

CAPITAL MARKETS AUTHORITY

Announcement No. 70 On Amending the Offers of Securities Regulation - Series 6000

Pursuant to Law No. 161 dated 17/08/2011 on Capital Markets,
Pursuant to the decision of the Board of the Capital Markets Authority No. 30/13/20 adopted in its meeting held on 27/10/2020,

We advise you of the following:

First: The title of Article 6302 of the Offers of Securities Regulation shall be amended in Arabic only to become: متطلبات العروض المعفية . Sub-Articles (6) and (7) of said Article 6302 shall also be amended to become as follows:

- 6- An issuer or an approved institution must notify the Authority in writing of an exempt offer that was offered and subscribed for, within a period of maximum 14 days from the offer and subscription date, in accordance with the instructions set out in Annex 4 to this Regulation.
- 7- All disclosure documents relating to the offer must be filed with the notice to the Authority, including all selling documents that were provided to offerees. The notice must include a summary of the key information in the disclosure documents, in accordance with the instructions set out in Annex 5 to this Regulation.

Second: The title of Article 6303 of the Offers of Securities Regulation shall be amended in Arabic only to become: المراجعة من قبل الهيئة . Article 6303 shall also be amended to become as follows:

- 1- The Authority shall review any exempt offer that it receives notice of. Following a review, the Authority may, if it appears that the offer does not form an exempt offer pursuant to Article 6304 or that the offer may not serve the public interest:
 - i. prohibit this offer and ask the issuer or offeror to cancel all operations that may have resulted from the offer on his responsibility; or
 - ii. ask the issuer or offeror to take any other procedure as deemed appropriate by the Authority.
- 2- In the case of exempt offers of securities to be issued in series where the securities are all the same, with the same terms and conditions, except for certain terms that are based on current market conditions, an offeror may notify the Authority with a standard form disclosure document for all offers within a period of maximum 14 days from the offer and subscription date in the first series. The offeror shall file the final terms sheet with all final terms covering each subsequent series of securities with the Authority within a period of 14 days from the date of offer and subscription for the relevant securities. The terms that may vary in different series are:
 - i. the price of the security,
 - ii. the rate of return, dividend or yield,
 - iii. the participation rate in any change in the underlying securities or assets,
 - iv. the barrier or protection level for partly-protected products,
 - v. the composition of specific securities, commodities or financial index,
 - vi. the fees charged for, or included in the price of the security,

- vii. the identity of the calculation agent,
- viii. in the case of drop back products, the amount to be invested and the trigger level for such investments.

Third: Paragraph (ix) of Sub-Article (1) of Article 6304 of the Offers of Securities Regulation on the List of Exempt Offers shall be amended to read as follows:

- ix. The securities are offered in connection with a merger or take-over bid and a disclosure document is sent to all offerees containing information equivalent to the information required in the prospectus.

Fourth: Sub-Article (3) of Article 6304 of the Offers of Securities Regulation on the List of Exempt Offers shall be amended to read as follows:

- 3- On receipt of a written application or notice from an offeror, the Authority may decide that an offer of securities not listed in Sub-Article (1) will be treated as an exempt offer if it considers such a decision to serve the public interest.

Fifth: Sub-Articles (2) and (3) of Article 6305 of the Offers of Securities Regulation on Private Placements shall be amended to read as follows:

- 2- The offeror must file a private placement memorandum with the Authority with a notice thereto that he made an exempt offer as required by Article 6302. The notice sent to the Authority must include a summary of the key information in the private placement memorandum in accordance with the instructions set out in Annex 5 to this Regulation.
- 3- In reviewing a private placement memorandum, the Authority may exercise any of the powers that it has under Article 6303 (1).

Sixth: The title of Annex 4 of the Offers of Securities Regulation shall be amended in Arabic only to read as follow: مضمون الإعلام عن العرض المعفى . Said Annex 4 shall be replaced with Annex 4 attached to this Announcement.

Seventh: Annex 5 of the Offers of Securities Regulation on the Summary of key information in disclosure documents for exempt offers shall be amended and replaced with Annex 5 attached to this Announcement.

Eighth: Some formal amendments in all the provisions of the Offers of Securities Regulation shall be made and the amended provisions shall be attached to this Announcement.

Ninth: This Announcement shall enter into force upon its publication in the Official Gazette.

