

Guarantees of Applying Disclosure and Transparency on the Companies Listed in the Saudi Capital Market

Hani Mohamed Moanes

Hani.hammad@nbu.edu.sa

Associate professor, Department of Law, College of Business Administration,
Northern Border University, Saudi Arabia
<https://orcid.org/0000-0001-5661-3920>

Abstract:-

By explaining the essence of corporate governance as well as disclosure and transparency, the study examined the guarantees of applying disclosure and transparency to firms listed on the Saudi stock exchange. The research also addressed the disclosure and transparency duties of firms listed on the Saudi stock exchange. Finance to prepare a prospectus, as the Capital Market Authority's regulations required that the prospectus includes information that enables the investor in securities to make his investment decision based on real foundations based on the issuing company's financial position and to ensure that companies fulfill that disclosure in the prospectus. Firms who fail to disclose are required by law to do so, and the Capital Market Authority's laws mandate companies listed on the financial market to regularly report fundamental events linked to the issuer or the securities issued by it. The Capital Market Authority must make it available to the public dealing with the business issuing the securities, and The Capital Market Authority's Law and Regulations have imposed fines on corporations that do not comply with disclosure and make the Board of Director's report available. The research focused on activities that the legislator deemed to be a breach of the obligation of openness, such as the danger of many measures aimed at ensuring the impartiality and transparency of trading in the Saudi financial market, as well as the absence of conflicts of interest. The research also addressed the sanctions imposed on The source for failing to meet the obligation of disclosure and openness, as well as the mechanisms of compensating persons harmed by the failure to meet that responsibility.

Keywords:

Commercial Companies, The Saudi Stock Exchange, Corporate Governance, Disclosure, Transparency

1. Introduction

The most important feature of a joint-stock company is the tradability of shares, and there is no doubt that the investor who makes its decision to buy shares in one company over the other must study the financial situation of the company so that its decision to invest is informed and not adventurous, and this does not mean that the condition of the investor's knowledge of the financial position is a starting condition, but rather a condition of continuation, as the investor must always be aware of the developments in the company's financial situation until its decision to continue investing in the company or offering its shares for trading; stems from real knowledge of the company's financial position, the source of which is the security, for the

above and as a result of the financial crises that affected the economies of several countries, countries have begun to address the deteriorating economic conditions that have befallen their economy, and among the solutions that have become clear to be applied is the necessity of disclosing the company's financial position and the need to establish the Administration of companies on the principle of transparency in their dealings. The Saudi legislator was not far from that development in the global trend towards reforming the economies of countries. We find that the Saudi legislator set the necessary controls for disclosure and transparency in accordance with the Capital Market Law issued by Royal Decree No. M/30 dated 31/ 07 / 2003 AD, as amended by Royal Decree No. (M/16) dated 18/ 09/ 2019 AD, as well as the Corporate Governance Regulations issued by the Board of the Saudi Capital Market Authority pursuant to Resolution No. (8-16-2017) dated 13/ 02/ 2017 AD, as amended by the Saudi Capital Market Authority Council's Resolution No. 1-7-2021 dated 14/ 01/ 2021 AD. Whereas, the aforementioned regulation dealt with the controls for applying disclosure and transparency through five articles dealing with disclosure policies, the Board of Directors' report, the Audit Committee's report, and the disclosure of Board members and To disclose the remuneration, as well as the rules for offering securities and continuing obligations issued by the Saudi Capital Market Authority Board pursuant to Resolution No. 3-123-2017 dated 27/ 12/ 2017 AD, as amended by Saudi Capital Market Authority Board Resolution No. 1-7-2021 dated 14/ 01 / 2021 AD.

2. The Nature and Significance of Disclosure and Transparency:

Before we go into the meaning of disclosure and transparency, it's important to understand what we mean by corporate governance, because disclosure and transparency are two of the principles of corporate governance. Globally, the Organization for Economic Cooperation and Development (OECD) addressed the issue of disclosure and transparency by issuing a document concerned with the principles of corporate governance in 1999 AD, which includes the principle of disclosure and transparency in the fourth principle, in addition to other principles (shareholder rights - equal treatment of shareholders - the role of stakeholders - and the responsibilities of the board of directors). Nationally, we find that the Saudi legislator dealt with the regulation of the principle of disclosure and transparency within the principles addressed by the corporate governance regulation¹.

2.1. Definition of Corporate Governance:

The International Finance Corporation (IFR) defines governance as "the system through which companies are managed and their business is controlled,"² and the Organization for Economic Co-operation and Development (OECD) defined it as "a set of relationships among those in charge of the company's management, the board of directors, shareholders and other shareholders,"³ and it means corporate governance. Contribution to ensure a minimum of interlocking

relationships governing companies that have shareholders, with the aim of good management of these companies, which leads to the shareholders' reassurance of their investments, progress of work performance, and society benefits from companies⁴, meaning that governance aims to clarify how the relationship between the company's parties is organized, and thus put Methods for addressing corporate behavior to achieve those objectives.

