

LAW No. 94-117 OF NOVEMBER 14, 1994
ON THE REORGANIZATION OF
THE FINANCIAL MARKET¹

On behalf of the people,
The House of Representatives having adopted,
The President of the Republic promulgates the following law:

TITLE I - PUBLIC OFFERINGS

CHAPTER ONE

***THE CONCEPT OF PUBLIC
OFFERINGS***

Article 1

The following are deemed to be companies or organizations making public offerings:

- 1) Companies that are declared as such in their articles of association.
- 2) Companies whose securities are listed on the stock exchange.
- 3) Banks and insurance companies, regardless of the number of their shareholders.
- 4) Companies with 100 or more shareholders.
- 5) Undertakings for Collective Investment in Transferable Securities.
- 6) Companies and organizations other than mutual funds that use intermediaries, advertising, or solicitation to sell their securities.

For the purposes of this Act, solicitation means the activity of a person who habitually visits individuals at their homes, workplaces, or in public places with a view to offering them the opportunity to subscribe for or acquire securities.

The sending of letters, leaflets, or any other documents is also considered canvassing when it is used on a regular basis to offer the subscription or acquisition of securities.

CHAPTER 2

PUBLIC INFORMATION

Article 2. -

Without prejudice to the provisions relating to publications required and provided for by the legislation in force, any company or organization that issues securities or financial products through a public offering must, each time and in advance, publish a prospectus intended to inform the public and covering, in particular, the organization of the company or organization, its financial situation and the development of its business, as well as the characteristics and purpose of the security or product issued.

¹ As amended by Law No. 99-92 of August 17, 1999, on the revival of the financial market, Law No. 2005-96 of October 18, 2005, on strengthening the security of financial relations, Law No. 2009-64 of August 12, 2009 promulgating the code for the provision of financial services to non-residents, and Law No. 2019-47 of May 29, 2019 on improving the investment climate.

The prospectus shall be prepared in accordance with the templates established by the Financial Market Council referred to in Article 23 of this Act.

The draft issue prospectus shall be submitted to the Financial Market Council for approval. The Council shall indicate, where applicable, any statements to be amended and any additional information to be added. It may request any explanations and justifications it deems necessary. If the company does not comply with the request, approval shall be refused.

This prospectus must be delivered or sent to any person whose subscription is sought. It must be filed at the company's registered office and with all intermediaries responsible for collecting subscriptions.

Issuing companies and organizations, when their securities are admitted to listing on the stock exchange, as well as persons involved in public offerings in accordance with the conditions set out in the General Regulations of the Stock Exchange referred to in Article 29 of this Law, must prepare and publish admission prospectuses or offering prospectuses in accordance with the conditions set out in the above paragraphs of this article.

The State and local public authorities are not subject to the formalities provided for in this article.

Article 3. – (new) (*Law No. 2005-96 of October 18, 2005, Art. 15*)

Without prejudice to the provisions relating to undertakings for collective investment in transferable securities, companies making public offerings are required to file or send, in paper and electronic form, to the Financial Market Council and the Tunis Stock Exchange provided for in Article 63 of this law, within four months at the latest the end of the financial year and at least fifteen days before the ordinary general meeting:

- the agenda and draft resolutions proposed by the board of directors or the management board,
- the documents and reports provided for, as applicable, by Articles 201 or 235 of the Commercial Companies Code and Article 471 of the said code. The annual report on the management of the company must include the information specified by regulation of the Financial Market Council and, in particular, a statement of the results of operations, their foreseeable development and any changes in the methods of preparing and presenting the financial statements, as well as information on internal control,
- the reports of the auditor(s) referred to, as applicable, in Articles 200, 269, and 472 of the Commercial Companies Code. These reports must contain a general assessment of internal control.

Article 3 bis. – (*Inserted by Law No. 2005-96 of October 18, 2005, Art. 15*)

Companies that issue securities to the public must publish their annual financial statements, accompanied by the full text of the auditor's opinion, in the official bulletin of the Financial Market Council and in a daily newspaper published in Tunis within the time limits specified in Article 3 of this law.

However, for the purposes of publication in the daily newspaper, companies may limit themselves to publishing the notes on the mandatory financial statements and the most relevant notes, subject to obtaining the written consent of the auditor.

Article 3b. – (*Inserted by Law No. 2005-96 of October 18, 2005, Art. 15*)

Companies making a public offering must, within four business days of the date of the ordinary general meeting, file or send to the Financial Market Council and the Tunis Stock Exchange:

- the documents referred to in Article 3 of this law if they have been amended,
- the resolutions adopted by the ordinary general meeting,
- the statement of changes in equity, taking into account the decision on the allocation of the accounting result,
- the balance sheet after allocation of the accounting result,
- the list of shareholders,
- the list of holders of voting rights certificates,
- the list of holders of bonds convertible into shares.

- List of members of the board of directors, including their main professional activities and, where applicable, their positions on other boards of directors. *(Inserted by Law No. 2019-47 of May 29, 2019, Art. 33)*

Article 3 quater. – *(Inserted by Law No. 2005-96 of October 18, 2005, Art. 15)*

Publicly traded companies must publish in the official bulletin of the Financial Market Council and in a daily newspaper published in Tunis, within thirty days of the ordinary general meeting at the latest:

- the resolutions adopted by the ordinary general meeting,
- the statement of changes in equity, taking into account the allocation of accounting profit,
- the balance sheet after allocation of accounting income,
- the financial statements when they have undergone changes.
- a list of the members of the board of directors, including their main professional activities and, where applicable, their terms of office on other boards of directors. *(Inserted by Law No. 2019-47 of May 29, 2019, Art. 33)*

Article 3 quinter. – *(Inserted by Law No. 2005-96 of October 18, 2005, Art. 15)*

Companies making public offerings must file with the Financial Market Council and the Tunis Stock Exchange, or send to them at least fifteen days before the date of the extraordinary general meeting:

- the agenda and draft resolutions proposed by the board of directors or the management board,
- the report of the auditor(s), if any,
- the documents made available to shareholders in support of the proposed resolutions.

Resolutions shall be sent to the Financial Market Council and the Tunis Stock Exchange as soon as they are adopted by the general meeting.

Article 3. - sexies. *(Inserted by Law No. 2005-96 of October 18, 2005, Art. 8)*

Notwithstanding their legal obligations, each auditor of a publicly traded company must:

- 1- immediately report to the Financial Market Council any fact that could jeopardize the interests of the company or its security holders,
- 2- submit a copy of each report sent to the general meeting to the Financial Markets Authority at the same time.

Article 4. -

Without prejudice to the provisions relating to undertakings for collective investment in transferable securities, companies offering securities to the public are required to provide the Financial Market Council and the Tunis Stock Exchange with all information and documents necessary for the trading or valuation of their securities under the conditions set out in the General Regulations of the Stock Exchange, in order to ensure the continuous provision of information to the public.

At the request of the Financial Market Council, these companies must disclose this information or any additional explanations required by the Financial Market Council in press releases.

CHAPTER 3

PUBLIC OFFERS AND ACQUISITIONS OF BLOCKS OF SECURITIES

Article 5.

A public offer is defined as an offer made by a natural or legal person to purchase, exchange, sell, or withdraw a block of securities issued by a publicly traded company, under terms and conditions and at a price that differ from those prevailing on the market.

