



بورصة الكويت  
BOURSA KUWAIT

Resolution No. (01) of 2022

Regarding Amending Bursa Kuwait Rulebook

Having Perused:

- Law No. (7) of 2010 regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Executive Bylaws and their amendments.
- Resolution No. (72) of 2015 the Issuance of the Executive Bylaws of Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Amendments.
- Resolution No. (91) of 2016 Regarding Licensing Bursa Kuwait Securities Company to Practice the Activity of a Securities Exchange.
- Bursa Kuwait Securities Company decision No. (1) of 2018 Regarding the Issuance of Bursa Kuwait Rulebook and its Amendments.
- Pursuant to Bursa Kuwait Board of Directors' approval by circulation No. (02/2022) dated 06/1/2022 to amend the Bursa Kuwait Rulebook.
- CMA Letter holding reference No. CMA 002240/H.L.A.S/05/2022 dated 13/08/2020 approving the amendments to Bursa Kuwait Rulebook.

The Following Was Resolved:

Article One

The Rulebook shall be amended by adding Chapter Twelve under the title "Mandatory Execution on Securities", as shown in the table attached to this decision.

Article Two

- 1- The provisions of this decision shall apply to the execution cases received from Bursa Kuwait after the date of its issuance.
- 2- The same provision of the previous clause shall apply to the execution cases which were re-received by Bursa Kuwait which were ceased according to the instructions of the General Department of Execution at the Ministry of Justice.
- 3- The provisions in force prior to the issuance of this decision regarding execution cases that were received by Bursa Kuwait prior to the date of its issuance shall continue to apply until the completion to these execution cases.



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Article Three

The authorities vested with this decision shall implement it, each within the limits of its capacities.

Mohammed Saud Al-Osaimi

Chief Executive Officer



Issued on 18/12/2022

info@boursakuwait.com.kw

Mubarak Al Kabeer Street, Kuwait City, Kuwait  
P.O.Box 1027 Dasman, 15461 Kuwait  
T: +965 22992000 F: +965 22440476

شارع مبارك الكبير، الكويت، دولة الكويت  
ص.ب : 1027 دسمان، 15461 الكويت  
هاتف: +965 22992000 فاكس: +965 22440476

رأس المال المصرح به: 60,000,000/- دينار كويتي | رأس المال المصدر والمدفوع: 20,077,575/- دينار كويتي | رقم السجل التجاري: 355538 | ش.م.ك.ع.  
Authorized Capital: 60 000 000/- KWD | Issued Capital (Paid-up): 20 077 575/- KWD | C. R. 355538 | P. O. C.



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Item	Chapter	Article	Type of Amendment	Pre-Amendment	Post-Amendment
1	12	1-12	Addition	-	Scope of Application
2	12	12-1-1		-	<p>The provisions of this Chapter shall apply on the of attached Securities pursuant to a writ of execution. The provisions of this Chapter do not apply to the direct execution of the enforceable provisions of the transfer of ownership of a Security.</p> <p>The subject of the mandatory execution must be listed Securities on the Exchange, regardless of their Issuer, or not listed on the Exchange, whenever the Register of shareholders or the Register of Securities holders is deposited with a Kuwaiti entity.</p>
3	12	12-1-2	Addition	-	<p>The provisions of Chapter Ten of the Eleventh Module of the Executive Bylaws "Dealing in Securities" shall apply to matters on cases. The provisions of the aforementioned Chapter Ten shall take prevail in the event of any conflict with the provisions of this Chapter.</p>
4	12	12-2	Addition	-	Receiving the writ of execution and setting the date for the sale.
5	12	12-2-1	Addition	-	<p>The mandatory execution procedures begin upon the Exchange's receipt of the sales requests from the General Department of Execution.</p>
6	12	12-2-2	Addition	-	<p>The General Department of Execution shall deliver the sales application according to a report issued by the execution officer, along with the following documents:</p> <ol style="list-style-type: none"><li>Original copy of the served writ of execution.</li><li>Original copy of the attached entity's report of what it holds in its custody.</li><li>Original copy of the attachment report of execution.</li></ol> <p>The Exchange may - upon receiving the application - request documents from the execution's applicant's other requirements it deems necessary to complete the sale process.</p>



