

**Regulation
on Capital Market Actors' Licensing and Authorization**

**CHAPTER I
General Provisions**

1. The Regulation on capital market actors' licensing and authorization (hereafter referred to as the Regulation) is meant to set out conditions of issuance, suspension and withdrawal of licenses and authorizations for carrying out activities in the capital market.

2. The National Commission for Financial Market (hereafter referred to as the NCFM) is the sole authority vested with the competencies of applying provisions set out by the present Regulation through exercising its powers stipulated by the Law No. 192-XIV of 12 November 1998 on the National Commission for Financial Market.

3. The issuance of a license or authorization shall be done with the purpose of ensuring control over the activity conducted by the licensed or authorized persons as well as for the purpose of protecting investors' rights and interests. The requirements serving as the grounds for granting a license or authorization shall be observed throughout the entire duration of the functioning of any of the licensed or authorized persons.

4. The NCFM issues the following licenses and authorizations for carrying out activity in the capital market:

- 1) investment company license;
- 2) market operator license;
- 3) central depository license;
- 4) regulated market authorization;
- 5) multilateral trading facility authorization;
- 6) registrar company authorization.

5. For the purpose of the present Regulation use shall be made of the definitions set out by the Law No.171 of 11 July 2012 on capital market (hereafter referred to as the Law No.171 of 11.07.2012).

CHAPTER II

Procedure of Issuance of Capital Market Licenses and Authorizations

6. The licensing or authorization for carrying out activity in the capital market shall be issued by the NCFM within a term of maximum 6 (six) months from the date of filing by the applicant of a request for issuance of such complete with the documents corroborating observance of the requirements of the effective legislation with regards to capital market.

7. Any request on behalf of the NCFM for submission of additional information or making changes and amendments to the documents initially filed by the applicant shall suspend the continuity of the term established in paragraph 6. Shall the applicant fail to file with the NCFM the respective information or enter the required amendments within a period not exceeding 30 working days from the date of receipt of application by the NCFM the latter shall be entitled to refuse issuance of a license or authorization.

8. Shall the documents filed be incomplete or illegible the NCFM has the right to reject the application without reviewing such within a term of 10 working days from the date of its receipt.

9. Any person intending to request issuance of a license or authorization to act in the capital market could consult the NCFM in advance in order to get familiar with the conditions of licensing or authorization set out by the Law No.171 of 11.07.2012 as well as by the present Regulation.

10. The set of documents specified by the present Regulation and required for licensing, authorization or other approval procedures established by the NCFM shall be submitted in the state language of the Republic of Moldova.

11. The documents filed by foreign legal entities and/or natural persons made out in other languages shall be translated into the state language and duly authenticated.

12. The documents specified in the present Regulation shall be filed with the NCFM in the originals or as duly legalized copies or as authenticated copy duly stamped and signed by the authorized person in all such cases as provided for by the present Regulation.

13. When issuing a license or authorization, applied on one of the copies of the charter submitted by the applicant, which later on shall be returned to the applicant, shall be the stamp of the NCFM reading "THE LICENSE/AUTHORIZATION RECEIVED", specifying thereat the type of the license or authorization, its number and date of issuance.

14. With the purpose of evaluation of the observance of the requirements set forth by the license or authorization provided by the effective legislation the NCFM could require verbal or written information and explanations to the documents filed pursuant to the present Regulation.

15. The application requesting issuance of a license or authorization as well as the documents appended to such could be withdrawn by the applicant prior to issuance of a license or authorization or before rejection of the respective application.

16. Data of personal nature requested by the NCFM in the context of issuance of licenses or authorizations to act in the capital market shall be handled and stored in compliance with the legislation with regards to protection of personal data.

17. The NCFM shall reject the application for issuance of a license or authorization in cases specified in para. (7) Art. 63, para. (4) Art. 73, para. (3) rt. 87 and para. (4) Art. 140 of the Law No.171 of 11.07.2012.

18. In case of rejection of an application for issuance of a license or authorization, the NCFM shall notify the applicant in writing on the reasons of rejection of their application.

19. In case of rejection of an application for issuance of a license or authorization, the documents filed by the applicant shall be returned to the latter at their request. Once the reasons that served as the grounds for rejection of issuance of a license or authorization, the applicant shall be entitled to submit his application for issuance of a license or authorization repeatedly, which should be reviewed within a term set out in paragraph 6.

20. The NCFM decisions with regards to issuance, making out, suspension or withdrawal of a license or authorization shall be published in the Official Gazette of the Republic of Moldova.

21. The persons licensed or authorized for dealing in the capital market except for the banks shall be obliged to explicitly mention on the letterhead the number and date of the issuance of a license or authorization by the NCFM as well as their identification data.

22. The fees for issuance of a license or authorization shall be assigned to the NCFM budget by the licensed or authorized person within the terms provided for by the Law No.171 of 11.07.2012.

23. Upon issuance of licenses or authorizations as well as in case of withdrawal of such, the respective information shall be entered into the Register of licenses or authorizations for dealing in the capital market maintained by the NCFM, which shall contain, as necessary, the name and the registered office of the licensed or authorized person, tax code (IDNO), contact data (telephone, fax, e-mail address, detail on the license or authorization issued with regards to services furnished and activities conducted complete with any operational restrictions, information concerning issuance, repeated issuance and withdrawal of a license or authorization.

24. Information entered into the register shall be published in the electronic format on the official web page maintained by the NCFM.

25. The license or authorization shall be issued on a standardized template within a term of 5 (five) working days after publication of the NCFM decision in the Official Gazette of the Republic of Moldova.

26. The license or authorization shall be signed by the chairman of the NCFM and in the absence of such by the authorized deputy chairman and authenticated through application of the official round stamp of the NCFM

27. As part of their activity, the persons duly licensed, authorized or approved in compliance with the present Regulation shall be entitled to store and use personal data in compliance with the legislation on protection of personal data disposing to that end by the respective organizational and technical arrangements.

CHAPTER III

Investment Companies

Section 1

Specificities of Licensing the Investment Companies

28. The NCFM issues the following categories of licenses in care of investment companies:

1) category A license, which allows to the investment companies to furnish services and carry out activities set out by para. (1) a), b), d) and e) and para. (2) c) and e) Art. 33 of the Law No.171 of 11.07.2012. Category A license is banning trading in financial instruments on company's own account and offering intermediary underwriting services as part of the financial instruments issuance;

2) category B license, which allows to the investment companies to furnish services and carry out activities set out by para. (1) a), b), d), e) and g) and para. (2) a), c), d) and e) Art. 33 of the Law No.171 of 11.07.2012. Category B license is banning trading in financial instruments on company's own account and offering intermediary underwriting services as part of the financial instruments issuance based on a firm commitment;

3) category C license, which allows the investment companies to furnish all types of services and carry out all of the activities provided for by para (1) and (2) Art. 33 of the Law No.171 of 11.07.2012.

29. The investment companies license shall be issued in case when the applicant, the persons administrating the activity of such, and the persons enjoying qualifying holdings in the equity of such are meeting the requirements envisaged by Chapter III of the Law No.171 of 11.07.2012 as well as such set forth by the present Regulation.

30. The applicant disposes of technical equipment, computers and personnel required for furnishing financial investment services that need to be authorized as well as of the adequate office space meeting the following minimum requirements:

- 1) owned by the applicant exclusively;
- 2) the area is not less than 30 square meters;
- 3) located inside of premises and was excluded from the housing stock;
- 4) is not located in the basement part of premises;
- 5) in order to ensure integrity of information, the working premises are isolated from other service and/or auxiliary premises;
- 6) the premises are equipped with security and anti-fire alarm, telephone, fax, and scanner;
- 7) the premises designed for documents storage are equipped with deed boxes and/or metal framed drawers.

31. Any of the investment companies shall be entitled to request issuance of a license for certain basic and auxiliary services within the frameworks of such established for the requested category of license.

