

President of National Bank of Georgia

Order №145/04

5th of July 2018

Tbilisi

On approval of a rule of licensing and regulating of a brokerage company

Under Article 15 (1) (g), Article 52 and Article 48 of Organic Law of Georgia “on the National Bank of Georgia”, Articles 24 and 32 of Law of Georgia “on Securities Market”, article 25 (1) (b) of Law of Georgia “on Normative Acts”, I do hereby

Order:

Article 1

Rule of licensing and regulating of a brokerage company with its annexes to be approved.

Article 2

In 2 months after enactment of this Order, the Order №34/01 “on approval of the rule “on licensing, defining minimum capital and submitting financial statement for a brokerage company” issued on March 9 of 2010 by the President of National Bank of Georgia to be announced as void.

Article 3

Applications received before the enactment of this Order at National Bank of Georgia with the purpose of requesting a license for brokerage activity shall be considered in accordance with the Order №34/01 “on approval of the rule “on licensing, defining minimum capital and submitting financial statement for a brokerage company” issued on March 9 of 2010 by the President of National Bank of Georgia.

Article 4

Companies, active for the moment of the enactment of this Order and licensed in accordance with Article 3 of this Order, shall ensure to fulfil the requirements provided by Article 12 of this rule within 4 months of the enactment of this Order. Also, the aforementioned brokerage companies will be required to fulfill the requirements with regard to audit provided by Paragraph 1 of Article 10 of this rule approved by the present Order for financial statement of 2018 year. Except for that, the aforementioned brokerage companies shall reach an agreement with National Bank with respect to potential or existent candidacies of provider of a trading platform (if applicable).

Article 5

This order to be enacted immediately after announcement.

Vice President of National Bank of Georgia (Officiate)

Archil Mestvirishvili

Rule of licensing and regulating of a brokerage company

Article 1. General Provisions

1. Rule of licensing and regulating of a brokerage company (Hereafter - rule) defines:
 - a) Issues related to licensing and regulating of a brokerage company by National Bank of Georgia (Hereafter - National Bank), including:
 - a.a) Conditions and processes of licensing and revoking of a license at National Bank;
 - a.b) Requirements about minimal amount of own capital of a brokerage company;
 - a.c) Rule of keeping records by a brokerage company, types of reporting and procedures and periodicity of submitting them at National bank;
 - a.d) Additional requirements for a brokerage company that has a trading platform.
 - b) Issues related to regulating branches of foreign brokerage company.
2. While calculating the dates defined by this rule, rules defined by the General Administrative Code of Georgia are used, if not required otherwise by this rule.

Article 2. Definition of Terms

1. For the purpose of this rule, terms used have the following definitions:
 - a) Declaration – special form, filled and signed by a member of the management body of a brokerage company that wants to get a brokerage activity license, which reflects compatibility between a member of the management body (bodies) of an applicant and requirements defined by Law of Georgia “on Securities Market” (Hereafter – law) and this rule;
 - b) Audited financial statement – financial statement, prepared in accordance with the International Financial Reporting Standards (IFRS), that is audited in accordance with the International Standards on Auditing (ISA);
 - c) Trading platform – a software which enables to make trading transactions in financial instruments;
 - d) Foreign brokerage company – legal entity, licensed by a foreign national competent authority as a regulated entity authorized to provide services similar to the brokerage activities under Georgian Law;
 - e) Reconciliation – comparing different accounts or data related to the same transactions in the internal records (accounting program, trading platform) of the brokerage company to records of the third parties, with the purpose of establishing accurate data and confirming the accuracy of the data represented by one or both of them.

