-1

Without prejudice to the Companies Law and its Executive Bylaws or the Company Contract, the liquidator may be appointed from the persons that are licensed to practice the activity of Collective Investment Scheme Manager, Investment Portfolio Manager, Investment Controller, and Custodian, or an auditor registered with the Authority who is independent of the Licensed Person.

## Special Provisions for Certain Activities

### Investment Portfolio Manager

#### Article 1-23

An Investment Portfolio manager undertakes to manage the Investment Portfolio of a Client, which may include cash, Securities or other assets owned by the Client, in accordance with the rules set by the Authority. An Investment Portfolio is either a custody portfolio, or is one managed by an Investment Portfolio manager (non-discretionary portfolio) or by the Client (discretionary portfolio).

#### Article 1-24

An Investment Portfolio manager shall comply with all rules set out in Module Seven (Clients' Funds and Assets) of these Bylaws.



## Collective Investment Scheme Manager

### Article 1-25

A Collective Investment Scheme Manager undertakes to manage entities which specialize in the field of investing investors' money in various financial instruments.

### Article 1-26

A Collective Investment Scheme Manager shall comply with the rules set out in Module Thirteen (Collective Investment Schemes) of these Bylaws. It shall:

1. Be licensed by the Authority to carry on Collective Investment Scheme Manager's activity.
2. Manage the Collective Investment Scheme by achieving its investment goals in accordance with the articles of association or contract.
3. Apply adequate policies and procedures to prevent unfair practices that may impact the stability and integrity of the market.
4. Not expose any Collective Investment Scheme to any unnecessary investment risks and shall act in accordance with the purposes of the scheme and its investment policy.
5. Notify the Authority immediately of any developments in the Collective Investment Scheme that may adversely affect the interests of the Unit holders.

## Investment Advisor

### Article 1-27

The duties of the Investment Advisor include, but are not limited to, the following:

1. Evaluating Securities.
2. Providing consultation, issuing reports and analyses for others or through the media and means of communication in relation to one or more activities that include but not limited to the following:
  - a. Invest, purchase or sale of Securities and investment products.
  - b. Subscribe, offer, issue or list Securities.
  - c. Practice any right attached to the possession of Securities.

In addition to providing any consultation or advice that may affect investors' or potential investors' decisions in disposing Securities and investment products.

3. Providing Digital Financial Advisory services.

### Article 1-27-1

Duties and work of an Investment Advisor for a One Person Company:

1. The Authority grants an Investment Advisor license to a One Person Company incorporated by a natural person exclusively.
2. It is prohibited to provide Investment Advisor services to companies requesting to be listed.
3. The Licensed Person mentioned in this Article shall not provide his services to operations subject to the provisions of Module Nine (Mergers and Acquisitions) and Module Thirteen (Collective Investment Schemes) of the Bylaws.

- Article 1-27-2** A One Person Company that has obtained a license to practice the activity of an Investment Advisor shall, at the time of preparing the Licensed Person's policies and procedures' manual, comply with the regulations mentioned in Appendix (1) of Module Six (Policies & Procedures of Licensed Persons) and Module Eight (Conduct of Business) of the Bylaws, as the case may be.
- The mentioned company is exempt from the provisions of Module Seventeen (Capital Adequacy Regulations for Licensed Persons).
- Article 1-27-3** The Licensed Person shall be responsible before the Authority and any person harmed for damages arising from violating the provisions regulating his work, or providing misleading, inaccurate, or incorrect consultations.
- The Authority may require the license applicant, or the Person licensed to practice the activity of the Investment Advisor, to submit an insurance policy as it deems appropriate for the Licensed Person.
- Article 1-27-4** The Authority shall establish a financial analysts' register, and the persons registered in this register may issue publications and research without a recommendation to the disposal of funds and assets.
- Appendix (26) of this Module sets out all the regulations and requirements for registering and cancelling the registration in the financial analysts' register.
- Article 1-27-5** Investors intending to follow-up on the status of the Securities Exchange in general shall view the publications and research produced by the Licensed Persons or those registered in the financial analysts' register at the Authority.
- Only persons licensed to practice the activity of an Investment Advisor are authorized to provide consultation to the investors to dispose of their funds and assets in regards with Securities investment, in the event of expressing their intention in such matter.

**Article 1-27-6**

The work is not deemed within the scope of duties of an Investment Advisor if all the following conditions are met:

1. It is written and published in a newspaper, daily bulletin, magazine or periodical, or is provided through a service that includes regularly updated news and information or is published in a television or radio program.
2. It is statistics and facts concerning the economy and the future trends of the economy.
3. It does not urge or encourage persons to sell, buy or deal in a security.
4. It is not offered for a commission or has a direct or indirect benefit.

**Article 1-28**

Investment Advisor shall comply with the provisions set out in Chapter Eight of Module Eight (Conduct of Business) of these Bylaws when conducting investment research.

**Article 1-29**

In addition to the conditions stated in Article (1-5) and taking into account what is stipulated in Article (1-6) of this Module, if the person is only licensed to practice the activity of Investment Advisor and the activity of Valuation of Assets or one of those two activities and not any other Securities Activities, they shall comply with the conditions of the Registered Employment Positions stated in Article (3-2-4) of this Module.

**Article 1-30**

**Subscription Agent**

The duties of a Subscription Agent include, but not limited to, the following:

1. Offer or sale of Securities on behalf of an Issuer, Ally or agent.
2. Obtain Securities from Issuer or its Ally in order to market them.
3. Manage Securities issuances.
4. Managing Crowdfunding Offers.

**Custodian**

**Article 1-31**

A Custodian offers services of safeguarding assets on behalf of clients by maintaining the Client Assets, performing any related administrative duties in this regard, executing actions on them and complying fully with all duties related to such custody. A Custodian may keep assets of both Kuwaiti and non-Kuwaiti Clients.

**Article 1-32**

Licensed Persons who are licensed to carry out Custodian activity shall comply with rules set out in Module Six (Clients' Funds and Assets) of these Bylaws, in addition to complying with Module Thirteen (Collective Investment Schemes) of these Bylaws when safeguarding the assets that comprises the Collective Investment Schemes.

**Article 1-33**

The duties of a Custodian include, but not limited to, the following:

1. Safeguard the assets that comprise Collective Investment Schemes in accordance with rules set out in Module Thirteen (Collective Investment Schemes) of these Bylaws.
2. Safeguard the money and assets under its custody or under the custody of a sub-Custodian on behalf of a Client.
3. Open accounts, receive assets and transfer the same on behalf of a Client and in accordance with his instructions.
4. Complete settlement for transactions related to assets under custody.
5. Execute Client's instructions with regard to rights attached to those assets such as subscription, attending the general assemblies and voting on behalf of the Client and acting in accordance with his instructions in order to safeguard his interests.
6. Reconcile the contents of the Client's accounts with the contents with the Central Securities Depository and Licensed Persons and other financial services providers regarding the custody of assets.
7. Collect and distribute profits, interests and reclaim deducted taxes of assets subject to custody.
8. Ensure compliance with the laws and rules regulating any action and trading on those assets under custody.
9. Prepare periodic reports related to the contents of the Clients' accounts and send these to the Clients and the supervising entities if any.
10. Undertake the role of the Representative of a Trustee in relation to Bond and Sukuk Assets.
11. Execute the obligations related to Securities transactions, including delivery and payment as specified in the rules of the Clearing House.

**Article 1-33-1**

In addition to the licensing regulations set out in this Module and Module Six (Policies & Procedures of Licensed Persons) of these Bylaws, and in light of what was stated in Article (1-33) of this Module, whoever is seeking to practice the activity of Custodian shall provide the Authority with the following:

1. The internal policies which are followed for practicing the activity to ensure the ability of the Licensed Person to perform his duties.
2. The IT systems used to ensure the ability of a Custodian to perform his duties.
3. Any other activities which the Authority may specify.

**Article 1-33-2**

The Person licensed to practice the activity of Custodian shall be responsible for the damages that may occur to Clients from non-commercial risks or professional responsibility, or the ones resulting from the damage or theft of Clients documents, assets and funds. A Licensed Person shall provide the Authority with arrangements followed to compensate Clients for such damages. The Authority may request from the Licensed Person to achieve such purpose by fulfilling one of the following conditions as a minimum:

1. Insurance policy against damages set out in this Article.
2. Bank guarantee

**Article 1-33-3**

The Custodian shall abide by everything the Authority issues, including the organizational instructions for his work and other regulations issued by the Exchange or the Clearing Agency and approved by the Authority.

**Securities Broker Registered in the Exchange**

**Article 1-34**

A Securities Broker registered in the Exchange shall receive and transmit sale and purchase orders concerning securities in accordance with Clients' instructions in his capacity of being registered within the list of brokers at the Exchange.

**Securities Broker Not-Registered at the Exchange**

**Article 1-35**

A Securities Broker not-registered at the Exchange shall arrange transactions on Securities shall receive and transmit sale and purchase orders of securities in accordance with the Clients' instructions in his capacity of being a non-registered broker at the Exchange.

**Article 1-36**

**Investment Controller**

An Investment Controller shall provide its services to Collective Investment Schemes in accordance with Module Thirteen (Collective Investment Schemes) of these Bylaws. The Investment Controller shall comply with the following:

1. Ensure that the Collective Investment Scheme Manager or the Fund Manager comply with the Law, these Bylaws, decisions, instructions of the Authority, and the Contractual Collective Investment Scheme Contract or the Fund's Articles of Association and Prospectus and any other issued documents.
2. Value shares or investments Units in accordance with the method stated in the Collective Investment Scheme Contract or Articles of Association of the Fund.
3. Ensure that the Collective Investment Scheme Manager or the Fund Manager is performing his responsibilities in the interests of Unit holders in accordance with the Contractual Collective Investment Scheme Contract or the Articles of Association of the Fund and the provisions of these Bylaws and that the money is invested within the limits of prescribed methods and policies set in such contract or the scheme.
4. State any transactions that demonstrate a conflict of interest.
5. Meet at least twice a year with the Executive Team of the Contractual Collective Investment Scheme or the Executive Committee of the Fund to review the compliance of the Contractual Collective Investment Scheme or the Fund with the Law, these Bylaws, decisions, instructions of the Authority, and the Contractual Collective Investment Scheme Contract or the Articles of Association of the Fund, Prospectus and any other issued documents.
6. Notify the Authority with any Violations committed by the Contractual Collective Investment Scheme Manager or the Fund Manager.

**Credit Rating Agency**

**Article 1-37**

A Credit Rating Agency shall undertake the businesses related to collecting data and information to evaluate the credit rating of a given entity aiming to issue a credit classification of that entity and shall review such classifications as needed or at the request of the entity requiring the rating.

**Valuation of Assets**

**Article 1-38**

No person may carry on the activity of Valuation of Assets unless it is a corporate entity licensed by the Authority, provided that one of its partners is an Auditor registered in the Authority's register and abides by the provisions of the Companies Law and its Executive Bylaws.

<b>Article 1-39</b>	<p>The activity of <u>Valuating of Assets</u> includes the following:</p> <ol style="list-style-type: none"> <li>1. Evaluating in kind shares that form the company's capital either when it is incorporated or when increasing capital.</li> <li>2. Evaluating the share of a general partner in accordance with Article (43) and Article (298) of the <u>Companies Law</u>.</li> <li>3. Evaluating net assets of companies entering into a <u>Merger</u>, conversion, division or <u>Acquisition Offer</u>.</li> <li>4. Evaluating the share of a partner who does not want to stay in partnership in accordance with Article (16) of the <u>Companies Law</u>.</li> <li>5. Evaluating the share of a partner who refuses to amend the partnership contract in accordance with Article (52) of the <u>Companies Law</u>.</li> <li>6. Evaluating the share of a dismissed partner in accordance with Article (55) of <u>Companies Law</u>.</li> <li>7. Evaluating the share of a deceased partner in a professional company in accordance with Article (307) of the <u>Companies Law</u>.</li> <li>8. Evaluating attached shares in accordance with Articles (62) and (69) of the Executive Regulations of the <u>Companies Law</u>.</li> <li>9. Any other cases stipulated in the <u>Companies Law</u> or these <u>Bylaws</u>.</li> </ol>
<b>Article 1-40</b>	All conditions stipulated in Article (1-29) of this Module are applicable on all persons carry on the <u>Valuation of Assets</u> ' activity.
<b>Article 1-41</b>	Any <u>person</u> practicing the <u>Asset Valuator</u> activity shall comply, when providing its services, with the provisions of Appendix (1) "Minimum Requirements for the Valuation or Assessment of the Impairment of Assets" of Module Eleven (Dealing in Securities) of these <u>Bylaws</u> in preparing valuation reports.
<b>Article 1-42</b>	<b>Market Maker</b>
	<b>Registration of a Market Maker</b>
<b>Article 1-42-1</b>	A <u>Market Maker</u> shall be registered with the <u>Exchange</u> to carry on market making activity on a certain <u>Security</u> or more for a one year renewable term. A market maker may not request a waiver from carrying on market making activity on such <u>Security</u> within the first three months of commencing market making activity on such <u>Security</u> .
<b>Article 1-42-2</b>	Registration of <u>Market Maker</u> on a listed <u>Security</u> requires obtaining a license from the <u>Authority</u> to practice the market making activity. Market Making license is subject to the provisions of this Module. The registration is suspended automatically, or becomes cancelled when the license is suspended or cancelled.
<b>Article 1-42-3</b>	The <u>Exchange</u> may register a <u>Market Maker</u> on more than one <u>Security</u> at the same time.
<b>Article 1-42-4</b>	The <u>Exchange</u> may permit registration of more than one <u>Market Maker</u> on any one <u>Security</u> .



## Role of an Exchange in Respect of Market Making

### Article 1-42-5

After obtaining the approval of the Authority, an Exchange shall set the detailed procedures and conditions to organize the activity of Market Makers provided that such are not to violate the provisions and conditions stated in this Chapter.

### Article 1-42-6

A Market Maker shall enter into an agreement with the Exchange to define, in detail, the rights and obligations of the Market Maker as well as work conditions.

## Conditions on Market Making Activity

### Article 1-42-7

Taking into consideration the provisions perscribed in Chapter Fourteen of Module Eleven these Bylaws, a Market Maker may use the Treasury Shares of Listed Companies.

If a Market Maker borrows the shares of a Listed Company, the following conditions shall be taken into consideration:

1. Securities are free from any legal restrictions for the duration of the agreement.
2. Enter into an agreement with the lender, provided that the following items are specified:
  - a. The duration of the agreement, and it may stipulate that the contract be terminated before the end of the specified period, upon the desire of one party or both parties.
  - b. Determine the party of the share rights, including but not limited to cash dividends and bonus shares.
  - c. Not to deal in shares if there is insider information or a statement that has a material impact.
  - d. Ensure that the Treasury Shares are listed in the records of the lending company in accordance with the requirements of international standards for accounting treatments in this regard.
  - e. Comply with the rules of the Clearing Agency regarding lending and borrowing Securities that are specific to the Market Maker only.

### Article 1-42-8

A Market Maker is exempt from disclosure of the interests in accordance with the provisions of Chapter Four of Module Ten (Disclosure and Transparency) of these Bylaws on the Shares that it holds under its capacity. The Market Maker shall disclose if the interest it holds exceeds 10% of a Listed Company capital, and shall update disclosure on every incremental change of 1% over the minimum amount mentioned above.

### Article 1-42-9

A Market Maker is not permitted to exercise voting rights in respect of the Shares that it holds for its market making activity, nor is it permitted to authorize a third party to exercise these voting rights, nor may it appoint Members of the Board of Directors or exert any direct or indirect influence on the company's decisions.

Its Shares shall be included within the required quorum for holding a general assembly, and its Shares shall be calculated within the Shares represented at the assembly, excluding borrowed Treasury Shares.

## Exemptions Granted to Market Makers

### Article 1-42-10

Securities held by Market Maker in its capacity as such shall not be included within the percentage referred to in Article (74) of the Law regarding Mandatory Acquisition.

## Market Maker's Portfolios

### Article 1-42-11

An Exchange may set a minimum cash requirement for the Market Maker portfolio to practice the market making activity. Also, it may set the maximum and minimum percentage rates of what shall be kept in cash or Securities to practice the activity.

### Article 1-42-12

A Market Maker is not permitted to practice the activity of market making in Securities other than in respect of the Securities he is authorized to work on. Moreover, it is not permitted to use a Market Maker Portfolio for other activities.

### Article 1-42-13

A Market Maker may dispose of the profits and financial surpluses resulted from its work in a way it considers appropriate after transferring these profits and financial surpluses from the Market Maker Portfolio.

### Article 1-42-14

A Market Maker may invest the cash available in the Market Maker Portfolio in short term Debt Instruments.

## Orders of Market Maker

### Article 1-42-15

Market Maker orders are tracked separately by the trading system in order to account for them within the clearing and settlement system as per the conditions and rules under which the Market Maker works.

### Article 1-42-16

Market Maker Orders shall not be given preference or priority when entering or presenting those orders in the trading system.

## Conditions Concerning Securities subject to Market Making

### Article 1-42-17

A Security on which a Market Maker registers, is subject to the following:

1. A period of no less than three months shall elapse from the listing of the Security on the Exchange.
2. The number of Market Makers for one Security shall not exceed five, unless the Authority approves an increase to this number.

The Exchange shall set other conditions that shall be applicable to such Securities.

## Market Maker's Obligations

### Article 1-42-18

A Market Maker is required to maintain the continuous presence of buy and sell orders for a Security for which its registered as a Market Maker in accordance with an agreement entered into between a Market Maker and an Exchange, and which shall be changed in accordance with the movement of the Security's prices within certain periods of time set by the Exchange.

<b>Article 1-42-19</b>	A <u>Market Maker</u> shall make buy and sell orders available for a period set by the <u>Exchange</u> .
<b>Article 1-42-20</b>	A <u>Market Maker</u> shall maintain the minimum cash requirement set by the <u>Exchange</u> .
<b>Article 1-42-21</b>	A <u>Market Maker</u> shall provide buy and sell orders in accordance with the tranches set by the <u>Exchange</u> as indicated in the agreement entered into between the <u>Market Maker</u> and the <u>Exchange</u> . The <u>Exchange</u> may set a rate as a percentage of the maximum sell orders from the total daily orders of a single <u>Security</u> .
<b>Article 1-42-22</b>	A <u>Market Maker</u> shall execute buy and sell orders (transactions) with a monthly trading value of not less than a specified percentage set by the <u>Exchange</u> out of the total trading value on the <u>Security</u> for the same month.
<b>Article 1-42-23</b>	A <u>Market Maker</u> shall provide the <u>Authority</u> with a weekly report on the following: <ol style="list-style-type: none"> <li>1. A summary of the buy and sell deals executed in each trading session.</li> <li>2. The average daily difference between the buy price and sell price.</li> <li>3. The average size of buy and sell orders entered in each trading session.</li> <li>4. The percentage of executed orders during the day out of the total value of orders.</li> </ol>
<b>Article 1-42-24</b>	A <u>Market Maker</u> shall submit to the <u>Authority</u> a weekly list of its ownership percentages in the <u>Shares</u> in which the <u>Market Maker</u> operates, and any changes occurring to those percentages.
	<b>Temporary Exemptions from Market Making Obligations</b>
<b>Article 1-42-25</b>	A <u>Market Maker</u> may be exempted from its obligations on a certain <u>Security</u> in the following cases: <ol style="list-style-type: none"> <li>1. If the <u>Authority</u> decides to change the difference in price between the bid and ask orders in the event of severe market fluctuation.</li> <li>2. The <u>Security</u> is suspended from trading.</li> <li>3. The <u>Authority</u> issues a decision to suspend a <u>Market Maker</u> from carrying on its activity.</li> <li>4. Other cases set by the <u>Authority</u>, or by the rules of the <u>Exchange</u> or <u>Clearing Agency</u>.</li> </ol>
<b>Article 1-43</b>	<b>Qualified Securities Broker registered with an Exchange</b>
<b>Article 1-43-1</b>	A Qualified Securities Broker registered in the Exchange shall receive and transmit sale and purchase orders concerning securities according to clients' instructions, and receipt and deposit funds and assets from licensed parties from regulatory bodies in Kuwait.

**Article 1-43-2**

Qualified Securities Broker registered with an Exchange shall perform the following tasks:

1. Open accounts for clients and take all the necessary steps to obtain the whole and correct data which allows him to know the client
2. Receive and deposit funds and assets of the client in the omnibus account specific to the Qualified Securities Broker registered in the Exchange for the clients benefit from licensed parties from regulatory bodies in Kuwait
3. Work under the supervision of a clearing agency for clearing and settlement issues as a result of clients trading transactions and risk management and reconciliation of records with related parties according to regulations approved by the Authority
4. Execute client's instructions in using the funds and assets available from the account management.

**Article 1-43-3**

In addition to the licensing regulations set out in this Module and Module Six (Policies & Procedures

of Licensed Persons), and in light of what was stated in article (1-42-2), whoever is seeking to practice the position of a qualified securities broker registered in the exchange shall provide the Authority with the following:

1. The internal policies which is followed to ensure the ability of a qualified securities broker registered in the exchange to perform his duties.
2. The IT systems used to ensure the ability of a qualified securities broker registered in the exchange to perform his duties.
3. Any other activities which the Authority may specify.

**Article 1-43-4**

A qualified securities broker registered in the Exchange shall abide by everything the Authority issues, including the organizational instructions for his work and other regulations issued by the Exchange or the Clearing Agency approved by the Authority.

<b>Article 1-44</b>	<b>Transfer of the License Resulting from Merger Processes</b>
<b>Article 1-43-1</b>	Without prejudice of the provisions set out in Module Nine (Mergers and Acquisition) of these Bylaws, the provisions of this Article shall apply to Licensed Persons by the Authority.
<b>Article 1-44-2</b>	<ol style="list-style-type: none"><li>1- If the Merger process demands transfer of the Securities Activities license from the Merged Company or companies to the Merging Company or new company (as the case may be), the Authority shall issue its decision of transferring the license by granting a license to the Merging Company or the new company (as the case may be) to practice the Securities Activities granted to the Merged Company or companies as the case may be after the Authority issues its approval of executing the Merging process and announcing the general assembly's decisions to the companies involved in the Merging Process in the Official Gazette and establishing the new company, provided that the license shall only be valid from the date of annotating the Merger in the Commercial Register.</li><li>2- The Authority shall grant the Merging Company or the new company (as the case may be) a specific period which starts from the date defined by the Authority to fulfil the conditions stipulated in Article (1-7) of Chapter One (Securities Activities) of this Module.</li></ol>
<b>Article 1-44-3</b>	<ol style="list-style-type: none"><li>1- In case the Merged Company practices the same Securities Activity, one license shall be issued for the Merging Company or the new company (as the case may be) as specified by the Authority in this concern.</li><li>2- All licenses issued by the Authority for the same Securities Activity granted to the Merged Companies shall be deemed automatically revoked starting from the date of annotating the Merger in the Commercial Register.</li></ol>
<b>Article 1-44-4</b>	Registration of Registered Persons in the Registered Employment Positions shall continue in case they transfer from the Merged Companies to the Merging Company or new company (as the case may be) for the purpose of practicing the same positions, and in the same positions they are registered in at the Authority.
<b>Article 1-44-5</b>	In case of failure of the Merging Company or the new company (as the case may be) in submitting the required documents and information within the period specified by the Authority for fulfilling the license requirements without a good reason acceptable to the Authority, the Authority may revoke or suspend the license or restrict the activity or take any other measure it deems appropriate.

**Article 1-45**

**Transfer of the License Resulting from Division Processes**

**Article 1-45-1**

Without prejudice to the provisions set out in Module Nine (Mergers and Acquisitions) of these Bylaws, the provisions of this Article shall apply to Licensed Persons by the Authority.

**Article 1-45-2**

1. If the Division process demands transfer of the Securities Activities license from the Dividing Company to the Divided Company, the Authority shall issue its decision of transferring the license by granting a license to the Divided Company (as the case may be) to practice the Securities Activities granted to the company as the case may be after the Authority issues its approval of executing the Division process and announcing the general assembly's decisions of the companies involved in the Division process in the Official Gazette and establishing the new company/s, provided that the license shall only be valid from the date of annotating the Division in the Commercial Register.
2. The Authority shall grant the Divided Company, whether existing or resulting from division process (as the case may be) a specific period, which starts from the date specified by the Authority to fulfil the conditions stipulated in Article (1-7) of Chapter One (Securities Activities) of this Module.

<b>Article 1-45-3</b>	In case the <u>Dividing Company</u> practices <u>Securities Activities</u> , one license or more shall be issued for each <u>Divided Company</u> as specified by the <u>Authority</u> in this concern and after the approval of the <u>Draft Division Contract</u> .
<b>Article 1-45-4</b>	Registration of <u>Registered Persons</u> in the <u>Registered Employment Positions</u> shall continue in case they transfer from the <u>Dividing Company</u> to the <u>Divided Company</u> for the purpose of practicing the same positions they are registered in at the <u>Authority</u> .
<b>Article 1-45-5</b>	In case of failure of the <u>Dividing Company</u> to submit the required documents and information within the period specified by the <u>Authority</u> for fulfilling the license requirements without a reason acceptable to the <u>Authority</u> , the <u>Authority</u> may revoke or suspend the license or restrict the activity or take any other measure the <u>Authority</u> deems appropriate.

## Chapter Two

### Reviewing the Accounts of Licensed Persons, the Sharia Supervisory System for Persons Licensed to Operate in Accordance to Islamic Sharia

2

#### Article 2-1

#### Reviewing the Accounts of Licensed Persons

##### Article 2-1-1

Each Licensed Person shall maintain a comprehensive accounting system and maintain books, records, and accounts that enable the production of financial statements and income statements in accordance with the international standards for financial reporting.

##### Article 2-1-2

Each Licensed Person shall comply with the following:

1. Execute operations in accordance with a general or special authorization obtained from the competent department.
2. Organize the disposition of assets under general or special authorization from the competent department.
3. Compare registered assets during appropriate periods of time and take the necessary actions towards any material changes.
4. Record transactions in order to prepare financial statements in accordance with the criteria stipulated in Article (2-1-1) of this Module.

##### Article 2-1-3

Within one month of obtaining a license, a Licensed Person shall appoint an Auditor who is registered by the Authority, provided that the auditor shall not be a manager, officer, employee, shareholder, or a partner of the Licensed Person.

Each Licensed Person shall notify the Authority within a period not exceeding five Business Days of the date of appointment, dismissal or resignation of the Auditor.

##### Article 2-1-4

The Licensed Person shall appoint an Auditor for one financial year, renewable annually for a period not exceeding four consecutive financial years, unless the Licensed Person is under liquidation. The same Auditor may be reappointed after a period of suspension not less than two consecutive financial years.

##### Article 2-1-5

The Authority may request from the Licensed Person, in accordance with the type of activity subject to the license, to submit periodic reports on all his work, and shall submit an annual report on the audited financial statements as well as reviewed quarterly financial statements.

##### Article 2-1-6

A Licensed Person, when evaluating or assessing the impairment of any asset listed in its financial statements, based on the requirements of the International Accounting Standards approved by the Authority, shall comply with the provisions of Appendix (1) "Minimum Requirements for the Valuation or Assessment of the Impairment of Assets" of Module Eleven (Dealing in Securities) of these Bylaws.



**Article 2-2****The Sharia Supervisory System for Persons Licensed to Operate in accordance with Islamic Sharia****Article 2-2-1**

In addition to the conditions and provisions of Licensed Persons stated in these Bylaws, all Persons Licensed to operate in accordance with the provisions of Islamic Sharia shall comply with the rules and procedures stated in Article (2-2) of this Module.

The provisions of Article (2-2) of this Module are not applicable on Units Subject to the Supervision of the Central Bank.

**Article 2-2-2**

In addition to the conditions for the application for a license for each activity, the following conditions shall be met by a person licensed to operate in accordance with the Islamic Sharia:

1. Its Articles and Memorandum of Association shall state that the practice of such activities, particularly the Securities Activities, shall be in accordance with Islamic Sharia
2. Its internal organization shall include a Sharia supervision and auditing system stipulated in its internal regulations to ensure professional and effective performance in accordance with the international criteria approved by the Authority.
3. The Sharia audit system of the Licensed Person shall consist of an Internal Sharia Auditing Unit and External Sharia Auditing Office. The Licensed Person may appoint a Sharia Supervisory Board to perform the duties prescribed in Article 2-2-8 of this Module. It is not permitted to combine the tasks of the Internal Sharia Auditing Unit, External Sharia Auditing Office, and Sharia Supervisory Board.

**Article 2-2-3**

Those who were licensed to operate in accordance with Islamic Sharia shall fulfil the following conditions:

1. To comply with the conditions, regulations and any provisions or Sharia Standards that may be approved by the Authority.
2. To have a code of ethics in accordance with the provisions and principles of the Islamic Sharia.
3. The internal regulations, contracts, agreements and forms they use, the products they provide and the instruments they issue shall be in accordance with Sharia Standards.
4. The Licensed Person shall appoint an External Sharia Auditing Office for one-year, renewable annually for a period not exceeding four consecutive financial years. The same External Sharia Auditing Office may be reappointed after period of suspension not less than two consecutive financial years. The Licensed Person shall notify the Authority within a maximum period of five Business Days from the appointment date of the External Sharia Auditing Office.
5. Each person licensed to operate in accordance with the Islamic Sharia Standards shall take the initiative of appointing an External Sharia Auditing Office within the offices registered at the Authority within one month of obtaining the license, provided that one of the partners of these offices shall not be a manager, officer, employee, shareholder or a partner of the Licensed Person.

<b>Article 2-2-4</b>	The Internal Sharia Auditing Unit shall be an administrative unit responsible to the auditing committee and competent to supervise the commercial and financial transactions to ensure compliance with the Sharia decisions and criteria as well as the <u>Authority's</u> relevant decisions.
<b>Article 2-2-5</b>	The <u>Sharia Audit Officer</u> shall be responsible for the Sharia Auditing Unit. The <u>Licensed Person</u> may appoint an external entity to perform some tasks of the <u>Sharia Audit Officer</u> in accordance with the provisions of Article (3-2-8) of this Module, which entity shall be an <u>External Sharia Auditing Office</u> registered at the <u>Authority</u> .
<b>Article 2-2-6</b>	The Internal Sharia Auditing Unit shall verify the application of Sharia by reviewing randomly selected cases of diverse daily transactions of the business of the <u>Licensed Person</u> ; to ensure that the departments comply with the Sharia standards and the related decisions of the <u>Authority</u> , within periodical appointments and field visits to locations or organizations that the <u>Licensed Person</u> deals with, as necessary.
<b>Article 2-2-7</b>	The Internal Sharia Auditing Unit shall submit periodical reports to the auditing committee of the Board of Directors of the <u>Licensed Person</u> , which reports shall be subjected to periodical reviews and audits.
<b>Article 2-2-8</b>	<p>The Sharia Supervisory Board of a <u>Person Licensed</u> to Operate in Accordance to Islamic Sharia is responsible for the following:</p> <ol style="list-style-type: none"> <li>1. Review of investment structures, products, and contracts and their development and all documents, procedures, and new products, and issuance of resolutions regarding their level of compliance with <u>Sharia Standards</u>, or issuance of fatwa, resolutions, and suitable Sharia controls when needed after obtaining all information or explanations that the <u>Sharia Supervisory Board</u> may deem necessary to issue its resolution.</li> <li>2. Review of the policies and procedures of the products and activities of the <u>Person Licensed</u> to Operate in Accordance to Islamic Sharia.</li> <li>3. Respond to all inquiries of the company arising from the conduct of its business that is related to explaining or implementing <u>Sharia Standards</u>.</li> </ol>
<b>Article 2-2-9</b>	<p>The <u>Licensed Person</u> is responsible for specifying the <u>Sharia Standards</u> that the company shall comply with, and shall commit to inform the <u>Authority</u> of the references of the implemented <u>Sharia Standards</u>.</p> <p>The <u>Sharia Supervisory Board</u> shall interpret these standards. The <u>Licensed Person</u> shall also commit to providing the <u>Authority</u>, Internal <u>Sharia Auditing Unit</u>, and <u>External Sharia Auditing Office</u> with the report of the <u>Sharia Supervisory Board</u> upon request; provided that this report is prepared on a semi-annual basis.</p> <p>In the case of non-compliance by the <u>Licensed Person</u> with the <u>Sharia Standards</u>, it shall commit to include in its periodical report the justifications for its non-compliance.</p>
<b>Article 2-2-10</b>	<p>The report of the <u>Sharia Supervisory Board</u> shall include the following:</p> <ol style="list-style-type: none"> <li>1. The work done in reviewing investment structures, products, and contracts and their development and all documents, procedures, and new products.</li> <li>2. All resolutions issued by the <u>Sharia Supervisory Board</u>.</li> <li>3. The policies and procedures manuals of the products and activities of the <u>Licensed Person</u> which were prepared by the <u>Sharia Supervisory Board</u>.</li> </ol>

## Chapter Three Registered Persons

### Article 3-1

#### General Provisions

#### Article 3-1-1

The provisions of this Chapter shall apply to Registered Persons as follows:

1. Any person who holds or performs Registered Positions and Employment Positions for the Licensed Person.
2. Auditors registered at the Authority.
3. External Sharia Auditing Offices registered at the Authority.

As for the Units Subject to the Supervision of the Central Bank, the provisions of Registered Persons of this Chapter shall be applied in accordance with a Memorandum of Understanding entered into between the Central Bank and the Authority.

#### Article 3-1-2

The Authority shall prepare a special record of the Registered Persons. Registration shall be completed when all conditions and regulations stated in this Chapter are fulfilled.

#### Article 3-1-3

The Authority may cancel the registration of any Registered Person in the event of not fulfilling the conditions and provisions related to their work.

#### Article 3-1-4

The Authority may suspend the registration of any Registered Person and take all the necessary procedures it deems appropriate to verify that the Registered Person fulfils the conditions and provisions related to their work.

The Authority may re-register such person in the event that all conditions and provisions are met.

#### Article 3-1-5

Cancellation or suspension of registration of a Registered Person shall not restrict the Authority from conducting any investigation or undertaking any procedure against that Person regarding any Violation committed during their registration.

## Article 3-2

## Registered Positions and Employment Positions

### Article 3-2-1

Each Licensed Person shall appoint employees to fulfil Registered Employment Positions as stated in Article (3-2-2) of this Module. Only natural Persons shall occupy Registered Employment Positions.

The position of Member of a Board of Directors of a Licensed Person is considered a Registered Position.

### Article 3-2-2

The following are Registered Employment Positions:

1. Chief Executive Officer.
2. Senior Executive.
3. Financial Manager.
4. Risk Management Officer.
5. Internal Audit Officer.
6. Sharia Audit Officer, for Persons Licensed to operate in accordance with Islamic Sharia Principles.
7. Compliance Officer.
8. Representative of Securities Activities:
  - a. Representative of a Securities Broker registered in a Securities Exchange.
  - b. Representative of a Securities Broker not registered in a Securities Exchange.
  - c. Representative of an Investment Advisor.
  - d. Representative of a Collective Investment Scheme manager.
  - e. Representative of a Custodian.
  - f. Representative of an Investment Controller.
  - g. Representative of a Subscription Agent.
  - h. Representative of a Credit Rating Agency.
  - i. Representative of a Market Maker.
  - j. Representative of a Valuation of Assets.
  - k. Representative of a Qualified Securities Broker registered with an Exchange.
  - l. Representative of an Investment Portfolio Manager – (Managed by the Client personally and custody).
  - m. Representative of an Investment Portfolio Manager – (Managed by the Licensed Person in favour of Clients).
  - n. Representative of a Collective Investment Scheme Manager – (Operations Officer).
9. Senior Investment Advisor.
10. Senior Asset Valuator.
11. Any other Employment Positions that the Authority deems are Registered Employment Positions.

- Article 3-2-3** A Licensed Person is responsible for registering any individual who works for them in the Registered Positions and Employment Positions at the Authority, pursuant to the Fit and Proper Rules stipulated in Article (3-3) of this Module.
- Article 3-2-4** If the person is licensed to practice the activity of an Investment Advisor and a Valuation of Assets or one of these two activities without any other Securities Activities, its team leader that undertakes the duties of an Investment Advisor and Valuation of Assets shall be registered in the position of the Senior Investment Advisor or the Senior Asset Valuator, according to the authorized activity licensed.
- The Licensed Person shall also register the representatives of the mentioned activities according to the services it intends to offer.
- The Chief Executive Officer and the Senior Executive are exempted from the requirement of experience in a financial or banking institution, if the applicant has acquired at least 7 years of experience in a company whose main activity is in the area of consulting or asset valuation.
- Article 3-2-5** Only Registered Person are allowed to occupy Registered Positions and Employment Positions.