32. The persons in charge of administrating activity of an investment company and its employees cannot be those with qualified holdings as well as the employees of another investment company licensed by the NCFM. The exclusive competencies of the persons in charge of administrating activity of an investment company shall be exercised personally.

33. In addition to the persons in charge of administrating its activity the investment company shall have on its staff at least 2 specialists holding qualification certificate (certified market professional) issued by the NCFM

34. The investment company shall ensure maintenance of at least the following functions in compliance with provisions set out by Art. 42 – Art. 44 of the Law No. 171 of 11.07.2012:

- 1) compliance checking function;
- 2) risk management function;
- 3) internal audit function.

35. As needed and depending on the nature, scale and complexity of activities conducted by the investment company, the functions specified in paragraph 34 could be combined. For the investment companies holding category C license and requesting authorization to deal in multilateral trading system, the internal audit function shall be separated and treated independently of any other functions and activities conducted by such.

36. The investment company shall submit the required justification and documentation so as to demonstrate the need of overlapping the requested functions as well as the fact that these will not generate a conflict of interests and does not compromise the efficiency of the functions and that such will be conducted in an honest, professional and adequate manner.

37. The license for carrying out investment company activities in the capital market shall be issued based on an application requesting the issuance of a license made out pursuant to Annex No. 1, to which appended shall be the following documents:

1) charter of the license applicant in two copies complete with subsequent changes and amendments registered as at the date of filing the documents. Specified in the charter of the applicant, except for banks and other financial institutions, shall be investment services and activities that could be furnished by the investment company on exclusive basis;

2) excerpt from the State Register of Legal Entities;

3) original or copy of a decision taken by the competent authority of the applicant that authorizes filing an application and appoints a person responsible for signing the application and any amendments to such in the name of the applicant, authenticated by the seal and signature of the responsible person of the applicant;

4) submitted by each person that will manage the activity conducted by the investment company, other than the bank shall be the following set of documents:

a) curriculum vitae, with detailed description of professional experience to demonstrate that the person in question is meeting the requirements set out by para. (1) Art. 39 of the Law No.171 of 11.07.2012;

b) criminal record with effective period of validity;

c) copy of qualification certificate issued by the NCFM;

d) copy of labor card with the respective entries;

e) statement of assets, with handwritten signature made out pursuant to Annex No. 2, which shall comprise all direct and indirect holdings in the equity of any of the investment companies;

f) copy of the minutes of the applicant's Board meeting or such of the general shareholders meeting, during which reviewed were the requirements vis-s-vis the persons assigned to manage the activity of the investment company pursuant to Art. 39 of the Law No.171 of 11.07.2012, authenticated by seal and signature of the responsible person of the applicant;

5) in case the applicants are banks, these shall append a copy of confirmation of appointment of the respective person as the administrator issued by the National Bank of Moldova (hereafter referred to as the NBM). The persons in charge of administrating the activity conducted by the investment companies, which are banks but do not hold the confirmation issued by the NBM, shall submit all of the documents mentioned in subparagraph 4);

6) the list of all of the relevant persons, specifying the nature of relations with each of the relevant persons. When applying the notion of a "relevant person", pursuant to Art. 6 of the Law No.171 of 11.07.2012, considered as the "employees of the investment company" shall be the employees directly engaged into the licensed activity conducted by the applicant, accordingly: "persons holding shares and/or interest in the equity of investment companies" – holders of the qualified holdings;

7) opinion of the NCFM with regards to acceptance of qualified holdings, except for the banks;

8) list of banks in which the applicant has his accounts for depositing their own funds as well as their clients' funds;

9) copy of the certificate corroborating legal ownership of the space designed for the official situ of the investment company as needed for its functioning and meeting the requirements set forth by the present Regulation;

10) program of activity conducted by the applicant approved through a decision taken by the applicant's competent body, which shall comprise as follows:

a) applicant's organizational structure;

b) spectrum of investment services and activities as well as the auxiliary services that the applicant intends to provide;

c) in-house decision making procedure;

d) description of technical equipment needed for carrying out the activity;

e) categories of clients with whom the applicant intends to do trading (ordinary or professional clients);

f) company's in-house organizational rules corroborating observance of the requirements set forth by the legislation with regards to capital market, including as follows:

- procedures for keeping security, integrity and confidentiality of information;
- policy of continuity of the commercial activity;
- accounting policies and procedures;
- procedures for reviewing and resolving claims filed by the actual or potential clients;
- compliance checking policy;
- risk management policy;
- internal audit policy;
- measures concerning personal transactions conducted by the relevant persons;
- policy with regards to conflict of interests;
- in-house procedures with regards to custody of clients' assets;
- policy with regards to orders execution;

g) in-house regulations with regards to furnishing services and carrying out activities for which the issuance of a license is needed as well as the standard contracts to be concluded with the clients;

h) other aspects concerning activities planned by the applicant;

11) financial statements and auditor's report on auditing the financial statements for the last reported period, which corroborates that the applicant is meeting capital adequacy requirements set forth by Art. 38 of the Law No.171 of 11.07.2012. In case when a legal entity was constituted prior to the date established for making out financial statements/reporting, submitted shall be the interim balance sheet approved by the board of auditors;

12) written commitment of the applicant to become a member of the Investment Compensation Fund within a term of not more than 30 days from the date of acquiring the license;

13) addresses of branch offices of the applicant in case when there are intentions to use such as intermediaries in trading;

14) description of existent or proposed arrangements that the applicant has vis-a-vis outsourcing of the important and essential operational functions as a licensed person pursuant to the provisions set out by Art. 50 of the Law No.171 of 11.07.2012;

15) nomenclature of rates for furnishing services and carrying out investment activities;

16) for banks – a copy of license issued by the NBM;

17) copies of qualification certificates issued by the NCFM to the applicant's specialists;

18) copy of a contract concluded with an independent auditor.

38. The investment companies that will require issuance/extension of the effective term of the license for furnishing services in the fiduciary administration of investments and the commercial banks that will act with the purpose of depositing the assets of collective placement organisms into securities shall comply with the rules applicable to the fiduciary administration investment companies and, accordingly, to the depositary in compliance with the provisions set out by the Law No.171 of 11.07.2012 as well as by the NCFM regulations issued to that end.

39. Within a term of up to 30 days from the date of issuing the license, the investment company shall be obliged to submit to the NCFM the evidence of acquiring the quality of a member of the Investments Compensation Fund.

40. The investment company shall be entitled to furnish services and carry out activities specified in the licence only upon fulfilment of the requirements stipulated in paragraph 39.

Section 2

Requirements vis-a-vis persons enjoying qualified holdings in an investment company

41. Any natural person or legal entity having intentions to acquire, increase or alienate their qualified holdings in an investment company, pursuant to para. (1) and para. (2) Art. 40 of the Law No.171 of 11.07.2012, could only proceed with such provided the NVFM has been prior duly notified on such intentions.

42. The notification and the associated documents shall be circulated to the NCFM by the disposing of shares potential acquirer/shareholder as soon as possible but not later than 5 working days from the date of passing the decision.

43. The notification shall also be circulated in case of involuntarily exceeding or decreasing the threshold by the acquirer or by the person with whom the latter is acting concertedly. In such cases the shareholders should notify the NCFM immediately on taking notice of exceeding a threshold even if they intend to reduce the level of their holdings so as to bring them below the threshold or subsequently to regain the initially held position.

44. The notification of the voting rights held or acquired by the concertedly acting persons shall be circulated to the NCFM by each of the engaged parties or by one of these parties in the name of a group of persons acting concertedly. Specified explicitly in the notification shall be whether such is made out personally or in the name of concertedly acting persons, specifying their names/company name as well as the percentage held. A set of documents envisaged by the present Regulation shall be filed for each person making part of the group.

