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Translation as of July 1999.

RESOLUTION OF THE VERKHOVNA RADA OF UKRAINE
On Procedure of Coming into Effect of the Law of Ukraine
“On State Regulation of the Securities Market in Ukraine”

The Verkhovna Rada hereby decrees:

1. To bring into force the Law of Ukraine “On State Regulation of the Securities Market in Ukraine” as of the day it is published.
2. To establish that prior to the date Ukrainian legislation is brought into line with the Law of Ukraine “On State Regulation of the Securities Market in Ukraine,” all effective laws shall be applied to the extent that they do not contradict this Law.
3. The Cabinet of Ministers of Ukraine shall:
 - by December 1, 1996 execute and submit to the Verkhovna Rada proposals related to bringing legislation acts into accordance with the Law of Ukraine “On State Regulation of the Securities Market in Ukraine”;
 - bring all decisions of the Government, ministries and sectors into accordance with this Law;
 - ensure that functions related to securities market regulation are redeployed between the executive bodies and the Securities and Stock Market State Commission in accordance with this Law;
 - give priority to provision of the necessary resources to the Securities and Stock Market State Commission with the aim of performing activities to establish and develop a stock market infrastructure pursuant to the “Concept of Functioning and Development of the Stock Market of Ukraine,” approved by the Resolution of the Verkhovna Rada of Ukraine, September 22, 1995;
4. The State Property Fund of Ukraine shall transfer state property to the Securities and Stock Market State Commission needed for establishment and development of stock market infrastructure pursuant to the “Concept of Functioning and Development of the Stock Market of Ukraine”.

Chairman of the Verkhovna Rada of Ukraine

O. Moroz

Kyiv, October 30, 1996

LAW OF UKRAINE
“ON STATE REGULATION OF SECURITIES MARKET IN UKRAINE”

(Bulletin of the Verkhovna Rada (BVR) 1996, #51, p.292)

(Enacted by the Resolution of the Verkhovna Rada # 475/96 - VR dated 10.30.96, BVR #51, p.293)

(With amendments made pursuant to the Law # 642/97 - VR dated 11.18.97, BVR #10. p.36)

(With amendments made pursuant to the Law # 938/XIV dated 07.14.99)

This law shall establish legal framework for executing state regulation of the securities market and state oversight of issuance and circulation of securities and their derivatives in Ukraine.

Article 1. Definition of Terms

For the purposes of this Law, the following terms shall have the following meanings:

- **state regulation of the securities market** - implementation by the state of a series of measures with regard to regulation, control and supervising the market of securities and their derivatives, as well as prevention of abuses and violations in this sphere;
- **investor in the securities market** - a physical person or legal entity, that purchases securities on behalf of his/her/its own and on his/her/its own account to make a profit from them or from the increase in their value, or to acquire the rights provided to a securities owner in accordance with the effective legislation;
- **circulation of securities** - conclusion and implementation of agreements with regard to securities that are not related to their issuance;
- **securities derivative** - securities whose issuance and circulation is related, during the term stipulated by agreement (contract), to the right to purchase or sell securities, or other financial instruments and/or commodities;
- **professional activity in the securities market** - entrepreneurial activity involving re-allocation of financial resources through the use of securities, as well as organizational, informational, technical, consulting, and other support of securities issuance and circulation. This type of activity shall be, as a rule, an exclusive or predominant one;
- **self-regulatory organization (SRO)** - a non-profit voluntary association of professional securities market participants, established to advocate interests of its members that own securities and other participants of the securities market. The association shall be registered with the Securities and Stock Market State Commission;
- **participants of the securities market** - issuers, investors and persons that carry out professional activity in the securities market.

Article 2. The Purpose of the Securities Market State Regulation

The goal of state regulation of the securities market are to:

- implement a unified state policy on the issuance and circulation of securities and their derivatives;
- facilitate effective mobilization and allocation by securities market participants of their finances with due regard to the interests of the society;
- connect information on conditions of securities issuance and circulation by securities market participants, the results of issuers' financial and business activities, the scope and character of securities transactions, and other information which affects price formation in the securities market;

- ensure equal opportunities for issuers, investors and intermediaries regarding access to the securities market;
- ensure securities ownership rights;
- protect securities market participants' rights;
- integrate with European and International stock markets;
- ensure compliance of securities market participants with legislation;
- prevent monopolization and develop a framework for fair competition in the securities market;
- ensure openness and transparency in the securities market.