2.2. Definition of Disclosure and Transparency:

Disclosure in the financial markets is defined as "a procedure through which the company communicates with the outside world, and that the final outcome of disclosure is the financial statements, data, and information that appear through them. It means that the financial reports include fairness and clarity of reliable information and that the company's financial statements show all the main information that concerns the external groups of the company, and which helps it to make its economic decisions towards the company in a realistic and real way."⁵ Others defined it as presenting important information to investors, shareholders, creditors, and others in a way that allows prediction of the company's ability to achieve profits in the future and its ability to pay its obligations⁶.

Transparency in the capital markets means "joint-stock companies with a public subscription to provide information and data related to their activities and put them at the disposal of shareholders and stakeholders, and to provide an opportunity for those who want to see them and not to withhold information, except for those that would harm the company's interests, in which case it may keep it confidential, such as Industry secrets, relationships with suppliers, and so on,⁷ and therefore transparency means that the company or entity provides information and data related to its activities and puts them at the disposal of shareholders, shareholders and dealers in the market for those who want to see them and not withhold the information, with the exception of what may harm the interests of the company. It may keep its confidentiality, provided that This information and data shall express the true and realistic position of the company.⁸ The principle of transparency does not mean the right of shareholders and dealers in the stock market to have access to all the information and data of the company.⁹

Clause D of Paragraph E of Article 34 of the Rules on Offer of Securities and Continuing Obligations¹⁰ referred to the right of the listed company to keep confidential information that must be disclosed by stating that "If the issuer considers that disclosure of a matter that must be disclosed under these rules can be lead to undue harm, and it is unlikely that a failure to disclose such matter will mislead investors as to the facts and circumstances of which knowledge is necessary for the valuation of the relevant securities, the issuer may apply for exemption from this. To submit to the Authority in strict confidence a statement of the required information and the reasons for not disclosing that information at that time. The Authority may approve or reject the exemption request, provided that if the Authority approves the request, it may at any time obligate the source to announce any information related to the relevant exemption.

2.3. The Significance of Disclosure and Transparency:

The significance of disclosure and transparency for listed companies lies in publishing financial reports and information that must be disclosed, in order for the investor to be sufficiently familiar with the information related to companies listed in the capital markets and to be able to take the appropriate decision. The importance of disclosure and

transparency increases in the process of disclosing information (financial and non-financial) of interest to investors, and accounting disclosure is the spirit of any financial market and the basis for its success. Accounting disclosure is achieved if there is an atmosphere of confidence between dealers in the financial markets.¹¹

The principle of transparency and disclosure is considered the pivot upon which the work of the regulatory bodies of the financial markets is based and the effective performance of these markets is achieved. Improving levels of transparency and disclosure would reduce risk levels and price securities according to their fair prices.¹²

On the other hand, the proper application of the rules of disclosure and transparency would have a great impact on the economies of the companies listed in the capital markets.¹³ Considering that the American Financial Markets are considered the largest financial market in the world, studies have concluded that the inclusion of companies' shares in the American Financial Markets increases such companies' capital in their local markets in their country¹⁴, and the reason for this is due to the disclosure and transparency requirements required by the American Capital Markets, and therefore adherence to the highest standards of disclosure and transparency would affect the capital of the issuing companies, whether in the financial market in which the shares are listed or in others.

3. The Role of the Capital Market Authority of Saudi Arabia in Implementing Disclosure and Transparency.

The supervisory role of the Capital Market Authority is of great importance in the field of securities trading, due to its consequences that greatly affect the increase or decrease of the movement of shares trading in the Stock Market on one hand, and on the other hand, this information has a clear impact on the decisions taken by those working in the field of buying and selling shares¹⁵, as the bodies supervising financial markets are the responsible authority in many countries of the world for supervising, following up and regulating financial markets.

Most countries of the world are interested in financial markets as they are an accurate and sensitive indicator of the health of the national economy. Besides, no financial market can grow and prosper except by developing investor confidence in the data and information it provides consistently with their decisions, which can only be achieved by increasing the level of transparency and the presence of accounting disclosure that achieves an atmosphere of trust between dealers, through the authority concerned with market development, following up on the financial statements of companies dealing in the market, and working to improve the level of disclosure. As well as obligating companies to provide correct information at a reasonable time for investors and during the specified period of time for companies to release this information, to help them make the right decision and create a kind of justice for all investors.¹

By determining the quality of the information that will be provided and imposing its dissemination, the Capital Market Authority contributes to providing a stimulating environment for making the right investment decision and protecting investors from the risks of making investment decisions that are not based on correct information, or that are based on misleading or incomplete information.²

The Committee for Resolution of Securities Disputes indicated in a ruling issued by its appeal committee that "dealing in the market must be in accordance with the Capital Market Law and its Executive

Regulations, and that the operations carried out under it are intended for themselves and not intended to manipulate or mislead, and those operations should not be carried out with the intention of reaping an illegal personal benefit, which causes harm to others and gives an unrealistic perception of stock trading operations, which negatively affects traders and affects the demand price and fair supply in the market.³