#### Article 3-2-6

An individual may be registered for more than one Registered Employment Positions defined under Article (3-2-2) of this Module. As an exception, the following occupations and positions shall not be performed jointly:

1. Internal Audit Officer, Sharia Auditing Officer, Compliance Officer, Risk Management Officer and Financial Manager.
2. Registered Employment Positions stated in paragraph (1) of this Article or any other Registered Employment Positions.
3. Representative of Market Maker and a representative of Investment Portfolio Manager - (Managed by the Client personally and custody) or a representative of Investment Portfolio Manager - (Managed by the Licensed Person in favour of Clients) or a representative of a Collective Investment Scheme Manger or a representative of a Collective Investment Scheme Manager -(Operations Officer).
4. Representative of a Qualified Securities Broker registered with an Exchange and a representative of Investment Portfolio Manager - (Managed by the Client personally and custody) or a representative of Investment Portfolio Manager – (Managed by the Licensed Person in favour of Clients) or a representative of a Collective Investment Scheme Manger or a representative of a Collective Investment Scheme Manager – (Operations Officer).
5. Representative of an Investment Portfolio Manager - (Managed by the Client personally and custody) or a representative of Investment Portfolio Manager – (Managed by the Licensed Person in favour of Clients) and the position of Members of the Board of Directors of other Licensed Persons.
6. All Registered Employment Positions, except for the position of the Chief Executive Officer, and the position of Member of the Board of Directors of the same Licensed Person.

#### Article 3-2-7

A Registered Person shall not occupy any Registered Employment Positions for more than one Licensed Person.

**Article 3-2-8**

A Licensed Person may assign an external entity to undertake the tasks of the Registered Employment Positions according to the following provisions:

1. An external entity may be assigned to undertake the tasks of the following Registered Employment Positions:
  - Risk Management Officer.
  - Internal Audit Officer.
  - Sharia Audit Officer.
2. If a person is licensed to practice the activity of Investment Advisor and Asset Valuation or one of these two activities and not the other Securities Activities, he may assign external entities to undertake the following Registered Employment Positions:
  - Financial Manager.
  - Risk Management Officer.
  - Internal Audit Officer.
  - Compliance Officer.
3. A Licensed Person is exempt from appointing and registering an officer to undertake the Registered Employment Positions in the event of assigning an external entity to undertake the tasks of such position.
4. The Licensed Person may not assign the same external entity to undertake more tasks of a Registered Employment Position, except the cases in which the Parent Company of the Licensed Person is assigned to undertake the tasks of the Registered Employment Positions.
5. The Licensed Person shall conduct a feasibility assessment study on the assigned external entity.
6. The Licensed Person shall take the Care of a Prudent Person when selecting and monitoring the assigned external entity and shall consider conflict of interests and ensure the independence of the assigned entity.
7. The Licensed Person shall take the Care of a Prudent Person when considering the expected operational risks that may result from the assignment.
8. A Member of a Board of Directors or the Chief Executive Officer or one of the Senior Executives at the Licensed Person shall be liable for following up on the work of the external entity that was assigned to undertake the tasks of the Registered Employment Positions and in ensuring its compliance with the provisions related to these Bylaws.
9. The Licensed Person shall document all arrangements with the external entity that was assigned to undertake the tasks of the Registered Employment Positions. The contract shall include the following items as a minimum:
  - The scope of the contract.
  - The term of the contract.
  - The conditions of the contract's recession.
  - The requirements of the assigned tasks and responsibilities.
  - The business continuity plan of the external entity.
  - Confidentiality, privacy, and information security.
  - Cooperate and grant the Licensed Person the right to access accounting documents and records related to the assigned tasks and responsibilities.
  - Undertake to comply with all the relevant applicable regulatory and legal requirements in accordance with the Authority's Law and its Executive Bylaws.



10. The external entity that undertakes the tasks of Registered Employment Positions shall be assigned for one calendar year only.
11. The application to assign an external entity to undertake the Registered Employment Positions shall be submitted in accordance with the form provided in Appendix 20 of this Module.
12. The Licensed Person shall notify the Authority of the termination of assignment of any external entity that undertakes the tasks of Registered Employment Positions within five Business Days from the date of termination of the assignment.

**Article 3-2-9**

A Registered Person in a Registered Employment Position shall reside in the State of Kuwait according to the following:

1. Evidence of permanent residency in the State of Kuwait through the Civil Identification.
2. The Civil Identification of a non-Kuwaiti Registered Person shall include the name of the Licensed Person that has issued the residency or one of his subsidiary companies wholly owned by him, unless the Authority decides otherwise.

**Article 3-2-10**

A Licensed Person shall notify the Authority within five Business Days from the date the Registered Person no longer occupies a Registered Position or Employment Position in accordance with the Application for Cancellation of the Registration of the Registered Positions and Employment Positions set forth in Appendix 16 of this Module.

**Article 3-2-11**

When any Registered Employment Position is vacant, a Licensed Person shall fill the vacancy within a period not exceeding six months.

In the case of the Chief Executive Officer, a replacement shall be appointed within a period not exceeding one year from the date of such vacancy, provided that the Licensed Person shall assign one of the Members of the Board of Directors or one of their Senior Executives registered in the Authority to undertake the duties of the Chief Executive Officer during the vacancy period, and shall notify the Authority within five Business Days from the date of conducting such action.

**Article 3-2-12**

The Authority may cancel the registration of any Registered Person upon their request or upon the request of the Licensed Person in the case of the termination of their Registered Positions and Employment Positions.

**Article 3-2-13**

The Authority may exempt the Licensed Person from the requirements of Registered Positions and Employment Positions stated in this Module, or impose additional conditions, in accordance with the type of activity to be licensed.



**Article 3-2-14**

The Licensed Person shall register a natural person in the position of Senior Executive in accordance with the following provisions:

1. They shall occupy executive positions whose competence is related to the Core Activities of the financial or banking institution, and they shall carry out business related to Securities Activities practiced by the Licensed Person.
2. They shall follow directly from the Chief Executive Officer in the approved organizational structure of the financial or banking institution, as deputy or assistant Chief Executive Officer.
3. All representatives of a Securities Activities licensed with the Authority shall report to a person registered in the position of Senior Executives in the organizational structure approved by the financial or banking institution, except for the position of Representative of a Collective Investment Scheme Manager – (Operations Officer).

**Article 3-2-15**

The Licensed Person shall observe the complete separation between the job titles of applicants of the Registered Employment Positions mentioned in Article (3-2-2) of this Module, specifically the following positions:

1. Financial Manager.
2. Risk Management Officer.
3. Internal Audit Officer.
4. Sharia Audit Officer, for Persons Licensed to Operate in accordance with Islamic Sharia Principles.
5. Compliance Officer.

The job title of the Registered Person shall be related to the job tasks of the Registered Employment Position, taking into account the separation between those titles in the organizational structure.

**Article 3-2-16**

The Licensed Person shall authorize a Registered Person at the Authority for the Registered positions or Employment Positions to undertake the tasks of the Registered Employment Positions in the event of the absence of the Registered Person in the position of Chief Executive Officer or Senior Executives for a period exceeding one month in accordance with the following provisions:

- The authorized person shall be registered in the Registered positions or Employment Positions and follows the authorized position directly in the organizational structure approved by the Licensed Person.
- The Licensed Person shall appoint a suitable replacement in the event that there is more than one candidate for the authorized position.
- To notify the Authority within five Business Days of the Licensed Person's authorization and the term of the authorization.

## Article 3-3

### Fit and Proper Rules

#### Article 3-3-1

Fit and proper rules shall be applied to Licensed Person and Registered Positions and Employment Positions at the Licensed Person, Special Purpose Vehicle Company that issue Securities shall be exempted from such requirement.

The person registered in Registered Positions and Employment Positions at the Licensed Person shall comply with the fit and proper rules throughout the period of registration.

If any of the conditions of fit and proper rules ceases to exist, the Authority may cancel or suspend the registration of the Registered Person and it may re-register such person in the event that such conditions are met.

### Competence and Capability

#### Article 3-3-2

A Candidate shall meet the following criteria:

1. Academic qualifications in accordance with the professional field in which they are engaged.
2. Appropriate professional experience in a field in accordance with the nature of work in the organization and the job to which they are nominated.
3. Pass the qualification examinations as determined by the Authority in the Professional Qualifications Program.
4. Technical, leadership and administrative abilities that allow them to be independent in judgement, make appropriate decisions and understand all technical requirements and recent updates related to their responsibilities.
5. Achieving all assigned tasks and responsibilities as well as working to achieve the organization's goal.
6. Being aware of all technical updates and professional and administrative developments.

Appendix 3 of this Module includes the qualifications, the requirements set in Professional Qualifications Program and the experience required of each Candidate.

#### Article 3-3-3

The Authority may take all necessary procedures to verify the technical and professional abilities that qualifies a candidate for Registered Position or Employment Position. This includes setting the necessary rules and conditions and passing qualification exams set by the Authority as specified in the Professional Qualifications Program and the possibility of holding an interview for the candidate if deemed necessary.

## Honesty and Integrity

### Article 3-3-4

The Candidate must:

- Not have been convicted of a crime involving a breach of honour or trust or a crime related to money laundering, financing terrorism, capital markets, or corruption, unless he has been rehabilitated.
- Has a good reputation and manner.
- Has not been dismissed from his position by a disciplinary decision from a Regulatory Body or by a final judiciary judgment.

The Candidate shall submit a declaration of the same.

### Article 3-3-5

The Authority may take all necessary procedures it deems appropriate to verify that a Candidate fulfils the conditions stated in these honesty and integrity criteria whether inside or outside Kuwait.

## Financial Soundness

### Article 3-3-6

A Candidate shall not have been declared bankrupt unless he has settled and no arrest order or warrant to pay his debt shall be in existence against him.

The Authority may consider the circumstances of exoneration of an individual in the event that it occurs within the three past years.

## Special Provisions for Nomination and Registration

### Article 3-3-7

A Licensed Person and a Candidate wishing to occupy Registered Positions and Employment Positions shall comply with the fit and proper rules provided for in Article (3-3), in particular Appendix 3 and 4 of this Module, and submit the Application for Registered Positions and Employment Positions for a Licensed Person in accordance with the form prepared for this purpose included in Appendix 10 of this Module. He shall attach to the application all documents and information stated in such form.

### Article 3-3-8

A Licensed Person shall register any individual working for him in the Registered Positions and Employment Positions at the Authority. He shall submit an Application for Registration of Registered Positions and Employment Positions for Licensed Person in accordance with the form prepared for this purpose, which is set forth in Appendix 14 of this Module and attach to the application all documents and information stated in this form in accordance with the following:

- Employment Positions:  
The Application for Registration shall be submitted within a period that does not exceed 5 Business Days prior to the commencement of practicing the registered job. Individuals are prohibited from practicing any registered job until the Application for Registration has been approved by the Authority.
- Registered Positions:  
The Authority shall be notified of the elected members of the Board of Directors within 5 Business Days from the date of holding the general assembly. The Application for Registration shall be submitted within 5 Business Days from the date of the Ministry of Commerce and Industry's issuance of the To Whom It May Concern certificate regarding the members of the Board of Directors.

<b>Article 3-3-9</b>	The <u>Licensed Person</u> shall cancel the registration of any individual employed by him in the <u>Registered Positions</u> and <u>Employment Positions</u> at the <u>Authority</u> within five <u>Business Days</u> from the date of termination of holding such an occupation or position, in accordance with the form prepared for this purpose set forth in Appendix 16 of this Module.
<b>Article 3-3-10</b>	<p>The <u>Licensed Person</u> shall provide the <u>Authority</u> with updated data when registering a person whose approval period for their nomination to a <u>Registered Position</u> or <u>Employment Position</u> has exceeded three months, through submitting the Application for the Nomination of Registered Positions and Employment Positions for Licensed Persons in accordance with Fit and Proper Rules in Appendix 10 of this Module, by re-filling the paper form for the following sections:</p> <ul style="list-style-type: none"> <li>• Section (1) Guidelines on filling out the application.</li> <li>• Section (11) Standards of financial integrity and soundness.</li> </ul>
<b>Article 3-3-11</b>	The <u>Authority</u> may notify the applicant, at any time after receipt of the Application for Nomination or Registration of the <u>Registered Positions</u> and <u>Employment Positions</u> for <u>Licensed Persons</u> , of the need to provide any additional information or documents. If the applicant fails to submit the required information and documents within the period stipulated by the <u>Authority</u> in the notification without an excuse acceptable to the <u>Authority</u> , the application shall be deemed to have been withdrawn.
<b>Article 3-3-12</b>	The <u>Authority</u> may reject the Application for Nomination or Registration of the <u>Registered Positions</u> and <u>Employment Positions</u> for <u>Licensed Persons</u> in the event of failure to meet the conditions and provisions stipulated in Chapter Three of this Module, provided that the decision of rejection is justified.
<b>Article 3-4</b>	<b>Auditors</b>
<b>Article 3-4-1</b>	<p>The <u>Authority</u> shall keep a register of <u>Auditors</u> who may review and audit <u>Licensed Persons</u>, Kuwaiti companies listed in the <u>Exchange</u>, <u>Collective Investment Schemes</u> and <u>Special Purpose Vehicle Companies</u> licensed by the <u>Authority</u>. Registration in this register shall be made after fulfilling conditions and regulations stated in this Chapter.</p> <p>Such tasks may not be performed unless the <u>Auditor</u> is registered in this register.</p>

**Article 3-4-2**

Without prejudice to the provisions of Decree Law No. 103 of 2019 Regarding the Practice of Auditing, an Auditor who wishes to be registered in the registry referred to in Article (3-4-1) of this Chapter shall meet the following:

1. Registered in the Ministry of Commerce and Industry's register of Auditors who practice the profession, and have been practicing auditing for at least five years from the date of registration in the above-mentioned register.
2. The number of employees working in an Auditors' review and audit teams shall not be less than five employees, provided that all employees working in an Auditors' review and audit teams are full-time employees. An Auditor shall be considered a Professional Employee in the event of performing review and audit functions.
3. Professional Employees shall amount to not less than one third of the total number of employees in of each review and audit team that that carries out auditing works for a for a certain Client.
4. Each employee of a review and audit team working for the Auditor shall hold a bachelor, masters or doctorate degree in accounting from Kuwait University or the equivalent from one of the equivalent universities or higher institutions inside or outside Kuwait, or hold professional qualifications in review and audit.
5. A Professional Employee shall head each review and audit team of the Auditor, while implementing the International Standard on Quality Control (1) and taking into account the competence and capabilities of the work team, as planned in the various audits.
6. The percentage of Kuwaiti employees in each review and audit team shall not be less than 15% during three years from registering the Auditor in the Authority's registry of Auditors; provided that the percentage shall be maintained throughout the period of its registration in the register.
7. The Auditor shall have clear policies and procedures for risk measurement and management, and quality control.
8. The Auditor shall have a clear plan for the training and professional development of the employees, and at least thirty hours per year for the members of the review and audit team, and must implement the training plan throughout the period of its registration in the register.
9. The Auditor shall have a professional code of ethics in accordance with the latest international practices, such as the professional code of ethics issued by the International Federation of Accountants (IFAC). Each employee in the review and audit team shall sign and adhere to that code.

### Article 3-4-3

Each Auditor shall register in the Authority's register using the form set out in Appendix 8 of this Module, and paying the required fee to the Authority. The Authority may notify the applicant, at any time after receipt of the registration application, of the need to provide any additional information or documents. In case the applicant fails to submit documents and information during the period specified by the Authority in the notification, without an excuse acceptable to the Authority, the application shall be deemed to have been withdrawn.

The Authority shall determine the application within thirty days from the Auditor's submission of an application which fulfils all data, information and conditions. In the event of a rejection of the application, such determination shall be justified.

### Article 3-4-4

Each registered Auditor shall observe the following:

1. If the Auditor is a partner in an entity licensed to practice Securities Activities, the Auditor shall comply with the provisions of Article (3-4-2) of this Chapter regarding employees who are members of its review and audit teams. In this case, the Licensed Person shall comply with the provisions of Article (3-2) of this Module regarding the Registered Employment Positions at the Licensed Persons.
2. He shall not provide additional services to Clients except for ancillary services. He is prohibited from providing services that impact his independence and neutrality such as advisory services and internal auditing while undertaking review and audit.
3. He shall revise the details of his work plan and results of review and audit in coordination with the Client's internal audit committee, if any, which ensures that he is given full access to all documents necessary for carrying out the duties of an Auditor.
4. He, or his representative, shall meet periodically with the Client's internal audit committee at the Client's invitation before submitting the quarterly and annual financial statements to the Board of Directors to make any decision or recommendations. He, or his representative, may meet with the Client's internal audit committee or its Board of Directors, if necessary. As for the Client, he must invite the Auditor in this regard.
5. He shall not review or audit for any Client for a period exceeding four consecutive financial years unless the Client is under liquidation. The term shall be calculated as of the date of registration in the Auditors' register with the Authority. He may resume providing the same services for the Client after a suspension period of not less than two consecutive financial years.
6. He shall notify the management body of the Client or the company's Board of Directors and shareholders with any matters of material importance as part of the review and audit function through the Auditor's report, such as the extent to which the Client is able to continue his business.



7. He shall notify the management body of the Client with any existing or suspected violations of the applicable laws, bylaws, instructions and Articles of Association of the Client, or the competent entity of the Client in accordance with its legal system. In the event of significant and material violations, the Auditor shall also notify the Authority in conjunction with informing the Client's management body or the Board of Directors of the Client of such violations. Moreover, he shall notify the annual ordinary general assembly of the company or the competent entity of the Client in accordance with its legal system.
8. To provide all data and information requested by the Authority.
9. To notify the Authority immediately after losing any requirement or condition of registration stipulated in the preceding Articles.
10. Not to accept tasks that may constitute conflict of interest.
11. Not to accept tasks that jeopardise the honour of the profession.
12. To notify the Authority immediately upon the issuance of any decision or judgment of any penalty or legal violation by any regulatory body or judicial authority against him.

#### Article 3-4-5

The Authority may review the registered Auditors' work in examining the accounts of the Clients mentioned in Article (3-4-1) of this Chapter and to ascertain whether they were performed in accordance with the International Financial Reporting Standards, the International Auditing Standards and the disclosure requirements issued by the Authority. In issuing a report, the Auditor shall rely on reasonable bases in accordance with international auditing standards, policies and procedures for quality control of these standards.

#### Article 3-4-6

Each Auditor registered with the Authority shall submit an annual report in June of each year including the following:

1. Statement of the employees working in the review and audit teams, indicating the extent of compliance with the percentage of Kuwaiti employees specified in item (6) of Article (3-4-2) of this Chapter.
2. Activity of audit, consulting and other services provided to the Clients mentioned in Article (3-4-1) of this Chapter.
3. Training activity during the year, indicating the extent of compliance within at least thirty hours per year for the review and audit team members.

The annual report shall be submitted in accordance with the form set out in Appendix 13 of this Module.

#### Article 3-4-7

The Authority may suspend an Auditor registered at the Authority from Clients mentioned in Article (3-4-1) of this Chapter for a certain period of time.

The Auditor shall continue to carry out his duties until his annual report is approved by the competent authority in accordance with his legal system, unless the Authority decides otherwise.

An Auditor who is suspended from auditing Clients mentioned in Article (3-4-1) of this Chapter may submit to the Authority an application to resume this activity in accordance with the conditions set by the Authority.



<b>Article 3-4-8</b>	<p>The <u>Authority</u> may cancel registration of an <u>Auditor</u> registered at the <u>Authority</u> pursuant to a justified decision or if his registration in the Ministry of Commerce and Industry <u>Auditors'</u> register is cancelled or if a final judgment in a crime/felony involving a breach of honour or trust is issued.</p> <p>The <u>Auditor</u> shall continue to carry out his duties until his annual report is approved by the competent authority in accordance with his legal system, unless the <u>Authority</u> decides otherwise.</p>
<b>Article 3-4-9</b>	<p>The <u>Auditor</u> shall take the <u>Care of a Prudent Person</u> when preparing the reports - not related to reviewing and auditing - required based on the <u>Authority's</u> requirements set forth in the <u>Bylaws</u>, and shall practice his work honestly, fairly and professionally.</p>
	<p><b>Relocation or Resignation of an Auditor upon their Request</b></p>
<b>Article 3-4-10</b>	<ol style="list-style-type: none"> <li>1. The <u>Auditor</u> shall obtain the approval of the <u>Authority</u> upon transferring to another audit office or their resigning from providing audit services to their clients. An application shall be submitted to the <u>Authority</u> determining the reasons and justifications thereof.</li> <li>2. The <u>Auditor</u> shall continue to carry out their duties until the <u>Authority</u> decides on their application.</li> <li>3. In the event that the <u>Authority</u> approves the <u>Auditor's</u> application to cease providing audit services, the <u>Auditor</u> shall notify his <u>clients</u> and coordinate with them with regards to replacement of the <u>Auditor</u> in order to complete any remaining audit work until the issuance of the annual financial statements, without prejudice to the provisions of <u>Auditors</u> stipulated in the <u>Companies Law</u>.</li> <li>4. The <u>Auditor</u> may be replaced whether from the same audit office or from another office, provided that they are registered within the list of <u>Auditors</u> registered at the <u>Authority</u>.</li> </ol>
<b>Article 3-5</b>	<p><b>External Sharia Auditing Office</b></p>
<b>Article 3-5-1</b>	<p>Each <u>External Sharia Auditing Office</u> shall be an independent entity with an individual or company license and specialized in regulating all the commercial and financial transactions of the <u>Licensed Person</u> or <u>Collective Investment Scheme</u> to ensure compliance with <u>Sharia standards</u> and the <u>Authority's</u> relevant decisions, and review the works of the <u>Internal Sharia Auditing Unit</u>. It shall submit its reports in these regards as follows:</p> <ol style="list-style-type: none"> <li>1. The general assembly of the <u>Licensed Person</u>.</li> <li>2. Unitholders' assembly of <u>Funds</u>.</li> <li>3. <u>Collective Investment Scheme Manager</u>.</li> </ol>
<b>Article 3-5-2</b>	<p>The <u>Authority</u> shall maintain a special register of the <u>External Sharia Auditing Offices</u> approved by it; it is not permitted to any <u>Licensed Person</u> or any <u>Collective Investment Scheme</u> to seek assistance in external Sharia auditing from an entity not registered at the <u>Authority</u>.</p>

<b>Article 3-5-3</b>	An <u>External Sharia Auditing Office</u> shall not provide any services to any <u>Licensed Person</u> or any <u>Collective Investment Scheme</u> unless it is registered in the <u>External Sharia Auditing Office's</u> register of the <u>Authority</u> .
	<b>External Sharia Review and Audit System for Persons Licensed to Operate in Accordance with Islamic Sharia</b>
<b>Article 3-5-4</b>	An <u>External Sharia Auditing Office</u> consists of two or more <u>Sharia Auditors</u> who are supported by one or more accountant and legal advisors provided that they shall have experience not less than five years. It is permitted to outsource some of the ancillary duties mentioned above.
<b>Article 3-5-5</b>	A <u>Sharia Auditor</u> shall: <ol style="list-style-type: none"> <li>1. Meet the academic or professional qualifications required for the position of <u>Sharia Auditing Officer</u> stipulated in Appendix 3 of this Module, provided that the experience of the <u>Sharia Auditor</u> shall not be less than five years in Sharia Auditing.</li> <li>2. Work as full-time employees.</li> <li>3. Have a sound reputation and good conduct, and have not been convicted with a final judgment in a crime involving a breach of honor or trust, or have been convicted with punishment restraining his freedom unless he was exonerated.</li> </ol>
<b>Article 3-5-6</b>	An <u>External Sharia Auditing Office</u> may apply for registration with the <u>Authority</u> as follows: <ol style="list-style-type: none"> <li>1. Complete the registration application as per the form prepared for this purpose set out in Appendix 9 of this Module.</li> <li>2. The <u>Authority</u> shall determine the registration application within thirty days from the date of receiving the application and it shall meet all required information and documents. In the event of a rejection, the determination shall be justified.</li> <li>3. The office shall have a license from the Ministry of Commerce and Industry to practice the activity of providing Sharia consultations or Sharia Auditing.</li> <li>4. <u>Sharia Auditors</u> in the office shall fulfil the conditions stated in Article (3-5-5) of this Module.</li> </ol>
<b>Article 3-5-7</b>	An <u>External Sharia Auditing Office</u> of a <u>Licensed Person</u> or a <u>Collective Investment Scheme</u> shall be appointed for one financial year that could be renewed for maximum of four consecutive years. It may not be reappointed thereafter until after a period of suspension not less than two consecutive financial years.

**Article 3-5-8**

The general assembly of a Licensed Person shall appoint an External Sharia Auditing Office in its annual meeting provided that such shall be selected from the offices registered at the Authority. The general assembly shall set an annual fee for the office.

The procedures for appointing the External Sharia Auditing Office for Collective Investment Schemes and the determination of its fees are followed in accordance with the provisions of Module Thirteen (Collective Investment Schemes) of these Bylaws.

Licensed Person or Collective Investment Scheme shall not commence its activity before entering into a contract with External Sharia Auditing Office.

The External Sharia Auditing Office of the Licensed Person shall review the details of its work plan and the result of its works with the internal audit committee of the Licensed Person, which ensures that it is given full access to all documents necessary for carrying out its duties.

**Article 3-5-9**

An External Sharia Auditing Office concludes its duties at the end of a set period of time assigned by the general assembly of the Licensed Person and after not being renewed or that office was cancelled from the registry of External Sharia Auditing Offices in the Authority. The External Sharia Auditing Office shall notify the general assembly of the Licensed Person of this action.

The work of the External Auditing Office for the Collective Investment Scheme shall be completed in accordance with the conditions specified in the contract concluded with the Scheme Manager.

### Article 3-5-10

A report of an External Sharia Auditing Office shall include the following:

1. An evaluation of the efficiency and effectiveness of the Sharia risk management procedures.
2. An evaluation of the Licensed Person's compliance with the relevant resolutions of the Capital Markets Authority.
3. The scope of work of the External Sharia Auditing Office, to include the activities, contracts and Securities transactions of the Licensed Person or Collective Investment Schemes.
4. A statement of the references of the Sharia Standards of the Licensed Person or Collective Investment Schemes in case it differs from the Sharia Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).
5. Opinion regarding the Licensed Person's commitment to the provisions of Islamic Sharia in accordance with the Sharia reference it follows, including Sharia violations in the activities, contracts or transactions of the Licensed Person - if any - whether in Securities transactions or their execution.
6. Procedures of auditing that led to the results of its works mentioned in this report.
7. Evidence of viewing the report of the Internal Sharia Auditing Unit.
8. The signature of the External Sharia Auditor registered at the Authority.

The External Sharia Auditing Office shall also issue quarterly periodic Sharia auditing reports that include the results of following-up and examining the Licensed Person's compliance with the Islamic Sharia principles in its transactions and activities, and publish them through the periodic disclosures of the person licensed to work in accordance with the Islamic Sharia principles. It is necessary to present these reports to the Board of Directors to clarify the contents of the reports.

### Article 3-5-11

The report submitted by the External Sharia Auditing Office shall be published within the annual report of the Licensed Person.

The procedures for presenting the report of the External Sharia Auditing Office of the Collective Investment Schemes shall be in accordance with the provisions of Module Thirteen (Collective Investment Schemes) of these Bylaws.

### Article 3-5-12

The External Sharia Auditing Office shall comply with the following:

1. Maintain the confidentiality of information and data viewed whilst undertaking the external Sharia auditing.
2. Disclose in the office's report if the partner in an External Sharia Auditing Office or any affiliate thereof occupies the position of chairman or Member of a Board of Directors or a member of the Sharia Supervisory Board – if any – of the Licensed Person, or if it is a member of the Executive Committee of the Fund or the Executive Team of the Contractual Collective Investment Scheme subject of auditing. This shall apply to relatives of first of kin who supervise the management of the Licensed Person or its accounts
3. The Licensed Person or any affiliate thereof shall not be a partner or a shareholder in the appointed External Sharia Auditing Office.
4. The partner of the External Sharia Auditing Office shall not work for any other External Sharia Auditing Office registered at the Authority.
5. The Sharia Auditors team who undertake external Sharia auditing on the Licensed Persons or Collective Investment Schemes shall not provide Sharia consultations for the same client throughout the appointment period of the External Sharia Auditing Office.
6. The External Sharia Auditing Office shall notify the Authority in conjunction with informing the management body of the Licensed Person of any material violations committed by the Licensed Person.
7. The External Sharia Auditing Office shall comply with notifying the Authority immediately after losing any of its registration's requirements or conditions.
8. Providing all data and information required by the Authority.
9. The External Sharia Auditing Office shall comply with notifying the Authority immediately upon the issuance of any decision or judgement of any penalty, punishment or legal violation by any Regulatory Body or judicial authority against it.
10. Not to accept tasks that may constitute a conflict of interest.
11. Not to accept tasks that jeopardize the honor of the profession.

### Article 3-5-13

The External Sharia Auditing Office or one of its members are not licensed to provide any of the following services to the Licensed Person or Collective Investment Scheme who appointed them:

1. Work for compensation.
2. Sharia consultations.
3. Training including holding fairs, seminars or workshops.
4. Representing them before third party, especially as members of the Board of Directors of the companies in which the Licensed Person is a shareholder.
5. Obtaining any financial or in-kind privileges other than what the general assembly of the Licensed Person set for them, whether those privileges were from the Licensed Person or Subsidiary Companies.
6. Providing any services that may affect its independency and neutrality.

### Article 3-5-14

The External Sharia Auditor shall not audit the transactions of the Licensed Person of which the External Sharia Auditor is relative of third of kin of a Member of the Board of Directors and the Chief Executive Officer.

### Article 3-5-15

The Authority may suspend the registered External Sharia Auditor from carrying on the external sharia auditing tasks to the Clients mentioned in Article (3-5-1) of this Module for a certain period pursuant to a justified decision.

The External Sharia Auditing Office shall continue to carry out its duties until its annual report is approved by the Client's competent entity in accordance with its legal system, unless the Authority decides otherwise.

The suspended External Sharia Auditing Office may submit to the Authority an application to resume the external sharia auditing tasks to the Clients mentioned in Article (3-5-1) of this Module.

### Article 3-5-16

The Authority may cancel the registration of an External Sharia Auditing Office registered at the Authority pursuant to a justified decision or if its license was cancelled by the Ministry of Commerce and Industry.

The External Sharia Auditing Office shall continue to carry out its duties until its annual report is approved by the Client's competent entity in accordance with its legal system, unless the Authority decides otherwise.

### Article 3-5-17

The External Sharia Auditing Office shall maintain a document that includes the following data and information:

1. A schedule indicating the names of the Sharia Auditors and their supporters, their academic and professional qualifications, years of experience, and a copy of those certificates and qualifications.
2. The official documents of the office.
3. A list of the office's clients from Licensed Persons or Collective Investment Schemes and the services offered to them.
4. Maintaining the clients' records, documents, and papers using paper or electronic formats for a period of not less than five years from the association date, even if it stopped practicing the profession.

It shall also maintain a document on each client within the Licensed Persons or Collective Investment Schemes that includes the following:

1. The number and dates of field visits to the Licensed Person and Collective Investment Schemes and their results.
2. The audit procedures that led to the results of its works.
3. The supporting evidences based on which the opinion was given in the External Sharia Auditing report.

The office shall provide the Authority with a copy of those documents upon request.

### Article 3-5-18

While taking into considerations the provision of Article (3-5-4) of this Chapter, External Sharia Auditing Office may add or cancel a Sharia Auditor, accountant, or legal advisor after registering the External Sharia Auditing Office in accordance with the form prepared for this purpose in Appendix (18) of this Module.

## Article 3-6

## Duration and Renewal of Registration

### Article 3-6-1

### General Provisions

The registration of Registered Persons in the Authority's registers shall be valid for a period of three years from the date of registration in their register with the Authority. Registration may be renewed for a similar period(s) at the request of the Registered Person or the Licensed Person as the case may be.

Registered Employment Positions shall be excluded from the provisions of this Article.

### Article 3-6-2

### Renewal of the Auditor's Registration

An application for renewing the registration of an Auditor registered in the Authority's register shall be submitted as follows:

1. The application for renewing the registration in the Authority's register shall be submitted in accordance with the application form for the renewal of the registration of an Auditor in the Authority's register set out in Appendix 12 of this Module at least two months prior to the end of the registration period, accompanied with the documents and information mentioned in this form, together with the payment of the Authority's fee.
2. The Authority may notify the applicant, at any time after receiving the request for registration renewal, the need to provide any additional information or documents. In case the applicant fails to submit documents and information within the period specified by the Authority in the notification without an excuse acceptable to the Authority, the application shall be deemed to have been withdrawn.
3. The Authority shall decide on the application for registration renewal within thirty days from the date of receipt of this application, and with all required information and documents. The Authority shall take the necessary procedures for the purpose of ascertaining that the registered Auditor meets the terms and conditions related to his work stipulated in Chapter Three of this Module. In the event of a rejection of the application, such determination shall be justified.
4. The Authority may reject the application for registration renewal in the event that the registered Auditor fails to comply with the terms and conditions related to his work stipulated in Chapter Three of this Module, provided that the rejection decision is reasoned.

### Article 3-6-3

#### Renewal of Registration of Registered Employment Positions

The Licensed Person shall renew the registration of any individual registered by him in the Registered Employment Positions at the Authority, as follows:

He shall submit the Application for Renewing the Registration of the Employment Positions for Licensed Person in accordance with the form prepared for this purpose, which is set forth in Appendix 15 of this Module, not later than one month before the end of the registration period, provided that the application is accompanied by all justified documents and information.

In the event of failure to submit the Application for Renewing the Registration of the Employment Positions for Licensed Person at the date of expiration of the job's registration, the registration of the individual registered in that job shall be cancelled automatically.



**Article 3-6-4**

Renewal of Registration of External Sharia Auditing Office

The External Sharia Auditing Office registered at the Authority shall renew its registration as follows:

1. The application for renewal of registration shall be submitted in accordance with the form prepared for this purpose in Appendix (17) of this Module at least two months prior to the end of the registration period, attached with all the documents and information indicated in this application.
2. The Authority may notify the applicant, at any time after receiving the request for registration renewal, of the need to submit any additional information or documents. In case the applicant fails to submit the documents and information within the period specified by the Authority in the notification without an excuse acceptable to the Authority, the application shall be deemed to have been withdrawn.
3. The Authority shall decide on the application for registration renewal within thirty days from the date of receipt of this application, complete with all the required information and documents. The Authority shall take the necessary procedures for the purpose of ensuring that the External Sharia Auditing Office registered at the Authority complies with the terms and conditions related to its work as stipulated in Chapter Three of this Module. In the event of rejection, such determination shall be justified.
4. The Authority may reject the application for registration renewal in the event that the External Sharia Auditing Office registered at the Authority fails to comply with the terms and conditions related to its work stipulated in Chapter Three of this Module.

**DISCLAIMER:**

This “translation” of the Bylaws of the Capital Markets Authority from Arabic into English is provided solely for reference. No translation can exactly reflect every aspect of an original text and accordingly this “translation” may be used for guidance but not for legal purposes. Only the Arabic original shall be considered for legal proceedings and legal actions before the competent courts of jurisdiction and in any arbitration mechanism agreed upon by contracting parties to any transaction made under the Law and the Bylaws thereof. The Capital Markets Authority shall not be responsible for any mistake, error and/or misinterpretation made or given by any party based on that party’s interpretation of the Law and the Bylaws whether arising from a reading of the Arabic text or, specifically in the context of this document, the English “translation”. The original Arabic versions, as approved and accordingly published by the Authority, shall constitute the only source of the provisions and regulations of the Law and its Bylaws.

## **Appendix 1**

### **Capital Requirements and Legal Form of Licensed Persons**

**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**Article One:** The following table sets out the required minimum paid up capital and legal form of Licensed Persons to carry on each type of securities activity:

No.	Activity type	Legal form	Capital (KWD)
1	Securities Broker registered in a Securities Exchange	Shareholding Company	5,000,000
2	Securities Broker not registered in a Securities Exchange	Shareholding Company	1,000,000
3	Investment Advisor	Shareholding or Limited Liability Company	100,000
		One-person Company	30,000
4	Assets Valuator	Shareholding or Limited Liability Company	100,000
5	Investment Portfolio Manager	Shareholding Company	5,000,000
6	Collective Investment Scheme Manager	Shareholding Company	5,000,000
7	Custodian	Shareholding Company	5,000,000
8	Investment Controller	Shareholding Company	2,000,000
9	Market Maker	Shareholding Company	5,000,000
10	Subscription Agent	Shareholding Company	1,000,000
11	Qualified Securities Broker Registered in a Securities Exchange	Shareholding Company	5,000,000

**Article Two:** If a person is licensed to carry on more than one Securities activity of those mentioned in Article (1) of this Appendix, this person must meet, at a minimum, the higher capital for any of the activities he wants to practice.

