

# **EXECUTIVE SUMMARY SIGNIFICANT ANNOUNCEMENTS**

COVERAGE: **CAPITAL MARKET AUTHORITY**

LOCATION: **SAUDI ARABIA**

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## INTRODUCTION & SUMMARY

During the month of March 2021, Saudi Arabian Capital Market Authority issued a total 20 Announcements on different matters. These are predominantly announcements in the areas of Saudi Capital Market.



## DETAILS OF ANNOUNCEMENTS

Key announcements by CMA during the month of March, 2021 are summarized below:

### *Change the name of Amwal Financial Consultants Co. Ltd dated March 01, 2021*

According to the Royal Decree No. (M/30) dated 02/06/1424H and its Implementing Regulations, the Capital Market Authority announces that Amwal Financial Consultants Co. Ltd. notified the CMA of its name change to Amwal Financial Co. Ltd.

### *The Capital Market Authority Announces the Approval of Amendments to the Investment Funds Regulations and Real Estate Investment Funds Regulations and Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority dated March 01, 2021*

The CMA has approved the amendments to the Investment Funds Regulations and Real Estate Investment Funds Regulations and Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority. The main elements of the amendments are:

- Providing fund managers with an additional option to establish a special purpose entity to grant the investment fund a legal personality
- Developing many aspects related to the governance of investment funds aiming to raise the level of governance in the capital market
- Regulating procedures for termination and liquidating of public and private funds in line with the international best practices and standards
- Enabling closed-ended funds and real estate investment traded funds to buy-back its units, and to sell its treasury units according to specific provisions stated in the Investment Funds Regulations and the Real Estate Investment Funds Regulations
- Allowing offering and listing of the closed-ended funds units, real estate investment traded funds units and exchange traded funds units in the Parallel Market
- Merging the Closed-ended Investment Traded Funds Instructions issued on 22/9/1439 H with the Investment Funds Regulations, and merging the Real Estate Investment Traded Funds Instructions issued on 23/1/1438 H, amended on 13/2/1440H with the Real Estate Investment Funds Regulations
- Enhance the level of transparency and disclosure in Investment funds reporting
- Align the deadlines for disclosing the financial statements and annual reports of public investment funds and public real estate investment funds including real estate investment traded funds (REITs).
- Enhance the role of the board of directors of the public funds and real estate private funds in monitoring and supervising the fund manager and protecting unit holders
- Allowing public investment funds to subscribe to debt instruments issued under a private placement through a particular framework

The approved amended Investment Funds Regulations, Real Estate Investment Funds Regulations and Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority are available with link given with announcement

*Announcement for the referral of suspicions of violating paragraph (a) of Article (49) of the Capital Market Law, Article (7) of the Market Conduct Regulations and paragraph (B) of Article (211) of the Companies Law to the Public Prosecution March 04, 2021*

The CMA Board has issued approval of the referral of a number of suspicions of violations to the Public Prosecution. A referral is regarding a suspicion of violating Article (49) of the Capital Market Law by the Board Chairman and a number of Directors of the Company during the board session from 22/01/2014G. until 05/03/2017G., for the responsibility of each of them in approving the interim financial statements of the Company for the financial period ending on 31/03/2015G., published on the website of the Saudi Stock Exchange Company on 21/04/2015G., and the financial statements of the Company for the annual financial period ending on 31/12/2015G., published on the website of the Saudi Stock Exchange Company on 16/03/2016G., which included misleading information that affected the security value, which in turn resulted in creating a false and misleading impression about the security.

