

EXECUTIVE SUMMARY SIGNIFICANT ANNOUNCEMENTS

COVERAGE: **CAPITAL MARKET AUTHORITY**

LOCATION: **SAUDI ARABIA**

ISSUE: **AUGUST, 2021**



INTRODUCTION & SUMMARY

During the month of July 2021, Saudi Arabian Capital Market Authority issued a total 12 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 July, 2021 are summarized below:

CMA Announces the Approval of Public Offering of "Al Ahli - King Saud University Waqf Fund" dated July 04, 2021

The CMA has approved the public offer, by "SNB Capital", of "Al Ahli - King Saud University Waqf Fund"

- Such CMA advise the investors to carefully read the Terms and Conditions which includes detailed information on the Fund, investment strategy and risk factors, and carefully study it to be able to assess the feasibility of taking into consideration the associated risks.
- 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.

Capital CMA Announces the Approval of Public Offering of "BLOMINVEST Saudi Riyal Murabaha Fund" dated July, 04. 2021

The CMA has approved the public offer, by "Blominvest Saudi Arabia Company", of "BLOMINVEST Saudi Riyal Murabaha Fund

- CMA advise the investors to carefully read the Terms and Conditions which includes detailed information on the Fund, investment strategy and risk factors, and carefully study it to be able to assess the feasibility of taking into consideration the associated risks.
- 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.

The Capital Market Authority Licenses Erteqa Financial Company to Conduct Arranging Activity in the Securities Business and its Completion of the Commencements of Business Requirements July 06, 2021

The Capital Market Authority announces that Erteqa Financial Company has completed the commencements of business requirements to conduct Arranging activity in the Securities Business licensed as per CMA resolution dated 09/08/1442 H corresponding to 22/03/2021 G.

The Capital Market Authority Announces the Approval of a Supplementary Annex of the Terms and Conditions of the Real Estate Investment Traded Fund "Jadwa REIT Saudi Fund" dated July 06. 2021

The Capital Market Authority has approved the Supplementary Annex of the terms and conditions ("T&Cs") of "Jadwa REIT Saudi Fund" ("The Fund") requested by Jadwa Investment Company ("Fund Manager") for the purpose of increasing the fund's total assets value by issuing additional units.

- Prior to unitholders meeting that will be held to vote on increasing the fund's total assets value by issuing additional units, the fund manager will publish the Supplementary Annex of the T&Cs to the unitholders including all the information regarding increasing the fund's total assets value by issuing additional units. The Supplementary Annex of the T&Cs must include all relevant information the unitholders need to know before making a voting decision on increasing the fund's total assets value by issuing additional units, including information about the acquisition transaction and risk factors.
- The CMA advise the unitholders to carefully read the T&Cs and its Supplementary Annexes in order to make a well-informed decision when voting on increasing the fund's total assets value by issuing additional units.
- The CMA's approval is merely means that the regulatory requirements as per the Capital Market Law and its Implementing Regulations have been met.

The Capital Market Authority Licenses Joa Capital Company to Conduct Managing Investment Activity in the Securities Business and its Completion of the Commencements of Business Requirements dated July 11, 2021

The Capital Market Authority announces that Joa Capital Company has completed the commencements of business requirements to conduct Managing Investment activity in the Securities Business licensed as per CMA resolution dated 09/08/1442 H corresponding to 22/03/2021 G.

The Capital Market Authority Publishes the Draft Regulation on the Reporting of Violations of the Capital Market Law for Public Consultation dated July 11, 2021

The CMA Board issued the draft Regulation on the Reporting of Violations of the Capital Market Law ("Draft Regulation") for public consultation for a period of (30) calendar days ending on 02/01/1443H corresponding to 10/08/2021G.

The Draft Regulation aims to regulate reporting of violations of the Capital Market Law and its implementing regulations, or violations of the regulations of the Exchange, the Depository Center, or the Clearing Center. This includes the determination of the financial rewards for those who report such violations, the controls on granting the rewards, and the procedures that contribute towards the protection of those who report violations.

