

## **Procedure for Order Placing in IME**

**This procedure is prepared and approved in line with the implementation of the Article 21 of the “Transaction Bylaw” approved by the Exchange Council in 24/8/2003 and the amendments thereto and the Article 22 of the TME Clearing House Bylaw approved in 29 May 2005, in order to enhance transparency in transactions, and to protect the rights of the investors and regulate the process of receiving the clients' orders ( inclusive of buyers and sellers) in such Exchanges.**

**Article 1-** All the brokers are obliged to register the orders of the clients in the Order Registration Forms provided by the Exchange.

**Article 2-** All of the money transfers between the broker and the client shall be carried out through inter transfer of the banking accounts of the broker and the client, and the other methods of transferring are prohibited.

The nominated bank(s) and the account type are determined by the Exchange.

**Article 3-** Inserting the client’s code in the registration form is mandatory.

**Article 4-** The client’s code, referred to in the Article 3 of the present procedure, must have been obtained from the Exchange by the broker at the request of the client. For obtaining the client’s code, the broker requires to submit the following documents to the Exchange:

- 1- the copy of ID card as well as the National ID card being legalized by the broker for persons, and for the legal entities the corporate establishment papers, the authorized signatures and a copy of the ID cards of the holders of the authorized signature to be legalized by the broker.
- 2- The code application forms duly filled in accordance with the attachment thereto.

Note: the code application form shall be provided by the Exchange.

**Article 5-** The brokers are obliged to keep the record of the order registration forms for each client based on the serial number and to provide them at the request of the Exchange or the Stock Exchange Organization

**Article 6-** In order to observe the turn for the clients, it is required to register the exact time and date while completion of the registration form. The procedure is also applied to phone or electronic orders. The brokers are required to deal with the orders according to the time priority of reception of the clients’ orders.

**Article 7-** When obtaining the purchase order, the broker is required to pay at least 10% of the estimated value of the contract to the clients “prepayment account” or his/her “awarded credit control account” available with the broker. The clients “prepayment account” is funded via the amounts paid by he/she to the “transaction current account” of the broker or his/her credit to the broker’s account , and the client’s “awarded credit control account” from the funds belonging to the broker company.

**Note:** The broker is required to create a separate entry in their ledgers for the prepayment account of the clients as well as the awarded credit control account of the client and to make sure, while executing the client’s purchase order, that the total price of the purchase orders dealt with by the broker company be not more than ten-fold of the total balance of the two accounts.

**Article 8-** In the event that the buyer relinquishes to purchase, after placing the order and prior to the execution of the transaction, or if the buying broker fails, by any reason, to execute buying of the commodity, the client’s prepayment shall be released.

**Note:** the buyer’s relinquishment requires to be printed at the bottom of the client’ order form prior to substantiation of the transaction, and duly signed by the two parties.

**Article 9-** If, the buyer refuses, following the execution of the order by the broker, to pay the rest of the amount of the order within the specified period, the respective transaction shall not be substantiated and the buying broker shall deduct all transaction fees from the prepayment or the awarded credit of the client, and the seller shall sue his/her claim with The Brokers Association for obtaining the incurred losses.

**Note:** After elapsing 10 working days from the obtaining the dematerialization of the transaction, the buying broker shall return the remainder of the sum of the client’s prepayment followed by querying from the Association and having been sure of not being sued for claimed losses.

**Article 10-** Should the broker not regard the duties and requirements specified here in this procedure he/she shall be responsible and liable for the claims of the claimant, and the action of the broker company shall be deemed as violation in terms of the case in accordance with the disciplinary regulations.

**Article 11-** Within maximum 15 days from notification of this very procedure, the brokers are obliged to adjust their operation to the provisions thereof. Needless to say that after termination of the said period the violating brokers are dealt with in accordance with the disciplinary rules.