45. Following receipt of notification on behalf of the potential buyer, the NCFM shall check the documentation submitted under the aspect of plenitude of documents pursuant to the provisions set forth by the present Regulation and forward to the potential buyer a confirmation of the receipt of notification within a term of 3 working days from the date of receiving such as well as upon eventual subsequent receipt of additional information.

46. Once stating availability of all documents submitted pursuant to the provisions of the present Regulation, the NCFM shall include into the confirmation of the receipt of notification the date of expiry of the term of evaluation. Otherwise, the NCFM shall communicate on the need of supplementing the set of documents.

47. Within a term of up to 60 working days from the date of sending the confirmation of the receipt of all documents established by the present Regulation, the NCFM shall proceed to evaluate the documents filed by the potential buyer and assess such pursuant to the criteria set out by para. (19) Art. 40 of the Law No.171 of 11.07.2012.

To that end:

1) the applicant shall submit information and documents in order to duly justify the provenience of the funds designed for acquiring the qualified holding within the investment company;

2) the applicant who is a legal entity shall submit sufficient information to ensure transparency required for identification of the beneficial, if necessary;

3) the applicant who is a natural person or legal entity shall submit documents and statements with regards to the related persons “close relations” and “a person with whom they are acting concertedly”;

4) the foreign legal entities shall communicate whether they are found under the supervision of a competent authority in their country of origin;

5) when disclosing the information with regards to the beneficial owner the applicant shall submit a statement acting as the last resort controller of the natural person or legal entity.

48. Depending on specific circumstances underlying the acquisition offered the NCFM could exempt the potential acquirer from supplying certain information, in cases when:

1) the NCFM is already in possession of the required information;

2) the acquisition proposal shall be acquired by a group through a transaction with the existent shareholder without change of direct or indirect holder of the investment company or under the influence exerted by the group within the investment company;

3) the acquisition proposal shall take place through public offer and the potential acquirer in not in possession of all necessary information; accordingly, the potential acquirer shall notify the NCFM on the difficulties encountered, absence of required information by itself shall not constitute the reason for rejecting the acquisition proposal;

4) qualified holding that makes the object of notification is held indirectly through one or more persons; accordingly, the assessment of acquisition proposal could be done through assessment of a person only, which qualifies as the ultimate indirect qualified holder and a person that will become a direct qualified holder in the respective investment company except for such cases when the NCFM finds it necessary to conduct the assessment of one or more intermediary holders along the chain of holdings;

5) the potential acquirer was the object of prior assessment conducted by the NCFM; accordingly, the information submitted with regards to the potential acquirer need to be adequately updated while bearing in mind the influence exerted by such onto the investment community deemed as a consequence of acquisition proposal.

49. The term of assessment shall be suspended in case referred to in para. (8) and para. (9) Art. 40 of the Law No.171 of 11.07.2012, which discontinuing such shall not exceed 20 working days. The NCFM could subsequently formulate any other requests for supplementing or clarifying the information and documents submitted but such shall not lead to suspension of the term of assessment. Failure to submit requested information or documents within the established term could lead to cancellation of acquisition proposal.

50. The procedure of applying criteria of assessment provided for by para. (19) Art. 40 of the Law No.171 of 11.07.2012 and documentation that needs to be submitted to the NCFM by the potential acquirer for carrying out the assessment appear in Annexes 3, 4 and 5.

51. With the view of assessing the potential acquirer, the NCFM could collect and take into consideration information from any of the available sources.

52. The NCFM shall reject the proposed acquisition project if bearing on the outcome of the assessment conducted:

1) there are reasons consider that there exist certain elements that could place at doubts the credibility of the potential acquirer and/or their professional competencies or a conclusion was drawn that it is hardly probable that the potential acquirer would have the capacity to cope up with the difficulties emerging in the process of acquisition or in the nearby future;

2) persons proposed by the potential acquirer as the management of the investment company fail to meet the criteria set out by the legislation on capital market;

3) there are certain reasons to believe that the investment company concerned for the acquisition proposal will not be able to comply with the prudential requirements or that the acquisition proposal will not allow to exercise efficient supervision;

4) there are certain reasons to suspect an attempt or transaction implying money laundering or terrorism financing in connection with the acquisition proposal or an enhanced risk suggesting such development of things;

5) disclosed were close relations between the investment company and other natural persons and legal entities setting impediments to effective exercising of prudent functions;

6) it has been stated that certain information produced by the potential acquirer are false, counterfeited or incomplete, which could lead to drawing erroneous conclusions in the process of assessment;

7) it has been stated that the qualified holding has been directly or indirectly acquired by the resident persons of jurisdictions that are not meeting the international standards of transparency.

53. The investment companies that become aware of any acquisition or reduction of the holding in their equity and thus falling under the incidence of the provisions set out by Art. 40 of the Law No.171 of 11.07.2012, are obliged to notify the NCFM immediately on the fact.

54. Once a year, within a term of a month from the end of the year subject to reporting the investment companies shall submit to the NCFM the names of the shareholders owing directly or indirectly the qualified holdings as well as the value of such.

Section 3

Approval of Accepted Persons

55. The foreign legal entities that were authorized to provide services and carry out activities in the domain of investments and that are supervised by the competent authorities of the European Union member states, acting on the grounds of agreements signed between these authorities and the NCFM, shall be deemed as accepted persons and shall be entitled to carry out their activity in the territory of the Republic of Moldova through their subsidiaries without the need for a license to be issued by the NCFM.

56. The following are the conditions for approval of the quality of accepted persons:

1) meeting by the accepted persons of the requirements set forth by para. (1) a), c), d) and f) Art. 35 of the Law No.171 of 11.07.2012;

2) holding of the authorization by the investment company in the respective country of origin in connection with investment services that the latter intends to furnish in the territory of the Republic of Moldova through the accepted persons;

3) existence of agreement of cooperation between the NCFM and the competent oversight authority in the country of origin of the investment company.

57. The investment company authorized and supervised by the competent authority in a member state of the European Union, which intends to acquire the quality of the accepted person shall submit to the NCFM an application filled out pursuant to Annex No. 6 signed by the legal representative of the latter and accompanied by the following information corroborating that the applicant is holding the respective authorizations issued by the competent authorities of the European Union member states:

1) copy of the authorization issued by the competent authority of the European Union member state in the country of origin of the investment company;

2) confirmation issued by the competent European authority with regards to the fact that the respective state the investment company is carrying out regular investment activities and furnishing investment services for which the approval is requested as well as the information with regards to significant violations and sanctions incurred by the respective company;

3) the activity program conducted by the applicant, submitted in English language and translated into the national language, which covers investment services and activities as well as any auxiliary services to be furnished through the subsidiary, in-house procedures, organizational structure of the latter and statement of intentions to appoint its delegated agents;

4) the address of the official site in the member state to be contacted in case if there is a need to obtain additional information and documents;

5) identity of the persons assigned to ensure management of the subsidiary, which shall be in compliance with the requirements set out by Art. 39 of the Law No.171 of 11.07.2012;

6) the documents corroborating observance by the applicant of the provisions set out by subparagraphs 1)-4), 6), 8), 9) and 12) of the present Regulation.

58. Within a term of 3 months from the receipt of the application and information provided for by Art. 57, the NCFM shall approve the quality of the accepted person of the applicant or, if appropriate, reject approval of the quality of accepted person and notifies the applicant on the reason of rejection.

59. The following are the obligations of the accepted persons:

1) to carry out investment activities and furnish investment services in the territory of the Republic of Moldova in compliance with the regulatory acts issued and approved by the NCFM;

2) to report to the NCFM on the activity conducted similar to the persons that are holding investment company license issued by the NCFM;

3) to supply at the request of the NCFM information as required for monitoring the observance of legal provisions by the latter.

60. The competent authority of the member state of origin of the accepted person shall be entitled to carry out on-site audit of the accepted persons for the purpose of exercising its competencies and with prior notification and participation of the representatives of the NCFM.

