



Draft Regulatory Framework to Allow Non-Resident Foreign Investors to Invest Directly in Shares Listed on the Main Market

A) Preamble:

As part of the Capital Market Authority's ("CMA") strategic objectives to develop the capital market, and based on the Capital Market Law issued by Royal Decree No. (M/30) dated 2/6/1424H, the CMA Board issued its resolution to publish the Draft Amendments of The Rules for Foreign Investment in Securities, Capital Market Institutions Regulations, Instructions on Issuing Depositary Receipts Outside the Kingdom, Implementing Regulation of the Companies Law for Listed Joint Stock Companies, and Glossary of Defined Terms Used in The Regulations and Rules of The Capital Market Authority (Draft Regulatory Framework to Allow Non-Resident Foreign Investors to Directly Invest in Shares Listed on the Main Market) (the "Draft") for public consultation for a period of (30) calendar days.

B) Objectives of the Draft Regulatory Framework and its Main Elements:

The Draft aims to amend the provisions regulating foreign investment in securities, by enabling all non-resident foreign investors to directly invest in shares listed on the main market This enables all categories of foreign investors to invest in all listed securities.

The main elements of the Draft are as follows:

1. Expanding the categories of foreign investors permitted to invest directly in shares listed on the main market.
2. Repealing the provisions regulating Qualified Foreign Investor investment in shares listed on the main market.
3. Repealing the provisions regulating non-resident foreign investor investment in listed securities through swap agreements.

Draft Regulatory Framework to Allow Non-Resident Foreign Investors to Invest Directly in Shares Listed on the Main Market

C) Proposed amendments to Rules for Foreign Investment in Securities compared with the current provisions:

Rules for Foreign Investment in Securities		
Current Provision	Proposed Amendments	Explanation
PART 1: PRELIMINARY PROVISIONS Article 1: Preliminary b) The purpose of these Rules is to state the provisions for foreign investment in listed securities, debt instruments and investment funds. ... d) Without prejudice to Paragraph (a) of Article (8) of these Rules , these Rules shall not apply to Citizens of the GCC.	PART 1: PRELIMINARY PROVISIONS Article 1: Preliminary a) The purpose of these Rules is to state the provisions for foreign investment in listed securities, debt instruments and units of investment funds. ... d) These Rules shall not apply to Citizens of the GCC.	The Draft proposed wording amendment to paragraph (a) of article (1). The Draft include repealing Article (8) of the Rules, which regulates the dealings of Qualified Foreign Investors with Capital Market Institutions and foreign portfolio managers. Therefore, it is suggested to delete the reference to paragraph (a) of Article (1).
Article 2: Definitions ... c) For the purpose of implementing these Rules, the following expressions and terms shall have the meaning they bear as follows unless the contrary intention appears: - Market maker's client: a market maker's client who conduct market making activities in accordance with the Exchange Rules. - Authorisation Requirement: authorisation requirement stated in Article (5) of the Securities Business Regulations. - Foreign Portfolio Manager: a foreign financial institution that has a legal personality which manages the assets of clients, which engages or intends to engage with the QFI for the	Article 2: Definitions ... c) For the purpose of implementing these Rules, the following expressions and terms shall have the meaning they bear as follows unless the contrary intention appears: ...	Following the repeal of Parts Three and Four of the Rules, the proposed amendments include deleting the following definitions: Market maker's client, Authorisation Requirement, Foreign Portfolio Manager, and Qualified Foreign Investor; as they appear in the Rules exclusively in the aforementioned Parts.

Draft Regulatory Framework to Allow Non-Resident Foreign Investors to Invest Directly in Shares Listed on the Main Market

