



**MACEDONIAN STOCK EXCHANGE  
AD SKOPJE**

**MEMBERSHIP RULES**

**Skopje, April 2023**

Pursuant to Article 79 of the Securities Law (Official Gazette of the Republic of North Macedonia No. 95/2005, 25/2007, 7/2008, 57/2010, 135/2011, 13/2013, 188/2013, 43/ 2014, 15/2015, 154/2015, 192/2015, 23/2016, 83/2018 and RSM Official Gazette No. 31/20 and 288/21), Article 25 and Article 41 of the Statute of the Macedonian Stock Exchange of value AD Skopje and Decision No. 02-514/1 of 28.04.2023 for the adoption of the Rules for membership of the Macedonian Stock Exchange AD Skopje, the Board of Directors of the Stock Exchange on 28.04.2023 adopted the following:

**MEMBERSHIP RULES  
OF  
MACEDONIAN STOCK EXCHANGE AD SKOPJE**

**1. GENERAL PROVISIONS**

**Subject to regulation of these Rules**

**Article 1**

These rules regulate the conditions, manner and procedure for admission to membership in the Macedonian Stock Exchange AD Skopje (MSE), rights and obligations of a member of the MSE, as well as operations of the authorized brokers and brokers licenced by the MSE for access to the BEST system , as well as the termination and changes in the membership.

**Definitions**

**Article 2**

(1) Certain terms from these Rules shall have the following meaning:

- "MSE" shall mean the Macedonian Stock Exchange AD Skopje;
- "Securities and Exchange Commission" shall mean the Securities and Exchange Commission of the Republic of North Macedonia;
- "Authorized legal entity" are the legal entities from Article 95 of the Securities Law, which are:
  - a) brokerage house which has obtained an operational license from the Commission (hereinafter: brokerage house);
  - b) an authorized bank in accordance with the Banking Law, which has obtained an operational license from the Securities and Exchange Commission;
  - c) a subsidiary of a foreign brokerage house which has obtained an operational license from the Securities and Exchange Commission.

- "Member" shall mean a brokerage house, a bank or subsidiary of a foreign brokerage house, which is registered in the trade registry as a legal entity that has been granted operational license from the Securities and Exchange Commission and which is accepted in the MSE membership;
- "Authorized broker" shall mean a person who holds license for operation as a broker issued by the Securities and Exchange Commission;
- "Broker licensed by the MSE for access to the BEST system" shall mean an authorized broker who is permitted by the MSE for access to the MSE electronic trading system and to use this system for actively trading, employed at the MSE member according to the Law on labor relationship;
- "Exchange electronic trading system" or "BEST system" shall mean the information technology system which, with the help of an appropriate computer support, enables entrance, modifications, retaining and withdrawal of the trade orders, automatic matching of the trade orders and conclusion of MSE transactions, surveillance over the trade orders and the concluded MSE transactions, as well as review of information on the trading and the listed as well as registered securities;
- "Other systems of the Stock Exchange" shall mean systems that are supported by the MSE and which functionally refer to the implementation of activities related to the Trading Rules, the Membership Rules, the Listing Rules, as well as other acts related to the work of the MSE members and/or other institutions, not excluding the BEST and/or the SEI-NET system;
- "MSE acts" shall mean: the Statute, Membership rules, Trading rules, Listing rules, Arbitration rules, Tariff book, as well as all other decisions and acts brought on a basis of abovementioned rules;
- "Securities regulation" shall mean: the Law on securities, other laws in the parts that regulates operation with securities and secondary regulations arising from the laws above.

(2) For the purpose of this rules, if otherwise defined, all other terms shall have the same meaning as defined in the Law on Securities and MSE acts.

## **2. ACCEPTANCE INTO MEMBERSHIP**

### **General conditions for admission to membership**

#### **Article 3**

A MSE member can be an authorized legal entity that meets the conditions for membership prescribed by these Rules.

#### **Manner of acceptance into the membership in the MSE**

## **Article 4**

- (1) The status of a MSE member is acquired by admission to membership of the MSE, at the request of the authorized legal entity.
- (2) The MSE Board of Directors adopts a decision for acceptance of the authorized legal entity into the MSE membership if it determines that the conditions for admission to membership prescribed by these Rules have been fulfilled. +
- (3) MSE member can not transfer its status of MSE member to other person or entity.
- (4) Member status cannot be acquired by succession.
- (5) By admission into MSE membership , the member of the MSE irrevocably agrees to implement and obey the Statute, these rules and other MSE acts, and their amendments as well.

