



**THE UGANDA SECURITIES EXCHANGE
LIMITED**

EQUITY TRADING RULES 2015

THE UGANDA SECURITIES EXCHANGE LIMITED

EQUITY TRADING RULES 2015

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UGANDA SECURITIES EXCHANGE EQUITY TRADING RULES 2015
(Under Section 25 of the Capital Markets Authority Act, Cap 84)

PART I – APPLICATION AND DEFINITIONS

1. Application

- 1) These Rules form part of the Rules and Regulations of the Uganda Securities Exchange Limited.
- 2) These Rules shall come into force on the date of approval from the Authority.
- 3) The coming into force of these rules shall in effect repeal Chapter 4 and 5 of the USE Rules 2003(as amended).
- 4) All listed equity securities admitted to the Main Investment Market Segment and the Growth Enterprise Market Segment of the Exchange shall be traded in accordance with these Rules, through the Automated Trading System (ATS) unless otherwise specifically exempted by these rules or the Act.
- 5) The ATS is designed to match buy and sell orders entered into a central electronic order book by authorized Trading Participants under the supervision of the Exchange.
- 6) The ATS shall maintain an order book for each security listed on the Exchange, divided into bids and offers and all information relating to executed trades shall be electronically communicated to the Trading Participants' Representatives.
- 7) English shall be the official language of communication for all users of ATS both during Remote Trading and ATS floor sessions.
- 8) The Chief Executive shall have the discretion to deny any Trading Participant and/or Trading Participant's Representative access to the ATS if they are in breach of the Trading Rules.

2. Interpretation

- 1) The terms, words and phrases defined in, and the provisions of the Capital Markets Authority Act, Cap 84, (as amended including the rules and regulations made under it), and in the Memorandum and Articles of Association of Uganda Securities Exchange Limited shall apply to these Rules.

- 2) Unless inconsistent with the context, the singular includes the plural and the use of either gender includes the other.
- 3) Headings shall be taken into account in the interpretation of the Rules.

3. Interpretation

- 1) In these Rules, unless the context otherwise requires-

“Act”	Refers to the Capital Markets Authority Act (Cap. 84) and the Regulations and Guidelines issued thereunder.
“All or None(AON)”	Refers to a block trade for a fixed quantity of securities which must be filled in its entirety simultaneously.
“Authority”	Refers to the Capital Markets Authority.
“Automated Trading System” (ATS)	Refers to the software, hardware, communications and network systems forming the electronic trading system for the automatic matching of orders designated and approved by the Exchange for the trading of equity listed securities on the Exchange.
“ATS Operator”	Means an authorized Trading Participant’s Representative certified by the Exchange as an ATS Operator and having a unique identification number.
“Bank of Uganda”	Refers to the Central Bank of Uganda.
“Bidding Advance”	Refers to the allowable margins within which a trader may move the price of a security up or down during trading.
“Board/Governing Council”	Refers to the Board of Directors/Governing Council of the Exchange.
“Board Lot”	Means a standard number of shares or stocks determined by the Exchange which can be traded on the market for a particular board.
“Chairman”	Refers to the Chairman of the Governing Council of the Exchange.
“Chief Executive”	Refers to the Chief Executive Officer of the Exchange.
“Committee”	Refers to the Business Conduct Committee of the Exchange.
“Companies Act”	Refers to the Companies Act Cap No.1 of 2012.

“Daily Trading Summary Schedule”	Means the schedule generated by the Exchange in which all transactions dealt by a Trading Participant in a trading session are recorded.
“Day Order(DO)”	Refers to an order qualifier that allows an order to remain valid until the close of the trading session.
“Days”	Means calendar days excluding Saturdays, Sundays and public holidays.
“Dealer”	Means a person who carries on the business of buying, selling, dealing, trading, underwriting or retailing of securities whether or not he carries on any other business.
“Dealing in securities”	<p>Means making or offering to make with any person, or inducing or attempting to induce any person to enter into or to offer to enter into-</p> <p>a) any agreement for or with a view to acquiring, disposing of, subscribing for or underwriting listed securities; or</p> <p>b) any agreement the purpose or intended purpose of which is to secure a profit to any of the parties from the yield of listed securities or by reference to fluctuations in the price of listed securities.</p>
“Dealing Spread”	Refers to the allowable margin within which the price of a deal may move up or down during trading.
“Disaster Recovery Site”	Refers to the place designated by the Exchange for the relocation of the trading Floor in the event that the Trading Floor and the Trading Console are inaccessible for purposes of trading.
“Equity Reference Price”	Means the price calculated and used to establish the opening price of a listed equity security.
“Equity Security”	<p>refers to:</p> <p>a) a share, stock or other security representing a unit of ownership in the capital of a body corporate; any right, warrant, option or futures in respect of shares; or</p> <p>b) any unit, interest or share offered under a collective investment scheme.</p>
“Exchange”	Means the Uganda Securities Exchange Limited.
“Exchange Trading Workstations”	Refers to the Trading Workstations placed on the Trading Floor for use by Trading Participants during an ATS Trading Session.
“Expire”	Refers to a situation where an order input in the ATS is terminated

or ceases to be valid.