## **Appendix 2**

### **Code of Ethics for Persons Licensed to Operate in accordance with Islamic Sharia Provisions**

## **Chapter One**

### **(Objective of the charter)**

#### **Article 1**

The charter aims at:

- a. Abiding to the provisions of Islamic Sharia in all works, activities, transactions and services related to the capital markets.
- b. To achieve the highest degrees of professionalism in Islamic transactions.
- c. To apply principle of transparency and rules of fairness in all its transactions with regulatory institutions and Clients.
- d. To follow the rules of governance.
- e. To achieve the utmost degrees of cooperation with Islamic financial institutions coupled with adherence to honest competition rules.
- f. Seeking to standardize fatwas in financial transactions through holding seminars and collective conferences, unifying the religious references for settlement of disputes.
- g. To develop financial products which meet the needs of individuals and companies of society.
- h. To reinforce the cooperation of regulatory institutions and religious authorities that are regional and international to develop the regulations or update regulations to organize the financial transactions in accordance to the provisions of Islamic Sharia.

## **Chapter Two**

### **Relationship with the Regulatory Authorities**

#### **Article 2**

The Islamic financial institutions shall comply with all issued regulations by the regulatory entities in the state of Kuwait and in particular the Capital Market Authority which is entitled to regulate and monitor its activities in accordance to provisions of Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities, Executive Bylaws, decisions, instructions and Sharia regulations which are certified by Capital Market Authority, and to cooperate with the relevant institutions for implementation of the instructions issued by the Regulatory Bodies.

#### **Article 3**

The Islamic financial institutions shall adhere to International Accounting Standards authorized by the Authority's Board of Commissioners and authorized ethical charters.

#### **Article 4**

The Islamic financial institutions shall adhere to the charters issued by the concerned professional entities in the state of Kuwait.

### **Chapter Three** (Relationship among Islamic Financial Institutions)

#### **Article 5**

Islamic financial institutions shall seek to develop cooperation among themselves through exchanging technical expertise in all administrative, accounting, legal or information arenas.

#### **Article 6**

Islamic financial institutions shall coordinate efforts to create a unified set of technical specifications for financial services that should be presented to their Clients, in keeping with the confidentiality of any commercial information and the relationship with Clients.

#### **Article 7**

Islamic financial institutions shall amicably settle their disputes by arbitration in good will through utilizing trusted, experienced and acknowledged personnel. Should the amicable method fail, a settlement shall be reached by arbitration in accordance to the rules stipulated by the competent authorities.

### **Chapter Four** Relationship between Fatwa and Sharia Supervisory Bodies in Islamic Financial Institutions

#### **Article 8**

Islamic financial institutions shall create an appropriate environment for Fatwa and Sharia Supervisory Bodies to perform the tasks entrusted to them, to reassure their Clients and promote confidence in Islamic financial institutions.

#### **Article 9**

The recommendations and fatwas issued by the Academies of Islamic Jurisprudence in the various Islamic countries, and in particular what is issued by the fatwa committee in the Ministry of Awqaf and Islamic Affairs in Kuwait, International Islamic Fiqh Academy in KSA, the legal standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions in the Kingdom of Bahrain.

#### **Article 10**

The Islamic financial institutions shall recruit a sufficient number of legal supervisors that suits the size of the institution and that they will be accountably and financially trained to be able to perform their work.

#### **Article 11**

The Islamic financial institutions shall provide all the required information for the establishment of committees, fatwa authorities and Sharia supervision and presenting them objectively and honestly, while not withholding any necessary information, to enable it in performing the tasks entitled to it to the best of its ability.

## Chapter Five

### Relationship with Society

#### Article 12

The Islamic financial institutions shall contribute to social responsibility by supporting scholarships, scholars, welfare for the needy people, protection of the environment and social development.

#### Article 13

The Islamic financial institutions shall limit exposure into unproductive business, and shall encourage investment in infrastructure projects, industrial and service projects (which have an added value in the national economy).

#### Article 14

The Islamic financial institutions shall diversify the Islamic financial instruments in transactions.

#### Article 15

The Islamic financial institutions shall participate in establishment of institutes of scholastic research in the fields of Islamic economics and the related scholastic work, and encourage scholars within the field.

#### Article 16

The Islamic financial institutions shall attract experienced people and specialists in the functions of the Islamic financial institutions.

## Chapter Six

### Relationship with Clients

#### Article 17

The Islamic financial institutions shall meet and protect the interests of the Client, avoid conflict of interests with shareholders, adopt strategies of settling such conflicts in a way that meets the requirements of compliance to Sharia and economic efficiency as well they shall adhere to honesty and transparency in its publications along with any relevant information submitted in its sphere or work in addition to what is submitted to Clients and others.

#### Article 18

The Islamic financial institutions shall adopt transparent standards in its distribution of profits among shareholders and Clients, and in entering and exiting from all kinds of investments.

#### Article 19

The Islamic financial institutions shall enact technical controls to limit the risks of investment in which Clients participate and to adopt the means of remedying damages that they may suffer.

#### Article 20

The Islamic financial institutions shall alleviate the impacts of advertisement and publicity on consumers or usage of any means that encourage consumption.



**Article 21**

The Islamic financial institutions shall estimate the conditions and circumstances of consumers. They shall study the conditions of every single Client and make sure that he is able to fulfil his entitlements and have a decent life.

**Article 22**

The Islamic financial institutions shall apply the “principle of ease” and not to abuse the legal and judicial instruments for getting its rights.

**Article 23**

The Islamic financial institutions shall apply “the concept of equality” among Clients, without distinction.

**Article 24**

The Islamic financial institutions shall provide advice to Clients when requesting financial services and guiding them to the best instruments they can use depending on their professional specialization and knowledge within the field.

**Chapter Seven**

**Employees of the Islamic financial institutions**

**Article 25**

The Islamic financial institutions shall choose its employees based on their good morals and knowledge of Islamic values.

**Article 26**

The Islamic financial institutions shall hold courses and seminars for employees to guide them to good moral standing when dealing with Clients and workmates. They also shall promote the role of morals of those institutions and increase the public’s confidence in them.

### **Appendix 3**

Qualifications and Experience Required in Registered Positions and Employment  
Positions in Licensed Person in accordance with Fit and Proper Rules

Registered Positions and Employment Positions	Base Requirements	Academic and/or Professional Qualifications Status	Required Professional Expertise	Professional Qualifications Program
<b>Member of a Board of Directors</b>	Academic or professional qualification or professional experience.	Holders of a PhD or a Master degree in the fields of economics, law, management, or finance; or Holders of a globally recognized professional qualification (such as Chartered Financial Analyst CFA & Certified Public Accountant CPA)	Must have a minimum of 3 years of experience in the mentioned fields, or in the following financial fields: <ul style="list-style-type: none"> <li>• Banking.</li> <li>• Financial Management.</li> <li>• Financial Analysis.</li> <li>• Financial Consulting.</li> <li>• Accountancy.</li> <li>• Financial Audit.</li> <li>• Executive Management.</li> <li>• Investment.</li> <li>• Or any other field related to securities activities.</li> </ul>	Not Applicable
		Holders of a PhD or a Master degree in other fields.	Must have a minimum of 4 years of experience in the following fields: <ul style="list-style-type: none"> <li>• Banking.</li> <li>• Financial Management.</li> <li>• Financial Analysis.</li> <li>• Financial Consulting.</li> <li>• Accountancy.</li> <li>• Financial Audit.</li> <li>• Executive Management.</li> <li>• Investment.</li> <li>• Any other field related to securities activities.</li> </ul>	
		Holders of a Bachelor degree in the fields of economics, law, management, or finance.	Must have a minimum of 4 years of experience in the mentioned fields, or the following fields: <ul style="list-style-type: none"> <li>• Banking.</li> <li>• Financial Management.</li> <li>• Financial Analysis.</li> <li>• Financial Consulting.</li> <li>• Accountancy.</li> <li>• Financial Audit.</li> <li>• Executive Management.</li> <li>• Investment.</li> <li>• Or any other field related to securities activities.</li> </ul>	
		Holders of a Bachelor degree in other fields.	Must have a minimum of 5 years of experience in the following financial fields: <ul style="list-style-type: none"> <li>• Banking.</li> <li>• Financial Management.</li> <li>• Financial Analysis.</li> <li>• Financial Consulting.</li> <li>• Accountancy.</li> <li>• Financial Audit.</li> <li>• Executive Management.</li> <li>• Investment.</li> <li>• Or any other field related to securities activities.</li> </ul>	

		Holders of a Diploma qualification from an applied education institution degree in the fields of economics, finance, law, or management.	Must have a minimum of 7 years of experience in the mentioned fields, or in the following financial fields : <ul style="list-style-type: none"><li>• Banking.</li><li>• Financial Management.</li><li>• Financial Analysis.</li><li>• Financial Consulting.</li><li>• Accountancy.</li><li>• Financial Audit.</li><li>• Executive Management.</li><li>• Investment.</li></ul> Or any other field related to securities activities.
		Holders of a Diploma qualification as a minimum from an applied education institution in other fields.	Must have a minimum of 8 years of experience in the following financial fields: <ul style="list-style-type: none"><li>• Banking.</li><li>• Financial Management.</li><li>• Financial Analysis.</li><li>• Financial Consulting.</li><li>• Accountancy.</li><li>• Financial Audit.</li><li>• Executive Management.</li><li>• Investment.</li></ul> Or any other field related to securities activities.
	Has previously served as a board member for a minimum of three years in a financial or banking institution, local or foreign.		
	Has previously operated in a leadership position or function in a financial or banking institution for a minimum of three years, conducting a role that is related to the institution's core business.		
	In the case that the candidate has not fulfilled the two provisions in items two and three, the Authority may consider the number of years of experience mentioned in item two, as long as he held leadership positions in financial and banking institutions, so that the total years of experience in those fields are at least three years.		
	Has served as a minister or an equivalent position, or worked as an ambassador, undersecretary, assistant undersecretary or a similar position in accordance to the law and Civil Service Act, for at least three years. Or has worked as an academic doctor in the field of academic education at universities or applied institutes specialized in the field of economics, finance, law or management. The Authority may decide whether the position held by the candidate qualifies said candidate to carry out the position of board director for the Licensed Person.		

<b>Chief Executive Officer</b>	1. Academic or professional qualification and professional experience.	Holders of a PhD or a Master degree in the fields of economics, law, management, or finance; or Holders of a globally recognized professional qualification in financial or management fields.	Must have a minimum of 7 years of experience, 5 years minimum of which must be in a financial or banking institution, and 3 years minimum of which must be in executive positions related to the core business of the institution.	Not Applicable
	2. Technical and leadership skills necessary to qualify the candidate to carry out the function.	Holders of a Bachelor degree in the fields of economics, law or management.	Must have a minimum of 9 years of experience, 7 years minimum of which must be in a financial or banking institution, and 3 years minimum of which must be in executive positions related to the core business of the institution.	
		Holders of a Bachelor degree, Master degree or a PhD in other fields.	Must have a minimum of 11 years of experience, 9 years minimum of which in a financial or banking institution, and 5 years minimum of which in executive positions related to the core business of the institution.	
		Holders of a Diploma qualification as a minimum from an applied education institution in the fields of economics, finance, law, or management.	Must have a minimum of 13 years of experience, 10 years minimum of which in a financial or banking institution, and 5 years minimum of which in executive positions related to the core business of the institution.	
		Holders of a Diploma qualification as a minimum from an applied education institution in other fields.	Must have a minimum of 15 years of experience, 13 years minimum of which in a financial or banking institution, and 5 years minimum of which in executive positions related to the core business of the institution.	

Senior Executive	1. Academic or professional qualification and professional experience.	Holders of a PhD or a Master degree in the fields of economics, law, management or finance; or Holders of a globally recognized professional qualification in finance or management fields.	A minimum of 5 years of experience, 4 years minimum of which must be in a financial or banking institution, and 2 years minimum of which must be in middle management positions related to the core business of the institution.	Not Applicable
	2. Technical and leadership skills necessary to qualify the candidate to carry out the function.	Holders of a Bachelor degree in the fields of economics, law or management.	Must have a minimum of 7 years of experience, 5 years minimum of which must be in a financial or banking institution, and 2 years minimum of which must be in middle management positions related to the core business of the institution.	
		Holders of a Bachelor degree, Master degree or a PhD in other fields.	Must have a minimum of 9 years of experience, 7 years minimum of which must be in a financial or banking institution, and 4 years minimum of which must be in middle management positions related to the core business of the institution.	
		Holders of a Diploma qualification as a minimum from an applied education institution in the fields of economics, finance, law, or management.	Must have a minimum of 11 years of experience, 9 years minimum of which must be in a financial or banking institution, and 4 years minimum of which must be in middle management positions related to the core business of the institution.	
		Holders of a Diploma qualification as a minimum from an applied education institution in other fields.	Must have a minimum of 13 years of experience, 10 years minimum of which in a financial or banking institution, and 4 years minimum of which in middle management positions related to the core business of the institution.	

<b>Financial Manager</b>	1. Academic or professional qualification and professional experience.	<p>Holders of a PhD or Master degree in the fields of economics, management or finance; or one of the following professional certificates:</p> <ul style="list-style-type: none"> <li>• Certified Public Accountant (CPA)</li> <li>• Chartered Accountant (CA)</li> <li>• Certified Internal Auditor (CIA)</li> <li>• Any other professional certificate specified by the Authority.</li> </ul> <p>Holders of a Bachelor degree in the fields of economics, management or finance.</p>	<p>Must have a minimum of 6 years of experience in financial management or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Audit</li> <li>• Internal Audit</li> <li>• Risk Management</li> <li>• Financial Management</li> <li>• Accountancy</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained the technical qualification in «International Introduction to Securities &amp; Investment» related to the Professional Qualifications Program.</p>	Not Applicable
		<p>Holders of a PhD or Master degree in the fields of economics, management or finance; or one of the following professional certificates:</p> <ul style="list-style-type: none"> <li>• Certified Public Accountant (CPA)</li> <li>• Chartered Accountant (CA)</li> <li>• Certified Internal Auditor (CIA)</li> <li>• Any other professional certificate specified by the Authority.</li> </ul> <p>Holders of a Bachelor degree in other fields.</p>	<p>Must have a minimum of 8 years of experience in financial management or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Audit</li> <li>• Internal Audit</li> <li>• Risk Management</li> <li>• Financial Management</li> <li>• Accountancy</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained the technical qualification in «International Introduction to Securities &amp; Investment» related to the Professional Qualifications Program.</p>	
		<p>Holders of a Bachelor degree in the fields of economics, management or finance.</p>	<p>Must have a minimum of 8 years of experience in financial management or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Audit</li> <li>• Internal Audit</li> <li>• Risk Management</li> <li>• Financial Management</li> <li>• Accountancy</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained the technical qualification in «International Introduction to Securities &amp; Investment» related to the Professional Qualifications Program.</p>	

		<p>Holders of a Bachelor degree in other fields.</p>	<p>Must have a minimum of 10 years of experience in financial management or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Audit</li> <li>• Internal Audit</li> <li>• Risk Management</li> <li>• Financial Management</li> <li>• Accountancy</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained the technical qualification in «International Introduction to Securities &amp; Investment» related to the Professional Qualifications Program.</p>	
		<p>Holders of one of the following professional certificates:</p> <ul style="list-style-type: none"> <li>• Certified Public Accountant (CPA)</li> <li>• Chartered Accountant (CA)</li> <li>• Certified Internal Auditor (CIA)</li> <li>• Any other professional certificate specified by the Authority.</li> </ul>	<p>Must have a minimum of 10 years of experience in financial management or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Audit</li> <li>• Internal Audit</li> <li>• Risk Management</li> <li>• Financial Management</li> <li>• Accountancy</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained the technical qualification in «International Introduction to Securities &amp; Investment» related to the Professional Qualifications Program.</p>	



<b>Compliance Officer</b>	<p>1. Academic or professional qualification and professional experience.</p> <p>2. Passing the Professional Qualifications Program.</p>	<p>Holders of a PhD or Master degree in the fields of economics, management, finance, or law; or holds one of the following professional certificates:</p> <ul style="list-style-type: none"> <li>• Certified Public Accountant (CPA)</li> <li>• Chartered Accountant (CA)</li> <li>• Certified Internal Auditor (CIA)</li> <li>• Financial Risk Manager (FRM)</li> <li>• ICA Advanced Certificate in Compliance.</li> <li>• Certified Anti-Money Laundering Specialist (CAMS).</li> <li>• ICA Advanced Certificate in Anti-Money Laundering.</li> <li>• CISI/KCMA Professional Qualifications Program Award</li> <li>• Any other professional certificate specified by the Authority.</li> </ul> <p>Along with holders of a Bachelor degree in the fields of economics, management, finance, or law.</p>	<p>Must have a minimum of 5 years of experience in the compliance profession or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Audit.</li> <li>• Internal Audit.</li> <li>• Risk Management.</li> <li>• Financial Management.</li> <li>• Accountancy.</li> <li>• Operations.</li> <li>• Legal Consulting on financial aspects.</li> <li>• Regulatory work.</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	<p>1. Technical Qualification: International Introduction to Securities &amp; Investment</p> <ul style="list-style-type: none"> <li>- Persons with more than 15 years of experience in the fields for the mentioned position of the technical qualification.</li> <li>- Persons who have obtained a professional certificate to the mentioned position of the technical qualification.</li> </ul> <p>2. Regulatory Qualification:</p> <ul style="list-style-type: none"> <li>- CMA Kuwait Rules and Regulations</li> </ul> <p>3. Specialized Qualifications (Optional):</p> <ul style="list-style-type: none"> <li>- Global Financial Compliance</li> </ul> <p>Persons who pass the three qualifications program (Technical, Regulatory, Specialized Qualifications) are presented with "CISI/KCMA Professional Qualifications program Award"</p>
		<p>Holders of a PhD or Master degree in the fields of economics, management, finance, or law; or one of the following professional certificates:</p> <ul style="list-style-type: none"> <li>• Certified Public Accountant (CPA)</li> <li>• Chartered Accountant (CA)</li> <li>• Certified Internal Auditor (CIA)</li> <li>• Financial Risk Manager (FRM)</li> <li>• ICA Advanced Certificate in Compliance.</li> <li>• Certified Anti-Money Laundering Specialist (CAMS).</li> <li>• ICA Advanced Certificate in Anti-Money Laundering.</li> <li>• CISI/KCMA Professional Qualifications Program Award</li> <li>• Any other professional certificate specified by the Authority.</li> </ul> <p>Along with holders of a Bachelor degree in other fields.</p>	<p>Must have a minimum of 7 years of experience in the compliance profession or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Audit.</li> <li>• Internal Audit.</li> <li>• Risk Management.</li> <li>• Financial Management.</li> <li>• Accountancy.</li> <li>• Operations.</li> <li>• Legal consulting on financial areas.</li> <li>• Regulatory work.</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	

		<p>Holders of a Bachelor degree in the fields of economics, management, finance, or in law.</p>	<p>Must have a minimum of 7 years of experience in the compliance profession or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Audit.</li> <li>• Internal Audit.</li> <li>• Risk Management.</li> <li>• Financial Management.</li> <li>• Accountancy.</li> <li>• Operations.</li> <li>• Legal consulting on financial areas.</li> <li>• Regulatory work.</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	
		<p>Holders of a Bachelor degree in other fields.</p>	<p>Must have a minimum of 9 years of experience in the compliance profession or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Audit</li> <li>• Internal Audit</li> <li>• Risk Management</li> <li>• Financial Management</li> <li>• Accountancy.</li> <li>• Operations.</li> <li>• Legal consulting on financial areas.</li> <li>• Regulatory work.</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	

		<p>Holders of one of the following professional certificates:</p> <ul style="list-style-type: none"> <li>• Certified Public Accountant (CPA)</li> <li>• Chartered Accountant (CA)</li> <li>• Certified Internal Auditor (CIA)</li> <li>• Financial Risk Manager (FRM)</li> <li>• ICA Advanced Certificate in Compliance.</li> <li>• Certified Anti-Money Laundering Specialist (CAMS).</li> <li>• ICA Advanced Certificate in Anti-Money Laundering.</li> <li>• CISI/KCMA Professional Qualifications Program Award</li> <li>• Any other professional certificate specified by the Authority.</li> </ul>	<p>Must have a minimum of 9 years of experience in the compliance profession or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Audit</li> <li>• Internal Audit</li> <li>• Risk Management</li> <li>• Financial Management</li> <li>• Accountancy</li> <li>• Operations.</li> <li>• Legal consulting on financial areas.</li> <li>• Regulatory work.</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	
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Risk Management Officer	1. Academic or professional qualification and professional experience.  2. Passing the Professional Qualifications Program.	<p>Holders of a PhD or Master degree in the fields of economics, management, finance or law; or one of the following professional certificates:</p> <ul style="list-style-type: none"> <li>Chartered Financial Analyst (CFA)</li> <li>Certified Internal Auditor (CIA).</li> <li>Financial Risk Manager (FRM)</li> <li>CISI/KCMA Professional Qualifications Program Award</li> <li>ICA International Diploma in Governance, Risk and Compliance</li> <li>Any other professional certificate specified by the Authority.</li> </ul> <p>Along with holders of a Bachelor degree in the fields of economics, management, finance or law.</p>	<p>Must have a minimum of 3 years of experience in the risk management profession or similar professions, such as:</p> <ul style="list-style-type: none"> <li>Financial Audit</li> <li>Internal Audit</li> <li>Financial Management</li> <li>Accountancy</li> <li>Operations</li> <li>Compliance</li> <li>Financial Analysis</li> <li>Investment Management</li> <li>Regulatory Work</li> <li>Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	<p>1. Technical Qualification: International Introduction to Securities &amp; Investment</p> <ul style="list-style-type: none"> <li>Persons with more than 15 years of experience in the fields for the mentioned position of the technical qualification.</li> <li>Persons who have obtained a professional certificate to the mentioned position of the technical qualification.</li> </ul> <p>2. Regulatory Qualification:</p> <ul style="list-style-type: none"> <li>CMA Kuwait Rules and Regulations</li> </ul> <p>3. Specialized Qualifications (Optional):</p> <ul style="list-style-type: none"> <li>Global Financial Compliance</li> </ul> <p>Persons who pass the three qualifications program (Technical, Regulatory, Specialized Qualifications) are presented with "CISI/KCMA Professional Qualifications program Award"</p>
		<p>Holders of a PhD or Master degree in the fields of economics, management, finance or law; or one of the following professional certificates:</p> <ul style="list-style-type: none"> <li>Chartered Financial Analyst (CFA)</li> <li>Certified Internal Auditor (CIA).</li> <li>Financial Risk Manager (FRM)</li> <li>CISI/KCMA Professional Qualifications Program Award</li> <li>ICA International Diploma in Governance, Risk and Compliance</li> <li>Any other professional certificate specified by the Authority.</li> </ul> <p>Along with a Bachelor degree in other fields.</p>	<p>Must have a minimum of 5 years of experience in the risk management profession or similar professions, such as:</p> <ul style="list-style-type: none"> <li>Financial Audit</li> <li>Internal Audit</li> <li>Financial Management</li> <li>Accountancy</li> <li>Operations</li> <li>Compliance</li> <li>Financial Analysis.</li> <li>Investment Management.</li> <li>Regulatory work.</li> <li>Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	

		<p>Holders of a Bachelor degree in the fields of economics, management, finance or law.</p>	<p>Must have a minimum of 5 years of experience in the risk management profession or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Audit</li> <li>• Internal Audit</li> <li>• Financial Management</li> <li>• Accountancy</li> <li>• Operations</li> <li>• Compliance</li> <li>• Financial Analysis</li> <li>• Investment Management</li> <li>• Regulatory work</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	
		<p>Holders of a Bachelor degree in any other field.</p>	<p>Must have a minimum of 7 years of experience in the risk management profession or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Audit</li> <li>• Internal Audit</li> <li>• Financial Management</li> <li>• Accountancy</li> <li>• Operations</li> <li>• Compliance</li> <li>• Financial Analysis.</li> <li>• Investment Management</li> <li>• Regulatory work</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	
		<p>Holders of one of the following professional certificates:</p> <ul style="list-style-type: none"> <li>• Chartered Financial Analyst (CFA)</li> <li>• Certified Internal Auditor (CIA).</li> <li>• Financial Risk Manager (FRM)</li> <li>• CISI/KCMA Professional Qualifications Program Award</li> <li>• ICA International Diploma in Governance, Risk and Compliance</li> <li>• Any other professional certificate specified by the Authority.</li> </ul>	<p>Must have a minimum of 7 years of experience in the risk management profession or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Audit</li> <li>• Internal Audit</li> <li>• Financial Management</li> <li>• Accountancy</li> <li>• Operations</li> <li>• Compliance</li> <li>• Financial Analysis</li> <li>• Investment Management</li> <li>• Regulatory work</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	

<b>Internal Audit Officer</b>	1. Academic or professional qualification and professional experience.	<p>Holders of a PhD or Master degree in the fields of economics, management, finance or law; or one of the following professional certificates:</p> <ul style="list-style-type: none"> <li>• Certified Public Accountant (CPA)</li> <li>• Chartered Accountant (CA)</li> <li>• Certified Internal Auditor (CIA).</li> <li>• Financial Risk Manager (FRM)</li> <li>• CISI/KCMA Professional Qualifications Program Award</li> <li>• Any other professional certificate specified by the Authority.</li> </ul> <p>Along with holders of a Bachelor degree in the fields of economics, management, finance or law.</p>	<p>Must have a minimum of 3 years of experience in the internal audit profession or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Audit</li> <li>• Risk Management</li> <li>• Financial Management</li> <li>• Accountancy</li> <li>• Operations</li> <li>• Compliance</li> <li>• Regulatory work</li> <li>• Any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	<p>1. Technical Qualification: International Introduction to Securities &amp; Investment</p> <ul style="list-style-type: none"> <li>- Persons with more than 15 years of experience in the fields for the mentioned position of the technical qualification.</li> <li>- Persons who have obtained a professional certificate to the mentioned position of the technical qualification.</li> </ul>
	2. Passing the Professional Qualifications Program	<p>Holders of a PhD or Master degree in the fields of economics, management, finance or law; or one of the following professional certificates:</p> <ul style="list-style-type: none"> <li>• Certified Public Accountant (CPA)</li> <li>• Chartered Accountant (CA)</li> <li>• Certified Internal Auditor (CIA).</li> <li>• Financial Risk Manager (FRM)</li> <li>• CISI/KCMA Professional Qualifications Program Award</li> <li>• Any other professional certificate specified by the Authority.</li> </ul> <p>Along with holders of a Bachelor degree in other fields.</p>	<p>Must have a minimum of 5 years of experience in the internal audit profession or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Audit</li> <li>• Risk Management</li> <li>• Financial Management</li> <li>• Accountancy</li> <li>• Operations</li> <li>• Compliance</li> <li>• Regulatory work</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	<p>2. Regulatory Qualification:</p> <ul style="list-style-type: none"> <li>- CMA Kuwait Rules and Regulations</li> </ul> <p>3. Specialized Qualifications (Optional):</p> <ul style="list-style-type: none"> <li>- Global Financial Compliance</li> </ul> <p>Persons who pass the three qualifications program (Technical, Regulatory, Specialized Qualifications) are presented with "CISI/ KCMA Professional Qualifications program Award"</p>

		<p>Holders of a Bachelor degree in the fields of economics, management, finance, or law.</p>	<p>Must have a minimum of 5 years of experience in the internal audit profession or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Audit</li> <li>• Risk Management</li> <li>• Financial Management</li> <li>• Accountancy</li> <li>• Operations</li> <li>• Compliance</li> <li>• Regulatory work</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	
		<p>Holders of a Bachelor degree in any other field.</p>	<p>Must have a minimum of 7 years of experience in the internal audit profession or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Audit</li> <li>• Risk Management</li> <li>• Financial Management</li> <li>• Accountancy</li> <li>• Operations</li> <li>• Compliance</li> <li>• Regulatory work</li> <li>• Any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	

		<p>Holders of one of the following professional certificates:</p> <ul style="list-style-type: none"> <li>• Certified Public Accountant (CPA)</li> <li>• Chartered Accountant (CA)</li> <li>• Certified Internal Auditor (CIA).</li> <li>• Financial Risk Manager (FRM)</li> <li>• CISI/KCMA Professional Qualifications Program Award</li> <li>• Any other professional certificate specified by the Authority.</li> </ul>	<p>Must have a minimum of 7 years of experience in the internal audit profession or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Audit</li> <li>• Risk Management</li> <li>• Financial Management</li> <li>• Accountancy</li> <li>• Operations.</li> <li>• Compliance</li> <li>• Regulatory work</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	
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<b>Sharia Audit Officer</b>	<p>1. Academic or professional qualification and professional experience.</p> <p>2. Passing the Professional Qualifications Program.</p>	<p>Holders of Bachelor, Master, or a PhD degree in the fields of fiqh in financial transactions in accordance with the provisions of Islamic Sharia or equivalent, or one of the following professional certificates:</p> <ul style="list-style-type: none"> <li>• Professional Diploma in Sharia Auditing</li> <li>• Certified Islamic Professional Accountant (CIPA)</li> <li>• Certified Shariah Expert (CSE)</li> <li>• Certificate of Proficiency in Financial Accounting Standards (CPFAS)</li> <li>• Certificate of Proficiency in Shariah Standards (CPSS)</li> <li>• Certificate of Proficiency in Audit, Assurance, Governance and Ethics (CPAAGE)</li> <li>• CISI/KCMA Professional Qualifications Program Award</li> </ul> <p>Or any professional certificate in the fields of fiqh in financial transactions in accordance with the provisions of Islamic Sharia from specialized entities of good standing include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>• The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)</li> <li>• General Council for Islamic Banks and Financial Institutions (CIBAFI)</li> <li>• Chartered Institute for Securities and investment (CISI)</li> </ul> <p>Or any professional, technical, or specialized certificate from the following entities:</p> <ul style="list-style-type: none"> <li>• Certified Islamic Arbitrator &amp; Expert from The International Islamic Centre for Reconciliation and Arbitration (IICRA) (United Arab Emirates)</li> <li>• Professional Master in Islamic Banking from the Islamic Economics Institute (Kingdom of Saudi Arabia)</li> <li>• Corporate Finance Technical Foundations certificate from the Financial Academy (Kingdom of Saudi Arabia)</li> </ul>	<p>A minimum of 2 years of experience in Sharia auditing.</p>	<p>1. Technical Qualification: Islamic Finance Qualification</p> <ul style="list-style-type: none"> <li>- Persons with more than 15 years of experience in the fields for the mentioned position of the technical qualification.</li> <li>- Persons who have obtained a professional certificate to the mentioned position of the technical qualification.</li> </ul> <p>2. Regulatory Qualification:</p> <ul style="list-style-type: none"> <li>- CMA Kuwait Rules and Regulations</li> </ul> <p>3. Specialized Qualifications (Optional):</p> <p>Risk in Financial Services</p> <p>Persons who pass the three qualifications program (Technical, Regulatory, Specialized Qualifications) are presented with "CISI/ KCMA Professional Qualifications program Award"</p>
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<b>Representative of a Securities Broker registered in a Securities Exchange</b>  <b>And Representative of a Securities Broker not registered in a Securities Exchange</b>  <b>And a Representative of a Qualified Securities Broker registered with an Exchange</b>	1. Academic or professional qualification and professional experience.  2. Passing the Professional Qualifications Program.	Holders of a Diploma qualification as a minimum from an applied education institution in the fields of economics, finance, banking, law, management, or any other fields at a minimum, or any higher qualifications, or one of the following professional certificates: • Chartered Financial Analyst (CFA) • Financial Risk Manager (FRM) • CISI/KCMA Professional Qualifications Program Award • Any other professional certificate specified by the Authority.	No previous experience required.	1. Technical Qualification: Fundamentals of Financial Services - Technical Qualification for registered employment positions for licensed persons who practice their activities in accordance with the provisions of Islamic Sharia: Fundamentals of Financial Services - Persons with more than 15 years of experience in the fields for the mentioned position of the technical qualification. - Persons who have obtained a professional certificate to the mentioned position of the technical qualification.
		Holders of a Diploma qualification as a minimum from an applied education institution in the fields of economics, finance, banking, law, management, or any other fields.	A minimum of 5 years of experience in the field of a Representative of a Securities Broker activity.	2. Regulatory Qualification: - CMA Kuwait Rules and Regulations  3. Specialized Qualifications (Optional): - Securities  Persons who pass the three qualifications program (Technical, Regulatory, Specialized Qualifications) are presented with "CISI/ KCMA Professional Qualifications program Award"

<b>Representative of an Investment Portfolio Manager - (Managed by the Licensed Person in favour of Clients)</b>  <b>And a Representative of a Collective Investment Scheme manager</b>	1. Academic or professional qualification and professional experience.  2. Passing the Professional Qualifications Program.	Holders of a PhD or a Master degree in the fields of economics, management, or finance; or one of the following professional certificates: • Chartered Financial Analyst (CFA) • Financial Risk Manager (FRM) • CISI/KCMA Professional Qualifications Program Award Along with any other professional certificate specified by the Authority.	Must have a minimum of 3 years of experience in the portfolio management profession or collective investment scheme profession or similar professions, such as: • Financial Analysis • Investment Advisory • Or any other professional fields specified by the Authority. Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.	1. Technical Qualification: International Introduction to Securities & Investment - Technical Qualification for registered employment positions for licensed persons who practice their activities in accordance with the provisions of Islamic Sharia: Islamic Finance Qualification - Persons with more than 15 years of experience in the fields for the mentioned position of the technical qualification. - Persons who have obtained a professional certificate to the mentioned position of the technical qualification.  2. Regulatory Qualification: - CMA Kuwait Rules and Regulations  3. Specialized Qualifications (Optional): - Specialized qualification for the position of an Investment Portfolio Manager Representative: International Certificate in Wealth & Investment Management - Specialized Qualification for the position of a Collective Investment Scheme Manager Representative: International Certificate in Wealth & Investment Management - Specialized Qualification for the position of a Market Maker Representative: Securities
		Holders of a PhD or Master degree in the fields of economics, management, or finance; or one of the following professional certificates: • Chartered Financial Analyst (CFA) • Financial Risk Manager (FRM) • CISI/KCMA Professional Qualifications Program Award • Any other professional certificate specified by the Authority. Along with a Bachelor degree in other fields.	Must have a minimum of 5 years of experience in the portfolio management profession or collective investment scheme profession or similar professions, such as: • Financial Analysis • Investment Advisory • Or any other professional fields specified by the Authority. Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.	
		Holders of a Bachelor degree in the fields of economics, management, or finance.	Must have a minimum of 5 years of experience in the portfolio management profession or collective investment scheme profession or similar professions, such as: • Financial Analysis • Investment Advisory • Or any other professional fields specified by the Authority. Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.	

