

# **NATIONAL SECURITIES EXCHANGE OF SOMALIA**

## **LISTING RULES**

**2025**

## Table of Contents

<b>PART I - GENERAL PROVISIONS</b>	<b>3</b>
Article 1 – Introduction	3
Article 2 – The Authority of The Exchange	6
Article 3 – The General Requirement and Procedure for Listing of Securities	8
<b>PART II – LISTING OF EQUITY SHARES</b>	<b>13</b>
Article 4 – Listing of Equity Shares on The Exchange	13
Article 5 – Initial Listing on the Main Board	14
Article 6 – Initial Listing on The Growth Board	17
Article 7 – Supplementary Listing of Equity Shares	19
<b>PART III – LISTING OF FIXED INCOME SECURITIES</b>	<b>23</b>
Article 8 – Listing of Fixed Income Securities on The Exchange	23
<b>PART IV – LISTING OF SHARIA COMPLIANT SECURITIES</b>	<b>29</b>
Article 9 – Listing of Sukuk Securities on The Exchange	29
Article 10 – Listing of Sharia Compliant Equity Securities on The Exchange	30
<b>PART V – CONTINUING LISTING OBLIGATIONS</b>	<b>32</b>
Article 11 – General Continuous Obligation of Issuers	32
Article 12 – Corporate Responsibility	39
Article 13 – Related Party Transactions	41
Article 14 – Suspension in Trading of Securities of Issuers	45
Article 15 – Delisting of an Issuer or Securities	47
<b>PART VI – LISTINGS SCHEDULES</b>	<b>51</b>
Schedule I – Fees	51
Schedule II – Content of Custodial Agreement for Fixed Income Securities	52
Schedule III – Sample Letter of Indemnity	55
Schedule IV – Sample Declaration of Compliance	57
Schedule V – Sample Listing Contract	59
<b>PART 7 – ADMINISTRATIVE SANCTIONS</b>	<b>62</b>
Listing Rules Sanctions	62
Compliance Status Indicators (CSIs)	63

# PART I - GENERAL PROVISIONS

## Article 1 – Introduction

### 1. Short Title

These Rules may be cited as the “Listing Rules for The Exchange of Somalia, 2025 (Listing Rules)”

### 2. Purpose

The purpose of these Rules is to set out the requirements that shall be complied with by all Issuers or other persons to whom these Rules are directed, seeking admission to The Exchange and the manner in which securities are to be offered, and the continuing listing obligations of the Issuers.

### 3. Main concepts, designations and abbreviations

(1) Concepts, designations and abbreviations used in these Rules mean the following:

- (a) **AML / CFT Questionnaire** - The Exchange client's questionnaire on the organization of countering the legalization (laundering) of proceeds from crime and the financing of terrorism, which contains a list of questions required to identify the client;
- (b) **internal documents of the Exchange** - internal documents of The Exchange as a subject of the securities market and the rules of The Exchange as an organizer of trades on the securities market, decisions of bodies, officials of The Exchange adopted within their competence in relation to the listing initiator, issuer and / or securities, and executed in writing form;
- (c) **government securities of the Republic of Somalia** - securities issued by the Ministry of Finance of the Republic of Somalia and the Central Bank of Somalia;
- (d) **"Investment memorandum"**- means information and an explanatory document on securities and their issuer not imposing obligations on these securities published by the Exchange on its Internet resource;
- (e) **Law on Securities Market** - Law of the Republic of Somalia on the "Securities Law";
- (f) **"Commercial bonds"** - non-government bonds with a circulation term of no longer than 12 months;
- (g) **"Listing procedures"** - procedures for issuing a preliminary opinion, including securities in the official list of the Exchange, transferring securities from one category or market of the official list of The Exchange to another, replacing the issuer and delisting securities, an

implementation of which is determined by a separate internal document of The Exchange;

- (h) **IFRS** - International Financial Reporting Standards that are developed by the International Accounting Standards Board;
  - (i) **"Municipal securities"** – securities issued by local executive bodies of a region, city and capital of the Republic of Somalia as well as by executive bodies of municipal entities of foreign states;
  - (j) **regulatory legal act of the authorized body** - a regulatory legal act approved by the authorized body and that defines requirements for issuers and their securities admitted (were admitted) to circulation on the Exchange, as well as to certain categories of the Exchange list;
  - (k) **"Authorized Body"** is the authorized body of the Republic of Somalia for regulation, control and supervision of the financial market and financial institutions
  - (l) **Real Estate Fund** - a joint-stock investment fund, the exclusive type of activity of which is accumulation and investment of money in compliance with requirements established by law and its investment declaration, which is contributed by the shareholders of this company in payment for its shares, other assets accepted as a result of the transformation of a legal entity in the real estate fund, as well as assets obtained as a result of such investment, in real estate and other property permitted by Law;
  - (m) **CFI** - 6-digit alphabetic code that includes essential information about financial instruments that have similar generic characteristics (about the type, class and form of issue, about the peculiarities of circulation and repayment, on other essential rights and characteristics);
  - (n) **ETF** is Exchange Traded Fund, the price / structure of which changes in compliance with the price / structure of the underlying asset / index;
  - (o) **IPO/SPO**– an initial public offering of shares to unrestricted public (Initial Public Offering) or a secondary public offering of shares to unrestricted public (Secondary Public Offering);
  - (p) **ISIN** - an alphanumeric code assigned by the Central Securities Depository or an international numbering agency for securities in order to identify them and systematize accounting;
  - (q) **WFE**– World Federation of Trade Organizers on Securities and Derivatives.
  - (r) **ESG bonds** are "green" bonds, social bonds, sustainability bonds or bonds related to sustainable development as defined by the Securities Law
- (2) Other concepts and designations, used in these Rules, are identical to the concepts and designations, defined by the Law of land on securities and other internal documents of the Exchange.

#### 4. List of securities of the Exchange

- (1) The Exchange's securities list consists of the Exchange's official list, the "non-listing securities" sector, as well as individual markets stipulated by other Exchange internal documents and not being part of the Exchange's official list.
- (2) The list of securities included in the list of securities of the Exchange, as well as information about such securities are subject to publication on the official Internet resource of the Exchange in compliance with the internal documents of the Exchange, which determine the composition, procedure and conditions for publishing information on the specified Internet resource.

## **5. General Principles**

- (1) The General Principles which are set out below, from which the Main Body of the listing rules is derived from, shall be observed in all submissions pertaining to securities sought to be listed, and securities that are already listed on The Exchange.
- (2) The Exchange may, in its discretion and in consideration of circumstances not expressly covered by the Listings Rules, apply the General Principles and/or the Main Body of these Rules.
- (3) The Exchange has discretion to waive the application of a requirement contained in the Main Body of these Rules. If a user has any doubt, as to the interpretation or application of the Listing Rules, the user must consult The Exchange.
- (4) The General Principles on which these Rules are made are to ensure:
  - (a) The existence of an orderly market for raising of capital in the primary market, an efficient mechanism for the trading of securities in the secondary market, and to protect investors;
  - (b) That securities will be officially listed once The Exchange is satisfied that it is appropriate for those securities to be listed;
  - (c) That accurate, full, equal, and timely public disclosure of information is made to all holders of securities and the general public regarding the activities of an Issuer;
  - (d) That holders of relevant securities are afforded adequate opportunity to consider in advance and, where applicable, vote upon any of the following:
    - (i) substantial changes in an Issuer's business operations; and

- (ii) other matters affecting an Issuer's constitution or the rights of holders of securities including, decisions on altering the constitution, the capital, distributions to shareholders, or altering the rights of security holders, etc.
- (e) To ensure that all parties involved in the dissemination of information into the marketplace, whether directly to holders of securities or to the public, observe the highest standards of care in doing so;
- (f) To ensure that all holders of the same class of securities of an Issuer are accorded fair and equal treatment in respect of their securities;
- (g) The Listing Requirements, and in particular the continuing obligations, promote investor confidence in standards of disclosure and corporate governance in the conduct of Issuers affairs and in the market as a whole;
- (h) That the business of The Exchange is carried on with due regard to the public interest.

#### **6. Obligation to Comply**

- (1) All Issuers are obligated to comply with these Rules.
- (2) All Issuers are obligated to maintain the minimum listing requirements, to the extent applicable, for the duration of their listing on the applicable listing board of The Exchange.

### **Article 2 – The Authority of The Exchange**

#### **7. General Powers of The Exchange**

- (1) Subject to the provisions of Capital Markets Authority Law, The Exchange has the authority to:
  - (a) Prescribe, from time to time, the Listing Requirements with which an Issuer seeking listing shall comply with before its securities are listed
  - (b) Prescribe, from time to time, Continuing Listing Obligations for Issuers whose securities are listed shall comply with;
  - (c) Grant, defer, refuse, suspend or remove listed securities in

accordance with the provision of the applicable Listing Rules;

- (d) Administer the Continuing Listing Obligations which shall apply to all Issuers whose securities are listed;
  - (e) Review, from time to time, the Listing Rules to ensure conformity with applicable Somalia commercial laws, securities regulations and international best practices;
  - (f) Alter, rescind, or waive a Listings Requirement, Continuing Listing Obligations prescribed before or after a listing is granted and to prescribe additional Listing Requirements or Continuing Listing Obligations from time to time;
  - (g) Prescribe the circumstances under which listings of securities shall or may be suspended or removed; and
  - (h) Do such other things incidental to the performance of the above powers or as may be expedient in the circumstance.
- (2) The powers indicated above are not exhaustive and the Board of Directors may add thereto or subtract therefrom as considered necessary, subject to the approval of the Authority.
- (3) The Exchange may defer/waive any of the Listings Requirements if it is satisfied that the Issuer has sufficient and satisfactory reasons why such requirements are not applicable or should be deferred/waived, provided that:
- (a) Such waiver or deferral is not detrimental to the interest of the public; and
  - (b) It is established that the:
    - (i) issuer cannot comply with the requirement or it would be unreasonable or unduly burdensome for the Issuer to do so;
    - (ii) the requirement has no relevance to the circumstances of the Issuer; or
    - (iii) compliance with the requirement would be detrimental to the commercial interests of the Issuer, or to the interests of the holders of its securities.
- (4) The Exchange retains the right to grant a listing to an Issuer that does not meet all its requirements or refuse a listing to an Issuer that does comply

with its Listing Requirements, on the grounds that, in The Exchange's opinion, the grant or refusal of the listing is in the interests of the investing public.

- (5) The privilege to remain on the Official List of The Exchange is subject to the discretion of The Exchange.
- (6) The Listings Rules, including any modification thereto shall be interpreted, administered and enforced by The Exchange; and decisions of The Exchange in respect thereof shall be binding upon every Issuer that is listed on The Exchange.

#### **8. The Competent Authority**

- (1) The Board of Directors of The Exchange is the competent authority responsible for:
  - (a) Determining the list of securities that may be dealt with on The Exchange; and
  - (b) Approving applications by Issuers for the listing or delisting of securities on The Exchange.
- (2) The Board of Directors may delegate some of its authority in relation to the Listing Rules, to a relevant Committee for the purposes of carrying out pre or final evaluation or determination on listing or such other functions as may be required.

### **Article 3 – The General Requirement and Procedure for Listing of Securities**

#### **9. General Requirements for Listing of Securities**

- (1) Disclosure of Information:
  - (a) The Exchange may require any information or document to be provided to The Exchange by the Issuer through the Financial Advisor and manner as directed by The Exchange.
  - (b) Where these Rules require information to be provided to The Exchange, such information shall be provided in writing unless otherwise specified by The Exchange.
  - (c) An Issuer or Financial Advisor, shall give The Exchange any information, document or explanation that The Exchange requests for in accordance with the instructions or request of The Exchange.



