



مركز إيداع الأوراق المالية
Securities Depository Center

**The Internal By-Law of
The Securities Depository Center's Proceeds for the Year 2004**

Issued Pursuant to Article (84) of the Securities Law No. (76) for the Year 2002

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- Article (1) This By-Law shall be called the (Internal By-Law of the Securities Depository Center's Proceeds for the Year 2004) and shall come into effect as of 1/1/2004.
- Article (2) A- The following words and expressions used in this By-Law shall have the meanings ascribed thereto hereunder unless the context indicates otherwise:-
- | | | |
|---------------------------|---|---|
| The Law | : | The Securities Law in force. |
| The Commission | : | The Securities Commission. |
| The Board | : | The Board of Commissioners of the Commission. |
| The Center | : | The Securities Depository Center. |
| The Board of Directors | : | The Center's Board of Directors. |
| The Market/Stock Exchange | : | The Amman Stock Exchange or any Trading Market in Securities licensed by the Commission. |
| The Broker | : | The judicial person licensed as a financial broker or dealer. |
| The Member | : | A public shareholding company, public issuer, broker, custodian and any entity determined by the Board. |
- B- The words and expressions not defined in this By-Law shall have the meanings assigned to them in the Law unless the context indicates otherwise.
- Article (3) A- The Center collects the commissions, fees and other charges specified in this By-Law and the attached Schedule.
- B. The Center's revenues include the following:
1. The association fees for the Center's membership.
 2. The annual subscription fees for the Center's membership.
 3. The registration fees for government bonds, bonds issued by public institutions and municipalities and corporate bonds and shares and investment units issued by closed mutual funds.
 4. The charges and fees for services provided by the Center.
 5. The commissions for trading and ownership transfer of securities.
 6. The fines imposed by the Center on its members and securities' issuers in accordance with this By-Law and the Instructions issued by the Center.
 7. Any commissions, fees or charges specified by the agreements concluded with the Center.
 8. Any commissions, fees or other related charges determined by the Board of Directors with the approval of the Board.

Association Membership Fees

- Article (4) A- The Center shall collect association membership fees from its members and for one time only of (0.0005) five per ten thousand of the subscribed capital with a minimum of (1000) one thousand Dinars and a maximum of (5000) five thousand Dinars.

- B- Notwithstanding the provision of Paragraph (A) of this Article, the member whose membership has been previously terminated for any reason and resumes its membership at the Center shall not pay any new membership fees.

Annual Subscription Membership Fees

- Article (5) The Center shall collect from its members annual subscription membership fees in accordance with the following:-
 - A- (500) Five hundred Dinars from the broker.
 - B- (500) Five hundred Dinars from the custodian.
 - C- (1250) One thousand two hundred and fifty Dinars from the public shareholding company and the private shareholding company, the member, before the transfer of its Shareholders' Registers to the Center.
 - D- After the transfer of the Shareholders' Registers of the public shareholding companies and private shareholding companies to the Center, the Center shall collect an amount of (0.0005) five per ten thousand of the subscribed capital with a minimum of (1250) one thousand two hundred and fifty Dinars and a maximum of (10000) ten thousand Dinars, in substitute of the fees mentioned in Paragraph (C) of this Article.

- Article (6) The Center shall collect annual registration fees for registering government bonds, bonds issued by public institutions and municipalities and corporate bonds and shares and investment units issued by closed mutual funds of (500) five hundred Dinars for each issue.

- Article (7) The Center shall collect annual registration fees for registering Islamic Finance Sukuk of (0.0003) three per ten thousand of the nominal value of each issue with a minimum of (1000) one thousand Dinars and a maximum of (5000) five thousand Dinars.

- Article (8)
 - A- The Center shall collect annual subscription membership fees when the issuer of the security increases its capital and securities' registration fees upon the issuance of new securities in accordance with the amounts and percentages mentioned in Articles (5) and (6) and (7) of this By-Law for the remaining period of the year in which the issue was made.
 - B- If the owners of securities' registers are transferred at any time during the year, the issuer has to pay the annual subscription membership fees and the securities' registration fees after the transfer of the owners of securities' registers specified in this By-Law for the remaining period of the year.