		Holders of a Bachelor degree in any other field.	<p>Must have a minimum of 7 years of experience in the portfolio management profession or collective investment scheme profession or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Analysis</li> <li>• Investment Advisory</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	Persons who pass the three qualifications program (Technical, Regulatory, Specialized Qualifications) are presented with "CISI/KCMA Professional Qualifications program Award"
		<p>Holders of one of the following professional certificates:</p> <ul style="list-style-type: none"> <li>• Chartered Financial Analyst (CFA)</li> <li>• Financial Risk Manager (FRM)</li> <li>• CISI/KCMA Professional Qualifications Program Award</li> <li>• Any other professional certificate specified by the Authority.</li> </ul>	<p>Must have a minimum of 7 years of experience in the portfolio management profession or collective investment scheme profession or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Analysis</li> <li>• Investment Advisory</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	
		Holders of a Diploma qualification as a minimum from an applied education institution in the fields of economics, finance, or management.	<p>Must have a minimum of 9 years of experience in the portfolio management profession or collective investment scheme profession or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Analysis</li> <li>• Investment Advisory</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	

Representative of a "Market Maker"	1. Academic qualification and professional experience.  2. Passing the Professional Qualifications Program.	<p>Holders of a Bachelor degree in the fields of economics, management, or finance; or one of the following professional certificates:</p> <ul style="list-style-type: none"> <li>• Chartered Financial Analyst (CFA)</li> <li>• Financial Risk Manager (FRM)</li> <li>• CISI/KCMA Professional Qualifications Program Award</li> <li>• Any other professional certificate specified by the Authority.</li> </ul>	<p>Must have a minimum of 3 years of experience in the position of Representative of a Market Maker or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Analysis</li> <li>• Investment Advisory</li> <li>• Financial Brokerage</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	<p>1. Technical Qualification: International Introduction to Securities &amp; Investment</p> <ul style="list-style-type: none"> <li>- Persons with more than 15 years of experience in the fields for the mentioned position of the technical qualification.</li> <li>- Persons who have obtained a professional certificate to the mentioned position of the technical qualification.</li> </ul> <p>2. Regulatory Qualification:</p> <ul style="list-style-type: none"> <li>- CMA Kuwait Rules and Regulations</li> </ul> <p>3. Specialized Qualifications (Optional):</p> <ul style="list-style-type: none"> <li>- Securities</li> </ul> <p>Persons who pass the three qualifications program (Technical, Regulatory, Specialized Qualifications) are presented with "CISI/ KCMA Professional Qualifications program Award"</p>
		<p>Holders of a Bachelor degree in any other field.</p>	<p>Must have a minimum of 5 years of experience in the mentioned positions or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Analysis</li> <li>• Investment Advisory</li> <li>• Financial Brokerage</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	

		<p>Holders of a Diploma qualification as a minimum from an applied education institution in the fields of economics, or finance, or any other fields at a minimum, or any higher qualifications.</p>	<p>Must have a minimum of 9 years of experience in the mentioned positions or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Analysis</li> <li>• Investment Advisory</li> <li>• Financial Brokerage</li> <li>• Or any other professional fields specified by the Authority.</li> </ul> <p>Provided that the candidate has 2 years of experience in a financial or banking institution, or has obtained a Technical Qualification.</p>	
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<p><b>Representative of an Investment Portfolio Manager - (Managed by the Client personally and custody)</b></p> <p><b>Representative of a Collective Investment Scheme Manager - (Operations Officer)</b></p>	<p>1. Academic or professional qualification and professional experience.</p> <p>2. Passing the Professional Qualifications Program.</p>	<p>Holders of a Diploma qualification as a minimum from an applied education institution in the fields of economics, finance, banking, law, management, or any other fields at a minimum, or any higher qualifications, or one of the following professional certificates:</p> <ul style="list-style-type: none"> <li>• Chartered Financial Analyst (CFA)</li> <li>• Financial Risk Manager (FRM)</li> <li>• CISI/KCMA Professional Qualifications Program Award</li> <li>• Any other professional certificate specified by the Authority.</li> </ul>	<p>No previous experience required.</p>	<p>1. Technical Qualification: International Introduction to Securities &amp; Investment</p> <ul style="list-style-type: none"> <li>- Technical Qualification for registered employment positions for licensed persons who practice their activities in accordance with the provisions of Islamic Sharia: Islamic Finance Qualification</li> <li>- Persons with more than 15 years of experience in the fields for the mentioned position of the technical qualification.</li> <li>- Persons who have obtained a professional certificate to the mentioned position of the technical qualification.</li> </ul> <p>2. Regulatory Qualification:</p> <ul style="list-style-type: none"> <li>- CMA Kuwait Rules and Regulations</li> </ul>
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		<p>Holders of a Diploma qualification as a minimum from an applied education institution in the fields of economics, finance, or management.</p>	<p>Must have a minimum of 5 years of experience in the portfolio management profession or collective investment scheme profession or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Analysis</li> <li>• Investment Advisory</li> <li>• Or any other professional fields specified by the Authority.</li> </ul>	<p>3. Specialized Qualifications (Optional):</p> <ul style="list-style-type: none"> <li>- Specialized qualification for the position of an Investment Advisor Representative: International Certificate in Wealth &amp; Investment Management</li> <li>- Specialized Qualification for the position of a Custodian Representative: International Certificate in Wealth &amp; Investment Management</li> <li>- Specialized Qualifications for the position of Representative of Collective Investment Scheme Manager: International Certificate in Wealth &amp; Investment Management</li> </ul> <p>Persons who pass the three qualifications program (Technical, Regulatory, Specialized Qualifications) are presented with "CISI/ KCMA Professional Qualifications program Award"</p>
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<b>Representative of an Investment Advisor</b>  <b>And a Representative of a Subscription Agent</b>  <b>And a Representative of an Investment Controller</b>  <b>And a Representative of a Custodian</b>  <b>And a Representative of Valuation of Assets</b>	1. Academic or professional qualification and professional experience. 2. Passing the Professional Qualifications Program.	Holders of a PhD degree, a Master degree or a Bachelor degree in the fields of economics, management or finance, or holders of one of the following professional certificates: • Chartered Financial Analyst (CFA) • Financial Risk Manager (FRM) • CISI/KCMA Professional Qualifications Program Award • Any other professional certificate specified by the Authority. Along with a Bachelor degree.	No previous experience required.	1. Technical Qualification: International Introduction to Securities & Investment - Technical Qualification for registered employment positions for licensed persons who practice their activities in accordance with the provisions of Islamic Sharia: Islamic Finance Qualification - Persons with more than 15 years of experience in the fields for the mentioned position of the technical qualification. - Persons who have obtained a professional certificate to the mentioned position of the technical qualification.  2. Regulatory Qualification: - CMA Kuwait Rules and Regulations  3. Specialized Qualifications (Optional): - Specialized Qualifications for the position of an Investment Advisor Representative: International Certificate in Wealth & Investment Management - Specialized Qualifications for the position of a Custodian Representative: International Certificate in Wealth & Investment Management - Specialized Qualifications for the position of Investment a Controller Representative: International Certificate in Wealth & Investment Management - Specialized Qualifications for the position of a Subscription Agent Representative: Corporate Finance Technical Foundations - Specialized Qualifications for the position of an Asset Valuator Representative: International Certificate in Wealth & Investment Management
		Holders of a Bachelor degree in any other field.	Must have a minimum of 2 years of experience in an investment advisory profession or financial analysis profession or similar professions, such as: • Financial Analysis • Portfolio Management. • Collective Investment Scheme Management. • Or any other professional fields specified by the Authority.	
		Holders of one of the following professional certificates: • Chartered Financial Analyst (CFA) • Financial Risk Manager (FRM) • CISI/KCMA Professional Qualifications Program Award • Any other professional certificate specified by the Authority.	Must have a minimum of 2 years of experience in the investment advisory profession or financial analysis profession or similar professions, such as: • Financial Analysis • Portfolio Management. • Collective Investment Scheme Management. • Or any other professional fields specified by the Authority.	

		<p>Holders of a Diploma qualification as a minimum from an applied education institution in the fields of economics, finance, or management.</p>	<p>Must have a minimum of 5 years of experience in the investment advisory profession or financial analysis professions or similar professions, such as:</p> <ul style="list-style-type: none"> <li>• Financial Analysis</li> <li>• Portfolio Management.</li> <li>• Collective Investment Scheme Management.</li> <li>• Or any other professional fields specified by the Authority.</li> </ul>	<p>Persons who pass the three qualifications program (Technical, Regulatory, Specialized Qualifications) are presented with "CISI/KCMA Professional Qualifications program Award"</p>
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<b>Senior Investment Advisor And a Senior Asset Valuator</b>	1. Academic qualification and professional experience.  2. Passing the Professional Qualifications Program.	Holders of a PhD degree or a Master degree in the fields of economics, management or finance, or holders of a professional qualification approved globally in finance and management fields, or holders of <ul style="list-style-type: none"> <li>Chartered Financial Analyst (CFA)</li> <li>Financial Risk Manager (FRM)</li> <li>CISI/KCMA Professional Qualifications Program Award</li> <li>Any other professional certificate specified by the Authority.</li> </ul> In addition to a Bachelor Qualification.	Must have a minimum of 2 years of experience in the field of the mentioned position, or the following similar professions: <ul style="list-style-type: none"> <li>Financial Analysis</li> <li>Portfolio Management.</li> <li>Collective Investment Scheme Management.</li> <li>Or any other professional fields specified by the Authority.</li> </ul>	1. Technical Qualification: Risk in Financial Services <ul style="list-style-type: none"> <li>Persons with more than 15 years of experience in the fields for the mentioned position of the technical qualification.</li> <li>Persons who have obtained a professional certificate to the mentioned position are exempted of the technical qualification.</li> </ul> 2. Regulatory Qualification: <ul style="list-style-type: none"> <li>CMA Kuwait Rules and Regulations</li> </ul> 3. Specialized Qualifications (Optional): <ul style="list-style-type: none"> <li>Certificate in Investment Management</li> </ul> Persons who pass the three qualifications program (Technical, Regulatory, Specialized Qualifications) are presented with "CISI/ KCMA Professional Qualifications program Award"
		Holders of a Bachelor degree in the fields of economics, management or finance.	Must have a minimum of 4 years of experience in the field of the mentioned position, or the following similar professions: <ul style="list-style-type: none"> <li>Financial Analysis</li> <li>Portfolio Management</li> <li>Collective Investment Scheme Management</li> <li>Or any other professional fields specified by the Authority.</li> </ul>	
		Holders of a PhD degree, a Master degree or a Bachelor degree in other fields.	Must have a minimum of 5 years of experience in the field of the mentioned position, or the following similar professions: <ul style="list-style-type: none"> <li>Financial Analysis</li> <li>Portfolio Management</li> <li>Collective Investment Scheme Management</li> <li>Or any other professional fields specified by the Authority.</li> </ul>	

## **Appendix 4**

### **Mechanism of Submitting Nomination and Registration Application**

## **Registered Positions - Nomination of the Board of Directors**

### **A. Opening the Door to Nomination:**

1. The Licensed Person shall open the door to nomination for the membership of the Board of Directors by publishing two announcements in at least two daily newspapers and on his own website inviting persons willing to be nominated. The door shall remain open for two weeks from the announcement date.
2. The licensed company listed in the exchange shall publish its announcement on the website of Boursa Kuwait Securities Company.

### **B. Submitting the Nomination Applications:**

The Licensed Persons shall seek the prior approval of the Authority regarding nominee applications prior to setting the date of the general assembly to avoid a delay in its holding, taking into account the period during which the Authority makes a decision regarding the membership application.

### **C. Nomination Applications Procedures:**

1. All nomination applications to the Board of Directors of the Licensed Person shall be submitted as set out in the form attached to Appendix (10) of this Module, while providing the Authority with all the required documents and information requested in the application form.
2. A written statement containing the following shall be attached:
  - The reasons behind the Licensed Person's wish to open the door to nomination.  
(This condition does not apply to companies under incorporation.)
  - A table showing the number of candidates considered, their names and name of the legal entity representing them if any.
  - An acknowledgement that the Licensed Person received all nomination applications during the announced period. (This condition does not apply to companies under incorporation.)
3. The Authority shall make a decision regarding the nomination applications to the Board of Directors that were submitted as set out in the form attached to Appendix (10) of this Module within thirty days from the date of the application for the candidacy, provided that the required information and documentation on the form was provided. Any application that had not submitted the required information and documentation as mentioned will not be considered.
4. The Authority may notify the applicant, at any time after the receipt of the nomination application to the Board of Directors, to provide it with any further information or documents. In the event that the applicant fails to provide the information and documents within the period set by the Authority for the notification without an excuse acceptable to the Authority, the application shall be deemed to have been withdrawn.

**D. Holding the General Assembly:**

After holding the general assembly, the Licensed Person shall immediately notify the Authority regarding the names of the Board of Directors, and then provide it with copy of the certified minutes of the general assembly meeting, within a period of not more than two weeks from the date of the meeting.

**E. Registration of Registered Positions:**

1. The Licensed Person shall notify the Authority of the elected members of the Board of Directors within a period of not more than five Business Days of holding the general assembly.
2. An application for the registration of positions in the register of the Licenced Persons shall be submitted within five Business Days from the date of the Ministry of Commerce and Industry's issuance of To Whom It May Concern certificate for members of the Board of Directors, according to the form attached to Appendix (14) of this Module, together with attaching the final certified certificates and documents approved by the competent entities.

**F. Replacement of the Member of the Board of Directors that Represents the Legal Entity:**

1. Licensed Persons shall seek the prior consent of the Authority regarding nominee applications before replacing the member of the Board of Directors that represents a legal entity.
2. Nomination is not required in the event of the replacement of member of the Board of Directors that represents a legal entity.
3. All nomination applications to the Board of Directors of the Licensed Person shall be submitted as set out in the form attached to Appendix (10) of this Module, while providing the Authority with all the required documents and information requested in the form at the time of application.
4. A written statement containing the following shall be attached:
  - The reasons behind the Licensed Person's wish to replace the member of the Board of Directors representing a legal entity.
  - A written statement from the legal entity indicating the replacement of the member of the Board of Directors that he represents.
5. The Authority shall make a decision regarding the nomination applications to the Board of Directors that were submitted as set out in the form attached to Appendix (10) of this Module within thirty days from the date of the application for the candidacy as long as all the required information and documentation on the form was provided. Any application not submitted with the required information and documentation as mentioned will not be considered.
6. The Authority may notify the applicant at any time after receiving the nomination application to the Board of Directors to provide it with any further information or documents. In the event that the applicant fails to provide the information and documents within the period set by the Authority for the notification without an excuse acceptable to the Authority, the application shall be deemed to have been withdrawn

7. After completing the replacement procedures, the Licensed Person shall notify the Authority regarding the name of the replaced member within a period of not more than two weeks from the replacement date.
8. The Licenced Person shall submit an application for the registration of positions in the register of the Licenced Persons according to the form attached to Appendix (14) of this Module, after completing the necessary procedures, together with attaching the final certified certificates and documents approved by the competent entities.

**G. Amendment of the Formation of the Members of the Board of Directors during an Existing Term:**

The Licensed Person shall immediately notify the Authority upon the amendment of the formation of the members of the Board of Directors, and subsequently provide the Authority with copies of the final certified certificates and documents approved by the competent entities.

**H. General Guidelines:**

1. Without prejudice to the Companies Law, the Licensed Person shall comply with the controls and instructions set forth in the Memorandum of Understanding with the Ministry of Commerce and Industry.
2. Securities Exchanges shall comply with Article (36) of Law No. 7 of 2010 regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Amendments, and Article (1-3) of Module Four (Securities Exchanges and Clearing Agencies) of these Bylaws.
3. Kuwaiti Banks licenced by the Authority shall comply with the controls and instructions set forth in the Memorandum of Understanding with the Central Bank of Kuwait.

**Registered Employment Positions**

The Licensed Persons shall seek the prior consent of the Authority regarding nomination and registration applications before occupying any position of Registered Employment Positions.

**A. Submitting the Nomination Applications:**

1. The nomination application for the Employment Positions shall be submitted as set out in the form attached to Appendix (10) of this Module, while providing the Authority with all the required documents and information requested in the application form.
2. The Authority shall make a decision regarding the nomination applications for the Employment Positions that were submitted as set out in the form attached to Appendix (10) of this Module within thirty days from the date of the application for the candidacy, provided that all the required information and documentation on the form were submitted. Any application that had not submitted the required information and documentation as mentioned will not be considered.
3. The Authority may notify the applicant at any time after receiving the nomination application for the Employment Positions to provide it with any further information or documents. In the event that the applicant fails to provide the information and documents within the period set by the Authority for the notification without an excuse acceptable to the Authority, the application shall be deemed to have been withdrawn.

**B. Registration of Registered Employment Positions:**

1. The Licenced Person shall submit the application for registration of Registered Employment Positions for Licensed Person of the Authority according to the form attached to Appendix (14) of this Module, once the candidate is registered, whilst recording the date of registration at the position for which the Authority has approved his nomination.
2. The registration application of the Registered Employment Position shall be submitted to the Authority within a period of not more than five Business Days before the position's registration date specified in the form mentioned in the item 1.

**C. General Guidelines:**

1. Kuwaiti banks and the branches of the foreign banks licenced by the Authority shall comply with the controls and instructions set forth in the Memorandum of Understanding with the Central Bank of Kuwait.
2. The Authority may check the validity of all documents and information submitted by any person in the way deemed appropriate, or request any additional information or documents to ensure compliance with the requirements of fit and proper rules.



## **Appendix 5**

### **Application for Securities Activities License**

## Table of Content

### Title

#### Instructions

1. Procedures to obtain a license
  2. Required documents for applicant
  3. Required Activities statement
  4. Founders and financial resources details
  5. Attachments and required documents
  6. Declarations
- Appendix. 1: Business Plan Guide
  - Appendix. 2: Declaration
  - Appendix. 3: Registered Employment Positions

## INSTRUCTIONS

- Kindly complete this form and ensure that all the necessary documents related to this form are attached based on the status of the applicant at the time of the application.
- The applicant is subject to the Capital Markets Authority law and Executive Bylaws and their amendments starting from the date of the submission of the application.
- The Authority reserves the right to request any additional information and documentation or clarifications from the applicant when processing the application.
- The Authority shall review the application within three months from the date of the completed application.
- Not submitting the completed application with its supporting documents will result in processing delays for the license and the Authority is not responsible for any delay or liability as a result.
- Kindly ensure the inclusion of any supporting documentation to the request should the applicant be unable to meet certain requirements.
- The business plan is part of this application and it is the applicant's responsibility to attach it with the rest of the required attachments of this form. The applicant may seek assistance from external entities in order to prepare the business plan, however the applicant assumes full responsibility for its accuracy.
- Licensed person may resort to the Authority's arbitration rules to solve a dispute concerning securities activities.
- The applicant should send the application for a license, any inquiry regarding the completion of this form or any related topic to the Licensing and Registration Department at the Capital Markets Authority at the address below:

Capital Markets Authority – 20th floor Al-Hamra Tower – Sharq – Kuwait  
P.O. Box 3913 Safat 13040 Kuwait    lrd@cma.gov.kw

## 1-Procedures to obtain a license

### 1.1 Company Under Incorporation

1. Submitting an application to obtain a license to practice securities activities by completing this form to obtain preliminary approval to practice Securities Activities.
2. Upon obtaining the preliminary approval, the company must begin incorporation procedures to form the company that will practice the Securities Activities.
3. Call for an Incorporation General Assembly and begin the selection of the members of the Board of Directors after obtaining the necessary approvals from the Authority for those wishing to nominate themselves for the Board of Directors.
4. Inform the Authority of the elected members in the Incorporation General Assembly.
5. Request a Securities Activities license in the name of the new company.
6. A license shall be given for the applicant along after fulfilling all the conditions related to some or all securities activities requested to practice in the license request.

### 1.2 Existing Company

1. Submitting an application to obtain a license to practice securities activities by completing this form:
  - a. if the company's objectives do not include practicing the activities stated in the license, go to step 2.
  - b. if the company's objectives do include practicing the activities stated in the license, go to step 3.
2. Once the preliminary approval has been given, the company must, hold an extra-ordinary general assembly to amend the company's objectives.
3. A license shall be given for the applicant after fulfilling all the conditions related to some or all securities activities requested to practice in the license request.

## 2. Applicant Details

### 2.1 Applicant's Details

Name (Individual)/ Commercial name (Company)

Address

Civil ID (Individual)/ Commercial license number (Company)

Phone number

Mobile number (individual)

Fax number

Email

### 2.2 Liaison Officer Details

Name

Capacity

Founder of a new company

Employee of the applicant

Advisor of the applicant

Others Details

Phone number

Mobile number (individual)

Fax number

Email

### 2.3 Applicant's Status

- ☐ Company Under Incorporation
- ☐ Existing Company with a provision which allows practicing required activities in the company's objectives
- ☐ Existing Company without a provision which allows practicing required activities in the company's objectives
  - Is the applicant subject to the surveillance of the Central Bank? ☐ Yes ☐ No
  - Does the applicant practice securities activities according to Islamic Sharia? ☐ Yes ☐ No

### 3. Required Activities Statement

#### 3.1 Choose the Activities which the Applicant Intends to Practice

- |  |   |
|--|---|
| <input type="checkbox"/> Portfolio manager     | <input type="checkbox"/> Collective investment scheme manager             |
| <input type="checkbox"/> Investment advisor    | <input type="checkbox"/> Subscription agent                               |
| <input type="checkbox"/> Custodian             | <input type="checkbox"/> Securities Broker not registered on the Exchange |
| <input type="checkbox"/> Investment controller | <input type="checkbox"/> Qualified Broker registered on the Exchange      |
| <input type="checkbox"/> Market Maker          | <input type="checkbox"/> Valuation of Assets                              |

#### 3.2 Choose the legal form of the company which intends to practice Securities Activities

- |  |  |
|--|--|
| <input type="checkbox"/> Shareholding company        | <input type="checkbox"/> Commercial bank           |
| <input type="checkbox"/> Branch of a foreign company | <input type="checkbox"/> Limited liability company |

### 4. Founders and Financial Resources Details

#### 4.1 Kindly complete Founder's Details according to the legal form of the applicant

	Founders Names/Major Shareholders	Shares	Nationality
1			
2			
3			
4			
5			

\* If applicant was an existing company, it shall provide the Authority with the names of major shareholders who own 5% and more of the paid-up capital.

\*\* Founders names shall be provided with the attachments of this form in a separate document, in case it exceeds the number in the table.

#### 4.2 Capital

- Paid-up capital (proposed- Companies under incorporation)
- Issued capital (proposed- Companies under incorporation)

## 5. Attachments and Required Documents

### 5.1 Required Attachments according to the company's status

Number	Attachment/required document	Status of the Attachment	
1.	Business plan	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
2.	Audited financial statements for the last 3 years prior to request submission date	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
3.	Approval from the Central Bank of Kuwait to practice Securities Activities, in case applicant is subject to its surveillance	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
4.	Copy of license fee receipt	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
5.	Copy of Founders ID (for Individuals) Copy of the Commercial License (for Companies)	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
6.	Statement of acknowledgement from the founders or managers of the company prepared in an acceptable form to the Authority	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
7.	Copy of the company's draft contract	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
8.	Statement with the incorporated company's new name for license request attached with approval of legal representative (authorized signatory) prepared in an acceptable form to the Authority	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
9.	Copy of the memorandum of association and articles of association of the company	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
10.	Work schedule for the incorporation General Assembly	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
11.	Authorization from the Ministry of Commerce and Industry for the incorporation of the company	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
12.	Meeting minutes of the Incorporation General Assembly	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
13.	Copy of the contract with an auditor that is registered with the Authority	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
14.	Copy of the agreement to assign an external Sharia auditor who is registered with the Authority	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
15.	Certificate written "to whom it may concern" from the Ministry of Commerce and Industry which includes the names of the members of the current Board of Directors along with the nominees approved by the Authority	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
16.	Requests to recommend occupancy of positions and jobs required to be registered with the Authority according to approved forms with licensed person according to integrity and efficiency instructions (if available)	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable

17.	Complete list of all the staff whose jobs are those which are required to be registered with the Authority along with the approval of the Authority to accept their nomination according to Appendix No. 3 (List of Registered Employment Positions) of this form. (if available)	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
18.	Legal opinion from an external legal firm regarding cases or a group of cases which has a significant impact on the financial status of the company, whether filed by it or against it ,or its subsidiary companies , and if possible the estimated amount of such cases.	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable

\* If the state of the appendix is not applicable for the applicant, please provide the Authority with a separate document to indicate the reasons why it doesn't apply.

#### 5.2 steps of providing the Authority with the required appendices according to the legal form of the applicant

Company Under Incorporation-	<p>Before incorporation -the Authority shall be provided with the following appendices:1,3,4,5,6,7</p> <p>After incorporation - the Authority shall be provided with the following appendices: 8, 9, 10, 11, 12, 13, 14, 15, 16, 17</p> <p>(any necessary updates shall be provided before incorporation)</p>
Existing Company- (No provision in the company's objectives allows practicing the required activities)	<p>Before incorporation-The Authority shall be provided with the following appendices:1,2,3,4,5,6,9</p> <p>After amending company's objectives, the Authority shall be provided with the following appendices:9, 12, 14, 15, 16, 17, 18 (any necessary updates shall be provided before incorporation)</p>
Existing Company- (There is a provision in the company's objectives which allows practicing the required activities)	<p>the Authority shall be provided with the following appendices: 1, 2, 3, 4, 5, 6, 9, 12, 14, 15, 16, 17, 18</p>



## 6. Declarations

### 6.1 Declarations

- I hereby declare that I have reviewed of the Capital Market Authority's Law No. 7 of 2010 and its Executive Bylaws as amended and all regulations, decisions, instructions and any other restrictions issued by Capital Market Authority concerning authorising Securities Activities in the State of Kuwait. Furthermore, I hereby declare my knowledge of the penalties resulting from breaching any of the Laws, Bylaws, orders, decisions and instructions issued by the Capital Market Authority.
- I hereby declare that all information set out in this form and the related attachments thereto are accurate and complete, as well as the accuracy of the facts provided in the business plan attached hereto. I, furthermore, declare my knowledge of the laws and bylaws related to the penalties resulting from providing any false or misleading representations in this form or in any of the related attachments.
- I declare that I will comply with the provisions of Law No. 7 of 2010 and its Executive Bylaws and their amendments, as well as all orders, decisions, instructions and any other restrictions issued by the Capital Market Authority concerning license of Securities Activities in the State of Kuwait.
- I hereby undertake to settle fees of the license of Securities Activities and any other fees related to the procedures of licensing Securities Activities as specified by the Authority as per any determination issued thereby in this regard.
- I declare that I will adhere to all orders, policies and procedures set out under the business plan as submitted to the Authority along with this form.
- I declare that I will notify the Authority of any changes that may occur, other than all information and data provided to the Authority concerning granting license of Securities Activities.
- I declare that I will submit any data or documents related to granting the license of Securities Activities that the Authority may request in the future.

This is a declaration and undertaking to said effect.

### 6.2 Applicant signature

Name of the Applicant	
Status of the Applicant	
Signature	
Date	

## Appendix 1: Business Plan Guide

- The purpose of these guidelines is to assist the applicant in preparation of a business plan which contains the minimum requirements in addition to some suggestions which would help the Authority to assess the application for licensing the Securities Activities in a more detailed and thorough manner.
- The applicant has the right, in the manner that they deem fit, to prepare a business plan along with guaranteeing availability of the requirements and conditions of licensing as set out in the Bylaws, whereby the applicant is able to supplement additional items to those specified under this guide, which would further help the Authority to assess the application for licensing Securities Activities, with a condition of providing all the documents of article (1.5) of this appendix.
- The volume of details required for the business plan depends on the quantity and nature of the activities to be carried out the applicant or what he intended to be carried out.

## 1.1 Introduction

- **History of the Company:** a presentation of the company's history along with a statement of its milestones that the company witnessed and any substantial changes which occurred at the company as of establishment.
- **An executive summary:** a synopsis of the company and its future vision and a summary of the business plan with a focus on the licensed activities carried out by the applicant and the activity that they wish to license.

## 1.2. Company's Activities

- **Main activities:** a summary of the activities carried out (or to be carried out) by the company with a reference to the services and products offered by the company (or to be offered by the company) in each activity and their target clients.
- **A statement of all contracts or agreements or entered into with external entities:** all details of such arrangements and contracts shall be mentioned along with names of entities and persons in charge of coordinating with such entities at the company.

## 1.3. Ownership & Management of the Company

- **Controlling or allied companies:** all controlling entities shall be mentioned which will carry out Securities Activities subject of license, as well as all Ally companies. It is preferred that a diagram is provided for such purpose along with a reference to ownership percentages 5% or more of the capital. In the event that the company was under incorporation, kindly refer to contact details of entities which intend to own Shares to control the company at incorporation.
- **Board of directors:** detailed information shall be provided concerning the Board of Directors as well as on the committees formed for various duties under the Board of Directors. Expertise and qualifications members of the Board of Directors shall also be disclosed. This condition does not apply to companies under incorporation.
- **Majority owners:** names and ownership percentages of shareholders holding 5% or more of the company's capital shall be mentioned, as well as the founders of the company who intend to acquire 5% or more of the company's capital.
- **Organisational structure:** the organisational structure of the company shall be presented while clarifying the following:  
  
Limitations on authority, capacity and responsibility of the licensee pertinent to the Board of Directors, executive management and all other main supporting positions. In addition to the foregoing, administrative levels and capacities shall be specified related to execution of transactions, payment of expenses and financial costs as well as procedures of ratification of operations and transactions.
- **Executive management:** names of all executive directors, their expertise and qualifications thereof shall be mentioned. In the event the company is under incorporation, reference shall be made to the expertise and qualifications of the founders instead of the executive management.

#### 1.4. Financial Performance of the Company

- **Audited Financial Statements:** Main financial statements and indices of the company for the last three years shall be presented along with audited financial information for that period with the application
- **Market study:** statement of the market directions and main elements affecting the Securities market to be licensed shall be presented in order to assess the volume of demand for the company's services that reflects the future predictions of its revenues. Market risk analysis shall be presented along with an analysis of opportunities, points of strength and weakness related to Securities Activities.
- **Expected Performance of the Company:** Financial statements forecasted for the upcoming three years shall be prepared. Said predictions shall reflect the conclusions of the market study and shall reflect the vision and strategy of the company mentioned in the executive summary. The effect of the activities, and license on the company's expected performance, shall also be clarified.

#### 1.5. Policies, Procedures and Systems

- **Policies, Procedures and Systems:** Policies, procedures and systems of the mentioned aspects shall be submitted to the Authority:
  1. Policies and procedures of risk management.
  2. Anti -Money Laundering and Counter-Terrorism Financing policies and procedures.
  3. Commitment to compliance policies and procedures.
  4. Policies and procedures of professional conduct rules.
  5. Policies and procedures to prevent leakage of information between activities. This requirement is in relation to information leakage between different departments otherwise known as a Chinese Wall in accordance with the activities to be practiced. The company is required to authorize the policies and procedures that ensure protection of the safety and confidentiality of the information, or the internal information that he obtains from practicing the securities activities, in order to guarantee such information is available only to personnel authorized to obtain such information not including other personnel.
  6. Policies and procedures pertaining to dealing with related parties.
  7. Monitoring systems and internal control programs.
  8. Policies and procedures of Sharia monitoring (for companies working in accordance with the provisions of Islamic Sharia).
  9. An ethical business chart in accordance with the provisions of Islamic Sharia (for companies working in accordance with the provisions of Islamic Sharia).
  10. Human resources, training and development.
  11. Emergency plans and following up on business continuity. It is required that the company mention the company's plans and arrangements to ensure continuity of its operation in practicing licensed activities and company's plans to continue to fulfil its legal obligations in the event of unplanned stoppage of activities, taking into consideration the nature, size, and number of company's work and type of surrounding risk.
  12. Policies and procedures of fit and proper rules. It is required to mention the standards and rules that the company relies upon for any job(s) required to be registered. It is also required to mention policies and procedures with the goal of confirming that the person continues to fulfil the fit and proper rules and notify the Authority of any violation in this regard.
  13. Policies and procedures of handling clients' and investors' complaints.
  14. Policies and procedures of implementing and managing business operations for the licensed activities, provided that the documentation cycle required to be followed in completion of activities, and conditions for provision of services to clients and investors, and the fees chart, commissions, and fees and expenses that are current or suggested.
  15. Policies and procedures for the protection of whistleblowers of any unlawful practices committed by the licensee.
  16. Policies and procedures of capital adequacy regulations.

## Appendix 2- Declaration

I, ..... the undersigned, within my capacity as....., hereby declare that no judgments were issued against me during the five years prior to the issuance of this provision to declaring bankruptcy, conviction of a felony or misdemeanour in honour, or sentenced for a crime stipulated in commercial, companies or Capital Market's Authority laws.

### Appendix 3- List of Registered Employment Positions

The table shall be filled in with all the names of officers who perform registered employment positions, taking into account the following:

- All registered employment positions required according to the type of activity.
- All names of officers, in the event of more than one officer in a registered employment position, by way of adding entries to the position in the table provided below.
- “N/A” shall be used in the event the company does not carry out a registered employment position as per the licensed activities.

Registered Employment Position	Employee Name	Occupational Title	Civil ID No.	Phone No. (direct)	Phone No. (Mobile)	Email Address	Date of Approving the Nomination
Chief Executive Officer							
Senior Executive Officers							
Chief Financial Officer							
Compliance Officer							
Risk Management Officer							
Internal Audit Officer							
Sharia Audit Officer*							
Representative of a Securities Activities Broker registered in the Exchange							
Representative of a Securities Activities Broker not registered in the Exchange							
Representative of a Qualified Securities Activities Broker registered in the Exchange							

Investment Advisor Representative							
Representative of an Investment Portfolio Manager - (Managed by the Client personally and Custody)							
Representative of an Investment Portfolio Manager -(Managed by the Licensed Person in favour of Clients)							
Representative of Collective Investment Scheme Manager							
Representative of a Collective Investment Scheme Manager -(Operations Officer)							
Representative of Custodian							
Representative of Investment Controller							
Representative of Subscription agent							
Representative of a Valuation of Assets							
Representative of a Market Maker							
Senior Investment Advisor							
Senior Asset Valuator							

\* For persons licensed to operate in accordance with Islamic Sharia.

## **Appendix 6**

### **Application for Renewing Securities Activities License**



**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**An Application to register an Auditor at the Capital Markets Authority**

List of Contents	
Section 1	Instructions
Section 2	Information of the Applicant
Section 3	License Intended for Renewal
Section 4	Major shareholders
Section 5	Attachments and required documents
Section 6	Appendix A - Declaration
Section 7	Appendix B – List of Registered Employment Positions

## 1. Instructions

- This form shall be submitted after the payment of the fee depending on the type of license to be renewed according to the schedule of fees, and three months before the license expiration date according to the Executive Bylaws of Law No.7 of 2010 and its amendments.
- The Authority shall review the application within two months from the date of the receipt of the application fulfilling all the requirements and documents required for approval of the license renewal.
- Licensed person may resort to the Authority's arbitration rules to solve a dispute concerning securities activities.
- Applicant shall send the application or any inquiries concerning this form to the licensing and registration department in the Capital Markets Authority at the address below:

Capital Markets Authority – 20th floor Al-Hamra Tower – Sharq – Kuwait  
P.O. Box 3913 Safat 13040 Kuwait    lrd@cma.gov.kw

## 2. Information of the Applicant

### 2.1 Information of the Applicant

Name of licensee:

License Number:

Date of Issuance of License:

Date of Expiration of License:

### 2.2 Information of Liaison Officer

Name:

Phone Number:

Mobile Number (individual):

E-mail Address:

## 3. License Intended for Renewal

### 3.1 License Intended for Renewal

- |   |   |
|---|---|
| <input type="checkbox"/> Investment Portfolio Manager | <input type="checkbox"/> Collective Investment Scheme Manager                   |
| <input type="checkbox"/> Investment Advisor           | <input type="checkbox"/> Subscription Agent                                     |
| <input type="checkbox"/> Custodian                    | <input type="checkbox"/> Securities Broker registered at the Exchange           |
| <input type="checkbox"/> Investment Controller        | <input type="checkbox"/> Securities Broker not registered at the Exchange       |
| <input type="checkbox"/> Market Maker                 | <input type="checkbox"/> Qualified Securities Broker registered at the Exchange |
| <input type="checkbox"/> Valuation of Assets          | <input type="checkbox"/> Credit Rating Agency                                   |

### 3.2 Company's Legal Form

- |   |  |
|---|--|
| <input type="checkbox"/> Shareholding Company   | <input type="checkbox"/> Commercial Bank           |
| <input type="checkbox"/> Foreign Company Branch | <input type="checkbox"/> Limited Liability Company |

Is the applicant one of the Units Subject to the Supervision of the Central Bank? ☐ Yes ☐ No

Does the applicant practice his activities according to Islamic Sharia? ☐ Yes ☐ No

## 4. Major Shareholders

### 3.1 Major Shareholders \*

	Major shareholders	Share	Nationality
1			
2			
3			

- The Authority shall be provided with names of major shareholders who own 5% or more from the company's capital pursuant to the latest update of data approved by the Clearing Agency.

### 4.2 Capital

## 5. List of Required Documents and Attachments

### 5.1 Required Attachments

	Attachment/ Required Document	Status		Notes
1	Copy of Fees Payment Receipt	<input type="checkbox"/> Available	<input type="checkbox"/> Not applicable	
2	Copy of License Certificate	<input type="checkbox"/> Available	<input type="checkbox"/> Not applicable	
3	Copy of the license issued by the Ministry of Commerce and Industry.	<input type="checkbox"/> Available	<input type="checkbox"/> Not applicable	
4	Updated and valid certificate to whom it may concern indicating Board Members issued by Ministry of Commerce and Industry.	<input type="checkbox"/> Available	<input type="checkbox"/> Not applicable	
5	List of Names of Officers filling Positions required for Registration**	<input type="checkbox"/> Available	<input type="checkbox"/> Not applicable	
6	Declaration as per the attached form – Appendix.	<input type="checkbox"/> Available	<input type="checkbox"/> Not applicable	

- \* If the state of the appendix is not applicable for the applicant, please provide the Authority with a separate document to indicate the reasons why it is not applicable.

- \*\* List to be prepared as per the schedule attached to Appendix (7-B).

**Applicant**

**Application Reviewer (For Office Use)**

Date:././....

Date:././....

Signature	Signature
Seal	Seal

## 6. Appendix A

### Declaration

I, the undersigned, hereby declare that no changes have been made to the information and documents pertaining to granting the license, as submitted to the Authority, and undertake to report any changes that might occur in this regard and to provide the Authority with copies of such modified information and documents.