Beirut, February 15, 2021
**Chairman of the Capital Markets Authority/
Governor of the Central Bank of Lebanon**
Riad Toufic Salame
(Signature)

ANNEX 4
CONTENT OF A NOTICE OF AN EXEMPT OFFER

- 1- An offeror or issuer that makes an exempt offer of securities must notify the Authority within 14 days from the offer and subscription date. The Authority shall be separately notified of each exempt offer of securities that is made, including additional offers of the same securities.
- 2- The notice to the Authority must set out the following information:
 - i. The type of exempt offer to be used (from the list in article 6304 of this Regulation).
 - ii. The identification of the approved institution(s) through which the offer has been made.
 - iii. The opening and closing dates of the offer.
 - iv. Number, type and class of securities that the offeror or the issuer offered or were subscribed for.
 - v. Number, type and class of any similar securities previously issued by the issuer.
 - vi. Details of the terms and conditions of the securities.
 - vii. Issue price of the securities.
 - viii. Total value of the offer.
 - ix. Minimum subscription amount.
 - x. The classification and number of investors that subscribed.
- 3- State whether all the securities that were offered and subscribed for are identical or if not, provide details of the differences in any securities that were offered and subscribed for.
- 4- Attach a copy of all disclosure documents and sales materials relating to the offered and subscribed for securities. The attachments must include any prospectus, information statement, information memorandum, terms sheet, investor summary, sales or marketing material and similar documents. The notice to the Authority must clearly state which document(s) were provided to all offerees, and which documents will be made available on request or electronically.

NOTES:

- A disclosure document or documents to be provided to all offerees must be filed with the notice of all exempt offers.
 - An offering memorandum must be prepared for a private placement offer made under article 6304 (1) #iii.
 - In the event of any amendment to the offering memorandum, the approved institution shall get the client's signature on every amended page of the offering memorandum and shall notify the Authority within a period of 14 days from the amendments' date.
 - A summary of the key points of the disclosure document in accordance with the instructions in Annex 5 must be filed with the Authority.
- 5- Attach a list signed by the approved institution indicating the classification of subscribers and the amounts subscribed for by each of them.
 - 6- Attach a copy of a document duly signed by each subscriber indicating his approval on his classification as a professional client.

- 7- List any securities regulatory authority, financial regulatory authority, or other competent authority that has reviewed and approved a disclosure document listed under paragraph # 4 above.
- 8- The notice must be signed by officers in charge of the issuer and include the following certificate:

We hereby certify that:

- 1- The board of directors of *[name of issuer]* has formally approved this exempt offer and the issuance of the securities covered by the offer.
- 2- The contents of this Notice, including the disclosure documents filed with it, are complete and accurate, and *[name of offeror or issuer]* has authorized the filing of this Notice with the Authority.
- 3- The offeror or issuer acknowledges that after reviewing this Notice, the Authority may decide that the offer does not meet the condition of its classification as an exempt offer or does not serve the public interest and that the Authority may ask the offeror or the issuer to cancel all the operations that may have resulted from the offer on his responsibility or take any other procedure as deemed appropriate by the Authority.
- 4- The issuer authorizes the Authority to exchange any relevant information with any securities regulatory authority, or similar competent authority.

Date:

Signed on behalf of

By: *(Names and titles of the officers of offeror or issuer)*

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ANNEX 5
SUMMARY OF KEY INFORMATION IN DISCLOSURE
DOCUMENTS FOR EXEMPT OFFERS

A. Structured Products

The minimum information to be included in a disclosure document for a structured product is as follows (if applicable to the product involved).

The offeror must file a summary list with the Authority that shows the page of the disclosure document that sets out each of these points.

Summary of the Offer

- 1.1- Opening and closing dates of the offer
- 1.2- Number and nature of the offered and subscribed for product
- 1.3- Is the product continuously offered in different series?
- 1.4- Summary of the terms and conditions of the product
- 1.5- Issue price of the product
- 1.6- Total value of the offer
- 1.7- Minimum size of initial issuance
- 1.8- Minimum subscription amount
- 1.9- Include this statement:
“This document includes information provided in compliance with the Regulations of the Capital Markets Authority (CMA) of Lebanon. The CMA has not reviewed this document and does not accept any responsibility for the content of the information in this document, including the accuracy or completeness of such information and its compliance with the applicable laws and regulations. The liability for the content of the document lies with the issuer of the document and its management. The CMA has not assessed the suitability of the securities covered by this document for any particular investor or type of investor.”