Some argue that the Authority is responsible for monitoring and following up on the disclosure of data and information by financial institutions, and the validity of this information and data. Therefore, the Authority is responsible for the correctness of the information announced by those financial institutions listed in the stock market to the public, as long as it is under the responsibility of supervising the information submitted to it, during the implementation of the financial institutions, their obligation to submit their financial statements to the Authority.⁴

The supervisory role of the Authority is not limited to the role of supervising and controlling the operations of trading in listed securities, nor to receiving information and data only from the issuing authorities, but also to examine the correctness of the information and statements of the information and data sources to it, which will greatly help in the stability of the stock market, as this leads to the Monitoring Agencies' assurance that the reports and data presented conform to the truth and express the company's true position,⁵ which will certainly have an effect on the investor in the stock market in making his decision, in light of the disclosed information guaranteed by the Authority.

Although the text of Paragraph A of Article 48 of the Capital Market Law authorizes the Authority to issue disclosure forms and instructions and the information contained in the prospectuses, as its text states that "A. The Authority shall specify forms and instructions for disclosure, including the information that must be included in prospectuses and periodic reports, which entities subject to the Authority's control and supervision must provide to the Authority, or announce it to the public, as the case may be." However, Paragraph B of Article 48 of the Capital Market Law stipulates that the Authority shall not bear any responsibility that may result from incorrect or incomplete information disclosed, as the text states that "B. The Authority shall not bear any responsibility for the fact that prospectuses, periodic reports, advertisements or documents filed with the Authority by any party do not include any important information or data, or that they contain misleading information or data."

In addition, Clause 10 of Appendix 8 of the Appendices to the offering regulation obliges the issuer to make an undertaking that the issuer's board members are collectively or individually responsible for the accuracy of the information contained in the prospectus. In addition to a disclaimer of the responsibility of the Authority and the Securities Trading Company, where the text of the undertaking is as follows: "The Authority and the Market⁶ do not bear any responsibility for the contents of this prospectus, do not give assurances regarding its accuracy or completeness, and expressly disclaim any responsibility whatsoever for any loss resulting from what is contained in this prospectus or based on any part of it."

lack or incorrectness of the disclosed information, despite its supervisory authority over the companies listed in the Capital Market. In spite of this, we find that the Capital Market Law made it possible to claim those affected by the violation of the provisions of the Financial Market Law and the regulations issued by the Authority through what

was stipulated in Paragraph D Article 59 of the Capital Market Law, through compensation from funds designated for compensation, and the main resource for compensation is the financial fines imposed on violators.

4. The Legal System to Ensure the Implementation of Disclosure and Transparency in The Saudi Capital Market

The Capital Market Law established several powers for the Authority to enable it to carry out its tasks and achieve its objectives, which are to regulate and develop the Saudi Stock Exchange, and to protect investors in securities from unusual practices that involve fraud, cheating, manipulation or trading based on inside information. The Authority seeks to achieve fairness, market efficiency and transparency in information related to securities, and to regulate and monitor full disclosure of information related to securities and their issuers. Those powers granted by law to the Authority are: Developing policies and plans, conducting studies, issuing the necessary rules to achieve the Authority's objectives, and issuing the necessary executive regulations to organize the work of the market.⁷

4.1. The Methods of Disclosure Support: -

The Capital Market Authority is working to impose the principle of transparency and disclosure in its implementation regulations through two main tools: the first: the prospectus, and the second: the continuous disclosure obligations for companies.

4.1.1. The Prospectus

The Capital Market Authority requires every company that wants to include its shares for trading to submit a prospectus that includes all the necessary information that enables investors to evaluate the company's activity, assets, liabilities, financial status, expected chances of success, profits, and losses⁸, and the prospectus must include adequate information on the obligations, rights, powers and benefits associated with those securities.

Paragraph A of Article 29 of the issuance regulation stated that "The prospectus must include all the necessary information to enable the investor to evaluate the issuer's activity, assets, liabilities, financial status, management, expected opportunities, profits and losses, and include information on the number and price of securities, and any obligations, rights." Paragraph B of the same article indicated that Appendix No. 9 of the disclosure regulation will clarify the minimum information that must be included in the prospectus.

Appendix (9) of the registration and listing rules specified the minimum information that must be included in the prospectus for the issuance of shares, and Appendix (11) the minimum information that must be included in the prospectus for debt instruments.

The appendix includes much information that must be disclosed, and it can be summarized as follows: -

- The cover page includes a set of information regarding the issuer, such as the date of its establishment, its commercial register, its capital, information about the market and the sector in which the issuer operates, the purpose of the prospectus and the nature of the information contained therein.