Article 6 (new). *(Law No. 2005-96 of October 18, 2005, Art. 16)*

Any person or specific group of persons intending to acquire a block of securities that could confer voting rights exceeding a proportion set by decree² either from specific shareholders or through a public tender offer in a publicly traded company must submit a file on the matter to the Financial Market Council, which will decide taking into account the interests of the other shareholders and order the applicant to make an offer to purchase the remaining capital that it does not hold, either in the form of a public takeover bid or in the form of a fixed-price maintenance procedure.

The Financial Market Council may exempt the applicant from making an offer to purchase the remaining shares if the company's shares are not the reason for its classification as a publicly traded company and if this transaction does not harm the interests of the holders of the securities that led to this classification.

Article 7 (new). *—(Law No. 2005-96 of October 18, 2005, Art. 16)*

When a person, acting alone or in concert and by any means, comes to hold a number of securities that gives them a share of voting rights greater than a proportion set by decree² in a publicly traded company, the Financial Market Council may order them to make an offer to purchase the remaining shares they do not hold in the form of a takeover bid or a fixed price maintenance procedure, provided that in both cases the price is not lower than the minimum provided for in the general regulations of the stock exchange.

The provisions of Article 40 of this Act shall apply to anyone who fails to comply with the decision of the Financial Market Council, and the securities thus acquired shall be deprived of voting rights by decision of the Financial Market Council taken after hearing the person concerned.

CHAPTER 4

THRESHOLD AND ACTION IN CONCERT

Article 8 (new). *—(Law No. 2005-96 of October 18, 2005, Art. 16)*

Any natural or legal person, acting alone or in concert with others, who comes to hold, directly or indirectly, more than one-twentieth, one-tenth, one-fifth, one-third, one-half, or two-thirds of the capital of a publicly traded company, is required to declare the crossing of one or more of the aforementioned thresholds to that company, to the Financial Market Council, and to the Tunis Stock Exchange, within five business days of the date on which the threshold is crossed, and to declare the total number of shares and voting rights it holds in accordance with the conditions set by the Financial Market Council's regulations.

² Decree No. 2006-795 of March 23, 2006

This declaration shall also be made within the same time limit and to the same bodies when the shareholding or the number of voting rights falls below the thresholds provided for in the first paragraph of this article.

For open-ended investment companies and mutual funds, the manager is responsible for filing the return.

The provisions of Article 40 of this Act shall apply to persons who contravene the provisions of this Article.

Article 9.

For the purposes of determining the thresholds referred to in Article 8 of this Act, the following shall be treated as shares and voting rights held by the person required to make the declaration:

- 1 - Shares or voting rights held on their behalf by other persons;
- 2 - Shares and voting rights held by companies it controls;
- 3 - Shares and voting rights held by a third party with whom it acts in concert;
- 4 - Shares and voting rights that it or one of the persons referred to in subparagraphs 1 to 3 is entitled to acquire on its own initiative under a prior agreement.

For mutual funds, the participation thresholds are determined taking into account the total number of shares held in the same company by all mutual funds managed by the same manager.

Article 10. -

Concerted action is an agreement between natural or legal persons to acquire, exercise, or transfer voting rights in order to implement and pursue a common policy with regard to a publicly traded company.

Such concerted action is legally presumed to exist:

- 1 - between a company, the chair of its board of directors, its chief executive officers, its managers, and their spouses, ascendants, and descendants up to the first degree;
- 2 - between a holding company and the companies it controls and their managers;
- 3 - between companies controlled by the same person or persons.

For the purposes of this Act, a company is deemed to be a holding company in relation to another company considered to be under its control:

- when it holds, directly or indirectly, more than 50% of the voting rights at the general meetings of that company;
- or when it alone holds the majority of voting rights in that company by virtue of an agreement concluded with other shareholders, notwithstanding the nullity provided for in Article 94, paragraph two, of the Commercial Code;
- or when it effectively determines, through the voting rights it holds, the decisions made at the general meetings of that company.

Article 11. -

In order to calculate the various participation thresholds, and no later than fifteen days after the general meeting, any company making a public offering shall inform its shareholders and the Financial Market Council of the total number of voting rights existing on the date of the meeting. If, between two general meetings, the number of voting rights varies by a percentage set by the Financial Market Council in relation to the number previously declared, the company shall, when it becomes aware of this, inform its shareholders and the Financial Market Council of the new number to be taken into account.

Article 12. -

The person required to make the declaration must indicate:

- 1 - the number of shares and voting rights held directly or indirectly before crossing the thresholds in question;

- 2 - the number of securities giving future access to capital and the voting rights attached thereto;
- 3 - the shares and voting rights acquired when the participation thresholds provided for by this law were exceeded;
- 4 - the objectives it aims to achieve over the next twelve months and, in particular, whether it intends to continue acquiring new shares or voting rights, to cease such acquisitions, or to acquire control of the company concerned and seek appointment as a director;
- 5 - whether it is acting alone or in concert with one or more other persons.

Article 13.

The Tunis Stock Exchange shall publish the content of the declaration referred to in the previous article on its markets, and the issuing company shall inform the other shareholders at the next general meeting, with the content of the declaration being included as a separate item on the agenda.

Article 14.

The holding of one-twentieth of the shares or voting rights shall entitle the holder to request the inclusion of draft resolutions on the agenda of the company's general meetings.

Article 15.

If they have not been duly declared in accordance with the conditions set out in the preceding articles, securities held in excess of thresholds shall be deprived of voting rights for any shareholders' meeting held within three years of the date of regularization carried out voluntarily by the interested party or after being compelled to do so by the Financial Market Council following the discovery of the aforementioned crossing.

The Financial Market Council shall take the decision to impose the penalty after hearing the person concerned.
(Inserted by Law No. 2005-96 of October 18, 2005, Art. 17)

Article 16. -

Shareholders of open-ended investment companies are not subject to the provisions of this chapter.

CHAPTER 5

OTHER COMMON PROVISIONS RELATING TO PUBLICLY TRADED COMPANIES

Article 17.

Without prejudice to the provisions relating to open-ended investment companies, the payment of dividends decided by the ordinary general meeting of a company offering securities to the public must take place within a maximum period of three months from the decision of the general meeting.

Article 18.

In the event that a call for payment of capital remains ineffective, publicly traded companies may, after completing all legal, regulatory, and statutory formalities to recover the capital owed, proceed with the execution on the stock exchange, even on duplicate and without any judicial authorization, of the shares not fully paid up belonging to the defaulting shareholder. Enforcement on the stock exchange is at the defaulting shareholder's own risk and under their responsibility.

The company requesting the sale on the stock exchange must prove that the outstanding capital or a portion of the outstanding capital has been called up expressly and unequivocally and that the shareholder has failed to respond to this call.

The call for the outstanding capital or a portion of the outstanding capital may be brought to the attention of shareholders through the press or any other means.

The shareholder may only be declared in default after the expiry of the period specified in a registered letter of formal notice with acknowledgment of receipt.

The approval and preemption clauses provided for in the articles of association of publicly traded companies are not enforceable against purchasers of shares that are not fully paid up in accordance with the provisions of this article.

CHAPTER 6

SPECIFIC PROVISIONS FOR COMPANIES LISTED ON THE STOCK EXCHANGE

Article 19. (new) – *(Law No. 99-92 of August 17, 1999, Art. 7)*

Companies listed on the stock exchange may purchase the shares they issue in order to regulate their market price.