### **Organizational, personnel and technical conditions for membership**

## **Article 5**

The authorized legal entity that submitted a request for admission to membership is obliged to fulfill the organizational, personnel and technical conditions for admission to membership of the MSE prescribed by these Rules, as well as to fulfill other criteria prescribed from the Securities and Exchange Commission and other criteria prescribed from the MSE in its acts.

### **Organizational conditions**

## **Article 6**

The authorized legal entity that has submitted a request for admission to the MSE membership is obliged to fulfill the following organizational conditions:

- to be registered in the commercial register as a brokerage house, bank or subsidiary of foreign brokerage house;
- to have a valid permit for working with securities from the Securities and Exchange Commission ;
- the acts of the authorized legal entity must comply with the securities regulations and the acts of the MSE;
- the management body of the authorized legal entity to adopt a decision for acceptance of these Rules and acts of the MSE and commit to their implementation and compliance;
- to have established and maintain internal systems and mechanisms for efficient, correct and responsible operation, especially with regard to the acts regulating the operation with customers, keeping a business secret, the way to prevent abuse of information that is not available to the public, control procedures for operations, the method of receiving orders electronically and other acts resulting from the acts of the MSE;
- to be a member of an authorized depository.

## **Personnel conditions**

### **Article 7**

(1) The authorized legal entity that submitted a request for membership in the MSE is required to fulfill the following conditions:

- to have at least two persons in a full-time employment who possess a licence for operation of a broker issued by the Securities and Exchange Commission and have licence from the MSE to access BEST;
- to have a person who will be responsible for compliance with the regulations in the field/area of securities, the acts of the MSE and the acts of the authorized legal entity.

(2) The authorized legal entity as the controller of the personal data of the persons referred to in paragraph 1, item 1 and 2 of this article submits the following personal data for those persons to the MSE:

- name and surname
- identification number
- e-mail address
- phone number.

(3) Regarding the personal data from paragraph 2 of this article, the authorized legal entity guarantees that:

- all submitted data is accurate and complete and that it has been obtained of permitted legal basis for processing;
- the purpose of processing with which those persons are familiar for the purpose of processing their personal data, includes the exchange of personal data with the MSE for the purposes defined in this article;
- has familiarized these persons with the rights arising from the regulation for the protection of personal data.

(4) MSE in relation to the personal data from paragraph 2 of this article, undertakes that: (a) will handle them and use them only for the purpose of implementing these Rules and other acts of the MSE; (b) will consider them confidential and (c) will take the necessary technical and organizational measures in order to ensure their protection and prevent unauthorized access to them in accordance with the valid acts of the MSE for the protection of personal data.

## **Technical conditions**

### **Article 8**

(1) The authorized legal entity that submitted a request for admission to the MSE membership is obliged to have an appropriate IT, computer and communication system for the completing works related to securities trading and which enables connection to the BEST system and other systems of the MSE and the systems of an authorized depository, where it is especially necessary to meets the following technical conditions:

- to have an appropriate software system for backoffice operation with the possibility of connecting it to the BEST system through the FIX protocol, which will ensure the receipt and smooth handling of trading orders, as well as the eventual cancellation or revision of concluded transactions;
- to have appropriate hardware equipment for establishing uninterrupted and secure communication with the BEST system and the systems of the MSE and the systems of an authorized depository;
- the communication connection of the authorized legal entity with the MSE must be made through a communication connection service provider determined by the MSE and
- a software system for background operation that ensured that the authorized legal entity was compliant with the requirements provided by the MSE.

(2) In the event that the authorized legal entity does not use a software system for backoffice operation provided by the MSE, the MSE and the authorized legal entity perform testing of the connection of the software system for backoffice operation of the authorized legal entity through the FIX protocol with the systems of the MSE in order to determine possible shortcomings and errors in its functioning.

### **Application for admission to membership**

#### **Article 9**

(1) The authorized legal entity that intends to become a member of the MSE submits a written request to the MSE for admission to membership in the MSE, in the form and content specified in Annex 1, which is an integral part of these rules.