Some important contents are as below:

- The Authority may exempt any person from the application of any provisions of this Regulation in whole or in part.
- Any person that is subject to this Regulation may appeal to the Committee in relation to any decision or action taken by the Authority pursuant to the provisions of this Regulation.
- The Authority shall receive reports through the channels i.e. Authority's website., Registered mail, Authority's headquarter. phone number., mobile application, any other means determined by the Authority.
- The Report must contain the information as details specified by the Authority.

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- The Authority may grant the Reporting Individual a reward of up to (20%) of the amount of the fines and financial penalties collected as a result of the reported violation.
- The Authority may provide legal support and assistance to an individual the Authority believes was harmed as a result of a Report made by such individual.
- The Exchange, the Clearing Center, the Depository Center, Capital Market Institutions, and listed companies must set an internal policy, to be approved by their boards of directors or their equivalent, for the protection of Reporting Individuals that are employed by them.
- The Authority has the right to take whatever measures it deems appropriate against those who knowingly and in bad faith reported an untrue incident.
- The information of the Reporting Individual or any information obtained by the Authority under the provisions of this Regulation is considered confidential.
- This Regulation shall enter into force upon its publication.
- Other details are available with link attached with announcement.

The Capital Market Authority Announces the Approval of Amendments to the Instructions for Investment Funds Announcements dated July 12, 2021

The CMA Board issued its Resolution that includes the approval of amendments to the Instructions for Investment Funds Announcements. The approved amendments aim to further regulate and develop the Capital Market, and enhance the quality of mutual funds' announcements, and specify their templates without prejudice to the Capital Market Law, Investment Funds Regulations, and Real Estate Investment Funds Regulations.

The announcement must be made available on the specified sites, as stated in each case, according to the following rules:

- The announcement shall be in Arabic and English (as applicable), and shall be in compliance with the sound rules of the language.
- In the event that the text of the announcement is in English, the Fund Manager shall be responsible for ensuring that the Arabic and English versions are identical, and in case of any conflict between the texts, the Arabic text shall prevail.
- The Fund Manager must comply with the announcements forms set forth in these Instructions.
- The announcement shall not be published during the official trading times of the Saudi Stock Exchange.
- The title and content of the announcement must be clear and reflect what is intended to be announced.
- The name of the fund approved by the Authority must be used.
- After the Fund Manager makes the announcement, the Fund Manager must update all information of the fund related to the announcement on the websites, where the announcement was published.

Further details are available with link attached with announcement.

The Capital Market Authority Approves the Capital Increase Request for Development Works Food Company through the Issuance of Bonus Shares dated July 12, 2021

The CMA has approved the Development Works Food Company's request to increase its capital from SAR (25,000,000) to SAR (30,000,000) through issuing (1) bonus share for every (5) existing shares 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 which will be determined later by the Company's board.

- Such increase will be paid by transferring an amount of SAR (3,076,128) from the "Retained Earnings" account and an amount of SAR (1,923,872) from the "Statutory Reserve" account. Consequently, increasing the Company's outstanding shares from (2,500,000) shares to (3,000,000) shares, by an increase of (500,000) shares
- The extraordinary general assembly meeting should be held within six months from this approval date and the Company must complete the all regulatory requirements and applicable laws

Announcement for the referral of a suspicion of violating Article (49) of the Capital Market Law to the Public Prosecution dated July 13, 2021

The CMA informs the investors and participants in the capital market that a CMA Board resolution has been issued regarding 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 by the legally responsible persons in the Saudi Paper Manufacturing Company (Suspects), where they failed to register and disclose the sale transaction of one affiliate of the Company in Morocco (Moroccan Paper Manufacturing Company) in the financial statements (subject of suspicion). Such persons were suspected to have carried out practices that led to creating a false and misleading impression with respect to the security price of the Saudi Paper Manufacturing Company. Moreover, the Public Prosecution has filed the case against the Suspects in the docket of the Committee for the Resolution of Securities Disputes.

- Any person affected by these acts is entitled to file a compensation claim, individually or collectively, to the Committee for the Resolution of Securities Disputes, provided that such claim is preceded by a complaint filed to the CMA via the link given in this regard, as per Article 30 of the Capital Market Law. The CMA advise the investors to carefully read the prospectus, which includes detailed information on the company, the offering and risk factors.

