

MAIN CHANGES ON THE GENERAL RULES OF THE TUNIS STOCK EXCHANGE

The modification of the General Rules of the Tunis Stock Exchange, by a Ministerial Order published on 15 August 2019, aims at providing a more flexible organization of the markets of the Stock Exchange.

This Order classifies these markets into 4 categories:

- The Equities Market, divided in a Main Market and an Alternative Market;
- The Bond Market;
- The Fund Market;
- The Sukuk market.

These markets will be organized in compartments according to criteria and modalities to be defined by the Tunis Stock Exchange.

The Alternative Market has undergone a major overhaul. It shall be accessible only to sophisticated investors (art 24) and to public limited companies, through:

- a capital increase (minimum 1 million dinars) without recourse to the public offering,
- a sale of shares held by venture capital companies;

The introduction to the alternative market will be done through the direct listing procedure, and the permanent accompaniment by a listing sponsor is compulsory.

Companies that are listed on the Alternative Market at the date of publication of the Order are transferred to the Main Market.

All companies listed on the Main Market are required to amend their bylaws to allow:

- Dissociation between the functions of Chairman of the Board and Chief Executive Officer;
- Appointment of at least two independent members and one representative of the minority shareholders.

The Sukuk Market will be open to units issued by Sukuks mutual funds and Sukuks issued by the Government, Local Authorities, Public Institutions and Private sector companies.

The modification of the General Rules provides for also the use of market making to enhance the market liquidity and efficiency.

The practical details of the Order will be published by the Financial Market Council and the Tunis Stock Exchange; each in those matters that concern them.