- Another referral is regarding; the suspicions of violations of Article (49) of the Capital Market Law and Article (7) of the Market Conduct Regulations by the Managing Director of the Company, his responsible for the content of the announcement published on the Tadawul's website on 31/03/2015G regarding the sale procedures completion of a share in an affiliate of the Company and Article (211) of the Companies Law, for using the Company's funds against its interests to fulfil personal purposes
- The CMA further inform that the CMA had previously imposed fines with a total amount of SR 600,000 on the Board Chairman, the Managing Director and the Chief Financial Officer of the Company, for their conviction of violating Article 213, 221 of the Companies Law, they failed to provide all the information and clarifications related to the inspection work to CMA representatives, which led to impeding the CMA representatives from reviewing the company's papers, files, accounts and necessary documents according to Article (220) of the Companies Law

*Announcement for the referral of a suspicion of violating Article (49) of the Capital Market Law and Article (2) of the Market Conduct Regulations to the Public Prosecution dated March 04. 2021*

The CMA Board has approved the referral of a suspicion of a violation to the Public Prosecution. The suspicion is regarding the violation of Article (49) of the Capital Market Law and Article (2) of the Market Conduct Regulations by a number of investors, where they carried out practices to involved manipulation and fraud in market trades. The suspicion case was regarding them entering purchase orders for the purpose of influencing the share price, and entering purchase orders at the closing auction to achieve a high closing price in the shares of number of listed companies on the Saudi Stock Exchange.

- The General Secretariat of Committees for Resolution of Securities Disputes announces the identities the violators on its website upon the issuance of final decisions by the Committees for Resolution of Securities Disputes regarding criminal cases. If any person affected by these violations is entitled to file a compensation claim against the violators before to the Committee for the Resolution of Securities Disputes. Such claim is preceded by a complaint filed to the CMA via link available on website

*Announcement from the General Secretariat of CRSD regarding the Issuance of CRSD Decision to Extend Limitation for Accepting Requests to Join Class Action Filed by Investor against Number of Former Executives in Etihad Etisalat Co. (Mobily) dated March 04, 2021*

The CMA announced to register the class action lawsuit submitted by an investor against some senior executives in Etihad Etisalat Co. (Mobily), which included that the time limitation for submitting the requests with CRSD to join the class action is (90) days as of the announcement date.

- Details of the announcement is available on the website of the GS-CRSD via the link available in the announcement. The CMA invites affected investors who had not yet submit their request to join during the previous limitation, to promptly join the filed class action using the link available with announcement

*Announcement from the General Secretariat of CRSD Regarding the Issuance of ACRSD Decision Convicting Violator of the Capital Market Law and its Implementing Regulations dated March 07, 2021*

The General Secretariat of the Committees for Resolution of Securities Disputes (GS-CRSD) announces the issuance of the Appeal Committee for Resolution of Securities Disputes' (ACRSD) final decision No. (2135/L.S/2021) of 1442 H., in the case filed by the CMA against: Issa bin Mubarak bin Zaki Almuallad.

The decision concluded with the abovementioned individual for violating the Capital Market Law, as well as the Securities Business Regulations, for practicing a securities business represented in "Advising" through providing recommendations regarding the shares of listed companies in the Saudi Stock Exchange and advertising such activity using the Twitter account, his Youtube channel, his Telegram account and the messaging application "WhatsApp" in return for monthly financial subscription transferred to his bank account, without obtaining a license from the CMA.

The decision included the imposition of a number of sanctions upon him according to the following:

- Imposing a fine upon him amounting to SR. 30,000 for violating the Capital Market Law, and for the violation the Securities Business Regulations
- Imposing a fine upon him amounting to SR. 30,000 for violating the Securities Business Regulations
- If any person who has entered into an agreement or contract with the convicted person in relation to these violations is entitled to file a claim with the CRSD. Such claim is preceded by a complaint filed with the CMA on this regard, via the link available with announcement

*The Capital Market Authority approves the capital increase request Saudi Ceramic Company through the issuance of bonus shares dated March 08, 2021*

The CMA has approved Saudi Ceramic Company's request to increase its capital from SAR 600,000,000 to SAR 800,000,000 through issuing (1) bonus share for every (3) existing share owned by the shareholders who are registered in the shareholder's registry at the Security Depository Center as of the closing of the second trading day after the due date.