Article 3. Forms of the Securities Market State Regulation

State regulation of the securities market shall be implemented through:

- adoption of the legislative and normative acts on issues related to the activities of the securities market participants;
- regulation of the issuance and circulation of securities, as well as rights and duties of the securities market participants;
- special permission (licenses) granted to engage in professional securities market activities and to provide for oversight of these activities;
- prohibition and suspension for a certain period (up to one year) of professional activity in the securities market in the event of engaging in said operations without the proper permission (license) for such activities, and this activity in conformity with the effective legislation;
- registration of both the securities issuance and information on the securities issuance;
- oversight over the reliability of the information submitted to regulatory bodies by issuers and entities engaged in professional activity in the securities market;
- establishment of a system for advocating investor's rights and ensuring compliance with those rights by securities issuers and professionals;
- exercising control over reliability of the information which is submitted to controlling bodies by issuers and entities engaged in professional activity in the securities market;
- promulgation of rules and standards for securities market transactions and oversight of compliance with them;
- oversight of compliance with antimonopoly legislation in the securities market;
- oversight of pricing system in the securities market;
- supervision of the activities of securities issuance and circulation service providers;
- other measures related to state regulation and control oversight of securities issuance and circulation.

Article 4. Professional Activity in the Securities Market

The following types of professional activities may be carried out in the securities market:

- **securities trading** - concluding civil-and-legal agreements regarding securities which stipulate payment for securities against their delivery to a new owner on the basis of agency or commission agreements either on account of clients (broker activities) or on its own behalf and on its own account with the purpose of re-selling the securities to third parties (dealer activities), unless otherwise specified by the legislation;
- **depository activities** - activities which render services with regard to securities safekeeping and/or maintenance of the securities ownership rights records, as well as servicing the securities transactions;
- **clearing-settlement activities** - determination of mutual commitments with regard to the securities transactions and settlements;

- **securities management** - activity entailing management of securities transferred to a person for execution by him of operations with them, for remuneration and on the basis of a relevant agreement with the owner, pursuant to a specified terms and in the owner's interest or in the interest of a third party indicated by the owner;
- **maintenance of a registry of registered securities owners** - collecting, registration, processing, safekeeping and submitting data which comprises the system of registry of registered securities owners regarding registered securities, their issuers and owners;
- **organization of trading in the securities market** - rendering services which directly facilitate conclusion of civil-and-legal agreements in securities on the stock exchange and over-the-counter market.

Professional activity in the securities market, including intermediary activities in connection with issuance and circulation of securities, shall be carried out by legal entities and physical persons exclusively on the basis of special permission (licenses) granted pursuant to procedures promulgated in accordance with the effective legislation.

While carrying out professional activities in the securities market, the entities shall comply with mandatory standards, established in accordance with this Law and other legislative and normative acts of Ukraine, concerning adequate amount of their equity capital, as well as other indicators and requirements that limit the securities transactions risks.

Article 5. Bodies Exercising State Control over the Securities Market

The Securities and Stock Market State Commission shall be responsible for state regulation of the securities market. Other governmental bodies shall be responsible for oversight of the securities market within their jurisdiction, as stipulated by the effective legislation.

A Coordination Council shall be established to coordinate state bodies' activities related to the securities market.

The heads of the state bodies which, within their jurisdiction, regulate or manage functions related to the stock market and investment activities in Ukraine shall comprise the Coordination Council. The Chairman of the Securities and Stock Market State Commission shall head the Coordination Council. The Chairman of the Securities and Stock Market State Commission shall submit information on the Council's composition and a regulation on the Coordination Council to the President of Ukraine for approval.

Article 6. The Securities and Stock Market State Commission

The Securities and Stock Market State Commission shall be a state body subordinated to the President of Ukraine that reports to the Verkhovna Rada of Ukraine. The corresponding structure shall include the Securities and Stock Market State Commission, its central body, and its regional offices.

The Securities and Stock Market State Commission of Ukraine shall consist of the Chairman of the Commission, and six Commissioners.

The Chairman of the Commission and its members are appointed and dismissed by the President of Ukraine upon consent of the Verkhovna Rada.

The Chairman of the Securities and Stock Market State Commission and its members shall be entitled to represent the Commission in Court or Arbitration Court without special authorization.

The term of a Commissioner in office shall be seven years. No one may be a Commissioner for more than two terms in succession.

Termination of the tenure of the Commission Chairman and the Commissioners shall occur only at their request, or if they commit a crime or fail to carry out their responsibilities for health reasons.