2. Other terms used in this rule have meanings envisaged by the legislation of Georgia.

Article 3. Licensing a Brokerage Company

1. In order to apply for a brokerage activities license (Hereafter – license), an applicant shall submit to the National Bank of Georgia the relevant application form (Annex №1) and the documents envisaged by the Law of Georgia “on Licenses and Permits”, as well as the following information and documents:
 - a) An extract from the Register of Entrepreneurial and Non-entrepreneurial (Non-commercial) Legal Entities (which, apart from other information, proves that the applicant is registered as a limited liability company or a joint stock company in accordance with the Law of Georgia “on Entrepreneurs”);
 - b) The latest version of the documents of incorporation of the applicant;
 - c) Information regarding the ownership structure of the applicant, including identification and shareholdings of substantial shareholders, substantial ultimate beneficiary owners and intermediate owners. Such information shall include the following documents:
 - c.a) In case of a natural person:
 - c.a.a) Copy of an identification document. In case of a citizenship of a foreign country, it shall be apostilled or legalized copy;
 - c.a.b) Information regarding citizenship and residence;
 - c.a.c) Detailed autobiography;
 - c.a.d) Notice of conviction;
 - c.a.e) Information regarding financial condition, and the origination of income;
 - c.b) In case of a legal person:
 - c.b.a) Latest version of the documents of incorporation;
 - c.b.b) Audited financial statement of the last financial year; in case, six month have passed from the latest audited financial reporting date to submitting a written application to National Bank, financial statement of a half year (if applicable – audited);
 - c.b.c) Notice of conviction;
 - d) List of types of brokerage activities to be provided by an applicant in accordance with Annex N3;
 - e) If applicable, name of a provider of a trading platform and description of the technical specifications of such platform;

- f) Current balance sheet of the applicant and relevant explanatory notes for the latest probable date (non-audited);
- g) Audited financial statement of the last financial year of the applicant or, if 6 or more months have passed from audited financial reporting date to submitting a license application to National Bank, half-year audited financial statements. Audit shall be made by an audit company, which is authorized to execute audit of public interest entities (PIE) in accordance with the legislation of Georgia. If the applicant applies for a license in less than a year after its foundation, only current balance sheet and relevant explanatory notes (non-audited) have to be submitted;
- h) Document confirming that the applicant has the required amount of minimum own capital set as well as information regarding the origination of such capital;
- i) Documentation confirming that each member of management body of the applicant is compatible with the requirements provided by Article 4 of this rule. Which shall include:
 - i.a) Written confirmation made by founders/shareholders that documentation/information regarding the members of the management body has been examined and that it satisfies the requirements provided and that this information is true and accurate;
 - i.b) Declaration of a member of the management body of the applicant that they completely satisfy the criteria provided by Article 4 of this rule and that the information represented by them is true and accurate;
 - i.c) Information regarding a member of the management body of the applicant with respect to education and experience (including a copy of certificate(s) of education, Curriculum Vitae and two recommendation letters);
 - i.d) Information that a member of the management body of the applicant has not been deprived of a right to participate in the management body;
 - i.e) Information that a member of the management body of the applicant has not been convicted for a serious or extremely serious crime, including, funding terrorism, legalization of illegal income or/and other economic crimes. For that purpose, a notice of conviction shall be represented at National Bank; Also, time passed from issuing a notice of conviction in accordance with the legislation of Georgia shall not exceed 15 calendar days and time passed from issuing a notice of conviction by the authorized bodies of a foreign country shall not exceed 60 calendar days;
 - i.f) Declaration form filled in by a member of the management body of the applicant (in accordance with Annex N2);
 - i.g) In case of a member of an executive body of the applicant, job description and information regarding his/her functions and duties;
- j) Document confirming payment of the licensing fee;
- k) Information regarding the business model of the applicant and their strategic plan;

- l) Documentation confirming that the brokerage company owns or has a right of property on the real estate in which its offices will be situated in the future;
 - m) If the applicant is a member of a group, information regarding the structure of the group.
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- 2. For the purposes of this rule, in case the documents that shall be submitted to National Bank are issued by foreign authorities, they shall be legalized or confirmed with apostille, except for the cases envisaged by the legislation of Georgia. Documents in foreign language shall be officially translated into Georgian, verified by Notary.
 - 3. Members of the management body of the applicant shall satisfy the requirements envisaged by the “law of Georgia on Securities Market” and requirements provided by Article 4 of this rule.
 - 4. The applicant shall satisfy the requirement provided by Paragraph 1 or 2 of Article 8 of this rule regarding a minimal amount of capital according to the types of brokerage activities it’s planning on to carry on.
 - 5. The applicant shall have sufficient financial resource to ensure unhampered provision of brokerage services and activities.
 - 6. In case of any change in any information or document prescribed in paragraph 1 of this Article, either during the licensing process or after the license has been granted, the applicant or the brokerage company must inform the National Bank in written form about such change or changes and submit the necessary information or documents within 7 calendar days after implementing the relevant changes.
 - 7. Brokerage company has a right to carry out activities provided by Article 23 of the Law of Georgia “on Securities Market” in accordance with the general requirements provided by Article 23¹ of the same law.
 - 8. National Bank has a right to require additional information or/and documentation from the license-seeker (except for the information represented in the license documentation) and set form and time limits for submitting the mentioned information or/and documentation.
 - 9. The National Bank is authorized to take relevant measures in order to verify the correctness/accuracy and appropriateness of the documents or information submitted by the applicant.
 - 10. The National Bank is authorized to question the accuracy and completeness of the documentation submitted by the applicant and to set time limits, format and procedures for the resubmission of such information or documents by the applicant.