“Good Till Cancelled(GTC)”	Refers to an order qualifier that allows an order to remain valid till cancelled on a specified date.
“Good Till Day(GTD)”	Refers to an order qualifier that allows the order to remain valid for a fixed number of days.
“GEMS”	Refers to the Growth Enterprise Market Segment of the Exchange.
“Immediate or Cancel(IOC)”	Refers to an order qualifier that requires the immediate purchase or sale for the whole or part of the specified quantity at the specified or better price.
“Institutional Investor”	Means a non-retail investors conducting investment business.
“Issuer”	Means an entity that is quoted or listed on the Exchange.
“IT Help Desk”	Refers to the function in the Information Systems Department of the Exchange dedicated to providing support to Trading Participants accessing the ATS through the Trading Console.
“Limit Order”	Refers to an order for an equity security for which a price has been specified.
“Listed”	Means admitted either to the Main Investment Market Segment or Growth Enterprise Market Segment of the Exchange.
“Lot”	Means the number of securities comprising an order.
“Market Halt”	Means the stopping of trading in all listed securities during a trading session.
“Market Order”	Refers to an order for an equity security for which a price has not been specified.
“Market Segment”	Means a separate segment of the official list established by the Exchange, with the approval of the Authority, with respect to listings of securities for which specific eligibility and disclosure requirements are prescribed.
“Material Information”	Refers to any information that may affect the price of an issuer’s securities or influence investment decisions and includes but is not limited to information on - (a) a merger, acquisition or joint venture; (b) a block split or stock dividend; (c) earnings and dividends of an unusual nature; (d) the acquisition or loss of a significant contract;

- (e) a significant new product or discovery;
- (f) a change in control or significant change in management;
- (g) a call of securities for redemption;
- (h) the public or private sale of a significant amount of additional securities;
- (i) the purchase or sale of a significant asset;
- (j) a significant labour dispute;
- (k) a significant law suit against the issuer;
- (l) establishment of a programme to make purchases of the issuer's own shares;
- (m) a tender offer for another issuer's securities;
- (n) significant alteration of the memorandum and articles of association of the issuer; or
- (o) any other peculiar circumstances that may prevail with respect to the issuer or the relevant industry.

“MIMS”	Refers to the Main Investment Market Segment of the Exchange.
“Odd Lot”	Refers to a lot comprising less than 100 shares.
“Odd Lots Board”	Refers to the designated board in the ATS for trading of odd lots.
“Official List”	Means a list specifying all securities which have been admitted to listing on any of the market segments of the Exchange.
“Order”	Means electronic instructions by a client to a stockbroker as to the security name, quantity, price or price limits and duration or validity of instructions and for the purposes of these rules means a verified order entered in the ATS to buy or sell securities.
“Order Book/ Central order book”	Means the electronic record in the ATS of the sequential list of unexecuted orders entered by the Registered ATS Operators.
“Order ID”	Is a unique number generated by the ATS that identifies an order.
“Remote Trading”	Refers to the trading under the ATS that takes place away from the Trading Floor using a Trading Console. (Revised Rule)
“Rules”	Refers to the rules of the Exchange currently in force as approved by the Authority.
“SCD”	Refers to the Securities Central Depository established under the Securities Central Depository Act of 2009.
“SCD Account”	Means an account established by the Securities Central Depository.
“SCD Rules 2009”	Refers to the rules made by the Exchange for the operation of the SCD.

“Secondary Listing”	Refers to a security that is listed in the first instance on another market and is subsequently listed on the Official List of the Exchange.
“Settlement”	Refers to the fulfillment of the obligation arising from a transaction including payment to the seller and transfer of title to the buyer.
“System Failure”	Refers to equipment breakdown or the breakdown, interruption, suspension, termination or failure or defect in any system (hardware or software), including but not limited to any trading system, or service rendered by or on behalf of the Exchange.
“T”	When used in reference to a transaction is the day a transaction is effected in the ATS.
“T+”	Denotes the number of business days after the day on which the transaction is effected in the ATS.
“Trading Console”	Means Trading Stations registered with the Exchange for use by Trading Participants for remote trading.
“Trading Floor”	Refers to any place designated and operated by the Exchange for the physical location of Exchange Trading Workstations.
“Trading Halt”	Means a market halt or a security halt.
“Trading Participant”	Refers to a body corporate licensed by the Authority and approved by the Governing Council of the Exchange to carry on the business of buying or selling of securities as an agent for investors, in return for a commission or on their own behalf.
“Trading Participant’s Representative”	Means a representative of any person licensed by the Authority who is in the employment of the licensed person and who plays a critical role in the company, and includes a trader, director, general manager, analyst, or any other person employed by the licensee who plays a critical role.
“Trading Session”	Means the hours during which trades may be entered into and matched through the ATS as specified in these rules.
“Transaction”	Means the matching and execution of a buy and a sell order.
“Validation”	Refers to a process carried out by the ATS prior to the acceptance of an order in the ATS.