(2) To the request from paragraph 1 of this article, the authorized legal entity that intends to become a member of the MSE submits at least the following documentation proving that it meets the conditions for membership in the MSE:

- original or notarized copy of the Statute of the authorized legal entity;
- extract from the trade register not older than 30 days;
- data on the founders/owners of the authorized legal entity;
- a copy of the decision to issue consent to the shareholder of the authorized legal entity for the acquisition of a qualified participation issued by a competent authority;
- proof that the authorized legal entity is a member of an authorized securities depository;
- a copy of the consent to appoint a director of a brokerage house/the bank's organizational unit for work with securities issued by the Securities and Exchange Commission;
- confirmation from the authorized legal entity that it has employed at least two people in a regular employment relationship who have a license to operate as a broker issued by the Securities and Exchange Commission;
- specification of employees by jobs (in the case of an authorized bank, specification of employees by jobs in the section where securities are dealt with);
- specification of computer and technical equipment to be used in securities operations;
- data on the person responsible for monitoring and complying with laws and other legal regulations, the rules of the MSE and acts of the authorized legal entity;

- an original or notarized copy of the decision of the management body of the authorized legal entity that it is familiar with these rules and other acts of the MSE, that it accepts them and that it will implement and respect them;
- proof of paid fee for admission to membership in accordance with the MSE Tariff book and
- other documentation that the MSE deems necessary to be submitted.

(3) In addition to this documentation, the MSE within three days from the day on the reception on the request will obtain a sample from the licence for work issued on the authorized legally person from the Securities and Exchange Commission.

(4) The provisions of paragraph 2 of this article are also applied upon admission to membership of a foreign brokerage house, which intends to become a MSE member through its subsidiary.

(5) After receiving the request for admission to membership, it is reviewed, in particular, the completeness of the request and the submitted documentation and it is checked whether the conditions for admission to membership prescribed by these Rules are met.

(6) If the submitted request is incomplete or from the attached documentation it cannot be ascertained that the conditions for admission to membership prescribed by these Rules have been met, the MSE will ask the authorized legal entity to supplement the submitted request within 30 days from the date of his submission. In the same period, the MSE has the right to request other additional documentation from the authorized legal entity that is necessary to obtain a full opinion after the submitted request, which proves that the authorized legal entity that intends to become a member of the MSE fulfills the membership requirements. The authorized legal entity is obliged to supplement the submitted request within 30 days from the day of receipt of the request from the MSE.

(7) Based on the submitted application and the attached documentation from the authorized legal entity, the MSE Board of Directors decides on the application for admission to membership, and may approve or reject it within 45 days from the day of admission of the request, and in the cases of paragraph 5 and paragraph 7 of this article, within 30 days from the day of receipt of the complete request.

(7) If the MSE Board of directors determines that the submitted documentation is incomplete, the Board has the right to request the completion of the documentation. The authorized legal entity is obliged to supplement the submitted documentation within 30 days from the day of receipt of the request from the Board.

(8) If the Board determines that the authorized legal entity meets the conditions for membership, it shall make a decision on its admission to membership of the MSE.

(9) The decision of the Board for admission to membership is submitted within 8 days of its adoption to the authorized legal entity requesting admission to membership, to the Securities and Exchange Commission, and all members of the MSE and the public are informed within the same period.

(10) If the Board determines that the authorized legal entity does not meet the conditions for membership, it rejects the request for membership with a decision, giving an explanation stating the reasons why the membership is not approved.

(11) The decision on the MSE Board of Directors for rejecting the request for admission in membership shall be delivered in deadline from 8 days from the adoption to the authorized legally person which asks admission in the MSE membership and to the Securities and Exchange Commission.

(12) The authorized legal entity from paragraph (10) of this article whose application for membership is rejected has the right to appeal to the Securities and Exchange Commission, through the MSE or directly to the Securities and Exchange Commission, within 15 calendar days from the day of receipt of the decision of the Board.

### **Beginning of using membership rights**

#### **Article 10**

(1) The MSE member is obliged immediately, and no later than 60 days after admission to membership, to take all the necessary actions in order to begin exercising the rights of membership, namely:

- to pay the necessary fees to the MSE determined by the MSE Tariff book;
- to provide communication connection with the BEST system and other systems of the MSE;
- at least two of its employees-authorized brokers to acquire the status of broker with licencen from the MSE to access the BEST system;
- in coordination with the MSE to perform the testing of the software system for background operation in accordance with Article 8, paragraph 2 of these Rules.

(2) No later than within 3 working days from the date of completing of all the actions from paragraph 1 of this article, the MSE Executive director determines the date from which the member will start using the rights of membership in the MSE, determines the code of the member and gives instruction for enabling active access to the member in the BEST system.

### **Brokers licensed by the MSE for access to the BEST system**

#### **Article 11**

(1) Only brokers of the MSE member licensed by the MSE for access to the BEST system, may have access to the BEST system to trade with securities.

(2) The authorized broker acquires with the status of broker licensed by the MSE for access to the BEST system of the member if the following requirements are met:

- the member shall submit evidence that the person has valid broker license issued by the Securities and Exchange Commission;
- the person pass or has passed special expert exam organized by the MSE;



- the member shall submit to the MSE a statement that all transactions realized by that person on behalf of the member will treat as transactions realized by the member and the member will be duly responsible for it;
- the member shall submit evidence that the person has full time employment with the member according the Law on Labor Relations;
- the person shall submit to the MSE a statement that is aware with the MSE acts, accepts and adheres it.