To this end, the ordinary general meeting must have expressly authorized the company's board of directors to purchase and resell its own shares on the stock exchange.

The board of directors shall determine, in particular, the conditions for purchasing and selling shares on the market, the maximum number of shares to be acquired, and the period within which the acquisition must be completed.

This authorization may not be granted for a period exceeding three years. The company may not hold more than 10 % of the shares deposited with the depository, clearing, and settlement company provided for in Article 77 of this Act.

These shares must be registered and fully paid up at the time of acquisition.

At the time of the decision of the general meeting, the company must have reserves other than legal reserves in an amount at least equal to the value of all the shares to be acquired, calculated on the basis of the price justifying market regulation.

Shares held by the issuing company do not entitle the holder to dividends, which must be deposited in a retained earnings account, nor to subscription rights in the event of a cash capital increase, nor to voting rights. They are not taken into account for the calculation of the various quorums.

Before implementing the decision of the aforementioned meeting, the company must inform the Financial Market Council. At the close of the regulatory operation, the company shall send the Financial Market Council a detailed report on its progress and the effects it has had.

Article 20.

Companies listed on the stock exchange are required to appoint their auditors from among the members of the Tunisian Institute of Chartered Accountants.

Article 21 (new). – *(Law No. 2005-96 of October 18, 2005, Art. 18)*

Companies whose equity securities or securities giving access to equity are listed on the stock exchange are required to file with the Financial Market Council and the Tunis Stock Exchange, or to send them, in addition to the documents provided for in Article 3 of this law, activity indicators set according to sector by regulation of the Financial Market Council, no later than twenty days after the end of each quarter of the financial year.

The said companies must publish the said quarterly indicators in the official bulletin of the Financial Market Council and in a daily newspaper published in Tunis.

Article 21 bis. – *(Inserted by Law No. 2005-96 of October 18, 2005, Art. 18)*

Companies whose equity securities or securities giving access to equity are listed on the stock exchange are required to file with the Financial Market Council and the Tunis Stock Exchange, or send to them, no later than two months after the end of the first half of the financial year, in paper and electronic form, interim financial statements accompanied by the full report of the auditor(s) concerned.

The said companies shall publish the interim financial statements accompanied by the full text of the report of the auditor(s) in the official bulletin of the Financial Market Council and in a daily newspaper published in Tunis after their filing or sending to the Financial Market Council, within the same time limit.

However, for the purposes of publication in the daily newspaper, companies may limit themselves to publishing the notes on the mandatory financial statements and the most relevant notes, subject to obtaining the written consent of the auditor.

Article 21b. – *(Inserted by Law No. 2005-96 of October 18, 2005, Art. 18)*

Parent companies whose equity securities or securities giving access to equity are listed on the stock exchange and which are themselves subsidiaries of other companies must prepare consolidated financial statements in accordance with the accounting legislation in force.

The filing and publication requirements set out in Articles 3, 3 bis, 3 quater, and 3 quinter of this Act shall apply to companies whose equity securities or securities giving access to equity are listed on the stock exchange and which are required to prepare consolidated financial statements in accordance with applicable accounting legislation and the provisions of the first paragraph of this Article.

Such companies must disclose all their relationships with all persons belonging to the group of companies or involved in its management.

Article 22. -

The admission of shares to trading on the stock exchange shall constitute, for the company concerned, an automatic waiver of any approval or preemption clause provided for in its articles of association.

TITLE II - THE FINANCIAL MARKETS COUNCIL

CHAPTER I

ESTABLISHMENT AND RESOURCES OF THE FINANCIAL MARKET COUNCIL

Article 23.

A Council with legal personality and financial autonomy is hereby established. Its headquarters are in Tunis. It is called the "Financial Market Council."

The Financial Market Council shall be responsible for ensuring the protection of savings invested in securities, financial products traded on the stock exchange, and any other investment giving rise to a public offering. It shall also be responsible for organizing and ensuring the proper functioning of the securities markets and financial products traded on the stock exchange.

The Financial Market Council supervises collective investment undertakings in securities.

The Tunis Stock Exchange, stockbrokers, and the securities depository, clearing, and settlement company referred to in Article 77 of this law are subject to ongoing supervision by the Financial Market Council.

However, markets for instruments created to represent bank transactions or short-term negotiable bonds or notes traded on markets under the jurisdiction of the Central Bank of Tunisia are not subject to the supervision of the Financial Market Council.

Article 24.

The Financial Market Council shall have all the powers necessary to carry out the tasks assigned to it under the laws and regulations in force, as well as the powers necessary to administer the services it creates for this purpose.

Article 25.

The Financial Market Council consists of a chairperson and the following nine members:

1. - a third-level judge;
2. - an administrative court advisor;
3. - an advisor to the Court of Auditors;
4. - a representative of the Ministry of Finance;
5. - a representative of the Central Bank of Tunisia;
6. - a representative of the stockbroking profession;
7. - three members chosen for their expertise and experience in public offerings.

The President and members are appointed by decree.

The Chairman and members of the Financial Market Council must be Tunisian nationals, enjoy their civil and political rights, and meet the conditions listed in Article 20 of Law 67-51 of December 7, 1967, regulating the banking profession, as amended and supplemented by subsequent texts.

The President of the Council may not hold any other position incompatible with public office, nor may he or she hold the position of chief executive officer or director in a public limited company.

The Chairman and members of the Financial Market Council must declare on their honor to the First President of the Court of Auditors the securities and financial instruments negotiable on the stock exchange that they hold at the time of taking office and those that they will come to hold during their term of office.

The President and members of the Financial Market Council are bound by professional secrecy.

The President, the third-level judge, the administrative court advisor, and one of the members referred to in paragraph 7 shall perform their duties on a permanent basis without holding any other office.

The President and members of the Financial Market Council shall be remunerated, as appropriate, in the form of allowances set by decree.

Article 26. -

The Financial Market Council's resources come from:

- a fee levied on the Tunis Stock Exchange and calculated on the basis of the volume of transactions carried out on its markets or registered with it;
- a fee levied on the securities depository, clearing, and settlement company and calculated on the basis of its turnover;
- a fee levied on undertakings for collective investment in transferable securities and calculated on the basis of assets under management;
- a commission on new issues of securities and financial products carried out through public offerings;
- a commission on the approval of publications required by regulations in the event of new issues, stock market listings, and public offerings;
- income from its assets;
- income from services not falling within the scope of its usual duties;

- proceeds from the sale of assets;
- aid and donations from national or foreign organizations that the Financial Market Council accepts after approval by the competent authority;
- budgetary allocations.

The rates and terms for collecting commissions and fees are set by order of the Minister of Finance.

Article 27. -

The Financial Market Council shall enjoy the general privilege granted to the State for the recovery of its claims. Recovery may be effected by means of liquidation statements which are made enforceable by the Minister of Finance.

CHAPTER 2

POWERS OF THE FINANCIAL MARKET COUNCIL

Article 28

The Financial Market Council shall, within its area of competence, adopt regulations whose implementing measures shall be specified by general decisions, and shall also take individual decisions.

