



**THE ALBANIAN FINANCIAL SUPERVISORY AUTHORITY
THE BOARD**

REGULATION

**ON THE CONTENT AND MANNER OF KEEPING THE ORDER BOOK AND
THE BOOK OF TRANSACTIONS**

Adopted upon decision of the Albanian Financial Supervisory Authority No. 115, date
11.09.2008

I General Provisions

**Article 1
Scope**

This regulation defines the content and manner of keeping the order book and the book of transactions, which must be kept by the brokerage companies in relation to securities as hereby referred to in paragraphs 1, 2 and 3 of Article 42 of Law No. 9876, date 21 February 2008 “On securities”.

**Article 2
Definitions**

Terms, as used in this regulation, shall have, if not otherwise defined, the following meaning:

1. “Authority” means the Albanian Financial Supervisory Authority.
2. “Law” means No. 9876, date 21 February 2008 “On securities”.
3. “Brokerage Company” means a brokering company or bank, which has obtained a license from the Albanian Financial Supervisory Authority to carry out security transactions and, which has registered this activity in accordance with the legislation.
4. ‘Client’ means a principal in whose name or for whose account an authorised company conducts one or more transactions in securities.

II Order Book

Article 3

Orders book shall imply a mean a collection of all individual orders accepted by a brokerage company.

Article 4

Content of the Order Book

1) An order book shall contain the data hereunder described in relation to the accepted order:

1. Number in the order book;
2. Type of order (purchase/sale);
3. Date and time (hour and minute) of accepting and exposing the order to the stock exchange's trading system;
4. Duration of order exposure if it shall be specifically defined otherwise;
5. Manner of receiving the order;
6. Name and surname of the person who shall receive the order;
7. Name, surname, address when the principal shall be a natural person and the company name, head office, name and surname of the authorised representative in the case when the principal shall be a legal person;
8. Description of the principal's account;
9. Type and ticker of the security or derivatives;
10. Amount of securities or derivatives;
11. Price, expressed in units:
 - for shares in Albanian Leks,
 - for debt securities as the percentage of their nominal value,
 - for derivatives in Albanian Leks.(the price on the purchase order is expressed as the maximum price the principal is willing to pay, whereas the price on the sell order is expressed as the minimum price the principal is willing to accept to sell securities);
12. A note indicating that the principal is familiar with his rights and duties in the course of the process of arranging and executing securities transactions;
13. Client's status;
14. Term of validity of the order;
15. Data on order modification: date, time and manner of modification;
16. Data on order cancellation: date, time and manner of cancellation, as well as the number of the new order if it has been opened,
17. Description of order status: open, cancelled, executed, partially executed, modified, expired,
18. Information that the transaction in question is a block transaction.

2) In addition to the data referred to in paragraph 1 of this Article, the order book shall contain the data on order execution as follows:

1. Date and time (hour, minute and second) of execution;
2. Stock exchange description;
3. Number of the transaction on the stock exchange;
4. Amount of securities or derivatives in terms of the manner of execution if the order shall be partially executed in several transactions or in a joint exposure of orders;
5. Price;
6. Total value;
7. Total value and the average price of execution;
8. Name and surname of the authorised broker who has executed the transaction.

3) An order book may include other data in addition to the ones set forth in this Regulation.

III Joint order

Article 5

1) When providing services set forth paragraph 3 of Article 42 of the law for a joint order set forth in Article 71 of the law, an authorised company must act in accordance with the Instructions on Executing Joint Orders, as per the attached Annex, which form an integral part of this Regulation.

2) When issuing a joint order for the purchase or sale of securities, an authorised company shall, in addition to the data referred to in Article 4 of this regulation, incorporate the following data in the order book:

1. Data on the clients, for whom the company has issued the joint order,
2. Data on the distribution of acquired or disposed assets to clients,
3. Name and surname of the authorised person who has issued the order.

IV Book of transactions

Article 6

A book of transactions shall include a list of all transactions executed within the framework of the special stock exchange trade.

Article 7

Content of the Book of Transactions

A book of transactions shall contain the following data:

1. Number in the book of transactions;
2. Type of transaction (purchase or sale);
3. Type and ticker of the security;
4. Date and time (hour, minute, second) of the execution;
5. Stock exchange description;
6. Amount of securities in terms of the rate of execution;
7. Price;
8. Total value;
9. Total value and the average price of the execution of the transaction;
10. Number of the transaction on the stock exchange;
11. Name and surname of the authorised broker who has executed the transaction;
12. Expected date of settlement.

Article 8

Manner of keeping the book of transactions

A brokerage company shall, upon the execution of a transaction, without delay enter the data referred to in Article 7 of this regulation in the book of transactions.

V Reporting

Article 9

Reporting to the Authority

A brokerage company shall, upon the execution of a transaction, submit immediately to the Authority a report on the book of orders and a report on the individual orders or, a report on the book of transactions and shall execute this according to the required manner and form.

VI End Provisions

Article 10

Coming into effect

This regulation shall come into effect upon its date of adoption.

Chairperson

Elisabeta GJONI

ANNEX

Instructions for Executing Joint Orders

When managing a securities portfolio for the account of a customer with whom an authorised company has concluded a contract on the management of the securities portfolio, an investment advisor makes decisions about the purchase or sale of securities in/from the customer's portfolio.

In a case where a decision has been made to purchase or sell the same security for several customers, the investment advisor may issue a joint order in accordance with Article 71 of the Law.

A joint order is entered in the order book together with the information indicating that the customer is the authorised company for third parties, and the order is accompanied by a specification of persons for whom the security is being purchased or sold, with the belonging amounts.

Transactions concluded on the basis of a joint order shall be settled at the Albanian Shares Register like other transactions from the market, and shall be allocated to customers' accounts. The Albanian Shares Register will, pursuant to its internal rules, inform customers of the amount and price of purchased or sold securities.

Upon the execution of a joint transaction, the company is obliged to create receivables, i.e. payables to the customer according to the average price of the execution.

In the event when there is an insufficient amount of purchased or sold securities, which is stated in the order, the allocation is made by the authorised company in accordance with the internally chosen method which maximises the equality of all the persons for whom the order has been executed.