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**«Approved»  
Baku Stock Exchange CJSC  
Board of Directors  
Protocol № 07  
«29» October 2014-**

**CEO \_\_\_\_\_ F.Azizov**

**AUTHORIZED TRADERS OF BAKU STOCK EXCHANGE MEMBERS  
ON PARTICIPATION IN TRADE ACCREDITATION RULES**

## **1. General provisions**

1.1. These Rules refer to the Civil Code of the Republic of Azerbaijan, "Standards on organization, activity and internal rules of the stock exchange in the territory of the Republic of Azerbaijan" approved by the State Committee on Securities of the Republic of Azerbaijan (hereinafter - the Supervisory Authority) on February 14, 2011. Determines the accreditation procedures prepared in accordance with the charter and internal rules of the Baku Stock Exchange (hereinafter, the Rules) and to allow employees of the members of the Baku Stock Exchange (hereinafter the Exchange) to conduct operations on the Exchange on behalf of the Exchange member.

1.2. Accreditation for conducting operations on the Exchange in accordance with these rules is carried out through attestation of employees of the Exchange members.

## **2. Purpose of certification**

2.1. Certification is carried out on behalf of a member of the exchange in order to determine the adequacy of the knowledge and skills of persons who will participate in trading on the exchange to the relevant functions.

2.2. Certification is carried out in the direction of "general theory" and "practice". The minimum passing score for each direction is determined separately.

General part - rules and procedures on the Exchange member's activity on the Exchange, including organization, conduct of trading on the Exchange, participation in trading, issuance and listing of securities, membership, disclosure of information, market protection, settlement of disputes, settlement of transactions on the Exchange aims to test the knowledge of conducting.

The practical part is aimed at testing the exchange member's skills in working with the Exchange's trading system.

2.3. Accreditation certificates are issued to those who have a minimum passing score or higher in the attestation.

## **3. Basic concepts**

**3.1. Authorized trader** - is an employee of a trading participant, has a relevant qualification certificate issued by the State Committee for Securities of the Republic of Azerbaijan, has an Accreditation certificate authorized in accordance with the Rules for announcing orders on the stock exchange and carrying out deals on behalf of the trading participant.

#### **4. Organization of attestation commission**

4.1. The organization of the attestation and evaluation of its results is carried out by the Attestation Commission of the Exchange (hereinafter the Attestation Commission).

4.2. The attestation commission consists of an odd number of members, not less than 3 (three) people. Members of the Certification Commission are individuals appointed by the Chairman of the Board of the Exchange for an indefinite period from the employees of the Exchange, professional participants of the securities market and employees of the supervisory board. The Chairman of the Board of the Exchange shall appoint the Chairman of the Attestation Commission from among the Attestation Commission.

4.3. Decisions of the attestation commission are considered valid in the presence of at least 3 (three) commission members.

4.4. If a person who is a member of the Certification Commission is a member of the Exchange or his / her related person, a candidate to take part in the examination or a person related to him / her, he / she shall inform the members of the commission about this and shall not participate in the organization, conduct and evaluation of the results of the attestation.

4.5. The Attestation Commission has the following powers:

4.5.1. determination of the number and answers of attestation questions, as well as determination of the duration of attestation examination;

4.5.2. determination of the date and time of the attestation;

4.5.3. determination of the minimum passing score of attestation for each type of professional activity;

4.5.4. decision-making on the results of attestation;

4.5.5. early cancellation of the attestation certificate

4.5.6. making proposals to improve the work of the commission;

4.5.7. consideration of appeals.

4.6. The attestation commission shall draw up a protocol on the results of the attestation.

4.7. Decisions of the attestation commission come into force after approval by the Chairman of the Board of the Exchange.

#### **5. Certification and evaluation**

5.1. The application for attestation is made on behalf of the person to be attested by a member of the Exchange where he / she is an employee. The following persons may participate in the attestation:

5.1.1. The candidate must be an employee of a company that is a member of the Exchange;

5.1.2. Must have a relevant qualification certificate from the supervisory authority;

5.1.3. The candidate must have at least 5 (five) years of continuous work experience in the field of securities trading on the Exchange or at least 10 (ten) hours of relevant training during the last 6 (six) months;

5.1.4. Other requirements set for traders according to the rules.

5.2. Exchange members must submit the following documents to the Exchange for attestation of their employees:

5.2.1. Application form for obtaining an accreditation certificate (Appendix № 1);

5.2.2. a copy of the state registration certificate of the legal entity;

5.2.3. a copy of the candidate's identity document;

5.2.4. a copy of the document confirming the candidate's at least 5 (five) years of continuous work experience in the field of securities trading in local markets or at least 10 (ten) hours of relevant training during the last 6 (six) months;

5.2.5. a copy of the relevant professional activity certificates issued by the candidate's supervisory board;

5.2.6. 2 (two) 4x6 photos taken during the last 6 (six) months of the application.