Article 29

The regulations of the Financial Market Council concern:

1/ - The organization and operating rules of the markets under its authority. In particular, the Financial Market Council establishes the general regulations of the stock exchange, which set out, in particular:

- the rules relating to the organization and operation of the market and the suspension of trading;
- the rules relating to the admission, trading, and delisting of securities and financial products;
- the conditions under which proposals to acquire controlling interests and blocks of shares are declared and carried out, as well as mandatory and voluntary public offers, the conditions under which they are initiated, accepted, carried out, and settled, and the procedures to be followed and the means of defense and safeguards.

2/ - The applicable rules of professional practice:

- to persons making public offerings;
- to stockbrokers and persons who, by virtue of their professional activity, are involved in accounting control or legal or financial arrangements relating to securities or financial products placed by public offering;
- persons who manage individual or collective portfolios of securities or financial products.
- to the securities depository, clearing, and settlement company.

Article 30 -

Individual decisions are decisions of a non-regulatory nature taken by the Financial Market Council within the scope of its remit and relating in particular to:

- the approval of stockbrokers referred to in Article 55 of this law and the designation of those among them who engage in counterparty activities and those who may specialize in market-making activities, as well as the withdrawal of approval;
- the financial and disciplinary sanctions within its jurisdiction;
- the admissibility of public offerings.

Article 31

The regulations of the Financial Market Council shall be published in the Official Journal of the Republic of Tunisia after approval by the Minister of Finance. General decisions shall be published in the official bulletin of the Financial Market Council after approval by the Minister of Finance.

Excerpts from individual decisions shall be published whenever their effects are of interest to third parties. (*Law No. 2005-96 of October 18, 2005, Art. 29*)

Article 32 -

The Financial Market Council shall ensure that the publications required by law and regulations are regularly made by companies and organizations offering securities to the public as defined in Article 1 of this Act.

It verifies that the information provided or published by the aforementioned persons complies with legal and regulatory requirements.

The Financial Market Council shall order such persons to make corrective disclosures in the event that inaccuracies or omissions are found in the published documents.

It shall bring to the attention of the public the observations it has made to the said persons and any information it deems necessary to publish.

Article 33

The Financial Market Council may request certified public accountants registered with the Tunisian Institute of Certified Public Accountants, or an expert registered on a list of judicial experts, to carry out any additional analysis or verification it deems necessary with the persons mentioned in subparagraph 2 of Article 29 of this law. In this case, the costs and fees shall be borne by the Financial Market Council.

Article 34

The Financial Market Council is authorized to receive petitions and complaints from any interested party that fall within its jurisdiction and to take appropriate action within two months of the date of receipt.

Article 35

The Financial Market Council shall ensure the application of legislation relating to the acquisition and trading of securities and financial products by foreigners in accordance with the laws and regulations in force and under the conditions laid down by decree.

Article 36

In order to carry out its duties, the Financial Market Council may conduct investigations of any natural or legal person.

These investigations shall be carried out by agents sworn in and authorized for this purpose by the Financial Market Council and chosen from among civil servants equivalent to at least category "A" as referred to in Law 83-112 of December 12, 1983, on the general status of civil servants and local government employees and employees of public administrative institutions.

Professional secrecy may not be invoked in the context of the investigations referred to in the first paragraph of this article. (*Inserted by Law No. 2005-96 of October 18, 2005, Art. 30*)

Article 37 -

In carrying out their duties, investigators are authorized to:

1. - Visit business premises during normal opening or working hours;
2. - Seize securities and documents suspected of being falsified or non-compliant with the standards and rules in force, even if they are in the possession of their holder. The seized documents and securities shall be left in the custody of their holder in accordance with the conditions set out in Articles 97, 98, and 100 of the Code of Criminal Procedure;
3. - Make all necessary observations, obtain, upon first request and without having to travel, the documents, items, regardless of their format, and registers necessary for their investigations and observations, and make copies thereof;
4. - Obtain, against receipt, the documents and items referred to in the previous paragraph that are necessary for the performance of their duties or the continuation of the investigation;
5. - Require advertisers to provide information relating to the Financial Market Council's remit, making available to them all elements necessary to justify the claims and indications made in the advertising and the methods used to present it. They may also require advertisers, advertising agencies, or those responsible for advertising media to make the messages disseminated available to them;
6. - Summon and hear any persons likely to provide them with information relevant to their mission.

Article 38 -

Investigators and all other persons called upon to examine the files are bound by professional secrecy. The provisions of Article 254 of the Penal Code apply to them.

Article 39

In order to investigate the offenses defined in Article 81 of this law, investigators may, after conducting investigations under the conditions set out in Articles 36, 37, and 38 of this law, summon by registered letter with acknowledgment of receipt and interview the persons concerned, or any other persons likely to provide them with information concerning the cases before them.

The investigations shall be recorded in a report drawn up and signed by two investigators from the Financial Market Council, who must first indicate their identity and show their credentials.

All reports must bear the stamp of the service to which the investigators belong, as well as the statements of the person heard or their refusal to make a statement.

The person being interviewed may be assisted by a lawyer of their choice during the interview and when the report is being drawn up. The person being interviewed when the report is being drawn up is required to sign it. If the report is drawn up in their absence or if they refuse to sign it, this shall be noted in the report.

The report must also mention the date, place, and nature of the findings or checks carried out and indicate that the person reported was informed of the date and place of its drafting and that they were summoned by registered letter with acknowledgment of receipt, except in cases of flagrante delicto.

Reports that meet the above conditions shall be forwarded by the Financial Market Council to the Public Prosecutor at the Court of First Instance in Tunis, together with the requests.

Article 40

The Financial Market Council may order any person to cease practices that contravene its regulations when such practices have the effect of:

- distorting the functioning of the market;
- procuring for the interested parties an unjustified advantage that they would not have obtained under normal market conditions;

- undermine the principle of equal information or treatment of investors or their interests;
- benefit issuers and investors from the actions of intermediaries that are contrary to their professional obligations.

The Financial Market Council, at a meeting of its college held for this purpose, may, after complying with the procedures guaranteeing the rights of defense, impose a fine on the perpetrators of the above practices for the benefit of the Public Treasury, which may not exceed 20,000 dinars, and where profits have been made, this fine may be up to five times the amount of the profits made, provided that the amount of the fine is commensurate with the seriousness of the breaches committed and in relation to the advantages or profits derived from such breaches.

The parties concerned may attend the above-mentioned meetings in person or be represented.

The Financial Market Council may also order, at the expense of the parties concerned, the publication of its decisions in the newspapers it designates within 15 days of the order to publish.

The decisions of the Financial Market Council are reasoned and may be appealed before the Tunis Court of Appeal.

Payment of the fine to the Public Treasury extinguishes the public action.

Fines shall be paid by means of a statement of liquidation drawn up by the president of the Financial Market Council or by his legal representative and made enforceable by the president of the Court of First Instance of Tunis. *(Inserted by Law No. 2005-96 of October 18, 2005, Art. 27)*

Article 41

The Financial Market Council shall have disciplinary power over:

- the Tunis Stock Exchange, its managers, and its staff;
- the securities depository, clearing, and settlement company, its officers, and its employees;
- stockbrokers, whether natural persons or legal entities, their managers and staff under their authority;
- the officers, managers, and custodians of the funds and assets of Undertakings for Collective Investment in Transferable Securities and the personnel under their authority.

Article 42

Any violation of the laws and regulations, as well as any breach of the professional rules and practices applicable to the persons referred to in Article 41 of this Act, shall be punishable by the Financial Market Council, acting as a disciplinary board.

