

'Approved'
State Committee for Securities of
the Republic of Azerbaijan
Resolution № 31-q
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Chairman

_____ **Rufat Aslanly**

Regulations on disclosure of information by the stock exchange

1. General provisions

1.1. These Regulations have been developed in accordance with Article 48.3 of the Law of the Republic of Azerbaijan 'on the Securities Market'.

1.2. These Regulations determine the requirements for publication of information by the stock exchange operating in the Republic of Azerbaijan (hereinafter – the stock exchange) on its activity, supply and demand prices for securities and derivative financial instruments admitted to trading, as well as deals concluded with them.

1.3. The main definitions used herein:

1.3.1. Trading system - a set of software and hardware designed for trading;

1.3.2. Trading method - a method of concluding deals by matching orders through the trading system of the stock exchange;

1.3.3. Trading day – a working day not declared by the stock exchange as a non-trading day. When trading on the stock exchange takes place with underlying assets traded in foreign markets, trading days are considered as working days applied in those markets;

1.3.4. Trading hours – part of trading day on the stock exchange when trading takes place;

1.3.5. Quotation – the price offered by the trade participant for trading of securities;

1.3.6. Quotation spread – difference between low and high price volatility relative to the current price of securities, the market maker should follow when determining trading prices;

1.3.7. Cross order - an order that may lead to conclusion of a cross deal when it is included in the register of orders in the trading system of the stock exchange;

1.3.8. Cross deal – a transaction in which the stock exchange member acts as a counterparty to both the buyer and the seller on the same deal;

1.3.9. Trading symbol - a short code that identifies each security and derivative financial instrument traded on the stock exchange in the trading system.

1.3.10. Collateral ratio – the ratio applied by the stock exchange to calculate the repo opening price to prevent the risk of non-fulfillment of repo obligations in the event of a fall in the market price of investment securities that are the subject of repo during the repo period.

2. Information disclosed by the stock exchange

2.1. The stock exchange discloses information on trading with securities and derivative financial instruments admitted for trading, as well as information provided by issuers and related to its activities in accordance with these Regulations.

2.2. The stock exchange ensures that the information specified in Items 3.1 and 3.4 herein is equally open to all members during trading.

2.3. The State Committee for Securities (hereinafter – the Committee) cancels publication of information on pre-trade and concluded deals if it could destabilize financial markets or adversely affect the country economy. Disclosure of such information is postponed based on a written notice submitted by the Committee to the stock exchange.

3. Publication of pre-trade information

3.1. Depending on the trading method, the stock exchange regularly discloses the following information on securities (excluding auctions on placement of securities) and derivative financial instruments to the stock exchange members through the trading system on a continuous basis before trading:

3.1.1. At least five best buy and sell offer, indicating total number of orders placed at the same price on one security or derivative financial instrument and securities reflected in those orders, as well as the code, type and name of the issuer of the security or derivative financial instrument during continuous trading.

3.1.2 The best buy and sell quotes placed by each market maker during quote-based trading.

3.1.3. the price at which the trading algorithm for each security or derivative financial instrument provides the largest trading volume and the number of securities that can be bought and sold at that price level during auction trading, as well as the code, type and name of the issuer of the security or the financial instrument;

3.1.4. If the trading method of the stock exchange does not correspond to any of the trading methods specified in sub-items 3.1.1-3.1.3 herein or is a combination of some of them, the price of and the number of securities in those orders or quotations, or the code and type of a security or a derivative and the name of the issuer of the security;

3.2. In case of cross orders placed in the trading system of the stock exchange, the stock exchange discloses the information through the trading system in addition to the one specified in sub-item 3.1.1 herein;

3.3. The stock exchange does not disclose pre-trade information on orders placed on targeted sale deals.

3.4. The stock exchange discloses the following information on repo operations:

3.4.1. Investment securities that are the subject of repo;

3.4.2. Collateral ratio (in percent);

3.4.3. The current price of investment securities that may be the subject of repo;

3.4.4. Repo opening price.

3.5. The information specified in items 3.1 and 3.4 herein may be disclosed by the exchange to non-members of the exchange on a paid basis in real time. The time, conditions

and methods of disclosure of such information are determined by internal rules of the exchange on disclosure of information.

