

.... / / 1998

**Circular No. (2) of 1998**

Further to the Capital Market Authority letter no. 5445 dated 7/ 9/ 1997 informing you of the Authority Board of Directors' decree issued on 6/8/ 1997 regarding rules of expertise and competency of securities companies which engage in the activities of incorporation and venture capital, we would like to advise that a decree was issued by the Authority Board of Directors on 17/ 8/ 1998 approving amendment to item (1) of the Authority Board's decree issued on 6/ 8/ 1997 to read like this:

- The majority of the members of the board of directors including the board chairman and the managing director must have no less than five years of experience in the operations of stock exchanges and securities companies. This period goes down to four years for those who passed Authority-approved training courses on securities markets.
- The experience period for company managers is four years, which is reduced to three years for those who pass Authority-approved training courses
- The Board has decreed that the transit period for the rules of experience shall be extended for one more year.

Kindly take necessary action and submit to the Authority a list of the members of the board of directors in accordance with the above-mentioned controls during the specified period.

Refa'at Al-Hadidi

Head, Market Operations Sector