PART II – ACCESS TO THE ATS

4. General Access Rules

- 1) Each Trading Participant shall at all times strictly comply with the Rules of the Exchange and any guidelines, manuals and instructions issued pursuant thereto from time to time by the Exchange relating to ATS Trading.
- 2) Each Trading Participant shall inform the Exchange of its designated ATS Operators and shall immediately inform the Exchange of any changes thereto.
- 3) Each designated ATS Operator shall access the ATS using a unique personal identification user name and code provided by the Exchange.
- 4) Trading Participants shall at all times ensure that only their designated ATS operators access the ATS for order inputs and executing transactions.
- 5) Trading Participants shall be liable for any loss that may arise in the event that their Trading Console is accessed by unauthorized persons to input orders in the ATS.
- 6) Officers of the Exchange and the Authority who have been granted access to the ATS shall access ATS using a unique personal identification user name and code provided by the Exchange.
- 7) Where a Trading Participant intends to connect to the ATS whether directly or indirectly, any device, equipment or facility for any purpose whatsoever, such Trading Participant must receive written approval from the Exchange.
- 8) A Trading Participant who is unable to update or remove orders from the ATS or unable to access the ATS through its designated Trading Console shall immediately notify the Exchange. The notification shall be directed to the Exchange's Chief Executive, Trading Manager, Head of Information Systems and/or the IT Help Desk by telephone and in writing, by electronic mail or by facsimile.
- 9) The Exchange shall within fifteen (15) minutes provide an alternative terminal to a Trading Participant upon receipt of notification under rule 4(8).
- 10) A Trading Participant who has notified the Exchange of its inability to update or remove orders from the ATS or to access the ATS may request the Exchange to update or remove its orders from the ATS. Such instruction shall be confirmed in writing immediately thereafter but in any event no later than the end of the trading session.
- 11) Access to the ATS shall be through the Trading Console.

5. Access Through Remote Trading

- 1) Trading Participants may participate in trading on the Exchange via Remote Trading.
- 2) The broker shall be responsible and bear all costs for providing, connecting and maintaining the Trading Console.
- 3) The Exchange shall give each Trading Participant access to the ATS through the Trading Console and shall give the required specifications and software for connectivity to the ATS.
- 4) Trading Participants shall not in any form or fashion modify the Trading Console without prior approval of the Exchange.
- 5) Remote trading can only be conducted by an ATS Operator.

6) Access Through the Trading Floor

- 1) Each Trading Participant shall be granted access to the ATS through a Trading Console located on the Trading Floor.
- 2) The Exchange shall assign each Trading Participant a designated Trading Console on the Trading Floor through which the Trading Participant's designated ATS Operators shall access the ATS.
- 3) Unauthorized persons shall not be permitted onto the Trading Floor.
- 4) Authorized persons shall include Trading Participants' representatives, ATS Operators, officers of the Exchange, officers of the SCD, officers of the Authority, and any persons authorised by the Chief Executive or Trading Manager.
- 5) ATS Operators shall at all times strictly comply with the Rules of the Exchange and any guidelines, manuals and instructions issued pursuant thereto from time to time by the Exchange relating to the ATS Floor Sessions.

7) Conduct and Dress Code

- 1) All persons on the Trading Floor shall be expected to conduct themselves in a respectable and responsible manner.
- 2) All persons on the Trading Floor shall be well groomed. Dress shall be formal and for the gentlemen shall include a jacket and a tie.
- 3) USE Trading Floor Personnel shall wear green jackets while on the Trading Floor.
- 4) ATS Operators shall wear red jackets while on the Trading Floor.

- 5) SCD officers, Officers of the Authority and all authorised persons shall wear identification badges while on the Trading Floor.

CMA APPROVED JULY 16, 2015

PART III- MARKETS & BOARDS

8. Markets

- 1) The equities market of the Exchange comprises;
 - a) The Main Investment Market Segment. (MIMS)
 - b) The Growth Enterprise Market Segment. (GEMS)

9. Main Investment Market Segment

- 1) The Main Investment Market comprises the following boards;
 - a) Normal Board
 - b) Odd Lots Board
 - c) The Block Trades Board

10. Growth Enterprise Market Segment

- 1) The Growth Enterprise Market comprises the following boards;
 - a) Normal Board
 - b) Odd Lots Board
 - c) The Block Trades Board

11. The Normal Board

- 1) The normal board shall trade listed ordinary shares, preference shares and other securities.
- 2) The minimum board lot on the Normal Board shall be 100 shares.
- 3) All transactions on the Normal Board shall be settled by T+3.