Section 4

Approval of the Delegated Agents

61. The delegated agents assigned by the investment company for the purpose of promoting investment services and activities in the exclusive name of the respective company shall be enrolled into the Register of the delegated agents maintained by the NCFM. The investment company cannot hire a delegated agent prior to enrolling such into the respective Register.

62. The investment company shall take the necessary measures in order to ensure observance of the requirements set forth by Art. 52 of the Law No.171 of 11.07.2012.

63. The list of delegated agents shall be published on the web page of the regulated markets, multilateral trading systems and investment companies.

64. The applicant who is a natural person, with the view of approval and enrolment into the Register of delegated agents, shall file with the NCFM an application made out pursuant to Annex No. 7 accompanied by the following documents:

1) copy of the ID card;

- 2) copy of education diploma;
- 3) statement of assets, signed in handwriting and made out pursuant to Annex No. 8;
- 4) copy of the qualification certificate issued by the NCFM;
- 5) letter of recommendation from the manager of the investment company in whose name the applicant intends to carry out their activity.

65. The applicant, who is a legal entity, with the view of getting approval and enrolment into the Register of delegated agents shall file with the NCFM through his legal representative an application made out pursuant to Annex No. 9 complete with the following set of documents:

- 1) company charter;
- 2) excerpt from the state Register of legal entities of the applicant;
- 3) copy of the ID of the administrator of the given legal entity;
- 4) consultation prospectus, which shall cover the following minimum of information: applicant's ID data, name of the administrator, name of the employees holding certification certificates issued by the NCFM and a summary description of the professional training and experience of such as well as possible conflicts of interests;
- 5) statement of assets, signed in handwriting and made out pursuant to Annex No. 8;
- 6) copy of the qualification certificates issued by the NCFM in care of the applicant's employees;
- 7) letter of recommendation from the investment company in whose name the applicant intends to carry out their activity.

66. The persons acting as delegated agents on behalf of an investment company shall observe the following rules of conduct:

- 1) consultancy services shall be furnished with due professionalism, consciousness and earnestness;
- 2) manifested in the reports made out as well as in the findings shall be due competence and objectiveness;
- 3) maintain high standards of professional knowledge while ensuring due observance of the provisions set out by the capital market legislation;
- 4) make use of the sources of information adequate to the elaborated analysis and recommendations; use of unauthentic and inaccurate information in their reports or recommendations shall be inadmissible;
- 5) keeping record of materials and sources of information used so as to be able at any instance in time to produce the evidence of their *bona fide*;
- 6) outline for the client the general features of the process of investment in the financial instruments as well as the criteria laid in the foundation of creation, analysis and selection of a portfolio of financial instruments;
- 7) make distinction between personal acts and opinions stated in their reports handling with maximum fairness the analysed domain;
- 8) abstain from making any statements that could mislead the client with regards to the services that the agent could furnish, with regards to their professional qualifications and qualities or future performances of the analysed financial instruments;
- 9) abstain from offering verbally or in writing, explicitly or implicitly any guarantees of the quality or profit of the analysed investment, elaborate studies and analysis with regards to the engaged financial instruments;
- 10) ensure confidentiality and security of personal information and data concerning their clients through organizational and technical measures required so as not to admit any deterioration, alteration, blocking, copying or dissemination of such as well as protecting such against other unlawful actions, i.e. measures meant to ensure adequate level of security concerning all possible risks incurred with collection and nature of data processed.

67. It is forbidden for the delegated agents to act as follows:

- 1) recommend investments that would determine generation of personal profit or profit for their own investment company;
- 2) act as a counterpart in the transactions done following recommendations;
- 3) divulge unfoundedly personal data which became known to them through carrying out their activity.

68. The delegated agent or an investment company that has contracted the delegated agent could request withdrawal of the quality of a delegated agent based on application made out pursuant to Annex No. 9.

69. The investment company shall be obliged to request from the NCFM withdrawal of the quality of delegated agent and deleting such from the Register of delegated agents as of the date of termination of employment relations at the latest.

70. The investment company shall forward to the regulated markets/multilateral trading systems a notification on ceasing the quality of the delegated agent within one day from the date of ceasing the entitlement of such competencies with the view of deleting such from the web page of the regulated markets/multilateral trading systems.

71. The application for withdrawal of the authorization and deleting the delegated agent from the Register of delegated agents shall be accompanied by a set of justification documents specifying the date and the reason of termination of the employment relations.

CHAPTER IV

Infrastructure of the Capital Market

Section 1

Specificities of the issuance of market operator license and regulated market authorization

72. The market operator shall create, administrate and exploit the regulated markets and multilateral trading systems based on a license issued by the NCFM. The market operator and, accordingly, regulated market operator shall be entitled to carry out activities outlined by the regulatory acts of the NCFM.

73. The market operator license shall be issued with the condition of request filed and authorization of at least one of the regulated markets.

74. The name of market operator shall be given in such a way as not to produce any confusion with the name of other person that was licensed or authorized to function in the territory of the Republic of Moldova.

75. The market operator license and regulated market authorization shall be issued in case when the applicant, their responsible persons and the persons owners of qualified holdings in such and the system for trading in financial instruments are meeting the requirements provided for in sections 1 and 2 of Chapter IV of the Law No.171 of 11.07.2012, as well as such set out by the respective regulatory acts of the NCFM.

76. The market operator as at the date of licensing disposes of and maintains throughout the period of doing business sufficient tangible and financial resources ensuring its orderly functioning bearing in mind the nature and size of transactions conducted in the regulated market/markets administrated by such as well as the types and scale of risks to which these are exposed.

77. Provisions set forth by Section 2 of Chapter III with regards to requirements vis-a-vis persons owners of the qualified holdings in the investment companies shall apply accordingly to the market operators.

78. The market operator could own holdings with the central depository as well as with another market operator.

79. With the view of individual approval of the members of the board and managers of market operators, the NCFM shall assess the compliance of such with the requirements set forth by para. (3) Art. 61 of the Law No.171 of 11.07.2012 and apply to that end the procedure provided for by the regulatory acts of the NCFM.

80. The market operator shall be obliged to have in its staff at least 2 specialists holding qualification certificates issued by the NCFM, in addition to members of the board and market operator managers.

81. The applicant shall be obliged to comply with the requirements set forth for the activity of market operator in line with the provisions stipulated by para. (2) Art. 62 of the Law No.171 of 11.07.2012.

82. The automated trading system used by the market operator shall fulfil the following functions at the least:

- 1) automated, reliable and transparent trading in financial instruments allowing for remote access;
- 2) provision of information with regards to the transactions concluded;

3) registration and keeping record as well as archiving all of the documents and information on the transactions concluded;

4) adequate protection of regulated market integrity by ensuring communication in real time through the system between market players, market operators and central depository;

5) maintaining documentary records in electronic format by reducing down to minimum paper documents flow.

83. The automated trading system shall ensure the use of mechanisms of ongoing trading, the mechanisms based on fixing algorithm through auctions or other facility, which includes transparent, non-discriminatory and nondiscretionary standards of price formation and trading orders execution.

84. The automated trading system shall ensure storing and providing in real time of the following information on each of the financial instruments as a minimum: maximum price, minimum price, last transaction price, volume traded, variations and open positions.

85. The applicant disposes of space designed for office, which is in compliance with their doing business requirements equipped with minimum technical facilities comprising software and adequate information and communication equipment to act in the regulated market as well as information systems security and control mechanisms capable to ensure storage and security of stored data and information. These must feature the following characteristics:

1) designed for carrying out regulated markets administration and activities in connection with such exclusively;

2) the available area of minimum 50 square meters so as to ensures observance of the technical norms for installation and operation of the required equipment and carrying out activities by their own personnel in decent working conditions;

3) provisions set out by subparagraphs 3)-7) paragraph 30 on the requirements to the space designed for the official situ of the investment companies shall apply accordingly to the market operator.