- (d) All documents and information forwarded to or procured by The Exchange will become and remain the property of The Exchange.
- (e) The Exchange may deal with the document and information, including copying, storing in a retrieval system, transmitting to the public, publishing or disclosing all or any part of the documents and forwarding copies to any securities exchange, relevant government bodies, authorities, or any such persons as The Exchange deems fit.
- (f) The Issuer, Directors of the Issuer shall ensure that any application, proposal, statement, information or document presented, submitted or disclosed pursuant to these Rules:
  - (i) is clear, unambiguous and accurate;
  - (ii) does not contain any material omission; and
  - (iii) is not false or misleading.
- (g) Where any statement, information or document has been presented, submitted or disclosed to The Exchange and the Financial Advisor subsequently becomes aware that the statement, information or document may not fulfil the requirements of this Rule, such person shall immediately notify The Exchange of the same.

(2) Fees:

- (a) An Issuer shall pay to The Exchange such fees as may be prescribed by The Exchange from time to time. Applicable fees payable is as contained in Schedule I.
- (b) The Exchange may waive any fee on a case-by-case basis as it deems fit.

(3) Approval

- (a) In line with these rules, The Exchange has discretion concerning the listing of securities on its Official List and may approve or reject applications for the listing of securities.
- (b) Where The Exchange approves an application for listing, such approval may be unconditional or subject to such conditions, as it deems fit.

- (c) In granting approval for listing of securities, The Exchange considers amongst others, whether:
    - (i) shareholder approval is required under these Rules;
    - (ii) the application by the Issuer affects the Issuers' public float.
  - (d) The Exchange may, in the interest of the public, reject an application even when the Issuer has met all the requirements for its additional securities to be admitted to the Official List of The Exchange.
  - (e) Where The Exchange rejects an application made pursuant to these Rules, it may, if it considers it appropriate, disclose the reasons for its decision.
- (4) Listing Procedure: Unless The Exchange prescribes otherwise, the following sets out the step-by-step listing process:
- (a) The Issuer shall submit a listing application to The Exchange. The listing application shall be accompanied with evidence of payment of the appropriate fee as prescribed by The Exchange on the date of filing the application.
  - (b) An application will only be considered as having been filed when all complete document(s)/information have been submitted to The Exchange of its due diligence to the suitability of the Issuer to be admitted to the Official List of The Exchange.
  - (c) The Exchange considers whether the application satisfies the Listing Requirements and will decide whether to approve (with or without conditions). Listing will not be permitted until all conditions set out in the approval letter issued by The Exchange have been satisfied.
  - (d) Where a prospectus is required to be issued, the Issuer shall lodge the prospectus with the CMA for approval and submit the approved copy to The Exchange.
  - (e) Where the security to be listed was issued in a prospectus (or other offer documents in line with CMA Law) dated more than twelve (12) months prior to the date of the listing application, The Exchange will require a supplementary prospectus, providing updates to the material changes in the information contained in the prospectus or applicable offer document since the date of

issue.

- (f) The Exchange may require further information from the Issuer in addition to what was prescribed for disclosure prior to the listing.
- (g) If the listing entails an offer of securities to the public, the Issuer invites applications to subscribe for or purchase of the securities. After the offer closes, the Issuer shall announce the outcome of the offer, and where appropriate, the level of subscription and the basis of allotment, and the subscription rate reflecting the true level of demand for the offer.
- (h) On satisfaction of the conditions expressed in the approval letter issued by The Exchange, the Issuer is admitted to the Official List at the discretion of The Exchange.

#### **10. Conditions for Listing**

After The Exchange's decision to admit new securities or additional securities, the Issuer shall take the following steps before its securities are admitted to the Official List of The Exchange:

- (1) Commit to fully indemnify The Exchange and its Indemnified Persons and hold them indemnified against any loss, damage, liability, cost or expense (including legal costs) suffered or incurred by The Exchange, whether directly or indirectly, as a result of any demand, action or proceeding by any person for, on account of, or in respect of the publication, release or dissemination by The Exchange of any such statement, information or document for or on behalf of an Issuer.
- (2) Submit original executed copies of the Letter of Indemnity and Declaration of Compliance in the format as prescribed by The Exchange, dated and signed by two (2) directors, or a director and the company secretary of the Issuer as the case may be.

#### **11. Financial advisor**

- (1) In the process of listing securities, the participation of a financial advisor is mandatory if the issuer of these securities independently initiates their admission to the Exchange, and the issuer is not a financial institution.
- (2) Only a member of the Exchange in the "stock" category can be a financial advisor who is entitled to participate in the process of preparing documents for the purposes of listing securities on the Exchange. The participation of such a financial advisor is mandatory in the preparation process:

- (a) prospectus for the issue of securities;
  - (b) an investment memorandum.
- (3) The powers of the financial advisor are confirmed by a corresponding document issued by the listing initiator and signed by the authorized representative of the listing initiator, containing information about the employee (employees) of the financial advisor (who) (will) interact with the Stock Exchange regarding the listing of securities.
- (4) The requirement of item 1 of this article does not apply to cases of listing securities under the simplified listing procedure.



## PART II - LISTING OF EQUITY SHARES

### Article 4 – Listing of Equity Shares on The Exchange

#### 12. Applicability

These requirements are generally applicable to share companies seeking to list their equity shares on The Exchange.

#### 13. Equity Listing Boards of The Exchange

The Exchange may maintain different equity Listing Boards such as:

- (1) Main Board;
- (2) Growth Board; and
- (3) Any other Board that may be created by The Exchange from time to time.

#### 14. Mode of Listing

An Issuer seeking to list its equity shares on The Exchange may do so through any of the following:

- (1) Initial Listing: Initial listing of equity shares can be via any of the following methods:
  - (a) Listing by Introduction;
  - (b) Initial Public Offer (Offer for Sale/ Offer for Subscription);
  - (c) Reverse merger; and
  - (d) Any other method as prescribed by The Exchange from time to time.
- (2) Supplementary Listing: Supplementary listing of equity shares can be via any of the methods as indicated in Rule 7.1 below.

#### 15. General Requirements

- (1) Listing Requirements: In addition to complying with The Exchange's Rules governing or relating to the listing of securities, the Issuer shall:
  - (a) comply with the relevant provisions, Directives of the Authority and/or any other applicable company legislation and statutory requirements;
  - (b) be registered with the Authority be a Company that will issue or has issued an invitation to the public to subscribe for its shares;

- (c) be a going concern or be the successor of a going concern, i.e. not in liquidation or its board has not proposed for it to be liquidated.
  - (d) ensure that the equity shares for which listing is sought shall be fully paid up and freely transferable;
  - (e) ensure that shares in each class for which listing is sought shall carry the same rights as regards dividend, capital, redemption, unrestricted transfer, attendance, voting at meetings; and rank *pari passu* in all other aspects;
  - (f) ensure that shares for an application for initial listing, shall relate to all shares of that class, issued and to be issued.
  - (g) meet the minimum Public Float requirement applicable to the Board for which listing is sought; and
  - (h) ensure compliance with any other requirement as may be prescribed by The Exchange by from time to time.
- (2) Incorporation Documents: the Issuer shall ensure that:
- (a) the applicable incorporation documents, including the Memorandum of Association and amendments thereof and any other applicable document, show the current shareholders, directors, and capital of the Issuer, at the time of filing the application with The Exchange.
  - (b) where any corporate entity or the institutional investor holds five percent (5%) or more of its shares, the Issuer shall provide relevant incorporation, corporate documents specifying the details of the beneficial owner(s) as at the date of filing the application.
- (3) Corporate Governance: The Issuer shall ensure:
- (a) that each of its directors including the Chief Executive or Chief Financial Officer has the character, experience, integrity, competence and time to effectively discharge their respective roles as Directors, Chief Executive or Chief Financial Officer.
  - (b) compliance with the applicable corporate governance requirements

## Article 5 – Initial Listing on the Main Board

### 16. The Main Board Listing

In addition to complying with the general requirements set forth in Article 3 and Rule

4 above, an Issuer applying for the Initial Listing of its equity shares on Main Board of The Exchange shall meet the following conditions:

(1) Operating Track Record:

- (a) An Issuer shall have an operating track record of at least three (3) years.
- (b) Where the Issuer does not have three (3) years' operating track record the Issuer shall provide evidence of a core investor/ joint venture/ technical partner who has at least three (3) years' operating track record with substantial equity and involvement in management of the Issuer.
- (c) An Issuer or core investor/ joint venture/ technical partner (where applicable) shall have been engaged in substantially the same core business and have been under substantially the same management throughout the period for which the three (3) years' operating track record applies.
- (d) The Exchange, may, depending on the nature of the industry and regulatory framework, including the presence of sector regulator, reduce or waive the requirements of sub-rule (1)(a) and (b) of this rule. The Exchange shall notify the Authority of its decision and the reasons taken into account.

(2) Profitability:

- (a) The Issuer or core investor/technical partner must have declared profits after tax at least once in the last three (3) financial years immediately preceding the date of application.

(3) Financial Statements for the Operating Track Record Period:

- (a) The financial statements for each of the last three (3) years shall be prepared in accordance with International Financial Reporting Standards (IFRS) or applicable accounting standards and shall be compliant with the applicable Directives of the Authority.
- (b) An Issuer's financial statements shall not be qualified in a material way.

(4) Market Capitalization:

- (a) An Issuer shall have a total market capitalization, / shareholders' equity of at least **Five Hundred Million Shillings (SHS 500,000,000)** upon listing.

- (b) (b.) The market capitalization shall be derived based on the issue/listing price and post-invitation issued share capital.

(5) Public Float

- (a) An Issuer shall have a minimum of fifteen percent (15%) of the total number of shares for which listing is sought in the hands of a minimum number of **one hundred (100) public** security holders.
- (b) Notwithstanding the provisions of sub-rule (5)(a) of this Rule, an issuer with a market capitalization of at least Two Billion Shillings (SHS 2,000,000,000) may be permitted by The Exchange to maintain a reduced public float of ten percent (10%).
- (c) In the computation of the percentage of shares to be held in public hands, existing public shareholders may be included provided such shares are not under moratorium.

(6) Application Documents

- (a) An Issuer shall submit all the applicable documents as prescribed by The Exchange from time to time.
- (b) The Exchange shall publish a checklist indicating the documents to be submitted.
- (c) The Exchange may vary the list of documents required from time to time.
- (d) Any other requirement as may be prescribed by The Exchange by from time to time.

**17. Additional Requirements**

- (1) Moratorium for an Initial Public Offering (Offer for Subscription/Offer for Sale):
  - (a) The purpose of a moratorium is to ensure that founders' directors, significant shareholders, and core investors/technical partners remain committed to the Issuer and fully align their interests with that of public shareholders.
  - (b) The Parties identified above shall not reduce their holdings by more than fifty percent (50%) within a minimum period of twelve (12) months from the date of listing. Such persons shall submit an undertaking not to sell, assign, transfer, lend, or pledge the shares during this period.



- (2) An Issuer shall contractually undertake to The Exchange in the form prescribed by The Exchange that the Issuer shall, from the date of listing, promptly provide certain information about its operations, and that it will follow certain administrative procedures, and comply fully with all the Continuing Listings Obligations of The Exchange.
- (3) Prior to listing, an Issuer shall submit the original executed Listing Undertaking, in the format as prescribed by The Exchange, dated and signed.

