

5 / 10 / 2004

Circular No. (37)

For the year 2005

Chairman of the Board

Company:

Dear Sir:

With reference to the application filed with the Authority by some brokerage firms requesting approval of using an automatic call recording system in place of the manual register, you are kindly advised that the Authority has set some controls and conditions that must be met prior to use of the automatic call recording system in place of the register referred to as follows:

- The program developed for recording clients' phone orders must include all data that has to be available in the manual register for clients' orders, in accordance with Article 91 of the Executive Regulations of Law No. 95 of 1992.
- The program must automatically indicate the hour and date of receiving the phone order given by the user. So, the company has to check constantly that the time and date of the program synchronize with the time and date of the server (if any) and the user device used for recording orders at local time into the computer
- The program must not allow any change through deletion of or addition to the data of the orders already entered into the program, except selecting the type of order (valid/ stopped), remarks field, date and time of amendment as it is amended only by re-recording the order with a new serial number and a new priority. As for the old order, the program must be capable of changing the status of the order through the user ("X" for a "stopped order or "✓" for a "valid order"). In case of selecting the "stopped order" status, reason for stopping the order must be entered into the remarks field which accepts modifications. The "change/ cancellation" field must show and record the date and time of the change in the status of the order. However, the program must keep the data of the old (i.e. stopped) order and the data of the new order. Thus, the fields that accept amendments to the order screen are the order status, remarks, and timing of the change in status. The old serial order must be included in the new order.
- The program must, through the user, produce a print out of the record of orders recorded during the day indicating the timing and date of printing, date of the session ordered in the same order they came in, and the hour the orders were received. The printing process must be done after the work of the day is completed. Such print outs must be kept in a special file in the

company and must be signed by the person in charge of the company and stamped with the company seal. The printed record must include all data existing in the manual order register according to the provisions of the above-mentioned article.

- The program must have the function of producing a printout of the sale/ purchase order given by the client to the brokerage firm. Directly after printing, the printout must be signed by the client. The order must have a serial number that cannot be changed and is generated automatically by the program. The serial number starts with “1” at the beginning of every fiscal year and the date and time the order was recorded as well as the date and time of printing it.
- Data of orders must be saved on the computer permanently and in a historic manner. The computer used for receiving such orders must have appropriate storage capacity.
- The company must adopt IT data security rules by designating an employee to make backups of the database containing the electronic order register using appropriate external storage media which must be kept safely away from risks of theft and fire so that the company may retrieve data of the orders in case of failure of the system or a technical emergency.

Yours truly,

Dr. Ahmed Saad Abd Al-Latif

Deputy to the Authority Chairman