### Approval of declaration

Applicant name	
Applicant capacity	
Signature	
Date	
Seal of the company	

## 7. Appendix B

### List of Registered Employment Positions

The table shall be filled in with all the names of officers who perform registered employment positions, taking into account the following:

- All registered employment positions required according to the type of activity.
- All names of officers, in the event of more than one officer in a Registered Employment Position, by way of adding entries to the position in the table provided below.
- All names of external entities that are assigned to undertake Registered Employment Positions (if any).
- "N/A" shall be used in the event the company does not carry out a Registered Employment Position as per the licensed activities.

Registered Employment Position	Name of Employee/ External Entity	Occupational Title	Civil ID No.	Phone No. (Direct)	Phone No. (Mobile)	Email Address
Chief Executive Officer						
Senior Executive Officers						
Chief Financial Officer						
Compliance Officer						
Risk Management Officer						

Internal Audit Officer						
Sharia Audit Officer						
Representative of a Securities Activities Broker registered in the Exchange						
Representative of a Securities Activities Broker not registered in the Exchange						
Representative of a Qualified Securities Activities Broker registered in the Exchange						
Investment Advisor Representative						
Representative of an Investment Portfolio Manager (Managed by the Client personally and custody)						
Representative of an Investment Portfolio Manager (Managed by the Licensed Person in favour of Clients)						
Representative of Collective Investment Scheme Manager						
Representative of a Collective Investment Scheme Manager (Operations Officer)						
Representative of a Custodian						
Representative of an Investment Controller						
Representative of a Subscription agent						
Representative of a Valuation of Assets						
Senior Investment Advisor						
Senior Asset Valuator						

## **Appendix 7**

### **Application for Cancellation of Securities Activities License**



**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**Application for Cancellation of Securities Activities License**

Table of Contents	
Section 1	Instructions
Section 2	Information of the Applicant
Section 3	License Intended for Cancellation
Section 4	Attachments and required documents

## 1. Instructions

- The Licensed Person shall meet all the provisions of Appendix 27 (Regulations of the Application for Cancellation of Some or all Securities Activities License) prior to submitting the application for cancellation of Securities Activities license.
- The prior approval of the extra-ordinary general assembly on the proposal of the license cancellation of all or some of the securities activities is required for the submission of the application for cancellation of license, provided that this cancellation shall be reasoned.
- The Licensed Person shall comply with the time periods stipulated in Module Five of the license cancellation at the request of a Licensed Person.
- The suggested date for cancellation shall be at least six months after the date of submitting the application.
- The Authority may request any additional information, documents, or clarifications from the Licensed Person at the time of reviewing his application. If he fails to submit the required documents and information within the period of time set by the Authority in the notification without an excuse acceptable to the Authority, the application shall be deemed to have been withdrawn.
- The Authority shall determine the application within two months from the date of completion of all required information and documents.
- Provide the Authority with any supporting documentation to the request should the applicant be unable to meet certain requirements.
- The applicant shall comply with all the procedures issued by the Authority as required after determination of the submitted application.
- The Units Subject to the Supervision of the Central Bank shall comply with regulations of the license cancellation stipulated in the memorandum of cooperation concluded between the Authority and the Central Bank.
- The Licensed Person shall notify the Authority in writing immediately upon the occurrence of any obstacles in the procedures of the Securities Activities License cancellation.
- In the event that the Licensed Person fails to comply with the license cancellation periods, he must immediately request to renew the license.
- The Authority may require the applicant of the license cancellation to take all the procedures and measures that ensure that the interests of its clients or the integrity of the financial system are not harmed as a result of the license cancellation.
- The Licensed Person may resort to the Authority's arbitration rules to resolve a dispute concerning Securities Activities.
- The Licensed Person should submit the cancellation application through the Authority's electronic portal and pay the prescribed fees. For any inquiries regarding the application or related to it, kindly contact the Licensing and Registration Department at the Capital Markets Authority at the address below:

Capital Markets Authority – 20th floor Al-Hamra Tower – Sharq – Kuwait  
P.O. Box 3913 Safat 13040 Kuwait    lrd@cma.gov.kw

## 2. Information of the Applicant

### 2.1 Information of the Applicant

Name of licensee:

License Number:

Date proposed for cancellation:

### 2.2 Information of Liaison Officer

Name:

Phone Number:

Mobile Number (individual):

E-mail Address:

## 3. License Intended for Cancellation

### 3.1 License Intended for Cancellation

- |   |   |
|---|---|
| <input type="checkbox"/> Investment Portfolio Manager | <input type="checkbox"/> Collective Investment Scheme Manager                   |
| <input type="checkbox"/> Investment Advisor           | <input type="checkbox"/> Subscription Agent                                     |
| <input type="checkbox"/> Custodian                    | <input type="checkbox"/> Securities Broker registered at the Exchange           |
| <input type="checkbox"/> Investment Controller        | <input type="checkbox"/> Securities Broker not registered at the Exchange       |
| <input type="checkbox"/> Market Maker                 | <input type="checkbox"/> Qualified Securities Broker registered at the Exchange |
| <input type="checkbox"/> Valuation of Assets          | <input type="checkbox"/> Credit Rating Agency                                   |

### 3.2 Legal Form of Licensed Person

- |   |  |
|---|--|
| <input type="checkbox"/> Shareholding Company   | <input type="checkbox"/> Commercial Bank           |
| <input type="checkbox"/> Foreign Company Branch | <input type="checkbox"/> Limited Liability Company |

Is the applicant one of the Units Subject to the Supervision of the Central Bank? ☐ Yes ☐ No

Does the applicant practice his activities according to Islamic Sharia? ☐ Yes ☐ No

### 3.3 Licensed Person's capital

### 3.4 Reasons for Cancellation of License

- ☐ Dissolution and liquidation of the company.
- ☐ Other reasons: \*Kindly mention the reason

## 4. Attachments and Required Documents

### 4.1 Required Attachments

	Attachment / Required Document	Status*	Notes
List of documents required upon submission of a cancellation application			
1	Minutes of extraordinary general assembly meeting stating the approval of the company's shareholders on the proposal of the justified Securities Activities license cancellation.	<input type="checkbox"/> Available <input type="checkbox"/> Not applicable	
2	Resolution of the company's Board of Directors regarding the Securities Activities license cancellation.	<input type="checkbox"/> Available <input type="checkbox"/> Not applicable	
3	Report of an Auditor registered at the Authority.	<input type="checkbox"/> Available <input type="checkbox"/> Not applicable	
4	Copy of the Clients' register – in accordance with item (4) of the Licensed Person's obligations stipulated in Appendix 27.	<input type="checkbox"/> Available <input type="checkbox"/> Not applicable	
5	Copy of Form (2) of Appendix 2 (Securities Investment Portfolio Forms) of Module Seven (Clients' Funds and Clients' Assets) of these Bylaws.	<input type="checkbox"/> Available <input type="checkbox"/> Not applicable	
6	Notification of the Central Bank of Kuwait for terminating all Securities Activities and the transfer to a finance company.	<input type="checkbox"/> Available <input type="checkbox"/> Not applicable	
7	Copy of the payment receipt of	<input type="checkbox"/> Available <input type="checkbox"/> Not applicable	
The documents listed below are to be submitted in case the authorized person intends to be liquidated			
1	Information of the liquidator: <ul style="list-style-type: none"> <li>Name of liquidator:</li> <li>Copy of liquidator's license/registration certificate</li> </ul>	<input type="checkbox"/> Available <input type="checkbox"/> Not applicable	
2	Joint declaration between the Licensed Person and the liquidator on the independency and that there is no conflict of interest.	<input type="checkbox"/> Available <input type="checkbox"/> Not applicable	

\* If the state of the appendix is not applicable for the applicant, please provide the Authority with a separate document to indicate the reasons why it is not applicable.

**Applicant**

**Application Reviewer (For Office Use)**

Date:././....

Date:././....

Signature	Signature
Seal	Seal

## Appendix 8

### Application to Register an Auditor at the Capital Markets Authority

**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**An Application to register an Auditor at the Capital Markets Authority**

List of Contents	
Section 1	Information of the Applicant and Liaison Officer
Section 2	Declarations
Section 3	List of Documents
Annex (A)	Table of Clients and Heads of Review and Audit Teams with the Auditor
Annex (B)	Table of Review and Audit Teams Employees of the Auditor

(1) Information of the Applicant and Liaison Officer

Information of the Applicant

Name of Auditor	
Name of Auditor's Office	
Date of registration in the Auditors' Register who practice the profession at the Ministry of Commerce and Industry	
Address of Main Offices	
Telephone No.	
Mobile No.	
Email Address	
Web Address	

Point of Contact

Name	
Job title	
Phone No.	
Mobile No.	
Fax No.	
Email Address	

**NB: No application shall be admitted unless this form is filled in full.**



## (2) Declarations

An Auditor applying for registration at Capital Markets Authority declares the following:

1.	They are registered in the Ministry of Commerce and Industry's register of Auditors who practice the profession, and have practiced auditing for at least five years from the date of registration in the above-mentioned register.	<input type="checkbox"/> Yes
2.	The number of employees working in the review and audit teams for the Auditor is not less than 5, provided that all employees of the review and audit teams shall be full-time employees working for the Auditor.  An Auditor shall be deemed to be a Professional Employee in the event of performing review and audit functions.	<input type="checkbox"/> Yes
3.	The percentage of Professional Employees is not less than third of total of each team that carries out auditing works for a certain Client.	<input type="checkbox"/> Yes
4.	Each employee of the review and audit team working for the Auditor holds a bachelor degree in accountancy from Kuwait University or the equivalent from any of the equivalent universities or institutes inside or outside the State of Kuwait, or hold professional qualifications in review and audit.	<input type="checkbox"/> Yes
5.	The Professional Employee heads the review and audit team of the Auditor, and applies the International Standard on Quality Control (1) and taking into account the efficiency and capabilities of the work team, as planned in the various audits.	<input type="checkbox"/> Yes
6.	The percentage of Kuwaiti employees operating in the review and audit team is not less than 15% when applying for the registration of an Auditor in the Authority's register, and shall maintain such percentage throughout the period of its registration in the register.	<input type="checkbox"/> Yes
7.	The Auditor shall have clear policies and procedures for risk measurement and management, and quality control.	<input type="checkbox"/> Yes
8.	The Auditor shall have a clear plan for the training and professional development of the employees and at least thirty hours per year for the members of the review and audit team. The auditor shall be committed to implement the training plan throughout the period of registration in the register.	<input type="checkbox"/> Yes
9.	The Auditor has a professional ethical code in place as per the latest international practices, such as the professional ethical code issued by the International Federation of Accountants (IFAC). Each employee in the review and audit team shall sign and adhere to that code.	<input type="checkbox"/> Yes
10.	If the Auditor is a partner in an entity licensed for a Securities Activity, the Auditor shall comply with the provisions of Article (3-4-2) of Chapter Three of Module Five of the Executive Bylaws of Law No. 7 of 2010 and their amendments regarding the employees of its review and audit teams.	<input type="checkbox"/> Yes
11.	Not to provide any additional services to the Client except for the services which are required in the profession of auditing. They shall be generally prohibited from providing services which would jeopardise their independency and neutrality such as consultation services and internal auditing in the course of carrying out works of review and audit.	<input type="checkbox"/> Yes
12.	To review details of his business plan and results of the auditing process with the Client's internal auditing committee, if any, which ensures providing full access to all necessary documents for carrying out the duties of an Auditor.	<input type="checkbox"/> Yes

13.	To regularly convene with the Client's Internal Auditing Committee or its representative at the Client's invitation prior to presenting reviewed periodical and annual financial statements to the Board of Directors to render opinion and any recommendation in that regard. He or its representative may convene with the Client's internal auditing committee or its Board of Directors as the need arises. The Client must invite the Auditor in this regard.	<input type="checkbox"/> Yes
14.	Not to carry out any auditing works for any Client for a period more than four consecutive years unless such a Client is under liquidation. Said period shall be calculated as of date of registration in the Auditors register of the Authority. He may carry out such works for the same Client after a period of suspension not less than two consecutive financial years.	<input type="checkbox"/> Yes
15.	Notify the entity monitoring the Client's management, Board of Directors or shareholders of any matters of material significance, as part of the review and audit function through the Auditor's report, such as the extent to which the Client is able to continue his business.	<input type="checkbox"/> Yes
16.	Notify the management body of the Client with any existing or suspected violations of the applicable laws, bylaws, instructions and Articles of Association of the Client, or the competent entity of the Client in accordance with its legal system. In the event of significant and material violations, the Auditor shall also notify the Authority in conjunction with informing the Client's management body or the Board of Directors of the Client of such violations. Moreover, he shall notify the annual ordinary general assembly of the company or the competent entity of the Client in accordance with its legal system.	<input type="checkbox"/> Yes
17.	Provide all information and data as requested by the Authority.	<input type="checkbox"/> Yes
18.	Notify the Authority immediately after losing any requirement or condition of registration stipulated in Article (3-4) of Module Five of the Executive Bylaws of Law No. 7 of 2010 and their amendments.	<input type="checkbox"/> Yes
19.	Not to accept any tasks that may constitute a conflict of interest.	<input type="checkbox"/> Yes
20.	Not to accept any tasks that jeopardises the honour of the profession.	<input type="checkbox"/> Yes
21.	Notify the Authority immediately upon the issuance of any decision or judgment of any penalty or legal violation by any regulatory body or judicial authority against him.	<input type="checkbox"/> Yes
22.	<p>The Auditor registered at the Authority is committed to submit an annual report in June of each year, including the following:</p> <ol style="list-style-type: none"> <li>1. A statement of the employees of its review and audit teams, indicating the extent of the commitment to the percentage of Kuwaiti employees specified in item (6) of Article (3-4-2) of Chapter Three of Module Five of the Executive Bylaws of Law No. 7 of 2010 and their amendments.</li> <li>2. The activity of audit, consulting and other services provided to the Clients mentioned in Article (3-4-1) of Chapter Three of Module Five of the Executive Bylaws of Law No. 7 of 2010 and their amendments.</li> <li>3. Training activity during the year, indicating the extent of compliance within at least thirty hours per year for review and audit team members.</li> </ol>	<input type="checkbox"/> Yes

23.	The Auditor and professional employees shall enjoy good reputation and conduct, and shall not have been previously convicted of an offense involving honour, honesty, money laundering, terrorism financing, financial crimes or corruption, unless they have been discharged.	<input type="checkbox"/> Yes
24.	Perusal of Law No. 7 of 2010 and its Executive Bylaws and their amendments.	<input type="checkbox"/> Yes
25.	To uphold all laws, regulations and instructions organising companies operating under the supervision of the Authority and the profession of auditing in the State of Kuwait.	<input type="checkbox"/> Yes

Signature of the Auditor
--------------------------

**NB: No application shall be admitted unless this form is filled in full.**

(3) List of Documents				
Serial	Document	Attached	Inapplicable	Notes
1	Copy of receipt of fees payment	<input type="checkbox"/>	<input type="checkbox"/>	
2	Copy of the civil ID of the Auditor.	<input type="checkbox"/>	<input type="checkbox"/>	
3	Copy of Certificate of registration in the register of Auditors practicing the profession at the Ministry of Commerce & Industry	<input type="checkbox"/>	<input type="checkbox"/>	
4	A list of signatories, signature forms and a certificate of signature.	<input type="checkbox"/>	<input type="checkbox"/>	
5	Auditor's approved organisational structure.	<input type="checkbox"/>	<input type="checkbox"/>	
6	Brief statement of internal regulations and policies and technical systems used by the Auditor.	<input type="checkbox"/>	<input type="checkbox"/>	
7	Clear policies and procedures for measuring and managing risk and quality control.	<input type="checkbox"/>	<input type="checkbox"/>	
8	An honour code as per the most recent international practices, such as the professional ethical code issued by the International Federation of Accountants (IFAC), signed by each employee in the auditing team working under the Auditor.	<input type="checkbox"/>	<input type="checkbox"/>	

9	A clear plan of professional training and development for employees including at least thirty hours per year for review and audit team members.	<input type="checkbox"/>	<input type="checkbox"/>	
10	A list of Clients that he audit at the time of application, with the head of the audit team for each client.  (This document is to be presented in accordance with the table set out in Annex A)	<input type="checkbox"/>	<input type="checkbox"/>	
11	A table showing the names of the employees of the review and audit teams of the Auditor, their nationalities, their academic and professional qualifications, years of practical experience and the percentage of Kuwaiti employees working in the review and audit teams.  (This document is to be presented in accordance with the table set out in Annex B)	<input type="checkbox"/>	<input type="checkbox"/>	
12	Ratified documents of the academic and professional qualifications of the review and audit teams of the Auditors.	<input type="checkbox"/>	<input type="checkbox"/>	
13	A certificate of to whom it may concern issued from Ministry of Commerce & Industry indicating non-existence of any disciplinary penalties against the Auditor.	<input type="checkbox"/>	<input type="checkbox"/>	

I, the undersigned, acknowledge that the information in this application (including all declarations, documents and annexes) is complete, accurate and correct. I also acknowledge that I have reviewed the Law No. 7 of 2010 and its Executive Bylaws and their amendments, as well as instructions and resolutions issued by the Authority.

I have knowledge of the Capital Markets Authority's right to take any punitive or disciplinary action against any person who submits incorrect or misleading information or declarations in this application.

Until the issuance of the approval of this application, I undertake to notify the Authority in writing once any change in the information or data submitted pursuant to this application occurs or takes place.

Name of Auditor	
Signature of the Auditor	
Date	

**NB: No application shall be admitted unless this form is filled in full.**

### Annex (A): Client Table and Heads of Review and Audit Team of the Auditor

Document No. 10 from the list of documents in this form is presented according to the following table:

#### List of Clients and Heads of Review and Audit Team of the Auditor

Client Name	Name of the Professional Employee head of the review and audit team

### Annex (B): Table of Review and Audit Team Employees of the Auditor

Document No. 11 from the list of documents in this form is presented according to the following table:

Professional Employees					
Employee Name	Nationality	Academic Qualification	Major	Professional Qualification	Years of Practical Experience
Non-Professional Employees					
Employee Name	Nationality	Academic Qualification	Major	Professional Qualification (if applicable)	Years of Practical Experience

## Appendix 9

### Application to Register an External Sharia Auditing Office

**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**An Application for Registration of an External Sharia Auditing Office**

List of Contents	
Section 1	Instructions
Section 2	Information pertaining to the Office and Liaison Officer
Section 3	Information pertaining to Members of the Office
Section 4	Declarations and Undertakings
Section 5	List of required documents upon submission of application

## 1. Instructions

- This form shall be submitted by the External Sharia Auditing Office who wish to register an External Sharia Auditing Office at the Authority.
- The office shall obtain a license from the Ministry of Commerce and Industry to practice the activity of providing Sharia consultation or Sharia auditing.
- The External Sharia Auditing Office consists of two or more Sharia Auditors who are supported by one or more accountants and legal advisors provided that they shall have experience of not less than five years. It is permitted to outsource some of the ancillary duties.
- Any application form that is not complete will not be accepted. In the event of non-applicability or unavailability of a statement or information or document required in the form, “not applicable” or “not available” shall be selected, depending on the circumstances.
- The Authority may notify the applicant at any time after receiving the registration request to submit any further information or documents. In the event that the applicant fails to provide the information and documents within the period set by the Authority for the notification without an acceptable excuse, the application shall be deemed withdrawn.
- The Authority may refuse the registration application in the event that the External Sharia Auditing Office fails to comply with the conditions and provisions related to its work stipulated in Chapter Three of this Module. In the event of rejection, the decision shall be justified.



## 2. Information pertaining to the Office and Liaison Officer

### 2.1 Information of the Office

Name of Person		
License issued from Ministry of Commerce & Industry to practice the activity of providing Sharia consultation or Sharia auditing	<input type="checkbox"/> Office	<input type="checkbox"/> Company
Address of Main Office		
Telephone No.		
Mobile No.		
Fax No.		
Email Address		
Web Address		

### 2.2 Information of the Office

Name of Liaison Officer	
Title	
Phone No.	
Mobile No.	
Fax No.	
Email Address	

### 3. Information pertaining to Members of the Office

Name of Person	Position of Person			Years of Experience
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	

#### 4. Declarations and Undertakings

I, in my capacity as representative of External Sharia Auditing Office (a copy of delegation shall be submitted to the Authority), undertake that the External Sharia Auditing Office

Name of the office: \_\_\_\_\_

Which is to be registered has submitted all its documents as per the system of practicing the profession of external Sharia auditing for persons licensed to operate in accordance with the provisions of Islamic Sharia, and pledge the following:

To adhere to the provisions of Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Executive Bylaws and their amendments and all systems, decisions, directives and all special restrictions pertaining to external auditing issued by the Capital Markets Authority, and to adjust the direction of the office with such systems and amendments within the time limit set by the Authority for such a purpose.	<input type="checkbox"/> Yes
<p>The report of the External Sharia Auditing Office shall include the following:</p> <ol style="list-style-type: none"> <li>1. An evaluation of the efficiency and effectiveness of the Sharia risk management procedures.</li> <li>2. An evaluation of the Licensed Person's compliance with the relevant resolutions of the Capital Markets Authority.</li> <li>3. The scope of work of the External Sharia Auditing Office to include the activities, contracts and Securities transactions of the Licensed Person or Collective Investment Schemes.</li> <li>4. A statement of the reference used for the Sharia standards of the Licensed Person in case it differs from the Sharia standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).</li> <li>5. Opinion regarding the Licensed Person's commitment to the provisions of Islamic Sharia in accordance with the Sharia reference it follows, including Sharia violations in the activities, contracts or transactions of the Licensed Person - if any - whether in Securities transactions or their execution.</li> <li>6. Procedures of auditing that led to the results of its works mentioned in such report.</li> <li>7. Evidence of viewing the report of the Internal Sharia Auditing Unit.</li> <li>8. The signature of the External Sharia Auditor registered at the Authority.</li> </ol> <p>The External Sharia Auditing Office shall also issue quarterly periodic Sharia auditing reports that include the results of following up and examining the Licensed Person's compliance with the Islamic Sharia principles in its transactions and activities and publish them through the periodic disclosures of the person licensed to work in accordance with the Islamic Sharia principles . It is necessary to present these reports to the Board of Directors to clarify the contents of the report.</p>	<input type="checkbox"/> Yes

The Sharia auditor shall have a good reputation and manner and have not been convicted of a crime involving a breach of honor or trust or a crime related to money laundering, financing terrorism, financial crimes or corruption unless he has been discharged.	<input type="checkbox"/> Yes
The External Sharia Auditing Office of the Licensed Person shall be appointed for one financial year, renewable annually for a period not exceeding four consecutive financial years. It may be reappointed after a period of suspension not less than two consecutive financial years.	<input type="checkbox"/> Yes
Maintain confidentiality of information and data that he viewed while undertaking external Sharia auditing	<input type="checkbox"/> Yes
To notify the Authority in conjunction with informing the Licensed Person's management body of the existence of significant and material violations committed by the Licensed Person.	<input type="checkbox"/> Yes
To notify the Authority as soon as one of its registration requirements or conditions is missing.	<input type="checkbox"/> Yes
To provide all data and information requested by the Authority.	<input type="checkbox"/> Yes
To notify the Authority immediately upon the issuance of any decision or judgment of any penalty or legal violation by any regulatory body or judicial authority against him.	<input type="checkbox"/> Yes

**The External Sharia Auditing Office represents and warrants, as well as its members, to refrain from carrying out any of the following acts:**

To disclose in the office's report if the partner in an External Sharia Auditing Office or any affiliate thereof occupies the position of chairman or Member of a Board of Directors or a member of the Sharia Supervisory Board – if any – of the Licensed Person, or if he is a member of the Executive Committee of the Fund or the Executive Team of the Contractual Collective Investment Scheme concerned. This shall be applied to relatives of first of kin who supervise the management of the Licensed Person or its accounts.	<input type="checkbox"/> Yes
The Licensed Person or any affiliate thereof shall not be a partner or a shareholder in the appointed External Sharia Auditing Office.	<input type="checkbox"/> Yes
The partner of the External Sharia Auditing Office shall not work for any other External Sharia Auditing Office registered at the Authority.	<input type="checkbox"/> Yes
To audit the transactions of the Licensed Person of which the External Sharia Auditor is relative of third of kin of a Member of the Board of Directors and the CEO.	<input type="checkbox"/> Yes
The Sharia Auditors team who undertake external Sharia auditing on the Licensed Persons or Collective Investment Schemes shall not provide Sharia consultations for the same client throughout the appointment period of the External Sharia Auditing Office.	<input type="checkbox"/> Yes
To provide any works or services for a fee or for free whether directly or indirectly, other than the profession of Sharia auditing to the Licensed Person.	<input type="checkbox"/> Yes
To provide any Sharia consultations or training assignments to the Licensed Person subject of the auditing.	<input type="checkbox"/> Yes
To represent the Licensed Person before third parties, particularly membership of any Board of Directors of companies wherein the Licensed Person is a shareholder.	<input type="checkbox"/> Yes
To receive financial benefits or other benefits than those approved by the general meeting for the Licensed Persons. This includes receiving preferential benefits with the rest of the Clients, whether such benefits were granted by the Licensed Person themselves or by any of their associate companies.	<input type="checkbox"/> Yes
To provide any of the services that may have an impact on its independence or neutrality.	<input type="checkbox"/> Yes
To accept tasks that may constitute conflict of interest.	<input type="checkbox"/> Yes
To accept tasks that jeopardize the honor of the profession.	<input type="checkbox"/> Yes

### 5. List of documents Attached upon Submission of Application

Sr.	Document	Attached	Inapplicable	Status of Auditing (For the Authority's use)	Notes
1	License issued from the Ministry of Commerce & Industry for External Sharia Auditing Office.	<input type="checkbox"/>	<input type="checkbox"/>		
2	A copy of proof of fulfilling the same academic or professional qualifications of the Sharia Audit Officer stipulated in Appendix (3) of Module Five.	<input type="checkbox"/>	<input type="checkbox"/>		
3	A copy of the approved supporting documents of the professional expertise or an official copy of them.	<input type="checkbox"/>	<input type="checkbox"/>		
4	A declaration by the Sharia Auditor of working full-time at the Sharia Auditing Office.	<input type="checkbox"/>	<input type="checkbox"/>		
5	A certificate of criminal clearance from criminal evidence department for the Sharia Auditor.	<input type="checkbox"/>	<input type="checkbox"/>		
6	A copy of the identification number and the passport (in the event the applicant is non-Kuwaiti subject).	<input type="checkbox"/>	<input type="checkbox"/>		
7	A copy of the delegation issued to the representative of the External Sharia Auditing Office.	<input type="checkbox"/>	<input type="checkbox"/>		
8	A copy of receipt of payment of registration fees.	<input type="checkbox"/>	<input type="checkbox"/>		

I, the undersigned, hereby declare that all information set out in the present application (including all appendices and attachments) are complete, accurate and true. I also declare that I have reviewed Law No. 7 of 2010 and its Executive Bylaws and their amendments.

I have knowledge of the Capital Market Authority's right to take any criminal or disciplinary measure against any person who submits any untrue or misleading information or declarations in this application.

Until issuance of the approval on this application, I commit to notify the Authority in writing once any change in the information or data submitted by virtue of this application occurs or takes place.

I also declare my approval that the Capital Markets Authority uses or discloses any information that I have submitted in the present application or will submit in the future for the purpose of enabling the Authority from carrying out its duties.

Name:

Signature of the Office Representative:

Applicant:

Signature:

Name:

Title:

**NB: No application shall be admitted unless this form is completed.**

## **Appendix 10**

**Application for Nomination of Registered Employment Positions at the  
Licensed Persons in accordance with Fit and Proper Rules**



## Application for Nomination of Registered Employment Positions at the Licensed Person

List of Contents	
Section 1	Guidelines on filling out the application
Section 2	Details of the Licensed Person
Section 3	Personal information of the candidate
Section 4	The position to which the candidate is nominated
Section 5	Academic and professional qualifications of the candidate
Section 6	Professional Qualifications Program
Section 7	Details of the current experience of the candidate
Section 8	Details of the previous experience of the candidate
Section 9	Membership of the Board of Directors occupied by the candidate
Section 10	Total years of experience as per the applications of professional experience
Section 11	Standards of financial integrity and soundness
Section 12	Supplementary information
Section 13	List of required documents upon submission of application

(1) Guidelines on filling in the application	
1	Incomplete applications will not be considered.
2	Wherever information, data entry or document required in this form does not apply, “N/A” or “non-available” shall be written.
3	All documents required as supplements for the information provided on the form shall be attached, in the manner indicated on the form.
4	Ensure consistency of information filled in the present form with the attached documents.
5	Ensure payment of due fees as per the fees schedule ratified by the Capital Markets Authority, including payment of fees for each position and occupation required to be registered for the candidate.
6	To make sure that the chapter, which includes the application for nomination to membership of Board of Directors, contains the requirements set out under Paragraph (A) Membership of the Board of Directors of Appendix 4 of Module Five
7	The date shall be filled in using the format (Day/Month/Year) whenever a date is required in the present form.
8	Verify the validity of civil identification card and/or passport.
9	That the documents supporting any information of current professional experience shall be current.
10	No curriculum vitae shall be accepted upon consideration of applications of nomination.
11	Licensed Persons shall be responsible for signature of the form by chairman of the Board of Directors or legal representative thereof. If the candidate is the chairman of the Board of Directors, the form shall be signed by whoever replaces him legally.
12	The Authority has the right to request any additional documents or information to assure that the candidate fulfils requirements of fit and proper rules.

I declare that I have reviewed the fit and proper rules for Licensed Persons set out under Module Five of the Executive Bylaws, and that I am in full knowledge of the Capital Market Authority’s right to impose any criminal or disciplinary measure against any person who submits any untrue or misleading information or declarations in the present application. Until a decision is made on this application, I undertake to notify the Authority in writing immediately upon any change in information or data submitted in this application. I also declare my full knowledge that non-compliance with the guidelines aforementioned might result in disregard of the application.

Chairman of the Board of Directors or their Legal Representative  Name  Position	Signature
Name of Candidate	Signature

**NB: No application shall be admitted unless this form is completed.**

(2) Details of the Licensed Person		
1	Name of the Licensed Person	
2	Nature of the activity	
3	License number issued by the Authority	
4	Registration number issued by the Authority	
5	Name of person in charge to be addressed concerning the application for nomination	
	a. Position	
	b. Telephone number	
	c. Fax number	
	d. Email address	

Chairman of the Board of Directors or their Legal Representative  Name  Position	Signature
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**NB: No application shall be admitted unless this form is completed.**

(3) Personal information of the candidate				
1	Full name			
2	Date of birth (day/month/year)			
3	Place of birth			
4	Nationality			
5	Identification card number			
6	Passport number			
7	Address of current residence			
8	Address of permanent residence			
9	In the event of a change of name, kindly mention old name, date of name changing and reasons of changing			
In the event the Candidate has been registered in the positions required for registration, item No. (10) shall be filled in.				
10	Registered Positions	The Licensed Person	Positions Registered	Date of Registration
In the event the Candidate has been registered in the Employment Positions required for registration, only fill in item No. (11).				
11	Employment Positions	The Licensed Person	Employment Positions Registered	Date of Registration

Chairman of the Board of Directors or their Legal Representative  Name  Position	Signature
Name of Candidate	Signature

**NB: No application shall be admitted unless this form is completed.**

(4) The position to which candidate is nominated			
1	The position to which candidate is nominated	<input type="checkbox"/> Member of a Board of Directors <input type="checkbox"/> Registered Employment Positions	
In the event of selecting Registered Employment Positions, Paragraphs Nos. (2) and (3) shall be filled in			
2	Registered Employment Positions	<input type="checkbox"/> Chief Executive Officer	<input type="checkbox"/> Representative of the Investment Advisor
		<input type="checkbox"/> Senior Executive Officers	<input type="checkbox"/> Representative of an Investment Portfolio Manager (Managed by the Client personally and custody)
		<input type="checkbox"/> Chief Financial Officer	<input type="checkbox"/> Representative of an Investment Portfolio Manager (Managed by the Licensed Person in favour of Clients)
		<input type="checkbox"/> Risk Management Officer	<input type="checkbox"/> Representative of a Collective Investment Scheme Manager
		<input type="checkbox"/> Internal Audit Officer	<input type="checkbox"/> Representative of a Collective Investment Scheme Manager (Operations Officer)
		<input type="checkbox"/> Sharia Audit Officer	<input type="checkbox"/> Representative Custodian
		<input type="checkbox"/> Compliance Officer	<input type="checkbox"/> Representative of Investment Controller
		<input type="checkbox"/> Representative of Securities Activities Broker Registered with the Exchange	<input type="checkbox"/> Representative of Subscription Agent
		<input type="checkbox"/> Representative of Securities Activities Broker not registered in the Exchange	<input type="checkbox"/> Representative of Market Maker
		<input type="checkbox"/> Representative of Qualified Securities Broker registered with an Exchange	<input type="checkbox"/> Representative of Valuation of Assets
			<input type="checkbox"/> Senior Investment Advisor
3	The nominated job title of the Licensed Person (job title - department name):		

Chairman of the Board of Directors or their Legal Representative
Name
Position

Signature
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Name of Candidate
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Signature
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NB: No application shall be admitted unless this form is completed.

(5) Academic and Professional Qualification obtained by the Candidate		
1	Academic/professional qualification	
2	Major	
3	Qualification issuing entity	
4	Year of receiving qualification	

Additional pages (5.A, 5.B, 5.C, ...) shall be filled in the event of multiplicity of qualifications.

Chairman of the Board of Directors or their Legal Representative  Name  Position	Signature
Name of Candidate	Signature

**NB: No application shall be admitted unless this form is completed.**

(6) Professional Qualifications Program		
6.1 Technical Qualification		
1	Passing the Technical Qualification	<input type="checkbox"/> Not applicable <input type="checkbox"/> Yes <input type="checkbox"/> Fulfillment of the years of experience required for the exemption  The Authority shall be provided with all documents supporting the exemption by filling out Sections No. (7) and (8) related to the candidate's current and previous job experiences.  <input type="checkbox"/> Fulfilling one of the professional certificates required for the exemption  The Authority shall be provided with all documents supporting the exemption by filling out Section No. (5) related to the academic and professional qualifications obtained by the candidate.
2	Name of the Technical Qualification	
3	Year of Obtaining the Technical Qualification	
6.2 Regulatory Qualification		
1	Passing the Regulatory Qualification	<input type="checkbox"/> Not Applicable <input type="checkbox"/> Yes
2	Name of the Regulatory Qualification	
3	Year of Obtaining the Regulatory Qualification	
6.3 Specialized Qualification		
1	Passing the Specialized Qualification	<input type="checkbox"/> Not Applicable <input type="checkbox"/> Yes
2	Name of the Specialized Qualification	
3	Year of Obtaining the Specialized Qualification	

Chairman of the Board of Directors or their Legal Representative

Name

Position

Signature

Name of Candidate

Signature

**NB: No application shall be admitted unless this form is completed.**

(7) Details of the Current Professional Experience of the Candidate				
1	Name of the entity			
2	Period (Day / Month / Year)	From:		
3	Nature of the entity's activity			
4	Address of the entity			
5	Is the entity subject to a Regulatory Authority? <span style="color: red;">*If yes, please mention the Regulatory Authority's name</span>  Yes* <input type="checkbox"/>  No <input type="checkbox"/>			
6	Occupational advancement	Occupational title/ position	From (Day / Month / Year)	To (Day / Month / Year)
7	Responsibilities & duties			

Chairman of the Board of Directors or their Legal Representative
Name
Position

Signature
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Name of Candidate
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Signature
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NB: No application shall be admitted unless this form is completed.



(8) Details of the Previous Professional Experience of the Candidate				
1	Name of the entity			
2	Period (Day / Month / Year)	To:	From:	
3	Nature of the entity's activity			
4	Address of the entity			
5	Is the entity subject of a Regulatory Authority? <span style="color: red;">*If yes, please mention the Regulatory Authority's name</span> Yes* <input type="checkbox"/> No <input type="checkbox"/>			
6	Occupational advancement	Occupational title/ position	From (Day / Month / Year)	To (Day / Month / Year)
7	Responsibilities & duties			
8	Reasons for leaving	<input type="checkbox"/> Resignation <input type="checkbox"/> Termination <input type="checkbox"/> Relocation <input type="checkbox"/> Expiration of Contract <input type="checkbox"/> Retirement <input type="checkbox"/> Other		
9	Reasons for leaving in detail			

Additional pages (7.A, 7.B, 7.C, ....) shall be filled in the event of multiple professional experience.

Chairman of the Board of Directors or their Legal Representative  Name  Position	Signature
Name of Candidate	Signature

NB: No application shall be admitted unless this form is completed.

(9) Membership of Board of Directors Occupied by the Candidate

Complete the details of the membership on the Board of Directors which the candidate holds in financial institutions or banks.