Meetings shall be the main form of Commission operation. The meetings shall be called by the Chairman when necessary, but not less than once a month.

A meeting of the Commission shall be deemed authorized if at least five persons are present at the meeting.

Commission decision shall be approved by no less than five affirmative votes.

Regulation on the Securities and Stock Market State Commission shall be submitted to the President of Ukraine for approval. The regional offices shall operate on the basis of regulations approved by the Commission, and coordinate their activities with the local state administrations and self-governing bodies.

The Securities and Stock Market State Commission shall develop and approve, on issues which are within its jurisdiction, legislative acts which are mandatory for central and local bodies of the state executive power, local self-governing bodies of Ukraine, the securities market participants, and their associations, and shall exercise oversight of implementation of this legislation.

The Consultative-Expert Council, as well as other organs and institutions, shall be established under auspices of the Securities and Stock Market State Commission.

The Consultative-Expert Council shall generate policy recommendations for the securities market and take part in drafting and discussing legislative acts elaborated and considered by the Commission.

The composition of the Consultative-Expert Council and the corresponding regulation shall be submitted to the Securities and Stock Market State Commission for approval.

Any suits (applications), related to violations of Ukrainian securities legislation, shall be addressed by the SSMSC to the General Courts and Arbitration Courts.

Article 7. Objectives of the Securities and Stock Market State Commission

The main objectives of the Securities and Stock Market State Commission shall be:

- 1) to formulate and ensure implementation of a unified state policy for development and operation of the securities and derivatives market in Ukraine, and encourage adaptation of the domestic securities market to international standards;
- 2) to coordinate state bodies' activities with regard to the securities market and derivatives market in Ukraine;
- 3) to execute state regulation of issuance and circulation of securities and their derivatives in Ukraine as well as compliance with legislation in this sphere;
- 4) to advocate investors' rights by implementing measures to prevent and eliminate infringements of legislation in the securities market, and to impose sanctions for violations of legislation within its jurisdiction;
- 5) to foster development of the securities market;
- 6) to generalize application of Ukrainian legislation to the issuance and circulation of securities in Ukraine, and to draft proposals on amendments to it.

The Securities and Stock Market State Commission, in accordance with its objectives, shall:

- 1) establish requirements for issuance (emission) and circulation of securities and their derivatives, requirements for prospectuses and information on placement, including the requirements for foreign issuers (taking into account requirements of Ukrainian currency legislation) that issue and place their securities in Ukraine, as well as develop a procedure for registration of securities issuance and their issue prospectuses;
- 2) with consent of the National Bank of Ukraine, set additional requirements concerning securities issued by commercial banks;
- 3) set standards for securities issuance, prospectuses for securities offered for open sale, including those of foreign issuers that issue their securities in Ukraine, and establish a procedure for registration of the securities issuance and information on their issuance;
- 4) grant permissions for circulation abroad of Ukrainian issuers' securities;

- 5) register securities issuance and prospectuses, including securities of foreign issuers that circulate in Ukraine;
- 6) set requirements with regard to access of foreign issuers' securities to the Ukrainian securities market and subsequent circulation of their securities there;
- 7) register rules for operation of organized securities markets;
- 8) set requirements and conditions for open sale (placement) of securities in Ukraine;
- 9) establish a procedure and grant permission for activities regarding issuance and circulation of securities, depository, registrar, clearing and settlement operations in securities, as well as grant other special permission (licenses) stipulated by the legislation to carry out separate kinds of professional activities in the securities market; revoke this permissions (licenses) if violations the securities legislation occur;
- 10) establish reporting procedures for securities market participants pursuant to existing Ukrainian legislation;
- 11) with the consent with the National Bank of Ukraine, establish specific provisions for obtaining permission for depository clearing and settlement activities by commercial banks;
- 12) with the consent of the Ministry of Finance of Ukraine, and of the National Bank of Ukraine with respect to banks' activities in the securities market, develop specific provisions for keeping records of securities transactions;
- 13) establish procedures for registration and register stock exchanges and over-the-counter information and trading systems; and appoint state representatives to stock exchanges, depositories, and information and trading systems;
- 14) establish procedures for registration and register self-regulatory organizations established by persons engaged in professional activities;
- 15) establish requirements and standards with respect to mandatory information disclosure by the issuers and persons engaged in the professional securities market activities, ensure development of a data base for the securities market pursuant to existing legislation;
- 16) take part in drafting and submit, according to established procedures, drafts of legislative acts that regulate matters related to securities market development in Ukraine; take part in drafting relevant international agreements; and cooperate with state bodies and non-governmental organizations of foreign countries and international organizations on issues that fall under its jurisdiction;
- 17) coordinate training of stock market specialists, grant permissions, set qualification requirements for securities market professionals, and certify specialists;
- 18) elaborate and implement measures aimed at prevention of violations of Ukrainian securities legislation;
- 19) organize research on issues related to Ukrainian stock market operations;
- 20) inform the general public of its activities and of progress with respect to securities market development;
- 21) establish procedures for carrying out professional activities in the securities market by foreign legal entities and enterprises with foreign investments;
- 22) grant permissions, establish standards and rules for activities, and register issuance and issue prospectuses of investment funds' and investment companies' investment certificates;
- 23) define procedures for effective securities legislation enforcement.