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7	12	12-2-3		-	The execution's applicant must pay the fees for receiving the execution case for the Exchange, which are determined at the amount of 200 Kuwaiti dinars, provided that these fees are deducted from the Exchange commissions if it exceeds it, this amount is non-refundable in the event of suspension or the cancelation of the sale procedures, or if the Exchange commissions are less than this amount.
8	12	12-2-4	Addition	-	The Exchange - after receiving the sale's application and obtaining the application fees- shall determine the date of the sale, within a period not exceeding sixty days from the date of receiving the request to the Exchange, provided that all the requirements necessary to complete the sale process are met, the Exchange may postpone the date of the sale whenever the need arises, provided that the General Department of Execution is notified of the postponement of the date. In all cases, the suspension periods received from the General Department of Execution are not counted within this period.
9	12	12-3	Addition	-	Appointing Sales Conductor
10	12	12-3-1	Addition	-	The Exchange shall appoint sales conductor from the Listed Brokers, The selection is based on the role according to the Register prepared for this purpose at the Exchange.
11	12	12-3-2	Addition	-	The sales conductor shall be assigned the task of selling all the seized Securities in the execution case, unless the Exchange considers that assigning the execution case to more than one sales conductor achieves the interest of the execution parties. In the event of conflict of interests with the sales conductor and the sale procedures, the sales conductor must notify the Exchange within three working days from the date of becoming aware of its assignment, and in this case, the Exchange shall select another licensed broker as sales conductor.
12	12	12-4	Addition	-	Determination of Sales Medium



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13	12	12-4-1	Addition	-	<p>a. The sale medium of listed Securities, which are subject to sale by execution, shall be through the Exchange Trading System.</p> <p>b. The sale medium of Securities which are unlisted or suspended from trading and are subject to sale by execution shall be through Auction on the OTC trading platform in the Exchange or through regular Auction sessions in the Exchange In the event that the Trading System for unlisted Securities does not apply to it. The Exchange may specify other mediums for selling listed, unlisted, or suspended securities, and the Exchange sets the conditions and procedures for selling by the method it determines, and announces the sale, including its conditions and procedures, through publication on the Exchange's website, ten days before the date specified for the sale on a daily basis.</p> <p>In this case, the sales conductor shall issue a report that states the procedures and details of the sale.</p>
14	12	12-4-2	Addition	-	<p>If the status of the Securities has changed from a listed Security to an unlisted Security or vice versa after setting the sale date and before it takes place, the sale shall be subject to procedures that are compatible with the condition of the Securities at the time of the sale, unless the Exchange decides to set a new date for the sale or seeking other requirements.</p>
15	12	12-4-3	Addition	-	<p>In the event that the Company issuing the Securities subject of the sale reduces its capital, or in the event of disbursement of any rights such as profits or a determination of rights issue for subscription, after the seized person issues the report including what is owed, the sale of the Securities takes place after reducing the capital or laden with the rights assigned to it, and in In this case, the seizer is obligated to notify the Exchange of any change in the Securities before announcing the sale date on the website.</p>



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					And if the situation stipulated in the previous paragraph regarding the rights report on the Securities subject to execution occurs after publishing the sale announcement on the Exchange's website and before making the sale, the execution applicant may submit a request to the General Department of Execution to complete the sale process until the debt is settled.
16	12	12-5	Addition	-	Open a Temporary Trading Account
17	12	12-5-1	Addition	-	The Exchange shall notify the Clearing Agency to open a temporary account to carry out the sale under the name (Ministry of Justice - General Department of Execution - Indebtedness (the name of the debtor), and the clearing agency shall, within three working days, notify the Exchange of the temporary account number.
18	12	12-6	Addition	-	Announcement of Sale on the Exchanges' Website
19	12	12-6-1	Addition	-	<p>The Exchange announces the sale of securities by publishing on the Exchange's website, ten days prior to the sale date on a daily basis. The announcement of the sale includes the following data:</p> <p>a. Days, hours and place of sale.            B. The name of the Security (type and quantity).            c. The place of sale in the event that another means of sale is used other than selling through Trading Systems.            D. Terms of sale (if any).</p> <p>The Exchange may add to the announcement of the sale of Securities any other data it deems necessary.</p>
20	12	12-7	Addition	-	Procedures for Selling Securities Through Trading Systems
21	12	12-7-1	Addition	-	The sales conductor shall directly proceed with the procedures of selling the Securities subject to execution at the specified date and whose statement is published on the Exchange's website, and through the sale method stipulated in Article (12-4-1) of the rulebook.