(3) The authorized broker may not acquires with the status of broker licensed by the MSE for access to the BEST system of the member, if there is a valid decision against him for excluding of the trading, due to the violation of the MSE acts and/or member's internal acts.

(4) After the fulfillment, i.e. the verification of the conditions specified in paragraph 2 and paragraph 3 of this article, the MSE assigns the authorized broker a user name and password, thus giving him the authority to access and use the BEST system, i.e. the right to act as broker with licence from the MSE to access the BEST system. For the assignment of a brokerage user name and password, the member is obliged to pay a one-time fee according to the MSE Tariff book.

(5) The broker with permission from the MSE to access the BEST system is obliged to keep the username and password as a business secret.

(6) With a decision of Chief Executive Director, the MSE will suspend or abolish the right of the broker licensed by the MSE for access to the BEST system of the MSE member if:

- the MSE receives information of the member or finds out that the broker licensed by the MSE for access to the BEST system has non-regular employment, according to the Law on Labor Relations, with the member that reported him;
- expiration of the validity of its broker licence issued by the Securities Exchange Commission and the said licence is not been renewed within the legal term, or the licence has been revoked by the Securities Exchange Commission;
- requests the cancellation of the right of the broker with permission from the MSE to access the BEST system to act on its behalf during the trading of securities on the MSE.

(7) The MSE will suspend or revoke the right of the broker licensed by the MSE for access to the BEST system if the broker is imposed a disciplinary measure by the MSE for temporary or permanent exclusion from trading, due to a violation of the MSE acts.

(8) MSE will suspend or revoke the right of the broker licensed by the MSE for access to the BEST system based on a decision by the Securities and Exchange Commission, with which the MSE needs to to temporarily or permanently suspend the authorizes broker from trading in the BEST system. .

**Special t exam for acquiring and maintaining the status of the broker licensed by the MSE for access to the BEST system**

**Article 12**

(1) In order to acquire and maintain the knowledge and skills necessary for trading with securities through the BEST system, the MSE organizes trainings and exams for the authorized brokers employed in the members.

(2) MSE organizes training and special exam for securities trading for the authorized brokers for whom the member will request access to the BEST system in accordance with Article 11 of these Rules, in order to acquire the knowledge and skills necessary for securities trading through the BEST system.

(3) The special exam from paragraph 2 of this article consists of two parts: 1) test of the knowledge of the MSE Trading Rules and 2) test of the knowledge of the characteristics of the MSE trading electronic system in order to use it.

(4) The special exam is carry out by special commission established by the CEO of the MSE and it is performed in written form, and organized when it is necessary.

(5) The special exam considers passed if the candidate answers correctly to at least 60% of the questions at the two parts individually.

(6) If the broker licensed by the MSE for access to the BEST system has not used the right to access the BEST system continuously for one year, he must retake the exam from paragraph 2 of this article before starting to use that right again.

(7) If necessary, the MSE can organize additional training for brokers licensed by the MSE for access to the BEST system in order to maintain the knowledge and skills needed for trading securities through the BEST system and/or can perform a check of such knowledge and skills.

(8) The presence of brokers licensed by the MSE for access to the BEST system is mandatory at the trainings from paragraph 7 of this Article.

(9) For taking the professional exam from paragraph 3 and 6 of this article, a fee is charged determined by the MSE Tariff book.

### **Subsidiaries of a MSE member**

#### **Article 13**

(1) The MSE member is obliged to inform the MSE for the opening or closing of the member's subsidiary/ies, for authorized brokers and the brokers licensed by the MSE for access to the BEST system employed in the member's subsidiary and for each change of the authorized brokers and brokers licenced by the MSE for access to the BEST system in the member's subsidiary.

(2) The member is obliged to submit a decision from the member's competent authority regarding the status and the work to be performed in the subsidiary.

(3) The MSE member may through the subsidiary receive and execute orders for trading in the BEST system or perform only auxiliary and technical work.

(4) The MSE member can receive and implement trading orders in the BEST system through a subsidiary under the following conditions:

- the member must submit proof to the MSE that the Securities and Exchange Commission has been notified of the opening of the subsidiary;
- to have an integrated book of orders of the subsidiary with the headquarters of the member;
- to have at least one broker with license from the MSE to access the BEST system in a regular employment relationship who will work in the subsidiary of the member;
- the member pays to the MSE the necessary fees determined by the MSE Tariff book.