12. Odd Lots Board

- 1) The Odd lots board shall trade listed ordinary shares in a separate order book on the Odd Lots Board.
- 2) Odd lots shall only be entered as limit orders.
- 3) The maximum board lot on the Odd Lots Board shall be less than 100 shares.
- 4) The minimum number of equity securities to be bought or sold may be specified on an odd lot order.

- 5) Odd lot orders shall not be entered during pre-open.
- 6) Odd lot orders shall not be considered for execution during the opening auction.
- 7) Odd lot trades shall be matched and settled using the same rules as Normal Lots trades.
- 8) All transactions on the Odd Lots Board shall be settled by T+3

13. Block Trade Transactions

- 1) Block Trade Transactions shall comprise;
 - a) The All Or None transactions (AON).
 - b) Special Transactions.

14. All Or None (AON) Transactions.

- 1) An AON order shall match when the price is matched and the fixed quantity is filled in its entirety simultaneously.
- 2) AON trades shall be matched in conjunction with the Normal and Odd-Lots board during continuous trading.
- 3) AON transactions shall take place during continuous trading. AON orders shall not be accepted during the Pre-Open or when the Normal board is in the Opening Auction.
- 4) AON trades shall be posted during the continuous trading session.
- 5) AON orders shall be valid when quoted with both a price and fixed quantity as matching criteria. (As a limit order).
- 6) The AON block shall be used for the purposes of updating indices, VWAP and the closing price and shall be included in the market volume statistics.
- 7) AON orders can only be amended, suspended or deleted during continuous trading by an ATS Operator.
- 8) Except where otherwise expressly stated, all other rules governing trading on the Normal Board shall apply to AON trades.

15. Special Transactions

- 1) Any transaction which is equivalent to 5% or above of the securities market capitalization of any listed equity security shall require prior approval of the Exchange.

PART IV - TRADING PROCEDURES

16. Trading Hours

- 1) Trading of listed equity securities shall be conducted in sessions commencing at 9.00 a.m. and closing at 3.00 p.m. each day.
- 2) Time shall be determined by the clock displayed through the ATS trading software according to the time schedule below:

Sessions	Time
Pre-open	9.00 a.m. to 9.30 a.m.
Opening Auction	9.30 a.m.
Continuous Trading	9:30 a.m. to 3.00 p.m.
Closing Session	3.00 p.m.
Trade Amendments/Cancellation	3.00 p.m. to 3.30 p.m.
AON Transactions	10.00a.m. to 3.00 p.m.
Publication of Official Market Information Sheet	3:45 p.m.

- 3) The Chief Executive may adjust the trading hours upon the occurrence of an event that prevents adherence to the set trading hours or in the event that the Council makes a decision to adjust the standard trading hours.

Trading Sessions

17. Pre-Open

- 1) During pre-open, orders can be entered, deleted or amended. However, no trades take place. Orders shall be held in the ATS but not forwarded to the execution engine.
- 2) The session status will be displayed as “**PRE-OPEN**”.
- 3) Price information shall not be displayed in the order book during pre-open and no trades shall take place.
- 4) Only Limit price orders can be entered, amended or cancelled.
- 5) No market orders shall be entered during pre-open. If submitted it will be rejected.
- 6) The price input for an order shall be based on the equity reference price of the equity security and shall be within its price spread.
- 7) Orders with FOK, IOC, disclosed quantity and minimum fill attributes will not be accepted by the ATS during Pre-Open.

- 8) The order price input shall be based on the reference price of the security and must be within its price spread.

18. Opening Auction

- 1) The opening price of each equity security shall be calculated by the ATS during the opening auction.
- 2) The opening price of each equity security shall be within the daily allowed price movement limits from the equity reference price of the previous trading session.
- 3) The opening price of an equity security shall be the price at which the greatest number of equity securities are matched.
- 4) In case of a tie between many prices, the price at which the maximum number of shares are traded shall be the opening price.
- 5) Valid orders from the previous day's trading session shall participate in the opening auction, preserving their time priority.
- 6) Where there are no trades in an equity security during the opening auction, the opening price for continuous trading shall be the equity reference price of the equity security in the previous trading session.
- 7) All orders that can be matched at the opening price are executed at the same price.
- 8) All orders that are not matched during the opening auction shall be automatically transferred to continuous trading and registered in the order book in priority of first price and then time.