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22	12	12-7-2	Addition	-	The sales conductor shall ascertain the best price for selling these Securities in a way that does not affect the trading process in the Exchange.
23	12	12-7-3	Addition	-	In the event that the days of sale expire without the sales conductor being able to sell all or some of the quantity of the Securities subject to execution, the sales conductor must notify the Exchange of that, and the Exchange must notify the General Department of Execution to set another date for completing the sale process, and the General Department of Execution may - at the request of the concerned parties - extend the sale period. Until the completion of the sale of the Securities subject to execution.
24	12	12-7-4	Addition	-	The sales conductor shall proceed with the offer of the Securities subject to execution at the beginning of the trading session of the specified day and shall - as much as possible - commit to not to sell Securities that exceed the value of the debt, The excess amount shall revert to the debtor unless it relates to rights of other creditors.
25	12	12-7-5	Addition	-	The Exchange, if it so determines, may request the sales conductor to divide the sale of the Securities subject of execution into more than one trading session, within a period not exceeding three working days.
26	12	12-7-6	Addition	-	If the Securities are not listed and are not subject to the OTC platform, the sales conductor must determine the base price by calculating the weighted average price of the security through the deals that took place on it during the six months preceding the bidding at the Exchange, or through the book value of the Security according to the latest approved financial statement, and in the event that the base price cannot be determined according to the two aforementioned methods, the Par Value of the share shall be considered the base price, provided that the license of the selling company is valid at the Ministry of Commerce and Industry, and the



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					Exchange shall be notified of its report containing the base price within five working days from the date the Exchange sets it.
27	12	12-7-7		-	<p>In the event of a sale by regular auction, the sale conductor assigned to the sale must record in the sales minutes all of the sale procedures and the objections and obstacles it encountered and what was taken into that regard, as well as the presence or absence of each of the representative of the Exchange, the seizer and the seized person, and their signature if they were present, or their refusal to sign. The names of the bidders, the domicile of each of them, place of work, the prices offered by them, and their signatures or their refusal to sign, shall be recorded. The sales conductor publicly announce and record it in the sales minutes, and if no one comes forward to buy the Securities at their estimated value in accordance with Article (12-7-6) of these Rules, the sale period shall be extended to the next day if it is not a holiday or to the first working day after the holiday. If a buyer does not come forward with the estimated value, the sale will be postponed to another day, and then it will be sold to whoever wins the auction, even for a price less than what was valued.</p> <p>The Exchange shall notify the General Department of Execution of the sale of unlisted Securities through the regular auction accompanied by the sale minutes.</p>
28	12	12-8	Addition	-	The sale of unlisted Securities through regular bidding on the Exchange is considered dependent on the condition that the execution judge approves the sale, and notifies the Clearing Agency, the sales conductor and the Exchange of such.
29	12	12-9	Addition	-	General Provisions
30	12	12-9-1	Addition	-	The Clearing Agency shall take settlement and clearing procedures, make the necessary adjustments in the record of Securities holders, and deposit the sale



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					proceeds in the treasury of the General Department of Execution, after deducting the expenses of executing the sale process. The General Department of Execution may carry out its affairs in distributing the proceeds of the sale in accordance with the provisions of the law.
31	12	12-9-2	Addition	-	Execution expenses for the trading commissions applied at the Exchange are calculated according to the type of Security, and these commissions are distributed between the sales conductor, the Exchange and the Clearing Agency according to the rules in force in the Exchange.
32	12	12-9-3	Addition	-	The execution judge and the Authority have the right to notify the Exchange to stop the sale procedures in advance of date whenever reasons for such stop appear, and the Exchange shall notify the sales conductor of that.
33	12	12-9-4	Addition	-	In the event the Exchange discovers that there is a technical defect in the Trading Systems or the brokers system during the sale of Securities, the Exchange may cancel the sale operations that have taken place, and return them again, and the Exchange or the sales conductor in such case shall not be asked.
34	12	12-9-5	Addition	-	The Exchange may develop electronic systems to allow the receipt of execution cases, and correspondence between the General Department of Execution, the Exchange, the Clearing Agency and brokers, as well as the rest of the execution parties.
35	12	12-9-6	Addition	-	The Exchange or the Clearing Agency shall not be liable except within the limits of the error represented in violating their responsibilities stipulated in this Chapter, nor shall the Exchange or the Clearing Agency be liable in the event of implementing the instructions or orders of the General Department of Execution, and the same provision applies to the sales conductor.