- The company directory and it contains contact information for the issuer and its representatives, including their addresses, phone and fax numbers, their e-mails, the issuer's website, information about the issuer, the nature of its business, its organizational structure, and an explanation of allocation of profits policies.
- The offering summary includes all information related to the securities that are the subject of the offering, as well as a notice to targeted investors regarding the importance of reading the full prospectus before making their investment decision.
- A timetable showing the expected dates of the offering, how to submit the subscription application, the issuer's expectation of the receipts from the offering and how those amounts are used.
- A summary of the basic and financial information contained in the prospectus, and a discussion and analysis of the issuer of that information.
- Information related to risk factors, offering and underwriter, post-listing undertakings.
- A set of declarations by the source's board of directors, the report of the chartered accountant, and statements from experts.
- Documents related to the source and available for inspection and their location.⁹

The rules of the issuer's offering in accordance with the first paragraph of Article 33 obligate the publication of the prospectus and to ensure that it is available to the public within a period of no less than 14 days before the start of the offering.

If it becomes clear that the information provided in the prospectus is incorrect or misleading, contains deficiencies, or omits some facts that should be included, then based on the text of Article 55 of the Capital Market Law, the entity that issued the security, its senior executives, members of the issuer's board of directors, the underwriters who offered the security, the accountant, the engineer, the appraiser, and others who were identified in the prospectus, and with their written consent as an authority that certified the accuracy of the information contained in the prospectus and ensured its correctness, are all responsible for compensating the person who purchased the security subject of the prospectus for the damage it sustained as a result. We also do not neglect the responsibility of the financial advisor who reviewed the prospectus before it was handed over to the Authority, as the issuance regulation requires the submission of a declaration from the financial advisor, which is Appendix No. 16, which states that the advisor has reviewed the issuance regulation and that it is in accordance with the information required by the Authority.

In application of this, a case was submitted to the Committee for Resolution of Securities Disputes regarding the inclusion in the prospectus of incorrect information, which contributed to creating an impression among the public regarding the value of the share, as it ruled that "it was also proven to the adjudication committee that the decrease in the value of the defendant company during the period following the initial public offering phase was a result of the actions and behaviors of the defendant, in which it was evident that their will to include in the prospectus these incorrect financial statements, which shows the financial position of the defendant company contrary to the truth,

This resulted in a high valuation of the respondent company's share price during the initial public offering phase with their knowledge or the possibility of their knowledge of these violations, and this mistake caused harm to the plaintiff as evidenced by his portfolio account statement, represented in a decrease in the value of his shares in the defendant company, as the defendant's practices in that decision constituted a conviction by the plaintiff of the feasibility of subscription to the shares in question, and created an incorrect impression about the financial position of the defendant company during that period, with which the causal relationship between that mistake and the alleged damage would be achieved.¹⁰

4.1.2 Ongoing Disclosure Obligations for Companies:

In addition to the disclosure related to the prospectus, the Capital Market Authority imposed ongoing disclosure obligations on all issuing companies after their listing as long as trading continues. If they violate or fail to do so, they shall be subject to penalties that vary according to the immensity of the violation. Those obligations were contained in Chapter One, entitled Disclosure, from Section VII, entitled Ongoing Obligations from the Rules for Offering Securities and Ongoing Obligations. The ongoing disclosure obligations of companies revolve around three main axes:

4.1.2.1 Disclosure of Material Developments:

Material developments in Article 61 of the Rules for Offering Securities and Ongoing Obligations are defined as any developments that may affect the company's assets or liabilities, its financial position, or the mainstream of business of the company or its subsidiaries. The developments required to be disclosed here shall be conditional on leading to a change in the price of the listed securities or having a noticeable impact on the issuer's ability to meet its obligations related to debt instruments. If these developments materialize and are likely to have a noticeable impact on the price of the securities or on the issuer's ability to meet the debt instruments it is obligated to, the issuer shall disclose these developments to the Authority and the public. The standard that the rules followed to judge the extent to which developments are considered may lead to a change in the price of securities or affect the ability of the issuer shall be the standard of the prudent investor in the field of securities, based on paragraph (E) of Article 61 of the Rules for Offering Securities and Ongoing Obligations.

Committee for Resolution of Securities Dispute defined the public referred to in paragraph (A) of Article 50 of the Capital Market Law as "the general traders in the capital market, and the presence of information with a number of people does not change this, as the information remains absent from all traders, and the company has not announced it in a regular manner¹¹."

Article 62 of the Rules for Offering Securities and Ongoing Obligations also referred to specific events that shall be disclosed, whether those changes are material according to the concept contained in Article 61, or if those changes are, and consequently, outside the concept of Article 61, and those changes are as follows:

- A. The increase or decrease in the issuer's net assets or profits equal to or more than 10% according to the latest financial statements, as well as any transaction to buy, sell, mortgage, or lease an asset at a price equal to or more than 10% of the issuer's net assets, or any indebtedness outside the issuer's ordinary course of business in an amount equal to or more than 10% of the issuer's net assets, or any losses equal to or greater than 10% of the issuer's net assets.