The penalties are a warning or reprimand and, for persons other than the Tunis Stock Exchange and the securities depository, clearing, and settlement company, a temporary or permanent ban on all or part of their activities and, where applicable, the withdrawal of their authorization.

The person summoned to appear before the disciplinary board shall be notified by registered letter with acknowledgment of receipt at least eight days before the date set for the board meeting. Upon request, the person shall be provided with copies of the documents in the file.

No sanction may be imposed without the person concerned, or their qualified representative, having been heard or duly summoned. They may be assisted by counsel of their choice.

The disciplinary board shall meet at the request of its chairperson or at the request of the government commissioner assigned to the Tunis Stock Exchange referred to in Article 66 of this law or of half of its members.

The decisions of the disciplinary board shall be reasoned and may be appealed before the Tunis Court of Appeal.

Article 43 -

The President of the Court of First Instance of Tunis may, upon reasoned request from the President of the Financial Market Council, order the seizure, by way of summary proceedings, of funds, securities,

securities or rights belonging to the persons implicated by him, with, where applicable, the affixing of seals. The President of the court may, under the same conditions, impose a temporary ban on professional activity.

The President of the Court of First Instance of Tunis may, upon a reasoned request from the President of the Financial Market Council, order, in summary proceedings, that a person implicated be required to deposit a sum of money. He shall then set the amount to be deposited and the deadline for deposit.

In the event of the defendant being charged, Articles 90 and 91 of the Code of Criminal Procedure shall apply with regard to the sum deposited.

Article 44 -

The President of the Court of First Instance of Tunis may, upon a reasoned request from the President of the Financial Market Council, order by summary judgment any person whose actions contrary to laws and regulations are likely to infringe on the rights of investors in securities and financial products offered to the public to cease such actions.

He may also, for the same reasons and under the same conditions, order the persons concerned to comply with the requirements of the laws and regulations.

The president of the court of first instance may take any protective measures necessary to enforce the order he has issued.

Article 45 -

The president of the Tunis Court of First Instance may, upon reasoned request from the president of the Financial Market Council, order by summary judgment the recusal of the auditor appointed by the general meeting of publicly traded companies and undertakings for collective investment in transferable securities and the appointment of a replacement in accordance with the procedures set out in Article 83 of the Commercial Code.

In this case, the auditor appointed by the court shall remain in office until the appointment of an auditor by the competent body.

Article 46 (new) (*Law No. 2009-64 of August 12, 2009, Art. 5*)

The Financial Market Council shall cooperate with the banking and insurance sector regulatory authorities. To this end, it may enter into agreements with these authorities concerning, in particular:

- the exchange of information and experiences,
- the organization of training programs,
- jointly conducting supervisory operations.

The Financial Market Council may cooperate with its foreign counterparts or with authorities that perform similar tasks in accordance with the legislation and regulations in force. To this end, it may conclude cooperation agreements providing, in particular, for the exchange of information and cooperation in the field of investigations in the performance of its tasks, subject to the following conditions:

- the information exchanged must be necessary for the performance of the task of the requesting counterpart authority and may only be used for that purpose,
- the Financial Market Council may not invoke professional secrecy in relation to the exchange of information,
- the requesting counterpart authority must safeguard the confidentiality of the information and provide the necessary guarantees for its protection under conditions at least equivalent to those to which the Financial Market Council is subject.

The Financial Market Council shall refuse requests for information exchange in the following cases:

- when the information is likely to undermine public order or the vital interests of Tunisia,
- when legal proceedings have already been initiated for the same facts and against the same persons concerned by this information before the Tunisian courts;
- when the request concerns persons who have been the subject of final judgments for the same facts by Tunisian courts;

- when the request is likely to conflict with domestic legislation and regulations;
- when the request comes from a counterpart authority that does not cooperate in this area with the Financial Market Council.

CHAPTER 3

ON THE FUNCTIONING OF THE FINANCIAL MARKETS COUNCIL

Article 47

The President and the members referred to in Article 25 of this Law shall constitute the Financial Market Council.

Article 48

The Board is the authority empowered to carry out the duties of the Financial Market Council. It performs or authorizes all acts and operations relating to its duties.

It approves stockbrokers and designates, among them, those who are authorized to engage in market-making activities and those who are authorized to act as counterparties.

It imposes the penalties referred to in Articles 40 and 42 of this law.

It supervises the Tunis Stock Exchange, stockbrokers, and the securities depository, clearing, and settlement company, and oversees collective investment undertakings.

It shall issue regulations within the scope of the council's competence and shall, in particular, establish the general regulations of the Stock Exchange.

It shall rule on petitions and complaints and provide its opinion to the competent judicial authorities in the cases referred to in Article 86 of this Act.

It approves the subscription and redemption prices of shares on the Tunis Stock Exchange and appoints experts to evaluate them.

It gives its opinion on the statutes of the association of stock exchange intermediaries.

It approves the trading floor regulations of the Tunis Stock Exchange.

It may oppose decisions made by the Tunis Stock Exchange regarding the negotiability of financial products, the admission of securities and financial products to the stock exchange, or their delisting.

It sets the percentage change in voting rights referred to in Article 11 of this law.

The board reviews investigation reports and decides on the appropriate action to be taken, examines cases giving rise to financial penalties or disciplinary measures.

The board determines the status of Financial Market Council staff, establishes the budget, and decides whether to accept or refuse subsidies or donations offered by Tunisian or foreign organizations after approval by the competent authorities.

The board gives its opinion on matters submitted to it by the Minister of Finance.

Article 49

The college meets when convened by the President of the Financial Market Council, or at the request of half of its members, whenever necessary and at least once every two months.

It deliberates and makes decisions by a majority vote of the members present, and in the event of a tie, the chairperson has the casting vote. The decisions of the board are only legally binding when a majority of its members are present.

Article 50 – supplemented by Law No. 2005-96 of October 18, 2005, on strengthening the security of financial relations.

The President chairs the meetings of the college.

If the President is unable to attend, the chairmanship of the college shall be assumed by the third-level judge, and failing that, by the administrative court advisor, and failing that, by the court of auditors advisor.

The Chairman of the Financial Market Council is responsible for organizing and managing the administrative services of the Financial Market Council. He may be assisted in this task by a secretary general or a director, who reports directly to him.

The President represents the Financial Market Council in dealings with third parties and in all civil, administrative, and judicial matters.

The President notifies the parties concerned of decisions taken pursuant to Article 30 of this Act and serves them with decisions taken pursuant to Articles 40 and 42 of this Act.

Notification shall be made by telegram, telex, fax, or any other means that leaves a written record. *(Inserted by Law No. 2005-96 of October 18, 2005, Art. 31)*

He shall refer the matter to the President of the Court of First Instance of Tunis in accordance with the provisions of Articles 43, 44, and 45 of this law and shall inform the Public Prosecutor when the acts are punishable by criminal penalties.

The President shall draw up the liquidation statements, which shall be made enforceable by the Minister of Finance.

On behalf of the Financial Market Council, the president has authority over all Financial Market Council staff, whom he recruits, dismisses, and appoints to all positions in accordance with the Financial Market Council staff regulations. On delegation from the Financial Market Council College, the president sets the salaries, wages, allowances, and benefits granted to Financial Market Council staff within the framework of their status and, where applicable, sets the salaries, allowances, benefits, and fees granted to external collaborators.