(5) The technical and auxiliary works performed in the subsidiaries of a member of the MSE is referring to the receipt of orders, informing clients about the purchase or sale of securities which does not constitute investment advising and other auxiliary and technical works which do not constitute the performance of services with securities from Article 94 of the Securities Law.

(6) The MSE member that performs auxiliary and technical work through the subsidiary should submit data to the MSE for the persons who receive orders and notarial certified statement from these persons in which they under complete moral, material and criminal responsibility declare that only receive trading orders without any investment advising to the clients.

### **3. RIGHTS AND OBLIGATIONS OF THE MSE MEMBERS**

#### **The MSE member's rights**

##### **Article 14**

The MSE member has the following rights arising from the MSE membership:

1. to emphasize in its operations that it is MSE member;
2. to have equal treatment with all other members of the MSE;
3. to use the BEST system for concluding transactions in its own name and account and on behalf and for the account of its clients;
4. through its brokers licensed by the MSE for access to the BEST system to conclude transactions, if the market conditions allow that;
5. to have an access to all information announced by the MSE relevant to the securities trading, in accordance with the MSE rules;
6. to be promptly and fully informed about the adoption and/or amendment of acts of the MSE relevant to the trading of securities on the MSE and/or to the MSE membership;
7. other rights determined by the acts of the MSE.

#### **Obligations and responsibilities of the MSE member**

##### **Article 15**

The MSE member has the following obligations and responsibilities:

- to comply with these Rules and other MSE acts;
- to fulfill the conditions for admission to membership for the entire duration of its status as a member of the MSE, and in particular the following:

- to possess a license to work with securities from the Securities and Exchange Commission;
- to harmonize its acts with the legal regulations and acts of the MSE;
- to maintain an adequate level of organizational and technical equipment, especially in terms of uninterrupted connection of the member with the BEST system and other systems of the MSE;
- to be a member of an authorized securities depository;
- at any time to have employed at least two brokers with licence from the MSE to access the BEST system in a regular employment relationship;
- to submit data to the MSE in accordance with these Rules and other acts of the MSE;
- to ensure that its backoffice application is technically and functionally compliant with the BEST system;
- to provide protection against unauthorized access to its backoffice application work, identification marks and user names for access to the BEST system;
- at the request of the MSE to enable supervision over the backoffice application;
- at the request of the MSE to submit data, information, reports and documents related to the poisoning orders, concluded transactions on the MSE and/or data important for the protection of the public interest and the interest of investors;
- regularly and timely fulfill financial obligations to the MSE;
- to take care of the reputation of the MSE when performing activities related to securities trading and during public appearances;
- to ensure that its employees and/or agents are properly qualified, to possess the knowledge and skills necessary for securities trading and to apply standards of professionalism, expertise and ethical behavior when acting on behalf of the member and to take care of their continuous education from the area of the securities market;
- to develop internal rules for the operation and control of its employees, which will ensure that its directors and employees will work in accordance with the regulations in the field of securities and the MSE acts (control procedures).
- to carefully supervise the work of its employees as well as all other persons (proxies, agents, procurators) who work on behalf of the member;
- to sign an arbitration agreement that regulates the settlement of disputes in accordance with the arbitration rules of the MSE,
- not to misuse the unpublished information and to comply with the obligations to keep the business secret;
- not to make a trading recommendation, nor to trade or arrange transactions for the sole purpose of receiving a higher commission;
- to properly announce the hours of work with clients and the time during which it is traded on the MSE;
- in all premises where the member works with clients, to provide insight into the general terms and conditions of the member's work and into the tariff list of securities services;
- to arrange a procedure that will ensure:
  - the method of submitting customer complaints regarding compliance with the rules of the MSE;
  - the method of checking the allegations presented in the complaint; and
  - the way of making a decision on the appeal and to give the client the right to object to the MSE.

## **Access to the BEST system and other systems of the MSE**

### **Article 16**

- (1) All MSE members have access to the BEST system.
- (2) The technical conditions that the members have to fulfill in order to access the BEST system are determined by the MSE.
- (3) The member is obliged to keep as a business secret the technical documentation, computer programs and other data and information related to the procedure for connecting to the BEST system and other systems of the MSE that the MSE determines to be of a confidential nature.
- (4) The member is obliged to take the necessary measures to prevent access and use of the BEST system, directly or indirectly by unauthorized persons.

### **Member code**

#### **Article 17**

- (1) MSE assigns a code to each member, which the member uses to access the BEST system.
- (2) The code can only be used by the member to whom it is assigned.
- (3) The member is responsible for all activities that occurred in the BEST system under her code.

