

## **The Rules Governing Issuance of Securities Trading License to Foreign Investors**

### **Introduction:**

For the purpose of receiving the documents and information from foreign persons or Iranian persons/nationals who are in possession of foreign-originated capital and apply for trading in the Iranian issuer's securities and issuance of the appropriate trading license for such applicants, the present rules were adopted by the Securities and Exchange Organization board of directors on the strength of the By-law Governing Foreign Investment in the Exchanges and OTC Markets as approved by the Council of Ministers.

**Article 1-** The definitions provided for the terms and phrases used in article 1 of the By-law Governing Foreign Investment in the Exchanges and OTC Markets approved by the Council of Ministers (hereinafter named **Foreign Investment By-law**) shall also apply for the purposes of the terms and phrases used herein.

**Article 2-** Any foreign person or any Iranian person (natural/legal) in possession of the capital with foreign origin applying to obtain a trading license shall have to submit the required documentation to one of the brokerage firms which has been duly licensed and authorized by the Organization as follows:

- a) The application for a license to trade in the Iranian issuers' securities by the natural or legal persons shall be made either in English or in Persian (Farsi) in the forms attached hereto;
- b) Identification documents which include:
  - b-1) if the application is a natural person:
    - the originals and copies of the birth certificates or passports or national cards for the Iranians in possession of foreign-originated capital and the originals and copies of the passports for foreign persons;
  - b-2) if the applicant is a legal person:

- the originals and copies of the constitution/articles of association or documents of similar nature and documents proving the foundation of company and the scope of powers of the duly authorized signatories.

**Note-** The documents stated in this article shall be produced either in English or in Persian (Farsi). If the originals of the documents are in another languages, the production of its translation in English or in Persian shall be sufficient providing that the translation of the given language has been certified by the authorities in charge of the official translation in Iran, or by the country in which the applicant resides or by the country which has issued such documents.

**Article 3-** The brokerage firm shall have to verify the copies of documents mentioned in paragraph (b) of article 2 with the originals and shall, when the documents are found to be conformed, have to sign them by writing the phrase "**True copy of the original**" and shall send the application along with the certified copies of original documents to the Organization for issuance of license.

**Note-** If the copies of the documents produced have been certified by the following appropriate authorities, it shall not be required to present the original documents to the brokerage firm for verification processing by this firm:

- a) notaries public licensed by the Judiciary of I.R.I;
- b) the Embassy or the Consulate of I.R.I at the applicant's place of residence;
- c) the competent authorities which have been designated for such purposes in the country of the applicant's residence or in the country which has issued the documents.

**Article 4-** If the organization finds the required documents and information to be complete, it shall, within seven business days, issue the trading license as per the samples attached hereto in Persian with its translation in English in the name of the applicant signed by the Organization president and shall deliver the license to the brokerage firm where the brokerage shall have to hand it over to the applicant within

seven business days. Where the required information and documents are found to be incomplete, the time-limits to notify this matter to the brokerage firm by the Organization and accordingly to the applicant by the brokerage firm shall correspond to the said periods.

**Note-** The trading license which has been issued in Persian shall be deemed to be an official instrument and worthy of reliance. This matter shall have to be specified in the translation of the trading license.

**Article 5-** After the receipt of the trading license as prescribed herein, if the licensee is authorized to engage in trading activities on one of the Iranian exchanges or OTC markets, the procedures for obtaining a trading code shall be similar to the prevailing rules.

**Article 6-** The present rules comprising 6 articles, 3 notes and 4 appendixes were approved on December 04, 2010 by the Securities and Exchange Organization board of directors and would go into effect as of the approval date.

*In the Name of God*

***Firouzeh Asia Brokerage Firm***

With compliments and due respect,

Enclosed please find my trading license application for the Iranian issuers' securities along with the required documents to be submitted to the Securities and Exchange Organization for issuance of a trading license in my name.

Truly yours,

Applicant's name:

Applicant's signature and seal:



**2- Contact information:<sup>2</sup>**

Applicant's domicile/residence (Country: ..... Province/County: ..... City: .....

Address: .....

Zip (postal code) ..... Telephone No.: ..... Fax No.: .....

Email: .....

**3- Applicant's current activities/employment:**

.....  
 .....

**4- The amount of foreign capital allocated to investing in securities under the present application form:**

Amount of investment	Type of foreign currency

**5- The table below should be completed for the capital inflow schedule:**

Duration	1 to 6 months upon issue of trading license	6 to 12 months upon issue of trading license	After 12 months upon issue of trading license
Amount			
Type of foreign currency			

**6- Style of managing imported capital<sup>3</sup>:**

Directly by the applicant

Indirectly through the applicant's agent or attorney

<sup>2</sup> The Securities and Exchange Organization, Tehran Stock Exchange and Iran Farabourse Company deem the applicant's contact information as stated in this form to be valid for contacts and correspondence unless such information is changed and thereafter the applicant reports this new information in writing to the Securities and Exchange Organization. As such, the new contact information shall be deemed to be valid by the said entities.

<sup>3</sup> The contents of the items 4, 5 and 6 are for the information of the Securities and Exchange Organization and shall not bear any liability for the applicant.

7- I have submitted this application form while I have full knowledge about the laws and regulations relating to the investment in securities as stated herein which have been approved by the competent authorities in Iran and have agreed to be bound by such laws and regulations and I have understood that in case I do any act in breach of the laws and regulations stated herein, I shall be liable to the treatment stipulated in the prevailing rules and regulations in Iran.