He or she shall arrange for the payment of revenues and expenses.

He may delegate his signature, under his responsibility, to an agent under his authority.

Each year, it submits a report on the activities of the Financial Market Council to the President of the Republic.

Article 51 -

On behalf of the Financial Market Council, the President may:

- initiate investigations, authorize investigators, and transmit decisions to prosecute;
- refer matters to the President of the Court of First Instance of Tunis for the purpose of ordering temporary prohibitions on professional activity, seizure, deposit of funds, and recusal of auditors;
- issue injunctions to persons involved in the practices referred to in Article 40 of this Act;
- approve prospectuses under the conditions set out in Article 2 of this Act and order the corrective publications referred to in Article 32 of this Act;
- rule on the admissibility of public offerings;
- order the Tunis Stock Exchange to suspend trading in a market or security or financial product, or oppose the suspension decision when that decision is made by the Tunis Stock Exchange;
- establish cooperative relationships with the foreign organizations referred to in Article 46 of this law and monitor the implementation of the resulting agreements.

Article 52

In urgent cases, the Chairman of the Financial Market Council is authorized to take decisions that normally fall within the competence of the college, provided that he submits them for approval at the next meeting of the college.

If the decision is not approved, it shall cease to have effect for the future.

Article 53

The Financial Market Council's departments are the administrative and technical structures.

They provide secretarial and administrative support to the Financial Market Council. They prepare and review files, conduct studies, and carry out tasks assigned to them by the president and the board. They are responsible for maintaining the files, registers, and documents of the Financial Market Council and those legally submitted or addressed to it.

The staff employed in the Financial Market Council's departments are bound by professional secrecy.

Staff employed by the Financial Market Council are subject to the provisions of Law 85-78 of August 5, 1985, on the general status of employees of public agencies, industrial and commercial public institutions, and companies whose capital is directly and entirely owned by the State or local public authorities, with the exception of the provisions of Chapter 8 of said law.

CHAPTER 4***APPEALS AGAINST DECISIONS OF THE
FINANCIAL MARKETS COUNCIL*****Article 54**

The Court of Appeal of Tunis shall have jurisdiction to hear appeals against decisions of the Financial Market Council, other than those of a regulatory nature.

Appeals shall not have suspensive effect. However, the President of the Court of Appeal of Tunis may order a stay of execution of the decision if it is likely to have irreversible consequences.

**TITLE III - PARTIES
INVOLVED IN MARKET
MANAGEMENT****CHAPTER 1*****STOCK EXCHANGE INTERMEDIARIES*****Article 55 -**

Stockbrokers are agents responsible, to the exclusion of any other person, for trading and registering securities on the Tunis Stock Exchange, related rights, and financial products. They may also carry out transactions related to these tasks.

The activity of stockbroker must be carried out on a permanent basis. It is incompatible with any other professional activity.

Article 56

Stockbrokers may, under the conditions laid down by decree governing the status of stockbrokers, engage in the following activities:

- financial advice;
- financial solicitation;

- individual portfolio management;
- portfolio management on behalf of collective investment undertakings in transferable securities;
- investment of securities and financial products;
- the guarantee of successful completion of issues for public or private companies;
- the counterparty;
- market making;
- stock carrying.

Individual portfolio management and share carrying may only be provided under a written agreement.

Article 57

Stockbrokers are approved by the Financial Market Council after consultation with the Association of Stockbrokers referred to in Article 61 of this law.

The withdrawal or suspension of authorization shall be decided by the Financial Market Council after consulting the Association of Stockbrokers.

Stockbrokers must be Tunisian nationals. They may be either individuals or specialized stockbroking companies in the form of public limited companies.

Article 58 -

Stockbrokers must provide sufficient guarantees, particularly with regard to their organization, technical and financial resources, the integrity and experience of their managers, and the measures taken to ensure the security of their clients' interests.

The nature and scope of each guarantee, the rules applicable to the approval of intermediaries, the withdrawal or suspension of approval, and the rules necessary for the supervision of their activities shall be laid down by decree establishing the status of stock exchange intermediaries.

Article 59 -

Stockbrokers shall be liable to their clients for the delivery and payment of what they sell and buy on the market.

Article 60

Stockbrokers and their staff are bound by professional secrecy. They must act with loyalty and impartiality, ensuring that the interests of their clients take precedence over their own interests.

Article 61

Stockbrokers are required to form an association to represent them collectively in order to assert their common rights and interests, give their opinion on matters of interest to the profession, and make proposals concerning the development of the financial market. Its statutes are approved in advance by the Minister of Finance after consultation with the Financial Market Council.

This association is called the "Association of Stockbrokers." Every broker must join it.

Article 62 -

Stock exchange intermediaries must set up a guarantee fund to intervene on behalf of customers on the securities and financial products market in order to cover non-commercial risks.

The conditions for the establishment, organization, operation, and contribution of intermediaries and participants, as well as the conditions and limits of intervention of the said fund, shall be specified by order of the Minister of Finance.

CHAPTER 2

OF THE TUNIS STOCK EXCHANGE

Article 63 -

Stock exchange intermediaries must form a public limited company whose purpose is to manage the securities market. Its headquarters are in Tunis. It is called the "Tunis Stock Exchange."

It shall be governed by the regulations of the Financial Market Council and by the provisions of the Commercial Code, insofar as they are not derogated from by this law.

Its capital, the minimum amount of which is set by order of the Minister of Finance, shall be subscribed exclusively by stock exchange intermediaries, paid up in full in cash and held permanently on an equal basis by them, unless a special exemption is granted by the Minister of Finance to stock exchange intermediaries who are natural persons.

In the event of the withdrawal of one of the intermediaries from the Tunis Stock Exchange, for any reason whatsoever, its share in the capital shall be compulsorily repurchased by the remaining intermediaries, on an equal basis, subject to the exceptions provided for in the third paragraph of this article.

In the event of the approval of a new intermediary, the company's capital shall be increased by the amount of its shareholding, subject to the exceptions provided for in the third paragraph of this article.

The subscription and redemption prices of the company's shares shall be approved by decision of the Financial Market Council on the basis of a report by experts appointed by it for this purpose.

Article 64

The draft articles of association of the Tunis Stock Exchange, as well as any subsequent amendments thereto, must be approved by the Minister of Finance after consultation with the Financial Market Council.

Article 65

The appointment of directors of the Tunis Stock Exchange is subject to the approval of the Minister of Finance, who may dismiss them on the basis of a reasoned report from the government commissioner and appoint replacements from among the shareholders until new directors are elected.

Article 66 -

A government commissioner appointed by the Minister of Finance is assigned to the Tunis Stock Exchange with the task of ensuring compliance with legal and regulatory provisions, as well as those provided for in the Stock Exchange's articles of association.

He shall be invited to all meetings of the deliberative and management bodies of the Tunis Stock Exchange. He shall be notified of all decisions taken before they are implemented.

It may suspend the execution of any decision or measure that it considers contrary to the law or regulations and refer it to the competent authority within a period not exceeding three working days.

After the three working days have elapsed, and if the latter has not decided whether to lift or maintain the suspension for a further period, the suspended decision or measure becomes enforceable.

The Government Commissioner shall inform the competent authority of any failure or breach by market participants in the performance of their duties.

The government commissioner shall perform his duties at the Tunis Stock Exchange on a permanent, full-time basis.