4. Disclosure of information on concluded deals

4.1. At the end of the trading day, the stock exchange publishes the following summary information on deals concluded on each security traded (except for targeted sale deals) on its website:

4.1.1. Total number of deals;

4.1.2. The date of deal (day-month-year);

4.1.3. In case the subject of the deal is securities issued in the Republic of Azerbaijan, the state registration number of their issuance; and in case of securities issued beyond the country, the international identification number (ISIN) under ISO 6166 or another code determined for identification of securities in the country of their issuance;

4.1.4. Full name of the issuer of securities that are the subject of the deal

4.1.5. The type of securities that are the subject of the deal

4.1.6. Maximum buy/sell price recorded over the trading day

4.1.7. Minimum buy/sell price recorded over the trading day

4.1.8. Opening price of the security

4.1.9. Closing price of the security

4.1.10. Currency code under ISO 4217 used as a payment facility in the deal. In case the subject of the deal is a bond, the price is expressed as a percentage;

4.1.11. The number of securities that are the subject of the deal;

4.1.12. The amount of deals.

4.2. The stock exchange discloses information on total volume of targeted deals concluded on each security during the trading day in accordance with its internal rules.

4.3. In case of changes in the information on deals announced by the stock exchange, it publishes related information on its website.

4.4. The stock exchange discloses the following information on traded securities and derivative financial instruments no later than five business days of the month following the reporting month:

4.4.1. The number and amount of deals concluded in the primary market (total and separately on all types of securities and derivative financial instruments);

4.4.2. The number and amount of deals concluded in the secondary market (total and separately on all types of securities and derivative financial instruments);

4.4.3. The number and amount of deals concluded by each investment company (total and separately on all types of securities and derivative financial instruments).

4.5. The stock exchange discloses the following information for each calendar year of each security and derivative financial instrument issued for trading no later than 15 (fifteen) working days of the first month of the following year:

4.5.1. Average daily turnover (calculated as the ratio of the amount of deals concluded with a security or derivative financial instrument during the calendar year to the number of trading days in that year (taking into account targeted sales deals));

4.5.2. Average daily number of deals (calculated as the ratio of the number of deals concluded with a security or derivative financial instrument during the calendar year to the number of trading days in that year (taking into account targeted sales deals)).

4.6. The stock exchange discloses the following information on a derivative financial instrument in addition to the one specified in sub-items 4.1.1 - 4.1.3 and 4.1.5 - 4.1.12 herein:

4.6.1. The underlying asset of a derivative financial instrument;

4.6.2. The number of agreements;

4.6.3. The date of execution of futures obligations and / or maturity date of options;

4.6.4. The last trading day

4.6.5. Daily trading hours

4.6.6. A price change limit

4.6.7. The payment method

4.6.8. Note on market making on derivative financial instruments

4.7. Information specified in sub-items 4.1.2 and 4.1.12 herein on margin trading with changes in the price, profitability and exchange rate differences of underlying assets, as well as the trade symbol of the subject of such deals determined by the stock exchange and information on underlying assets that are the subject of deals is disclosed as per Item 4.1 herein.

4.8. The stock exchange provides free access to the information specified in Part 4 herein within six months from the date of disclosure of such information.

5. Publication of information on activities of the stock exchange and submitted by issuers

5.1 On its website, the stock exchange publishes information on:

5.1.1. Members of the stock exchange

5.1.2. Market maker investment companies in the stock exchange

5.1.3. Issuers whose securities are traded

5.1.4. Trading hours and markets whose trade is organized by the stock exchange

5.1.5. Services provided by the stock exchange

5.1.6. Indexes calculated by the stock exchange and the way of their calculation

5.1.7. Service fees of the stock exchange

5.1.8. Internal rules and procedures of the stock exchange

5.1.9. Annual reports of the stock exchange

5.1.10. The organizational structure of the stock exchange

5.1.11. Minimum volume of quotations

5.1.12. The ceiling and floor of quotation spread

5.1.13. Sanctions imposed on members of the stock exchange

5.1.14. List of securities that are the subject of repo

5.1.15. Conditions of the auction

5.1.16. Margin limits.

5.2. The content of information specified in sub items 5.1.1-5.1.16 herein is determined by internal rules of the stock exchange on disclosure of information.

5.3. The information specified in sub items 5.1.7-5.1.8, 5.1.11-5.1.12 and 5.1.14-5.1.16 herein is published within five working days after the changes therein.

5.4. Information specified by law to be disclosed by issuers through the website of the stock exchange is disclosed by the exchange within one business day from the moment of submission by the issuers to the exchange.

6. Information on admitting securities and derivative financial instruments to trading

6.1. The stock exchange publishes the following information on listing, suspension or withdrawal of securities or derivative financial instruments on its website within one working day:

6.1.1. Start of subscription to publicly offered investment securities

6.1.2. Listing and delisting of securities

6.1.3. Listed and delisted securities or derivative financial instruments

6.1.4. Resumption of trade on delisted securities and derivative financial instruments

6.1.5. Other information to be disclosed under the legislation.