The Capital Market Authority Publishes Draft Amendments to the Resolution of Securities Disputes Proceedings Regulations for Public Consultation dated July 14, 2021

The Capital Market Authority has issued its resolution to publish the Draft Amendments to the Resolution of Securities Disputes Proceedings Regulations for public consultation for a period of (30) calendar days ending on 5/1/1443H. corresponding to 13/8/2021G.

The Draft Amendments aim to improve the proceedings of securities disputes before the Committees for Resolution of Securities Disputes and develop procedures that enhance the speed and efficiency of hearing and deciding on the lawsuit. The Draft Amendments also aim to develop every aspect that would enhance the confidence of the capital market's participants, support its growth and prosperity,

and enhance investors' protection.

The main elements of the Draft Amendments are as follows:

- Regulating the procedures for considering the lawsuit through the electronic system, including submitting and filing the claim with the Committee, holding remote hearings, exchanging memorandums, issuing decisions, and objecting to them.
- Adding a requirement that the pleading and submission of any requests or memoranda to the Committee or Appeal Committee must be from a lawyer or legal representative licensed in the Kingdom, in all claims in which the plaintiff is a capital market institution or a listed joint stock company.
- Regulating the procedures for submitting incidental applications to the Committee, including the right of parties to submitting incidental applications that are related to the original case directly to the Committee.
- Regulating the registering of a class-action lawsuit directly by the Committee if a number of lawsuits considered before the Committee are identical in terms of the legal bases, merits, and the subject matter of the request.
- The CMA, with full gratitude, would receive the opinions and comments of relevant and interested persons, through any of the following:
 - The Unified Electronic Platform for Consulting the Public and Government Entities (Public Consultation Platform) affiliated to the National Competitiveness Centre via the following link: (istitlaa.ncc.gov.sa)
 - The prescribed form via the following email: (Laws.Regulations@cma.org.sa)

The Draft Amendments can be viewed via the link given in announcement.

The Capital Market Authority Approval of Public Offering of "Al Rajhi Saudi Freestyle Equity Fund" dated July 29, 2021.

The CMA has approved the public offer, by "Al Rajhi Capital", of "Al Rajhi Saudi Freestyle Equity Fund"

- CMA advise the investors to carefully read the Terms and Conditions which includes detailed information on the Fund, investment strategy and risk factors, and carefully study it to be able to assess the feasibility of taking into consideration the associated risks.
- The CMA's approval on the application should never be considered as a recommendation to subscribe in the offering of any specific 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.

Announcement from the General Secretariat of CRSD Regarding the Issuance of ACRSD Decision. Convicting Violator of the Capital Market Law and its Implementing Regulations July 29, 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. (2277/L.S/2021) of 1442 H., dated 14/11/1442 H., / 24/06/2021 G., in the case filed by the

Public Prosecution (referred to by the Capital Market Authority (CMA)) against: Elqmma Marketing Co. based outside the Kingdom.

- The decision concluded with the conviction of the abovementioned company for violating the Capital Market Law, as well of the Securities Business Regulations, by carrying out securities business represented in "Advising" in the Saudi Stock Exchange through providing investment recommendations in return for various financial fees and advertising for "Advising and Managing" through the following websites: with the name "Elqmma" through the link (<https://www.elqmma.com>) and the link (<https://www.elqmma.net>) without obtaining a license from the CMA.
- The CMA's The decision included the imposition of a number of sanctions (in absentia), according to the following:
 - Imposing a fine upon the Company amounting to (SR. 50,000) fifty thousand Saudi Riyals for violating Article (31) of the Capital Market Law, and for the violation of Article (5) of the Securities Business Regulations.
 - Imposing a fine upon the Company amounting to (SR. 50,000) fifty thousand Saudi Riyals for violating Article (17) of the Securities Business Regulations.
- Any person who has entered into an agreement or contract with the convicted company in relation to these violations is entitled to file a claim with the CRSD to request the rescission of the agreement or contract and the recovery of any money or other property paid or transferred by the company under the Capital Market Law. Such claim is preceded by a complaint filed with the CMA on this regard, via the link the link given with announcement.

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