

# Block Trades at ASE

## ?- Block Trades

Block Trade: Trading between two Brokers or through one Broker to buy and sell a security in one lot outside the central order book, upon the written authorization of the client, provided that the market value of the single contract does not fall short of the minimum set by the Board of directors for such security and the price of the block trade falls within the allowed minimum and maximum thresholds which are set by the Board of directors for such security.<sup>1</sup>

### 1- Block Trades Conditions:

Stock Markets	First	Second	Third
Minimum Value <sup>2</sup>		200,000 JD	
Price Thresholds <sup>3</sup>	±7.5% of the last traded price		±5% of the last traded price
Execution Time <sup>4</sup>		12:30 - 12:45	

### 2- Supporting documents that should be submitted to the ASE:

- a. Written authorization of the client to buy/sell a security.
- b. Statement of client's (seller) account at the same block execution date that issued by Securities Depository Center.<sup>5</sup>
- c. Certificate of registration which includes the names of authorized persons to sign on behalf of the client, if the client is a legal person.
- d. Prior written approval of the official parties - whenever it deems necessary-.

### 3- Trading Commissions for Block Trades:

Trading Commissions for block trades are calculated based on same percentage stipulated at the following link:[www.exchange.jo/en/trading-commissions](http://www.exchange.jo/en/trading-commissions)

4- The brokers must inform and provide the ASE with the all supporting documents before at least one hour from the execution time.

## II- Block trades excluded from price threshold:

Block Trades may be excluded from price threshold allowed for the block trade under the decision of the Board of directors in any of the following cases:-<sup>6</sup>

- If the Government or any public institution is a party of such block trades.
- If the market capitalization of the block trade is not less than five hundred thousand (500,000) JD.<sup>7</sup>
- Any other case approved by the Board of Directors if convinced that the transaction reflects the will of two parties to execute the block trade at the requested price.

1. Each broker should present a written request to the Board of Directors for excluding the block from the allowed price threshold, which contains details and justifications of the exception, in addition to all the supporting documents.

2. The exception request is then submitted to the Board of Directors at their next meeting for the sake of accepting or rejecting the request, the ASE shall notify the involved brokers of the decision, and in case of acceptance, the brokers should execute the block as soon as possible.

3. The ASE enters buy and sell orders into the ETS on behalf of the broker upon the broker's written authorization .<sup>8</sup>

4. The ASE enters the orders during the specific times set for executing the block trades.

5. Commissions shall be calculated at either the execution price or the closing price of the relevant security on the execution day, whichever is higher.<sup>9</sup>

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(1): Article (2) from Trading Directive of the Amman Stock Exchange.

(2): Board of Directors decision number (61/2013), dated on 23/9/2013.

(3): Board of Directors decision number (33/2012), dated on 30/9/2012.

(4): Board of Directors decision number (47/2014), dated on 17/9/2014.

(5): Board of Directors decision number (33/2007), dated on 17/7/2007.

(6): Article (35) from Trading Directive of the Amman Stock Exchange.

(7): Board of Directors decision number (21/2015), dated on 26/3/2015.

(8): Article (20) from Trading Directive of the Amman Stock Exchange.

(9): Article (35) from Trading Directive of the Amman Stock Exchange.

Source URI:

<http://www.exchange.jo/en/print/pdf/node/986>