Characteristics of the Product

- 1.10- Description of the structured product
- 1.11- Currency
- 1.12- Denomination
- 1.13- Maturity date
- 1.14- Investment objectives
- 1.15- Principal guarantee (if any)
- 1.16- Investment strategy (geographic location, sector, securities)
- 1.17- Maximum exposure to or investment in any particular sector/security (if relevant)
- 1.18- Leverage policy (use of leverage)
- 1.19- Expected minimum return (if applicable)
- 1.20- Lock up period (if any)
- 1.21- Will related parties to the issuer provide liquidity? (call a secondary market)
- 1.22- Distribution policy
- 1.23- Termination events / liquidation events
- 1.24- Suspension events

Target Market

- 1.25- Type of the investors to whom the offer was made and for which they subscribed.

- 1.26- If the disclosure document is in English or French: A statement written in Arabic stating that the subscriber acknowledges that the subscriber understands the English or the French language (as applicable).

Disclaimers

- 1.27- Relevant disclaimers
1.28- Details of any actual or possible conflict of interest

Related Parties

- 1.29- Manager / sponsor
1.30- Placement agent / sub-placement agent (if any)
1.31- Custodian / administrative agent / paying agent
1.32- Details of all regulatory approvals received, if a foreign product

Fees

- 1.33- Subscription fees
1.34- Management fee
1.35- Selling or redemption fees
1.36- Performance fees (if any) and hurdle rate
1.37- Details of any other fees

Risks

- 1.38- Disclosure of all material risks

Transparency

- 1.39- Periodic reporting to investors
1.40- Tax implications (if any)

B. Private Placements of Equity or Debt Securities

The minimum information to be included in a private placement offering memorandum is as follows. The offeror must file a summary list with the Authority that shows the page of the offering memorandum that sets out each of these points.

Summary of the Offer

- 1.41- Date of private placement memorandum
1.42- Opening and closing dates of the offer
1.43- Number, type and class of offered and subscribed for securities
1.44- Number, type and class of any similar securities previously issued
1.45- Details of the terms and conditions of the securities including all the rights of the security holders and restrictions on sale or resale
1.46- Details of use of proceeds of offer
1.47- Issue price of the securities
1.48- Total subscription value
1.49- Minimum subscription amount
1.50- Include this statement:

“This document includes information provided in compliance with the Regulations of the Capital Markets Authority (CMA) of Lebanon. The CMA has not reviewed this document and does not accept any responsibility for the content of the information in this document, including the accuracy or completeness of such information and its compliance with the applicable laws and regulations. The liability for the content of the document lies with the issuer of the document and its directors. The CMA has not assessed the suitability of the securities covered by this document for any particular investor or type of investor.”

The Issuer

- 1.51- Official or legal name of the issuer
- 1.52- Name and address of offeror (if not the issuer)
- 1.53- Legal form of issuer
- 1.54- Date and country of incorporation and incorporation number
- 1.55- Date of incorporation
- 1.56- Governing company law
- 1.57- Head office address and (if different) principal business address
- 1.58- Email address and website
- 1.59- List of controllers and percentage of outstanding shares each holds
- 1.60- Names of the members of the board of directors
- 1.61- Name and address of principal bank
- 1.62- Name and address of financial advisors on the offer
- 1.63- Name and address of legal advisors
- 1.64- Name and address of reporting accountants
- 1.65- Name and address of auditors
- 1.66- Details of any conflicts of interest – actual or potential, including:
 - Any financial relationship or arrangements between the issuer and each director, controller and member of senior management of the issuer, or any of their associates.
 - Description of any material interest in any transaction between the issuer and any of its directors, controllers or members of senior management, or any of their associates, including the financial value of each transaction.

The Issuer Business and Finances

- 1.67- Description of the issuer’s business, prospects and business strategy
- 1.68- Description of the issuer's assets, including any security interest that any assets are subject to, and liabilities
- 1.69- Description of the issuer’s capital structure and sources of financing
- 1.70- Description of the issuer’s financial results and its financial position before and after the subscription
- 1.71- Audited financial statements for the past 3 financial years or since the date of incorporation (if less than 3 years)

Target Investors

- 1.72- Classification of investors to whom the offer was made and for which they subscribed
- 1.73- If the disclosure document is in English or French: A statement written in Arabic stating that the subscriber acknowledges that the subscriber understands the English or the French language (as applicable).

Risks

- 1.74- Disclosure of all material risks of the issuer’s business
- 1.75- Disclosure of all material risks of the securities being offered