## **The right to enter orders, conclude transactions through the BEST system and responsibility about that**

### **Article 18**

- (1) The member, according to its licence, has the right to enable entering trade orders for trading with securities in the BEST system and to conclude transactions in his own name and for his own account (principal) and/or in his own name and for the account of third parties, clients.
- (2) All entered trading orders and completed transactions containing the member's code are legally binding for the member and the member is responsible for all transactions concluded on her behalf by a broker with licence from the MSE to access the BEST system.
- (3) The member is responsible for all other actions performed by brokers with licence from the MSE to access the BEST system, directors and employees on her behalf, including contracts signed by the specified persons on behalf of the member.
- (4) The employees of the MSE member may not trade securities in their own name and for their own account through another member of the MSE.

## **Education of authorized brokers**

### **Article 19**

(1) The MSE can organize trainings and educational events related to trading with securities, with the aim of continuous education of the authorized brokers employed by the members of the MSE. Regarding the content of the trainings and educational events, the MSE carries out a preliminary consultation with the Commission for operating with Securities within Macedonian Banking Association.

(2) The organization of trainings and educational events for authorized brokers is done on a commercial basis, through the payment of a fee by the members in the amount needed to cover the costs of hiring lecturers and logistical needs of the MSE.

(3) The Board of directors, taking into account the consultation from paragraph 1 of this article, determines the number, content, price and way of organizing the trainings and educational events.

(4) If the authorized brokers employed by members of the MSE do not attend the trainings and educational events referred to in this article, it is necessary for the member to submit a notification to the MSE and document that the member already provided adequate education for these persons.

## **Maintaining the reputation of the MSE and using the MSE's logo**

### **Article 20**

(1) The MSE member may not give advice, recommendations, issue or distribute written materials or use the media in a way that causes or could cause damage to the interests and reputation of the MSE and the securities market overall.

(2) The member of the MSE has the right in communication with third parties, on its website or in another appropriate way, to point out that it is a MSE member and to use the logo of the MSE, whereby third parties should not be misled in regarding the legal separation of the MSE member from the MSE.

(3) MSE can prescribe in more detail the way of using its logo by the members.

## **Obligations for mandatory notifications to the MSE**

### **Article 21**

(1) The MSE member is obliged to submit a written notification to the MSE in case of:

- restriction or revocation of the license/consent for performing services/trading in securities by the Securities and Exchange Commission or by the National Bank of the Republic of Macedonia;
- restriction or revocation of the consent to exercise the position of director of a member issued by the Securities and Exchange Commission;

- restriction or revocation of the licence to the authorized brokers issued by the Securities and Exchange Commission, as well as for the expiration or renewal of the validity of the licence;
- measures imposed by an authorized depository in connection with termination, suspension or other changes in the status of a member in an authorized depository;
- change and/or termination of the employment relationship of a director, an authorized broker, a broker with licence from the MSE to access the BEST system, the person responsible for monitoring and complying with the legal and other legal regulations and acts of the MSE or another employee of the member;
- amendment of the company's Statute and registration of changes in the commercial register, including changes in the composition of the management body;
- acquisition and change of shareholders with qualified holdings in the member's share capital;
- opening and closing of subsidiaries of the member and for changes in the works performed in the subsidiary;
- initiation of a preliminary procedure for the purpose of determining the existence of conditions for opening a bankruptcy procedure and its outcome;
- initiation and outcome of significant litigation and arbitration disputes arising from securities trading or disputes that may result in a significant disruption of the member's ongoing operations;
- initiation of liquidation or bankruptcy proceedings of the member;
- to submit to the MSE annual financial reports on its operations, together with a report from an authorized auditor, within 15 days of their adoption. In the case of a member-bank, to also submit a derivative balance sheet of income and expenses of the organizational and business unit of the bank that deals with securities services;
- providing education to the authorized brokers employed in the members of the MSE from the area of the securities market.

(2) At the request of the MSE, the member is obliged to submit to the MSE other data and documents that affect or could affect the fulfillment of the member's obligations, the functioning of the MSE and other members, investors and the securities market in general.

(3) The MSE is obliged to keep as confidential the data and information provided by the member that are not otherwise available to the public and not to disclose the same to outsiders without the prior consent of the member, except at the request of a competent authority in a legally regulated procedure.

(4) The MSE members are obliged to submit the notifications from paragraph 1 of this article immediately after the occurrence of the action or change.

(5) The MSE can enable the notifications from paragraph 1 of this article to be delivered electronically through a special software application.