Article 67 -

Stockbrokers shall pay the Tunis Stock Exchange an annual fee for the use of shared services, proportional to the volume of transactions carried out by each of them, the rate and terms of payment of which shall be decided by the Stock Exchange's board of directors.

Transactions negotiated through stockbrokers on behalf of clients shall give rise to the payment of commissions by the seller and the buyer to the Tunis Stock Exchange. The level of these commissions may not exceed a ceiling set by order of the Minister of Finance.

Counterparty transactions and market-making transactions give rise, with regard to the commission owed by the stock exchange intermediary, to the payment to the Tunis Stock Exchange of a commission proportional to the spread, the rate and terms of payment of which are set by order of the Minister of Finance.

Transactions that are not traded on the market and are registered by the Tunis Stock Exchange give rise to the payment of a commission to the Exchange by the seller and the buyer, the scale of which is set by order of the Minister of Finance.

The Tunis Stock Exchange shall collect a listing fee and an annual maintenance fee on securities and financial products admitted to trading on the stock exchange, payable by the issuing bodies, the rates and terms of payment of which shall be set by order of the Minister of Finance.

Article 68

In addition to the tasks entrusted to it by law, regulations, and its articles of association, the Tunis Stock Exchange is primarily responsible for:

1. - establishing the technical and administrative structures necessary for the operation of the market and which are such as to ensure the physical and legal security of transactions under the required conditions of speed;
2. - decide on the admission and listing of securities and financial products on the stock exchange and their delisting, as well as on the negotiability of financial products on its markets, unless opposed by the Financial Market Council;
3. - record transactions carried out and prices established on its markets;
4. - suspend the listing of all securities or financial products whenever there is a technical risk or a risk relating to financial information or unusual price movements, and inform the Financial Market Council without delay;
5. - publish information relating to transactions, prices, notices, and press releases required to be disclosed by laws and regulations;
6. - ensure that transactions carried out on the market comply with the regulations and procedures in force;
7. - report to the Financial Market Council, as soon as it becomes aware of them, any transactions, actions, practices, documents, and facts that are contrary to the law;
8. - establish trading floor regulations and submit them to the Financial Market Council for approval;
9. - manage the guarantee fund referred to in Article 62 of this law;
10. - submit proposals and opinions to the Financial Market Council on matters falling within its remit and relating to market development.

Article 69 -

The Minister of Finance and the Financial Market Council may order the Tunis Stock Exchange to declare a financial product negotiable on its markets.

Article 70

With the exception of inheritance cases, transactions involving securities and related rights issued by publicly traded companies and organizations, as well as financial products recognized as negotiable on the stock exchange, must be carried out on a trading market under the conditions set out in the general regulations of the stock exchange. However, transactions between the following parties are recorded without trading under the conditions set out in the general stock exchange regulations:

- spouses or between ascendants and descendants up to the third degree;
- two companies, one of which directly holds at least 34% of the capital of the other;
- a legal entity other than a company and a company where the legal entity directly holds at least 34% of the capital of the company;
- two natural or legal persons when the transaction, included in an agreement other than a simple sale, constitutes a necessary element thereof;
- the holder and the co-contracting party in a shareholding agreement when a copy of said agreement is filed simultaneously with the Financial Market Council and the Tunis Stock Exchange upon completion of the legal formalities for establishing this agreement;
- two shareholders when the transaction involves shares intended to serve as management collateral required of directors;

Transactions decided upon as part of the restructuring of public companies and companies with public or majority public participation, which are notified to the Stock Exchange by the competent authority, are also recorded on the Stock Exchange without trading.

Article 71 -

With the exception of cases of succession, transactions involving securities and related rights issued by companies that do not make public offerings must be registered with the Tunis Stock Exchange by stockbrokers under the conditions set out in the general regulations of the Stock Exchange.

Registration is carried out in accordance with this law by entering transactions taking place outside the Tunis Stock Exchange markets in the registers kept for this purpose by the Exchange, in accordance with the price, settlement, and guarantee conditions set by the parties.

However, securities issued by companies that do not make public offerings may be traded at the request of offerors or applicants interested in the advantages of the market, under the conditions set by the General Regulations of the Stock Exchange.

Article 72

Transfers resulting from the trading and registration of securities and financial products shall give rise to the issuance, by the Tunis Stock Exchange, of a trading or registration certificate, as the case may be, to the benefit of the stockbrokers concerned.

Article 73

Transactions carried out in violation of Articles 70 and 71 of this Act shall be null and void.

Article 74 -

Organizations issuing securities and financial products, as well as organizations acting on their behalf as transfer agents, are required, where required by law and regulations, to request the production of the trading or registration certificate referred to in Article 72 of this Act before recording the transfer of ownership in their registers or any other media serving as such.

Article 75 -

Transactions giving rise to trading shall be carried out:

- either on a listing where securities, financial products, and related rights are admitted to trading on a permanent basis and which is organized into different markets according to the criteria set by the General Regulations of the Stock Exchange;
- or within a market reserved for the trading of securities, financial products and related rights that are not admitted to listing on the Stock Exchange.

The conditions for the creation, organization, and operation of the various markets, as well as the conditions for the admission of securities, financial products, and related rights, are set by the General Regulations of the Stock Exchange.

Securities issued by the State and local authorities are automatically and permanently admitted to one of the markets of the Stock Exchange, at the request of the Minister of Finance.

Article 76 -

In the event of a vacancy or absence, whether voluntary or involuntary, that prevents the Tunis Stock Exchange from fulfilling its duties, the Minister of Finance shall, by order, take the measures required by the circumstances.

CHAPTER 3

THE DEPOSITORY, CLEARING AND SETTLEMENT COMPANY

Article 77

Stockbrokers are required to set up, in the form of a public limited company, an interprofessional securities depository, clearing and settlement company, whose capital may be open to organizations whose participation is approved by the Minister of Finance.

The articles of association of the securities depository, clearing and settlement company shall be approved by the Minister of Finance.

Article 78

The securities depository, clearing and settlement company may receive deposits of securities under contract. The deposit of securities gives rise to the maintenance of accounts by the depository, clearing, and settlement company for the benefit of the issuing company, the owner of the securities, and stockbrokers, each insofar as it concerns them. These accounts record the number of securities deposited with the said company and the number of securities physically held by their owners.

It is responsible for registering pledges and oppositions and any other charges on the securities and rights attached thereto deposited with it.

The provisions of Articles 689 to 697 of the Commercial Code apply to the depository, clearing, and settlement company.

The said company shall also be responsible for the clearing and settlement of transactions carried out on the stock exchange.

Article 79. -

In addition to the securities issued to their owners by the issuing companies, the latter must deposit with the depository, clearing, and settlement company the securities admitted to trading on the stock exchange in the form of a single collective security representing the number of securities admitted.

The owners of securities, whether or not they are listed on the stock exchange, may deposit them physically with the securities depository, clearing and settlement company, or allow the latter to receive them physically from the issuing company or organization, or request any other document as a replacement in order to deposit them with the company for the benefit of their owners.

In both cases, the owners of the deposited securities and those who become owners at a later date may withdraw them and carry them physically.

Article 80. -

The selling broker must deposit the securities it offers on the trading markets or credit its account with similar securities and related rights opened with the securities depository, clearing and settlement company before executing the sell order on the market.

TITLE IV

OFFENSES AND PENALTIES

Article 81.