- Such increase will be paid by transferring an amount of SAR 200,000,000 from the "Retained Earnings" account to the Company's capital. Consequently, increasing the Company's outstanding shares from 60,000,000 shares to 80,000,000 shares, by an increase of 20,000,000 shares.

The extraordinary general assembly shall be held within six months from this approval date and the Company shall satisfy all regulatory requirements and applicable laws

*The Capital Market Authority approves the capital increase request Aldrees Petroleum and Transport Services Co. through the issuance of bonus shares dated March 09, 2021*

The CMA has approved Aldrees Petroleum and Transport Services Co. request to increase its capital from SAR 600,000,000 to SAR 750,000,000 through issuing (1) bonus share for every (4) existing share owned by the shareholders who are registered in the shareholder's registry at the Security Depository Centre as of the closing of the second trading day after the due date which will be determined later by the Company's board.

- Such increase will be paid by transferring an amount of SAR 150,000,000 from the "Retained earnings" account to the Company's capital. Resulting increasing the Company's outstanding shares from 60,000,000 shares to 75,000,000 shares. The extraordinary general assembly shall be held within six months from this approval date and the Company must satisfy all regulatory requirements and applicable laws

*The Capital Market Authority approves the capital increase request Almoammar Information Systems Co. through the issuance of bonus shares dated March 10, 2021*

The CMA has approved Almoammar Information Systems Co. request to increase its capital from SAR 200,000,000 to SAR 250,000,000 through issuing (1) bonus share for every (4) existing share owned by the shareholders who are registered in the shareholder's registry at the Security Depository Center as of the closing of the second trading day after the due date.

- Such increase will be paid by transferring an amount of SAR 50,000,000 from the "Retained earnings" account and from the "Statuary reserve" account to the company's capital. Resulting increasing the company's outstanding shares from 20,000,000 shares to 25,000,000 shares. The extraordinary general assembly shall be held within six months from this approval date and the Company shall satisfy all regulatory requirements and applicable laws

*Continuing the Suspension of "Anfal Capital Company" Securities Business License dated March 11, 2021*

The CMA Board issued its resolution to continue the suspension of the license granted to Anfaal Capital Company to conduct Dealing as Principal, Investment Fund Management, Discretionary Portfolio Management, Arranging, Advising and Custody activities in the securities business for twelve months starting from 27/07/1442 H., corresponding to 11/03/2021 due to not fulfilling the "fit and proper requirements" to carry out securities business.

*CMA Announces the Approval of Public Offering of "Albilad Diversified SAR Fund" dated March 15, 2021*

The CMA has approved the public offer, by "Albilad Investment Company", of "Albilad Diversified SAR Fund".

- The CMA advised to investors to carefully read the Terms and Conditions which includes

- detailed information on the Fund, investment strategy and risk factors
- The CMA's approval of the fund should never be considered as a recommendation to subscribe in the fund, The CMA's approval of the fund merely means that the legal requirements as per the Capital Market Law and its Implementing Regulations have been met.

*CMA invite the shareholders of National Agricultural Marketing Co. to attend the company's ordinary general assembly meeting Based on the authority granted to the CMA in sub-paragraph (d) of paragraph (2) of Article (90) of the Company's Law (FIRST MEETING) dated March 17, 2021*

Based on the company's auditor request (Al-Azem & Al-Sudairy & Al-Shaik Certified Public Accountants) to Board of Directors of National Agricultural Marketing Co. (THIMAR) to invite the shareholders to attend the company's general assembly meeting, and based on the CMA Board resolution on 04/08/1442H corresponding to 17/03/2021 in this regard, CMA invites National Agricultural Marketing Co. (THIMAR) shareholders to attend the Ordinary General Assembly Meeting (First Meeting) which will be held at 6:30 p.m. on Sunday 29/08/1442H corresponding to 11/04/2021 remotely through contemporary technology using Tadawulaty, to discuss the following agenda:

- Failure to meet auditor requirements and facilitated audit works for the third quarter of 2019
- The Non-approval of the financial statements for the third quarter of 2019 by the Board of Directors.
  - Attendance Eligibility: Shareholders Registered in the Shareholders Registry in the Depository Centre at the End of the Trading Session Preceding the General Assembly's Meeting as per Laws and Regulations
  - Quorum for Convening the General Assembly's Meeting: According to the company's articles of association, the ordinary general assembly meeting shall be valid if attended by shareholders representing at least half of the Company's capital. And in case of non-completion of the quorum a second meeting should be held within the next thirty days from the first meeting, and the second meeting shall be valid regardless of the number of shares represented in it
  - Eligibility for Attendance Registration: Eligibility for Registering the Attendance at the General Assembly's Meeting Ends upon the Convenience of the General Assembly's Meeting.

*The Capital Market Authority Approves Amana Cooperative Insurance Company's Request to Reduce its Capital dated March 18, 2021*

The CMA has approved Amana Cooperative Insurance Company's request to reduce its capital from SAR 240,000,000 to SAR 130,000,000, resulting reducing the number of shares from 24,000,000 shares to 13,000,000 shares.

- This approval is conditional on the Company's extraordinary general assembly approval and completion of the necessary procedures in relation to the applicable regulations. The Company will publish a disclosure document to its shareholders related to the proposed method of capital reduction and the expected effect of such reduction within sufficient time prior to the Extraordinary General Assembly Meeting to enable shareholders to vote on the capital decrease
- The CMA's approval of company's application to reduce its capital should never be viewed as an endorsement of the feasibility of the capital decrease. It means that the regulatory

requirements as per the Capital Market Law and its Implementing Regulations have been met

*Announcement from the General Secretariat of CRSD Regarding the Issuance of ACRSD Decision. Convicting Violator of the Capital Market Law and its Implementing Regulations dated March 23, 2021*

The General Secretariat of the Committees for Resolution of Securities Disputes (GS-CRSD) announces the issuance of the Appeal Committee for Resolution of Securities Disputes' (ACRSD) final decision No. (2147/L.S/2021) of 1442, in the case filed by the CMA against: Thonayan bin Abdulaziz bin Naser Al Thonayan and Abdulrahman bin Muhammad bin Ali bin Rayes.

The decision concluded with the abovementioned individuals for violating the Capital Market Law, as well as the Market Conduct Regulations, when trading the shares of the following companies and funds units: Saudi Ceramic Co., Nama Chemicals Co., Hail Cement Co., Dur Hospitality Co., Saudi Printing and Packaging Co., Swicorp Wabel REIT Fund, MEFIC REIT Fund, Al Gassim Investment Holding Co., Al-Jouf Agricultural Development Co., and CHUBB Arabia Cooperative Insurance Co., during the period between 14/09/2017G. and 17/12/2018G. Such acts and practices constituted manipulation and fraud regarding the securities of the abovementioned companies and funds.

The decision included the imposition of a number of sanctions upon them according to the following:

- Imposing a fine upon him amounting to SR. 110,000 on Abdulaziz bin Naser Al Thonayan and SR. 260,000 on Abdulrahman bin Muhammad bin Ali bin Rayes
- Obliging him to pay to the CMA account the amount of SR. 16,631.17 by Abdulaziz bin Naser Al Thonayan: and SR. 47,683.29 by Abdulrahman bin Muhammad bin Ali bin Rayes against the illegal gains achieved in his portfolio as a result of such violations
  - Any person affected by these acts is entitled to file a compensation claim with the CRSD. Such claim is preceded by a complaint filed with the CMA on file available on CMA website

*Change the name of MaCeen Capital Company dated March 24, 2021*

Based upon the Capital Market Law issued by Royal Decree No. (M/30) dated 02/06/1424H and its Implementing Regulations, the Capital Market Authority (CMA) announces that MaCeen Capital Company notified the CMA of its name change to 99Hlala Capital Company.

