

About OTC

What is the OTC Market?

The Over-The-Counter (OTC) Market is an un-organized market specialized in buying and selling securities which are unlisted at the Amman Stock Exchange (ASE), aims at providing a place and a mechanism to enable those who are interested in such securities to sell and buy them easily and conveniently.

The OTC Inception

The ASE in cooperation with the Jordan Securities Commission (JSC) and the Securities Depository Center (SDC) prepared new Directives, which allow trading at the OTC, and modified the Listing Securities Directives at the ASE in consistence with the establishment of this market; accordingly, the OTC Market is established.

The Aim of its Inception

Giving an opportunity for the shareholders of the unlisted companies and companies that are suspended from trading to sell their shares through an electronic system prepared for this purpose and according to supply and demand forces. Also, enabling investors who interested in buying the shares of these companies. Note that the trades of the OTC Market will be independent from trades of the ASE organized markets and will not affect the ASE calculated indices as well.

Companies Allowed to be traded in the OTC Market (OTC-Traded companies)

- Companies that were delisted from the ASE and still registered at the Ministry of Trade and Industry's records.
- Newly established Private or Public Shareholding Companies.
- Companies which have never been listed at the ASE.
- Listed companies which are suspended from trading on the organized market, and are

temporarily transferred to be traded in the OTC market.

Transparency and Disclosure

OTC-Traded companies should disclose the following data:

- Annual Reports.
- Semi Annual Reports.
- Information and decisions passed by them, which might affect the price of the share.
- The agenda of their general assembly meetings and the decisions passed by them.
- Any information or statements deemed necessary by the ASE.

Cases of Suspension from Trading

Trading in securities in this market shall be suspended in the following cases:

- All cases determined by the JSC.
- All cases determined by the ASE.
- Voluntary Liquidation.
- Compulsory Liquidation
- Changing the legal status of the company, or written it off from the Ministry of Industry and Trade's records.
- Capital reduction.
- Merging.

Transferring the OTC-Traded Securities to the ASE's Organized Markets

The OTC-Traded securities shall be transferred from the OTC Market to the ASE's organized markets in the two following cases:

- Demising the Reasons of suspension from trading in the organized market and a period not less than three month should have been elapsed from its trading in the (OTC) market.
- After the company fulfilling the listing conditions in the organized market.

Price Thresholds

The OTC Securities are permitted to trade within (+ 10%) thresholds of the reference price.

Source URI:

<http://www.exchange.jo/en/print/pdf/node/2608>