8- **Applicant's signature** (besides the above table, the previous pages should also be signed)

Name	Signature

**The applicant is required to submit the following documents along with this application form:**

- (A) Applicant's letter addressing the broker containing the request for issuing of a trading license by the Organization
- (B) The originals and copies of the birth certificates or passports or national cards for the Iranians in possession of foreign-originated capital and the originals and copies of passports for foreign persons.

**Notes:**

- 1- the above-mentioned documents shall be produced either in English or in Persian (Farsi). If the originals of the documents are in another language, the production of its translation in English or in Persian shall be sufficient providing that the translation of the given language has been certified by:
  - 1-1) the authorities in charge of the official translation in Iran,
  - 1-2) or by the country in which the applicant resides,
  - 1-3) or by the country which has issued such documents.

- 2- If the copies of the documents produced have been certified by the following appropriate authorities, it shall not be required to present the original documents:
- 2-1) a) notaries public licensed by the Judiciary of I.R.I;
  - 2-2) the Embassy or the Consulate of I.R.I at the applicant's place of residence;
  - 2-3) the competent authorities which have been designated for such purposes in the country of the applicant's residence or in the country which has issued the documents.





Applicant's domicile/residence (Country: ..... Province/County: ..... City: .....  
 Address: .....  
 Zip (postal code) ..... Telephone No.: ..... Fax No.: .....  
 Email: ..... Website: .....

**4- Has the company been listed on any stock exchange?** Yes  No

If yes, on which stock exchange? .....

**5- Information about the holders of over five (5%) percent of applicant's voting rights includes:**

No.	Holder of voting right	Nationality	Percentage of voting rights	Final stakeholder <sup>6</sup>
1				
2				
3				
4				
5				

**6- Applicant's current activities/employment:** .....  
 .....  
 .....  
 .....  
 .....

**7- The amount of foreign capital imported into the country by the applicant:**

Amount of investment	Type of foreign currency

<sup>6</sup> If the holder of voting rights is a legal person specify the natural person(s) who is/are the final stakeholder(s)

**8- The table below should be completed for the capital inflow schedule:**

Duration	1 to 6 months upon issue of trading license	6 to 12 months upon issue of trading license	After 12 months upon issue of trading license
Amount			
Type of currency			

**9- Style of managing imported capital<sup>7</sup>:**

Directly by the applicant

Indirectly through the applicant's agent or attorney

**10-** I have submitted this application form while I have full knowledge about the laws and regulations relating to the investment in securities as stated herein which have been approved by the competent authorities in Iran and have agreed to be bound by such laws and regulations and I have understood that in case I do any act in breach of the laws and regulations stated herein, I shall be liable to the treatment stipulated in the prevailing rules and regulations in Iran.

**11- Applicant's authorized signature:**

No.	Name (in full)	Position	Telephone	Email	Signature
1					
2					
3					
4					
5					

<sup>7</sup> The contents in items 7, 8 and 9 are for the information of the Securities and Exchange Organization and shall not bear any liability for the applicant.

**The applicant is required to submit the following documents along with this application form:**

- (A) Applicant's letter addressing the broker containing the request for issuing of a trading license by the Organization
- (B) The originals and copies of the documents proving the position and scope of powers of the persons who act as authorized signatories to sign this application form
- (C) The originals and copies of the articles of association and a document as proof of applicant's (company) foundation.

**Notes:**

1- the above-mentioned documents shall be produced either in English or in Persian (Farsi). If the originals of the documents are in another language, the production of its translation in English or in Persian shall be sufficient providing that the translation of the given language has been certified by:

- 1-1) The authorities in charge of the official translation in Iran,
- 1-2) Or by the country in which the applicant resides,
- 1-3) Or by the country which has issued such documents.

2- If the copies of the documents, subject of paragraphs (B) and (C) above, produced have been certified by the following appropriate authorities, it shall not be required to present the original documents:

- 2-1) a) notaries public licensed by the Judiciary of I.R.I;
- 2-2) The Embassy or the Consulate of I.R.I at the applicant's place of residence;
- 2-3) The competent authorities which have been designated for such purposes in the country of the applicant's residence or in the country which has issued the documents.

In the name of God

## Trading License

License No. :

Date of Issue:

On the strength of the By-Law Governing Foreign Investment in the Exchange and OTC Markets approved by the Council of Ministers and by virtue of the Executive Regulations thereof, the Securities and Exchange Organization has issued the present license as an authorization for engagement in buying and selling the following securities:

in the name of the person mentioned below:

**Natural person:** Name:                      Date of birth:                      Place of birth:                      Nationality:

**Legal person:** Name:                      Regis. No.:                      Date of Regis:                      Place registered:

Nationality:

This license for purchase of the securities described herein shall be valid for a maximum period of five years (until ..... ) unless it is revoked in accordance with the provisions of the aforesaid by-law. Accordingly, the validity of this license for sale of the securities under which the licensee has bought such securities shall remain unlimited.

For the purpose of the said securities transactions (purchase and sale) the licensee shall have to strictly comply with the provisions set forth in the By-law Governing Foreign Investment and the Executive Regulations thereof and other related laws and regulations as ratified and approved by the competent authorities in Iran. Other rules and regulations governing the activities of the present licensee for buying and selling the said securities shall conform to the same rules and regulations which apply to the Iranian nationals/persons.

In witness whereof the Securities and Exchange Organization has caused this license to be signed by its duly authorized officer and its seal to be thereunto affixed.

**President,  
Securities and Exchange Organization**

**Sealed by:  
Securities and Exchange Organization**