*Suspension of the license granted to Aloula Geojit Capital Company dated March 24, 2021*

Based upon the Capital Market Law issued by Royal Decree No. (M/30) dated 02/06/1424H and its Implementing Regulations, The Board of the Capital Market Authority decided to suspend the license granted to Aloula Geojit Capital Company to conduct Dealing as Agent, Principal, and Underwriter, Managing Investment Funds, Managing Client Portfolios, Arranging, Advising, and Custody activities in the securities business.

*The Capital Market Authority approves Gulf General Cooperative Insurance Company's request to increase its capital by way of Rights Issue dated March 25, 2021*

The CMA has approved Gulf General Cooperative Insurance Company's request to increase its capital by way of rights issue valued at SAR 300,000,000. The increase will be limited to the shareholders who are registered in the shareholder's registry at the Security Depository Centre as of the closing of the second



trading day after the extraordinary general assembly meeting. The offering price and the number of shares offered for subscription will be determined by the Company after market closing of the same day in which the extraordinary general assembly meeting is to be held.

- The rights issue prospectus will be posted and made available to the public at a later time
- The CMA advise the investor to carefully review the rights issue prospectus before taking any decision. The CMA's approval of the prospectus should never be considered as a recommendation to participate in the offer nor invest in the Company's shares. The CMA's approval of the prospectus merely means that the legal requirements as per the Capital Market Law and its Implementing Regulations have been met

*The Capital Market Authority Announces the Approval on the Registration of shares of National Fertilizer Company for Direct Listing in the Parallel Market dated March 31, 2021*

The Capital Market Authority has approved the National Fertilizer Company's application for the registration of its shares for direct listing in the parallel market. Buying these shares will be confined to Qualified Investors stipulated in the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority. The registration document will be published within sufficient time prior to listing.

- CMA advise the Prospective Qualified Investors to conduct their own due diligence on the information disclosed in the registration document
- The CMA's approval on the application should never be considered as a recommendation to invest in the shares of the company. The CMA's approval on the application merely means that the legal requirements as per the Capital Market Law and its Implementing Regulations have been met
- The CMA's approval on the application shall be valid for (6) months from the CMA Board resolution date. The approval shall be deemed cancelled if the listing of the Company's shares is not completed within this period

*The Capital Market Authority Announces the Approval on the Registration of shares of Natural Gas Distribution Company for Direct Listing in the Parallel Market dated March 31, 2021*

The Capital Market Authority has approved Natural Gas Distribution Company's application for the registration of its shares for direct listing in the parallel market. Buying these shares will be confined to Qualified Investors stipulated in the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority. The registration document will be published within sufficient time prior to listing.

- Prospective Qualified Investors should conduct their own due diligence on the information disclosed in the registration document
- The CMA's approval on the application should never be considered as a recommendation to invest in the shares of the company. The CMA's approval on the application merely means that the legal requirements as per the Capital Market Law and its Implementing Regulations have been met
- The CMA's approval on the application shall be valid for (6) months from the CMA Board resolution date. The approval shall be deemed cancelled if the listing of the Company's shares is not completed within this period

*The Capital Market Authority Announces the Approval on the Registration of shares of Fesh Fash Snack Food Production Company for Direct Listing in the Parallel Market dated March 31, 2021*

The Capital Market Authority has approved Fesh Fash Snack Food Production Company's application for the registration of its shares for direct listing in the parallel market. Buying these shares will be confined to Qualified Investors stipulated in the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority. The registration document will be published within sufficient time prior to listing.

- Prospective Qualified Investors should conduct their own due diligence on the information disclosed in the registration document.
- The CMA's approval on the application should never be considered as a recommendation to invest in the shares of the company. The CMA's approval on the application merely means that the legal requirements as per the Capital Market Law and its Implementing Regulations have been met
- The CMA's approval on the application shall be valid for (6) months from the CMA Board resolution date. The approval shall be deemed cancelled if the listing of the Company's shares is not completed within this period

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