The following shall be punishable by a fine of between 1,000 and 10,000 dinars persons who, in the course of their profession or duties, have inside information on the situation or prospects of an issuer of securities offered to the public or on the prospects for the performance of a security or financial product offered to the public, and who, directly or through an intermediary, have carried out one or more transactions before the public has become aware of this information through legal and regulatory channels.

In the event of a profit being made, the amount of the fine may be increased to five times the amount of the profit made, without the amount of the fine being less than that profit.

The penalties provided for in the first paragraph of this article shall be imposed on any person who knowingly disseminates to the public, by any means, false or misleading information about the situation or prospects of an issuer of securities offered to the public or about the prospects for the performance of a security or financial product offered to the public, which is likely to influence prices.

Any person who, directly or through an intermediary, knowingly engages in or attempts to engage in a maneuver on the market for a security or financial product offered for public subscription with the aim of disrupting the regular functioning of the market or misleading others shall be punished by the penalties provided for in the first paragraph of this article.

Any person who, in the course of their profession or duties, has access to privileged information about the situation or prospects of an issuer or about the prospects for the performance of a security or financial product offered to the public, and who discloses such information to a third party outside the normal scope of their profession or duties, shall be liable to a fine of between 1,500 and 15,000 dinars. communicates it to a third party outside the normal scope of their profession or duties.

Article 82. –

Chief executive officers, managing directors, directors, and stockbrokers who knowingly issue, offer for subscription, or sell securities or financial products of companies that issue securities to the public without complying with the formalities provided for in Article 2 of this law.

The provisions of Article 40 of this Act shall apply to chairpersons, chief executive officers, managing directors, chairpersons of the board of directors, and sole managing directors who fail to comply with the obligations set forth in Articles 3, 3 bis, 3 ter, 3 quater, 3 quinter, 4, 21, 21 bis, and 21 ter of this Act. *(Act*

No. 2005-96 of October 18, 2005, Art. 28)

Article 83. -

The transferor, the transferee, and the drafter of the transfer agreement or document serving as such shall be liable, in the event of non-compliance with Articles 70 and 71 of this law, to a fine equal to the value of the securities being transferred.

The legal representatives of companies and transfer agents acting on behalf of such companies who record the transfer of a right attached to securities in the transfer register or any other document serving as such, without complying with the provisions of Article 74 of this Law, shall be liable to pay a fine of between 500 and 2,000 dinars.

The legal representatives of companies are required, in the event of non-compliance with the provisions of Articles 19 and 88 of this law, to pay a fine equal to the value of the shares purchased.

The determination of offenses, the obligation to pay fines, and their collection shall be carried out in accordance with the formalities relating to tax registration.

Article 84. -

Any person who knowingly obstructs investigators in the performance of their duties shall be punished by imprisonment for a term of sixteen days to six months and a fine of 500 to 2,000 dinars, or by one of these two penalties only.

Article 85 -

Persons who knowingly obstruct the execution of an order issued by the president of the court of first instance on the basis of Article 44 of this law shall be liable to the penalties provided for in Article 84 of this law.

Article 86

The competent judicial authorities, when dealing with proceedings relating to the offenses provided for in Article 81 of this law, may, at any stage of the proceedings, seek the opinion of the Financial Market Council.

TITLE V

MISCELLANEOUS

PROVISIONS

Article 87 -

Transactions between non-residents involving securities and financial products issued by non-resident companies incorporated under Tunisian law are not subject to the provisions of this law. However, such companies must report these transactions free of charge to the Tunis Stock Exchange no later than 15 days after their entry in their registers.

For transactions giving rise to a public offering to residents, non-resident companies are required to comply with the provisions of Titles I and II of this law.

Article 88 -

The subscription and purchase by the company of its own shares is prohibited.

However, an extraordinary general meeting that decides on a capital reduction not motivated by losses may authorize the board of directors, for a specified period, to purchase a number of shares for cancellation.

In this case, the capital is reduced by the amount of the shares actually purchased. These shares must be canceled within three months of the date of completion of the purchase transaction.

This cancellation is recorded on the front of bearer securities and in the transfer registers for registered securities.

If the securities are deposited, they shall be canceled by means of a note to that effect in the accounts opened with the depositary and by the withdrawal of these securities in order to apply the procedures provided for in the previous paragraph of this article.

The provisions of this article do not apply to open-ended investment companies.

Article 89

Any previous provisions that are contrary to this law are repealed, in particular Law No. 89-49 of March 8, 1989, relating to the financial market.

However, until the Financial Market Council, the Tunis Stock Exchange, and the securities depository, clearing, and settlement company are established within one year of the publication of this law, the Stock Exchange and the Listing Committee shall continue to perform the duties assigned to them by Law No. 89-49 of March 8, 1989, on the financial market.

In addition, from the entry into force of this law until the establishment of the Financial Market Council, the Stock Exchange shall exercise the powers of the Financial Market Council under the following conditions:

- The Council of the Stock Exchange shall exercise the powers of the Financial Market Council.
- The President of the Stock Exchange shall exercise the powers of the President of the Financial Market Council.
- The services of the Stock Exchange perform the tasks of the Financial Market Council.

Remuneration on stock exchange transactions and other operations, as provided for by Law No. 89-49 of March 8, 1989, shall continue to be collected and recovered by the Stock Exchange under the same conditions of liquidation and privilege until the entry into force of subsequent texts relating to the various fees and commissions provided for by this law and until the establishment of the Financial Market Council and the Tunis Stock Exchange, each in its respective area of competence.

The regulations and decisions adopted by the Stock Exchange shall remain applicable until the publication of new regulations and decisions established by the Financial Market Council and the new trading floor regulations established by the Tunis Stock Exchange.

Article 90 -

Securities and the rights attached thereto, admitted to permanent listing on the Stock Exchange on the date of publication of this law, shall be automatically admitted to the market reserved for financial products and securities and the rights attached thereto, to be traded on a permanent basis, and stockbrokers licensed on the date of publication of this law shall continue to exercise the duties assigned to them by Law No. 89-49 of March 8, 1989.

However, banks authorized to act as stockbrokers must comply with the provisions of Article 55 within a maximum period of one year from the publication of this law.

Article 91 -

Shareholders of publicly traded companies who, on the date of publication of this law, hold a number of shares or voting rights exceeding the thresholds established in Article 8 of this law, are required to make the declaration required by that article within a period not exceeding six months.

Article 92

The terms "brokers," "stock exchange committee," "stock exchange council," and "stock exchange" used in the laws and regulations in force are replaced, in order, by the terms "stock exchange intermediary" and "Financial Market Council" or "Tunis Stock Exchange," according to their powers as established by this law.

The Arabic translation of the expressions "Securities," "publicly traded company," and "non-publicly traded company" used in the laws in force is changed in accordance with the Arabic version of this law.

The term "permanently listed" is replaced by "listed on the stock exchange" and the term "occasionally listed" is replaced by "not listed on the stock exchange."

Article 93

Without prejudice to the provisions of Article 89 of this law, the public institution created by Law No. 89-49 of March 8, 1989, relating to the financial market, is abolished, and its assets are transferred to the Financial Market Council.

In the event of the dissolution of the Financial Market Council, its assets shall revert to the State.

This law shall be published in the Official Journal of the Republic of Tunisia and enforced as a law of the State.

Tunis, November 14, 1994.