86. The market operator license, including authorization to act in the regulated market shall be issued on the grounds of an application made out pursuant to Annex No. 10, appended to which shall be the following documents:

1) charter of the applicant in 2 copies complete with subsequent changes and amendments registered as at the date of submitting the documents. Specified in the charter of the applicant shall be the activities that will be carried out by the market operator;

2) excerpt from the State Register of legal entities issued in care of the applicant;

3) original or a copy of the decision taken by the competent authority authorizing filing of the application and appointing a person to sign the application as well as endorse any amendments to such in the name of the applicant, authenticated by the seal and signature of the applicant's responsible person;

4) for each member of the board and managers of the applicant – produced shall be a copy of approval by the NCFM;

5) opinion of the NCFM on the acceptance of qualified holding;

6) applicant's activity program approved by the decision of the competent authority, which shall contain the following:

a) personnel and organizational structure of the applicant;

b) description of activities that will be conducted;

c) decision making procedures and rules of in-house organization;

7) description of technical equipment of the applicant designed for operation of trading systems and finalizing transactions in the financial instruments in the regulated market;

8) description of automated trading system and the guide of using such;

9) information on the sufficiency of applicant's resources allowing to ensure regular and ongoing activity of the regulated market, taking into account the nature, volume and periodicity of transactions as well as the risks to which these are being exposed;

10) description of backup systems maintained by the applicant, emergency plans prepared by such in connection with data recovery in case of failure as well as the system of periodical check ups of the backup systems;

11) description of mechanisms and procedures designed for efficient and timely clearing of transactions concluded in the regulated market, including any written agreements with the central

depository with regards to the procedure of clearing, settlement and registering transaction in the financial instruments allowed for trading in the regulated market;

12) the rules establishing the procedure of organization and functioning of the regulated market in compliance with the provision set out by Art. 64 of the Law No.171 of 11.07.2012. The integral text of regulated market rules is hereby appended in hard and soft copies;

13) the applicant's activities/ business plan for the next 3 years;

14) description of procedures adopted by the applicant in view of supervision of each of the regulated markets for which the applicant will acquire the quality of the market operator, including procedures ensuring electronic oversight of all quotations and transactions in the financial instruments as quoted or traded in the regulated market and the procedures used by the applicant with regards to ensuring the NCFM connection and access to such information;

15) the financial statements and the auditor's report on auditing financial statements for the last reported period, which confirm that the applicant is in compliance with the requirement of capital adequacy set out by para. (1) b) Art. 61 of the Law No.171 of 11.07.2012. In case when the legal entity was constituted prior to the date established for making out financial statements, submitted instead shall be the interim balance sheet approved by the board of auditors;

16) nomenclature of all fees and commissions charged;

17) copy of a deed corroborating legal ownership rights or, as appropriate, the rights of use of the automated trading system that will be used to carry out the activity subject to licensing;

18) audit report made out by the certified data security auditor, independent vis-a-vis the applicant on the assessment of technical equipment and the automated trading system required for functioning of market operator, which shall certify the level of security of the system used by the market operator, including the level of system protection against unauthorized access;

19) in-house policies, including internal audit procedures used by the applicant, procedure of identification and management of the conflicts of interest, procedures bound to monitoring compliance, identification and managing risk as well as the procedures bound to security, integrity and confidentiality of internal information;

20) statement of assets, with handwritten signature made by the authorized representative of the applicant, from which it follows that the respective company is compliant with the requirements set out by the Law No.171 of 11.07.2012, as well as with the regulatory acts of the NCFM;

21) provisions set out by paragraph 37, subparagraphs 9), 17) and 18) shall apply accordingly to the market operator.

87. As at the date of issuance of the market operator license and authorization to act in the regulated market the applicant shall have approved and coordinated with the NCFM the rules of regulated market, which shall be compliant with the requirements provided for by the Law No.171 of 11.07.2012.

88. In case when the market operator intends to create another regulated market, the latter shall request from the NCFM issuance of an authorization to act in the regulated market based on an application mad out pursuant to Annex No. 10, appended to which shall be the following documents:

1) decision taken by the competent body of market operator with regards to establishing regulated market, which shall comprise as minimum information with regards to the need of placing in operation the trading system, estimation of the volume of transactions planned for at least one year of activity, characteristics of the protected/existent system as well as the information with regards to the staffing structure needed to ensure operation of regulated market;

2) the rules establishing the procedure of organization and functioning of regulated market in compliance with provisions set out by Art. 64 of the Law No.171 of 11.07.2012. The integral text of the regulated market rules are herewith appended in hard and soft copies;

3) the last annual financial statements as well as the information with regards to the financial means available with the market operator as at the date of establishing the regulated market.

89. The rules applicable to each of the regulated markets shall be made available on the web page maintained by the market operator in the state language and in the English language within a term of up to 30 days from the date of authorization of the regulated market and within at least 5 working days from the onset of the transactions in this market.

Section 2

Specificities of issuance of the Multilateral Trading System Authorization

90. The multilateral trading system (MTS) shall be created and operated by the investment companies holding category C license and by the market operators, jointly called – the system operators on the grounds of an MTS authorization issued by the NCFM.

91. The MTS authorization shall be issued in care of the system operator for each of the MTS separately.

92. In order to obtain the MTS authorization, the system operator shall cumulatively comply with the requirements set out by para. (2) Art. 73 of the Law No.171 of 11.07.2012.

93. The request for acquiring the MTS authorization could be filed concomitantly with the application for obtaining market operator license or such of category C investment company.

94. In order to obtain the MTS authorization, the system operator shall submit to the address of the NCFM an application made out pursuant to the Annex No. 11, having appended to it the following documents:

1) decision taken by the competent authority of system operator with regards to managing of the MTS;

2) charter or addendum to such covering information with regards to inclusion in the object of activity conducted by the system operator management of an MTS;

3) information with regards to the staffing structure capable of ensuring MTS operation;

4) rules of functioning of the MTS;

5) contract with the company managing clearing and settlement system;

6) description of the MTS automated trading system as well as the guide for using such;

7) schedule of system functioning;

8) services furnished by the MTS;

9) procedures with regards to handling disputes between the MTS players and system operators;

10) audit report prepared by one of the certified data security auditor, independent vis-a-vis the applicant, with regards to assessment of the technical equipment and the automated trading system required for functioning of the MTS and certifying the level of security of the system used, including the level of system protection against unauthorized access;

11) the categories, levels and ceilings of commission fees and tariffs applied.

95. As at the date of issuance of the MTS authorization, the applicant shall have the MTS rules approved and coordinated with the NCFM meeting the requirements set forth by the Law No.171 of 11.07.2012.

96. The name of the MTS shall be duly specified in the MTS authorization.

Section 3

Specificities of Issuing License for Central Depository Operations

97. The license of central depository operations shall be issued in care of a legal entity complying with the requirements set forth by Section 5 of Chapter IV of the Law No.171 of 11.07.2012.

98. The central depository shall be entitled to carry out the following range of basic activities:

1) financial instruments depositing operations;

2) maintaining register of securities holders of public interest entities;

3) transactions implying clearing and settlement using financial instruments allowed for trading in the regulated market and/or the MTS;

99. The central depository shall be entitled to carry out the following auxiliary types of activity:

1) maintaining register of the holders of securities of companies that are not considered to be the entities of public interest;

2) technical and operational training sessions for the employees of its members, participants and issuers with regards to activities and services furnished by the central depository.

100. The central depository license shall be issued in case when the clearing and settlement system the responsible persons and the owners of qualifying holdings are meeting the requirements set forth by

Section 5 of Chapter IV of the Law No.171 of 11.07.2012, as well as such provided for by the regulatory acts of the NCFM governing the activity conducted by the applicant.