	Name of Entity	Position	Tenure of membership From (Day / Month / Year) To (Day / Month / Year)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

Chairman of the Board of Directors or their Legal Representative

Name

Position

Signature

Name of Candidate

Signature

**NB: No application shall be admitted unless this form is completed.**

(10) Total Years of Experience as per the Applications of Professional Experience	
1	Total years of experience
2	Number of years of experience in financial or banking field
3	Number of years of experience in a financial or banking institution
4	Number of years in executive positions
5	Number of years in positions of key middle management positions

Chairman of the Board of Directors or their Legal Representative  Name  Position	Signature
Name of Candidate	Signature

**NB: No application shall be admitted unless this form is completed.**

(11) Standards of Financial Integrity and Soundness

If yes, kindly state reasons in detail

1	Are you in legal process or have you ever been locally or internationally convicted of a crime/felony involving a breach of honour or trust or related to money laundering, financing terrorism, capital markets, or corruption?  Yes <input type="checkbox"/> No <input type="checkbox"/>
2	Have you ever, in the course of your employment, refrained from adherence and compliance with the provisions of the Law, monitoring requirements and professional standards, or have you obstructed procedures or been misleading or dishonest in your cooperation with the regulatory bodies?  Yes <input type="checkbox"/> No <input type="checkbox"/>
3	Have you ever been convicted or penalized, or has a disciplinary action been issued against you by a professional or regulatory entity?  Yes <input type="checkbox"/> No <input type="checkbox"/>
4	Have you ever been dismissed from your position or job or prohibited from applying for a vacant position or job in an entity?  Yes <input type="checkbox"/> No <input type="checkbox"/>
5	Have you ever been a partner in the ownership or was a Member of the Board of Directors or had an executive position in an entity that was prohibited from registration or licensing to practice an activity, or cancelled by the Authority or any other regulatory entity?  Yes <input type="checkbox"/> No <input type="checkbox"/>
6	Has an entity managed by you or where you have been performing in a senior position or executive position been liquidated or declared bankruptcy?  Yes <input type="checkbox"/> No <input type="checkbox"/>
7	Have you ever refrained from payment of any amounts owed by you to the banking or financial sector or any other entity, whether local or foreign?  Yes <input type="checkbox"/> No <input type="checkbox"/>

8	Has a judgment of bankruptcy ever been rendered against you, whether in Kuwait or abroad?  Yes <input type="checkbox"/>  No <input type="checkbox"/>
9	Have you ever entered a settlement with your creditors? Have you executed such a settlement whether locally or abroad?  Yes <input type="checkbox"/>  No <input type="checkbox"/>

Chairman of the Board of Directors or their Legal Representative

Name

Position

Signature

Name of Candidate

Signature

**NB: No application shall be admitted unless this form is completed.**

(12) Complimentary Information

This page is to be completed in by chairman of the Board of Directors or their lawful replacement, for the candidate nominated for the position of member of a Board of Directors and Chief Executive Officer only.

1	What are the professional competencies and technical abilities which prevail in the candidate and make them capable of carrying out their duty?
2	In what way would the candidate contribute to the accomplishment of the objectives and strategies of the entity?
3	Is there any objections or abstention from voting by any of the Members of the Board of Directors against the candidate? In the event of an objection or abstention, kindly mention.

Chairman of the Board of Directors or their Legal Representative

Name

Position

Signature

**NB: No application shall be admitted unless this form is completed.**

(13) List of the Required Documents upon Submission of the Application				
	Document	Attached	Not Applicable	Notes
Licensed Person				
1	Last approved organisational structure, with the specifications of the position for which the candidate is nominated in said organisational structure			
2	Copies of notices inviting persons wishing to apply as candidates to the membership of the Board of Directors			
3	A copy of the receipt of payment for fees			
Candidate				
1	A copy of civil identification card and / or passport			
2	All approved documents supporting the academic or professional qualifications, or an official copy thereof.			
3	All approved documents supporting the Professional Qualifications Program, or an official copy thereof.			
4	All approved documents supporting the current professional experience, or an official copy thereof, indicating occupational titles and occupational advancement in detail.			
5	All approved documents supporting the previous professional experience, or an official copy thereof, indicating occupational titles and occupational advancement in detail.			
6	All approved documents supporting the membership of Boards of Directors occupied by the candidate, or an official copy thereof, indicating tenure of membership.			
7	Criminal Status Certificate issued by the Ministry of Interior in the State of Kuwait or its equivalent in external entities in foreign countries.			

Chairman of the Board of Directors or their Legal Representative
Name
Position

Signature
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Name of Candidate
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Signature
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**NB: No application shall be admitted unless this form is completed.**

## **Appendix 11**

### **Application for Obtaining Approval of Effective Control of a Licensed Person**



## Table of Contents

- Instructions
- 1. Required documents from the applicant
- 2. Documents of Effective Control
- 3. Standards of financial integrity and soundness (for a natural person)
- 4. Declaration
- 5. Attachments and required documents
- 6. Appendix :1 A Clearance Certificate Form

## INSTRUCTIONS

- Kindly complete this form and ensure that all the necessary documents related to this form are attached.
- This application must be submitted by anyone who desires to enter into arrangements or agreements that lead to Effective Control of a Licensed Person according to Article (1-19-1) of this Module.
- The applicant shall pay the prescribed fees of the Application for Obtaining Approval of Effective control of a Licensed Person.
- A person who is complying with the Provisions of Module Nine (Mergers and Acquisitions) of these Bylaws shall be excluded from the provision of this Article.
- Obtaining the prior approval of the Central Bank for the units subject to its supervision shall be taken into account.
- Must comply with the Securities Exchange rules and the rules of trading unlisted securities at Boursa Kuwait.
- The application shall be submitted at least sixty (60) days prior to entering into the arrangements to Effective Control.
- The Authority reserves the right to request any additional information or documentation or clarifications from the applicant when processing the application.
- The applicant should send this application or, any inquiry regarding the completion of this form or any related topic to the Licensing and Registration Department at the Capital Markets Authority at the address below:

Capital Markets Authority – 15th floor Al-Hamra Tower – Sharq – Kuwait  
P.O. Box 3913 Safat 13040 Kuwait    lrd@cma.gov.kw

## 1. Information of the Applicant

### 1.1 Applicant Details

☐ Natural Person

Name:

Nationality:

Civil ID Number:

Passport Number (for Non- Kuwaitis):

Current Address:

Current Job:

Phone Number:

Mobile Number (individual):

☐ Corporate Person. \*

Name:

Commercial Register Number:

- Is the applicant a licensed person at the Authority? ☐ Yes ☐ No

\* Please complete Items 1.2,1.3,1.4,1.5,1.6 from the Information of the Applicant

### 1.2 Liaison Officer Details

Name:

Status:

Phone Number:

Mobile Number (individual):

E-mail:

### 1.3 Applicant Legal Form

☐ Shareholding Company

☐ Commercial Bank

☐ Foreign Company Branch

☐ Limited Liability Company

☐ Other.....

-Does the applicant practice his activities according to Islamic Sharia? ☐ Yes ☐ No

-Is the applicant subject to the supervision of the Central Bank? ☐ Yes ☐ No

#### 1.4. Major Shareholders\*

#	Major Shareholders	Share in percentage %	Nationality
1			
2			
3			
4			
5			

\*The Authority shall be provided with names of major shareholders who own 5% or more of the shares of the company's capital.

#### 1.5 Capital

Paid-up Capital:

Issued Capital

#### 1.6 Members of the Board of Directors\*

#	Members of the Board of Directors	Share/Ownership	Represented Entity	Nationality
1				
2				
3				
4				
5				
6				
7				

## 2. Effective Control Information

### 2.1 Licensed Person Information

Name:

- Is the company listed in the Securities Exchange? ☐ Yes ☐ No

\* The Securities Exchange rules and the rules of trading unlisted securities at Boursa Kuwait must be complied with.

### 2.2 How to achieve Effective Control

- ☐ Purchase Shares
- ☐ Increase of issued capital
- ☐ Other, please mention: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### 2.3 Effective Control Percentage

- Current owned percentage (in case the applicant is a current shareholder): \_\_\_\_\_  
\_\_\_\_\_
- Required final percentage for the purpose control: \_\_\_\_\_
- Purpose of control: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## 2.4 Execute Effective Control

- Please state the basis of which will lead to Effective Control of the Licensed Person:

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- Is there an approach to appoint a majority of members of the Board of Directors of a Licensed Person?    ☐ Yes    ☐ No

When the answer is yes, please answer the following:

- Target Date: \_\_\_\_\_
- Will the appointment be made during the current Board cycle or after it is completed?
- Number of seats targeted for appointment, and method of appointment: \_\_\_\_\_

---

### 3. Standards of Financial Soundness (for a natural person)

1. Are you currently standing trial or have you previously been convicted locally or abroad in cases related to crimes against honor or integrity, money laundering, financing terrorism, capital market crimes, or corruption crimes?  
☐ Yes                      ☐ No
2. Have you ever, in the course of your employment, refrained from adherence to the provisions of the compliance with the regulations, monitoring requirements or professional standards, or have you obstructed procedures or been misleading or dishonest in your cooperation with the regulatory bodies?  
☐ Yes                      ☐ No
3. Have you ever been convicted or penalised or issued a disciplinary punishment by a professional or regulatory entity?  
☐ Yes                      ☐ No
4. Have you ever been removed from your position or job or prevented from applying for a position or vacancy in an entity?  
☐ Yes                      ☐ No
5. Have you ever been a partner, whether in ownership, or held a board member or executive position for an entity whose application for registration, granting a license to practice activity, or cancellation of the activity was rejected by the Authority or any other regulatory authorities?  
☐ Yes                      ☐ No
6. Has an entity managed by you or where you have been performing in a senior position been subject to liquidation or declared bankrupt?  
☐ Yes                      ☐ No
7. Have you ever refrained from payment of any amounts owed by you to the banking or financial sector or any other entity, whether local or foreign?  
☐ Yes                      ☐ No

8. Has a judgment of bankruptcy ever been rendered against you, whether in Kuwait or abroad?

☐ Yes

☐ No

9. Have you ever entered into a settlement with your creditors? Have you executed such settlement whether locally or abroad?

☐ Yes

☐ No

10. Do you own more than 1% of a company's capital, whether locally or abroad?

☐ Yes

☐ No

\* Please attach details of the questions answered "Yes".



#### 4. Declaration

- I hereby declare that I have reviewed of the Capital Market Authority's Law No. 7 of 2010 and its Executive Bylaws as amended and all regulations, decisions, and instructions.
- I hereby declare that all information set out in this form and the related attachments thereto are accurate and complete, as well as the accuracy of the facts provided, I, furthermore, declare that my knowledge of the laws and regulations of the Authority related to the penalties resulting from providing any false or misleading representations in this form or in any of the related attachments.
- I undertake that I will notify the Authority of any changes that may occur, other than all information and data provided to the Authority in this form.
- I declare that I am aware of the Capital Markets Authority's right to take any disciplinary action against anyone who submits incorrect and misleading statements or declarations in this form.

This is a declaration and undertaking to said effect.

#### Applicant signature

Name of the Applicant	
Status of the Applicant	
Signature	
Date	

## 5. Required Attachments and Documents

### 5.1 Required Attachments

Number	Attachment/Required Document	Status of the Attachment *	Comments
1.	A detailed investment plan to indicate the objectives of effective control and information on the structural, financial and management changes to be made by the licensed person and the reasons for such changes.	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
2.	Disclosure of the shareholders who have shown preliminary approval of the sale and the percentage of their ownership.	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
3.	Prior Approval from the Central Bank in case applicant is subject to its surveillance	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
4.	Approval of the Board of Directors to the applicant (for corporate person)	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
5.	Copy of the memorandum of association and articles of association and commercial register of the applicant (for a corporate person)	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
6.	Copy of the license certificate (for licensed person)	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
7.	A copy of the civil identification / copy of the passport (in the event the applicant is non-Kuwaiti) (for a natural person)	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
8.	A certificate of criminal clearance (for a natural person)	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	

9.	Legal opinion from an external legal firm of the applicant regarding cases or a group of cases which has a significant impact on the financial status of the company, whether filed by it or against it, or its subsidiary companies, and if possible, the estimated amount of such cases. (for a corporate person)	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
10.	The applicant's legal status and soundness of the financial center in accordance with the financial statements for the last three years after approval by the regulatory body.	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
11.	Copy of the payment receipt	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	

\* If the attachment is not applicable for the applicant, please provide the Authority with a separate document indicating the reasons why the attachment does not apply.

## **Appendix 12**

### **Application to Renew the Registration of an Auditor at the Capital Markets Authority**

**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**Application to Renew the Registration of an Auditor at the  
Capital Markets Authority**

List of Contents	
Section 1	Information of the Applicant and Liaison Officer
Section 2	Declarations
Section 3	List of Documents
Annex (A)	Table of Clients and Heads of Review and Audit Teams with the Auditor
Annex (B)	Table of Review and Audit Teams Employees of the Auditor

## 1. Information of the Applicant and Liaison Officer

Information of the Applicant	
Name of Auditor	
Name of the Auditor's Office	
Registration Number Issued by the Capital Markets Authority	
Date of Registration in the Authority's Register of Auditors	
Date of Issuance of Registration Certificate	
The Expiration Date of the Registration Certificate	
Address of Main Offices	
Telephone No.	
Mobile No.	
E-mail	
Web Address	

Liaison Officer	
Name of Liaison Officer	
Job Title	
Telephone No.	
Mobile No.	
Fax No.	
E-mail	

**NB: No application shall be admitted unless this form is filled in full.**

## (2) Declarations

An Auditor applying for registration at Capital Markets Authority declares the following:

1.	They are registered in the Auditors Register who practice the profession at the Ministry of Commerce & Industry, and performs the functions of auditing for a period of at least five years from the date of registration in the said register.	<input type="checkbox"/> Yes
2.	The number of employees working in the review and audit Auditing teams for the Auditor is not less than 5, provided that all employees of the review and audit teams shall be full-time employees working for the Auditor.  An Auditor shall be deemed to be a Professional Employee in the event of performing review and audit functions.	<input type="checkbox"/> Yes
3.	The percentage of Professional Employees is not less than third of total of each team that carries out auditing works for a certain Client.	<input type="checkbox"/> Yes
4.	Each employee of the review and audit team working for the Auditor holds a bachelor degree in accountancy from Kuwait University or the equivalent from any of the equivalent universities or institutes inside or outside the State of Kuwait, or hold professional qualifications in review and audit.	<input type="checkbox"/> Yes
5.	The Professional Employee heads the review and audit team of the Auditor, and applies the International Standard on Quality Control (1) and taking into account the efficiency and capabilities of the work team, as planned in the various audits.	<input type="checkbox"/> Yes
6.	The percentage of Kuwaiti employees operating in the review and audit team is not less than 15% when applying for the registration of an Auditor in the Authority's register, and shall maintain such percentage throughout the period of its registration in the register.	<input type="checkbox"/> Yes
7.	The Auditor shall have clear policies and procedures for risk measurement and management, and quality control.	<input type="checkbox"/> Yes
8.	The Auditor shall have a clear plan for the training and professional development of the employees and at least thirty hours per year for the members of the review and audit team. The auditor shall be committed to implement the training plan throughout the period of registration in the register.	<input type="checkbox"/> Yes
9.	The Auditor has a professional ethical code in place as per the latest international practices, such as the professional ethical code issued by the International Federation of Accountants (IFAC). Each employee in the review and audit team shall sign and adhere to that code.  That the Auditor assures that their employees receive continuing training not less than 30 hours per annum for members of the auditing team.	<input type="checkbox"/> Yes
10.	If the Auditor is a partner in an entity licensed for a Securities Activity, the Auditor shall comply with the provisions of Article (3-4-2) of Chapter Three of Module Five of the Executive Bylaws of Law No. 7 of 2010 and their amendments regarding the employees of its review and audit teams.	<input type="checkbox"/> Yes

11.	Not to provide any additional services to the Client except for the services which are required in the profession of auditing. They shall be generally prohibited from providing services which would jeopardise their independency and neutrality such as consultation services and internal auditing in the course of carrying out works of review and audit.	<input type="checkbox"/> Yes
12.	To review details of his business plan and results of the auditing process with the Client's internal auditing committee, if any, which ensures providing full access to all necessary documents for carrying out the duties of an Auditor.	<input type="checkbox"/> Yes
13.	To regularly convene with the Client's Internal Auditing Committee or its representative at the Client's invitation prior to presenting reviewed periodical and annual financial statements to the Board of Directors to render opinion and any recommendation in that regard. He or its representative may convene with the Client's internal auditing committee or its Board of Directors as the need arises. The Client must invite the Auditor in this regard.	<input type="checkbox"/> Yes
14.	Not to carry out any auditing works for any Client for a period more than four consecutive years unless such a Client is under liquidation. Said period shall be calculated as of date of registration in the Auditors register of the Authority. He may carry out such works for the same Client after a period of suspension not less than two consecutive financial years.	<input type="checkbox"/> Yes
15.	Notify the entity monitoring the Client's management, Board of Directors or shareholders of any matters of material significance, as part of the review and audit function through the Auditor's report, such as the extent to which the Client is able to continue his business.	<input type="checkbox"/> Yes
16.	Notify the management body of the Client with any existing or suspected violations of the applicable laws, bylaws, instructions and Articles of Association of the Client, or the competent entity of the Client in accordance with its legal system. In the event of significant and material violations, the Auditor shall also notify the Authority in conjunction with informing the Client's management body or the Board of Directors of the Client of such violations. Moreover, he shall notify the annual ordinary general assembly of the company or the competent entity of the Client in accordance with its legal system.	<input type="checkbox"/> Yes
17.	Provide all information and data as requested by the Authority.	<input type="checkbox"/> Yes
18.	Notify the Authority immediately after losing any requirement or condition of registration stipulated in Article (3-4) of Module Five of the Executive Bylaws of Law No. 7 of 2010 and their amendments.	<input type="checkbox"/> Yes
19.	Not to accept any tasks that may constitute a conflict of interest.	<input type="checkbox"/> Yes
20.	Not to accept any tasks that jeopardises the honour of the profession.	<input type="checkbox"/> Yes
21.	Notify the Authority immediately upon the issuance of any decision or judgment of any penalty or legal violation by any regulatory body or judicial authority against him.	<input type="checkbox"/> Yes



22.	<p>The Auditor registered at the Authority is committed to submit an annual report in June of each year, including the following:</p> <ol style="list-style-type: none"> <li>1. A statement of the employees of its review and audit teams, indicating the extent of the commitment to the percentage of Kuwaiti employees specified in item (6) of Article (3-4-2) of Chapter Three of Module Five of the Executive Bylaws of Law No. 7 of 2010 and their amendments.</li> <li>2. The activity of audit, consulting and other services provided to the Clients mentioned in Article (3-4-1) of Chapter Three of Module Five of the Executive Bylaws of Law No. 7 of 2010 and their amendments.</li> <li>3. Training activity during the year, indicating the extent of compliance within at least thirty hours per year for review and audit team members.</li> </ol>	<input type="checkbox"/> Yes
23.	The Auditor and Professional Employee shall enjoy good reputation and conduct, and shall not have been previously convicted of an offense involving honour, honesty, money laundering, terrorism financing, financial crimes or corruption, unless they have been discharged.	<input type="checkbox"/> Yes
24.	Perusal of Law No. 7 of 2010 and its Executive Bylaws and their amendments.	<input type="checkbox"/> Yes
25.	To uphold all laws, regulations and instructions organising companies operating under the supervision of the Authority and the profession of auditing in the State of Kuwait.	<input type="checkbox"/> Yes

Signature of the Auditor

**NB: No application shall be admitted unless this form is filled in full.**

3. List of Document				
Serial	Document	Attached	Not Applicable	Notes
1	Copy of receipt of fees payment.	<input type="checkbox"/>	<input type="checkbox"/>	
2	A copy of the registration certificate issued by the Capital Markets Authority to the Auditor.	<input type="checkbox"/>	<input type="checkbox"/>	
3	Copy of Certificate of registration in the register of Auditors practicing the profession at the Ministry of Commerce & Industry	<input type="checkbox"/>	<input type="checkbox"/>	
4	A certificate of to whom it may concern issued from Ministry of Commerce & Industry indicating non-existence of any disciplinary penalties against the Auditor.	<input type="checkbox"/>	<input type="checkbox"/>	
5	<p>A list of Clients whom he audits at the time of application, with the head of the review and audit team for each Client.</p> <p>(This document is submitted in accordance with the table shown in Annex A)</p>	<input type="checkbox"/>	<input type="checkbox"/>	

6	<p>A schedule showing the names of the employees of the review and audit teams of the Auditor, their nationalities, their academic and professional qualifications, years of practical experience and the percentage of Kuwaiti employees working in the review and audit teams.</p> <p>(This document is submitted in accordance with the table shown in Annex B)</p>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>The following documents shall be submitted in the event of any modification or change to the data submitted by the application for registration in the Register of the Authority. "Not Applicable" shall be selected in the absence of any modification or change:</p>				
7	Auditor's approved organisational structure.	<input type="checkbox"/>	<input type="checkbox"/>	
8	Brief statement of internal regulations and policies and technical systems used by the Auditor.	<input type="checkbox"/>	<input type="checkbox"/>	
9	Clear policies and procedures for measuring and managing risk and quality control.	<input type="checkbox"/>	<input type="checkbox"/>	
10	A list of signatories, signature forms and a certificate of signature.	<input type="checkbox"/>	<input type="checkbox"/>	
11	Code of ethics as per the most recent international practices, such as the professional ethical code issued by the International Federation of Accountants (IFAC), signed by each employee in the review and audit team working under the Auditor	<input type="checkbox"/>	<input type="checkbox"/>	

I, the undersigned, hereby declare that all information set out in this application (including all appendices and attachments) are complete, accurate and true. I also declare that I have reviewed Law No. 7 of 2010 and its Executive Bylaws as amended, as well as instructions and decisions issued from the Authority.

I have knowledge of the Capital Markets Authority's right to take any criminal or disciplinary measure against any person who submits any untrue or misleading information or declarations in the registration application.

Until issuance of the approval on this application, I commit to notify the Authority in writing once any change in the information or data submitted by virtue of this application occurs or takes place.

Name of Auditor	
Signature of the Auditor	
Date	

**NB: No application shall be admitted unless this form is filled in full.**

### Annex (A): Client Table and Heads of Review and Audit Team of the Auditor

Document No. 4 from the list of documents in this form is presented according to the following table:

List of Clients and Heads of Review and Audit Team of the Auditor	
Client Name	Name of the Professional Employee head of the review and audit team

### Annex (B): Table of Review and Audit Team Employees of the Auditor

Document No. 5 from the list of documents in this form is presented according to the following table:

Professional Employees					
Employee Name	Nationality	Academic Qualification	Major	Professional Qualification	Years of Practical Experience
Non-Professional Employees					
Employee Name	Nationality	Academic Qualification	Major	Professional Qualification (if applicable)	Years of Practical Experience

## **Appendix 13**

### **Application for Submitting the Annual Report of the Auditor Registered with the Capital Markets Authority**

**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**Application for Submitting the Annual Report of the Auditor Registered  
with the Capital Markets Authority**

List of Contents	
Section 1	Instructions
Section 2	Data of the Auditor and the liaison officer
Section 3	Content of the Annual Report
Annex (A)	Table of Review and Audit Teams Employees of the Auditor
Annex (B)	Table of Services Provided by the Auditor
Annex (C)	Table of the Training Activity throughout the Year

## 1. Instructions

### Instructions

- The annual report of the Auditor registered with the Authority provided for in Article (3-4-6) of Chapter Three of Module Five of the Executive Bylaws of Law No. 7 of 2010 and their amendments shall be submitted in June of each year according to this Application.
- A separate report shall be submitted for each Auditor registered with the Authority, regardless of the Auditor's office.
- The annual report of the Auditor will not be accepted unless this Application is filled out fully, accompanied by all required documents.

## 2. Information of the Auditor and Liaison Officer

### Information of the Auditor

Name of Auditor	
Name of the Auditor's Office	
Registration Number Issued by the Capital Markets Authority	
Date of Registration in the Authority's Register of Auditors	
Date of Issuance of Registration Certificate	
The Expiration Date of the Registration Certificate	
Telephone No.	
Mobile No.	
Fax No.	
E-mail	

### Liaison Officer

Name of Liaison Officer	
Job Title	
Telephone No.	
Mobile No.	
Fax No.	
E-mail	

### 3. Content of the Annual Report

Serial	Document	Attached	Notes
1	A statement of the employees working in the review and audit teams of the Auditor, indicating the extent of compliance with the percentage of Kuwaiti employees specified in item (6) of Article (3- 4- 2) of Chapter Three of Module Five of the Executive Bylaws of Law No. 7 of 2010 and their amendments.  (This document is submitted in accordance with the table shown in Annex A)	<input type="checkbox"/>	
2	Audit, consultation and other services provided to the Clients mentioned in Article (3- 4- 1) of Chapter Three of Module Five of the Executive Bylaws of Law No. 7 of 2010 and their amendments.  (This document is submitted in accordance with the table shown in Annex B)	<input type="checkbox"/>	
3	Training activity throughout the year, indicating compliance with at least thirty hours per year for the review and audit team members.  (This document is submitted in accordance with the table shown in Annex C)	<input type="checkbox"/>	

Name of Auditor	
Signature of the Auditor	
Date	

#### Annex (A): Table of Review and Audit Team Employees of the Auditor

Document No. 1 from the list of documents in this form is presented in the following table:

Professional Employees					
Employee Name	Nationality	Academic Qualification	Major	Professional Qualification	Years of Practical Experience
Non-Professional Employees					
Employee Name	Nationality	Academic Qualification	Major	Professional Qualification (if applicable)	Years of Practical Experience
Percentage of Kuwaiti Employees Working in Review and Audit Teams					00.0 %

#### Annex (B): Table of Services Provided by the Auditor

Document No. 2 from the list of documents in this form is presented according to the following table:

A list of Clients and Heads of Review and Audit Team of the Auditor		
Client Name	Client's Capacity*	Type of Service

\* The capacity of the Client is determined by the following: a Licensed Person, a Kuwaiti company listed on the Exchange, a Collective Investment Scheme, a Special Purpose Vehicle Company licensed by the Authority.

#### Annex (C): Table of the Training Activity throughout the Year

Document No. 3 from the list of documents in this form is presented according to the following table:

Training throughout the Year				
Name of the Training Activity	Name of Participant	Date of Activity (from-to)	Number of Hours	Additional Information (Optional)



## **Appendix 14**

### **Application for Registration of Registered Positions and Employment Positions for Licensed Persons**

**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**Application for Registration of Registered Positions and Employment  
Positions for Licensed Person**

List of Contents	
Section 1	Instructions
Section 2	Details of the Licensed Person
Section 3	Details of the Candidate
Section 4	List of required documents upon submission of application

## 1. Instructions

### Instructions

- This form shall be submitted by the Licensed Persons who wish to register the candidates for their Registered Positions or Employment Positions after taking the Authority's approval on the nomination according to the approved form.
- The Licensed Person shall provide the Authority with updated data, when registering a person whose approval period for their nomination application to a Registered Position or Employment Position has exceeded three months. They shall submit an Application for the Nomination of Registered Positions and Employment Positions for Licensed Persons in accordance with Fit and Proper Rules in Appendix 10 of this Module, by re-filling the paper form for the following sections:
- Section (1) Guidelines on filling out the application .
- Section (11) Standards of financial integrity and soundness .

### Registered Positions:

- The Licensed Persons who wish to register the candidates for their Registered Positions shall submit this form - after completing the necessary procedures- and attach the final certified certificates and documents from the competent entities.
- The Licensed Person may register for the Registered Positions in the following cases:
  - 1) Electing a member of the Board of Directors of a company's general assembly.
  - 2) Calling the reserve member.
  - 3) Changing the representative of the legal entity.

### Registered Employment Positions:

- The Licensed Persons who wishes to register candidates for their Registered Employment Positions shall submit this form once the candidate is registered. It shall record the date of registration at the position for which the Authority has approved the nomination. The registration date shall not exceed five business days from the position's registration date.
- The Authority may notify the applicant - at any time after receiving the registration application - to submit any further information or documents.
- Any application form that is not complete will not be accepted. In the event of non-applicability or unavailability of a statement or information or document required in the form, "not applicable" or "not available" shall be selected, depending on the circumstances.
- The Authority may refuse an application in the event that the candidate did not fulfill the conditions and provisions mentioned in Chapter 3 of this Module. The decision of rejection shall be justified.

## 2. Details of the Licensed Person

1	Name of the Licensed Person	
2	Registration number issued by the Authority	

### (2.1) Person in Charge to be Addressed Concerning the Application

1	Name of person in charge to be addressed concerning the application	
2	Job Title	
3	Telephone number	
4	Mobile number	
5	Fax number	
6	Email address	

## 3. Details of the Candidate

### 3.1 Details of the Candidate for the Registered Positions

1	Name	
2	The Registered Position	
3	The legal entity he represents	
4	Nationality	
5	Civil ID number or passport number	
6	Telephone number	
7	Mobile number	
8	Email address	
9	Requires the approval of the Central Bank of Kuwait	<input type="checkbox"/> Yes <input type="checkbox"/> No

### 3.2 Details of the Candidate for the Employment Positions

1	Name	
2	Job Title - Department Name	
3	Nationality	
4	Civil ID number	
5	Telephone number	
6	Mobile number	
7	Email address	
8	Date of approving the nomination	
9	Registration date	

10	Positions required for registration	<input type="checkbox"/> Chief Executive Officer	
		<input type="checkbox"/> Senior Executive	
		<input type="checkbox"/> Financial Manager	
		<input type="checkbox"/> Risk Management Officer	
		<input type="checkbox"/> Internal Audit officer	
		<input type="checkbox"/> Sharia Audit Officer	
		<input type="checkbox"/> Compliance Officer	
		<input type="checkbox"/> Representative of a Securities Broker registered in a Securities Exchange	
		<input type="checkbox"/> Representative of a Qualified Securities Broker registered with an Exchange	
		<input type="checkbox"/> Representative of a Securities Broker not registered in a Securities Exchange	
		<input type="checkbox"/> Representative of an Investment Advisor	
		<input type="checkbox"/> Representative of an Investment Portfolio Manager - (Managed by the Client personally and custody)	
		<input type="checkbox"/> Representative of an Investment Portfolio Manager - (Managed by the Licensed Person in favour of Clients)	
		<input type="checkbox"/> Representative of a Collective Investment Scheme Manager	
		<input type="checkbox"/> Representative of a Collective Investment Scheme Manager -(Operations Officer)	
		<input type="checkbox"/> Representative of a Custodian	
		<input type="checkbox"/> Representative of an Investment Controller	
		<input type="checkbox"/> Representative of a Subscription Agent	
		<input type="checkbox"/> Representative of a Market Maker	
		<input type="checkbox"/> Representative of an Asset Valuator	
		<input type="checkbox"/> Senior Investment Advisor	
		<input type="checkbox"/> Senior Asset Valuator	
11	Requires the approval of the Central Bank of Kuwait	<input type="checkbox"/> Yes	<input type="checkbox"/> No

#### 4. List of required documents upon submission of application

##### 4.1 List of documents required for the Application of Registering the Registered Positions

	The Document	Attached	Inapplicable	Notes
1	Copy of the Civil Id or the Passport.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Certified Minutes of the company's general assembly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	A table showing the members of the Board of Directors to be registered	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	A certificate of to whom it may concern issued from Ministry of Commerce & Industry regarding the formation of the members of the Board of Directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	A copy of the approval letter of the Central Bank of Kuwait regarding the members of the Board of Directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### 4.2 List of documents required for the Application of Registering the Employment Positions

	Document	Attached	Inapplicable	Notes
1	Copy of the Civil Id or the Passport.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Approved organizational structure that identifies the position of the candidate for Registered Employment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	A copy of the approval letter from the Central Bank of Kuwait regarding the Registered Employment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>Applicant</p> <p>Name:</p> <p>Position:</p>	<p>Signature:</p>
<p>Name of Candidate:</p>	<p>Signature:</p>

**NB: No application shall be admitted unless this form is completed.**



## **Appendix 15**

### **Application for Renewing the Registration of Employment Positions for Licensed Person**

**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**Application for Renewing the Registration of Employment Positions for  
Licensed Person**

**List of Contents**

Section 1	Instructions
Section 2	Details of the Licensed Person
Section 3	Details of the Registered Person
Section 4	Registered Employment Positions to be Renewed
Section 5	Standards of financial integrity and soundness
Section 6	List of required documents upon submission of application
Section 7	Declaration

## 1. Instructions

- This form shall be submitted by the Licensed Persons requesting to renew the registration of the persons registering in their Employment Positions.
- The Licensed Persons requesting to renew the registration of the persons registering in their Employment Positions shall submit this form in no later than one month before the expiration of the registration period.
- The Authority may notify the applicant at any time after receiving the request of renewing the registration of the persons registering in the Employment Positions of the Licensed Persons to submit any further information or documents. In the event that the applicant fails to provide the information and documents within the period set by the Authority for the notification without an acceptable excuse, the application shall be deemed withdrawn.
- Any application form that is not complete will not be accepted. In the event of non-applicability or unavailability of a statement or information or document required in the form, "not applicable" or "not available" shall be selected, depending on the circumstances.
- The Authority may refuse the request of renewing the registration in the event that the person registering in the Employment Positions did not fulfill the conditions and provisions mentioned in Chapter 3 of this Module. The decision of rejection shall be justified.

## 2. Details of the Licensed Person

Name of the Licensed Person	
Registration number issued by the Authority	

### 2.1 Person in Charge to be Addressed Concerning the Application

Name of person in charge to be addressed concerning the application	
Job title	
Telephone number	
Mobile number	
Fax number	
Email address	

### 3. Details of the Registered Person

1	Name	
2	Civil ID number	
3	Renewal Date	
4	Job title- Department	
5	Nationality	

### 4. The Registered Employment Positions to be Renewed

<input type="checkbox"/> Chief Executive Officer	<input type="checkbox"/> Representative of an Investment Advisor
<input type="checkbox"/> Senior Executive	<input type="checkbox"/> Representative of an Investment Portfolio Manager - (Managed by the Client personally and custody)
<input type="checkbox"/> Financial Manager	<input type="checkbox"/> Representative of an Investment Portfolio Manager - (Managed by the Licensed Person in favour of Clients)
<input type="checkbox"/> Risk Management Officer	<input type="checkbox"/> Representative of a Collective Investment Scheme manager
<input type="checkbox"/> Internal Audit officer	<input type="checkbox"/> Representative of a Collective Investment Scheme Manager - (Operations Officer)
<input type="checkbox"/> Sharia Audit Officer	<input type="checkbox"/> Representative of a Custodian
<input type="checkbox"/> Compliance Officer	<input type="checkbox"/> Representative of an Investment Controller
<input type="checkbox"/> Representative of a Securities Broker registered in a Securities Exchange	<input type="checkbox"/> Representative of a Subscription Agent
<input type="checkbox"/> Representative of a Qualified Securities Broker registered with an Exchange	<input type="checkbox"/> Representative of a Market Maker
<input type="checkbox"/> Representative of a Securities Broker not registered in a Securities Exchange	<input type="checkbox"/> Representative of a Valuation of Assets
<input type="checkbox"/> Senior Asset Valuator	<input type="checkbox"/> Senior Investment Advisor

## 5. Standards of Financial Integrity and Soundness

If yes, kindly state reasons in detail

1	<p>Are you currently standing trial or have you previously been convicted locally or abroad in cases related to crimes against honor or integrity, money laundering, financing terrorism, capital market crimes, or corruption crimes?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>
2	<p>Have you ever, in the course of your employment, refrained from adherence to the provisions of compliance with the regulations, monitoring requirements or professional standards, or have you obstructed procedures or been misleading or dishonest in your cooperation with the regulatory bodies?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>
3	<p>Have you ever been convicted or penalised or issued a disciplinary punishment by a professional or regulatory entity?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>
4	<p>Have you ever been removed from your position or job or prevented from applying for a position or vacancy in an entity?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>
5	<p>Have you ever been a partner, whether in ownership, or held a board member or executive position for an entity whose application for registration, granting a license to practice activity, or cancellation of the activity was rejected by the Authority or any other regulatory authorities?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>

6	Has any institution that you managed or held an executive position or a position ever been liquidated or declared bankrupt?
	Yes <input type="checkbox"/>
	No <input type="checkbox"/>
7	Have you ever refrained from payment of any amounts owed by you to the banking or financial sector or any other entity, whether local or foreign?
	Yes <input type="checkbox"/>
	No <input type="checkbox"/>
8	Has a judgment of bankruptcy ever been rendered against you, whether in Kuwait or abroad?
	Yes <input type="checkbox"/>
	No <input type="checkbox"/>
9	Have you ever entered into a settlement with your creditors? Have you executed such settlement whether locally or abroad?
	Yes <input type="checkbox"/>
	No <input type="checkbox"/>

Chairman of the Board of Directors or his legal Replacement:	Signature:
Name:	
Position:	
Name of Applicant:	Signature:

6. List of Required Documents upon Submission of Application				
	Document	Attached	Inapplicable	Notes
1	A copy of the receipt of payment for fees	<input type="checkbox"/>	<input type="checkbox"/>	
2	Copy of the Civil ID	<input type="checkbox"/>	<input type="checkbox"/>	
3	All approved documents supporting the professional qualifications program, or an official copy thereof. (if available)	<input type="checkbox"/>	<input type="checkbox"/>	

### 7. Declaration

I, the undersigned, hereby declare that all information set out in this application, including all attachments, are complete, accurate and true. I also declare that I have reviewed Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Executive Bylaws and their amendments.