Securities Ownership Transfer Commission

- Article (9)
- A- The Center shall collect a trading commission for the transfer of the ownership of securities traded at the Market (with the exception of government bonds, bonds issued by public institutions and municipalities and corporate bonds) of (0.0004) four per ten thousand of the market value of securities and from each party of the contract.
 - B- The Center shall collect a trading commission for the transfer of the ownership of government bonds, bonds issued by public institutions and municipalities and corporate bonds traded at the Market of (0.0001) one per ten thousand of the market value and from each party of the contract.
 - C- Notwithstanding Clause (B) of this Article, the Center shall not collect trading commissions for the transfer of the ownership of the Individual government bonds Issues traded on the exchange, unless decided otherwise by the board of Directors and upon the approval of the board.
 - D- The Center shall collect a trading commission for the transfer of the ownership of Islamic Finance Sukuk traded at the Market of (0.0001) one per ten thousand of the market value and from each party of the contract.
- Article (10)
- A- The Center shall collect a commission for the transfer of the ownership of securities (with the exception of government bonds, bonds issued by public institutions and municipalities and corporate bonds) for transactions excluded from trading through the Market of (0.0015) fifteen per ten thousand of the market value and from one party with a minimum of (250) two hundred and fifty fils in the following cases:-
 1. Inheritance transfers.
 2. Waqf of securities whether charitable or descendentiary.
 3. Wills in securities.
 4. Transfers that occur in accordance with the Law of the Government's Acquisition of Monies that Reach Limitation.
 5. Transfers in accordance with decisions of courts and execution departments.
 - B- The Center shall collect a commission for the transfer of the ownership of securities (with the exception of government bonds, bonds issued by public institutions and municipalities and corporate bonds) of (0.002) two per one thousand of the market value and from one party with a minimum of (250) two hundred and fifty fils in the following cases:-
 1. Family transfers that occur between ascendants and descendants, between siblings or half-siblings and between spouses.
 2. Donating securities to religious, charitable or social associations registered at the competent authorities.
 3. Transfers for the purpose of dividing joint ownership of securities.
 - C- The Center shall collect a commission for the transfer of the ownership of securities (with the exception of government bonds, bonds issued by public institutions, municipalities and corporate bonds) for transactions excluded from trading through the Market of (0.0014) fourteen per ten thousand of the market value or the agreed upon price between the parties whichever is higher from each party of the contract with a minimum of (1) one Dinar for each party in the following cases:
 1. Transfers in accordance with the Commission's decisions.

2. Transfers that occur between the founders of an issuer in accordance with the relevant laws and/or authorities' decisions during the period of lock-up of the founding shares.
- D- The Center shall collect a commission for the transfer of the ownership of government bonds, bonds issued by public institutions and municipalities and corporate bonds for transactions excluded from trading through the Market in the cases mentioned in Paragraphs (A), (B) and (C) of this Article of (0.0001) one per ten thousand of the market value of the contract and from one party with a minimum of (250) two hundred and fifty fils.
 - E- The Center shall collect a commission for the transfer of the ownership of Islamic Finance Sukuk for transactions excluded from trading through the Market in the cases mentioned in Paragraphs (A), (B) and (C) of this Article of (0.0001) one per ten thousand of the market value of the contract and from one party with a minimum of (250) two hundred and fifty fils.

- Article (11)
- A- The Center shall collect a commission for the transfer of the ownership of “non-traded securities” in the Market (with the exception of government bonds, bonds issued by public institutions and municipalities and corporate bonds) of (0.0014) fourteen per ten thousand of the market value and from each party of the contract with a minimum of (1) one Dinar for each party, including:
 1. Transfer of securities suspended from listing.
 2. Transfer of securities suspended from trading.
 3. Transfer of non- listed and non-traded securities through the Market.
 - B- The Center shall collect a commission for the transfer of the ownership of government bonds, bonds issued by public institutions and municipalities and corporate bonds in the cases mentioned in Paragraph (A) of this Article of (0.0001) one per ten thousand of the market value and from each party of the contract with a minimum of (1) one Dinar for each party.
 - C- The Center shall collect a commission for the transfer of the ownership of Islamic Finance Sukuk in the cases mentioned in Paragraph (A) of this Article of (0.0001) one per ten thousand of the market value and from each party of the contract with a minimum of (1) one Dinar for each party
 - D- The market value mentioned in Paragraphs (A) and (B) and (C) of this Article is calculated based on the last closing price of the security or the agreed upon price whichever is higher. In case where there is no closing price, the market value is calculated based on the nominal value of the security or the agreed upon price whichever is higher.