19. Continuous Trading

- 1) This period covers the trading operations where new orders are continuously entered into the system.
- 2) Incoming orders are checked against existing orders in the order book. An attempt is made to match each incoming order and thereby trigger a transaction or several transactions.
- 3) An order will be matched with the best opposite order and subsequent best orders until partly or fully executed or no further matching is possible.
- 4) During continuous trading, the session status will be displayed as **“OPEN”**.
- 5) Orders registered in the order book in priority of first price and then time shall be entered and matched on a continuing basis during continuous trading.
- 6) The best price of a buy transaction shall be the lowest sell order and best price of the sell transaction shall be the highest buy order in the order book.
- 7) The criteria for execution during continuous trading are as follows:

a) Price Priority; Where the highest bid and the lowest offer have precedence over all other orders. Orders are ranked by price sequence in the order book.

b) Time Priority; When orders are at the same price, the earliest one takes priority over those entered later. If a large order is placed with a smaller disclosed quantity (hidden orders) and the disclosed quantity is executed, the order will lose its time priority.

c) Market Orders; Here price is given the highest priority in the system. The ATS will attempt to match the order until either the entire volume is matched or no further matching is possible.

20. Closing Session

- 1) The closing session is a short session after the end of the continuous trading.
- 2) The ATS will compute the closing price for each security being the last execution price during the trade day.
- 3) Trading Participants shall be allowed thirty (30) minutes after the close of the trading session to request the Exchange to make trade corrections.
- 4) Requests for trade corrections shall be made in writing, by electronic mail or by facsimile by all the Trading Participants involved in the transaction.
- 5) Trade corrections and amendments shall be made in accordance with Rule 44 of these rules.
- 6) Where the Exchange approves a request for a correction the Exchange shall make the necessary adjustment to the trade.
- 7) All trade corrections shall be made before the computation of the equity reference price for each equity security.
- 8) The ATS will process time in force order attributes and any unmatched orders will be automatically deleted. Valid GTC and GTD orders will be transferred to the next market day.

PART V – ORDER TYPES & QUALIFIERS

21. Types of orders

- 1) The two types of orders that can be placed in the ATS are;
 - a) Market Orders
 - b) Limit Orders

22. Market orders

- 1) A market order is an order to buy or sell a security at the best price or prices prevailing in the market at that point in time.
- 2) For a market order no price is specified but the volume must be indicated.
- 3) The ATS gives the highest priority to price hence market orders have priority of execution over limit orders.
- 4) Only Minimum Fill attribute is applicable to market orders.
- 5) Market orders cannot be amended.

23. Limit Orders

- 1) A Limit Order specifies the maximum buying price or the minimum selling price.
- 2) The volume of the order must be indicated.
- 3) The ATS will attempt to match the order until either the entire volume is matched or no further matching is possible within the limit price.
- 4) Unless Fill Or Kill (FOK) or Immediate Or Cancel (IOC) are specified, the unmatched volume will remain in the order book until the indicated expiration time.
- 5) Limit orders can have the following attributes:
 - i) Qualifiers
 - ii) Time in force
 - iii) Disclosed/Hidden quantity

24. Qualifiers

- 1) The following order qualifiers modify the execution conditions of an order based on volume, time and price constraints.
 - a) Fill or Kill (FOK)
 - b) Immediate or Cancel (IOC)/ Take or Kill

25. Fill or Kill (FOK)

- 1) An order qualified as Fill or Kill requires the immediate purchase or sale of a specified quantity, at a given price or better. If the whole order cannot be filled immediately, it is cancelled.
- 2) These orders do not get registered in the order book.
- 3) FOK orders cannot be entered during pre-opening session.

26. Immediate or Cancel (IOC)/ Take Or Kill

- 1) An order qualified as immediate or cancel shall be executed immediately upon entry if there is a matching order in the system.
- 2) An order qualified as immediate or cancel shall be cancelled immediately upon entry if there is no matching order in the system.
- 3) Where an order qualified as immediate or cancel is partly executed, the remainder shall be immediately cancelled.
- 4) Orders qualified as immediate or cancel shall not be entered during pre-open.
- 5) It shall require the immediate purchase or sale for the whole or part of the specified quantity at the specified or better price.
- 6) Where no immediate execution occurs the order is cancelled. If the order is partly executed, the remainder is immediately cancelled.

27. Time in Force

- 1) Time in force attributes limit the lifetime of an order in the order book. If an order does not indicate a time condition, it is only valid for the trading session day on which it was input.
- 2) The time in force attributes include;
 - a) Good Till Cancelled
 - b) Good Till Day
 - c) Day Order

28. Good Till Cancelled (GTC)

- 1) A GTC order remains valid until it is automatically cancelled by the system on the expiry date being a date not later than thirty (30) days from the date on which it was input.
- 2) GTC orders cannot have Disclosed/Hidden Quantity and Minimum Fill attributes.

29. Good Till Day (GTD)

- 1) A GTD order remains valid for a fixed number of days and if it is not executed within the validity period it shall expire at the end of the final day. It shall be automatically deleted from the list of pending orders.
- 2) GTD orders cannot have Disclosed/Hidden Quantity and Minimum Fill attributes.