Article 4. Criteria for Meeting the Requirements of a Member of the Management Body of an Applicant

- 1. Each member of the management body of a brokerage company on each stage of activity of the company shall satisfy the criteria provided by this Article regarding qualifications, professional experience, competence and faithful attitude towards business affairs. Also, members of the management body shall satisfy the requirements provided by this Paragraph and shall not get under the prohibitions provided by the latter.

2. Each member of a brokerage company shall have the relevant education or/and experience and satisfy at least one of the following conditions:
 - a) Higher education in one of the directions/specializations such as: economics, finances, banking, business administration, audit, accounting, law or other relevant education necessary for fulfilling imposed duties;
 - b) At least 4-year of relevant working experience at a relevant position in the finance sector.
3. A person is prohibited to be a member of the management body of a brokerage company if he/she:
 - a) Participated in an operation which caused serious damage to a brokerage company or/and to other financial institutions or/and abused rights of clients of a brokerage company or/and led to insolvency or bankruptcy of a brokerage company or of any other type of financial institution;
 - b) Used his/her rights in a dishonest way while executing its professional duties at a brokerage company or any other type of financial institution;
 - c) Was a member of the management body of the brokerage company or other financial institution and as a result of his/her activity, company became insolvent;
 - d) Did not fulfill one or more financial duties towards the brokerage company or other financial institute;
 - e) Has been convicted for serious or extremely serious crime, including, funding terrorism or/and legalization of illegal income or other economic crime;
 - f) Was imposed an administrative charge for severe abuse of the Georgian capital market legislation during the last 5 years.

Article 5. Licencing process and grounds for rejecting the licensing application

1. Brokerage company license shall be issued according to the rules set by the “Organic Law of Georgia on the National Bank”, the “Law of Georgia on Licenses and Permits”, the “General Administrative Code of Georgia” and by this Rule.
2. The National Bank shall refuse to grant license to an applicant if:
 - a) Information or documentation submitted by the applicant is incorrect, incomplete, or misleading and/or it does not meet the requirements provided by the Georgian legislation and by and the license-seeker has not remedied these errors within the timeframe stipulated by the National Bank.
 - b) The applicant does not meet the licensing criteria set by the Georgian legislation;
 - c) Member of the management body of the applicant does not meet the requirements set by the Georgian legislation or this Rule;

- d) The activity of the applicant is deemed to be unsound or dangerous business practice;
 - e) The applicant has been deprived of the right of acting in a licensed field by the lawful sentence passed by the Court.
3. If the applicant does not submit to the National Bank a document required or any other information that is necessary for reviewing the application, the National Bank shall set the timeframe for the applicant, within which the applicant must submit the requested document or information. The timeframe set for submitting the aforementioned document or information shall not be less than 5 days.
 4. Decision regarding issuing a license is made by National Bank within 30 days after receiving the application of the license-seeker. In case of refusal to grant a license the National Bank is obliged to inform the applicant in a written form and include the reasons for rejection.
 5. While counting down the timeframe defined by Paragraph 4 of this Article, period, during which the applicant should have submitted documentation or/and information needed for the consideration of a written application required by the National Bank, shall not be taken into account. In such a case, countdown of the timeframe defined for consideration of the application will be updated immediately after submission of the relevant document or information.
 6. Decision of National Bank regarding refusing to grant a license may be appealed in accordance with the rule set by the legislation of Georgia.

Article 6. Withdrawal of the License of a brokerage company

1. National Bank is authorized to revoke the license of a brokerage company in accordance with the rule defined by Chapter V of the “Law of Georgia on Licenses and Permits” and Article 31 of the Law.
2. National Bank may revoke a brokerage activity license in the following circumstances:
 - a) A brokerage company submitted request for revocation of license to National Bank in accordance with the rule set by Article 78 of the General Administrative Code of Georgia;
 - b) Liquidation of a brokerage company;
 - c) National Bank discovers that licensing documentation was false or/and misleading;
 - d) A brokerage company abused the requirements envisaged by the legislation of Georgia;
 - e) A brokerage company is no more able to meet licensing requirements;
 - f) Member of the management body of the brokerage company does not satisfy the criteria set by this rule;
 - g) Members of the management body of the brokerage company do not satisfy professional responsibilities and/or imposed duties;
 - h) A brokerage company is unable to fulfill imposed obligations;