While executing the tasks entrusted to it, the Commission shall cooperate with other central bodies of the state executive power, the Autonomous Republic of the Crimea, and regional and local executive authorities and regional and local legislative authorities.

Article 8. Powers of Securities and Stock Market State Commission

The Securities and Stock Market State Commission shall be entitled to:

- 1) classify securities into categories specified by the existing legislation;

- 2) establish mandatory standards for sufficiency of an entity's operating capital and other indicators and requirements that reduce risks of securities transactions in the sphere of activities on securities issue and circulation, as well as other professional activities in the securities market (except for banking operations);
- 3) set fees, with the consent of the Cabinet of Ministers of Ukraine, for granting special permissions (licenses), registering documents, providing with the information requested by legal and physical entities and transferring the derived funds to the state budget;
- 4) establish restrictions on combining professional activities in the securities market;
- 5) issue warnings, suspend (for a term up to one year) placement (sale) and circulation of securities of an issuer, grant permissions (licenses) of the Securities and Stock Market State Commission, and void such permissions (licenses) if the securities legislation or normative acts of the Securities and Stock Market State Commission are violated;
- 6) terminate all operations in the bank accounts of the corresponding legal entity until the Court passes a decision on imposition of a fine (except for payment of state court fees for appeals and complaints lodged in the Court), should signs of infringements (in the form of issuing or placing securities without due registration under existing legislation, or activities in the securities market without special permission (license)) be revealed;
- 7) terminate trading at a stock exchange until violations are eliminated if a stock exchange violate securities legislation, or its statute and the corresponding rules;
- 8) review the reliability of information released by issuers and securities market professionals as well as its conformity with the established standards;
- 9) conduct, independently or jointly with other appropriate agencies, inspections and spot checks of business operations of issuers and securities market professionals, stock exchanges, and self-regulatory organizations;
- 10) issue mandatory orders on elimination of violations of securities legislation to issuers and professionals, stock exchanges, and self-regulatory organizations, as well as demand submission of necessary documents pursuant to existing legislation;
- 11) forward materials to law enforcement bodies with regard to violations that entail administrative and criminal liabilities which do not fall under the SSMSC's jurisdiction;
- 12) forward materials to the Antimonopoly Committee of Ukraine, should violations of the antimonopoly legislation be found;
- 13) elaborate and approve obligatory normative acts with respect to issues within its jurisdiction;
- 14) impose administrative reprimands, fines and other sanctions for infringement of existing legislation on legal entities and their employees including revocations of professional activities in the securities market;
- 15) in order to protect the interests of investors and individuals - raise matters concerning dismissal of Heads of stock exchanges, and other institutions of stock market infrastructure, should they fail to comply with existing Ukrainian legislation;
- 16) appoint temporarily (for a term up to two months) heads of stock exchanges, depositories, terminate or suspend trading in securities on any stock exchanges, terminate clearing and buy-sell transactions for a certain term in order to protect interests of citizens and the State;
- 17) regulate, jointly with other executive agencies, printing facilities for securities;
- 18) monitor the flow of investments realized through the stock market in Ukraine and abroad;
- 19) elaborate and implement models of stock market infrastructure;
- 20) certify software and establish requirements for software used in the securities market;
- 21) while conducting inspections, confiscate (for a term of up to three days) documents confirming violations of securities legislation.

Article 9. Authorized Persons of the Securities and Stock Market State Commission

The following shall be authorized persons of the Securities and Stock Market State Commission:

- the Chairman of the Securities and Stock Market State Commission and the commissioners;
- heads of the regional representative offices of the Securities and Stock State Market Commission;
- officers of the central office by written order of the Chairman or Commissioner;
- officers of the regional representative offices of the Securities and Stock Market State Commission - by written order of the Head of the regional office.