30. Day Order (DO)

- 1) The order is valid until the close of the trading day.
- 2) Day orders shall be automatically cancelled at the end of the trading day.

31. No Qualifiers

- 1) Orders will be executed at the specified or better price.
- 2) Where a partial execution occurs, the remaining volume will stay in the order book.

32. Disclosed/ Hidden Quantity (Iceberg)

- 1) The order size is revealed at the disclosed quantity and not at the full order quantity.
- 2) The disclosed quantity should be in multiples of 100 securities and the hidden quantity will not be visible to the market.
- 3) The disclosed quantity will cause execution to occur in blocks of disclosed quantity.
- 4) When the disclosed quantity is matched, a new order with the same initial volume is generated automatically and given a new time stamp.
- 5) The process will continue until the entire hidden quantity is matched or the order is cancelled or expired.
- 6) The disclosed quantity attribute is not valid for FOK or IOC orders.
- 7) Disclosed quantity attribute is only valid for Day orders.

33. Minimum Fill

- 1) The ATS operators can specify a minimum fill for an order, that is, a minimum quantity of securities he is willing to buy or sell.
- 2) The minimum fill must be a minimum of 100 securities.
- 3) Minimum fill attribute is only valid for Day orders.

34. Order Input

- 1) All orders shall be entered by ATS operators in the ATS through their Trading Console which shall then be processed by the ATS for validation, acceptance and execution.
- 2) Once the order is accepted by the ATS it shall be automatically time stamped and allocated an order ID which shall be used for all future references to the order.
- 3) Orders input into the ATS shall be anonymously displayed to the market.
- 4) A Trading Participant shall be solely responsible for the accuracy of details of orders entered into the ATS system in accordance with these rules.
- 5) The order entry instructions for equity securities shall include:
 - a) Security code
 - b) SCD Account
 - c) An indication whether it is a buy or sell order
 - d) Quantity
 - e) Price
 - f) Limit or Market Order
 - g) Order attributes
- 6) Following the entry of an order, the ATS shall validate the order by confirming that the seller's SCD account holds the required number of securities and that the same are available for trading.
- 7) Subject to clients instructions, ATS Operators shall use their best endeavors to buy and sell securities on the same trading day following the receipt of instructions from their respective clients, if the Trading Session is open or if not at the next available Trading Session.
- 8) An ATS Operator must stamp client orders to denote time of receipt and acceptance and must submit client bids and offers in the ATS promptly, for each security, for each individual order in the order in which they were received.
- 9) Where an order fails validation, it shall be rejected and the reasons for such rejection given.
- 10) ATS Operators taking purchase orders from Institutional Investors shall ensure that such investors have in place financial arrangements, including bank guarantees, with a Custodian to ensure funds are available at the Clearing Bank prior to Settlement Time.

35. Matching of Orders

- 1) All orders shall be ranked in the order book by reference to first price and then time.
- 2) Priority shall be given to the highest buy orders and the lowest sell orders.

- 3) When buy or sell orders are entered at the same buy or sell price priority shall be given to the earliest buy or sell order on a first-in-first-out basis.
- 4) Where no order qualifiers are specified for equity securities, orders will be executed at the specified or better price.
- 5) Where a partial execution of an order occurs the remaining volume will be registered in the order book preserving its original time stamp.

36. Reference Price of a Security

- 1) The equity reference price for an equity security shall be the Volume Weighted Average Price (VWAP) of transactions executed during the entire trading session of trading of the specific equity security.
- 2) Where there are no trades for an equity security in the current trading session, the equity reference price for that security shall be that of the previous trading session.
- 3) The volume weighted average price for an equity security will be calculated using all transactions executed during the entire trading session for that particular security.
- 4) The VWAP shall be calculated as follows:

$$\text{VWAP} = \frac{\text{Total value traded in the session}}{\text{Total volume traded in the session}}$$

- 5) Odd lot transactions shall be counted for the purposes of computing the index, the equity reference price and the market capitalization for equity securities.

37. Bidding Advance and Dealing spreads

- 1) The bidding advance and dealing spreads shall be as follows

Price Range (UgShs)	Tick Size(UgShs)
0 - 19.9	0.10
20 – 49.9	0.25
50 – 99.9	0.50
100 and above	1

38. Limits on bids and offers

- 1) The daily allowed price movement for any equity security in a single trading session shall be no more than 15% above or below the reference price.

- 2) Rule 38(1) above shall not be applicable with respect to an equity security where:
 - a) The Issuer announces its financial results or material information;
 - b) It is the first session for the trading of the security ex entitlement;
 - c) The security has not traded for over three calendar months;
 - d) Trading is in respect of rights;
 - e) It involves a transaction to be carried out on the AON Board;
- 3) Where rule 38(2) is applicable, no market order shall be accepted by the ATS.