## **Liabilities in relation to clients funds**

### **Article 22**

The member is obliged, when working with clients' funds, to act in accordance with the Decision on the way of working with a separate account adopted by the Commission from 24.02.2022 and its further amendments and additions, as well as in accordance with the regulations in the area of securities that regulate this issue.

### **Obligations related to the member's financial operations**

#### **Article 23**

- (1) The member is obliged to promptly fulfill the financial obligations and to constantly maintain the ability to fulfill its obligations.
- (2) If the member does not settle the financial obligations to the MSE within 7 (seven) days at the latest after the deadline for payment of the submitted invoice, the MSE Executive director can temporarily exclude the member from membership of the MSE, until fulfillment of obligations.
- (3) The member is obliged to immediately notify the MSE in the event of the member's insolvency or a significant disruption of its financial situation or another financial circumstance that may affect the fulfillment of its obligations as a member or the occurrence of an event in its operations that brings it into question the reliability of other members of the MSE and/or the MSE itself.

## **4. TERMINATION AND CHANGES OF MEMBER STATUS IN THE MSE**

### **Termination of membership**

#### **Article 24**

- (1) The membership of a MSE member may be terminated:
  - by voluntarily withdrawing from membership at the request of the member;
  - permanent exclusion from membership by the MSE; and
  - by withdrawing the membership decision by the MSE.
- (2) Upon termination of the status of a member of the MSE, the rights and obligations of the member arising from her membership in the MSE cease.
- (3) The day specified in a decision made by the MSE is considered as the date of termination of membership.
- (4) With the exception of paragraph 2 of this article, the member's financial and other obligations to the MSE and other members that existed at the time of termination of membership, and which were not fulfilled, continue to be valid until they are fully fulfilled by the member in accordance with these Rules, the MSE Tariff book and other acts of the MSE or in accordance with the agreements concluded between the MSE and the member.
- (5) In the event of the termination of the member's membership of the MSE, the member is obliged to ensure that all its clients for whom it provides services in relation to securities are informed of its



future status as soon as possible and to enable them to have an appropriate regulation of customer relations with the member in accordance with the customer's requirements.

### **Voluntary withdrawal from membership**

#### **Article 25**

(1) The member that wants to voluntarily withdraw from membership of the MSE, submits to the MSE a request for withdrawal from membership at least 30 days before the day of formal withdrawal.

(2) In order to voluntarily withdraw from membership, the member has to settle all his financial obligations towards the MSE and other members of the MSE.

(3) The MSE Board of Directors makes a decision to accept the request for the member's voluntary resignation from membership within 30 days from the day of submission of the request from paragraph 1 of this article.

### **Permanently excluding from MSE membership**

#### **Article 26**

(1) A member of the MSE is permanently excluded from membership in the following cases:

- upon permanent revocation of the work permit by the Securities and Exchange Commission in accordance with the Law on Securities;
- upon permanent exclusion from membership in an authorized depository;
- if the member was admitted to the MSE membership based on false data;
- if circumstances due to which the decision on temporary exclusion from membership was made in accordance with paragraph 1 and paragraph 2 of article 27 do not cease to exist until the end of the period of 12 months from the day of making the decision;
- open bankruptcy proceedings of the member in accordance with the Securities Law;
- termination of the member's existence due to liquidation, in accordance with the Securities Law.

(2) The MSE Executive director adopts a decision for permanent exclusion from membership in the cases referred to in paragraph 1, paragraphs 1, 2, 5 and 6, and for the other cases referred to in paragraph 1 of this article, a decision on permanent exclusion from membership is made by the MSE Board of Directors.

(3) The MSE Board of Directors may permanently exclude the member from membership in the MSE by adopting a disciplinary measure, in case of a confirmed violation of the acts of the MSE carried out in accordance with the procedure regulated by the Rules of Conduct and Discipline.

(4) With the permanent exclusion from membership, the member loses its status and rights of a MSE member, while the rights of other members towards that member which are acquired before her exclusion, as well as MSE rights regarding to the unpaid financial obligations of that member remain in force.

(5) The MSE notifies the Securities and Exchange Commission, other members of the MSE and the public about the permanent exclusion of a member from membership of the MSE, immediately but not later than 1 working day.

(6) The authorized legal entity that was excluded from the membership of the MSE may re-submit a request for admission to membership after the expiration of one year from the day of finality of the decision on exclusion from membership.

### **Temporarily excluding from MSE membership**

#### **Article 27**

(1) The MSE Board of Directors may temporarily exclude the member from the MSE membership by adopting a disciplinary measure, in case of a ascertained violation of the MSE rules, conducted in accordance with a procedure regulated by the Disciplinary Rules.