- Article (12)
- The Center shall collect, from the broker, commissions in exchange for conducting financial settlements of trading transactions executed through the Market that represent the fees that the Center pays to the Settlement Bank for the issued transfers in addition to (500) five hundred fils for each transfer.

Other Revenues

- Article (13)
- The selling broker shall pay the fines for the sale without a balance or any deficit therein and the differences in the prices in accordance with the following:-
- A- The differences in prices which represent the difference in minus between the cover price and the sale price.
 - B- The fines for the sale of securities in deficit of (10%) ten percent of the market value of the securities in deficit and in any case the fine shall not be less than (2) two Dinars for each transfer deed.

- C- The fines for the sale of securities in deficit shall not be due if the sale of securities in deficit transaction resulted from:
 1. A mistake by the company, issuer of the security, subject to the mistake being documented.
 2. A mistake by the Amman Stock Exchange subject to the mistake being documented.
 3. A mistake by the Center.
 4. The sale of securities subject to a pledge or a lien and the pledge or lien restriction is released on the date of the sale.
 - D- If the value of the fine imposed under the provisions of paragraph (B) of this article exceeded the amount of (25000) twenty-five thousand dinars per deed, the broker may object to the board of directors about the value of the fine.
- Article (14)
- A- The issuer of the security shall pay fines for not returning the transfer deeds in which securities in deficit were sold for more than two business days from the date of receiving these deeds of (5%) five percent of the market value of the securities in deficit as in the concerned transfer deed and with a minimum of (10) ten Dinars.
 - B- The issuer of the security shall pay the delay fines for not returning the transfer deed to the Center that has not fulfilled the conditions specified in the Law, by-laws and instructions for more than two business days from the date of receiving the transfer deed of (10) ten Dinars for each deed.
- Article (15)
- The Center provides the services of distributing cash dividends, interest and the value of bonds or corporate bonds as of the due date on behalf of the issuer of the security and in exchange for a service charge of (0.0005) five per ten thousand of the amounts that have been distributed on behalf of the issuer.
- Article (16)
- The Center provides the services of distributing the invitations for general assembly meetings and the annual report on behalf of the issuer of the security in exchange for a service charge determined by the Board of Directors by virtue of an agreement between the parties.
- Article (17)
- A- The Center provides the issuer of the security with a statement of the owners of its securities for free once annually.
 - B- Subject to the provisions of Paragraph (A) of this Article, the Center collects a charge in exchange for providing the issuer of the security with a statement that shows the names of the owners of its securities and the number of securities owned by each in accordance with the following:-
 1. (5) Five Dinars in exchange for providing the issuer with a statement of its owners of securities on a soft copy.
 2. (250) Two hundred and fifty fils for each page and with a minimum of (5) five Dinars if the issuer is provided with a statement of the owners of securities as a hard copy.
- Article (18)
- A- The Center provides the services of on line communication between the Center and its members and issuers of securities in exchange for the fees specified in the attached Schedule.
 - B- The Center does not charge any fees for on line communication between the Center and its members for the first Computer.