I have knowledge of the Capital Markets Authority's right to take any criminal or disciplinary measure against any person who submits any untrue or misleading information or declarations in this application.

I commit to notify the Authority in writing once any change in the information or data submitted by virtue of this application occurs or takes place.

Applicant

Name

Position

Signature

Name of Candidate

Signature

**NB :No application shall be admitted unless this form is completed.**

## **Appendix 16**

### **Application for Cancellation of the Registration of Registered Positions and Employment Positions for Licensed Persons**



**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**Application for Cancellation of the Registration of Registered Positions and  
Employment Positions for Licensed Persons**

List of Contents	
Section 1	Instructions
Section 2	Details of the Licensed Person
Section 3	Details of the Person whose registration will be cancelled
Section 4	List of required documents upon submission of application

## 1. Instructions

- A Licensed Person shall notify the Authority within five Business Days from the date the Registered Person no longer occupies a Registered Position or Employment Position.
- This form shall be submitted by the Licensed Persons requesting to cancel the registration of the persons registering in their Registered Positions and Employment Positions in the event that their occupation of the Registered Position and Employment Position has ended, provided that the date of cancellation of registration is specified.
- The application of cancelling the registration of the Registered Positions and Employment Positions for each person shall be submitted separately.
- The Authority may notify the applicant -at any time after receiving the registration application- to provide any further information or documents.
- Any application form that is not complete will not be accepted. In the event of non-applicability or unavailability of a statement or information or document required in the form, “not applicable” or “not available” shall be selected, depending on the circumstances.

## 2. Details of the Licensed Person

Name of the Licensed Person	
Registration number issued by the Authority	

### 2.1 Person in Charge to be Addressed Concerning the Application

Name of person in charge to be addressed concerning the application	
Job title	
Telephone number	
Mobile number	
Fax number	
Email address	

### 3. Details of the Person whose registration is to be cancelled

#### 3.1 Details of the Member of Board of Directors

1	Name	
2	The position of the member of the Board of Directors that will be cancelled	
3	The legal entity he represents	

#### 3.2 Details of the Cancellation

1	Reasons of Cancelling the Position	<input type="checkbox"/> Resignation
		<input type="checkbox"/> Changing the legal entity's representative
		<input type="checkbox"/> Expiration of the session of the Board of Directors
		<input type="checkbox"/> Others
2	Reasons in Details	
3	Date of Cancelling the Position	

### 3.3 Details of the Registered Employment Position to be Cancelled

1	Name	
2	Job Title - Department Name	
3	Registered Employment Positions to be Cancelled	<input type="checkbox"/> Chief Executive Officer
		<input type="checkbox"/> Senior Executive
		<input type="checkbox"/> Financial Manager
		<input type="checkbox"/> Risk Management Officer
		<input type="checkbox"/> Internal Audit officer
		<input type="checkbox"/> Sharia Audit Officer
		<input type="checkbox"/> Compliance Officer
		<input type="checkbox"/> Representative of a Securities Broker registered in a Securities Exchange
		<input type="checkbox"/> Representative of a Qualified Securities Broker registered with an Exchange
		<input type="checkbox"/> Representative of a Securities Broker not registered in a Securities Exchange
		<input type="checkbox"/> Representative of an Investment Advisor
		<input type="checkbox"/> Representative of an Investment Portfolio Manager - (Managed by the Client personally and Custody)
		<input type="checkbox"/> Representative of an Investment Portfolio Manager - (Managed by the Licensed Person in favour of Clients)
		<input type="checkbox"/> Representative of a Collective Investment Scheme manager
		<input type="checkbox"/> Representative of a Collective Investment Scheme Manager -(Operations Officer)
		<input type="checkbox"/> Representative of a Custodian
		<input type="checkbox"/> Representative of an Investment Controller
		<input type="checkbox"/> Representative of a Subscription Agent
<input type="checkbox"/> Representative of a Market Maker		
<input type="checkbox"/> Representative of a Valuation of Assets		
<input type="checkbox"/> Senior Investment Advisor		
<input type="checkbox"/> Senior Asset Valuator		

3.4 Details of the Cancellation		
1	Reasons of Cancelling the Job	<input type="checkbox"/> Resignation
		<input type="checkbox"/> Relocation
		<input type="checkbox"/> Retirement
		<input type="checkbox"/> End of contract
		<input type="checkbox"/> Termination
		<input type="checkbox"/> Other
2	Reasons in Details	
3	Date of Cancelling the Position	

4. List of required documents upon submission of application				
Document		Attached	Inapplicable	Notes
1	The approval of the Licensed Person's Board of Directors on the resignation of the member of the Board of Directors	<input type="checkbox"/>	<input type="checkbox"/>	
2	The approval of the Licensed Person on the resignation of the person registered in the Registered Employment Position	<input type="checkbox"/>	<input type="checkbox"/>	

Applicant:
Name:
Position:
Name of Candidate:

Signature:
Signature:

NB :No application shall be admitted unless this form is completed.

## Appendix 17

### Application for Renewing the Registration of an External Sharia Auditing Office

**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**Application for Renewing the Registration of an External Sharia Auditing Office**

**List of Contents**

Section 1	Instructions
Section 2	Information pertaining to the Office and Liaison Officer
Section 3	Information pertaining to Members of the Office
Section 4	Declarations and Undertakings
Section 5	List of required documents upon submission of application

### 1. Instructions

- This form shall be submitted by the External Sharia Auditing Office who wish to renew the registration of an External Sharia Auditing Office registered at the Authority.
- Any application form that is not complete will not be accepted. In the event of non-applicability or unavailability of a statement or information or document required in the form, “not applicable” or “not available” shall be selected, depending on the circumstances.
- The Authority may notify the applicant at any time after receiving the registration request to submit any further information or documents. In the event that the applicant fails to provide the information and documents within the period set by the Authority for the notification without an acceptable excuse, the application shall be deemed withdrawn.
- The Authority may refuse the request of registration renewal in the event that the External Sharia Auditing Office registered at the Authority fails to comply with the conditions and provisions related to its work stipulated in Chapter Three of this Module. In the event of rejection, the decision shall be justified.



## 2. Information pertaining to the Office and Liaison Officer

### 2.1 Information of the Office

Name of Person		
License issued from Ministry of Commerce & Industry to practice the activity of providing Sharia consultation or Sharia auditing	<input type="checkbox"/> Office	<input type="checkbox"/> Company
Address of Main Office		
Telephone No.		
Mobile No.		
Fax No.		
Email Address		
Web Address		

### 2.2 Liaison Officer

Name of Liaison Officer	
Title	
Phone No.	
Mobile No.	
Fax No.	
Email Address	

### 3. Information pertaining to Members of the Office

Name of Person	Position of Person			Years of Experience
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	
	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant	

#### 4. Declarations and Undertakings

I, in my capacity as representative of External Sharia Auditing Office (a copy of delegation shall be submitted to the Authority), undertake that the External Sharia Auditing Office

Name of the office: \_\_\_\_\_

Which is to be registered has submitted all its documents as per the system of practicing the profession of external Sharia auditing for persons licensed to operate in accordance with the provisions of Islamic Sharia, and pledge the following:

To adhere to the provisions of Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Executive Bylaws and their amendments and all systems, decisions, directives and all special restrictions pertaining to external auditing issued by the Capital Markets Authority, and to adjust the direction of the office with such systems and amendments within the time limit set by the Authority for such a purpose.	<input type="checkbox"/> Yes
<p>The report of the External Sharia Auditing Office shall include the following:</p> <ol style="list-style-type: none"> <li>1. An evaluation of the efficiency and effectiveness of the Sharia risk management procedures.</li> <li>2. An evaluation of the Licensed Person's compliance with the relevant resolutions of the Capital Markets Authority.</li> <li>3. The scope of work of the External Sharia Auditing Office to include the activities, contracts and Securities transactions of the Licensed Person or Collective Investment Schemes.</li> <li>4. A statement of the reference used for the Sharia standards of the Licensed Person in case it differs from the Sharia standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).</li> <li>5. Opinion regarding the Licensed Person's commitment to the provisions of Islamic Sharia in accordance with the Sharia reference it follows, including Sharia violations in the activities, contracts or transactions of the Licensed Person - if any - whether in Securities transactions or their execution.</li> <li>6. Procedures of auditing that led to the results of its works mentioned in such report.</li> <li>7. Evidence of viewing the report of the Internal Sharia Auditing Unit.</li> <li>8. The signature of the External Sharia Auditor registered at the Authority.</li> </ol> <p>The External Sharia Auditing Office shall also issue quarterly periodic Sharia auditing reports that include the results of following up and examining the Licensed Person's compliance with the Islamic Sharia principles in its transactions and activities and publish them through the periodic disclosures of the person licensed to work in accordance with the Islamic Sharia principles . It is necessary to present these reports to the Board of Directors to clarify the contents of the report.</p>	<input type="checkbox"/> Yes

The Sharia auditor shall have a good reputation and manner and have not been convicted of a crime involving a breach of honor or trust or a crime related to money laundering, financing terrorism, financial crimes or corruption unless he has been discharged.	<input type="checkbox"/> Yes
The External Sharia Auditing Office of the Licensed Person shall be appointed for one financial year, renewable annually for a period not exceeding four consecutive financial years. It may be reappointed after a period of suspension not less than two consecutive financial years.	<input type="checkbox"/> Yes
Maintain confidentiality of information and data that he viewed while undertaking external Sharia auditing	<input type="checkbox"/> Yes
To provide all data and information requested by the Authority.	<input type="checkbox"/> Yes
To notify the Authority in conjunction with informing the Licensed Person's management body of the existence of significant and material violations committed by the Licensed Person.	<input type="checkbox"/> Yes
To notify the Authority as soon as one of its registration requirements or conditions is missing.	<input type="checkbox"/> Yes
To notify the Authority immediately upon the issuance of any decision or judgment of any penalty or legal violation by any regulatory body or judicial authority against him.	<input type="checkbox"/> Yes

**The External Sharia Auditing Office represents and warrants, as well as its members, to refrain from carrying out any of the following acts:**

To disclose in the office's report if the partner in an External Sharia Auditing Office or any affiliate thereof occupies the position of chairman or Member of a Board of Directors or a member of the Sharia Supervisory Board – if any – of the Licensed Person, or if he is a member of the Executive Committee of the Fund or the Executive Team of the Contractual Collective Investment Scheme concerned. This shall be applied to relatives of first of kin who supervise the management of the Licensed Person or its accounts.	<input type="checkbox"/> Yes
The Licensed Person or any affiliate thereof shall not be a partner or a shareholder in the appointed External Sharia Auditing Office.	<input type="checkbox"/> Yes
The partner of the External Sharia Auditing Office shall not work for any other External Sharia Auditing Office registered at the Authority.	<input type="checkbox"/> Yes
To audit the transactions of the Licensed Person of which the External Sharia Auditor is relative of third of kin of a Member of the Board of Directors and the CEO.	<input type="checkbox"/> Yes
The Sharia Auditors team who undertake external Sharia auditing on the Licensed Persons or Collective Investment Schemes shall not provide Sharia consultations for the same client throughout the appointment period of the External Sharia Auditing Office.	<input type="checkbox"/> Yes
To provide any works or services for a fee or for free whether directly or indirectly, other than the profession of Sharia auditing to the Licensed Person.	<input type="checkbox"/> Yes
To provide any Sharia consultations or training assignments to the Licensed Person subject of the auditing.	<input type="checkbox"/> Yes
To represent the Licensed Person before third parties, particularly membership of any Board of Directors of companies wherein the Licensed Person is a shareholder.	<input type="checkbox"/> Yes
To receive financial benefits or other benefits than those approved by the general meeting for the Licensed Persons. This includes receiving preferential benefits with the rest of the Clients, whether such benefits were granted by the Licensed Person themselves or by any of their associate companies.	<input type="checkbox"/> Yes
To provide any of the services that may have an impact on its independence or neutrality.	<input type="checkbox"/> Yes
To accept tasks that may constitute conflict of interest.	<input type="checkbox"/> Yes
To accept tasks that jeopardize the honor of the profession.	<input type="checkbox"/> Yes

### 5. List of documents Attached upon Submission of Application

Sr.	Document	Attached	Inapplicable	Status of Auditing (For the Authority's use)	Notes
1	License issued from the Ministry of Commerce & Industry for External Sharia Auditing Office.	<input type="checkbox"/>	<input type="checkbox"/>		
2	A copy of proof of fulfilling the same academic or professional qualifications of the Sharia Audit Officer stipulated in Appendix (3) of Module Five.	<input type="checkbox"/>	<input type="checkbox"/>		
3	A copy of the approved supporting documents of the professional expertise or an official copy of them.	<input type="checkbox"/>	<input type="checkbox"/>		
4	A declaration by the Sharia Auditor of working full-time at the Sharia Auditing Office.	<input type="checkbox"/>	<input type="checkbox"/>		
5	A certificate of criminal clearance from criminal evidence department for the Sharia Auditor.	<input type="checkbox"/>	<input type="checkbox"/>		
6	A copy of the identification number and the passport (in the event the applicant is non-Kuwaiti subject).	<input type="checkbox"/>	<input type="checkbox"/>		
7	A copy of the delegation issued to the representative of the External Sharia Auditing Office.	<input type="checkbox"/>	<input type="checkbox"/>		
8	A copy of receipt of payment of registration fees.	<input type="checkbox"/>	<input type="checkbox"/>		
9	A copy of the receipt of payment for fees of registration renewal	<input type="checkbox"/>	<input type="checkbox"/>		

I, the undersigned, hereby declare that all information set out in the present application (including all appendices and attachments) are complete, accurate and true. I also declare that I have reviewed Law No. 7 of 2010 and its Executive Bylaws and their amendments.

I have knowledge of the Capital Market Authority's right to take any criminal or disciplinary measure against any person who submits any untrue or misleading information or declarations in this application.

Until issuance of the approval on this application, I commit to notify the Authority in writing once any change in the information or data submitted by virtue of this application occurs or takes place.

I also declare my approval that the Capital Markets Authority uses or discloses any information that I have submitted in the present application or will submit in the future for the purpose of enabling the Authority from carrying out its duties.

Name:

Signature of the Office Representative:

Applicant:

Signature:

Name:

Title:

**NB: No application shall be admitted unless this form is completed.**

## **Appendix 18**

### **Application for Adding an External Sharia Auditor, Legal Advisor or Accountant**



**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**Application for Adding an External Sharia Auditor, Legal Advisor or Accountant**

**List of Contents**

Section 1	Instructions
Section 2	Information pertaining to the Office and Liaison Officer
Section 3	Information pertaining to Members of the Office
Section 4	Declarations and Undertakings
Section 5	List of required documents upon submission of application

### 1. Instructions

- This form shall be submitted by the External Sharia Auditing Office who wish to add or cancel a Sharia Auditor, legal advisor, or accountant at the External Sharia Auditing Office registered at the Authority, taking into consideration the provision of Article (3-5-4) of this Module.
- The application of adding or cancelling a Sharia Auditor, legal advisor, or accountant at the External Sharia Auditing Office of each person required to be added or cancelled shall be submitted separately.
- Any application form that is not complete will not be accepted. In the event of non-applicability or unavailability of a statement or information or document required in the form, “not applicable” or “not available” shall be selected, depending on the circumstances.
- The Authority may notify the applicant at any time after receiving the registration request to submit any further information or documents. In the event that the applicant fails to provide the information and documents within the period set by the Authority for the notification without an acceptable excuse, the application shall be deemed withdrawn.

## 2. Information pertaining to the Office and Liaison Officer

### 2.1 Information of the Office

Name of Person		
License issued from Ministry of Commerce & Industry to practice the activity of providing Sharia consultation or Sharia auditing	<input type="checkbox"/> Office	<input type="checkbox"/> Company
Address of Main Office		
Telephone No.		
Mobile No.		
Fax No.		
Email Address		
Web Address		

### 2.2 Liaison Officer

Name of Liaison Officer	
Title	
Phone No.	
Mobile No.	
Fax No.	
Email Address	

3. Information pertaining to Members of the Office			
Name of Person			
Position of Person	<input type="checkbox"/> Sharia Auditor	<input type="checkbox"/> Legal Advisor	<input type="checkbox"/> Accountant
Required amendment	<input type="checkbox"/> Addition		<input type="checkbox"/> Cancellation
If he was a legal advisor or accountant	<input type="checkbox"/> Person		<input type="checkbox"/> External entity
Years of Experience			
Academic qualification			
Professional qualification			

#### 4. Declarations and Undertakings

<p>To adhere to the provisions of Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Executive Bylaws and their amendments and all systems, decisions, directives and all special restrictions pertaining to external auditing issued by the Capital Markets Authority, and to adjust the direction of the office with such systems and amendments within the time limit set by the Authority for such a purpose.</p>	<input type="checkbox"/> Yes
<p>The report of the External Sharia Auditing Office shall include the following:</p> <ol style="list-style-type: none"> <li>1. An evaluation of the efficiency and effectiveness of the Sharia risk management procedures.</li> <li>2. An evaluation of the Licensed Person's compliance with the relevant decisions of the Capital Markets Authority.</li> <li>3. The scope of work of the External Sharia Auditing Office to include the activities, contracts and Securities transactions of the Licensed Person or Collective Investment Schemes.</li> <li>4. A statement of the reference used for the Sharia Standards of the Licensed Person in case it differs from the Sharia Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).</li> <li>5. Opinion regarding the Licensed Person's commitment to the provisions of Islamic Sharia in accordance with the Sharia reference it follows, including Sharia violations in the activities, contracts or transactions of the Licensed Person - if any - whether in Securities transactions or their execution.</li> <li>6. Procedures of auditing that led to the results of its works mentioned in such report.</li> <li>7. Evidence of viewing the report of the Internal Sharia Auditing Unit.</li> <li>8. The signature of the External Sharia Auditor registered at the Authority.</li> </ol> <p>The External Sharia Auditing Office shall also issue quarterly periodic Sharia auditing reports including the results of following up and examining the Licensed Person's compliance with the Islamic Sharia principles in his transactions and activities and publish them through the periodic disclosures of the person licensed to work in accordance with the Islamic Sharia principles. It is necessary to present these reports to the Board of Directors to clarify the contents of the reports.</p>	<input type="checkbox"/> Yes

The Sharia auditor shall have a good reputation and manner and have not been convicted of a crime involving a breach of honor or trust or a crime related to money laundering, financing terrorism, financial crimes or corruption unless he has been discharged.	<input type="checkbox"/> Yes
The External Sharia Auditing Office of the Licensed Person shall be appointed for one financial year, renewable annually for a period not exceeding four consecutive financial years. It may be reappointed after a period of suspension not less than two consecutive financial years.	<input type="checkbox"/> Yes
Maintain confidentiality of information and data that he viewed while undertaking external Sharia auditing.	<input type="checkbox"/> Yes
To notify the Authority in conjunction with informing the Licensed Person's management body of the existence of significant and material violations committed by the Licensed Person.	<input type="checkbox"/> Yes
To notify the Authority as soon as one of its registration requirements or conditions is missing.	<input type="checkbox"/> Yes
To provide all data and information requested by the Authority.	<input type="checkbox"/> Yes
To notify the Authority immediately upon the issuance of any decision or judgment of any penalty or legal violation by any regulatory body or judicial authority against him.	<input type="checkbox"/> Yes

**The External Sharia Auditing Office represents and warrants, as well as its members, to refrain from carrying out any of the following acts:**

To disclose in the office's report if the partner in an External Sharia Auditing Office or any affiliate thereof occupies the position of chairman or Member of a Board of Directors or a member of the Sharia Supervisory Board – if any – of the Licensed Person, or if he is a member of the Executive Committee of the Fund or the Executive Team of the Contractual Collective Investment Scheme concerned. This shall be applied to relatives of first of kin who supervise the management of the Licensed Person or its accounts.	<input type="checkbox"/> Yes
The Licensed Person or any affiliate thereof shall not be a partner or a shareholder in the appointed External Sharia Auditing Office.	<input type="checkbox"/> Yes
The partner of the External Sharia Auditing Office shall not work for any other External Sharia Auditing Office registered at the Authority.	<input type="checkbox"/> Yes
To audit the transactions of the Licensed Person of which the External Sharia Auditor is relative of third of kin of a Member of the Board of Directors and the CEO.	<input type="checkbox"/> Yes
The Sharia Auditors team who undertake external Sharia auditing on the Licensed Persons or Collective Investment Schemes shall not provide Sharia consultations for the same client throughout the appointment period of the External Sharia Auditing Office.	<input type="checkbox"/> Yes
To provide any works or services for a fee or for free whether directly or indirectly, other than the profession of Sharia auditing to the Licensed Person.	<input type="checkbox"/> Yes
To provide any Sharia consultations or training assignments to the Licensed Person subject of the auditing.	<input type="checkbox"/> Yes
To represent the Licensed Person before third parties, particularly membership of any Board of Directors of companies wherein the Licensed Person is a shareholder.	<input type="checkbox"/> Yes
To receive financial benefits or other benefits than those approved by the general meeting for the Licensed Persons. This includes receiving preferential benefits with the rest of the Clients, whether such benefits were granted by the Licensed Person themselves or by any of their associate companies.	<input type="checkbox"/> Yes
To provide any of the services that may have an impact on its independence or neutrality.	<input type="checkbox"/> Yes
To accept tasks that may constitute conflict of interest.	<input type="checkbox"/> Yes
To accept tasks that jeopardize the honor of the profession.	<input type="checkbox"/> Yes

### 5. List of documents Attached upon Submission of Application

Sr.	Document	Attached	Inapplicable	Status of Auditing (For the Authority's use)	Notes
1	License issued from the Ministry of Commerce & Industry for External Sharia Auditing Office.	<input type="checkbox"/>	<input type="checkbox"/>		
2	A copy of proof of fulfilling the same academic or professional qualifications of the Sharia Audit Officer stipulated in Appendix (3) of Module Five.	<input type="checkbox"/>	<input type="checkbox"/>		
3	A copy of the approved supporting documents of the professional expertise or an official copy of them.	<input type="checkbox"/>	<input type="checkbox"/>		
4	A declaration by the Sharia Auditor of working full-time at the Sharia Auditing Office.	<input type="checkbox"/>	<input type="checkbox"/>		
5	A certificate of criminal clearance from criminal evidence department for the Sharia Auditor.	<input type="checkbox"/>	<input type="checkbox"/>		
6	A copy of the identification number.	<input type="checkbox"/>	<input type="checkbox"/>		
7	A copy of the identification number and the passport (in the event the applicant is non-Kuwaiti subject).	<input type="checkbox"/>	<input type="checkbox"/>		



I, the undersigned, hereby declare that all information set out in the present application (including all appendices and attachments) are complete, accurate and true. I also declare that I have reviewed Law No. 7 of 2010 and its Executive Bylaws and their amendments.

I have knowledge of the Capital Market Authority's right to take any criminal or disciplinary measure against any person who submits any untrue or misleading information or declarations in this application.

Until issuance of the approval on this application, I commit to notify the Authority in writing once any change in the information or data submitted by virtue of this application occurs or takes place.

I also declare my approval that the Capital Markets Authority uses or discloses any information that I have submitted in the present application or will submit in the future for the purpose of enabling the Authority from carrying out its duties.

Name:

Signature of the Office Representative:

Applicant:

Signature:

Name:

Title:

**NB: No application shall be admitted unless this form is completed.**

## Appendix 19

### Application for Cancellation of the Registration of an External Sharia Auditing Office

**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**Application for Cancellation of the Registration of an External Sharia Auditing Office**

List of Contents	
Section 1	Instructions
Section 2	Information pertaining to the Office and Liaison Officer
Section 3	Cancellation details
Section 4	List of required documents upon submission of application

## 1. Instructions

- This form shall be submitted by the External Sharia Auditing Office who wishes to cancel the registration of an External Sharia Auditing Office from the Concerned Register of the Capital Markets Authority determining the date of registration cancellation.
- The application of cancelling the registration shall be submitted upon the termination of any contracts signed with Persons or Collective Investment Schemes licensed at the Authority.
- Any application form that is not complete will not be accepted. In the event of non-applicability or unavailability of a statement or information or document required in the form, “not applicable” or “not available” shall be selected, depending on the circumstances.
- The Authority may notify the applicant at any time after receiving the registration request to submit any further information or documents. In the event that the applicant fails to provide the information and documents within the period set by the Authority for the notification without an acceptable excuse, the application shall be deemed withdrawn.

## 2. Information pertaining to the Office and Liaison Officer

### 2.1 Information of the Office

Name of External Sharia Auditing Office	
Registration number issued by the Authority	

### 2.2 Liaison Officer

Name of Liaison Officer	
Title	
Phone No.	
Mobile No.	
Fax No.	
Email Address	

3. Cancellation details	
Reasons of Cancelling the Office	<input type="checkbox"/> Resignation
	<input type="checkbox"/> Liquidating the Office
	<input type="checkbox"/> Changing the Office
	<input type="checkbox"/> Others
Reasons in details	
Date of cancelling the office	

4. List of required documents upon submission of application

Sr.	Document	Attached	Inapplicable	Status of Auditing (For the Authority's use)	Notes
1	The approval of the General Assembly.	<input type="checkbox"/>	<input type="checkbox"/>		
2	Evidence of finishing the works of the External Sharia Auditing Office with the clients.	<input type="checkbox"/>	<input type="checkbox"/>		

Applicant:

Name:

Title:

Signature:

**NB: No application shall be admitted unless this form is completed.**

## Appendix 20

### Application for Assigning an External Entity to Undertake the Registered Employment Positions



**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**Application for Assigning an External Entity to Undertake the Registered Employment Positions**

List of Contents	
Section 1	Instructions
Section 2	Information pertaining to the Licensed Person and his officer and Liaison Officer
Section 3	Information pertaining to the external entity that is assigned to undertake the Registered Employment Positions
Section 4	The Registered Employment Positions and the assignment's reasons and justifications
Section 5	List of required documents upon submission of application
Section 6	Declarations and Undertakings

## 1. Instructions

- This form shall be submitted by the Licensed Person who wishes to assign an external entity to undertake the Registered Employment Positions at least one month from the assignment date.
- The Licensed Person shall document all arrangements with the external entity that was assigned to undertake the tasks of the Registered Employment Positions. The contract shall include the following items as a minimum:
  1. The scope of the contract.
  2. The term of the contract.
  3. The conditions of the contract's recession.
  4. The requirements of the assigned tasks and responsibilities.
  5. The business continuity plan of the external entity.
  6. Confidentiality, privacy, and information security.
  7. Cooperate and grant the Licensed Person the right to access accounting documents and records related to the assigned tasks and responsibilities.
  8. Undertake to comply with all the relevant applicable regulatory and legal requirements in accordance with the Authority's Law and its Executive Bylaws.
- The Licensed Person may not assign the same external entity to undertake more tasks of a Registered Employment Position, except the cases in which the Parent Company of the Licensed Person is assigned to undertake the tasks of the Registered Employment Positions.
- The external entity that undertakes the tasks of Registered Employment Positions shall be assigned for one calendar year only.
- The Licensed Person shall notify the Authority of the termination of assignment of any external entity that undertakes the tasks of Registered Employment Positions within five Business Days from the date of termination of the assignment.
- Any application form that is not complete will not be accepted. In the event of non-applicability or unavailability of a statement or information or document required in the form, "not applicable" or "not available" shall be selected, depending on the circumstances
- The Authority may notify the applicant at any time after receiving the application to submit any further information or documents. In the event that the applicant fails to provide the information and documents within the period set by the Authority for the notification without an acceptable excuse, the application shall be deemed withdrawn.
- The Authority may refuse the request in the event that the Licensed Person fails to comply with the conditions and provisions related to its work stipulated in Chapter Three of this Module. In the event of rejection, the decision shall be justified.

## 2. Information pertaining to the Licensed Person and his officer and Liaison Officer

### 2.1 Information pertaining to the Licensed Person

Name		
License number		
Licensed activities	<input type="checkbox"/> Investment Portfolio Manager <input type="checkbox"/> Investment Advisor <input type="checkbox"/> Custodian <input type="checkbox"/> Investment Controller <input type="checkbox"/> Market Maker <input type="checkbox"/> Asset Valuation <input type="checkbox"/> Clearing Agency <input type="checkbox"/> Securities Exchange	<input type="checkbox"/> Collective Investment Scheme Manager <input type="checkbox"/> Subscription Agent <input type="checkbox"/> Securities Broker registered with an Exchange <input type="checkbox"/> Securities Broker not registered with an Exchange <input type="checkbox"/> Qualified Securities Broker registered with an Exchange

### 2.2 Information pertaining to the responsible person (Chief Executive Officer or Senior Executives) for monitoring the performance of the assigned Registered Employment Positions

Name	
Telephone number	
Mobile number	
Email address	

### 2.3 Information pertaining to the Liaison Officer

Name of Liaison Officer	
Title	
Telephone number	
Mobile number	
Email address	

### 3. Information pertaining to the external entity that is assigned to undertake the Registered Employment Positions

#### 3.1 Information pertaining to the external entity

Name	
Address	
Website	
The legal entity of the company	

#### 3.2 Information pertaining to the Liaison Officer

Name of Liaison Officer at the external entity	
Title	
Telephone number	
Mobile number	
Email address	

#### 4. The Registered Employment Positions and the assignment's reasons and justifications

##### 4.1 Assigned Registered Employment Positions

☐ Risk Management Officer

☐ Internal Audit Officer

☐ Sharia Audit Officer

☐ Financial Manager \*

☐ Compliance Manager \*

\* The Licensed Person may practice the activity of Investment Advisor and Asset Valuation or one of these two activities and not the other Securities Activities.

##### 4.2 Assignment's reasons and justifications

##### 4.3 Assignment's term

Assignment's term

From:    /    /

To:    /    /

### 5. List of required documents upon submission of application

Document required upon submission of application	Document status	Remarks
A copy of the contract to be signed with the external entity	<input type="checkbox"/> Attached <input type="checkbox"/> Inapplicable *	
Copy of Fees Payment Receipt	<input type="checkbox"/> Attached <input type="checkbox"/> Inapplicable *	
Document required after approval of application		
Final approved copy after the Authority's approval and the contract's signature.		
Copy of Fees Payment Receipt		
* If the status of the attachment was inapplicable, kindly provide the Authority with the reasons in the remarks field.		

### 6. Declarations and Undertakings

I, the undersigned, acknowledge that the information in this application (including all the attached documents) is complete, accurate and correct. I also acknowledge that I have reviewed Law No. 7 of 2010 and its Executive Bylaws and their amendments.

I have knowledge of the Capital Markets Authority's right to take any punitive or disciplinary action against any person who submits incorrect or misleading information or declarations in this application.

Until the issuance of the approval of this application, I undertake to notify the Authority in writing once any change in the information or data submitted pursuant to this application occurs or takes place.

I also declare my approval that the Capital Markets Authority uses or discloses any information that I have submitted in the present application or will submit in the future for the purpose of enabling the Authority to carry out its duties.

Applicant:	
Name:	Signature:
Position:	

**NB: No application shall be admitted unless this form is completed.**

## Appendix 21

### Application for the Cancellation of the Registration of an Auditor in the Concerned Register at the Authority

**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**Application for the Cancellation of the Registration of an Auditor in the  
Concerned Register at the Authority**

List of Contents	
Section 1	Instructions
Section 2	Information pertaining to the Auditor and the Liaison Officer
Section 3	Cancellation details
Section 4	List of required documents upon submission of application



## 1. Instructions

- This form shall be submitted by the Auditor who wishes to cancel his registration from the concerned register at the Capital Markets Authority along with determining the date of cancelling the registration.
- The cancellation request shall be submitted at the end of any concluded contracts with Persons or Collective Investment Schemes that Are licensed by the Authority.
- Any application form that is not complete will not be accepted. In the event of non-applicability or unavailability of a statement or information or document required in the form, “not applicable” or “not available” shall be selected, depending on the circumstances
- The Authority may notify the applicant at any time after receiving the application to submit any further information or documents. In the event that the applicant fails to provide the information and documents within the period set by the Authority for the notification without an acceptable excuse, the application shall be deemed withdrawn.

### 2.1 Information pertaining to the Auditor

1	Auditor's name	
2	Name of Auditor's Office	
3	Registration number issued by the Capital Markets Authority	

### 2.2 Liaison Officer

1	Name of liaison officer	
2	Title	
3	Telephone number	
4	Mobile number	
5	Fax number	
6	Email address	

### 3. Cancellation details

1	Reasons and justifications of cancelling the registration in detail.	
2	Date of cancelling the registration	

4. List of required documents upon submission of application				
	Document	Attached	Inapplicable	Remarks
1	Evidence of unavailability of any pending contract or work with any Listed Companies or Licensed Persons or Collective Investment Schemes that are subject to the Authority's supervision.	<input type="checkbox"/>	<input type="checkbox"/>	

Applicant:

Name:

Title:

Signature:

**NB: No application shall be admitted unless this form is completed.**

## Appendix 22

### Controls and Regulations Relevant to a One Person Company License to Practice Securities Activities

## Controls and Regulations Relevant to a One Person Company License to Practice Securities Activities

### First: Provisions of obtaining, renewing and termination of the Securities Activities license

License application	<p>The application shall be submitted in accordance with Article (1-4) of this Module attached with the following information and documents, according to the services and duties he wishes to provide in the licensed activity, as the case may be:</p> <ol style="list-style-type: none"> <li>1. Name of the license applicant, his address and either the identity number if a natural person or the commercial register number if a legal person.</li> <li>2. Regulatory business plan containing such details as are set out in Appendix 23 (Application for a Securities Activities License - One Person Company) of this Module and Appendix 1 of Module Six (Policies and Procedures of Licensed Persons) and the controls for providing advisory services included in Chapter Eight of Module Eight (Conduct of Business).</li> <li>3. Statement of the Securities Activity or Activities to which the applicant wishes to practice.</li> <li>4. Information about the issued and paid up capital of the company to which the license application relates.</li> <li>5. A copy of the Company Contract to which the license application relates and any amendments to the same, or the draft Company Contract for companies under incorporation.</li> <li>6. Nomination for applicants for Registered Positions and Employment Positions in accordance with the Fit and Proper Rules in Appendix 10 of this Module.</li> <li>7. A list of the companies owned by the license applicant in full, as a partner or ownership of 50%, and those companies' objectives.</li> <li>8. Sufficient information of any Effective Control over the company that will conduct the activity.</li> <li>9. Any agreements or undertakings with external entities.</li> <li>10. The audited financial statements for the last three years prior to the date of application, in addition to forecasts of its expected three-year future financial position of the company that will conduct the activity.</li> <li>11. A legal opinion from an external legal advisor of the company on any lawsuits of material influence on the legal position of the company, whether filed by the company or against it, as well as the amounts of those lawsuits if it can be estimated.</li> </ol>
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	<p>12. Declarations signed by the founders of the company to the effect that no verdict of bankruptcy, penalty on a crime of breach of honor or trust, or being convicted of a crime involving a breach of honor or trust or a freedom restricting penalty in one of the crimes stipulated in the Authority's law or any other law over the five year period preceding the license application, unless he or they have been discharged.</p> <p>13. A declaration by the license applicant stating that the information contained in the application and the enclosed documents are correct and complete, in addition to any other declarations required by the Authority.</p> <p>14. Proof of payment of fees for the processing of the application.</p> <p>15. Any request by the applicant for exemptions to some requirements and the justification for such a request.</p> <p>16. Official documents indicating the approval of the National Fund for Small and Medium Enterprise Development to finance the capital of the Licensed Person if the capital was financed by the aforementioned fund.</p> <p>17. Any other information or documents that may be required by the Authority.</p> <p>Note: Any applicant intending to obtain financing from the National Fund for Small and Medium Enterprise Development is exempted from submitting some of the business plan requirements included in Application (23) previously mentioned, and this Application (23) shall note the necessary requirements that the applicant must fulfill.</p>
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<p>License renewal requirements</p>	<p>The provisions of license term and renewal and the decision of a license renewal and its rejection included in this Module shall apply to all Licensed Persons. The Licensed Person that holds the capacity of a One Person Company shall submit the license renewal application in accordance with Appendix 24 (Application for Renewing Securities Activities License - One Person Company) of this Module attached with the following information and documents:</p> <ol style="list-style-type: none"> <li>1. A report by an auditing office affiliated to an Auditor registered at the Authority, which includes, at a minimum, the following information: <ul style="list-style-type: none"> <li>• An evaluation of the Licensed Person's compliance with the Capital Markets Authority's Law and its Executive Bylaws and their amendments.</li> <li>• An evaluation of the internal control mechanisms and systems of the Licensed Person.</li> <li>• Results of the auditing operations relevant to risk management, internal audit, and regulatory compliance.</li> </ul> <p>The report shall be binding on the Licensed Persons exempted from registered positions in the position of Internal Audit Officer, Compliance Officer, or Risk Management Officer.</p> </li> <li>2. A report that includes the Licensed Person's Clients and summary of the services' deliverables in accordance with Article (8- 7) of Module Eight (Conduct of Business) for the three years preceding the license renewal.</li> <li>3. Any other data or information that may be required by the Authority.</li> </ol>
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<p>License termination at the request of a Licensed Person</p>	<ul style="list-style-type: none"> <li>• A Licensed Person may apply for the termination of its license, whether for all or some of the licensed Securities Activities, and it shall comply with the following conditions: <ol style="list-style-type: none"> <li>1. Comply with all the procedures and instructions related to the termination of the contracts signed with Clients for all licensed Securities Activities.</li> <li>2. Taking into account the expiry date of the Securities Activities license and the related procedures for applying to terminate the activity, the company is required to submit the license termination request before its expiry with a minimum period of six months. The Licensed Person shall abide by the procedures for license renewal in the event of non-compliance with the specified periods for license termination.</li> </ol> </li> <li>• The Licensed Person submits the license termination request in accordance with Appendix 25 (Application for the Termination of a Securities Activities License - One Person Company) of this Module.</li> <li>• The provisions for deciding on a license termination request shall apply to all Licensed Persons.</li> <li>• After the issuance of the license termination resolution, the Licensed Person shall comply with the procedures necessary to remove the clause for the Securities Activities objective corresponding to the terminated license within one year from the date of issuing the resolution.</li> </ul> <p>The company shall notify the Authority of the approved, supporting documents for this process, to enable the Authority to complete the procedures of striking off the company from its records.</p>
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#### Second: Controls and Instructions relevant to registered persons

- The controls for registering, renewing, and terminating the Registered Employment Positions stated in the Executive Bylaws shall apply to all Licensed Persons.
- The founder of the One Person Company subject to the license application to practice the activity shall be its Chief Executive Officer and shall be exempted from fulfilling the Fit and Proper Rules of that job. He shall fulfill, at a minimum, the requirements related to academic qualifications and professional experience required in the representative of Senior Investment Advisor in accordance with Fit and Proper Rules.
- The Chief Executive Officer shall be responsible for implementing the provisions of Module Sixteen (Anti-Money Laundering and Combating Financing of Terrorism) in the event that no person is registered in the position of Compliance Officer.
- The Licensed Person shall be exempted from holding Registered Positions.