Authorized persons of the Securities and Stock Market State Commission shall have the right to:

- have free access to enterprises, institutions, and organizations as well as materials necessary for inspection on the grounds of his/her office identification card;
- require for inspection all necessary documents and other information related to exercising of his/her authorities;
- engage (under agreement with the relevant central and local bodies of state executive power, local power and self-governance, enterprises and associations) their employees, deputies of local Councils of People Deputies, upon their consent, in carrying out inspections and spot checks;
- in accordance with distributed duties or written assignment, to examine, within its jurisdiction, violations of the effective legislation concerning the issuance and circulation of the securities, including the cases related to the infringements of standards, norms, and rules established by the Securities and Stock Market State Commission's normative acts; and to raise questions with the Ukrainian public prosecution bodies and the Ministry of Internal Affairs related to investigations or other measures in conformity with existing legislation.

Should approval of the Securities and Stock Market State Commission not be granted, its authorized persons shall not be permitted to become members of commissions, committees, and other bodies formed by central and local state executive bodies or by bodies of local self-governance.

Article 10. Relations between the Securities and Stock Market State Commission and Law Enforcement Bodies and Other Bodies of State Executive Power

Officers of law enforcement agencies shall assist authorized persons of the Securities and Stock Market State Commission in carrying out their official duties. Upon request of Securities and Stock Market State Commission officials, law enforcement agencies shall provide them with available information necessary for effective oversight of the securities market.

The law enforcement agencies may refuse to submit relevant information, if disclosure would affect criminal investigation or legitimate executive searching operations.

Should the officials of the Securities and Stock Market State Commission be obstructed from carrying out their inspections pursuant to this Law, law enforcement agencies shall, on the request of officials of the Securities and Stock Market State Commission's, take immediate measures to carry out a compulsory inspection.

The privatization agencies shall forward to the Securities and Stock Market State Commission all necessary documents about objects of state property being privatized, if, during privatization of these objects, the securities are to be issued in line with existing legislation.

Pursuant to the existing legislative requirements, the state executive bodies shall forward to the Securities and Stock Market State Commission the necessary documents and information on issues that are within its jurisdiction.

Article 11. Responsibility of the Legal Entities for Violations of Legislation in the Securities Market

The Securities and Stock Market State Commission may impose the following fines on legal entities:

- should issued and placed securities be unregistered pursuant to existing legislation, fine shall be up to 10,000 subsistence tax-free incomes, or 150 per cent of the profit (revenue) derived as a result of those actions;
- should the securities market activity be performed without special permission (license) as stipulated in the existing legislation, the fine shall be up to 5,000 citizens' subsistence tax-free incomes;
- should failure to submit information, delayed submission, or submission of misleading information take place, the fine shall total up to 1,000 of citizens' subsistence tax-free incomes;
- should evasion from compliance or delayed compliance with orders, resolutions or removal of violations concerning securities take place, the fine shall total up to 500 of citizens' subsistence tax-free incomes.

A decision of the Securities and Stock Market State Commission's to impose fines may be appealed in Court.

Fines imposed by the Securities and Stock Market State Commission shall be exacted pursuant to judicial procedures. (Clause 3, Article 11 in the wording of the Law # 642/79-VR dated 11.18.97)

The Securities and Stock Market State Commission shall inform the National Bank of Ukraine when it imposes fines on commercial banks within three days.

Article 12. Procedure for Imposing Fines for Violation of Legislation in the Securities Market by the Legal Entities

Fines stipulated in Article 11 of this Law shall be imposed by the Chairman of the Securities and Stock Market State Commission, Commissioners, or by the Head of the relevant regional office upon consideration of materials revealing the violation.

A formal document indicating the violation stipulated by Article 11 shall be generated by the Securities and Stock Market State Commission's official who uncovered the violation. This formal document, jointly with an explanation by the manager, or other responsible official, and relevant documents, shall be forwarded within three days to an official who is authorized to impose fines.

Should withdrawal of documents evidencing the violation take place while the Securities and Stock Market State Commission's official conducts the inspection, copies of these documents and a copy of the withdrawal protocol shall be attached to the violation protocol.