## Article 6 – Initial Listing on The Growth Board

### 18. Exchange Growth Board Listing

An Issuer seeking to list on the Growth Board is expected to meet the following conditions in addition to complying with the general requirements set forth in Article 3 and Rule 4 above:

#### (1) Operating Track Record:

- (a) An Issuer shall have an operating track record of at least two (2) years. Where the Issuer does not have up to two (2) years' operating track record the Issuer shall provide evidence of a core investor/technical partner who has at least two (2) years' operating track record.
- (b) An Issuer or core investor/technical partner (where applicable) shall have been engaged in substantially the same core business and have been under substantially the same management throughout the period for which the two (2) years' operating track record applies.

#### (2) Growth Prospect:

An Issuer must have grown its revenue by a minimum rate of twenty percent (20%) annually in its last two (2) years of operations. Where the Issuer has not been in operation for two (2) years' operating track record that applies, the Issuer must display growth potential through its core investor/technical partner.

#### (3) Financial Statements:

- (a) Where an Issuer has been in operation for at least one (1) financial

year, the financial statements must be prepared in accordance with International Financial Reporting Standards (IFRS) or applicable accounting standards and shall be compliant with the applicable directives of the Authority.

(b) An Issuer's accounts shall not be qualified in a material way.

(4) Public Float:

(a) An Issuer shall have at least ten percent (10%) of the total number of shares for which listing is sought in the hands of a minimum number of fifty (50) public shareholders.

(b) In the computation of the percentage of shares to be held in public hands, existing public shareholders may be included, provided such shares are not under moratorium.

(5) Market Capitalization:

(a) An Issuer shall have a total market capitalization (i.e. subscribed and paid-up capital) of at least SHs 100,000,000.00 (One Hundred Million Shillings) upon listing.

(b) The market capitalization is derived based on the issue/listing price and post-invitation issued share capital.

(6) Application Documents:

(a) An Issuer shall submit all the applicable documents as prescribed by The Exchange from time to time.

(b) The Exchange shall publish a checklist indicating the documents to be submitted.

(c) The Exchange may vary the list of documents required from time to time.

(7) Any other requirement as may be prescribed by The Exchange from time to time.

## **19. Additional Requirements**

(1) Initial Public Offering (Offer for Subscription/Offer for Sale): Moratorium:

(a) The purpose of a moratorium is to ensure that promoters, directors, majority shareholders, and core investors/technical

partners remain committed to the Issuer and fully align their interests with that of public shareholders.

- (b) The Parties identified above shall not reduce their holdings by more than fifty percent (50%) within a minimum period of twelve (12) months from the date of listing. Such persons shall submit an undertaking not to sell, assign, transfer, lend, or pledge the shares during this period.
- (2) An Issuer shall undertake to The Exchange in the form prescribed by The Exchange that the Issuer shall, from the date of listing, promptly provide certain information about its operations and that it will follow certain administrative procedures, and comply fully with all the Continuing Listings Obligations of The Exchange.
- (3) Prior to listing, an applicant shall submit the original executed, in the format as prescribed by The Exchange, a copy of the Listing Contract.

## Article 7 – Supplementary Listing of Equity Shares

### 20. Applicability

These requirements apply to Issuers whose initial equity shares have already been admitted to the Official List of The Exchange and who intend to list additional equity securities. Issuers may list additional shares via:

- (1) Offer for Subscription; (2.) Offer for Sale;
- (2) Rights Issue;
- (3) Bonus Issue;
- (4) Employee Shares Issuance Scheme;
- (5) Merger and Acquisition;
- (6) Convertible Debentures;
- (7) Any other methods as may be approved by The Exchange from time to time.

### 21. General Requirements

- (1) Issuers shall comply with The Exchange's Rules governing or relating to the listing of securities especially the general requirements for listings as set out in Rule 4 of these Rules, comply with the relevant legal provisions and the Directives of the Authority and/or any other applicable company

legislation and statutory requirements.

- (2) An application for supplementary listing will only be considered as having been filed when all complete document(s)/information have been submitted to The Exchange.
- (3) An Issuer shall submit the applicable documents as prescribed by The Exchange from time to time and as contained in the applicable checklist published on The Exchange Website.
- (4) Any other requirement as may be prescribed by The Exchange from time to time.

## **22. Specific Listing Requirements**

- (1) Additional Requirements for Rights Issue: An Issuer seeking to list additional equity shares through a rights issue shall:

- (a) ensure that the qualification date for the rights issue is not determined prior to:

- (i) obtaining shareholder approval in a general meeting for the rights issue;

- (ii) obtaining the Authority's approval of the application for the rights issue;

- (iii) obtaining The Exchange's approval for the listing of the rights issue; and

- (iv) executing the underwriting agreement, where applicable.

- (b) ensure that the rights issue price is not higher than the market price of the existing listed shares of the same class.

- (c) provide any other document/information as may be prescribed by The Exchange from time to time.

- (2) Additional Requirements for Bonus Issue:

- (a) An Issuer issuing additional equity shares through a bonus issue shall ensure that the qualification date for the bonus issue is not determined prior to the following:

- (i) obtaining shareholder approval in a general meeting for the bonus issue; and

- (ii) obtaining the Authority's registration for the bonus issue.

- (b) The Exchange may from time to time prescribe any additional document.
- (3) Additional Requirements for Employee Share Issuance Schemes: Where an Issuer intends to undertake an Employee Share Issuance Scheme, the Issuer shall:
  - (a) submit a copy of the final and approved employee scheme document stating the terms and conditions of the share issuance scheme.
  - (b) submit any other document as may be prescribed by The Exchange from time to time.
- (4) Additional Requirements for Mergers and Acquisition:
  - (a) Merger and Acquisition is a general term used to describe the consolidation of companies or assets through various types of financial transactions, including mergers, acquisitions, consolidations, tender offers, purchase of assets, and management acquisitions.
  - (b) An Issuer may seek to list shares arising from one or more of the following:
    - (i) Where the Issuer in the merger and acquisition issue shares to shareholders of the target company as a consideration for the acquisition of assets of the target company or for the acquisition of shares held by the shareholders in the target company.
    - (ii) In a case of merger and acquisition, where the surviving entity is already listed on The Exchange, the Issuer shall apply to The Exchange for the listing of the additional shares issued as a result of the merger or acquisition.
    - (iii) With respect to a merger and acquisition between a listed company and an unlisted company, whereby the surviving entity will be the unlisted company, the following shall apply:
      - (a) The shares of the listed company shall be delisted.
      - (b) The surviving entity may seek listing on The Exchange and shall comply with the eligibility criteria for listing

on the desired Board of The Exchange on which it applies to be listed.

(5) Additional Requirements for Capital Reconstruction:

(a) An Issuer may restructure its capital through any one of the mechanisms described below:

(i) Share Split: under share split, a company adjusts its capital base by increasing the number of outstanding shares and decreasing the par value of the shares in the same proportion. This has no net effect on the overall value of the capital base.

(ii) Reverse Split: under share consolidation or reverse split, the Issuer decreases the number of outstanding shares and increases the par value of the shares in the same proportion, without changing the net value of the capital base.

(iii) Share Capital Reduction: share capital reduction entails the cancellation of paid-up share capital or reduction of par value within the remit of the Commercial Code and as may be amended from time to time.

(iv) Share Capital increase: which can be affected either by increasing the Par Value of Existing Shares

(b) Any other transaction as may be permitted by The Exchange.

(c) Where an Issuer intends to embark on capital reconstruction exercise, the Issuer shall:

(i) Notify The Exchange immediately after obtaining its Board's approval of the capital reconstruction in accordance with its Continuing Obligations under these Rules; and

(ii) Comply with all regulatory requirements that pertains to the capital reconstruction contemplated.

## PART III – LISTING OF FIXED INCOME SECURITIES

### Article 8 – Listing of Fixed Income Securities on The Exchange

#### 23. General Requirements

##### (1) Listing Requirements:

In addition to complying with The Exchange's Rules governing or relating to the listing of securities, the Issuer shall:

- (a) Comply with the relevant provisions of law, directives of the Authority and/or any other applicable company legislation and statutory requirements;
- (b) Be a Company authorized to issue debt securities to the public;
- (c) Obtain a no objection from a Primary Regulator, where applicable, before the listing of any security will be considered by The Exchange. All fixed income securities sought to be listed on The Exchange shall be registered with the Authority;
- (d) Have a pre-tax profit from continuing operations of not less than Shs 50,000,000 (Fifty Million) cumulatively for the last three (3) fiscal years;
- (e) Or core investor/technical partner must have declared profits after tax at least once in the last three (3) financial years immediately preceding the date of application;
- (f) Ensure that a fixed income security to be listed on the Exchange shall have an issued nominal value of not less than Shs 10,000,000 (Ten Million);
- (g) Ensure that a fixed income security to be listed on the Exchange shall be registered in the Securities Depository;
- (h) Ensure that where fixed income securities are issued under a programme, each series/tranche shall be deemed a separate class for the purpose of these Rules and the Issuer may list on The Exchange either all or a certain class of the fixed income securities issued under the programme;
- (i) Ensure that the fixed income securities for which listing is sought must be freely transferrable and paid up;
- (j) An issuer or the guarantor of the issuer's debt securities (may opt

to but) is not required to use the services of a credit rating agency.

- (k) Who is in default of its coupon and principal obligations shall not have new securities admitted onto the Exchange until such default has been resolved or unless the new issue is to restructure the defaulting issue.
- (l) Comply with any other requirement as may be prescribed by The Exchange from time to time.

(2.) Incorporation Documents:

An Issuer shall ensure that:

- (a) The applicable incorporation documents, including the Memorandum of Association and amendments thereof and any other applicable document, shows the current shareholders, directors and capital of the Issuer, at the time of filing the application with The Exchange.
- (b) Where the Issuer has an institutional investor holding five percent (5%) or more of its shares, the Issuer provides relevant incorporation or corporate documents specifying the details of the beneficial owner(s) of such institutional investor as at the date of filing the application.

(3.) Modification of the Terms of a Security or Issuance of Additional Units:

The provisions of these Rules shall not affect The Exchange's right to require the Issuer of a listed security to file documents with or pay fees to The Exchange in connection with the modification of such security or the issuance of additional securities.

(4.) Subscription Process:

For the purpose of these Rules, the subscription process for a fixed income security shall be as determined by the Issuer and approved by the Authority.

## **24. Methods of Listing**

An Issuer seeking to list fixed income securities on The Exchange may do so through any of the following:

- (1) An offer for subscription, which is an offer to the public by an issuer of securities;



- (2) A private placement, which is an issue where the securities are placed with
- (3) identified institutions and individuals or through a restricted offer
- (4) Listing by Introduction;
- (5) Any other mode that is permitted under the Authority's Directive on Public Offer and Trading of Securities or as may be approved by The Exchange from time to time.

## **25. Additional Requirements for Special Purpose Vehicles**

Where the Issuer is a special purpose vehicle, the originator or obligor shall:

- (1) Comply with the requirements imposed on the Issuer by the Authority and the requirements of these Rules, including the continuing listing obligations, as if it were the Issuer; and
- (2) Comply with such other requirements as may be prescribed by The Exchange from time to time.

## **26. Conditions for Listing**

After The Exchange's decision to admit fixed income securities to the Official List, the Issuer shall take the following steps before its securities are listed:

- (1) Sign an undertaking in the form prescribed by The Exchange that the Issuer shall, from the date of listing, promptly provide certain information about its operations, and that it shall follow certain administrative procedures, and comply fully with all the Continuing Listings Obligations of The Exchange.
- (2) Submit original executed Listing Contract in the format as prescribed by The Exchange, dated and duly signed by two (2) Directors, or a Director and the Company Secretary of the Issuer.