Rules for Foreign Investment in Securities		
Current Provision	Proposed Amendments	Explanation
<p>purpose of investing on its behalf in listed securities.</p> <p>- Qualified Foreign Investor (QFI): A foreign investor that is qualified, in accordance with the provisions of Part (3) of these Rules, to invest in shares listed on the Main Market.</p> <p>...</p>		
<p>PART 2: GENERAL PROVISIONS</p> <p>Article 5: General Provisions</p> <p>Foreign natural and legal persons, whether residing or not, may invest in listed securities, debt instruments and investment funds, with due consideration to the provisions stipulated in these Rules.</p>	<p>PART 2: GENERAL PROVISIONS</p> <p>Article 5: General Provisions</p> <p>Foreign natural and legal persons, whether residing or not, may invest in all listed securities, debt instruments and units of investment funds, with due consideration to the provisions stipulated in these Rules.</p>	<p>The Draft proposed wording amendments to article (5).</p>
<p>Article 6: Investment Restrictions</p> <p>a) Investments of non-residing foreign investors in shares listed on the Main Market shall be limited to the following categories:</p> <ol style="list-style-type: none"> 1) QFI. 2) Foreign Strategic Investor. 3) Ultimate beneficiary in swap agreement with a capital market institution. 4) Foreign natural or legal person, which is a client of a capital market institution authorised by the Authority to conduct managing activity, provided that the capital market institution has been appointed on conditions that enable it to make all investment decisions on the client behalf without obtaining prior approval from the client. 5) Foreign natural person residing in one of the GCC. 6) Foreign natural person who has previously resided in the Kingdom 	<p>Article 6: Investment Restrictions</p> <p>a) Investments of foreign investors shall be subject to the following restrictions:</p> <ol style="list-style-type: none"> 1) A non-residing foreign investor (except the foreign strategic investor), may not own (10%) or more of the shares of any issuer whose shares are listed or convertible debt instrument of the issuer. 2) The maximum proportion of the shares of any issuer whose shares are listed or convertible debt instrument of the issuer that may be owned by all foreign investors (in all categories, whether residents or non-residents, except the foreign strategic investors) in aggregate is (49%). 3) The restrictions set forth in the articles of association of the listed companies. 	<p>in order to enable non-resident foreign investors to directly invest on the main market, the proposed amendments include repealing the provisions of paragraphs (a) and (d) of Article (6) of the Rules, and relying on the general authorization provided in Article (5) of the Rules which state "Foreign natural and legal persons, whether residing or not, may invest in listed securities, debt instruments and investment funds, with due consideration to the provisions stipulated in these Rules.".</p> <p>The proposed amendments also include repealing the provisions of paragraphs (d) of Article (6) that</p>

Draft Regulatory Framework to Allow Non-Resident Foreign Investors to Invest Directly in Shares Listed on the Main Market

Rules for Foreign Investment in Securities		
Current Provision	Proposed Amendments	Explanation
<p>or in one of the GCC, and opened an investment account in the Kingdom while residing in the Kingdom or in one of the GCC.</p> <p>b) Investments of foreign investors shall be subject to the following restrictions:</p> <p>5) A non-residing foreign investor (except the foreign strategic investor), may not own (10%) or more of the shares of any issuer whose shares are listed or convertible debt instrument of the issuer.</p> <p>6) The maximum proportion of the shares of any issuer whose shares are listed or convertible debt instrument of the issuer that may be owned by all foreign investors (in all categories, whether residents or non-residents, except the foreign strategic investors) in aggregate is (49%).</p> <p>7) The restrictions set forth in the articles of association of the listed companies.</p> <p>8) Any regulatory restrictions, or any instructions issued by the competent authorities to which listed companies are subject to.</p> <p>c) The Exchange shall publish on its website, as determined by the Authority in this regard, the following information:</p> <p>4) A statistic reflecting the ownership percentages specified in Subparagraph (2) of Paragraph (b) of this Article.</p> <p>5) A statistic reflecting the ownership percentage of the Foreign Strategic Investors in listed companies.</p> <p>6) The restrictions specified in Subparagraphs (3) and (4) of</p>	<p>4) Any regulatory restrictions, or any instructions issued by the competent authorities to which listed companies are subject to.</p> <p>b) The Exchange shall publish on its website, as determined by the Authority in this regard, the following information:</p> <p>1) A statistic reflecting the ownership percentages specified in Subparagraph (2) of Paragraph (a) of this Article.</p> <p>2) A statistic reflecting the ownership percentage of the Foreign Strategic Investors in listed companies.</p> <p>3) The restrictions specified in Subparagraphs (3) and (4) of Paragraph (a) of this Article, according to the information received by the Exchange from listed companies in this regard.</p> <p>c) The Foreign Strategic Investor, may not sell any of the shares it owned in accordance with these Rules within a period of two years after the date of ownership of such shares. The Capital Market Institution shall not enable any procedure that may violate the provisions of this Paragraph.</p> <p>e) The provisions of this Article shall not apply to the investments of all foreign investors (in all categories, whether residents or non-residents) in a foreign issuer's shares listed on the Main Market.</p>	<p>state the prevention of a foreign person who invest directly in convertible debt instruments may not convert the debt instrument into shares on the main market unless that person is one of the categories of investors who are allowed to invest directly in such shares, or becomes an ultimate beneficiary in a swap agreement in accordance with the provisions of Part (4) of these Rules.</p>