- i) The activities of the brokerage company represent a threat to the interests of the investors or clients, or to the general functioning of securities market; or/and its activity is deemed to be unsound or/and dangerous business practice;
 - j) Other cases envisaged by the Georgian legislation.
- 3. In cases envisaged by Subparagraphs “c”-“j” of Paragraph 2 of this Article, National Bank is authorized to warn the brokerage company and set timeframe, within which the company shall address the issues.
 - 4. If the brokerage company will be unable to address the issues in accordance with the rule defined by Paragraph 3 of this Article, National Bank is authorized to initiate administrative proceedings regarding revocation of the license.
 - 5. National Bank shall immediately inform the entity in written form about initiation of administrative proceedings with regard to revocation of license.
 - 6. National Bank shall make a decision regarding revocation of license within 30 days from initiation of administrative proceedings.

Article 7. Branch of a Foreign Brokerage Company

- 1. In order to be able to execute brokerage activities in Georgia, a branch of a foreign brokerage company shall submit the following documents to National Bank:
 - a) Document confirming that the company is licensed as a brokerage company by the relevant foreign regulatory authority;
 - b) Document confirming registration of a branch of the foreign brokerage company in Georgia (Extract from the Registry of Entrepreneurial and Non-entrepreneurial (Non-commercial) Legal Entities);
 - c) Resolution of the management body of a foreign brokerage company regarding executing brokerage activities in Georgia and addressing National Bank of Georgia on that matter;
 - d) Approval from the regulator supervisory body for the foreign brokerage company regarding opening a branch in Georgia and conducting brokerage activities;
 - e) Documentation confirming the amount of the resource allocated by the foreign brokerage company which satisfies minimal amount of capital defined by this rule;
 - f) List of the types of brokerage activities that are to be executed, in accordance with Annex N3.
- 2. National Bank shall consider the documents mentioned in Paragraph 1 of this Article within 30 days from their submission.
- 3. In addition to the documentation/information envisaged by Paragraph 1 of this Article, National Bank is authorized to define further list of documentation/information (with indication of the time limits and format for resubmission),

which shall be submitted to National Bank by the branch of a foreign brokerage company before executing brokerage activities on the territory of Georgia.

4. In case of discovering a mistake in the documentation envisaged by Paragraphs 1 of this Article, National Bank has a right to set time limits and format for addressing the issues.
5. Requirements provided by Articles 4 and 8-13 fully apply to a branch of a foreign brokerage company.

Article 8. Financial Requirements

1. A minimum capital of a brokerage company shall amount to GEL 500,000 (five hundred thousand), except for the case defined by paragraph 2 of this article.
2. The minimum capital of a brokerage company that is planning on to carry out one or more activities envisaged by paragraphs “a”-“d” of article 23 of the Law of Georgia “on Securities Market” shall amount to GEL 150,000 (one hundred and fifty thousand).
3. A brokerage company envisaged by paragraph 2 of this article is prohibited to carry out any other brokerage activity except for brokerage activities envisaged by paragraphs “a”-“d” of article 23 of the Law of Georgia “on Securities Market” if it doesn’t satisfy the minimum capital requirement set by paragraph 1 of this article.
4. The amount of minimum capital envisaged by paragraphs 1 and 2 of this article shall be accounted in accordance with the international standards of financial report (IFRS).
5. A Brokerage company, considering the brokerage activities it is carrying out, is obliged to ensure protection of minimum amount of own capital envisaged by paragraphs 1 and 2 of this article at each stage of its activities.
6. A brokerage company shall have sufficient funds for covering obligations towards clients at each stage of its activities.

Article 9. Separation of Brokerage Company’s Own and Clients’ Assets and the Obligation of Reconciliation

1. Brokerage company shall ensure that client funds and financial instruments are separated from each other and both of them – from its own funds in internal records, accounting program and, if applicable, on trading platforms.
2. A brokerage company is obliged to place client funds separately from its own funds on nominal accounts at commercial bank licensed by National Bank, a brokerage company or central depository or a financial institution licensed in the developed countries. No other money other than client funds shall be placed on such nominal accounts.
3. A brokerage company shall ensure that the financial instruments owned by a client that are placed with a third party, are separated from the assets of this third party, a brokerage company and assets of other clients of this third party.
4. Funds of the clients shall be managed only in accordance with the conditions of a contract drawn up with the client and/or client orders and shall not be used for financing operational or/and other activities of a brokerage company or any other third party.