- B. Changes in the issuer's Chief Executive Officer or any change in the composition of the members of its Board of Directors, the Audit Committee, the Chartered Accountant, the Articles of Association of the Company or the Head Office, as well as any change in the issued capital, decisions or recommendations regarding non-distribution of dividends, the invitation to convene the ordinary and extraordinary General Assembly and the results of that meeting.
- C. Changes related to the issuer's activity, such as the availability of materials used for manufacturing, or any interruption in any of the issuer's basic activities.
- D. Judicial proceedings, the issuer entering into mediation regarding a dispute, arbitration, the issuance of a court ruling against the Board of Directors or a member of the Board of Directors, entering into any bankruptcy procedure, or the issuance of a decision, whether consensual or judicial, to dissolve and liquidate the company.

4.1.2.2 Disclosure of Financial Information:

Article 63 of the Rules for Offering Securities and Ongoing Obligations obligated the issuer of the security to announce, through electronic channels established by the Market, its annual financial statements and its preliminary financial statements for the first, second and third quarters of its fiscal year to the Authority and the public immediately after approval and before its publication to shareholders or third parties.

The rules obligated the issuer to prepare the financial statements in accordance with the accounting and auditing standards approved by the Saudi Organization for Certified Public Accountants, and to disclose them to the public within a period not exceeding (30) days from the end of the financial period covered by those statements. As for the annual financial statements, the issuer shall disclose them to the public within not more than three months from the end of the annual financial period.

The regulation also stipulated that the certified accountant who reviews the financial statements of the issuer shall be registered with the Capital Market Authority.

4.1.2.3 Report of the Board of Directors:

The report of the Board of Directors is considered one of the most important documents that the investor audience is looking for in order to know all the information related to the issuer's securities¹², as the Board of Directors' report includes a presentation of its work during the last fiscal year¹³, and all the factors affecting the company's business.

The Rules for Offering Securities shall also obligate the issuer to provide the Authority and disclose to shareholders, within a period not exceeding three months from the end of the annual financial period, a report issued by the Board of Directors that includes a presentation of the company's operations during the financial year, and the factors affecting the company's business that help the investor in evaluating the company's assets, liabilities, and its financial condition. Article 90 of the Corporate Governance Regulations¹⁴ identified the main points that shall be included in the report, including the following:

- A. A description of the issuer's important plans and decisions, the future expectations of its business, the operational and financial risks it threatens, and the provisions of the Corporate Governance Regulations that have been applied and what have not been applied.
- B. The names of the members of the Board of Directors, the companies inside or outside the Kingdom in which the board member is a member of their Boards of Directors, the

remunerations of the members of the Board of Directors, and the Executive Management.

- C. A summary in the form of a table or a graph of the issuer's assets, liabilities, and results of its activities in the last five fiscal years.
- D. The name of each company affiliated with the issuer, its capital, the issuer's ownership percentage in it, and details of the shares and debt instruments issued by it.
- E. Information related to any loans on the issuer and a statement of the total indebtedness of the issuer and its subsidiaries and any amounts paid by the issuer in repayment of loans.
- F. Information related to any business or contracts to which the issuer, a member of its Board of Directors, its financial manager, or its Chief Executive Officer, is a party, and the nature, conditions, and duration of these contracts.
- G. A statement of the value of the regular payments due for the payment of any zakat, taxes, fees, or any other entitlements, with a brief description of them and a statement of their reasons.

4.2 Transparency Support Images:

The Capital Market Law and the regulations issued by the Capital Market Authority shall prohibit many behaviors and acts that aim primarily to ensure justice and equality among the public dealing in the Capital Market. This prohibition shall aim to support transparency, which shall be the main feature of the Capital Market.

4.2.1 Prohibition of Disclosing Information:

Article 28 of the Capital Market Law shall prohibit the employees of the Market, the Depository, the Clearing Center, the independent auditors, and advisors and experts in them, from disclosing any information about the owners of securities, except in the cases specified by the rules issued by the Market, the Depository Center or the Clearing Center.

Article 17 of the Capital Market Law stipulates the confidentiality of undisclosed information obtained by the Authority. The law shall grant the Authority's Board the right to disclose any confidential information as it deems necessary to protect investors.

4.2.2 Obliging the Authority's Employees to Disclose the Securities at Their Disposal:

Article 8 of the Capital Market Law shall obligate the Authority's employees or members of the Authority's Board of Directors to disclose to the Authority the securities owned by it or at its disposal, or at the disposal of one of its relatives, as well as to disclose any change that occurs thereafter to those securities within three days from the date of its becoming aware of the change.

4.2.3 Prohibition of Manipulation and Fraud:

According to Article 49 of the Capital Market Law, the Saudi legislator considered it a violation of the procedure that gives an incorrect or misleading impression regarding the value of any security. The intent of creating that impression shall be to motivate others to buy, sell, subscribe to that security, refrain from it, or to urge the owners of those securities to exercise any of the rights granted to them by that security or to refrain from exercising the powers or rights granted to them by that security.

