

CHAPTER 2 ADMINISTRATION

RULE 201 EXERCISE OF POWERS

RULE 201.1 EXERCISE OF POWERS

- (1) **General powers:** The Exchange may exercise all such powers and do all such acts and things as may be exercised or done by the Exchange pursuant to the Securities Laws.
- (2) **Description of powers:** Subject to the provisions of the Securities Laws, the Exchange may exercise its powers in such manner and on such terms as it shall deem necessary or expedient and which powers shall include, without limitation, the following –
  - (a) to make new rules for the order and good governance of the Participating Organisations and their affairs;
  - (b) to add to, vary, repeal, enforce or waive any of these Rules;
  - (c) to administer, manage, formulate policies and give directions to the Participating Organisations and such persons to whom these Rules are directed;
  - (d) to issue directives, rulings or guidelines for the purposes of or in connection with any of these Rules, including any modifications thereto;
  - (e) to admit or refuse to admit any person or corporation as a Participating Organisation or registered person(s);
  - (f) to interpret conclusively any provision in these Rules and any rulings, directives or guidelines and the validity of any act or thing done pursuant thereto in the event of any dispute or difference over such Rules and any rulings, directives or guidelines;
  - (g) to release at its absolute discretion information concerning any Participating Organisation or registered person(s) to the Commission, Depository, Clearing House or any other relevant body or authority when so requested;
  - (h) to disclose information on the volume and/or value of securities traded on the Exchange and Direct Business transacted by all or any or each of the Participating Organisations in such manner and frequency as the Exchange deems fit to Participating Organisations, the public or any other persons deemed fit by the Exchange *Provided Always* that such information shall be framed in such a way so as not to enable the identity of any client of the Participating Organisation to whom the information relates to be ascertained;
  - (i) to grant, suspend or revoke the rights of any Participating Organisation or registered person(s);
  - (j) to enforce the directions given by the Commission;
  - (k) to inspect the books and records of all Participating Organisations and registered person(s) from time to time and to require any Participating Organisation and/or registered person(s) to appear before it or any Committee at any time and produce the Participating Organisation's or registered person(s)'s books and records and furnish such information as may be required by the Exchange including information relating to any client of such Participating Organisation or registered person(s) and to answer any question regarding any violation of any Rules and any rulings, directives or guidelines;

- (l) to order an investigation into the affairs of a Participating Organisation or registered person(s), without giving any reason therefor, who it may suspect or having violated any of the provisions of these Rules, Depository Rules, Clearing House Rules and any rulings, directives or guidelines issued thereunder and for this purpose, to demand the production of all books, accounts, records or any other documents which he may deem necessary for inspection and to engage any accountant, advocate and solicitor or any other qualified person or persons to assist in the investigation;
  - (m) to require the Participating Organisations to submit reports, information and/or documents to the Exchange;
  - (n) to exercise all such other powers as may be necessary for purposes of monitoring compliance with and enforcement of these Rules; and
  - (o) to exercise any powers and take any action for the purpose of maintaining an orderly and fair stock market.
- (3) **Effect of powers:** Subject to Rule 201.3, the Exchange's decision shall be final and binding on all Participating Organisations and registered person(s).
- (4) **Incidental powers etc of the Exchange:** Where any provision of these Rules empowers, authorises or enables the Exchange to do or enforce the doing of any act or thing, the Exchange shall have all such powers or rights as may be necessary or reasonably incidental to the Exchange doing or enforcing the doing of the act or thing.

#### **RULE 201.2 POWERS OF EXCHANGE HOLDING COMPANY**

- (1) Where any provision of these Rules confers a right or power on the Exchange to do any act or thing such provision shall be deemed to confer the right or power on the Exchange holding company to do such act or thing on behalf of the Exchange.
- (2) An applicant, a Participating Organisation, a registered person(s) and other persons to whom these Rules are directed shall comply with, observe or give effect to any action of the Exchange holding company pursuant to Rule 201.2(1) above.

#### **RULE 201.3 APPEALS AGAINST DECISIONS OF THE EXCHANGE**

- (1) The Exchange shall establish a Committee to determine appeals from a party against whom a decision has been made by the Exchange on applications relating to registration by the Exchange.
- (2) A person against whom a decision has been made by the Exchange may appeal against such decision by notifying the Exchange of its/his intention to appeal within fourteen (14) days from receipt of the notification of the decision.
- (3) The Committee referred to herein shall comprise such persons as may be appointed by the Exchange, all of whom must not have been involved in any other Committee of the Exchange that made the decision appealed against.
- (4) The Committee referred to herein may affirm, vary or set aside the decision appealed against or any penalty imposed.
- (5) The decision of the Exchange on appeal shall be final and binding on the appellant.

**RULE 202      SUSPENSION OF RULES**

**RULE 202.1      POWER TO SUSPEND RULES**

- (1) The Exchange may on or at any time after a declaration made under Rule 202.2, suspend any of the provisions of these Rules and, in place thereof, may proceed to make and impose new temporary rules ("Emergency Rules") to ensure the existence or continuance of an orderly stock market.
- (2) Any Emergency Rules made and imposed by the Exchange shall, pursuant to such powers, be binding on all Participating Organisations, registered person(s) and employees for such period and in accordance with the terms and conditions stipulated by the Exchange.
- (3) A breach of any Emergency Rules shall be treated as violation of these Rules and shall be dealt with accordingly by the Exchange.

**RULE 202.2      EMERGENCY**

- (1) **Declaration:** Where the Exchange is satisfied that an emergency situation with regard to the stock market exists, the Exchange may by a resolution make a declaration to that effect. An emergency situation with regard to the stock market includes -
  - (a) a situation that threatens, or may threaten, the integrity or the liquidity of any counter in the stock market or of the stock market;
  - (b) a situation that threatens, or may threaten, the financial integrity of the Exchange or its Participating Organisations;
  - (c) a manipulation or attempted manipulation of, or the creation of a corner situation in, any securities as described under Rules 703 and 704 respectively;
  - (d) any internal or external factors which are likely to have direct and adverse effect on the Exchange;
  - (e) a situation where the operations of the Exchange are severely and adversely affected by the occurrence of any major incidents such as a fire, power failure or computer malfunction; or
  - (f) any other situation likely to have an adverse impact on the operation of a fair and orderly market.

**RULE 203 INDEMNITY**

**RULE 203.1 LIABILITY OF THE EXCHANGE**

- (1) Without prejudice to any immunity or defence available to the following persons by statute or in law, none of such persons shall be liable in respect of anything done or omitted to be done by such persons in good faith in connection with the discharge or performance or purported discharge or performance of any function or duty, or the exercise or intended exercise of any power under these Rules or any applicable law or in respect of any decision made or enforcement action taken or notice of publication thereof, whether resulting in any loss of profit, costs, damages or damage to reputation or otherwise:-
- (a) the Exchange or the Exchange holding company;
  - (b) any member of the board of the Exchange or Exchange holding company or any member of any committee of the Exchange or Exchange holding company;
  - (c) any officer of the Exchange or Exchange holding company; or
  - (d) any agent of, or any person acting under the direction of the Exchange or Exchange holding company.

**RULE 204      REGISTERS**

**RULE 204.1**

- (1) The Exchange shall keep Registers of Participating Organisations, registered person(s) and such other persons as may be determined by the Board from time to time.
- (2) The Register of Participating Organisations shall include the name, address, the type of privilege granted by the Exchange and such other information required by the Exchange or by Securities Laws or any other laws.

[End of Chapter]