General Provisions

- Article (19) A- The annual subscription fees for the Center's membership and the registration fees for government bonds, bonds issued by public institutions and Islamic Finance Sukuk and municipalities and corporate bonds and shares and investment units issued by closed mutual funds specified in this By-Law shall be due on the first day of January of each year.
- B- Parts of the month shall be considered a whole month for the purposes of annual subscription fees for the Center's membership and the securities' registration fees mentioned in this By-Law.
- C- Subject to the provisions of Paragraph (B) of this Article, the registration fees of government bonds, bonds issued by public institutions and Islamic Finance Sukuk and municipalities and corporate bonds and shares and investment units issued by closed mutual funds that are registered for the first time shall be calculated from the date of registration at the Center until the 31/12 of the same year or the date of redemption whichever is less.
- D- Subject to the provisions of Paragraph (B) of this Article, the annual subscription fees for the membership of new members of public shareholding companies and private shareholding companies shall be calculated as of its securities registration date at the Commission and until 31/12 of the same year.
- Article (20) The concerned person shall bear the stamp duties specified in the Stamp Duties Law in force for any transaction executed through the Center and where such duties are due.
- Article (21) A- The member shall settle and pay the Center's claims of charges, fees or commissions due to the Center within two weeks from the date of the claim.
- B- The Center shall have the right to refrain from providing any services to the Member who did not fulfill all its obligations to the Center.
- Article (22) The fees and fines specified in the attached Schedule, which is considered an integral part of this By-Law, shall be collected.
- Article (23) This By-Law shall replace the Internal By-Law of the Securities Depository Center's Proceeds issued with the approval of the Board on 4/7/2000.
- Article (24) The Board of Directors may issue the necessary decisions to implement this By-Law.

**Securities Depository Center's Revenues Schedule
(Fees and Fines)**

Number	Item	Amount in Dinar/Percentage
First : Fees:		
A-	Service fees paid by the Member	
1.	Fees for the issuance of transfer deeds in exchange for lost deeds or fees for the issuance of a statement of transfer deeds in exchange for lost statements.	(5) Five Dinars for each deed or statement.
2.	Fees for updating the registers of the owners of securities as a result of distributing stock dividends, stock splits or merger or decrease of capital paid by the issuer of the security.	(100) One hundred fils for each shareholder.
3.	Fees for returned transfer deeds.	(1) One Dinar for each deed.
4.	Fees for correcting data of transfer deeds.	(5) Five Dinars for each transfer deed.
5.	Fees for account set-up on the Center's database paid once for each account paid monthly.	(250) Two hundred and fifty fils for each account.
B-	Service fees paid by the securities' owner	
1.	Fees for updating client data and information on the Center's database.	(250) Two hundred and fifty fils.
2.	Fees for freezing and unfreezing securities by the request of the client and paid by the client.	(5) Five Dinars for each transaction.
3.	Fees for placing a pledge on securities.	(5) Five Dinars for each transaction.
4.	Fees for the issuance of a statement of account for securities owned by the owner.	(1) One Dinar for each statement.
5.	Fees for the issuance of an ownership notice to the securities' owner.	(2) Two Dinars for each ownership notice.
Second : On line Communication Fees:		
1.	Fees for on line communication between the Center and the issuer of the security via leased line, dial up or ATM line as follows: 1- Fees paid for once upon linking the second computer. 2- Annual fees for the second computer.	(500) Five hundred Dinars (150) One hundred and fifty Dinars
2.	Fees for on line communication between the Center and the broker through the Market via leased line or fiber optic lines as follows:- 1- Fees paid for once upon communication for the second computer. 2- Annual fees for the second computer.	(750) Seven hundred and fifty Dinars (200) Two hundred Dinars.
Third : Fines:		
1.	Fines for the issuer of securities delay in registering the ownership transfer of securities in its registers for more than two days of receiving the transfer deed.	(1) One Dinar for each transfer deed and for each day of delay paid by the concerned issuer of the security.
2.	Fines of not returning the suspended transfer deeds' notice by the issuer of the security to the Center within two working days from receiving those notices.	(5) Five Dinars for each notice for each day of delay paid by the concerned issuer of the security.
3.	Fine for the broker not paying its financial obligations to the settlement within the specified time period.	(1%) One percent of the amount that should be paid for each day of delay paid by the broker who defaulted on the payment and with a maximum of 50%.
4.	A fine for not transferring securities from the securities owner's account at the Center to his account with the concerned broker before the completion of the sale on the same trading day.	(10) Ten Dinars for each transfer transaction paid by the concerned broker.