In this regard, the Appeal Committee for Resolution of Securities Disputes ruled that "the basis for criminalizing the behavior and being a violation of Article 49 of the Capital Market Law and Articles 2 and 3 of

the Market Conduct Regulations shall be to influence the share price, without regard to the result of the effect, up or down, looking at the quantities of orders and prices entered and their impact, whether those orders have made profits or not, or the size of the investment portfolio. In addition, the presence of fully or partially executed purchase orders shall not negate the intention to influence the stock or the intention to support, considering that the lesson is to look at the overall behavior, its consequences, and its nature. The safety from violation in some transactions does not imprint that characteristic on the rest of the violating transactions, so it does not go beyond the scope of illegal transactions. Also, the lesson in the violation is the presence of violating trades that were proven to have been carried out by the accused without considering what those trades represent and their percentage of its total trades¹⁵.”

Therefore, the essence of the material element of this violation is the behaviors that target the result of it with the intention of affecting the share price, whether that effect leads to the increase or decrease of the share value.

Paragraph (E) of Article 49 listed the actions or behaviors that might give rise to such a false impression and that lead to a lack of transparency in the Market, given that such systematic actions or behaviors would suggest the existence of an active dealing or reluctance to trade in that security that is intended to be manipulated and defrauded.

In this regard, the Appeal Committee for Resolution of Securities Disputes ruled that “Article 49 of the Capital Market Law is a general legal rule that includes all practices that involve fraud without specifying the nature of this practice when it is intended to defraud and mislead¹⁶.”

It also ruled that “Paragraph (A) of Article 49 of the Capital Market Law considers any procedure that creates an incorrect or misleading impression in which the elements of violation are met, whether this procedure is single or multiple during a period of time, aiming in its entirety to achieve one result, which is to create an incorrect or misleading impression regarding a specific security¹⁷.”

4-2-4- Banning Insider Trading:

Article 50 of the Capital Market Law shall ban any person who, by virtue of a family, business or contractual relationship, obtains inside information from trading directly or indirectly on the security to which that information relates.

Article 50 of the Capital Market Law also shall ban the insider from disclosing that information to another person, if he expects that the person to whom he has disclosed may trade on that security.

The first paragraph of Article 50 of the Capital Market Law shall define inside information as information obtained by an insider that is not available to the general public, and has not been announced, and that the average person, given the nature and content of such information, believes that it shall have a fundamental impact on the price of the security.

The Committee for the Resolution of Securities Disputes determined the time range for describing the information as being internal, as it ruled in one of its decisions that “the scope of protection for inside information in terms of time extends from the moment the insider obtains the information until it is announced to all traders in the capital market.”¹⁸ In this regard, the Appeal Committee for Resolution of Securities Disputes ruled that “it is required for the description of material information to fulfill all the conditions stipulated in Paragraph

(a) of Article 50 of the Capital Market Law and Paragraph (c) of Article 4 of the Market Conduct Regulations, from as it is related to a security, that it is not announced and made available to the general public on the dates when the violating trades were made, and that its announcement shall fundamentally affect the share price or its value from the perspective of the average person.”¹⁶

The Appeal Committee for Resolution of Securities Disputes also ruled that “the basis for criminalizing behavior and considering it as a violation of Article 50 of the Capital Market Law is the insider trading in order to benefit from it before it is announced and made available to the general public without regard to the amount of violating trades.”¹⁷

The basic criterion for criminalization regarding the violation of banning insider trading is that the motive for trading is disclosed information to the general public. The information is deemed inside information from the moment the person who is supposed to keep it confidential becomes aware of it until it is released to the general public, regardless of the volume of transactions or the profits obtained from trading based on the inside information. Where the Committee for Resolution of Securities Disputes ruled that “violations of insider trading occur by simply buying shares, or giving an unexecuted order based on this material information that was not announced to the general public, and does not require selling, or reaching a certain volume of trading, or profits until the violation terms and elements are completed”.¹⁸

Contrary to the violation under Article 28 of the Capital Market Law related to the banning of disclosing information, the violation of insider trading is considered as a general crime, i.e. the perpetrator shall be punished, whether he is an employee in the market, the depository center, the clearing center or one of the independent auditors, consultants, experts or any other person, whether in the Authority or any of the centers.

The purpose of the ban contained in that article is, of course, to provide (the insider) with an unavailable advantage to the general public, because if it were not for the inside information of the insider - whether by virtue of a family, business or contractual relationship - he would not have proceeded to trade the security. In fact, this violation infringes the transparency principle that the market shall possess.