(2) The MSE Executive director temporarily excludes the member from the MSE membership based on the informations from Article 21 of these Rules regarding:

- temporary revocation of the permit by the Securities and Exchange Commission;
- temporary revocation of the depository member status;
- if it does not have at least two authorized brokers with access to BEST;
- initiation of preliminary procedure for initiation of bankruptcy procedure;
- initiated liquidation procedure and
- in case of insolvency of the member or a significant disruption of its financial situation or other financial circumstance that may affect the fulfillment of its obligations as a member or the occurrence of an event in its operation that calls into question the security of other members of the MSE and/or just the MSE itself.

(3) MSE notifies the Securities and Exchange Commission and the public about the temporary exclusion of a member from membership of the MSE, immediately but not later than 1 working day.

(4) With the temporarily excluding from the membership, the member loses the membership rights temporarily, while the other members rights and MSE rights towards that member, acquired before its excluding, remain in force.

(5) The duration of the temporary exclusion from membership in the MSE in accordance with paragraph 1 and paragraph 2 of this article can be determined in advance or last until the termination of the circumstances due to which the decision on temporary exclusion from membership was made, but no longer than 12 months from the date of adoption of the decision.

(6) For the duration of the temporary exclusion from membership in the MSE, the member is obliged to pay the monthly membership fee based on membership in the MSE determined in the MSE Tariff book.

### **Complaint**

## **Article 28**

(1) Against the decisions from Article 26 and Article 27 of these Rules, the member can file a complaint with the Securities and Exchange Commission, through the MSE or directly with the Securities and Exchange Commission within 15 calendar days from the receipt of the decision.

(2) The timely submission of an appeal postpones the completing of the decisions, except in certain cases when it is determined that it is necessary not to delay it in order to protect the interests of investors in securities. In the decision made by the MSE Board of Directors, that is, the MSE Chief Executive Officer, it is explicitly stated whether the filing of a complaint against it delays or does not delay the completing.

### **Withdrawal of the decision on admission to membership**

## **Article 29**

(1) The MSE Board of Directors has the right to withdraw the decision on admission to membership, if the MSE member does not perform all the necessary actions specified in Article 10 of these Rules within 60 days from the day of admission to membership.

### **Dormant membership**

## **Article 30**

(1) The member may request from the MSE Board of Directors that its membership in the MSE be out on hold, and the period of holding may not exceed one year.

(2) In order for the membership in the MSE to be holded, the member is obliged to settle all his financial obligations towards the MSE and other members of the MSE, to ensure that all of his clients for whom he provides services in connection with securities are as soon as possible informed of his future status and to enable the appropriate regulation of customer relations with the member in accordance with the customer's requirements.

(3) During the period of hold membership, the member has no right in his work to point out that its is a member of the MSE and is obliged to pay the monthly membership fee according to the MSE Tariff book.

## **5. TRANSITIONAL AND FINAL PROVISIONS**

### **Article 31**

(1) These Rules supersede the Membership Rules no. 09-1937/3 of 14.07.2008 (Refined text).

(2) These Rules enter into force on the day of adoption, and will begin to be applied after the expiry on 5 working days after the enforceability, i.e. the effectiveness the decision of the Securities and Exchange Commission for their consent.

(3) The authorized legal entities that are MSE members at the time when these Rules begin to apply, are obliged to apply and respect the Rules and to harmonize their operations with them.

(4) The MSE members are obliged to submit to the MSE within 30 days from the day of entering into force of these Rules:

- data on shareholders with qualified holdings ;
- list of all employees by job position.

## **Board of Directors**

**Toni Stojanovski, President**

**REQUEST FOR ADMISSION TO THE MSE MEMBERSHIP**

**1. Name of authorized legal entity:**

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**2. Short name:**

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**3. Headquarters of the authorized legal entity:**

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**4. Phone number and email:**

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**5. Number of Decision for registration in the Trade Register:**

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**6. Number and date of the licence from the Securities and Exchange Commission for the operation of authorized legal entity:**

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**7. Number and date of the Decision of the Securities and Exchange Commission on consent to appointment Director of the authorized legal entity:**

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**8. Information on membership in an authorized depository:**

**- name of the authorized depository**

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**- date of admission to membership**

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**9. Number of employees – authorized pokers:**

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**10. Total number of employees:**

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**11. Data on the share capital to the authorized legal entity:**

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**12. Number of issued shares:**

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**13. Nominal value of action:**

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**14. Types of securities services to be performed by the authorized legal entity:**

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**15. Owners/Founders:**

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**16. Members of the management and supervision body:**

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**17. President of the of  
the management body:**

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**18. Director of the authorized legal entity:**

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**19. Submitted documentation attached to the request:**