5. A brokerage company shall not use financial instruments owned by a client for its own or any other person's purposes, except for the occasion when there is an agreement between the parties or a client order regarding using a financial instrument with the relevant defined conditions.
6. A brokerage company shall daily execute client fund reconciliations for previous day for all currencies among internal records of the company and records of the third parties, where client funds are placed.
7. A brokerage company shall execute client financial instrument reconciliations for each end of month among internal records of the company and records of the third parties, where the instruments are placed. Reconciliation shall be executed within 7 working days from the end of a month.
8. If the reconciliations envisaged by Paragraphs 6 and 7 of this Article cannot be executed or if the brokerage company discovers a material error during the reconciliation, a brokerage company is obliged to inform National Bank within 2 working days from discovering the fact.

Article 10. Obligation of Preparing Financial Statements

1. A brokerage company shall prepare and submit to National Bank yearly audited financial statements within 90 calendar days from the end of a financial year. Above-mentioned financial statements shall be confirmed by such an audit firm that is authorized to execute audit of public interest entities (PIEs) in accordance with the legislation of Georgia. Additionally, financial statements shall include: a letter to management written by the same auditor and notice of the auditor that the brokerage company meets the criteria defined by Paragraphs 1, 2, 3, 4, and 5 of Article 9 of this Rule. Furthermore, the auditor shall confirm client funds and financial instrument reconciliation reports for financial reporting date.
2. A brokerage company shall prepare and submit to National Bank a quarterly financial statements prepared in accordance with the international financial reporting standards (IFRS) within 45 calendar days from the end of a quarter.
3. Brokerage company shall prepare and submit current report (notification) to National Bank no later than 7 calendar days from occurring the following events:
 - a) A substantial shareholder (more than 10%) or an employee becomes a substantial shareholder or an employee of another brokerage company;
 - b) Any of its employees become an employer of a stock exchange, Securities registrar or central depository;
 - c) Amount of its own capital is reduced below the minimum requirement defined by this rule. In such case, the brokerage company is obliged to submit to National Bank a plan-schedule of measures taken and/or that are to be taken for addressing the existent situation. National Bank is authorized to make amendments to the plan-schedule. In case of not submitting such information to National Bank by a brokerage company within the time limit defined by the present paragraph, National Bank has a right to revoke the license of the brokerage company;
 - d) (withdrawn – 30.12.2019, №258/04).
4. A brokerage company shall submit ongoing report (notification), within reasonable time limit from making the decision, but not later than 10 calendar days before making relevant changes, for the following cases:

- a) It decides to open or/and close a branch;
 - b) It decides to change trading name;
 - c) It decides reorganization. In such a case, a brokerage company shall address National Bank and submit information regarding the specifications of reorganization and the reasons for it. For this reason, a brokerage company shall receive a permit from National Bank. National Bank may not give a permit to brokerage company regarding reorganization if the mentioned reorganization may create danger to client funds trusted to the brokerage company or/and client financial instruments;
 - d) It decides to change a member of the management body.
 - e) It decides to carry out another type of brokerage activity defined by article 23 of the Law of Georgia “On Securities Market” other than the activities carried out within the scope of its’ brokerage license or it decides to stop carrying out existing activity.
5. A brokerage company shall submit the reports (notifications) listed in this article and accounts to National Bank in material as well as electronic form. Electronic information shall be submitted in Excel and PDF formats.
6. If the National Bank receives the notification as contemplated in paragraph 4 of this Article, it shall render a decision on permission or refusal, providing relevant arguments, within 10 (ten) working days following the receipt of the notification.

Article 11. Obligation of Keeping Records and Documentation

1. A brokerage company is obliged to keep records of client funds and assets separately from the company’s own or other clients’ funds and assets.
2. Brokerage company shall keep and timely update documentation and records related to its activities, namely:
 - a) Detailed information regarding each order, that shall be kept in internal records, as well as in the form of original/primary documents;
 - b) Detailed information regarding each executed transaction that shall be kept in internal records, as well as in the form of original/primary documents. The internal record regarding transaction shall include the following information:
 - b.a) type, form and basis of the transaction;
 - b.b) the object of the transaction (the full name of the issuer, class of securities, amount);
 - b.c) the date and time of execution of transaction;
 - b.d) currency, price and volume of transaction;
 - b.e) the name (or name and surname), address (juridical, actual), date and number of registration (in case of registration transaction) of the registering body executing the order;