5.3. If there are no defects or inconsistencies in the submitted documents, after the application Certification is organized within 10 (ten) working days.

5.4. Information on the place and date of the attestation shall be notified to the candidate in writing at least 3 (three) working days prior to the attestation. Certification consists of several stages, each stage can be organized on different days or at different times of the same day. In this case, the date of completion of the last stage may not be later than the period specified in paragraph 5.3 of these rules.

5.5. If a defect or discrepancy is found in the documents submitted for certification, an official notification shall be sent to the Exchange member within 5 (five) working days to eliminate the defect or non-conformity.

5.6. The theoretical part of the certification is carried out by means of special electronic software with automated testing method. Each attestation question has 4 (four) answer options with only one correct. The acceptance of the answers on the theoretical part of the certification is assessed by the automated test system as follows:

5.6.1. correct answer 1 (one) point;

5.6.2. wrong answer 0 (zero) points;

5.6.3. unanswered 0 (zero) points

5.7. The practical part of the certification is carried out using special electronic software that mimics the trading system of the Exchange. The acceptance of the answers on the practical part of the attestation is

assessed by the Attestation Commission in the following order based on the results of the implementation of special trade assignments given to the candidate:

- 5.7.1. correct answer 3 (three) points;
- 5.7.2. wrong answer -1 (negative one) points;
- 5.7.3. unanswered -1 (negative one) points;

5.8. The results of the attestation shall be announced in writing to the Exchange member who applied within 3 (three) working days after the end of the last stage of attestation. Exam results include at least the following information:

- 5.8.1. Candidate's name, surname, father's name
- 5.8.2. Date of certification
- 5.8.3. The score of the candidate on the theoretical part
- 5.8.4. The score of the candidate on the practical part
- 5.8.5. The final score of the candidate
- 5.8.6. Result of attestation

5.9. 5.9. Based on the results of the attestation, a person who has a minimum passing score or higher will be issued a Certificate of Accreditation by the Exchange within 3 (three) working days. Individuals who have received an accreditation certificate have the right to become an authorized trader in accordance with the Rules during the period of validity of this certificate. The accreditation certificate shall contain at least the following information:

- 5.9.1. Accreditation certificate number
- 5.9.2. The full name of the stock exchange
- 5.9.3. Candidate's name, surname, father's name;
- 5.9.4. Date of issue of the certificate;
- 5.9.5. Term of validity of the certificate;
- 5.9.6. Signature of the authorized person of the Exchange;
- 5.9.7. The seal of the stock exchange.

5.10. During the attestation, the candidate is not allowed to use special or informational literature, means of communication and any media, as well as to consult with other candidates during the examination, to communicate and to temporarily leave the attestation room. The attestation of a candidate who does not comply with these requirements shall be suspended and a decision shall be made not to pass the attestation.

5.11. No other persons may be present in the attestation room except members of the relevant commission, authorized persons determined by the commission and persons undergoing attestation..

5.12. If the results of the certification of the Exchange staff do not agree in accordance with the accepted procedure, the Exchange may be appealed within 7 (seven) working days. The appeal is considered and accepted within 15 (fifteen) working days. Information on the accepted investigation shall be notified to the Exchange member in writing within 5 (five) business days.

5.13. A member of the exchange may re-apply for certification from the same candidate after 1 (one) month if the final score of the candidate on certification is not acceptable, and after 3 (three) months if the candidate does not come for certification.