## **27. Requirements for Listing of Corporate Fixed Income Securities**

An Issuer seeking to list its fixed income securities shall meet the following conditions in addition to complying with the general requirements set forth in Rule 13

- (1) Authorization to Issue:  
An Issuer shall ensure that its Memorandum of Association authorizes the company to issue fixed income securities;
- (2) Operating Track Record:

An Issuer shall have an operating track record of at least three (3) years. Where the Issuer does not have three (3) years' operating track record the Issuer shall provide evidence of a core investor/technical partner who has at least three (3) years' operating track record.

(3) Financial Statements for the Operating Track Record Period:

- (a) The financial statements for each of the last three (3) years shall be prepared in accordance with International Financial Reporting Standards (IFRS) or applicable accounting standards and shall be compliant with the applicable Directives of the Authority.
- (b) An Issuer's accounts shall not be qualified in a material way.

(4) Appointment of a Custodian:

- (a) The Exchange may require an Issuer to appoint a licensed Custodian to represent the holders of fixed income securities on The Exchange.
- (b) In case where The Exchange requires an Issuer to appoint a licensed Custodian in line with sub article (b.) above, the Issuer shall ensure that the custodial agreement governing the issue of the applicable fixed income security contains provisions as contained in Schedule II.
- (c) Sub-rule (4) of this Rule shall not be applicable to securities:
  - (i) issued by the Government of Somalia or any statutory body; or
  - (ii) guaranteed by the Federal Government of Somalia.

(5) Application Documents:

- (a) An Issuer shall submit all the applicable documents as prescribed by The Exchange from time to time.
- (b) The Exchange shall publish a checklist indicating the documents to be submitted.
- (c) The Exchange may vary the list of documents required from time to time.
- (d) Any other requirement as may be required and prescribed by The Exchange from time to time.

## **28. Listing of Corporate Fixed Income Securities**

- (1) An Issuer shall immediately disclose to The Exchange any information which may have a material effect on the price or value of its fixed-income securities or on an investor's decision whether to trade in such fixed income securities.
- (2) An Issuer shall immediately announce the following:
  - (a) Issuance of a new tranche or series or programme by the Issuer;
  - (b) Changes to the terms and conditions of the security;
  - (c) The redemption or cancellation of the debt securities;
  - (d) When every five percent (5%) of the total principal amount of those securities (calculated based on the principal amount at the time of initial listing) is redeemed or cancelled;
  - (e) The details of any interest payment(s) to be made;
  - (f) Appointment of a replacement custodian;
  - (g) Any change of the Sharia Adviser appointed by the Issuer as required;
  - (h) Occurrence of an event of default under the custodian agreement.
- (3) Financial Disclosure:
  - (a) The Issuer and/or its guarantor(s), shall announce its financial statements in accordance with the timelines prescribed in Rule 8.7. prepared in accordance with relevant accounting standard;
  - (b) An Issuer need not announce its financial statements if all of the following conditions are met:
    - (i) the fixed income securities are guaranteed by one or more guarantors;
    - (ii) the guarantee is full and unconditional; and
    - (iii) the Issuer is an equity Issuer and announces consolidated financial statements to The Exchange as part of its post listing obligations as an equity Issuer.

## **29. Listing of Fixed Income Securities Issued by the Government**

- (1) Fixed income securities issued by the Government of Somalia shall not be subject to the Rules 13 above.

- (2) Issuances of fixed income securities by the Government shall be subject to the following requirements:
  - (a) The application may be filed by an authorized officer or agent of Government.
  - (b) An application for listing shall be accompanied with the offer documents of the securities and other documents containing details of subscription and allotment, International Securities Identification Number (ISIN) and trading symbols of the security.

### **30. Requirements for Delisting of Fixed Income Securities**

Listed fixed income security shall be delisted as follows:

- (1) Upon the maturity or expiry of the fixed income security; or
- (2) Upon request by the Issuer, which may be due to:
  - (a) the early redemption of the fixed income securities; or
  - (b) occurrence of any of the events which the Custodian has declared the fixed income security to be immediately due and repayable pursuant to the custodian agreement; and
- (3) At the discretion of The Exchange before the maturity date, in accordance with these Rules.

## **PART IV – LISTING OF SHARIA COMPLIANT SECURITIES**

### **Article 9 – Listing of Sukuk Securities on The Exchange**

#### **31. Eligibility Criteria for Sukuk Issuers:**

- (1) The issuer must be a duly incorporated entity in accordance with the laws and regulations of Somalia
- (2) The issuer must comply with Sharia principles in its operations and financial dealings.
- (3) Sukuk must comply with recognized Sharia standards, and their structure must be in accordance with principles of Islamic finance.
- (4) Types of Sukuk eligible for listing shall include Mudarabah Sukuk, Ijarah Sukuk, Musharakah Sukuk, and others, as per Sharia guidelines.

#### **32. Disclosure and Transparency:**

- (1) Issuers must provide comprehensive and accurate information about the Sukuk issuance, including the purpose, terms, and conditions.
- (2) Regular financial reports, compliance updates, and any material events must be promptly disclosed to The Exchange and the public.

#### **33. Compliance with Sharia Principles:**

- (1) Sukuk structures and operations must comply with Sharia principles throughout the tenure of the listing.
- (2) An independent Sharia board or advisor must oversee and confirm the Sharia compliance of the Sukuk.

#### **34. Due Diligence and Approval Process**

- (1) Issuers must undergo a thorough due diligence process conducted by The Exchange to ensure compliance with listing requirements.
- (2) Approval from Authority and relevant Sharia scholars or advisors must be obtained before listing.

#### **35. Documentation Requirements:**

- (1) Submission of the offering memorandum, prospectus, or other relevant documentation providing details of the Sukuk issuance.
- (2) Details of the structure, terms, and risk factors associated with the Sukuk.

**36. Continuing Obligations:**

- (1) Ongoing compliance with Sharia principles and reporting requirements.
- (2) Timely disclosure of any material changes, events, or default on Sukuk payments.

**Article 10 – Listing of Sharia Compliant Equity Securities on The Exchange**

**37. Listing of Sharia Compliant Equity Securities:**

- (1) An Issuer seeking to list equity securities in compliance with Sharia Principles shall:
  - (a) Be a duly incorporated entity in accordance with the laws and regulations of Somalia;
  - (b) Ensure that it is in compliance with Sharia principles in its operations and financial dealings; and
  - (c) Ensure that it meets the business activity and financial ratio benchmarks for eligibility as determined by the standard setter or applicable body recognized by the Authority.
- (2) The Issuer shall appoint a Sharia Adviser licensed by the Exchange to carry out the functions as stipulated in the Directives of the Authority, and, where applicable, to certify compliance with applicable Sharia rulings, principles and concepts.

**38. Application Documentation:**

- (1) An Issuer shall submit all the applicable documents as prescribed by The Exchange from time to time.
- (2) The Exchange shall publish a checklist indicating the documents to be submitted.
  - (a) The Exchange may vary the list of documents required from time to time.
  - (b) Any other requirement as may be prescribed by The Exchange by from time to time.

**39. Listing Process:**

Unless otherwise stipulated by The Exchange, the provisions of Part 2: Listing of Equity Shares shall apply, to the extent applicable.

**40. Continuing Listing Obligations:**

- (1) Unless otherwise stipulated by The Exchange, the provisions of Part 3: Continuing Listing Obligations shall apply.
- (2) The Issuer shall ensure continuous compliance with Rule 16.1. for the duration of its listing.



## **PART V – CONTINUING LISTING OBLIGATIONS**

### **Article 11 – General Continuous Obligation of Issuers**

#### **41. Information Disclosure**

- (1) Issuers shall disseminate on a timely basis, all material information known to the Issuer concerning it or any of its subsidiaries or associated companies which is either necessary to avoid the establishment of a false market or would be likely to materially affect the price or value of its securities.
- (2) The Issuer's Directors are individually and collectively responsible for ensuring compliance with the Listings Rules.
- (3) Where Issuers are required to make disclosures to The Exchange, such information shall be simultaneously disclosed to the public through The Exchange's approved filing media for such disclosures, provided that disclosures to be made to The Exchange in confidence shall not be released to the public.

#### **42. Immediate Disclosure**

- (1) Every Issuer shall ensure that investors and the public are kept fully informed of all factors which might affect their interest and in particular, that immediate disclosure is made of any price-sensitive information concerning their interest which might reasonably be expected to have a material effect on the market activity in, and the prices or value of, listed securities.
- (2) Announcement of Price Sensitive Information: An Issuer shall immediately announce the following Price Sensitive Information:
  - (a) changes in the Directorate of the Issuer;
  - (b) the death, resignation, dismissal or appointment of a principal officer;
  - (c) any change of the Sharia Advisor appointed by the Issuer as required;
  - (d) change in the financial year-end;
  - (e) declaration of financial results;
  - (f) declaration of dividends;
  - (g) profit warnings or a change in the financial forecast or expectation;



- (h) proposed capital raising or restructuring exercise or changes in the capital structure;
- (i) giving or receiving a notice of intention to make a takeover or mergers, acquisitions or tender offers or divestments;
- (j) any proposed change in the business model or general character or nature of the business of the company or of the group;
- (k) major new developments in the Issuer's sphere of activities including major new products, contract awards and expansion plans;
- (l) any change in shareholding by interested persons;
- (m) items of unusual or non-recurrent nature;
- (n) issue of securities by way of a public offer or rights issue or bonus issue, among others;
- (o) any major expansion plans or winning of bid or execution of new projects. For example, amalgamation, mergers, takeovers and buy-back;
- (p) disposal of the whole or a substantial part of the undertaking;
- (q) any changes in policies, plans or operations of the Issuer that are likely to materially affect the prices of the securities of the Issuer;
- (r) disruption of operations due to force majeure events;
- (s) litigation or dispute with a potential material impact;
- (t) any proposed alteration of the Memorandum of Association; and
- (u) any other information necessary to enable shareholders to appraise the position of the company and to avoid the establishment of a false market in the shares of the company.

#### **43. Exemptions**

- (1) Notwithstanding the provision of Rule 8.2., an Issuer may be exempted from making a disclosure when either of the following occurs:
  - (a) such disclosure would be a breach of law; or
  - (b) The information to which the following conditions apply:
    - i. Condition 1: a reasonable person would not expect the information to be disclosed;

- ii. Condition 2: the information is confidential; or
- iii. Condition 3: one or more of the following applies:
  - (a) The information concerns an incomplete proposal or negotiation; or
  - (b) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - (c) the information is generated for the internal management purposes of the entity; or
  - (d) the information is a trade secret.
- (2) Approval for exemptions from disclosures is subject to the written approval of The Exchange.
- (3) The Exchange reserves the right to revoke the approval granted to an Issuer and direct the Issuer to immediately publish the announcement.

#### **44. Confidentiality Requirements**

- (1) An Issuer may give information in strict confidence to its advisers and to persons with whom it is negotiating with a view to affecting a transaction or raising finance. In such cases, the Issuer must advise, in writing, the recipients of such information that it is confidential and constitutes inside information and that the recipients should not deal in the Issuer's securities before the information has been made available to the public.
- (2) Notwithstanding any provisions of these Rules, no confidentiality agreement shall prevent an Issuer from complying with its obligations under the Listings Rules.
- (3) Where an Issuer is obliged by law to disclose information to a third party or regulator and if such information thereby enters the public domain and is of a price-sensitive nature, such information should be simultaneously released to the market. Provided that an Issuer shall not be obliged to disclose any impending developments that could be jeopardized by premature disclosure.
- (4) Information that is required to be disseminated must not be given to a third party before it is notified to The Exchange except as permitted in this Rule.