A three-day withdrawal of documents evidencing a violation may be conducted with a mandatory generation of a protocol containing the date of its execution, the full name and position of the official who is executing the withdrawal, as well as the complete list of the withdrawn documents and the day the documents should be returned, in accordance with this Law. This protocol shall be signed by the official who executed the withdrawal. Upon completion of the inspection and documents withdrawal, a copy of the withdrawal protocol shall be forwarded to representative of the legal entity whose documents were withdrawn.

A Securities and Stock Market State Commission's official shall make a decision on imposition of a fine within 10 days after the documents specified in the second part of this article received.

A resolution on imposition of the a fine may be appealed to the Arbitration Court. Moreover, an appeal to Arbitration Court within a 10-day period after receiving the resolution, shall suspend levying of the fine until the case is resolved by the Arbitration Court.

Article 13. Responsibility for Administrative Violations Related to the Securities Market Activities

Should issuance or placement of securities which were not registered in accordance with the existing legislation take place, the fine imposed on individuals or officials shall be 50 to 100 of citizens' subsistence tax-free incomes.

Should securities market activity take place without special permission (a license) pursuant to the existing legislation, the fine imposed on the individuals or officials shall be 20 to 50 subsistence tax-free incomes.

Should a failure to submit information, delayed submission, or submission of misleading information to the Securities and Stock Market State Commission take place, when submission of the requested information is stipulated by existing legislation, the fine imposed on the individuals or officials shall be 50 to 100 of citizens' subsistence tax-free incomes.

Should evasion from compliance, or delayed compliance with orders of the Securities and Stock Market State Commission, or delayed compliance with them take place, the fine imposed on the individuals or officials shall total 20 to 50 of citizens' subsistence tax-free incomes.

Should these violations be found, a protocol shall be drawn up by the officials of the Securities and Stock State Market Commission.

The administrative sanctions for violations stipulated by Clauses 1-4 of this article shall be imposed by the Securities and Stock Market State Commission or its regional offices. The Chairman of the Commission, Commissioners, or head of the relevant regional body of the Commission shall be authorized, on behalf of the aforementioned bodies, to consider cases on administrative violations and impose sanctions.

The procedures for administrative violation cases stipulated by clauses 1-4 of this Article shall be in accordance with the Code of Ukraine on Administrative Violations.

Article 14. Criminal and Property Liability for Violation of Securities Legislation

Officials who fail to comply with securities legislation shall bear criminal and property liability, as stipulated by relevant Ukrainian legislation.

Article 15. Responsibilities of the Securities and Stock Market State Commission and its Officials

Securities and Stock Market State Commission officials shall bear responsibility, as established by Ukrainian legislation, for improperly performing out their office duties, or for failure to perform them.

Losses inflicted on securities market participants through the improper actions of the Securities and Stock Market State Commission while exercising its regulatory and educational powers, shall be redressed in full by the State pursuant to the existing legislation.

Article 16. Procedure for Settling of Disputes

Disputes arising in the process of application of this Law shall be settled according to established procedures by the General Courts or by the Arbitration Courts.

Article 17. Self-Regulatory Organization Authorities with Respect to Oversight and Regulating of Securities Market

Self-regulatory organizations (SRO) shall acquire SRO status and the status of a legal entity once they have been registered with the Securities and Stock Market State Commission.

The procedure and terms for registration and cancellation of registration shall be established by the Securities and Stock Market State Commission.

The Securities and Stock Market State Commission shall establish a sample of certificate and grant certificate on an association's registration as a self-regulatory organization.

Pursuant to existing legislation, self-regulatory organizations shall establish for their members standard requirements related to securities market operations, qualification requirements for experts, as well as execute control over their members' compliance with these rules, standards, and securities legislation requirements.

The Securities and Stock Market State Commission and other state bodies that regulate stock market activity may delegate the following powers to the self-regulatory organizations:

- elaboration and implementation of rules, standards, and requirements for the stock market operations;
- certification of stock market specialists;
- granting of permission (licenses) to the stock market professional participants;
- collection, processing, and analysis of the statistical information on the professional the stock market activity.

The Securities and Stock Market State Commission may establish other requirements and delegate other powers to self-regulatory organizations as long as they do not contradict the existing legislation.

Article 18. Funding, Material and Technical Support for the Securities and Stock Market State Commission

Funding shall be provided from the State budget of Ukraine for the Securities and Stock Market State Commission, its regional representative offices, and other bodies established by the State Securities and Stock Market Commission in accordance with its aims and objectives.

The President of Ukraine L. Kuchma

Kyiv, October 30, 1996

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