Become an Member

The Saudi Exchange provides its members with business opportunities that are coupled with state-of-the-art technology and advanced services.

How to Become an Exchange Member

To become a member, a valid license from the Capital Market Authority must be obtained through the following process:

- Submit a written application for admission to the Capital Market Authority (CMA).
- The Applicant should be established in the Kingdom.
- The Applicant must hold a valid license from CMA.
- A legal person that wishes to apply for Derivatives Exchange Membership (an "applicant") must meet the following conditions on an on-going basis.

1. Satisfy one of the following requirements:
a) be an authorized person, authorized by the Authority to conduct dealing activities; or
b) have been designated as an 'exempt' person by the Authority for the purposes of the Securities Business Regulations.

2. Be either a Clearing Member, or a Non-Clearing Member which has entered into a Non-Clearing Member Clearing Agreement with a General Clearing Member in accordance with the Securities Clearing Center Rules.

3. Meet the technical, technological, security, and business continuity requirements determined by the Exchange to ensure that applicants may connect to and, once connected, maintain the integrity and security of the Derivatives Trading System, and receive and transmit orders in compliance with the Capital Market Law, its Implementing Regulations, the Exchange Rules and the relevant laws and regulations.

4. Have in place robust internal risk management systems, internal audit and IT systems updated on an ongoing basis.
5. Have qualified employees with sufficient knowledge, experience, training, and competence to enable applicants to comply with all requirements.

6. Pay any applicable fees."

For more information on Clearing Memberships please visit the
https://www.muqassa.sa/wps/portal/muqassa/home/.
For more details, please refer to the Authorized Persons Regulations outlined by the Capital
Market Authority (CMA) by following the link:
https://cma.org.sa/en/RulesRegulations/Regulations/Documents/AUTHORISED%20PERSON.p
df/.

Step One: Preparation

In this initial step, the member is expected to provide the following:

- A copy of the commercial register, articles of association and CMA license.
- Member location and contact details.
- A letter from the clearing bank of choice.
- The Saudi Exchange will appoint a relationship officer who will lead the membership
  enrollment along with the member. The officer will prepare the overall membership
  enrollment plan within the steps highlighted.

Step Two: Development & Testing

- Testing covers member connectivity through the Order Management System (OMS)
  and/or any other applications or interfaces that may connect to the Saudi Exchange's
  environment.
- To this end, the Saudi Exchange will provide OMS certification scripts so the members
  can start practicing the scenarios and ensure their readiness for final certification.
- The Saudi Exchange provides a fully functional test environment that enables new
  members to rehearse and test all their applications and connections.
- As for the data feed, members have the option to connect directly to the Saudi Exchange
  or through a data provider. If the member decides to receive the feed directly from the
  Saudi Exchange, market data feed testing will be performed.

Step Three: OMS Certification

This phase covers the final technical test by the Saudi Exchange. It is intended to ensure that the member's systems comply with the Saudi Exchange requirements. The OMS system can be obtained from any OMS provider in the market.

Step Four: Final Preparation

After completing technical and business requirements, the Saudi Exchange will complete a security audit, site visit and eventually a sign-off document.

- Security Audit: the member is required to conduct a third-party security audit. The audit can start along with the preparation phase.
- Site Visit: this step is completed after the successful completion of the OMS certification. The Saudi Exchange delegates will visit the member to conduct a physical check of the member's site.
- Tadawul Information License Agreement (TILA): the member must make sure to sign the TILA before going live. Upon request, the member can have a copy of the agreement during the development and testing phase for review.
- Sign-off Document: following the completion of all OMS certification activities, the member must confirm their readiness to launch their business on the Saudi Exchange systems by completing the "Sign-Off" document. The main purpose of this document is to get a formal confirmation from the member to go live.

Step Five: Soft Launch and Go Live

After completing all the Saudi Exchange membership requirements, the newly enrolled member must specify their needs for any backup trade workstation as well as back-office users authorized to operate the backup trade workstation. The member will be required to submit a copy of the CMA Business Commencement Permission Letter to the Saudi Exchange.

For more information on how to Become a Member of the Exchange, please call us at +966 920001919. You may also contact us via email at csc@saudiexchange.sa.