## **6. Validity of the accreditation certificate**

6.1. Accreditation certificate is issued for a period of 3 (three) years.

6.2. The register of accreditation certificates is maintained by the Exchange. The register of accreditation certificates shall contain at least the following information:

6.2.1. Accreditation certificate number

6.2.2. Name, surname, patronymic of the person to whom the accreditation certificate was issued

6.2.3. Date of issuance of accreditation certificate

6.2.4. Expiration date of the accreditation certificate

6.2.5. Current place of work of the person to whom the accreditation certificate was issued.

6.3. A member of the Exchange may apply for the issuance of a new accreditation certificate 1 (one) month or less before the expiration of the current accreditation certificate.

6.4. Issuance of a certificate of accreditation for a new term is carried out in accordance with paragraph 5 of these rules. If the candidate nominated by the Exchange member has a valid Accreditation Certificate and passed the attestation with a positive result, the new Accreditation Certificate is issued from the date of expiration of the previously issued Accreditation Certificate.

6.5. A person holding a certificate of accreditation shall participate in trading on the Exchange at least two thirds of trading days during the last 6 (six) months of validity of the certificate (submitting orders and concluding deals in the trading system of the Exchange) or at least 10 (ten) If he / she participates in the relevant trainings, he / she receives a new accreditation certificate without passing the attestation exam. In this case, the following is provided to the Exchange:

6.5.1. Application form for obtaining an accreditation certificate (Appendix № 1);

6.5.2. speed of the state registration certificate of the legal entity;

6.5.3. a copy of the candidate's identity document (if any);

6.5.4. a copy of the document confirming that the candidate has participated in trading on the Exchange at least two thirds of the trading days during the last 6 (six) months or at least 10 (ten) hours of relevant trainings during this period;

6.5.5. 2 (two) 4x6 photos of the candidate taken during the last 6 (six) months.

6.6. The Accreditation Certificate issued to an authorized trader of an Exchange member may be revoked by the Exchange by notifying the Exchange member before the expiration of the Credit Certificate in the following cases:

6.1.1. If the person holding the accreditation certificate does not participate in trading on the Exchange for more than 1 (one) year during the validity period of the certificate;

6.1.2. In cases specified by the rules, if the person holding the Accreditation Certificate is removed from the trade for more than 3 (three) days;

6.1.3. When the rules are fundamentally changed;

6.1.4. In other cases provided for in the Rules for the purpose of market protection.

**To Baku Stock Exchange CJSC**

**by**

\_\_\_\_\_ *(full name of the organization)*

**APPLICATION-QUESTIONNAIRE**

Please allow the following employees to be certified in order to obtain an Accreditation Certificate to engage in the activities of an authorized trader:

**A. General Information**

1	<b>Name, surname, father's name</b>	
2	<b>Identity document</b>	Series_____ number_____
3	<b>Registered address</b>	
4	<b>Place of residence (where registered) if it is different from the address)</b>	
5	<b>Contacts-Phone numbers</b>	work:
		personal.:
		home:
		other:
6	<b>e-mail</b>	
7	<b>Place of work on the day of application</b>	

**B. Description of academic activity**

<b>№</b>	<b>The name of the educational institution</b>	<b>Specialty</b>	<b>Degree</b>	<b>Start date of education</b>	<b>End date of education</b>



**B. Professional qualification certificates (valid)**

<b>№</b>	<b>Fəaliyyət növü</b>	<b>Serial -number</b>	<b>Date of issue</b>	<b>Effective date</b>

**C. Description of labor activity for the last 5 (five) years**

<b>№</b>	<b>The name of company</b>	<b>Position</b>	<b>Start date to work</b>	<b>Last day to work</b>	<b>The main task obligations / principal achievements (brief description)</b>

**D. Description of professional trainings received in the last 6 (six) months**

<b>№</b>	<b>Name of training</b>	<b>Training organizer</b>	<b>Start date of training</b>	<b>End day of training</b>	<b>General training duration ( by the hour)</b>

CEO: \_\_\_\_\_

Sign: \_\_\_\_\_

Date: \_\_\_\_\_

M.Y.

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**Note:**

*This part is filled by the Baku Stock Exchange.*

1. Date of receipt of the application: \_\_\_\_\_ Hour: \_\_\_\_\_

The person in charge (A.A.S):

\_\_\_\_\_ (position) \_\_\_\_\_

Sign: \_\_\_\_\_

2. Results of attestation

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The person in charge (A.A.S):

\_\_\_\_\_ (position) \_\_\_\_\_

Sign: \_\_\_\_\_

3. Other

notes \_\_\_\_\_

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\_\_\_\_\_