39. Price Determination of a Newly Listed Equity Security

- 1) There shall be no price spreads for a newly listed equity security during pre-open.
- 2) The daily allowable price movement limits shall not apply on the first day of trading in a newly listed equity security.
- 3) Only limit orders with disclosed quantities shall be permitted for this security.
- 4) In the event that an opening price for a newly listed equity security is not determined during the opening auction, the security shall proceed to continuous trading and the first trade shall be the opening price.

40. Trading Status of a Security

- 1) The following status shall be indicated against individual securities in accordance with the timetable provided by the Issuer:-
 - ‘s’ To signify that the security has been suspended from trading and no transactions shall be recorded on that particular security.
 - ‘cd’ To signify that the security is trading cum dividend.
 - ‘cb’ To signify that the security is trading cum bonus.
 - ‘xd’ To signify that the security is trading ex-dividend. The status shall remain until the dividend is paid.
 - ‘xb’ To signify that the security is trading ex-bonus. The status shall remain until the securities are issued and available for trading.
 - ‘cr’ To signify that the security is trading cum rights.
 - ‘xr’ To signify that the security is trading ex rights. The status shall remain until the right is issued and is available for trading.
 - ‘q’ To indicate that the auditors’ opinion on the annual financial statements of the company is qualified. The annotation shall be removed once the company produces an unqualified opinion of its

auditor. The Exchange shall also indicate where any other circumstances relating to an auditors' opinion exist in regard to the financial statements of the company.

CMA APPROVED JULY 16, 2015

PART VI- TRADING, MARKET AND SECURITY HALTS

41. Trading Halts

- 1) The Chief Executive may vary the duration of trading and/or suspend trading for one or more trading sessions or any part of a trading session.
- 2) A trading halt may be imposed by the Exchange for a time period during a trading session or may be extended beyond one trading session.
- 3) The Exchange shall inform the Trading Participants of trading halts via the announcement system of the ATS and shall notify the Authority in the event of a trading halt.

42. Market Halts

- 1) A market halt can occur during a trading session in the following circumstances:
 - a) Due to a technical failure of the ATS.
 - b) When the All Share Index decreases by more than 5% at the opening session compared to its closing value or during the continuous session compared to its opening value. The halt will not be for more than 15 minutes.
 - c) Where in the opinion of the Chief Executive circumstances exist or are about to occur that could result in other than the transparent, fair and orderly trading of the listed securities.
 - d) The Exchange shall make a public announcement of a market halt that extends beyond one trading session and notification shall be given to the Authority.

43. Security Halts

- 1) The Exchange may temporarily halt trading in one or more securities in the following circumstances:
 - a) Upon the request of the Authority;
 - b) Prior to obtaining a clarification from the company on a report regarding the company which has been brought to the attention of the Exchange.
 - c) When there are unusual market movements in price/volume of a security.
 - d) Where trading in a security is being or could be undertaken by persons possessing unpublished price sensitive information that relates to that security.

- e) Where in the opinion of the Chief Executive circumstances exist or are about to occur that could result in other than the transparent, fair and orderly trading of the specific securities.
- 2) Trading Participants shall be prohibited from effecting transactions in the security/securities for which a halt of trading has been announced.
 - 2) Where the Exchange has reasonable grounds to suspect collusion or market manipulation, the Exchange may delete the orders in the order book at the time of halt.
 - 3) Where the orders are not deleted by the Exchange, Trading Participants may withdraw their own orders during the period of halt. No other changes to the order book shall be permitted during the halt.
 - 4) The Exchange may upon the request of a Trading Participant, delete all the outstanding orders in the order book of the security/securities on which there has been a halt.
 - 5) The Exchange shall immediately inform the Issuer of any halt in the trading of its securities other than for the purposes of making an announcement and in any event no later than 30 minutes after such halt is imposed.
 - 6) Trading in the security/securities will resume as soon as the clarification from the Exchange or the issuer is disseminated to the market.
 - 7) When the halt is lifted, trading in the security/ securities will resume as per the current market status.

44. Cancellation and Amendment of transactions

- 1) Orders displayed in the order book can be amended prior to execution.
- 2) The order shall only be amended in respect of price, volume and time attributes. Core attributes such as client ID, security ID and order type (buy/sell) cannot be amended.
- 3) Where there is a price change or change in volume, the amended order shall be considered to be a new order with a new time stamp.
- 4) Executed trades can be amended or cancelled based on mutual agreement between the trading participants involved in the trade and with the prior approval of the Exchange.
- 5) The cancellation/amendment will be effected on the market day on which the trade took place.
- 6) A trade cannot be cancelled or amended if the buyer involved in the trade has subsequently sold the securities purchased earlier during the same trading session.