- The Licensed Person shall be exempted from holding the following Registered Employment Positions:
  1. Senior Executives.
  2. Financial Manager.
  3. Risk Management Officer.
  4. Internal Audit Officer.
  5. Compliance Officer.
  6. Sharia Audit Officer.
  7. Representatives of Securities Activities.
  8. Senior Investment Advisor.

He shall submit the report mentioned in First (License renewal requirements) of this Appendix from an auditing office affiliated to an Auditor registered at the Authority when renewing the license.

- The Chief Executive Officer shall be responsible before the Authority for implementing all the work assigned to Registered Employment Positions.
- The Licensed Person may assign specialized external entities to prepare its financial statements, provided that the Authority is notified in advance.
- The Licensed Person may assign specialized external entities to undertake the tasks related to risk management, compliance, internal audit, and sharia audit, provided that the Authority is notified in advance and it submits a copy of the contract signed with those external entities. The assignment does not relieve the Licensed Person from his responsibilities of implementing the provisions of the Law and Bylaws before the Authority.
- The Licensed Person obtaining finance from the National Fund for Small and Medium Enterprise Development shall observe the regulating provisions in this regard contained in the fund's law and its executive regulations.
- The Authority may impose additional requirements for fulfilling the Registered Employment Positions on the Licensed Person if it deems it necessary.

### Third: General Provisions

- The Licensed Person shall maintain the minimum capital required to practice the activity throughout the license period.
- The Licensed Person shall appoint an Auditor registered at the Authority, and he shall be exempted from the provision of Item (5) of Article 3-4-4 of Chapter Three of this Module.
- The Licensed Person shall consider the procedures of the Ministry of Commerce and Industry and the National Fund for Small and Medium Enterprise Development with regard to the mechanism of appointing an Auditor and approving the financial statements.

## Appendix 23

### Application for a Securities Activities License - One Person Company

**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**Application for a Securities Activities License - One Person Company**

List of Contents	
Section 1	Instructions
Section 2	Procedures to obtain a license
Section 3	Applicant details
Section 4	Required Activities statement
Section 5	Founders and financial resources details
Section 6	Attachments and required documents
Section 7	Declarations
Appendix. 1	Business Plan Guide
Appendix. 2	Declaration
Appendix. 3	Registered Employment Positions

## 1. Instructions

- This form indicates the procedures, stages, documents, and attachments necessary for obtaining the Securities Activities license.
- All the information, documents, requirements, attachments included in this form shall be submitted through the Authority's electronic portal in full based on the status of the applicant at the time of the application.
- The applicant is subject to the Capital Markets Authority's law and Executive Bylaws and their amendments starting from the date of the submission of the application.
- The Authority reserves the right to request any additional information and documentation or clarifications from the applicant when processing the licensing application.
- The Authority shall review the licensing application within three months from the date of the completing all the required documents and information.
- Failure to provide the Authority with the documents and attachments that support the application may delay the process of issuing the license. Therefore, the Authority is not responsible for any delay or damage suffered by the applicant as a result.
- Kindly ensure the inclusion of any supporting documentation to the request should the applicant be unable to meet certain requirements or attachments required by the license applicant.
- The business plan is part of this application and it is the applicant's responsibility to attach it with the rest of the required attachments of this form. The applicant may seek assistance from external entities in order to prepare the business plan, however the applicant assumes full responsibility for its accuracy.
- The applicant that wishes to obtain financing from the National Fund for Small and Medium Enterprise Development is exempted from some of the Capital Markets Authority's business plan requirements, provided that the business plan of the National Fund for Small and Medium Enterprise Development is submitted.
- Issuance of the Authority's preliminary approval does not reflect the approval on the business plan of the National Fund for Small and Medium Enterprise Development, and the applicant shall obtain the approval of the Fund so that the Authority can issue the final license in accordance with the concerned procedures thereof.
- The licensed person may resort to the Authority's arbitration rules to resolve a dispute concerning securities activities.
- The applicant should send any inquiry regarding the completion of this application or any related topic to the Licensing and Registration Department at the Capital Markets Authority at the address below:

Capital Markets Authority – 20th floor / Al-Hamra Tower – Sharq – Kuwait

P.O. Box 3913 Safat 13040 Kuwait    lrd@cma.gov.kw

## 2. Procedures to obtain a license

### 2.1 Company Under Incorporation

1. Submit an application to obtain a license to practice securities activities by completing this form to obtain preliminary approval for the company's incorporation.
2. Apply to the National Fund for Small and Medium Enterprise Development and obtain the necessary approvals. (If the applicant wishes to obtain financing from the National Fund for Small and Medium Enterprise Development)
3. Upon obtaining preliminary approval, the company shall begin incorporation procedures at the Ministry of Commerce and Industry that will practice the Securities Activities subject to the license.
4. Submitting a letter to request a license for securities activities in the name of the new incorporated company.
5. A license shall be issued to the applicant after fulfilling all the requirements related to some or all of the securities activities requested to be practiced in the license application.

### 2.2 Existing Company

1. Submit an application to obtain a license to practice securities activities by completing this form:
  - a. If the company's objectives do not include practicing the activities subject to the license, go to step 2.
  - b. If the company's objectives include practicing the activities subject to the license, go to step 3.
2. Upon obtaining the Authority's preliminary approval, the company must begin the procedures of the Ministry of Commerce and Industry to amend the company's objectives and include the practice of securities activities.
3. A license shall be issued to the applicant after fulfilling all the requirements related to some or all securities activities requested to be practiced in the license application.

In the event that the the applicant wishes to obtain financing from the National Fund for Small and Medium Enterprise Development, he shall obtain the approval of the fund before carrying on the procedures of the Ministry of Commerce and Industry for the companies to which Item (a) applies and before issuance of the license to the companies to which Item (b) applies.

3. Applicant details		
3.1 Applicant details		
Name (Individual)/ Commercial name (Company)		
Address:		
Civil ID (Individual)/ Commercial license number (Company)		
Phone number:	Mobile (individual):	number
Fax number:	Email:	
3.2 Liaison Officer details		
Name		
Capacity:		
<input type="checkbox"/> Founder of a new company <input type="checkbox"/> Employee of the applicant <input type="checkbox"/> Advisor of the applicant <input type="checkbox"/> Others		
Phone number:	Mobile (individual):	number
Fax number:	Email:	
3.3 Applicant status		
<input type="checkbox"/> Company Under Incorporation <input type="checkbox"/> Existing Company with a provision which allows practicing the required activities in the company's objectives <input type="checkbox"/> Existing Company without a provision which allows practicing the required activities in the company's objectives		
- Is the applicant subject to the surveillance of the Central Bank?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
- Does the applicant practice securities activities according to Islamic Sharia?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

#### 4. Required Activities Statements

##### 4.1 Choose the activities which the applicant intends to practice

☐ Investment Advisor

##### 4.2 The legal form of the company

☐ One Person Company

#### 5. Founders and financial resources details

##### 5.1 Kindly complete the founder details according to the legal form of the applicant\*

No.	Founder's name	Shares	Nationality
1			

##### 5.2 Capital

- Paid-up capital (proposed- Companies under incorporation)

- Issued capital (proposed- Companies under incorporation)

#### 6. Documents and attachments required

##### 6.1 Required attachments according to the company's status

No.	Attachment/required document	Status of the Attachment	
1	Business plan	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
2	Audited financial statements for the last 3 years prior to submission date of the request	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
3	Approval from the Central Bank of Kuwait to practice Securities Activities, in case applicant is subject to its supervision	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
4	Copy of the license fee receipt	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
5	Copy of the Founders' ID	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
6	Statement of acknowledgement from the founders of the company prepared according to the form prepared by the Authority	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
7	Copy of the draft company contract	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable

8	Statement with the incorporated company's new name for the license request attached to it the approval of legal representative (authorized signatory) prepared according to the form prepared by the Authority	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
9	Copy of the memorandum of association and articles of association of the company	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
10	Approval from the Ministry of Commerce and Industry for the incorporation of the company	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
11	Copy of the contract with an auditor that is registered with the Authority	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
12	Requests to occupy registered employment positions according to the form for registered employment positions of a licensed person according to fit and proper rules (if any)	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
13	Complete list of all the names of the occupants of registered employment positions that have been appointed along with the letters of approval for their nomination from the Authority according to Appendix No. 3 (List of Registered Employment Positions) of this form (if any)	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
14	Legal opinion from an external legal firm regarding cases or a group of cases which has a significant impact to the financial position of the company, whether filed by the company or against it and the estimated amount of such cases, if possible	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
15	The approval of the National Fund for Small and Medium Enterprise Development	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable
16	Any other documents the applicant deems important to submit		

\*If the status of the appendix is not applicable for the applicant, please provide the Authority with a separate document to indicate the reasons why it does not apply.



6.2 Steps of providing the Authority with the required attachments according to the legal form of the applicant	
Company Under Incorporation	<p>Before incorporation - the Authority shall be provided with the following attachments:</p> <p>1 ,3 ,4 ,5 ,6 ,7 ,16</p> <p>After incorporation - the Authority shall be provided with the following attachments:</p> <p>8, 9, 10, 11, 12, 13, 14, 15, 16 (any necessary updates on the attachments shall be provided before incorporation)</p>
<p>Existing Company</p> <p>(No provision in the company's objectives allowing the practice of the required activities)</p>	<p>Before incorporation- The Authority shall be provided with the following attachments:</p> <p>1, 2, 3, 4, 5, 6, 9, 16</p> <p>After amending company's objectives- The Authority shall be provided with the following attachments:</p> <p>9, 13, 14, 15, 16 (any necessary updates on the attachments shall be provided before amending the company's objectives)</p>
<p>Existing Company</p> <p>(There is a provision in the company's objectives which allows the practice of the required activities)</p>	<p>The Authority shall be provided with the following attachments:</p> <p>1, 2, 3, 4, 5, 6, 9, 13, 14, 15, 16</p>

## 7. Declarations

- I hereby declare that I have reviewed of the Capital Market Authority's Law No. 7 of 2010 and its Executive Bylaws as amended and that issued from regulations, decisions, instructions and any other controls concerning the licensing of Securities Activities in the State of Kuwait. Furthermore, I hereby declare my knowledge of the penalties resulting from breaching any of the Laws, Bylaws, regulations, decisions and instructions issued by the Capital Market Authority.
- I hereby declare that all information set out in this form and the related attachments thereto are accurate and complete, as well as the accuracy of the facts provided in the business plan attached hereto. I, furthermore, declare my knowledge of the Authority's laws and bylaws related to the penalties resulting from providing any false or misleading representations in this form or in any of its related attachments.
- I undertake that I will comply with the provisions of Law No. 7 of 2010 and its Executive Bylaws and their amendments, as well as all orders, decisions, instructions and any other controls concerning the licensing of Securities Activities in the State of Kuwait determined by the Authority in accordance with what it issues in this regard.
- I hereby undertake to settle the fees of the licensing of Securities Activities and any other fees related to the procedures of licensing Securities Activities as determined by the Authority in accordance with what it issues in this regard.
- I undertake that I will abide by the systems, policies and procedures set out in the business plan as submitted to the Authority along with this form.
- I undertake that I will notify the Authority of any changes that may occur and data that have been provided to the Authority concerning the granting of a license for Securities Activities.
- I undertake that I will submit any data or documents related to the granting of a license for Securities Activities that the Authority may request in the future.

This is a declaration and undertaking to said effect.

Applicant's signature

Name of the Applicant

Signature

Status of the Applicant

Date

Seal of the company

## Appendix 1 - Business Plan Guide

- The purpose of these guidelines is to assist the applicant in preparation of a business plan which contains the minimum requirements in addition to some suggestions which would help the Authority to assess the application for licensing the Securities Activities in a more detailed, complete and accurate manner.
- The applicant has the right, in the manner that they deem fit, to prepare a business plan along with guaranteeing availability of the requirements and conditions of licensing as set out in the Bylaws, whereby the applicant is able to supplement additional items to those specified under this guide, which would further help the Authority to assess the application for licensing Securities Activities, provided that all the documents of Article (1.3) of this appendix are available.
- Those who wish to obtain financing from the National Fund for Small and Medium Enterprise Development shall submit a business plan in accordance with the Fund's requirement, in addition to the requirements included in Item 3 of the policies, procedures, and systems.
- The amount of details required for the business plan depends on the size and nature of the activities that the applicant engages in or intends to engage in.

### 1. Introduction

History of the founder/ company	a brief profile of the founder/company, future vision and a summary of the business plan, with a focus on the licensed activities practiced by the applicant and the activity he wishes to license.
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### 2. Solvency

Audited financial statements	The company's main financial statements and indicators for the last three years shall be presented, along with audited financial statements for that period attached with the application form.
Market study	Statement of the market trends and the main factors affecting the Securities Activities market to be licensed shall be presented in order to assess the volume of demand for the company's services, which reflects the future predictions of its revenues. An analysis of market risks, opportunities, strengths and weaknesses related to securities activities shall also be carried out.
Expected performance of the company	The company's financial statements forecasted for the upcoming three years shall be prepared. Said predictions shall reflect the conclusions of the market study and the company's policy, in light of its vision and strategy mentioned in the executive summary. The effect of the licensed activities on the company's expected performance shall also be clarified.
Capital finance statements	If the company is under incorporation or existing and has received finance on its capital from the National Fund for Small and Medium Enterprise Development, it shall submit all the relevant data -for an existing company- or state the founder's wish and plan in regards with obtaining finance from the fund.

### 3. Policies, procedures, and systems

1. The organizational structure of the Licensed Person that clearly determines the limits of authority, access, and responsibility of the Licensed Person in relation to the executive management and other various main supporting jobs. In addition to defining the administrative hierarchy and powers in relation to the approval of the concluding transactions, the payment of expenses and financial expenditures, and the procedures for ratifying operations and transactions.
2. The supervisory systems and internal control programs, provided that they include the company's policies and procedures relevant to compliance and risk management which are related to the work of Licensed Person, Related Parties, and Anti-Money Laundering and Combating Financing of Terrorism in line with the type of licensed activity and the conflict of interest policy.
3. Human resources, training and development, provided that it includes evidence of the Licensed Person's compliance with the provisions and requirements of the Registered Employment Positions, and the mechanism of assigning external entities to provide the services of Registered Employment Positions, and the rules of professional conduct.
4. Dealing with Clients' complaints.
5. Executing and managing business operations of the licensed activities, provided that they include details of the services intended to be offered, conditions for provision of services to Clients, the mechanism of the contract and its termination, the draft contract to be concluded with the Client, in addition to all the reports issued by the Licensed Person to Clients and regulatory entities, and the mechanism of keeping records.
6. Information technology, provided that it includes the details of the electronic programs used to provide services to Clients (if any) and the contracts concluded with the entities that develop such programs, the technical support of the records and operations provided through such program, as well as the obligations that prevent information leakage internally and externally.
7. Emergency plans and business continuity follow-up.
8. Protection of whistleblowers of any unlawful practices committed by the Licensed Person.
9. Any other policies and procedures required by the Authority.

### Appendix 2 - Declaration

I, ..... the undersigned, within my capacity as....., hereby declare that no judgments were issued against me during the five years prior to the issuance of this Module for declaring bankruptcy, conviction of a crime or misdemeanour involving a breach of honour or trust, or sentenced to a penalty stipulated in the commercial, companies or Capital Markets Authority laws.

### Appendix 3 - Registered Employment Positions

The table shall be filled in with all the names of officers who perform registered employment positions, taking into account the following:

- All registered employment positions required according to the type of activity.
- All names of officers, in the event of more than one officer in a Registered Employment Position, by way of adding entries to the position in the table provided below.
- All names of external entities assigned to undertake the tasks of Registered Employment Positions (if any).
- “N/A” shall be used in the event the company does not carry out a registered employment position as per the licensed activities.

Registered Employment Position	Employee / External Entity Name	Occupational Title	Civil ID No.	Phone No. (direct)	Phone No. (Mobile)	Email Address	Date of Approving the Nomination
Chief Executive Officer							
Senior Executives							
Financial Manager							
Compliance Officer							
Risk Management Officer							
Internal Audit Officer							
Sharia Audit Officer							
Senior Investment Advisor							
Investment Advisor Representative							
Representative of Subscription agent							

## Appendix 24

### Application for Renewing a Securities Activities License - One Person Company

**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**Application for Renewing a Securities Activities License - One Person  
Company**

List of Contents	
Section 1	Instructions
Section 2	Applicant details
Section 3	License to be renewed
Section 4	Attachments and required documents
Section 5	Appendix A: Declaration
	Appendix B: Registered Employment Positions

### 1. Instructions

- This form shall be submitted after the payment of the fee depending on the type of license to be renewed according to the schedule of fees, and three months before the license expiration date according to the Executive Bylaws of Law No.7 of 2010 and its amendments.
- The Authority shall review the application within one month from the date of receipt of the application fulfilling all the requirements and documents required for approval of the license renewal.
- The Licensed Person may resort to the Authority's arbitration rules to resolve a dispute concerning securities activities.
- The applicant shall send the renewal application via the Authority's electronic portal. In the event of any inquiries concerning this application or related to it, kindly contact the licensing and registration department at the Capital Markets Authority at the address below:

Capital Markets Authority – 20th floor / Al-Hamra Tower – Sharq – Kuwait

P.O. Box 3913 Safat 13040 Kuwait    lrd@cma.gov.kw



2. Applicant details		
2.1 Applicant details		
Name of Licensed Person:		
License Number:		
Civil ID (Individual)/ Commercial license number (Company)		
Date of License Issuance:	Date of License Expiry:	
2.2 Liaison Officer details		
Name		
Phone number:	Mobile number (individual):	
Email:		
3. Licensed Person's details		
3.1 License to be renewed		
<input type="checkbox"/> Investment Advisor		
3.2 The legal form of the company		
<input type="checkbox"/> One Person Company		
- Is the applicant subject to the surveillance of the Central Bank?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
- Does the applicant practice securities activities according to Islamic Sharia?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

#### 4. Attachments and required documents

No.	Attachment/ Required Document	Status		Notes
1	Copy of Fees Payment Receipt	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
2	Copy of License Certificate	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
3	Report of the External Audit Office	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
4	Copy of the report of the Licensed Person's Clients	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
5	Declaration as per the attached form -Appendix	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	

\*If the state of the appendix is not applicable for the applicant, please provide the Authority with a separate document to indicate the reasons why it is not applicable.

Applicant

Application Reviewer (for office use)

Date .... / .... / ....

Signature


Signature


Seal

Seal

#### 5. Appendix A

##### Declaration

I, the undersigned, hereby declare that there have been no changes to the information and documents pertaining to the granting of the license, and undertake to report any changes that might occur in this regard and to provide the Authority with copies of the amended information and documents.

Approval of the Declaration

Applicant Name

Signature

Applicant Capacity

Date

Seal of the Company

## 5. Appendix B

### Registered Employment Positions

The table shall be filled in with all the names of officers who perform registered employment positions, taking into account the following:

- All registered employment positions required according to the type of activity.
- All names of officers, in the event of more than one officer in a Registered Employment Position, by way of adding entries to the position in the table provided below.
- All names of external entities assigned to undertake the tasks of Registered Employment Positions (if any).
- "N/A" shall be used in the event the company does not carry out a registered employment position as per the licensed activities.
- Registration date is the date in which a person is registered in in the Registered Employment Position at the Authority, and is not his appointment date at the company.

Registered Employment Position	Employee / External Entity Name	Occupational Title	Civil ID No.	Phone No. (direct)	Phone No. (Mobile)	Email Address	Registration Date
Chief Executive Officer							
Senior Executives							
Financial Manager							
Compliance Officer							
Risk Management Officer							
Internal Audit Officer							
Sharia Audit Officer							
Senior Investment Advisor							
Investment Advisor Representative							
Representative of Subscription agent							

## Appendix 25

### Application for the Termination of a Securities Activities License - One Person Company

**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**Application for the Termination of a Securities Activities License - One Person Company**

List of Contents	
Section 1	Instructions
Section 2	Applicant details
Section 3	Licensed Person’s details
Section 4	Attachments and required documents

## 1. Instructions

- The Licensed Person shall comply with the periods stipulated in Module Five of the license termination based on the Licensed Person's request.
- The suggested date for termination shall be at least six months after the date of submitting the application.
- The Authority may request any additional information, documents, or clarifications from the applicant at the time of reviewing the application. If the applicant fails to submit the required documents and information within the time period set by the Authority in its notification without an approved excuse by the Authority, the application shall be deemed to have been withdrawn.
- The Authority shall review the application within two months from the date of completion for all the required documents and information.
- Kindly ensure the inclusion of any supporting documentation to the request should the applicant be unable to meet certain requirements or attachments required by the applicant.
- The applicant shall comply with all the procedures issued by the Authority as required after deciding on the submitted application.
- The Authority may require the applicant of the license termination to take all the procedures and measures that ensure that the interests of its clients or the integrity of the financial system are not harmed as a result of the license termination.
- The Licensed Person may resort to the Authority's arbitration rules to resolve a dispute concerning securities activities.
- The Licensed Person should submit the termination application through the Authority's electronic portal. For any inquiries regarding the application or related to it, kindly contact the Licensing and Registration Department at the Capital Markets Authority at the address below:

Capital Markets Authority – 20th floor / Al-Hamra Tower – Sharq – Kuwait

P.O. Box 3913 Safat 13040 Kuwait    lrd@cma.gov.kw

2. Applicant details		
2.1 Applicant details		
Name of Licensed Person:		
License Number:		
Date of License Issuance:	Suggested date for termination:	
2.2 Liaison Officer details		
Name		
Phone number:	Mobile number (individual):	
Email:		
3. Licensed Person's details		
3.1 License to be terminated		
<input type="checkbox"/> Investment Advisor		
3.2 The legal form of the company		
<input type="checkbox"/> One Person Company		
- Is the applicant subject to the surveillance of the Central Bank?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
- Does the applicant practice securities activities according to Islamic Sharia?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3.3 Capital		
3.4 Reasons of the license termination		

4. Attachments and required documents				
No.	Attachment/ Required Document	Status		Notes
1	Copy of the License	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
2	Draft of the amendments to be entered into the Company's Articles of Association	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
3	Licensed Person's report on the termination of all the contracts with the Clients	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
4	Notification of the Central Bank of Kuwait for terminating all Securities Activities and the transfer to a finance company	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
5	Pre-approval of Central Bank of Kuwait on the application for terminating the financing activity.	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
6	Approval of National Fund for Small and Medium Enterprise Development	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	
7	Final notation on the commercial register After obtaining the Authority's approval on termination	<input type="checkbox"/> Available	<input type="checkbox"/> Not Applicable	

\*If the state of the appendix is not applicable for the applicant, please provide the Authority with a separate document to indicate the reasons why it is not applicable.

Applicant

Application Reviewer (for office use)

Date .... / .... / ....

Signature


Signature


Seal

Seal



## Appendix 26

### Controls and Regulations of the Financial Analysts Register

## First: Procedures and conditions of registering in the financial analysts' register at the Capital Markets Authority

### Procedures and conditions of registering in the financial analysts' register at the Capital Markets Authority

#### First: Procedures of registering and the registration renewal

1. All the required information in the registration application must be filled.
2. All the required documents in the registration application must be attached.
3. The registration application must be submitted along with a payment of KWD 100 and a copy of the payment receipt. If the application is withdrawn by the applicant or if it has been rejected by the Authority, KWD 50 will be refunded.
4. The registration shall not be considered complete unless the Authority's approval is obtained.
5. The Capital Markets Authority will notify the registration applicant of the resolution issued against him within one month of fulfilling all the requirements for registration at the register.
6. The Authority will open registration in the financial analysts' register annually on a date announced by the Authority.
7. The person registered in the financial analysts' register must notify the Authority in writing of his wish to cancel his registration ten Business Days before the termination date.
8. The Authority may cancel the registration and be satisfied with notifying the registered person and announcing this cancellation in the following events:
  - The person registered in the financial analysts' register has violated the provisions of Law No. 7 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its amendments.
  - Loss of one of the registration conditions stipulated in these instructions.
  - Issuance of disciplinary or judicial judgments from supervisory entities against the registered person requiring his cancellation from the register.

#### Second: Registration Conditions

The applicant for registration as a financial analyst shall meet the following conditions:

1. Must be an expert in financial analysis or similar professional fields in investment consulting, investment portfolio management, Collective Investment Schemes management, Asset Valuation, financial management and accountancy at one of the approved government or non-government entities and practiced practical competence of such fields for a period not less than ten years.
2. The period of practice required to register the financial analysis holding one of the following approved professional certificates shall be no less than 5 years:
  - Chartered Financial Analyst (CFA)
  - Financial Risk Manager (FRM)
3. Must be a holder of the Regulatory Qualification (CMA Kuwait Rules and Regulations) from the Professional Qualifications Program.
4. Submit the curriculum vitae and the supporting documents approving the data included in it.

5. Submit all information on websites, forums, visual, audio, and written media means in which the person registered as a financial analyst participates, and shall update the status of such information immediately upon the occurrence of any changes to it.
6. Not have been convicted of a crime involving a breach of honour or trust, or a crime related to money laundering, financing terrorism or corruption.
7. Has a sound reputation and good conduct.
8. Has not been previously dismissed from his job or position by a disciplinary decision issued by a Regulatory Body or by a final judgment
9. He must not have been declared bankrupt, unless he has been discharged, or an arrest order has been issued to imprison him in payment of a debt owed by him.
10. He shall declare and undertake, when carrying out and publishing financial analysis, to abide by the following:
  - The analysis methodology is be clear and based on the internationally approved accounting and financial bases, standards, and principles.
  - Disclose any cases of conflicts of interest in his published analysis.
  - Relying on correct, declared data, information, and documents from the issuing entity.
  - Not to provide any services other than those stipulated in Article 1-27-4 of this Module.
  - Include his name and registration number in the Financial Analysts' Register at the Authority and the Authority's disclaimer mentioned below in all his work.
11. He shall maintain a register for all the information, documents, research, and statements issued by him and submit them to the Authority immediately upon request.
12. He shall submit to the Authority an annual report within five Business Days from the end of the calendar year concerning all the works he has provided the public during that year.
13. The financial analyst registered in this register will be responsible before the Authority and each affected person for damages arising from his violations to the provisions regulating his work, or providing misleading, inaccurate, or false consultations.
14. He shall not issue his publications and research or carry on all his work related to his registration for a direct or indirect commission.

The names of the persons registered as financial analysts at the Authority and part of their curriculum vitae will be published through the Authority's website.

Disclaimer:

Registration at the financial analyst's register is based on the submitted documents which reflect the capability of the registered person. The Authority's approval on the registration does not guarantee the following:

- The accuracy and validity of the financial analysis published by the person registered in the register.
- The accuracy of the bases and standards used for establishing the published financial analysis.
- The soundness of the financial analysis methodology used in the analysis and the investment research.

**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

**Second: The form of registration in the financial analysts’ register at the  
Capital Markets Authority**

List of Contents	
Section 1	Instructions
Section 2	Applicant details
Section 3	Attachments and required documents
Section 4	Appendix - Declaration

## 1. Instructions

- This form shall be submitted after filling and completion of all the requirements, data, and information regulating the registration in the register in accordance with the Executive Bylaws of Law No.7 of 2010 and its amendments, and a fee of KWD 100 must be paid.
- The Authority shall review the application within one month from the date of fulfilling all the registration requirements included in Appendix 26 of Module Five (Securities Activities and Registered Persons).
- In the event that the person registered in the financial analysts' register wishes to cancel this registration, he must notify the Authority of 10 Business Days prior to the actual cancellation date.
- The natural person must submit the application of registration in the financial analysts' register at the Capital Markets Authority through the Authority's electronic portal. For any inquiries regarding the application, kindly contact the Licensing and Registration Department at the Capital Markets Authority at the address below:

Capital Markets Authority – 20th floor / Al-Hamra Tower – Sharq – Kuwait  
P.O. Box 3913 Safat 13040 Kuwait    lrd@cma.gov.kw

## 2. Applicant details

### 2.1 Applicant details

Name of natural person:

Nationality:

Civil Identification number:

Passport number:

### 2.2 Contact details

Phone number:

Mobile number (individual):

Email:

3. Attachments and required documents			
No.	Attachment/ Required Document	Status*	Notes
1	Copy of the Civil Identification	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
2	Copy of the passport	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
3	Copy of the curriculum vitae and the supporting documents to the practical experience	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
4	Approved copy of the academic qualifications	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
5	Approved copy of the professional qualifications	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
6	Certificate of passing the Regulatory Qualification (CMA Kuwait Rules and Regulations) from the Professional Qualifications Program.	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
7	Declaration in accordance with the attached format - Appendix	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	
8	Copy of the payment receipt	<input type="checkbox"/> Available <input type="checkbox"/> Not Applicable	

\*If the state of the appendix is not applicable for the applicant, please provide the Authority with a separate document to indicate the reasons why it is not applicable.

Applicant

Application Reviewer (for office use)

Date .... / .... / ....

Date .... / .... / ....

Signature

Signature

Seal

## 4. Appendix

### Declaration

I, ..... the undersigned hereby declare the following:

1. No judgments were issued against in a crime involving a breach of honour or trust, or a crime related to money laundering, financing terrorism or corruption.
2. Have not been dismissed from my job or position by a disciplinary decision from a Regulatory Body or by a final judgment.
3. Have not declared bankruptcy, and no arrest order to pay my debt has been issued.
4. Conducted and published financial analysis, in compliance with the following:
  - The analysis methodology is clear and based on internationally approved accounting and financial bases, standards, and principles in this regard.
  - Disclose any cases of conflicts of interest in his published analysis.
  - Rely on correct, declared data, information, and documents from the issued entity.
  - Have not provided any services other than those stipulated in Article 1-27-4 of this Module.
  - Include my name and registration number in the Financial Analysts' Register at the Authority and the Authority's disclaimer mentioned in this in these instructions in all my work.
5. Maintain a register for the information, documents, research, and issued statements and submit them to the Authority immediately upon request.
6. Submit an annual report within five Business Days from the end of the calendar year concerning all the works I have provided to the public during that year.
7. I shall be responsible before the Authority and each affected person for the damages arising from my violations to the provisions regulating my work, or providing misleading, inaccurate, or false consultations.
8. I shall not issue my publications and research or carry on all my work related to my registration in this register for a direct or indirect commission.
9. Update my information submitted for registration in the financial analysts' register at the Authority immediately upon the occurrence of any change.
10. Comply with the Authority's procedures and requirements should I wish to cancel the registration in the financial analysts' register during the specified time periods.

Approval of the Declaration

Applicant Name

Signature

Date

## Appendix 27

### Regulations of the Application for Cancellation of Some or all Securities Activities License



Entity	Regulations
Responsibilities of the Licensed Person:	<ol style="list-style-type: none"> <li>1. The Board of Directors of the Licensed Person shall recommend a proposal at the extra-ordinary general assembly to cancel the license of some or all licensed Securities Activities and state its reasons, provided that the Licensed Person shall obtain the approval of the extra-ordinary general assembly on the proposal of terminating the license of practicing some or all Securities Activities.</li> <li>2. The Licensed Person shall take the Care of a Prudent Person when terminating its contracts with its clients. In the event that the Licensed Person manages the Clients' Funds and Clients' Assets or safe keeps them, it shall hand over the Clients' Funds and Clients' Assets in accordance with the approved procedures stipulated in contracts signed between the two parties.</li> <li>3. The Licensed Person – after terminating the contracts with its Clients – shall submit a report by an auditor registered at Authority's register who is independent of it and is responsible for the Application for Cancellation of Securities Activities License.  The date of the report that was approved by the auditor shall not exceed a period of two months from the date of submitting the cancellation application.</li> <li>4. The Licensed Person shall establish a register for the Clients' cases which the company was not able to terminate its contracts with and state the reasons and details of the contract.  In the event that the Licensed Person manages the Clients' Funds and Clients' Assets or safe keeps them, it shall include the following as a minimum: <ul style="list-style-type: none"> <li>- Full name (individual) / Commercial name (company).</li> <li>- Civil ID. No. (individual) / Commercial register No. (company).</li> <li>- Contact details.</li> <li>- Client's balance.</li> <li>- Detailed statement of the Client's Funds and assets determined in Article (1-2) of Module Seven (Clients' Funds and Clients' Assets).</li> <li>- Funds and assets' location (select country).</li> <li>- Determine the entity that manages the Funds and assets in the events of assigning a specialized external entity that is licensed by a supervisory entity similar to the Authority (if any, for the activities that permit the assignment).</li> <li>- Any other information the Licensed Person deems necessary to mention.</li> </ul> </li> </ol>

	<p>*Note: In the event of practicing the activity of Investment Portfolio Manager, the applicant shall submit Form (2) of Appendix 2 (Securities Investment Portfolio Forms) of Module Seven (Clients' Funds and Clients' Assets) of these Bylaws among the required documents in order to decide on the cancellation application.</p> <p>5. Submit a cancellation application when the Registered Person no longer occupies a Registered Position or Employment Position in accordance with the application for cancellation of the registration of Registered Positions or Employment Positions included in Appendix 16 of this Module.</p>
Responsibilities of the Auditor registered at the Authority:	<ul style="list-style-type: none"> <li>• The auditor shall exercise due diligence in verifying the integrity of all procedures required of the Licensed Person that wishes to cancel its license prior to issuing their report.</li> <li>• The report issued by the registered auditor shall include the following, as a minimum: <ul style="list-style-type: none"> <li>- Validity of the procedures taken by the Licensed Person in the request to terminate the license.</li> <li>- The Licensed Person is not practicing the Securities Activities that will be cancelled.</li> <li>- Integrity of the process of terminating the contracts and handing over the Clients' Funds and Clients' Assets to them.</li> <li>- The Licensed Person's accounts are free from the Clients' Funds and Clients' Assets.</li> <li>- A statement of the outstanding contracts – which the Licensed Person did not terminate – and shall include, in detail, the activity relevant to the contract, reasons of not terminating it, and the Clients' information, Funds, and assets.</li> <li>- Any other information or remarks the auditor deems necessary to include in the report.</li> </ul> </li> </ul> <p>In the event that the auditor detects any misleading or suspicious procedures, data, or transactions during the verification process mentioned above, they shall immediately notify the Authority thereon.</p>