Draft Regulatory Framework to Allow Non-Resident Foreign Investors to Invest Directly in Shares Listed on the Main Market

Rules for Foreign Investment in Securities		
Current Provision	Proposed Amendments	Explanation
<p>Paragraph (b) of this Article, according to the information received by the Exchange from listed companies in this regard.</p> <p>d) A foreign person who invests directly in debt instruments may not convert them into shares listed on the main market; Unless that person is one of the categories of investors who are allowed to invest directly in such shares, or becomes an ultimate beneficiary in a swap agreement in accordance with the provisions of Part (4) of these Rules.</p> <p>e) The Foreign Strategic Investor, may not sell any of the shares it owned in accordance with these Rules within a period of two years after the date of ownership of such shares. The Capital Market Institution shall not enable any procedure that may violate the provisions of this Paragraph.</p> <p>f) The provisions of this Article shall not apply to the investments of all foreign investors (in all categories, whether residents or non-residents) in a foreign issuer's shares listed on the Main Market.</p>		
<p>PART 3: QUALIFIED FOREIGN INVESTOR INVESTMENT IN SHARES LISTED ON THE MAIN MARKET</p> <p>Article 7: Qualification Conditions</p> <p>a) A foreign investor is required to be a QFI to invest in shares listed on the main market, provided that the following qualification conditions must be satisfied:</p> <ol style="list-style-type: none"> 1) shall have a legal personality. 2) shall have assets under its own or its group ownership, management or custody of SAR (1,875,000,000) one billion eight 		<p>The proposed amendments include repealing Part Three of the Rules, which regulates the investment of Qualified Foreign Investors in shares listed on the main market, to enable non-resident foreign investors to directly invest on the main market.</p>

**Draft Regulatory Framework to Allow Non-Resident Foreign Investors to Invest
Directly in Shares Listed on the Main Market**

Rules for Foreign Investment in Securities		
Current Provision	Proposed Amendments	Explanation
<p>hundred and seventy-five million Saudi Riyals (or an equivalent amount) or more, at the time of submitting an application to open an investment account. And the Authority may reduce the minimum of these assets.</p> <p>b) The condition in Subparagraph (2) of Paragraph (a) of this Article shall not apply to the following categories:</p> <ol style="list-style-type: none"> 1) Pension funds in which their main objective is to collect fees or periodic contributions from participants or for their interest, for the purpose of compensating them according to a specific mechanism. 2) Endowment funds in which their main objective is to making grants to organizations, institutions, or individuals for scientific, educational, and cultural purposes, including university endowments fund. 3) A market maker's client, provided that the Capital Market Institution verifies that the investment account is for market making purposes. 4) Government entities, central banks, and investment funds fully owned (directly or indirectly) by a government entity, including sovereign funds and funds which take the form of pension and endowments funds; and 5) International organizations of which the Kingdom is a member and their affiliated institutions. <p>Article 8: Capital Market Institutions and Foreign Portfolio Managers Engaged with the QFI</p> <p>a) A QFI may engage with foreign capital market institutions, foreign portfolio managers, foreign custodians, or foreign advisors; for</p>		

**Draft Regulatory Framework to Allow Non-Resident Foreign Investors to Invest
Directly in Shares Listed on the Main Market**

Rules for Foreign Investment in Securities		
Current Provision	Proposed Amendments	Explanation
<p>the purpose of investing in listed securities.</p> <p>b) The QFI is exempted from the authorisation requirement to carry on dealing activity, when dealing in his capacity as principal in the listed securities.</p> <p>c) The QFI and the Foreign Portfolio Manager are exempted from the authorisation requirement to carry on management activity, when managing listed securities belonging to a QFI.</p> <p>d) Foreign custodians are exempted from the authorisation requirement to carry on custody activity, when safeguarding listed securities belonging to a QFI.</p> <p>e) Foreign advisors are exempted from the authorisation requirement to carry on advising activity, when providing an advice to a QFI.</p>		
<p>PART 4: NON-RESIDENT FOREIGNER INVESTMENT IN LISTED SECURITIES THROUGH SWAP AGREEMENTS</p> <p>Article 9: Terms and Requirements for Entering into Swap Agreements</p> <p>Capital Market Institutions are permitted to enter into swap agreements with Foreign Counterparties only for the benefit of non-resident foreign investors for the purpose of transferring the economic benefits of securities listed on the Exchange to these investors in their capacities as Ultimate Beneficiaries through swap transactions executed under the swap agreements, in accordance with the following conditions and requirements:</p> <p>1) The money and assets of the Ultimate Beneficiary shall be deemed client money and client assets as stated in the Capital Market Institutions Regulations, including the provisions therein which provide that client money</p>		<p>The proposed amendments include repealing Part Four of the Rules, which regulates the investment of non-resident foreign investors in listed securities through swap agreements, to enable non-resident foreign investors to directly invest on the main market.</p>