In this regard, the Appeal Committee for Resolution of Securities Disputes ruled that “a violation of insider trading in accordance with Article 50 of the Capital Market Law and Article 6 of the Market Conduct Regulations necessitates that the accused shall possess a specific quality, which is to be an insider with inside information available to him. That information shall meet the regulatory conditions, namely, that it shall be not available to the general public, have not been announced, and that the average person understands, given the nature and content of that information, that its announcement and availability shall have a material impact on the price of the security or the value to which that information relates. The insider also knows that they are not available in general because if they were so, they would have had a material impact on the price of the security, or its value. Two elements are also required: one is material, represented in the accused trading the security related to inside information in accordance with the concept of “trading” mentioned in paragraph (a) of Article 4 of the Market Conduct Regulations, and the second is moral, which is for the accused to know that the information he is trading on, is an inside information. Knowledge

represents the possession of inside information, while the will is to use that information before it is available to the public and announced.”¹⁹

4-2-5- Banning the participation of the Capital Market Authority in activities with the intention of making a profit:

Under Paragraph (B) of Article 4, the Capital Market Law bans the Capital Market Authority from conducting any commercial activity, or having any private interest in any project with the intention of profit, borrowing or lending any money, or acquiring, owning, or issuing any securities to ensure impartiality and integrity of the Authority and the senior management. This ban shall aim to protect transparency by not allowing the Authority to carry out these activities in order to ensure that there shall be no conflict of interest and to emphasize the main objective of establishing the Authority, which is to monitor and control the capital market and not to make a profit. Therefore, this ban shall aim to achieve the impartiality and integrity that shall be in the authority and to keep it away from the suspicion of conflict of interests.

4-2-6- Banning the members and employees of the Authority’s Board and the Executive Director from practicing any other profession:

Article 9 of the Capital Market Law shall ban the members and employees of the Authority’s Board from practicing any profession or other work, whether working for a public or private company or organization, or for the government. Article 9 shall also ban the members and employees of the Authority’s Board from applying to companies or private organizations. In the sense of violation, the ban shall not include the commission's provision of advice related to the nature of its work to public institutions and the government.

Article 25 of the Capital Market Law shall also ban the Executive Directors of the Market, the Depository Center, or the Clearing Center from carrying out any other governmental or commercial business, or having an interest with any of the members of the Market, the Depository Center, or the Clearing Center.

This ban shall also aim to support transparency practices in the Saudi capital market and protect impartiality in dealing with all companies listed in it.

4-2-7- Declaring a material fact or omitting a fact that leads to misleading the public:

Article 56 of the Capital Market Law stipulates that any person who issues or is responsible for another person who issues, orally or in writing, an incorrect statement related to a material fact, or omits declaring data related to that fact shall bear the full responsibility if this results in misleading another person to buy or sell a security. That person shall also be responsible for compensating the aggrieved party for the material losses that resulted from declaring or not declaring those facts. In fact, this violation shall also infringe the transparency principle that the market shall possess, because disclosing or hiding material information is closely related to the transparency that the market shall possess.

In this regard, the Appeal Committee for Resolution of Securities Disputes ruled that “According to paragraph (a) of Article (56) of the Capital Market Law, if actions that created an incorrect and misleading impression about the value of the security or declaring a material fact resulted in losses to the investor, the compensation for declaring a material fact shall be based on the investor's losses by calculating the

difference between the price actually paid to purchase the security and the value of the security on the date of filing the lawsuit or the price at which the security could have been sold in the market before filing the lawsuit before the committee.”²⁰

5- Controls and mechanisms for applying disclosure and transparency in the Saudi capital market:

Some defined economic crimes as “every act or omission punishable by law and violates the economic policy of the state.”²¹ It is clear from the previous definition that crimes in violation of the rules of governance shall be economic crimes in the first place, since they are not limited to the individual economic interest only, but expand to include public interests, as they are committed by one of the hidden tools or under the veil of commercial, economic and financial organizations, including companies.²²

The material element in corporate governance crimes varies according to the violation committed, while the moral element is represented in the knowledge and will of the perpetrator of the violation. In this regard, the Committee for Resolution of Securities Disputes ruled that “the existence of two elements is necessary to prove a violation of Article 49 of the Capital Market Law and Articles 2 and 3 of the Market Conduct Regulations. One of them is material: It is the accused’s conduct of any manipulative or misleading practices in relation to an order, or a transaction on security. The second is moral: It is represented in the accused’s knowledge, or the possibility of his knowledge of the nature of the manipulative or misleading act or practice, in relation to an order, transaction on security, and his insistence on doing so.”¹⁹

It is also worth noting the authority of the criminal judgment of the civil lawsuit to claim compensation. Where the Appeal Committee for Resolution of Securities Disputes ruled that “if the Committee for Resolution proves the defendants were wrong according to its decision supported by the decision of the Appeal Committee mentioned above, the judge shall convict them of the violations attributed to them of Article (49) of the Capital Market Law, because they made an incorrect impression about the value of the security of Company (A) with the intent of creating that impression and urging others to buy that security during the initial public offering stage. Since this decision has become conclusive, it shall have its authority in this lawsuit in terms of the occurrence of the joint act between the civil and criminal lawsuits, and in the legal description of this act and its attribution to the plaintiff.”²⁰