101. The central depository as at the date of licensing and in the course of carrying out its activity shall dispose of the qualified personnel meeting the objectives pursued as part of the activity as well as of financial means sufficient to facilitate its orderly functioning and provide for efficient technical and informational equipment bearing in mind the nature and the dimensions of the activities conducted by the latter as well as the types and the extent of risks to which these are being exposed.

102. Provisions set forth by Section 2 of Chapter III with regards to requirements vis-a-vis persons owners of the qualified holdings within the investment companies shall apply accordingly to the central depository.

103. With the view of individual approval of the members of the board and of the managers of the central depository, the NCFM shall carry out the assessment of compliance of these to the requirements set out by para. (5) Art. 82 of the Law No.171 of 11.07.2012 and apply to that end the procedure established by the regulatory acts of the NCFM.

104. The central depository shall be obliged to have as part of its staff at least 2 specialists holders of the qualification certificate issued by the NCFM, in addition to the members of the board and managerial staff of the central depository.

105. The applicant shall be obliged to comply with the requirements with regards to the activity conducted by the central depository in compliance with the provisions set out by Art. 83 of the of Law No.171 of 11.07.2012.

106. The information system used by the central depository shall fulfil the following functions as a minimum:

- 1) protection of the system against the unauthorized access through modern, reliable and efficient information mechanisms;
- 2) guaranteeing protection of the interests of investors through a system of keeping record of issuers, securities and holders of such;
- 3) executing operations in the assignment of property with regards to securities;
- 4) possibility of handling electronic transmission of reports by the participants in view of strengthening the shareholding structure of the issuer;
- 5) managing operational risks with the purpose of decreasing such within the system of clearing and settlement of securities;
- 6) establishing electronic connections with the systems of trading in financial instruments ensuring depositing, clearing and settlement for such as well as the Automated Interbank Payment System maintained by the NBM;
- 7) establishing secured electronic connections with the view of carrying out trans boarder transactions of depositing, clearing and settlement;
- 8) maintaining securities accounts and history of the transactions conducted on these accounts as well as ensuring storage of documents serving as the base of said transactions;
- 9) maintaining electronic entries by reducing down to minimum the flow of paper documents.

107. The applicant disposes of space designed for office, which is in compliance with their doing business requirements equipped with minimum technical facilities comprising software and adequate information and communication equipment to act in the regulated market as well as information systems security and control mechanisms capable to ensure storage and security of stored data and information. These must feature the following characteristics:

- 1) designed for carrying the activities of the central depository exclusively;
- 2) disposes of an area of minimum 30 square meters so as to ensures observance of the technical norms for installation and operation of the required equipment and carrying out activities by their own personnel in decent working conditions;
- 3) disposes of a space designed exclusively for the backup server in order to ensure storage and security of stored data and information;
- 4) provisions set out by subparagraphs 3)-7) paragraph 30 on the requirements to the space designed for the official situ of the investment companies shall apply accordingly to the central depository.

108. In compliance with the Rules of the central depository participants shall create a guarantee fund meant to reduce the risk of the stock exchange settlements as part of the transactions conducted by such.

The guarantee fund does not make part of the assets owned by the central depository and shall be used following its own rules.

109. The means of the guarantee fund shall be placed onto bank deposit in national currency and/or in government securities.

110. The license for central depository operation shall be issued on the basis of an application requesting issuance of such made out pursuant to the Annex No. 12, appended to which shall be the following documents:

1) charter of the license applicant in 2 copies complete with subsequent changes and amendments registered as at the date of filing the documents. Specified in the charter of the applicant, except for banks and other financial institutions, shall be investment services and activities that could be furnished by the central depository;

2) excerpt from the State Register of Legal Entities issued in care of the applicant;

3) original or copy of the decision taken by the competent authority of the applicant that authorizes filing an application and appoints a person responsible for signing the application and any amendments to such in the name of the applicant, authenticated by the seal and signature of the responsible person of the applicant;

4) submitted for each member of the board and managers of the central depository shall be a copy of approval by the NCFM;

5) opinion of the NCFM with regards to acceptance of the ownership of qualified holding;

6) program of applicant's activity approved through a decision taken by the competent authority and comprising the following:

a) staffing and organizational structure of the applicant;

b) activities to be conducted;

c) decision making procedures and in-house organization rules;

7) description of technical equipment owned by the applicant and designed for central depository systems operation including clearing, settlement and registering of the financial instruments;

8) information with regards to sufficiency of resources needed to ensure orderly and ongoing activity of clearing and settlement in financial instruments taking into account the nature, volume and periodicity of transactions as well as the risk to which the latter are being exposed;

9) description of backup systems maintained by the applicant, emergency plans prepared by such in connection with data recovery in case of failure as well as the system of periodical check ups of the backup systems;

10) description of the mechanisms and procedures designed for efficient and timely clearing of transactions concluded in the regulated market or MTS, including any written agreements concluded with the market operators of a regulated market or MTS with regards to the procedure of clearing and settlement of transaction in the financial instruments allowed for trading in the regulated market or MTS;

11) activity plans prepared by the applicant for the next 3 years;

12) rules adopted by the applicant with regards to its organization and functioning in compliance with Art. 84 of the Law No.171 of 11.07.2012;

13) financial statements and auditor's report on auditing the financial statements for the last reported period, which corroborates that the applicant is meeting capital adequacy requirements set forth by para. (3) a) Art. 82 of the Law No.171 of 11.07.2012. In case when a legal entity was constituted prior to the date established for making out financial statements/reporting, submitted shall be the interim balance sheet approved by the board of auditors;

14) categories, levels and ceilings of commission fees and tariffs applied;

15) copy of the legal ownership deed or, if appropriate, use of the informational system intended for use as part of the activity subject to licensing;

16) audit report made out by the certified data security auditor, independent vis-a-vis the applicant on the assessment of technical equipment and the automated trading system required for functioning of the central depository, which shall certify the level of security of the system used by the central depository, including the level of system protection against unauthorized access;

17) list of the employees and members that were granted access to the data maintained by the central depository and a list of central depository employees vested with responsibility for database administration and operation of the central depository;

18) in-house policies, including procedures of internal audit used by the applicant, such of identification and managing conflicts of interests, procedures in connection with monitoring compliance, risks identification and managing as well as procedures meant to ensure security, integrity and confidentiality of the in-house information;

19) statement of assets complete with handwritten signature made by the authorized representative of the central depository, from which it follows that the respective depository is compliant with the requirements set out by the Law No.171 of 11.07.2012, as well as with the regulatory acts of the NCFM;

20) provisions set out by subparagraphs 9), 17) and 18) paragraph 37 shall apply accordingly to the central depository.

Section 4

Specificities of Issuing Authorization of the Registrar Companies

111. The registrar company, bearing on the authorization issued by the NCFM, shall be entitled to carry out the following activities in the capital market:

1) maintaining the registers of the holders of companies securities that are not considered to be the public interest entities;

2) offering consultation and services with regards to corporate relations.

112. In order to obtain the authorization of the Registrar Company the applicant shall comply with the requirements provided for by para. (1) Art. 86 and Art. 87 of the Law No.171 of 11.07.2012.

113. The mandatory requirement of the sufficiency of minimum equity for carrying out activities specified in paragraph 111 is set at MDL 1,000,000.

114. The Registrar Company shall create the guarantee fund with the purpose of limiting the risk in the process of company's activity and protecting the rights and interests of its shareholders, investors and clients.

115. The compulsory norm of the guarantee fund shall be set at 30% of the envisaged minimum equity.

116. The means of the guarantee fund shall be placed in the national currency onto bank deposits and/or in the government securities.

117. The procedure of generating and using the guarantee fund shall be set out in the internal documents of activity of the Registrar Company.

118. In case of the need to use the guarantee fund, the Registrar Company shall file a request with the NCFM and get its consent.

119. If following utilization of the guarantee fund resources the size of the fund drops down below the established norm, then the Registrar Company shall bring back the size of the guarantee fund to the required norm within a term of 90 days.