**Draft Regulatory Framework to Allow Non-Resident Foreign Investors to Invest
Directly in Shares Listed on the Main Market**

Rules for Foreign Investment in Securities		
Current Provision	Proposed Amendments	Explanation
<p>and client assets must be segregated from the Capital Market Institution's own money and assets, and the creditors of a Capital Market Institution do not have any claim or entitlement on the segregated money or assets of the clients.</p> <p>2) The Capital Market Institution may not enter into any swap agreement or execute any swap transaction in which the Ultimate Beneficiary is any of the following parties:</p> <p>a. A QFI who has an investment account in accordance with the Investment Accounts Instructions.</p> <p>b. Citizens of GCC.</p> <p>c. Foreign investors residing in the Kingdom.</p> <p>d. A foreign person other than the ones mentioned in Subparagraphs (a), (b) and (c) of Paragraph (2) of this Article, that owns securities of a company listed on the Exchange, in relation to executing swap transactions that involve shares or convertible debt instruments of that same listed company.</p> <p>3) All orders to execute swap transactions must be submitted to the Capital Market Institution by the Foreign Counterparty only or by a third party who is authorised by the Foreign Counterparty.</p> <p>4) Any swap agreement a capital market institution enters into must include a clear clause that grants it all the voting rights attached to the shares subject of the swap transaction executed under the swap agreement, without any voting rights given to</p>		

**Draft Regulatory Framework to Allow Non-Resident Foreign Investors to Invest
Directly in Shares Listed on the Main Market**

Rules for Foreign Investment in Securities		
Current Provision	Proposed Amendments	Explanation
<p>the Foreign Counterparty or the Ultimate Beneficiary.</p> <p>5) The Capital Market Institution that enters into a swap agreement is prohibited from exercising any of the voting rights attached to the shares subject of the swap transactions executed under the swap agreement.</p> <p>6) The Capital Market Institution that intends to enter into a swap agreement must be authorised by the Authority to conduct dealing activity.</p> <p>7) The Capital Market Institution must ensure full compliance with the requirements stipulated in the Anti-Money Laundering Law and its Implementing Regulations, and any other related laws.</p> <p>8) All swap transactions must be fully covered during the whole period of the swap agreement through buying the underlying securities.</p> <p>9) The Capital Market Institution must maintain systems and controls which are adequate enough to ensure the implementation of conditions and requirements of the swap agreement and ensure their validity.</p> <p>10) The Capital Market Institution must purchase and sell the securities underlying the swap transactions through an investment portfolio under its name at the Depository Center. Such investment portfolio shall include an indication that it is for the purpose of executing swap transactions under the swap agreement, and an indication of the name, nationality and identity of the Ultimate Beneficiary.</p> <p>Article 10: Other Provisions</p>		

**Draft Regulatory Framework to Allow Non-Resident Foreign Investors to Invest
Directly in Shares Listed on the Main Market**

Rules for Foreign Investment in Securities		
Current Provision	Proposed Amendments	Explanation
<p>a) The Authority may, at its sole discretion, order any of the Capital Market Institutions to stop from entering into any swap agreements, or to impose any type of limitations, restrictions or requirements in relation to swap agreements entered into by the Capital Market Institution, the Foreign Counterparty or the Ultimate Beneficiary.</p> <p>b) with an exception to Subparagraph (a) of Paragraph (2) of Article (9) of these Rules, the Capital Market Institution may continue to execute swap transactions for a foreign investor who is accepted as a QFI for a period not exceeding (12) months from the date of opening an account with the Depository Center As a QFI.</p>		

Draft Regulatory Framework to Allow Non-Resident Foreign Investors to Invest Directly in Shares Listed on the Main Market

D) Proposed amendments to Investment Accounts Instructions compared with the current provisions:

Investment Accounts Instructions		
Current Provision	Proposed Amendments	Explanation
<p>Article 7: Instructions for Opening Investment Accounts for Legal Persons</p> <p>...</p> <p>b) Opening Investment Accounts for Foreign Legal Persons The capital market institution may open an investment account for a foreign legal for the purpose of investing in the permitted securities in accordance with the Capital Market Law and its Implementing Regulations and the relevant instructions issued by the Authority, including opening an investment account for a foreign legal person for the purpose of entering into a swap agreement in accordance with the Rules for Foreign Investment in Securities.</p> <p>c) Opening Investment Accounts for Qualified Foreign Investors To open an investment account for a qualified foreign investor, the Capital Market Institution must ensure that the foreign investor fulfills the relevant qualification conditions stipulated in the Rules for Foreign Investment in Securities before opening an investment account for</p>	<p>Article 7: Instructions for Opening Investment Accounts for Legal Persons</p> <p>...</p> <p>b) Opening Investment Accounts for Foreign Legal Persons The capital market institution may open an investment account for a foreign legal for the purpose of investing in the permitted securities in accordance with the Capital Market Law and its Implementing Regulations and the relevant instructions issued by the Authority.</p> <p>...</p>	<p>The proposed amendments include amending paragraph (b) of Article (7) of the Instructions and deleting paragraph (c) of the same Article, following the Draft's proposal to repeal the provisions regulating Qualified Foreign Investor investment in shares listed on the Main Market, as well as the provisions regulating non-resident foreign investor investment in listed securities through swap agreements.</p>

**Draft Regulatory Framework to Allow Non-Resident Foreign Investors to Invest
Directly in Shares Listed on the Main Market**

Investment Accounts Instructions		
Current Provision	Proposed Amendments	Explanation
<p>the foreign investor as a qualified foreign investor.</p> <p>...</p>		
<p>Article 9: Transactions on the Investment Account</p> <p>...</p> <p>e) The client's investment account must be linked to one or more bank accounts in the client's name. Any outgoing transfer of money must not be accepted unless it is to one of those bank accounts, with the exception of the following:</p> <p>1) Transfers related to the amounts due from the client.</p> <p>2) Transfers from the Investment Account of a Qualified Foreign Investor.</p> <p>3) Transfers made for the purpose of liquidating the investment account for the benefit of the heirs of the deceased client.</p> <p>4) Transfers made between the minor and his guardian.</p> <p>5) Any other case approved by the Authority.</p>	<p>Article 9: Transactions on the Investment Account</p> <p>...</p> <p>e) The client's investment account must be linked to one or more bank accounts in the client's name. Any outgoing transfer of money must not be accepted unless it is to one of those bank accounts, with the exception of the following:</p> <p>1) Transfers related to the amounts due from the client.</p> <p>2) Transfers made for the purpose of liquidating the investment account for the benefit of the heirs of the deceased client.</p> <p>3) Transfers made between the minor and his guardian.</p> <p>4) Any other case approved by the Authority.</p>	<p>The proposed amendments include deleting sub-paragraph (2) of paragraph (e) of Article (9) of the Instructions, following the Draft's repeal of the provisions regulating Qualified Foreign Investor investment in shares listed on the main market.</p>

Draft Regulatory Framework to Allow Non-Resident Foreign Investors to Invest Directly in Shares Listed on the Main Market

E) Proposed amendments to Instructions on Issuing Depositary Receipts Outside the Kingdom compared with the current provisions:

Instructions on Issuing Depositary Receipts Outside the Kingdom		
Current Provision	Proposed Amendments	Explanation
<p>Part 7: Depositary Bank's Obligations</p> <p>...</p> <p>f) Without prejudice to the provisions of paragraph (c) of this Part, the Depositary Bank must enable the holder of Depositary Receipts, if such holder is among the categories of investors allowed to invest in the listed shares in the Kingdom, to cancel such Depositary Receipts to become the holder of the corresponding shares, provided that such holder of Depositary Receipts holds an investment account with a Capital Market Institution in the Kingdom and an account with the Depositary Center.</p> <p>...</p>	<p>Part 7: Depositary Bank's Obligations</p> <p>...</p> <p>f) Without prejudice to the provisions of paragraph (c) of this Part, the Depositary Bank must enable the holder of Depositary Receipts, to cancel such Depositary Receipts to become the holder of the corresponding shares, provided that such holder of Depositary Receipts holds an investment account with a Capital Market Institution in the Kingdom and an account with the Depositary Center.</p> <p>...</p>	<p>The proposed amendments include deleting the phrase “if such holder is among the categories of investors allowed to invest in the listed shares in the Kingdom,” in paragraph (f) of Part Seven of the Instructions, following the Draft’s repeal of the provision of paragraph (a) of Article (6) of the Rules regulating foreign investment in securities.</p>

