

CHAPTER 3 – Licensing

Licensing Criteria and Qualification

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| 1. | Listing Sponsor License may be granted to any person experienced in the business of investment considered suitable and appropriate by the Exchange, including an accounting firm, a law firm, a fund manager, a trust company and other service provider, established under any jurisdiction, provided however its net assets exceed the amount specified by the Exchange Committee in Schedule A. | Criteria and qualification for Listing Sponsor |
| 2. | Trading Agent License may be granted to any person who is experienced in trading of financial instruments and considered suitable and appropriate by the Exchange, provided however its net assets exceed the amount specified by the Exchange Committee in Schedule A. | Criteria and qualification for Trading Agent |
| 3. | For the avoidance of doubt, the Exchange may grant the Listing sponsor License or Trading Agent License to a suitable and appropriate individual of any nationality, provided that such individual is at least twenty-one (21) years of age and his net assets exceed the relevant amount required under Rule 1 or Rule 2 of this Chapter. | Individual |
| 4. | Any relevant license granted by an authority or body under any jurisdiction held by the applicant may be considered by the Exchange as an added advantage. | Other license |
| 5. | The Exchange retains an absolute discretion to accept or reject the application, and that satisfaction of and compliance with the relevant criteria and qualification in these Rules may not in itself ensure the grant of the license. | Discretion of the Exchange |

Application Procedure

6. The application for Listing Sponsor License may be sent to the Exchange and shall contain the following documents:
- Application for Listing Sponsor License
- (a) a written and signed application for Listing Sponsor License, together with non-refundable application fee as specified by the Exchange Committee in Schedule B. If the applicant has any branch office and it is intended by the applicant that the Listing Sponsor License should be extended to cover activities of the branch office, the application should also specify the name and address of such branch office;
 - (b) in the case of a corporation or partnership, a certified copy of its constitution, or, in the case of an individual, a certified copy of his passport and curriculum vitae;
 - (c) proof of the applicant's experience and expertise in the business of investment. As supporting documents, the applicant may want to enclose any letters of reference or similar documents together with the proof;
 - (d) proof of the applicant's net assets, in the form of an audited financial statement or otherwise; and
 - (e) the applicant's business plan and strategy relating to its function as a Listing Sponsor.
7. The application for Trading Agent License may be sent to the Exchange and shall contain the following documents:
- Application for Trading Agent License
- (a) a written and signed application for Trading Agent License, together with non-refundable application fee as specified by the Exchange Committee in Schedule B. If the applicant has any branch office and it is intended by the applicant that the Trading Agent License should be extended to cover activities of the branch office, the application should also specify the name and address of such branch office;
 - (b) in the case of a corporation or partnership, a certified copy of its constitution, or, in the case of an individual, a certified copy of his passport and curriculum vitae;
 - (c) proof of the applicant's experience and expertise in the trading of financial instruments. As supporting documents, the applicant may want to enclose any letters of reference or similar documents together with the proof;
 - (d) proof of the applicant's net assets, in the form of an audited financial statement or otherwise; and
 - (e) the applicant's business plan and strategy relating to its function as a Trading Agent.

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| 8. | The Exchange may call the applicant for an interview or presentation or request for any other information or documents from the applicant in order to assess the application and clarify any information submitted to the Exchange. | Interview and further information or document |
| 9. | The Exchange shall without delay decide on whether to accept or reject the application upon it receiving of all information required. | Decision |
| 10. | Before the Listing Sponsor License or Trading Agent License is granted, the Exchange shall require the applicant to provide an undertaking or declaration as may be prescribed by the Exchange, relating to such Listing Sponsor's or Trading Agent's commitments towards the Exchange and third parties and code of secrecy. | Undertaking or declaration |
| 11. | The Exchange shall require the Listing Sponsor and Trading Agent to effect and maintain professional indemnity insurance throughout the validity period of its license in the amount specified by the Exchange Committee in Schedule A. | Professional indemnity insurance |
| 12. | Application for renewal of the Listing Sponsor License and Trading Agent License must be submitted in writing to the Exchange not later than two (2) weeks before the expiry of the relevant license. However, the Exchange may, as it deems fit, accept and application for renewal which is made later than such period or after the expiry of the relevant license. | Application for renewal |

Terms of License

13. The Listing Sponsor License and the Trading Agent License shall be: Fees and Renewal
- (a) subject to payment of fees as specified in Schedule B. It is intended that the fees are specified in Schedule B only relate to activities of the principal office of the Listing Sponsor or Trading Agent only and if the Listing Sponsor License or the Trading Agent License is to be extended to cover activities of any branch office, the Exchange may at its discretion impose additional fees for such license; and
 - (b) valid for twelve (12) months and may be renewed by the Exchange upon application by the licensee in accordance with Rule 12 of this Chapter and on payment of renewal fees as specified by the Exchange Committee in Schedule B or in the condition of license. The renewal of the license is at the discretion of the Exchange.
14. Every Listing Sponsor and Trading Agent shall, as soon as practicable, but within a period not exceeding two (2) months from the last day of its financial year, deliver to the Exchange a copy of its audited financial statements in respect of such year, together with such information with respect to its business affairs and activities as the Exchange may from time to time require and in such form as the Exchange may from time to time prescribe. Financial statements
15. During the validity period of its license, every Listing Sponsor and Trading Agent shall immediately notify the Exchange of: Duty to inform the Exchange
- (a) any substantial change in its ownership or control, whether direct or indirect;
 - (b) any event or circumstance which may adversely affect or impair its ability to meet its business plan and strategy submitted to the Exchange;
 - (c) any change in its directors or partners or in its senior management;
 - (d) the commencement or likely commencement of any disciplinary or court proceedings of any nature whatsoever against it by any persons or bodies;
 - (e) any judgment entered against it;
 - (f) any breach by it of any law, rules, codes or regulations that it is bound by;
 - (g) any other circumstances or events that may be detrimental to the interest of its clients; and
 - (h) any other circumstances or event that adversely affect or impair its ability to carry out its duties as a Listing Sponsor or Trading Agent, as the case may be.

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| 16. | The Exchange may, upon granting the license or at any time during the validity period of the license, impose any other conditions on the Listing Sponsor license, impose any other conditions on the Listing Sponsor License and the Trading Agent License, other than those imposed by these Rules, as the Exchange deems fit and appropriate on a case to case basis. | Conditions |
| 17. | The particulars of all Listing Sponsors and Trading Agents will be kept in registers to be maintained in Labuan by the Exchange and it shall be the responsibility of the Listing Sponsors and the Trading Agents to inform the Exchange of any change in their particulars. | Registers of licensees |
| 18. | The Exchange may at anytime suspend the Listing Sponsor License or Trading Agent License without assigning any reason therefore. | Suspension of licenses |
| 19. | <p>The Exchange may at anytime during the validity period of the license:</p> <p>(a) conduct an inspection to ensure that a Listing Sponsor or Trading Agent is in compliance with these Rules; or</p> <p>(b) require any Listing Sponsor or Trading Agent to furnish the Exchange with any information as it may require within a reasonable time and in such manner as may be specified by the Exchange.</p> | Inspection and request for information |
| 20. | Subject to the provisions in these Rules, a person may at the same time hold both a Listing Sponsor License and a Trading Agent License. | |