#### 45. Disclosure of Dealings in Issuers' Shares

##### (1) Securities Trading Policy:

- (a) Every Issuer shall establish a securities trading policy. The trading policy shall include the need to enforce confidentiality against external advisers.
- (b) Every Issuer shall publicize its securities trading policy in its internal communications, on a regular basis, and place it on its website.
- (c) All insiders of the Issuer shall notify the Issuer in writing through the Company Secretary of the occurrence of all transactions conducted on their own account in the shares of the Issuer on the day on which the transaction occurred. The Issuer shall disclose the transaction to The Exchange within one (1) business day.
- (d) In relation to securities transactions by directors and Principal Officer, an Issuer shall disclose in its interim reports (and summary interim reports, if any) and the Corporate Governance Report contained in its annual reports (and summary financial reports, if any):
  - (i) whether the Company has adopted a securities trading policy regarding securities transactions by insiders on terms not less than the required standard set out in these Rules;
  - (ii) Listings Rules and in the Issuer's securities trading policy regarding securities transactions by insiders; and
  - (iii) details of any non-compliance with the required standard set out in the Listings Rules and an explanation of the remedial steps taken by the Issuer to address such non-compliance.

##### (2) Closed Period:

- (a) A closed period shall be effective from:
  - (i) the end of the financial period in review (quarterly and full year); or
  - (ii) fifteen (15) business days prior to the date of any meeting of the board of directors of the Issuer proposed to be held to consider any price-sensitive matters or the date of

circulation of agenda papers, whichever is earlier;

and shall remain in effect until twenty-four (24) hours after the price- sensitive information is submitted to The Exchange. The trading window shall thereafter be opened.

(b) Every Issuer shall notify The Exchange in advance of the commencement of each closed period.

(c) No insider of the Issuer shall deal in the securities of the Issuer when the trading window is closed.

(d) The closed period shall be a time to disclose all or any of the information provided in Rule 8

(e) Duty to Maintain Insider List:

(i) Every Issuer shall maintain a list of:

(a) its own employees that have access to inside information; and

(b) the principal contact details of any other relevant person who also has access to inside information regarding either the Issuer or the financial instruments of the Issuer.

(ii) The list shall state the identity of any person with access to inside information, the reason why they have access to inside information, the date on which they first had access to inside information and the date on which the list was created.

(iii) These lists shall be updated whenever:

(a) there is a change in the reason why a person has access to inside information;

(b) a new person is added to the list; and

(c) any person on the list no longer has access to inside information.

(iv) Every Issuer shall submit their Insider list not later than thirty (30) days after the end of each quarter in the format prescribed by The Exchange.

#### **46. Financial Disclosure: Accounting Standard**

(1) The financial statements submitted to The Exchange shall be prepared using the accounting policies and methods that comply with

International Financial Reporting Standards and other applicable accounting standards. The financial statement shall be compliant with the applicable directives of the Authority and shall contain the information required by the provisions of the Rules and the instructions established by The Exchange.

- (2) An Issuer shall be held liable for the content of all financial statements filed with The Exchange and as such, should exercise all reasonable care in preparing and filing its financial statements to ensure that all information in the financial statements that it submits is accurate; not misleading, false or deceptive; free from error and material misstatements, and do not omit any material facts likely to affect the import of such information.

#### **47. Financial Disclosure: Filing of Financial Statements**

- (1) An Issuer shall announce its audited financial statements for the full financial year, not later than ninety (90) days after the relevant financial period.
- (2) An Issuer listed on the Main Board shall announce its quarterly financial statements not later than thirty (30) business days after the end of the quarter.
- (3) An Issuer listed on the Growth Board shall announce its quarterly financial statements not later than thirty (30) business days after the end of the quarter.
- (4) The Issuer shall publish audited financial statements in newspapers of wide circulation, not later than five (5) business days after the date of filing.
- (5) The Issuer shall publish the audited and quarterly financial statements on its company's website.

#### **48. Inability to File Financial Statements**

- (1) Where an Issuer is unable to make an announcement of its Audited full-year (annual) financial statements in accordance with Rule 1.2.6. above, it must make an announcement not later than sixty (60) business days after the end of the financial year. In the case of a quarterly financial statement, fifteen (15) business days after the end of the quarter.
- (2) The announcement shall contain at least the following information:
  - (a) a full explanation for its inability to make an announcement based on financial statements;

- (b) the expected date of announcement of the financial results for the financial year which shall have been agreed upon with the auditors; and
- (c) where an Issuer makes an announcement in accordance with sub-rule (1.) of this Rule, the Issuer will be required to comply with the requirements set out in Rule 8.7., as soon as the financial results for the financial year have been agreed with the auditors.

#### **49. Suspension on Failure to Publish Timely Financial Information**

Without prejudice to the generality of listing rules, The Exchange may suspend trading in the securities if an Issuer fails to publish periodic financial information in accordance with The Exchange Listing Rules. The suspension shall remain in force until the Issuer publishes the requisite financial information.

#### **50. Annual Report**

- (1) The annual report shall contain enough information for a proper understanding of the performance and financial conditions of the Issuer and in addition to the provisions of relevant accounting standards, laws, rules, and requirements regarding the preparation of financial statements, Issuers are required to include the following in their financial statements:
  - (a) details of shareholders holding five percent (5%) or more in the Issuer;
  - (b) shareholding pattern, and a statement indicating whether its public float complies with The Exchange's shareholding spread requirements;
  - (c) a statement (made up to a date not more than one (1) month before the date of the notice of the annual general meeting or summary financial statement, whichever is earlier) indicating the date of such statement and setting out:
    - (i) the number of holders of each class of equity securities and the voting rights attached to each class;
    - (ii) a distribution schedule of each class of equity securities (including convertible securities) other than share options setting out the number of holders in the range.
  - (d) Particulars of material contracts of the Issuer and its subsidiaries

involving the interests of the chief executive officer, each director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year. In the case of a loan, also state:

- (i) the names of the lender and the borrower;
  - (ii) the relationship between the lender and the borrower and whether the director or controlling shareholder is the lender or borrower;
  - (iii) the amount of the loan;
  - (iv) the interest rate;
  - (v) the terms as to payment of interest and repayment of principal;
  - (vi) the security provided.
- (e) The information required by Rule 10.4.(2) in respect of any related party transactions entered into during the financial year

## Article 12 – Corporate Responsibility

### 51. Purpose

The purpose of this Chapter is to ensure Issuers are consistent with The Exchange's long-standing commitment to encourage high standards of corporate governance. Issuers are expected to follow certain practices aimed at maintaining appropriate standards of corporate responsibility, integrity and accountability to shareholder.

### 52. Directors Obligations

- (1) Directors are responsible, collectively and individually, for ensuring that Issuers comply with The Exchange's Rules relating to their Board Meetings and General Meetings.
- (2) The Exchange expects Directors to fulfil their fiduciary duties and duties of skill, care and diligence to a standard at least commensurate with the standards established by law.
- (3) Directors shall be held responsible for ensuring that The Exchange is promptly notified of their compliance with foregoing matters.

### 53. Board Meetings

- (1) Every Issuer shall notify The Exchange in writing of the date and time of its board of directors' meeting at which recommendation of dividends, bonus or issuance of rights will be discussed, at least five (5) business days in advance.
- (2) Every Issuer shall notify The Exchange within twenty-four (24) hours after the relevant board meeting or after receipt of any required approval from its Primary Regulator(s) of:
  - (a) its decision to redeem any securities, intimating at the same time the date of the redemption, and in the case of a registered security, the period of the closing of the transfer books (or the date of the striking of the balance) for the redemption;
  - (b) the amount of the security outstanding after any redemption has been made;
  - (c) any preliminary results for any year, half-year, quarter and the comparative figures in respect of profits before taxation and after taxation, including instances where it becomes necessary for qualification that the figures are provisional or unaudited;
  - (d) any dividend or bonus recommendation and other distributions to members including approvals for payment of declared dividends, bonus issue, rights issue;
  - (e) particulars of any proposed change in the capital structure, or redemption of securities; and
  - (f) any price-sensitive information presented to the Board of Directors of the Issuer.

#### **54. General Meeting of Members**

- (1) Every Issuer shall hold sessions of the general meetings of shareholders or holders of other securities in accordance with the relevant provisions in the Commercial Code, the Issuer's Memorandum of Association, and such other relevant documents.
- (2) The Issuer shall also ensure that shareholders or holders of other securities are allowed to lawfully exercise their rights at the meetings.
- (3) The general meeting shall provide shareholders or holders of other securities with the opportunity of questioning the directors and management on the accounts and reports, circulars which are presented



at the meeting and matters relating to the Issuer in general.

- (4) Voting at Meetings: Pursuant to these Rules, directors having an interest in the resolution will be required to abstain from voting on such resolutions which is in his/her favour. This shall be stated in the relevant listing document or circular or notice to shareholders.
- (5) Notice of Meetings of Issuers
  - (a) The Board of Directors of the Issuer shall give Notice of Meeting as provided for in the Commercial Code.
  - (b) Every Issuer shall immediately publish on its website the Notice of Meeting, circulars, annual reports, and other documents that will be considered at the general meeting.
  - (c) Upon request by shareholders or holders of other securities and where practicable, issuers shall provide electronic copies of the approved documents to the shareholders or holders of other securities. Copies of such documentation shall also be published on the Issuer's website.

## Article 13 – Related Party Transactions

### 55. General Requirements

- (1) An Issuer shall make an immediate announcement by way of disclosure in the accounts and formal disclosure to The Exchange of any interested person transaction of a value equal to, or more than, five percent (5%) of the group's latest audited net tangible assets.
- (2) Where the aggregate value of all transactions entered into with the related party during the same financial year amounts to ten percent (10%) or more of the group's latest audited net tangible assets, the Issuer shall immediately make an announcement of the latest transaction and all proposed transactions to be entered into with that same interested person during that financial year.
- (3) An Issuer shall obtain prior securities holders' approval for any related party transaction of a value equal to, or more than:
  - (a) ten percent (10%) of the Issuer or its group's latest audited net tangible assets; or
  - (b) the ten percent (10%) of the Issuer or its group's latest audited net tangible assets, when aggregated with other transactions entered

into with the same related party during the same financial year.

- (c) However, a transaction which has been approved by securities holders, or is the subject of aggregation with another transaction that has been approved by securities holders, need not be included in any subsequent aggregation; or the ten percent (10%) of Issuer's total market value as at the date of the transaction.

(4) In interpreting the term "same related party" for the purpose of aggregation as in sub-rule (3) of this Rule, the following shall apply:

- (a) transactions between an entity at risk and related party who are members of the same group are deemed to be transactions between the entity at risk with the same related party.

- (b) the value of a transaction is the amount at risk to the Issuer. This is illustrated by the following examples:

- (i) in the case of a partly-owned subsidiary or associated company, the value of the transaction is the Issuer's effective interest in that transaction;

- (ii) in the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees given by the entity at risk;

- (iii) in the case of borrowing of funds from a related party, the value of the transaction is the interest payable on the borrowing; and

- (iv) in the case of lending of funds to a related party, the value of the transaction is the interest payable on the loan and the value of the loan.

#### **56. Transactions not regarded as Related Party Transactions**

These rules shall not apply where the Issuer:

- (1) Does not have any equity shares listed on The Exchange; or
- (2) Is a foreign company with a secondary listing on The Exchange.

#### **57. Contents of Scheme of Transaction Circular**

- (1) A circular containing the scheme of transaction in respect of a related party transaction shall be issued by the Issuer within twenty (20) business days of its approval by the Authority and shall include:

- (a) details of the interested party transacting with the Issuer, and the

nature of that party's interest in the transaction.

(b) details of the transaction including relevant terms of the transaction, and the bases on which the terms were arrived at.

(c) the rationale for, and benefit to, the entity at risk.

(d) an opinion in a separate letter from an independent financial adviser who is acceptable to The Exchange stating whether the transaction:

(i) is executed on normal commercial terms; and

(ii) is prejudicial to the interests of the Issuer and its minority shareholders.