Draft Regulatory Framework to Allow Non-Resident Foreign Investors to Invest Directly in Shares Listed on the Main Market

F) Proposed amendments to Implementing Regulation of the Companies Law for Listed Joint Stock Companies compared with the current provisions:

Implementing Regulation of the Companies Law for Listed Joint Stock Companies		
Current Provision	Proposed Amendments	Explanation
<p>Article 57: Proxy Authentication</p> <p>...</p> <p>b) A shareholder who is a legal person established outside the Kingdom may send a proxy letter to the Company, attested by the Kingdom's diplomatic authorities and embassy in its country and the Saudi Ministry of Foreign Affairs, specifying its representatives who have the right to attend the Company's General Assembly or Special Assembly meetings on its behalf. Such proxy letter must be sent to the Company within the first three (3) months of the financial year or within one (1) month from the date of acquiring Shares in the Company. Such letter shall be deemed an official proxy letter which allows such representatives to attend General Assembly or Special Assembly meetings held within one (1) year from the date of the proxy letter. As an exception to the above, the qualified foreign investor may have the letter referred to in this paragraph attested by the capital market institution with whom he opens his investment account, in accordance</p>	<p>Article 57: Proxy Authentication</p> <p>...</p> <p>b) A shareholder who is a legal person established outside the Kingdom may send a proxy letter to the Company, attested by the Kingdom's diplomatic authorities and embassy in its country and the Saudi Ministry of Foreign Affairs, specifying its representatives who have the right to attend the Company's General Assembly or Special Assembly meetings on its behalf. Such proxy letter must be sent to the Company within the first three (3) months of the financial year or within one (1) month from the date of acquiring Shares in the Company. Such letter shall be deemed an official proxy letter which allows such representatives to attend General Assembly or Special Assembly meetings held within one (1) year from the date of the proxy letter. As an exception to the above, the shareholder who is a legal person established outside the Kingdom may have the letter referred to in this paragraph attested by the capital market institution with whom he</p>	<p>The proposed amendments include amending paragraph (b) of Article (57) of the Implementing Regulation of the Companies Law for Listed Joint Stock Companies, following the Draft's repeal of the provisions regulating Qualified Foreign Investor investment in shares listed on the main market.</p>

**Draft Regulatory Framework to Allow Non-Resident Foreign Investors to Invest
Directly in Shares Listed on the Main Market**

Implementing Regulation of the Companies Law for Listed Joint Stock Companies		
Current Provision	Proposed Amendments	Explanation
with the Investment Accounts Instructions. ...	opens his investment account, in accordance with the Investment Accounts Instructions. ...	

Draft Regulatory Framework to Allow Non-Resident Foreign Investors to Invest Directly in Shares Listed on the Main Market

G) Proposed amendments to the Glossary of Defined Terms Used in The Regulations and Rules of The Capital Market Authority compared with the current provisions:

Glossary of Defined Terms Used in The Regulations and Rules of The Capital Market Authority		
Current Provision	Proposed Amendments	Explanation
<p>- Counterparty: means in the Capital Market Institutions Regulations and in the definition of the term “institutional client” stipulated in the Glossary, any of the following:</p> <ol style="list-style-type: none"> 1) SAMA; 2) The Exchange, or any other exchange recognized by the Authority; 3) The depository center; 4) The CCP; 5) A Capital Market Institution; 6) A Local Bank; 7) A local insurance company; 8) A qualified foreign investor; and 9) A non-Saudi financial services firm. <p>and otherwise, counterparty means a counterparty to a transaction.</p>	<p>- Counterparty: means in the Capital Market Institutions Regulations and in the definition of the term “institutional client” stipulated in the Glossary, any of the following:</p> <ol style="list-style-type: none"> 1) Central Bank; 2) The Exchange, or any other exchange recognized by the Authority; 3) The depository center; 4) The CCP; 5) A Capital Market Institution; 6) A Local Bank; 7) A local insurance company; and 8) A non-Saudi financial services firm. <p>and otherwise, counterparty means a counterparty to a transaction.</p>	<p>The proposed amendments include repealing sub-paragraph (8) of the definition of “Counterparty” included in the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority, following the Draft’s repeal of the provisions regulating Qualified Foreign Investor investment in shares listed on the main market.</p>