120. The applicant disposes of space designed for its official situ, which complies with the needs of carrying out their activities and ensuring free access of their clients and holders of securities for obtaining necessary information as well as for ensuring storage and safety of stored data and information. The space in question shall feature the following characteristics:

1) designed for carrying our activities of the Registrar Company exclusively;

2) the space of 30 square meters is adequate for ensuring observance of the technical norms of installation and operation of required equipment and carrying out activities by their own personnel in good working conditions;

3) provisions set out by subparagraphs 3)-7) paragraph 30 on the requirements to the space designed for the official situ of the Investment Companies shall apply accordingly to the Registrar Companies.

121. It is forbidden to the persons in charge of managing the activity conducted by the Registrar Companies as well as their employees to own the holdings or be employed by any other of the Registrar Companies.

122. The persons in charge of managing the activity conducted by the Registrar Company shall manage and coordinate the company's activity throughout the entire duration of the work program of the latter while the exclusive competencies of such shall be exercised personally.

123. In addition to the persons in charge of administrating its activity the Registrar Company shall have on its staff at least 2 specialists holding qualification certificate (certified market professionals) issued by the NCFM.

124. The technical-information systems used by the Registrar Company shall be fit to fulfil the following functions:

- 1) protecting the system against an unauthorized access;
- 2) guaranteeing protection of investors' interests by providing a system of keeping record of the issuers, securities and holders of such;
- 3) executing transactions implying transfer of rights over the securities;
- 4) having the possibility of establishing electronic connections with other entities of capital market with the view of performing custodial transactions;
- 5) creating backup files on daily basis;
- 6) maintaining securities accounts and history track record of the transactions conducted on these accounts.

125. The authorization to act as a Registrar Company shall be issued on the basis of an application requesting issuance of the authorization, made out pursuant to Annex No. 12, appended to which shall be the following documents:

1) charter of the applicant in 2 copies complete with subsequent changes and amendments registered as at the date of submitting the documents. Specified in the charter of the applicant shall be the activities that will be carried out by the Registrar Company on exclusive basis;

2) excerpt from the State Register of legal entities issued in care of the applicant;

3) original or a copy of the decision taken by the competent authority authorizing filing of the application and appointing a person to sign the application as well as endorse any amendments to such in the name of the applicant, authenticated by the seal and signature of the applicant's responsible person;

4) the following shall be submitted for each person in charge of managing the activity conducted by the Registrar Company:

a) curriculum vitae, with detailed description of professional experience to demonstrate that the person in question is meeting the requirements set out by para. (1) Art. 39 of the Law No.171 of 11.07.2012;

b) criminal record with effective period of validity;

c) copy of qualification certificate issued by the NCFM;

d) copy of labor card with the respective entries;

e) statement of assets, with handwritten signature made out pursuant to Annex No. 13, which shall comprise all direct and indirect holdings in the charter capital of any of the joint stock companies;

f) copy of the minutes of the applicant's Board meeting or such of the general shareholders meeting, during which reviewed were the requirements vis-s-vis the persons assigned to manage the activity of the Registrar company pursuant to Art. 39 of the Law No.171 of 11.07.2012, authenticated by seal and signature of the responsible person of the applicant;

5) list of persons with whom the applicant is acting concertedly made out pursuant to the provisions set out by the effective legislation;

6) applicant's program of activity approved on the grounds of a decision taken by the competent body, which comprises as follows:

a) personnel and organizational structure of the applicant;

b) description of activities that will be conducted;

c) decision making procedures and rules of in-house organization;

7) description of technical equipment and electronic systems maintained by the applicant and designed for keeping reliable record of the holders of securities;

8) information on the sufficiency of applicant's resources allowing to ensure regular and ongoing activity of the authorized activity, taking into account the nature and volume of transactions as well as the risks to which these are being exposed;

9) description of the backup systems maintained by the applicant, emergency plans prepared by such in connection with data recovery in case of failure as well as the system of periodical check ups of the backup systems;

10) description of mechanisms and procedures designed for efficient and timely clearing of transactions concluded in the regulated market, including any written agreements with the central depository with regards to the procedure of clearing, settlement and registering transaction in the financial instruments allowed for trading in the regulated market;

10) financial statements and auditor's report on auditing the financial statements for the last reported period, which corroborates that the applicant is meeting compulsory minimum equity requirements. In case when a legal entity was constituted prior to the date established for making out financial statements/reporting, submitted shall be the interim balance sheet approved by the board of auditors;

11) list of services and prices charged;

12) copy of the legal ownership deed or, if appropriate, use of the informational system intended for use as part of the activity subject to authorization;

13) audit report made out by the certified data security auditor, independent vis-a-vis the Registrar Company on the assessment of technical equipment and the information program required for functioning of the Registrar Company, which shall certify the level of security of the system used, including the level of system protection against unauthorized access;;

14) list of the employees of the Registrar Company complete with detailed disclosure of their obligations and responsibilities including a list of employees vested with the responsibility of managing and operating databases maintained by the Registrar Company. The following persons-employees of the Registrar Company cannot have access to the database maintained by the company:

a) owners of the qualifying holdings with the serviced issuer;

b) employees of the serviced issuer;

c) acting concertedly with the serviced issuer.

The respective requirements shall not apply with regards to the shareholders register maintained by the Registrar Company.

15) rules of working with client, which comprise the list, procedure and terms of execution transactions, term and procedure of replying to the queries and other requirements with regards to making out the documents;

16) rules of documents turnover and of in-house keeping track of transactions. These rules shall contain templates of in-house documents, obligations with regards to the terms of reviewing, storage of documents and control over execution of such;

17) the rules of in-house control meant to ensure security, integrity and confidentiality of internal information (which contain information with regards to the procedure of registering, storing and archiving of documents; also information with regards to data storage, setting passwords on use of the registry maintaining software; and with regard to the procedure of certifying data entered into the registry maintaining software);

18) rules of identification and managing conflicts of interests;

19) standard contract on maintaining the registry of the holders of securities;

20) statement of assets, with handwritten signature made by the authorized representative of the Registrar Company, from which it follows that the respective company is compliant with the requirements set out by the Law No.171 of 11.07.2012, as well as with the regulatory acts of the NCFM;

21) provisions set out by paragraph 37, subparagraphs 9), 17) and 18) shall apply accordingly to the Registrar Company.

126. The company, which pursuant to the effective legislation is entitled to maintain register of the holders of securities independently shall obtain the authorization to act as the Registrar Company in compliance with paragraph 127. The company maintaining independently the register of the holders of securities shall be obliged to dispose in their staff of at least one specialist holding qualification certificate issued by the NCFM.

127. The issuer in his application shall mention the intention to maintain independently the register of the holders of placed securities.

Provisions set out by paragraph 30, subparagraphs 3)-7), paragraphs 124 and 124, subparagraphs 1)-3), 6)-13) and 15)-19) shall apply accordingly to the issuer that will maintain independently the register of the holders of placed securities.

CHAPTER V

Amending Data Submitted for Issuance of Licenses or Authorizations to Deal in the Capital Market

128. In case of entering changes/amendments to the data contained in the license or authorization, the licensed or authorized person shall within a term of 10 working days from the date of entering such, file a request on renewal of the license or authorization complete with the license or authorization that need to be renewed as well as the documents corroborating the respective changes (extending business to capture other services and activities not included in the licence category at the moment of initial licensing, changing the name, changing legal address, creation/spinning off subsidiaries and representations, in case when there are intentions to carry out (or activities were carried out) through such, etc.). Fees for issuance of renewed licenses or authorizations, of a legalized copy or duplicate of such shall be set at 10% of the fees charged for the initial issuance of a license or authorization.

129. The NCFM shall take a decision on renewal of a license or authorization and on issuing the renewed license or authorization or rejects the request for renewal of such in case of disclosing non-authentic data in the documents submitted by the licensed or authorized person.