- 7) Following agreement between the trading participants involved in the trade, a written request for trade cancellation/amendment shall be forwarded to the Exchange by both parties involved in the trade.
- 8) Upon receipt and if deemed fit, the Exchange will approve the trade cancellation/amendment and make the necessary adjustment to the trade. The trading participants involved in the trade and the market will be informed of the trade cancellation/amendment.
- 9) A trade cancellation/amendment shall be initiated by the selling trading participant involved in the trade.
- 10) In case of a trade amendment only the volume of the trade is amended and can only be decreased.

45. Assistance by the Exchange

- 1) The Exchange may suspend or impose restrictions on a Trading Participant who fails to settle a transaction.

46. Exclusion of liability

- 1) When acting in good faith and without negligence, the Exchange shall not be liable to any person for:
 - a) Any loss of opportunity, profit, goodwill, interest or use of money or securities;
 - b) Any other special, indirect or consequential loss, damage, expense, liability or claim; which is suffered resulting from the failure of the ATS Service.
- 2) Where the Exchange or a Trading Participant is unable to operate the ATS Service due to a market halt, security halt or system failure, or due to an Act of God or force majeure or any act outside the control of the Exchange, the Exchange shall not be liable to pay any compensation or indemnity to any person who incurs a loss as a result of a delay in effecting any transaction.

47. Dispute Resolution

- 1) The Trading Manager shall be responsible for interpreting the Trading Rules and settling all disputes on the Trading Floor.
- 2) Any person aggrieved by any decision of the Trading Manager may appeal to the Chief Executive. If the aggrieved party is not satisfied with the decision of the Chief Executive he may appeal to the Business Conduct Committee.

- 3) Where a Trading Participant is not satisfied with the decision of the Committee, the Trading Participant will appeal to the Council.
- 4) A Trading Participant shall be informed of their right to appeal to the Authority from the decision of the Council.

48. Official Price List and Other Market Information

- 1) The Exchange's Official Price List, Market Report and all reports generated by the ATS are the sole property of the Exchange. The copyrights of the Exchange therein are reserved. No person may make a commercial use of the proprietary information of the Exchange in any form or manner whatsoever, unless prior written consent has been given by the Exchange and on such terms and conditions for such use as the Exchange at its absolute discretion shall impose.
- 2) All copyright subsisting in the Exchange's Share Index, and all other indices that the Exchange may from time to time create and their constituent lists vests in the Exchange.
- 3) Transmission of live feeds of market data and information generated through the ATS shall be the sole property of the Exchange and redistribution of such live feeds is not permitted without the express prior written consent of the Exchange.
- 4) The Exchange shall publish information on the prices, the traded volumes and the index.
- 5) The Exchange shall determine the particulars to be published for all listed securities, and the form in which and the precise time within which the information is to be provided, as well as the means by which it is to be made available, having regard to the nature, size and needs of the market concerned and of the investors operating on that market.

49. Disaster Recovery Transition

- 1) Upon the determination by the Exchange that an event has occurred that renders the ATS inaccessible, the Exchange shall provide access to the ATS through the Disaster Recovery Site.
- 2) The determination of such event shall be made by the Chief Executive in consultation with the Council Chairman and the Chairman of the Business Conduct Committee. In the absence of any or all of the persons mentioned above, the determination shall be made by any three Trading Participants of the Board.
- 3) The Exchange shall within two hours of such determination inform all Trading Participants of the location of the designated Trading Floor and the procedures to be followed by the Trading Participants for the resumption of trading at the designated Trading Floor.

50. Actions by the Exchange

- 1) Where a Trading Participant fails to settle their account in accordance with these Rules, the Exchange will invoke the guarantee and effect settlement on the next business day and such Trading Participant shall not be entitled to trade until the guarantee has been restored.
- 2) The Exchange shall impose penalties for failed settlement in accordance with the Fees, Charges and Penalties Rules 2012.
- 3) The Chief Executive shall have the power to take such action as may be required in order to maintain a transparent, fair and orderly market.

51. Announcements

- 1) An issuer shall as soon as possible but not later than twenty four hours release announcements in accordance with the Listing Rules of the Exchange.
- 2) Immediately upon receipt of material information and corporate action announcements in respect of entitlements and other market information, the Exchange shall send the information or announcement as the case may be, to Trading Participants through the ATS.
- 3) If an announcement is received by the Exchange from an issuer of a listed equity security during a Trading Session, the Exchange may impose a Security Halt on the relevant equity security for the rest of the Trading Session. Following a Security Halt all pending orders on that equity security shall be deleted.
- 5) The Security Halt shall be lifted during the next Trading Session and the daily allowable price movement limits shall not apply to that equity security for the entire Trading Session.

52. Transitional Provisions

- 1) The Exchange shall document the process to be followed during the transition from the manual to automated trading environment.
- 2) These Trading Rules shall come into effect after approval by the Authority.