L.N. 124 of 2000

MALTA STOCK EXCHANGE ACT
(CAP. 345)

Malta Stock Exchange Act (Amendment of First Schedule) Regulations, 2000

IN exercise of the powers conferred by section 8 of the Malta Stock Exchange Act, the Minister of Finance, on the recommendation of the Council of the Exchange, and after consultation with the Central Bank of Malta, has made the following regulations:–

Citation.

1. These regulations may be cited as the Malta Stock Exchange Act (Amendment of First Schedule) Regulations, 2000 and shall be read and construed as one with the Statute contained in the First Schedule to the Malta Stock Exchange Act, hereinafter referred to as "the Statute".

Amends Article 2 of the Statute.

2. In paragraph (i) of Article 2 of the Statute:

(i) for the definition of "Committee" there shall be substituted the following:

" "College" shall mean the College of Stockbroking Firms established in terms of article 8 of the Statute;";

(ii) immediately following the definition of "Committee", there shall be added the following:-

" "Financial Services Organisation" means:

(a) a person who is in possession of:

(1) a valid investment services licence in terms of section 3 of the Investment Services Act; or

Cap. 370.

(2) a licence for the carrying on of the business of banking in terms of section 5 of the Banking Act; or

Cap. 371.

(3) a licence in terms of section 3 of the Financial Institutions Act.

Cap. 376.

or

(b) a person who is authorised to carry on the business of insurance under the Insurance Business Act;"; and

Kap. 403.

(iii) immediately after the definition of "Securities" there shall be added the following:

" "Stockbroking Firm" means a firm approved by the Council in terms of the Bye-Laws through which a Member conducts his business.".

3. Paragraph (i) of Article 3 of the Statute shall be amended as follows:- Amends article 3 of the Statute.

(i) in paragraph (a) of the proviso thereto, the words "and will not be eligible for election as a member of the Committee of the Exchange" shall be deleted; and

(ii) immediately after the said proviso thereto, there shall be added the following:

"Provided further that a person or persons nominated by a Financial Services Organisation shall be licensed by the Council to act as a stockbroker, subject to the condition that such person or persons shall be deemed to have resigned from membership of the Exchange if the Council receives notice in writing from the Financial Services Organisation nominating such person or persons that it intends to withdraw its nomination in respect of such person or persons.".

4. Articles 6, 8 and 10 of the Statute shall be deleted. Deletes Articles 6, 8 and 10 fo the Statute.

5. Articles 7 and 9 of the Statute shall be renumbered as Articles 6 and 7 respectively. Renumbers Articles 7 and 9 of the Statute.

6. Immediately after Article 7 of the Statute as renumbered, there shall be added the following new Articles 8, 9 and 10:- Adds new Articles 8, 9 and 10 to the Statute.

"College of Stockbroking Firms.

"8. **College of Stockbroking Firms**

(i) There shall be a College of Stockbroking Firms, hereinafter referred to as "the College", whose task it shall be:

(a) to tender advice to the Council on matters affecting trading procedures;

(b) to report to Council any matter of concern to the members of the Exchange or incidental to the proper functioning of the Exchange;

(c) to examine any complaint and/or report received from Members of the Exchange, clients and/or the Council of alleged misconduct or failure of a licensed stockbroker in maintaining the highest ethical standards or of any alleged failure of a licensed stockbroker to comply with the Act, Statute and Bye-laws;

(d) to report to the Council on any findings whatsoever and to make such recommendation as the College may deem necessary.

Re paragraph (i) (c).

(ii) In exercise of the task mentioned in paragraph (i) (c) above, the College shall have all such powers, including the power of holding meetings with any complainant or any person lodging a report as aforesaid, as may be necessary or expedient.

Membership of the College.

(iii) Each Stockbroking Firm shall be a member of the College.

Representation on the College.

(iv) Each Stockbroking Firm shall appoint a licensed stockbroker to represent it on the College.

Chairman, his Deputy and Secretary.

(v) The College shall elect from among the appointed representatives, a Chairman, a Deputy Chairman and a Secretary.

Term of office.

(vi) Each representative shall hold office for a period of one year effective from the first day of April but shall be eligible for re-appointment.

Attendance.

(vii) The licensed stockbroker appointed in terms of Article 8 (iv) shall attend meetings of the College.

9. Vacancies in the College.

Vacancies.

(i) The appointment of the licensed stockbroker to represent the member firm shall cease in the following cases:

(a) if he ceases to conduct the business of a Member of the Exchange through the Stockbroking Firm which appointed him to represent it on the College;

(b) upon his resignation notified in writing to the Chairman of the College;

(c) in the event that he is adjudged bankrupt or is convicted of any crime involving public trust;

(d) in the event that he has been interdicted or incapacitated.

Filling of vacancies.

(ii) A vacancy on the College shall be filled, where applicable, by another licensed stockbroker of the Stockbroking Firm that was previously represented by the representative giving rise to the vacancy.

10. **Meetings of the College**

Frequency.

(i) The College shall meet on such dates and at such places as the College Chairman shall from time to time determine sohowever that the College shall meet at least once every calendar month.

Notice.

(ii) Notice of the date, place and time of the College meeting, stating the business to be dealt with in the meeting, shall be given in writing by the College Chairman to each member of the College.

Attendance.

(iii) In the event that the appointed representative is unable to attend, the member shall have the right to be represented at the meeting by at least an Accredited Representative in lieu of the appointed representative.

Quorum.

(iv) No business shall be transacted at any meeting of the College unless a quorum of members is present. The quorum necessary for the transaction of business shall be at least fifty per cent of the members entitled to attend.

If within thirty minutes after the time fixed for the meeting the representatives present are not sufficient to form a quorum, such meeting shall stand adjourned to the same day in the next week, at the same time and

place, and a notice to this effect shall be sent to all members.

Adjourned meeting.

(v) If at the adjourned meeting a quorum is not present within thirty minutes from the time fixed for the meeting, the members present shall then form a quorum.

Voting.

(vi) Every member of the College shall have only one vote.

Decisions.

(vii) All decisions of the College shall require the support of at least sixty per cent of the representatives present at the meeting.

Special Meetings.

(viii) Special Meetings of the College may be convened by the College Chairman on the request by notice in writing of not less than fifty per cent of the College members and shall be held within one week of such request. Notice of any special meeting stating the objects thereof shall be given by the College Chairman to each representative at least seventy-two hours before the date fixed for such meeting.

Involvement of a member in matter under discussion.

(ix) Any College member who is directly or indirectly involved in any matter under discussion before the College shall withdraw from the meeting when such matter is being discussed or decided upon and in such - an event, for all intents and purposes, the meeting shall be constituted of all the other members present at that meeting; provided that where the College is fulfilling the task mentioned in Article 8(i)(c) of the Statute it shall afford an opportunity to the licensed stockbroker involved to present his case.

(x) The College shall have the power, subject to the provisions of this Statute, to fix its own meetings and regulate its own proceedings.".

Amends Article 11 of the Statute.

7. In paragraph (vii) of Article 11, for the words "sub-paragraph (a) of paragraph (iv) of Article 8" there shall be substituted "subparagraph (a) of paragraph (iv) of Article 7".