

On exercising state control over activities of stock exchanges, depositories and trading and information systems

**Resolution of the Securities and Stock Market State Commission
of May 18, 2001 under No 144**

**Registered with the Ministry of Justice of Ukraine
on June 15, 2001 under No 518/5709**

With changes and amendments introduced by resolutions of the Securities and Stock Market State Commission
of January 30, 2004 under No 14
of November 17, 2004 under No 469

According to Article 38 of the Law of Ukraine “On Securities and Stock Exchange” and Article 7 of the Law of Ukraine “On State Regulation of the Securities Market in Ukraine” the Securities and Stock Market State Commission **RESOLVES**:

1. Approve Regulation on state representatives at stock exchanges, in depositories and trading and information systems (is enclosed).
2. Cancel the resolution of the Securities and Stock Market State Commission of 07.06.99 No 140 “On exercising state control over activities of stock exchanges, depositories and trading and information systems”.
3. Appoint Commissioner A. Holovko as the state representative in the depository “Interregional stock exchange” relieving him from his duties of the state representative at Kyiv international stock exchange.
4. Appoint Commissioner S. Biryuk the state representative at Kyiv international stock exchange.
5. Entrust the Department of regulation and development of the securities market with providing registration of this resolution with the Ministry of Justice of Ukraine.
6. The sector in charge of work with the public shall provide publication of this resolution according to current legislation.
7. I reserve control over this resolution to myself.

O. Mozgovyi
Chairman of Commission

Protocol of the meeting of SSMSC
of May 8, 2001 under No 28

APPROVED

by resolution of the Securities and
Stock Market State Commission
of May 8, 2001 registration No 144

Registered with
the Ministry of Justice of Ukraine
on June 15, 2001 under No 518/5709

**Regulations on state representatives at stock exchanges, in depositories and trading
and information systems**

This Regulation is developed according to the Law of Ukraine “On State Regulation of the Securities Market in Ukraine”, “On Securities and the Stock Exchange”, “On the National Depository System and Specifics of Electronic Circulation of Securities in Ukraine”. The Regulation shall specify the procedure of appointment and powers of state representatives at stock exchanges, in depositories and trading and information systems functioning in Ukraine.

1. The state representative at the stock exchange, in depositories and trading and information systems (hereinafter referred to as the state representative) shall be appointed by a relevant resolution of the Securities and Stock Market State Commission from amongst authorized persons of the Securities and Stock Market State Commission.

(item 1 in the version of resolution of the Securities and Stock Market State Commission of 01.30.2004 under No 14)

2. On behalf of the state the state representative shall exercise control over observance of provisions of the charter and rules of stock exchanges, depositories and trading and information systems (hereinafter referred to as trade organizers and depositories).

3. The state representative shall have the right:

3.1. To be present at general meetings (conferences, etc.) of shareholders (participants) of the trade organizer and depository, stock exchange tenders (trading sessions), to take part in work of the board and other managerial bodies of the trading organizer and the depository.

3.2. To submit for consideration of the board and other managerial bodies of the trading organizer and the depository the issues that are obligatory for consideration by these managerial bodies. The results of consideration of the issues shall be executed in writing and given to the state representative.

(item 3 is supplemented with new subitem 3.2 according to resolution of the Securities and Stock Market State Commission of 11.17.2004 under No 469, in connection with this subitems 3.2, 3.3, 3.4 shall be considered subitems 3.3, 3.4, 3.5 respectively).

3.3. To receive information on exercising control over observance of provisions of the charter and rules of the trade organizer and the depository in accordance with the procedure established by effective legislation, specifically, the information:

- that has direct relation to activities of members and/or participants of the trade organizer and the depository, brokers (traders, authorized persons), employees of committees (commissions, sections);

- on activities of the infrastructure institutions which serve securities trading;
- on activities on providing the services on custody of securities and/or registration of securities ownership and also servicing of securities contracts;
- on issuers, securities offered for sale and served by the trade organizer and also are kept in, registered with the depository;
- on securities allowed for trading at the trade organizer.

(part 1 of subitem 3.3 is supplemented with a paragraph according to resolution of the Securities and Stock Market State Commission of 01.30.2004 registration No 14).

The state representative has the right to demand regular providing of:

- information on daily operations performed by the trade organizer and the depository;
- information on the rates of securities;
- summarized quarterly data on activities of the trade organizer and the depository according regulatory and legal acts of the Securities and Stock Market State Commission.

At request of the state representative, in addition to regular information, the trade organizer and the depository shall provide other information the disclosure of which does not contradict effective legislation of Ukraine.

3.4. In the event of a violation of securities legislation, the charter and rules of the stock exchange by the stock exchange, to suspend trading at it up to elimination of such violations according to law.

(item 3 is supplemented with subitem 3.4. according to resolution of the Securities and Stock Market State Commission of 01.30.2004 under No 14)

3.5. To appoint temporarily (for a term of two months) heads of stock exchanges, depositories and other institutions of the stock market infrastructure, to suspend or terminate access of securities to stock exchanges or trading in them at any stock exchange, to stop clearing and conclusion of sale contracts for a definite term to protect the interests of the state, investors according to law.

(item 3 is supplemented with subitem 3.5. according to resolution of the Securities and Stock Market State Commission of 01.30.2004 under No 14)

4. Actions of the state representative may be challenged in the Securities and Stock Market State Commission and judicially.

5. Organizational support to activities of the state representative is provided by the staff the number of which shall be specified by the Securities and Stock Market State Commission.

6. The stock exchange, the trading and information system for a period and implementation of the functions of the state representative and its staff shall provide them with premises, required technical means and means of communication.

Head of Department of regulation
and development of securities

A. Rybalchenko