

Instructions No (7) for 2009
Opening branches for Brokerage Companies at governorates

In accordance of section (12) article (11) of Iraq securities Law No (74) /2004, to encourage economic activity and protect investors who deal with securities at republic of Iraq and For enlarging trading activity of securities at all governorates, the ISC Issued the following instructions:

1- The broker shall file a formal application to BOG accompanying with a decision from General Assembly including that he wishes to establish a branch for Brokerage Company, which was already registered at ISX, at all governorates which shall consist of the following:

A- Authorize a person who should pass on one of qualified sessions that was organized by ISX or dissolved Baghdad stock Exchange to manage the branch.

B- B- Submit an economic feasibility which has prepared by specialist consulting Bureau accompanying with an approval from both ISC and BOG.

2- The capital of Brokerage Company that is interested to open branch should not less than what has been identified by instructions of equity capital which was issued by ISX, in addition to :-

a- (50 million dinars) for each branch.

b- Boost letter of guarantee to 20 million dinars for each branch.

3- each brokerage company that submits application to open branches should meet the following requirements:-

1- Ongoing practise the trading activity for at least 1 year previous the date of application.

2- did not involve on investigation committee and did not punish for at least 1 year previous the date of application.

4- obligations and commitments

1- Obligation of authorized director

The authorized director of Brokerage Company shall be responsible on branch activities and shall undertake to face all legal and financial issues on any procedures or violations that have been made by branch.

2- obligation of the manager of branch

The manager of branch undertakes that do not act any business or commercial action at that governorate except brokerage activities and coordinates them with headquarter of company at Baghdad.

5- Submit a list of employees of branch to ISC and ISX

6- Undertakes do not deal with cash unless through banks using checks, receiving and sending transfers by settlements Bank or one of authorized bank by ISX for purchasing and selling securities at ISX exclusively.

7- The company must appointed an internal surveillance manager devoted to the surveillance branches activity and introduce a weekly report to the authorized manager about all settlements in the company an it will be submitted to the market surveillance.