(e) an opinion from the Audit Committee shall be required for the following transactions:

(i) the issue of shares or the issue of other securities of a class that is already listed, for cash.

(ii) purchase or sale of any real property where:

(a) the consideration for the purchase or sale is in cash;

(b) an appraisal firm licensed by the Authority has been obtained for the purpose of the purchase or sale of such property; and

(c) the valuation of such property is disclosed in the circular.

(f) an opinion from the Audit Committee, if it takes a different view to the independent financial adviser.

(g) all other information known to the Issuer or any of its directors that is material to securities holders in deciding whether it is in the interests of the Issuer to approve the transaction. Such information shall include the true potential costs and detriments of, or resulting from, the transaction, including opportunity costs, taxation consequences, and benefits forgone by the entity at risk.

## **58. General Mandate**

(1) An Issuer may seek a general mandate from securities holders for recurrent transactions of revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

(2) An Issuer shall:

- (a) disclose the general mandate in the annual report, giving details of the aggregate value of transactions conducted pursuant to the general mandate during the financial year; and
- (b) announce the aggregate value of transactions conducted pursuant to the general mandate for the financial periods which it is required to report on within the time required for the announcement of such report.

(3) A circular to shareholders seeking a general mandate shall include:

- (a) the class of related party with which the entity at risk will be transacting;
- (b) the nature of the transactions contemplated under the mandate;
- (c) the rationale for, and benefit to, the entity at risk;
- (d) the methods or procedures for determining transaction prices;
- (e) the independent financial adviser's opinion on whether the methods or procedures in sub-rule (3.) of this Rule are sufficient to ensure that the transactions shall be carried out on normal commercial terms and shall not be prejudicial to the interests of the Issuer and its minority securities holders;
- (f) an opinion from the audit committee if it takes a different view to the independent financial adviser;
- (g) a statement from the Issuer that it shall obtain a fresh mandate from shareholders if the methods or procedures in sub-rule (3) above become inappropriate; and
- (h) a statement that the related party shall abstain, and has undertaken to ensure that its associates shall abstain, from voting on the resolution approving the transaction.

(4) An independent financial adviser's opinion shall not be required for the renewal of a general mandate provided that the audit committee confirm that:

- (a) the methods or procedures for determining the transaction prices have not changed since last shareholder approval; and
- (b) the methods or procedures are sufficient to ensure that the transactions shall be carried out on normal commercial terms and

shall not be prejudicial to the interests of the Issuer and its minority shareholders.

- (5) Where the information in sub-rule above is included in a prospectus issued in connection with a listing of an Issuer, the Issuer may treat the issuance of the prospectus as a general mandate having been given. The mandate shall be effective until the earlier of the following:

- (a) The first annual general meeting of the Issuer following listing; or
- (b) The first anniversary of the listing date.

#### **59. No Waivers**

The Exchange shall not entertain any application for waiver of any of the provisions of these Rules.

### **Article 14 – Suspension in Trading of Securities of Issuers**

#### **60. Suspension of Trading**

The Exchange shall have sole discretion concerning the suspension in trading of Issuer's securities and may at any time suspend the trading of listed securities, subject to the approval of the Authority, in any of the following circumstances and for such period as may be determined by The Exchange:

- (1) In the event of any substantial corporate exercise or capital restructuring of an Issuer including preventive restructuring, reorganization, compromise, amalgamation or selective capital reduction;
- (2) Where, in the opinion of The Exchange, it is necessary or expedient in the interest of maintaining an orderly and fair market in securities traded on The Exchange;
- (3) In the event of any breach of these Rules by an Issuer, or its directors; or where the issuer or its directors have failed to comply with the directives of The Exchange;
- (4) Upon the directive of the Authority to The Exchange to suspend trading in securities of an Issuer;
- (5) In the event of maturity of a listed debt security;
- (6) Where an Issuer has been placed into liquidation or winding up, by a creditor or court;

- (7) In the event of a proposed receivership, liquidation or winding up whether voluntary or compulsory of an Issuer in accordance with the Commercial Code; or
- (8) Where The Exchange deems it appropriate for some other reason in any circumstances as provided in these Rules.

#### **61. Voluntary Suspension**

The Exchange may at any time, at its discretion, suspend trading of the listed securities at the request of the Issuer. Where an Issuer intends to suspend its equity securities, such Issuer shall:

- (1) Submit an application in writing for the suspension of trading in its equity securities not later than five (5) business days before the effective date of suspension.
- (2) Support such an application referred to in sub-rule (1.) of this Rule by justifiable reasons why The Exchange should consider the application and relevant applicable documents as prescribed by The Exchange from time to time.
- (3) Note that where a suspension is as a result of a capital reconstruction exercise, the suspension in trading of shares shall not be lifted until the completion of the reconstruction exercise that all that needs to be done has been effected.
- (4) Note that where suspension in the trading of an Issuer's equity securities is in preparation for the final delisting of the Issuer, which may be pursuant to a scheme of arrangement, such securities shall remain suspended until the entire securities of the affected Issuer are delisted from the Official List of The Exchange.

#### **62. Continuing Obligations of an Issuer in Relation to Suspensions**

Where an Issuer's securities have been placed on suspension, the Issuer shall, unless exempted from doing so by The Exchange and the Authority:

- (1) Continue to comply with all the listing obligations applicable to it; and
- (2) Submit to The Exchange monthly reports pertaining to the prevailing state of affairs of the Issuer.

## Article 15 – Delisting of an Issuer or Securities

### 63. Scope

This Chapter sets out:

- (1) the requirements that shall be complied with by an Issuer in respect of voluntary suspension; and
- (2) the powers of The Exchange with regard to the suspension of an Issuer or any class of its listed securities by The Exchange.

### 64. Removal of Listed Shares

The Exchange shall have sole discretion concerning the removal of an Issuer from its Official List and may grant an Issuer's request for its voluntary delisting from the Official List of The Exchange subject to the approval of the Authority.

### 65. Voluntary Delisting of Equity Shares

- (1) An Issuer that intends to delist its equity shares from the Official List of The Exchange shall:
  - (a) convene a meeting of its Board of Directors, at which the Board shall consider a recommendation to the shareholders of the Issuer that the Issuer should voluntarily delist, and pass a resolution in that regard; and
  - (b) notify The Exchange of its Board's recommendation to the shareholders to delist the Issuer and submit the following:
    - (i) a copy of the Board's resolution in that regard,
    - (ii) the Issuer's request for The Exchange's approval to publish the notice of the general meeting at which the shareholders will consider the Board's recommendation to voluntarily delist, in at least two (2) physical newspapers of wide circulation, one (1) in Arabic and the other in English, or as may be prescribed by The Exchange from time to time;
    - (iii) a copy of the draft notice of the general meeting; and
    - (iv) any other document as prescribed by The Exchange from time to time.
  - (c) where the delisting is as a result of a merger or reconstruction, comply with the requirements of The Exchange as prescribed.

- (2) An Issuer's application for the voluntary delisting from the Official List of The Exchange would only be considered by The Exchange if:
- (a) The Issuer has been listed on The Exchange for a period not less than (3) years from the initial listing of its equity shares on The Exchange;
  - (b) The delisting application is filed in accompanied with the evidence of payment of the applicable fee as prescribed by The Exchange and in effect at the time of filing the application. The application shall also be accompanied with the relevant supporting documents as prescribed in the checklist;
  - (c) The Issuer has confirmed in writing that the Issuer has fully complied with its post-listing obligations such as payment of the appropriate fees or penalties where applicable, and filing of accounts, among others; and that the Issuer has satisfactorily discharged all its obligations to its shareholders and as such, has no outstanding obligations to its shareholder and/or The Exchange;
  - (d) The Issuer has obtained its shareholder's approval to delist through a general meeting of the listed securities; and
  - (e) The Issuer has obtained the approval of the Authority and other relevant authorities (where applicable).
- (3) An Issuer seeking to delist from The Exchange shall make an acquisition offer to its minority shareholders. The Issuer is required to ensure that:
- (a) the acquisition offer is fair and reasonable as opined by an independent investment adviser;
  - (b) the acquisition offer is opened for a period not less than three (3) months; and
  - (c) at the end of the offer period, shareholders who did not respond shall be assumed to have elected to continue as shareholders of the issuer after the delisting.
- (4) An Issuer seeking to delist from The Exchange is required to set aside funds sufficient to purchase the interest of all minority shareholders. Such funds shall be deposited in a commercial bank and shall be blocked under the name of the securities depository for a minimum period of three (3) months, or as may be prescribed by any other law in force in Somalia.



- (5) In a case where an offer is made to purchase the interests of all the shareholders of the Issuer, the offeror shall set aside funds sufficient to purchase the interests of all offeree shareholders. Such funds shall be deposited in a commercial bank and shall be blocked under the name of the securities depository.

## **66. Conditions for Final Delisting**

Upon The Exchange's approval of for the delisting of an Issuer, the Issuer in preparation for final delisting from the Official List of The Exchange, shall comply with the following:

- (1) publish in at least two (2) physical newspapers of wide circulation that the Issuer has concluded arrangement to get itself delisted from The Exchange and that minority shareholders who do not intend to continue with the Issuer as an unlisted entity should contact the Central depository for their payoff;
- (2) issue an instruction to the depository company to payoff minority shareholders who intend to discontinue with the Issuer; and
- (3) provide The Exchange with a schedule of shareholders paid off as well as evidence of complying with sub-rules (1) and (2) of this Rule.

## **67. Regulatory Delisting**

Delisting at the instance of The Exchange is the ultimate sanction that can be imposed on an Issuer for persistent non-compliance with the Continuing Listing Obligations of The Exchange. The Exchange may remove an Issuer from its Official List where:

- (1) the Issuer is unable or unwilling to comply with, or contravenes, a listing rule;
- (2) there are insufficient shares in the hands of the public (i.e., public float deficiency);
- (3) an Issuer has been out of operations for two (2) consecutive years;
- (4) the operating license of the Issuer has been revoked by a primary regulator;
- (5) the Issuer has failed to file its financial statements for two (2) consecutive years;
- (6) The Exchange receives or otherwise becomes aware of notice of completion of winding up/liquidation of the issuer;

- (7) The Exchange is of the view that the security is no longer suitable for listing on The Exchange in the interest of the public;
- (8) The Exchange deems it necessary due to any other terms and conditions as may be determined by The Exchange from time to time.

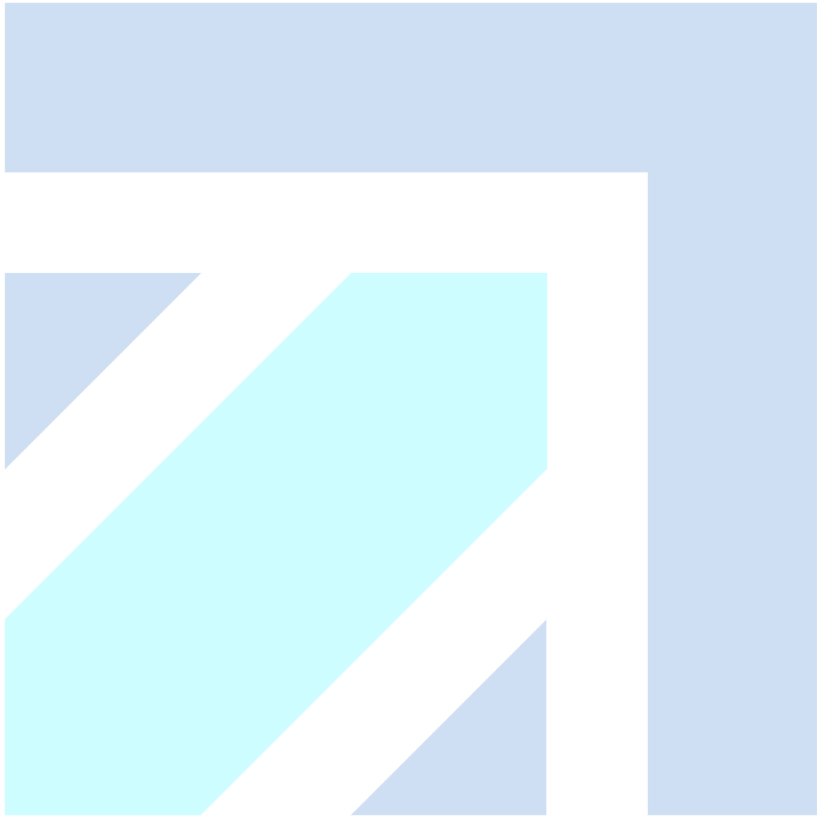
**68. Relisting after Voluntary Delisting**

An Issuer shall not seek to have the securities re-listed on The Exchange until the expiration of two (2) years from the date of its delisting.