130. In order to extend its business so as to capture other services and activities not included in the licence category at the moment of initial licensing, the investment company shall file a request for renewal of the license made out pursuant to Annex No. 14, appended to which shall be the documents, which contain information concerning new range of activities and specifying when exactly the respective company intends to do as well as the documents mentioned in paragraph 131 subparagraphs 1), 3), 5) and 6).

131. In cases other than specified in paragraph 130, the NCFM shall adopt a decision on renewal of a license or authorization based on an application/request filled out pursuant to Annex No. 14, appended to which shall be the documents corroborating the amendments made, including as follows:

- 1) decision taken by the competent authority of the licensed or authorized person;
- 2) documents confirming entry of the amendments/changes with the State Chamber of Registration;
- 3) original of the license or authorization that requires to be renewed;
- 4) copy of the publication in the Official Gazette of the Republic of Moldova on the changes/amendments registered;
- 5) copy of the receipt stub corroborating settlement to the NCFM account of fees for renewal of a license or authorization;
- 6) other documents corroborating changes/amendments entered, if appropriate.

132. In case of changing legal address as well as in case of establishing subsidiaries and representations, the NCFM shall be entitled to carry out on site examination in order to check up the operational conditions of the new location.

133. The licensed or authorized person shall be entitled to establish its subsidiaries or representations with due observance, if appropriate, of the operational requirements provided for by the present Regulation, provided there is at least one person holder of the qualification certificate issued by the NCFM assigned for the respective subsidiary/representation.

134. The NCFM, within a term of 10 working days from the date of filing the application on renewal of a license or authorization complete with the set of documents appended to such, shall pass a decision with regards to renewal of a license or authorization and notify the applicant on the fact. The renewed license or authorization shall be issued on a new template bearing in mind the changes/amendments specified in the application.

135. Upon renewal of a license or authorization, the NCFM shall pass a decision on rendering invalid the prior issued license or authorization by entering the respective changes/amendments into the Register of licenses and authorizations allowing to act in the capital market not later that the working day immediately following the date of passing the respective decision.

136. For failure to renew a license or authorization within the established term the NCFM shall apply sanctions pursuant to the provisions set out by Art. 144 of the Law No.171 of 11.07.2012. In case of repeated violation of the respective provision, the NCFM shall render the respective license or authorization invalid.

137. In case of deterioration or loss of a license or authorization, the licensed or authorized person shall be obliged within a term of 10 working days to submit with the NCFM an application for obtaining a duplicate of a license or authorization, appending to such the deteriorated license or authorization or a copy of the announcement on the loss of a license or authorization placed in the Official Gazette of the Republic of Moldova.

138. The NCFM within a term of maximum 10 working days from the date of filing the application for issuance of such shall issue a duplicate of a license or authorization. The duplicate of a license or authorization shall have an imprint reading “Duplicate”.

139. In case of reshuffling the composition of the managerial bodies or changing the shareholding structure, the information included in the application or in the documents sued as the grounds for issuance of a license or authorization, the licensed or authorized person, within a term of up to 10 working days from the occurrence of such shall duly notify the NCFM on the fact.

CHAPTER VI

Suspending and Withdrawal of a License or Authorization Allowing to Deal in the Capital Market

140. The NCFM shall be entitled to suspend the action of a license from a term of up to 90 days in cases provided for by para. (13) Art. 140 of the Law No.171 of 11.07.2012.

141. Suspending the action of a license implies temporary banning of carrying out licensed activity up to the date of taking decision by the NCFM with regards to resuming the validity of the respective licence.

142. The licensed person whose licence was suspended shall be obliged to take all measures as needed to ensure protection of the interests of their clients and other persons whose deposits could be affected through suspension of the validity of the license.

143. The licensed person with regards to whom a decision was taken on suspending the validity of a license, shall be obliged within the term established by the decision to clear the violations and their consequences and to submit to the NCFM a report in writing on clearing the violations based on which the NCFM will adopt a decision with regards to resuming the validity of the license.

144. If upon the expiry of the term of license suspension the applicant failed to clear all of the infringements for which the license was suspended, then the NCFM shall be entitled to withdraw such.

145. Withdrawal of a license or authorization shall not exempt the license or authorization holder from executing vis-a-vis the NCFM and the players of the capital market obligations that have emerged prior to issuance of a decision on withdrawal of a license or authorization.

146. The licensed or authorized person with regards to whom a decision was taken on withdrawal of a license or authorization shall be obliged to proceed as follows:

- 1) ceasing immediately the activities conducted in the capital market;
- 2) remitting the license or authorization issued by the NCFM within a term of 2 working days from the date of publication of decision with regards to license or authorization withdrawal;
- 3) attempt all measures as necessary to ensure protection of its clients interests as well as such of other persons whose rights could be affected as a result of withdrawal of a license or authorization.

147. Suspension and withdrawal of licenses or authorizations to deal in the capital market issued in care of the banks shall be done by the NCFM with subsequent notification of the NBM.

148. Following withdrawal of a license or authorization, the licensed or authorized person, except for the banks, within a term of up to 30 days shall be obliged to convene a general meeting of shareholders with inclusion into the agenda the issues with regards to liquidation or amending the object of activity and eliminating from its name, if appropriate, the phrase reading „investment company”/„market operator”/„central depository”/„the Registrar Company”.

149. Following withdrawal of a license or authorization all the evidence and records concerning the licensed or authorized person with regards to services furnished and activities conducted by the latter shall be stored for a period of at least 7 years unless otherwise provided for by the regulatory acts, and subsequently handed over to the State Archives.

150. Information with regards to withdrawal of licenses or authorizations shall be published in the electronic format on the official web page maintained by the NCFM and stored during a period of 5 years.

151. Withdrawal of a license or authorization upon a specific request filed by the licensed or authorized person shall be done based on an application made out pursuant to Annex No. 15, appended to which shall be the following documents:

- 1) decision taken by the competent body of the licensed or authorized person with regards to ceasing its activity;

2) proof of the publication in the Official Gazette of the Republic of Moldova of the announcement placed by the licensed or authorized person with intention to cease the activity and submitting the claims filed by the clients;

3) confirmation of the lack of claims on behalf of the clients of a licensed or authorized person;

4) confirmation of termination of prior concluded and unexecuted contracts;

5) original of prior issued licence or authorization;

6) in addition to the aforementioned, the Registrar Companies shall submit information with regards to transfer of the issuers registers with which they have concluded contracts on maintaining the register as well as the documents associated with maintaining such while the investment companies shall submit information on the lack of holding in custody of the assets owned by the former clients.

152. Decision taken by the NCFM with regards to eliminating the licensed or authorized person from the Register of licenses and authorizations issued to deal in the capital market shall be passed following confirmation of repayment by the latter of all of their contractual obligations undertaken as part of furnishing services in the domain of capital market.

153. In case of withdrawal of a license or authorization at the request of a licensed or authorized person, the respective person shall be entitled to file an application seeking the issuance of a new license or authorization.

154. The NCFM shall be entitled to withdraw the authorization to deal in the regulated market and in the multilateral trading system issued in care of a market/system operator in case set forth by para. (11) Art. 63 and para. (4) Art. 73 of the Law No.171 of 11.07.2012.

155. The authorization to act as the Registrar Company shall be withdrawn in case provided for by para. (2) Art. 86 of the Law No.171 of 11.07.2012.

CHAPTER VII FINAL PROVISIONS

156. For failure to observe the provisions set out by the present Regulation the capital market players shall be liable in compliance with the provisions stipulated by the effective legislation.

157. Upon withdrawal of prior issued licenses or authorizations, the NCFM shall supervise the procedure of execution of their obligations by the licensed or authorized persons with regards to their clients while enjoying the right of applying measures set forth by para. (2) Art.146 of the Law No.171 of 11.07.2012.