- b.f) information with respect to client(s) participating in transaction, including, the identification number of every person participating in the transaction in accordance with the Georgian legislation on facilitating the prevention of illicit income legalization;
 - c) Documentation regarding each client trading account, where each account shall reflect all daily transactions. Furthermore, these accounts shall enable the client to be informed with regard to the details of each executed transaction;
 - d) Copies of all transaction confirmations sent.
3. At any stage of activity, a brokerage company shall keep records and reports in a way which ensures their accuracy and completeness.
 4. Records shall be kept in a way that enables one to search for any amendment, pre-amendment record, date of amendment and person responsible for the amendment.
 5. Documentation and records (including information regarding transactions executed on the trading platform) defined by this Article may exist in material, as well as, in electronic format and the brokerage company shall keep them for at least 6 years.
 6. Documentation, records and transaction details of a brokerage company shall be accessible to National Bank in case of request.
 7. If a brokerage company ceases activity, it shall:
 - a) Inform the clients regarding the latter within reasonable time limit from making a resolution (minute of the management body meeting) but before enacting the decision;
 - b) Return client assets on the accounts agreed in advance;
 - c) If the brokerage company gets back the correspondence sent to the client, it has a right to:
 - c.a) Transfer client assets to client accounts and inform National Bank regarding each such fact or;
 - c.b) Draw up a contract with other brokerage company and inform the clients regarding the latter in accordance with the rule defined by the law;
 - d) In case of a written consent/order from the clients, transfer client assets to other brokerage company in nominal ownership, with indication of the identification and contact information of the client;
 - e) Submit to National Bank each documentation/information indicated in this Article in material or/and electronic format within 15 days after ceasing activity,
 8. If the brokerage company ceases brokerage activity due to reorganization, the reorganized/newly formed company becomes responsible for keeping the information/documentation indicated in this Article of the reorganized company.

Article 12. Organizational Requirements

1. A brokerage company shall have an organizational structure that shall be adequate and proportional to its size (with functions and duties relevant with each structural unit), systems, resources and procedures in order to ensure stable functioning, continuous provision of brokerage services/activities and fulfilling the requirements Georgian legislation.
2. A brokerage company shall ensure stable and reliable functioning of its software, information processing systems, other technical means and trading platform (if applicable).
3. A brokerage company shall have relevant administrative and accounting procedures and mechanisms of internal control, which shall include recording problems brokerage activities, client appeals and other kinds of incidents.
4. A brokerage company shall have effective mechanisms for controlling and protecting information security, including, confidential information regarding the clients.
5. A brokerage company shall have policy, procedures and relevant organizational processes for administering client assets (placement, administering, reconciliation, protecting security, returning to clients), in order to be able to follow the requirements of Article 9 of this Rule and reduce the risks caused from misusing client assets by the brokerage company, bad administration, inadequate/inaccurate or incomplete methods of keeping records or professional indifference.
6. A brokerage company shall have a policy for managing the conflict of interest and procedures which will enable it to identify and manage the probable conflict of interest derived during brokerage activity.
7. A brokerage company shall have an adequate policy and procedures for managing operational and financial risks that will enable it to identify, manage and monitor the risks related to the activity of a brokerage company, processes and systems.
8. A brokerage company shall have procedures for business continuity, security and reliability, which envisages measures of control and management during the breakdown of systems or other force-majeure occasions, covering each relevant system and platform.
9. A brokerage company shall have a code of ethics.
10. A brokerage company shall have a policy for pricing for the offered/executed service.
11. Policies and procedures envisaged by this Article shall clearly include rights and duties of a brokerage company, clients and third parties involved in transactions.
12. A brokerage company shall have monitoring mechanisms for the policies and procedures defined by this Article and ensure they are complied to at each stage of activity.
13. A brokerage company shall seek an approval from National Bank regarding the potential or existent provider of the trading platform platform.

Article 13. Duties of a Brokerage Company in communicating with clients

1. A brokerage company shall ensure that any information which will be transferred to the client, shall not be wrong or misleading.
2. While communicating with a client, a brokerage company shall not leave out or underrate any material/important information.
3. A brokerage company shall ensure that the information is updated, so that the requirements of Paragraph 1 and 2 of this article are met.
4. A brokerage company shall ensure that information given to a client reflects the risks related to brokerage activities and financial instruments accurately and objectively.