**PART VI - LISTINGS SCHEDULES**

*Schedule I – Fees*



## *Schedule II – Content of Custodial Agreement for Fixed Income Securities*

An Issuer shall ensure that the following provisions or as may from time to time be required by The Exchange, are contained in its custodial agreement governing the issue of debt securities:

- (1) That the custodian or the security custodian appointed shall:
  - (a) upon the occurrence of the following events take action, which shall be set out in the custodial agreement on behalf of holders of fixed income securities:
    - (i) any event of default, enforcement event or other event that would cause acceleration of the repayment of the principal amount of the fixed income securities has occurred; or
    - (ii) any condition of the custodial agreement cannot be fulfilled.
  - (b) ensure that it has the ability and powers to perform all of its duties as set out in the custodial agreement.
- (2) That the Issuer shall promptly notify the Custodian when the Issuer is aware of the events in (1)(a) above.
- (3) That if the Custodian ceases to perform its function, the issuer shall appoint another Custodian.
- (4) Redemption:
  - (a) That where a security is payable on a particular date the year of redemption shall be indicated by inclusion in the title of the security;
  - (b) That where a security may be repaid within a fixed period, the period shall be indicated in the title by the inclusion of the first and last years of the period; and
  - (c) That where a security is irredeemable, that security be described as such.
- (5) Conversion of Rights:
  - (a) That during the existence of conversion rights:
    - (i) unless provision is made for appropriate adjustment of the conversion rights, the company shall be precluded (subject to specified exceptions referred to in the terms of issue which shall have been approved by The Exchange) from effecting any reduction of capital involving repayment of capital or reduction of uncalled liability.
    - (ii) the creation or issue of any new class of equity share capital shall

be prohibited or restricted within specified limits referred to in the terms of issue.

- (iii) no capitalization of profits or reserves shall be effected except in shares of the appropriate class and in the case of such an issue the conversion rights shall be appropriately adjusted.
  - (iv) the granting of conversion rights into or of options to subscribe for equity capital shall be prohibited or restricted within specified limits.
  - (v) if the company shall make or give to its shareholders any offer or right in relation to shares or debenture of the company or any other company, unless provision is made for appropriate adjustment of the conversion rights, the company shall at the same time make or give to the holders of the convertible security the like offer or right on the appropriate basis having regard to their conversion rights.
  - (vi) in the event of voluntary liquidation, except for the purpose of reconstruction or amalgamation on terms previously approved by the custodian, or by an extraordinary resolution of the holders, the holders of the convertible securities shall for a limited period have rights equivalent to conversion.
  - (vii) where provision is made enabling the company at its option to repay or convert the security, if a specified proportion of the security has been converted, such right shall apply to the whole of the security outstanding and shall only be exercisable if notice of intention of such exercise is given within one month after the expiry of those conversion rights which were at the holder's option.
  - (viii) all necessary allotments of shares consequent upon a conversion shall be effected not later than fourteen (14) business days after the last date for lodging notice of conversion.
- (b) That holders be given not less than four nor more than eight (8) weeks' notice in writing prior to the end of each conversion period reminding them of the conversion rights then arising of current and stating the relative basis of conversion (after taking into account any required adjustments).
  - (c) That the designation of the security shall include the word "convertible" until the expiration of conversion rights whereupon that word shall cease to form part of the designation.

(6) Meeting and Voting Rights:

- (a) That not less than twenty-four (24) business days' notice shall be given of a meeting for the purpose of passing an extraordinary resolution.
- (b) That a meeting of holders of debt securities shall be called on a requisition in writing signed by holders of at least ten percent (10%) of the nominal amount of the outstanding debt securities.
- (c) That a meeting of holders of the securities shall be called on a requisition in writing signed by holders of at least one-tenth of the nominal amount for the time being outstanding.
- (d) That the quorum for the meeting (other than an adjourned meeting) for the purpose of passing an extraordinary resolution shall be the holders of a clear majority of the outstanding securities.
- (e) That the necessary majority for passing an extraordinary resolution shall be not less than three-fourths of the persons voting on a show of hands and if a poll is demanded then not less than three-fourths of the votes given on such a poll.
- (f) That on a poll, each holder of securities shall be entitled to at least one vote in respect of each of those amounts held by him which represents the lowest denomination in which such securities can be transferred.
- (g) That a proxy need not be a holder of securities.

### *Schedule III – Sample Letter of Indemnity*

(On the Issuer's Letterhead)

Date:

To: National Securities Exchange of Somalia

Dear Sir:

**INDEMNITY TO NATIONAL SECURITIES EXCHANGE OF SOMALIA ON THE  
LISTING ..... SHARES/UNITS OF ..... S.C. (Share Company)**

We, .....S.C. ("the Issuer") (Name of the Issuer) whose shares/bonds is about to be offered/listed hereby warrants and confirms to the National Securities Exchange of Somalia(NSES) which expression shall include any of its agents, successors in office, successors in title, assigns, privies, associates, affiliates, officials, officers and Board members, that all statements and facts contained in the Prospectus/Information Memorandum/Rights Circular issued are true and accurate in all respects and that there are no facts known or unknown to the Company which are not disclosed in the said Prospectus/Information Memorandum/Rights Circular and the omission of which would make any statement and/or fact misleading.

The Issuer indemnifies, keeps indemnified and holds harmless NSES against any and all proceedings, claims, costs, damages, expenses, legal fees, liabilities and losses of whatever nature which NSES may become subject to, suffer from, be exposed to or may be taken or made against or incurred by NSES whether arising out of or in connection with approving the listing of the said shares/bond, and/or any matter incidental or precedent to the said listing and/or on any matter relating to the trading of such shares/bond on the floor of NSES.

The Issuer indemnifies NSES generally against any and all proceedings, claims, costs, damages, expenses, legal fees, liabilities and losses of whatever nature which NSES may become subject to or suffer from any purchaser of or subscriber to the shares/bond who alleges that the Prospectus did not contain all material information with regard to the Issuer or that facts and/or statements contained therein were untrue or incorrect or misleading.

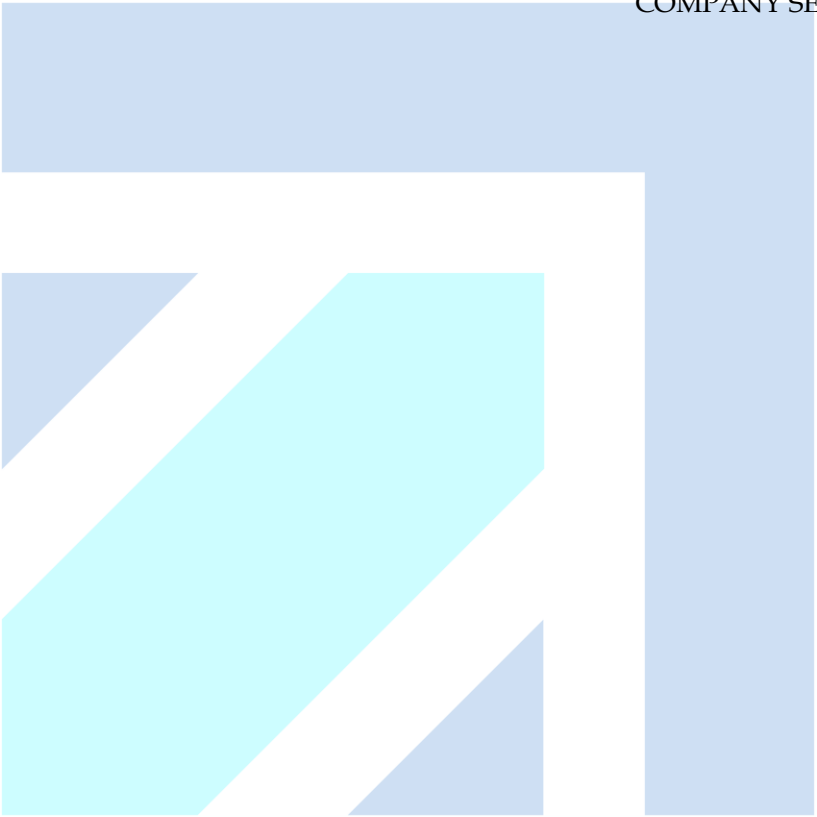
This indemnity shall be governed by the laws of the Federal Republic of Somalia.

We represent that we have the authority of our Board of Directors to give and to execute this indemnity on behalf of the Issuer.

DATED THIS ..... DAY OF ..... 20.....

.....  
DIRECTOR

.....  
DIRECTOR/  
COMPANY SECRETARY





## *Schedule IV – Sample Declaration of Compliance*

(On the Issuer's Letterhead)

Date:

To: National Securities Exchange of Somalia

Dear Sir:

We.....and .....a  
Director and the Company Secretary respectively of  
.....S.C. (hereunder called "the Company"), do declare as follows:

- (1) That all documents required to be filed with the Registrar of Companies and Capital Market Authority in connection with the Issue/Offer/Introduction on.....20 of the following securities of the Company namely (insert particulars) have been duly filed and that to the best of our knowledge, information and belief the Company has complied with all other legal requirements in connection with the Issue of the security.
- (2) That ..... units of the security have been subscribed/purchased for cash and duly allotted/transfered to the subscribers/purchasers.
- (3) That all funds due to the company in respect of issue/offer have been received by it.
- (4) That SHS ..... Shares/Bonds have been issued credited as fully paid by way of cash and have been duly allotted/transfered to the persons entitled thereto.
- (5) That the securities have been credited electronically (allotted) to the Shareholders/Bondholders' depository accounts and in accordance with the directives of the Authority and/or the Rules and Procedures of the Depository.
- (6) That all the units of the shares/bonds of each class for which listing exists are in all respects identical.
- (7) That there are no other facts relating to the company's application for listing which, in our opinion, should be disclosed to the Somalia Securities Exchange.

And we make this declaration conscientiously believing same to be true.

