



Classification: Trading – Remote Member – Update

Impact: No impact on clients

Action items: For your information

Dear Valued Clients,

As communicated in our newsflash from September 2018, the TASE has added conditions for remote membership, including stipulation that a remote member may not lobby Israeli customers to operate via it, i.e. it will not be able to initiate contact with Israeli customers and offer its services to them.

Recently, the TASE has published a clarification on the above, as follows:

Further to queries received from various parties interested in remote membership, it appears that the wording of said acceptance condition may have been interpreted as prohibiting remote members from lobbying Israeli customers to operate via it on activity outside of Israel as well.

The TASE position on this issue was and remains that the prohibition on remote members from lobbying Israeli customers to operate via it, **is only in relation to their activity in the Tel Aviv Stock Exchange.**

TASE is now suggesting amendment of the relevant regulation accordingly. The public may forward its comments until July 20, 2019.

We shall update once the amendment becomes final.

Kind regards,

Liat

**Liat Peer Dan** | Relationship Manager | Custody & Cash Relations Dept. Bank Leumi

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**Sent:** Wednesday, September 12, 2018 1:17 PM

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**Subject:** Newsflash - TASE press release - Approved changes to qualifications conditions for remote members.



Dear Valued Clients,

Further to previous updates on this matter, The Finance Minister has approved a series of substantial reductions and changes to the qualification conditions for Remote Membership of the Tel-Aviv Stock Exchange.

Please find attached the TASE press release.

Kind regards,

Yossi

Yossi Reuven | Senior Relationship Manager | Custody & Cash Relations | Bank Leumi

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**From:** Capital\_Market\_Custody-Cash

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**Subject:** Newsflash - Change of the stock exchange membership qualification conditions for a Remote Member - Update



Dear Valued Clients,

Further to the previous update on this matter, dated 28<sup>th</sup> February 2018, the TASE board of Directors re-approved the suggested amendments with one additional change.

"A remote member will not persuade Israeli Residents to operate through its own platform."

All the amendments including the above are awaiting the approval of the Israeli Finance Minister.

Kind regards,

Yossi

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**Subject:** Re: Newsflash - Change of the stock exchange membership qualification conditions for a Remote Member - Update

Dear Valued Clients,

Further to our newsflash sent on November 7, 2017, in respect of change of the stock exchange membership qualification conditions for a remote member,

we would like to inform you that on February 22, 2018 the TASE Board of Directors approved the suggested draft (enclosed herewith) with minor changes.

The main changes relates to:

- 1) The definition of a "Remote Member" in the First Part of the Stock Exchange Rules – relates to the following cumulative conditions:
  - a. a **company** that was incorporated outside Israel, **in one of the countries detailed in the Regulations**
  - b. that does not have a permanent representation or a branch in Israel
  - c. that operates as a stock exchange member on a stock exchange in the country in which it was incorporated in
  - d. complies with the stipulated conditions of the First Part of the Stock Exchange Rules and Regulations
  
- 2) Original draft suggested cancellation of the requirement relating to incorporation in certain countries – the suggestion was not approved. Nevertheless, the list of countries was expanded, therefore, paragraph 1 4B of the Regulations pursuant to the First Part of the Stock Exchange Rules will include remote members that:
  - a. were incorporated in one of the countries detailed below and  
*List of countries (changes from the current regulation is marked):*  
Countries of the European Union – New (numerous countries in the EU were deleted instead)

USA  
England  
Switzerland  
Japan  
Canada  
Norway  
Hong Kong – New  
Singapore – New  
Australia

- b. that have been a stock exchange member for at least 3 years in one or more of the following stock exchanges:

*List of stock exchanges (no changes from the original draft):*

LSE (London), NYSE, EURONEXT, NASDAQ, CME (Chicago), CBOE (Chicago), ICE, TSX (Toronto), ASX (Australia), DEUTSCHE BORSE, EUREX (Germany), SIX (Switzerland), TSE (Tokyo), SGX (Singapore), HKEX (Hong Kong).

Please note that the changes are subject to the regulators' approval before being effective.

Please take into consideration the above is an unofficial translation of the official publication received from the TASE.

Kind regards,

Shirly

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**From:** Capital\_Market\_Custody-Cash

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**Subject:** Re: Newsflash - Change of the stock exchange membership qualification conditions for a Remote Member - TASE' draft for the public's comments



Dear Valued Clients,

Please find enclosed a draft for the public's comments published by the TASE in respect of stock exchange membership qualification conditions for a Remote Member - reduction in the minimum equity requirement.

Background:

On January 14, 2016, an amendment to the Regulations pursuant to the First Part of the Stock Exchange Rules was published, on the qualification conditions for a remote member - reduction in the minimum equity requirement (hereinafter - the "amendment"). In the framework of the amendment, the Stock Exchange's staff proposed equalising the equity requirement of a remote member to the equity requirement applicable to an NBCM.

Accordingly, it was proposed reducing the equity requirement of a remote member (which is current \$ 1 billion), such that the equity of a remote member shall not be less than the equity required of it in the country in which it was incorporated, or in countries in which it operates as a stock exchange member and from which it is applying to operate on the Tel Aviv Stock Exchange, or than the equity required of an NBCM (approx. NIS 22 million), whichever is higher.

On September 8, 2016, the Stock Exchange's Board of Directors approved the amendment to the Regulations as aforesaid. The amendment to the Regulations as aforesaid requires the approval of the Israel Securities Authority.

In light of other changes which are proposed in the Stock Exchange membership qualification conditions for a remote member (including the ISA Committee for Secondary Market Matters request), the subject is again being published for the public's comments.

For detailed information on the suggested amendments to the remote membership qualification conditions, please refer to the attached document.

Kind regards,  
Shirly

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