.....  
Name of Authorised Signatory

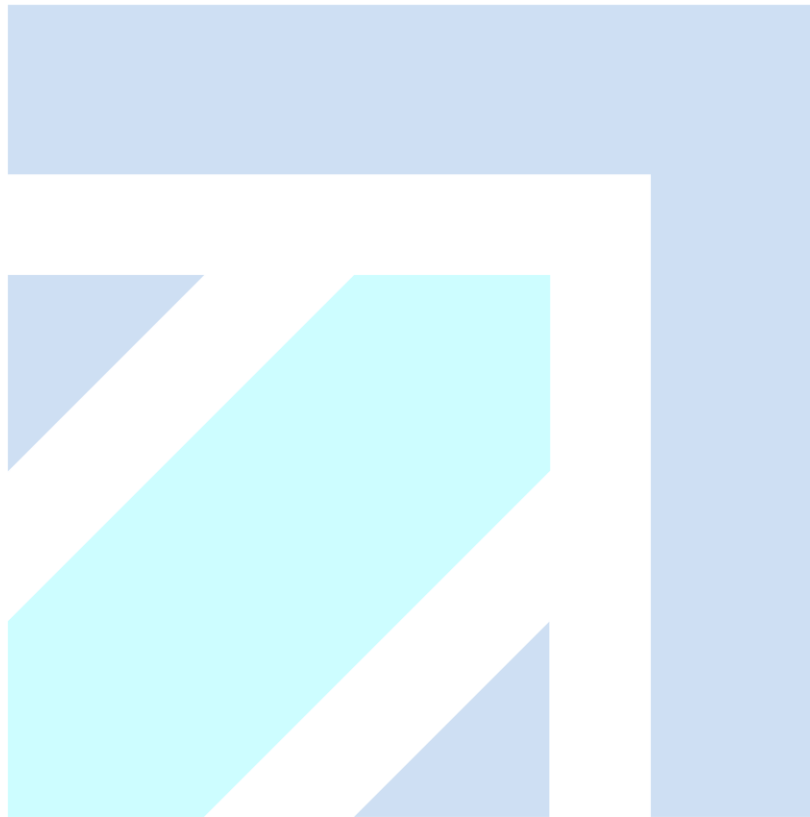
.....  
Name of Authorised Signatory

NOTE: "Identical" in this context means: -

- (a) the units of the shares/bonds are of the same nominal value (face value);
- (b) they are entitled to dividend/interest at the same rate and for the same period, so that at

the next ensuing distribution, the interest payable per unit will amount to exactly the same sum (gross and net);

- (c) they carry the same rights as to unrestricted transfer, attendance and voting at meetings and are pari passu in all other respects.



## *Schedule V – Sample Listing Contract*

(On the Issuer's Letterhead)

Date:

To: National Securities Exchange of Somalia

Dear Sir:

.....acknowledges ..... (Name of the "Issuer")  
acknowledges that: The privilege for its securities (name/type of securities) to remain listed on National Securities Exchange of Somalia ("The Exchange") is subject to the sole and absolute discretion of The Exchange, and in consideration of being listed on The Exchange, the Issuer hereby **RESOLVES, WARRANTS, AGREES and UNDERTAKES** that:

- (1) It shall comply with all directives, rules, regulations, procedures, policies and guidelines as may be issued or prescribed by The Exchange from time to time and as may be amended, supplemented or replaced from time to time (even when the listing of its securities is deferred, suspended or subject to a trading halt), as well as any of their implementing measures and the applicable rules, regulations, procedures, policies and guidelines issued or prescribed by The Exchange which include but are not limited to:
  - (a) the Listing Rules/Requirements and the Continuing Obligations/Post-Listing Requirements of The Exchange;
  - (b) rules, regulations, procedures, policies and guidelines regarding structured and non-structured disclosures; and
  - (c) applicable corporate governance codes and disclosure requirements thereunder.
- (2) It shall comply with any directive(s) of The Exchange issued from time to time, including to effect any corrections to the annual report, accounts and such other reports or corporate disclosures as may be required by The Exchange.
- (3) The securities to be listed shall comply with applicable laws, rules, regulations, procedures, policies and guidelines as may be issued or prescribed by The Exchange from time to time, and that there is no reason why the securities should not be listed.
- (4) It shall promptly pay within the stipulated timelines, any applicable fees, rates, charges or fines, set, established and/or imposed by The Exchange from time to time.
- (5) It shall promptly furnish The Exchange upon demand or within the stipulated timelines, such information or documentation concerning the Issuer, or in relation to the Issuer's business, as The Exchange may require or request from time to time, which information or documentation shall be true and complete.

- (6) It shall promptly notify The Exchange in writing of any event which will cause the Issuer to cease to be in compliance with the directives, rules, regulations, procedures, policies and guidelines as may be issued or prescribed by The Exchange from time to time.
- (7) It shall list on The Exchange all subsequent amounts of the securities of the same class which may be issued or authorized for issuance.
- (8) For purposes related to publicity, notifications and information sharing related to the Issuer's listing on The Exchange, it authorizes The Exchange to use the Issuer's corporate logos, web site addresses, trade names, and trade/service marks in order to convey listing information, listing related activities of the Issuer, transactional reporting information and any other information related to the Issuer's listing on The Exchange.
- (9) It shall indemnify and continue to indemnify The Exchange, its officers, employees and affiliates, to the fullest extent permitted by law in respect of any claim, charges, demands, losses, damages, costs, liabilities, penalties, judgments, fees, action or expense (including settlements and judgments or other expenses, attorneys' fees, and court costs) arising from, or connected with The Exchange's use of the Issuer's corporate logos, website addresses, trade names, and trade/service marks in the manner stated above.
- (10) It shall indemnify and continue to indemnify The Exchange, its officers, employees and affiliates, to the fullest extent permitted by law in respect of any claim, charges, demands, losses, damages, costs, liabilities, penalties, judgments, fees, action or expense (including settlements and judgments or other expenses, attorneys' fees, and court costs) arising from, or connected with, any breach of the Issuer's obligations and/or the provisions set out in this Listing Contract.
- (11) It shall promptly comply with any sanctions imposed by The Exchange for breach by the Issuer of any directives, rules, regulations, procedures, policies and guidelines as may be issued or prescribed by The Exchange from time to time.
- (12) Nothing contained in or inferred from this Listing Contract shall be construed as constituting a contract with The Exchange for the continued listing of the Issuer's securities on The Exchange, thus the Issuer's securities may be delisted by The Exchange for non-compliance with The Exchange's rules and regulations.
- (13) Its directors shall be responsible for ensuring that the Issuer complies with its obligations pursuant to this Listing Contract, and all directives, rules, regulations, procedures, policies and guidelines as may be issued or prescribed by The Exchange from time to time including ensuring that The Exchange is provided with all required information or documentation in accordance with the stipulated timelines.
- (14) The Exchange reserves the right to, at its sole and absolute discretion, suspend trading in any listed securities of the Issuer, delist such securities, or remove the name of the Issuer from the Official List of The Exchange with or without prior notice to the Issuer, upon failure of the Issuer to comply with any one or more of the provisions of this Listing Contract, or when in its sole discretion, The Exchange determines that such suspension

of trading or delisting is in the public interest, or otherwise warranted.

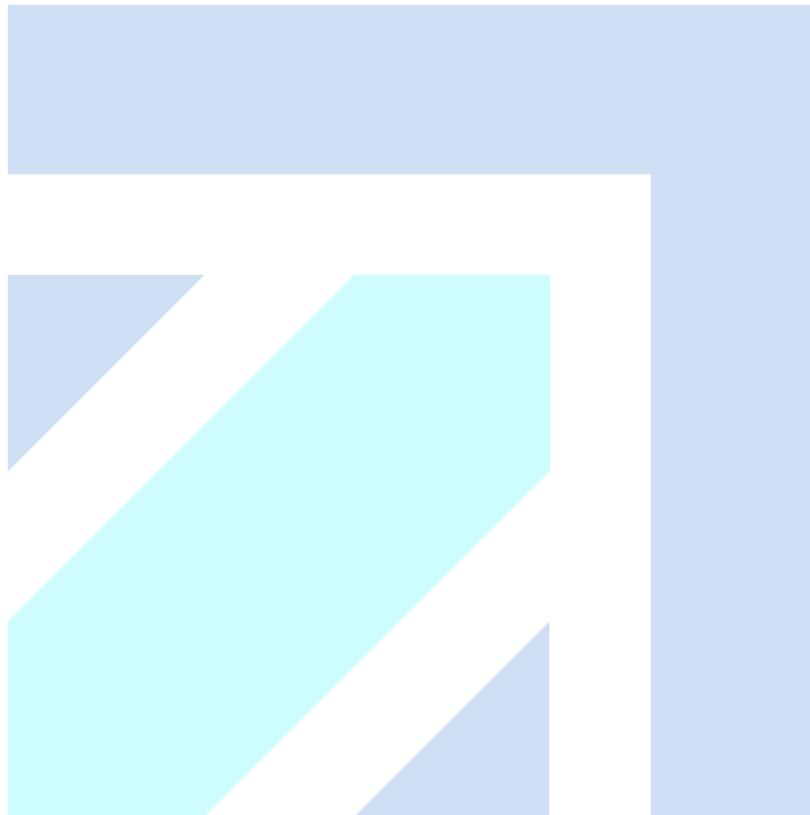
This Listing Contract takes effect from the date the Issuer's securities are listed on The Exchange and shall remain in force as long as the Issuer's securities remain listed on The Exchange.

.....  
Director

.....  
Director/  
Company Secretary

Date: .....

... Date: .....



## PART 7 - ADMINISTRATIVE SANCTIONS

### *Listing Rules Sanctions*

- (1) The administrative sanctions applicable for the violation of the provisions of the Rulebook of Somalia Securities Exchange, 2025 (Listings Rules) shall be as contained in this schedule.
- (2) Where the name of a Rule or other naming convention changes, the name or naming convention shall be deemed automatically changed in this sanctions schedule.
- (3) Where any suspension is placed in connection to a violation, such suspension shall only be lifted where all obligations, related or unrelated, have been settled.

S/N	Activities	First Time Offender	Second Time Offender	Third Time Offender
			<i>(either committing the same infraction within a period of xx months or failure to comply with the directives within a specified period)</i>	<i>(either committing the same infraction within a period of xx months or failure to comply with the directives within a specified period)</i>
1	Rules relating to Disclosure Obligations	Written Warning/Caution	Mandatory Training	Compliance Suspension, Censure, and Compliance Status Indicator (CSI)
2	Rules relating to Financial Reporting Obligations	Written Warning/Caution and Compliance Status Indicator (CSI)	Suspension until Compliance	Compliance, Public Censure, and Compliance Status Indicator (CSI)
3	Rules relating to Corporate Governance Requirements	Written Warning/Caution	Mandatory Training	Compliance Public Censure and Compliance Status Indicator (CSI)

## *Compliance Status Indicators (CSIs)*

S/N	CSI CODES	CODE NAME	CODE DESCRIPTION
1.	BLS	Below Listing Standard	Comprises of all deficiencies regarding Continuing Non- Financial Disclosures.
2.	MRF	Missed Regulatory Filing	Listed companies that missed their respective regulatory filing deadline.
3.	DWL	Delisting Watch-list	These are companies that have been served with delisting notices but the delisting process has been put on hold because they have received a stay of action from NSES for a defined period during which they undertake to address the issues that led to the issuance of the delisting notice. If they fail to address the issues within the defined period or any extension thereof, the delisting process will continue.
4.	DIP	Delisting in Progress	These are companies that are undergoing the delisting process, mandatory or voluntary. The delisting process commences with a notice of intention to delist from NSES to an Issuer (mandatory) or to NSES from an Issuer (voluntary).
5.	AWR	Awaiting Regulatory Approval	These are companies that are awaiting the approval or no objection of their primary government regulator before releasing their Audited Financial Statements.
6.	RST	Restructuring	These are companies that are undergoing restructurings.
7.	BMF	Below Listing Standard and Missed Regulatory Filing	
8.	BAA	Below Listing Standard and Awaiting Regulatory Approval	
9.	BRS	Below Listing Standard and Restructuring	
10.	MRS	Missed Regulatory Filing and Restructuring	
11.	BMR	Below Listing Standard, Missed Regulatory Filing and Restructuring	