It should be noted that the determining elements of civil liability to claim compensation are the loss and damage and the causal relationship between them, and therefore it is not necessary for the violator to be convicted in the lawsuit, or the aggrieved person automatically deserves compensation unless he proves the element of the loss occurred to him because of the committed violation under the penal judgment, which its authority is to prove the mistake element of civil liability. In this regard, the Appeal Committee for Resolution of Securities Disputes ruled that “the result shall not one of the moral elements, as the absence of the result shall not affect the completion of the elements of the crime in accordance with the Capital Market Law, as long as the accused acted with the intention of finding that result.”²¹

It also ruled that “the moral element in economic crimes shall be assumed, and the accused shall bear the responsibility of proving the opposite. Also, a violation of the provisions of the Capital Market Law and its Implementing Regulations shall be by any action or procedure

practiced by it in the Capital Market that would create an incorrect or misleading impression regarding the market, prices, or the value of any security. The circumstances surrounding the accused's practices in the market shall be the main criterion in constructing "criminal intent".²²

With regard to trading based on internal information, the committee ruled that "two elements shall be required: one of them is material, which is that the accused shall trade the security related to internal information in accordance with the concept of "trading" contained in paragraph (A) of Article 4 of the Market Conduct Regulations. The second is moral, which is that the accused shall know that the information he is trading on is an inside information, and the realization of this element requires the availability of the general criminal intent with its two elements. Knowledge represents the possession of an inside information, while the will is to use that information before it is available to the public and announced."²³

5.1. Compensation Through Funds: -

Paragraph "D" Article 59 of the Capital Market Law gave the right to The Capital Market Authority to fill a case for Compensation of persons who have suffered damages as a result of committed violations of the provisions of the Capital Market Law, regulations or rules issued by the Authority, or regulations of the market, depository center or Clearinghouse center, as the Authority has the right to establish dedicated funds for compensation, which its resource is from the collected illicit profits made to the Authority's account. Compensation of the affected persons shall be in accordance with a distribution plan to be approved by a decision of the Committee. These funds are subject to the rules and procedures set by the Authority.

Compensation funds are defined as "every system in an Authority, a union, or an association of individuals linked by one profession or business or any other social connection that consists of something other than capital, and is financed by subscriptions or otherwise, with the aim of giving or saving for its members or beneficiaries insurance rights in the form of compensation or Periodic pensions or specific financial benefits²⁴", and it is also known as "a system that undertakes operations to insure risks that are not usually accepted by insurance companies or those that governments practicing themselves."²⁵

Therefore, the compensation funds are considered as a complement to the rules of civil liability or insurance and not a substitute for them. These funds enjoy a reserve capacity in case intervention in compensation when the civil liability and insurance systems are unable to provide a fair compensation to the injured person.²⁴

According to the text of Paragraph "d" of Article 59, the source of funding for these funds is the fines issued against violators and issued judgments by the Committee for the Resolution of Securities Disputes in accordance with Paragraph "b" of Article 59 of the Capital Market Law, provided not to exceed 25,000,000 million Saudi riyals, or whether The decision of the fine was issued by the Capital Market Authority based on its authority according to the text of Paragraph "C" of the Capital Market Law, which gave the Authority the power to impose fines on violators of the provisions of the law and regulations issued by the Capital Market Authority, not exceeding 5,000,000 million Saudi riyals.

5.2: - Compensation from outside the compensation funds: -

Article 55 of the Capital Market Law deals with the compensating of suffered person from practices that are contrary to the duty to disclose by stating that "a- If the prospectus, when approved by the Authority, contained incorrect statements regarding fundamental matters, or omitted to mention essential facts that must be stated in the prospectus, then The person who purchased the security that is the subject of the

prospectus has the right to obtain compensation for the damage caused as a result. The statement or omission is essential for the purposes of this Paragraph if evidence is established before the committee if the investor was aware of the truth when purchasing, this would have an impact on the purchase price.

the following persons take that responsibility. And, accordingly, compensation for it:

1- The entity that issued the security 2- Senior officials of the entity that issued the security 3- The members of the board of directors of the issuer 4- Underwriters who offered the security for the purpose of selling it to the public 5- The accountant, engineer or estimator, and others identified in the prospectus.

Item E of Paragraph (D) of Article 59 of this Law deals with the compensation mechanism, which represents the difference between the price that was actually paid to purchase the security (provided that not to exceed the price at which was offered to the public) and the value of the security on the date of the case, or the price in which the securities could have been disposed of in the market prior to filing the case before the committee, and if the defendant proves that any part of the decrease in the value of the security is due to other reasons not related to the deletion or incorrect information subject of the case, this part must be excluded from the compensation which asks it. The defendants shall be individually and jointly liable for compensation of the damage in accordance with this Article. The amount of compensation shall be subject to the provisions of the contract or agreement concluded between the persons referred to in paragraph (b) of this article, or according to what the committee deems to achieve justice, and does not damage the interests of investors or be contrary to the objectives of this law.

Regarding the mechanism of calculating compensation, the appeal committee for Resolution of Securities Dispute ruled that "taking actions that created an incorrect and misleading impression regarding the value of the security or declaring a material fact resulted in damage to the investor in case the investor subscribed or purchased shares according to misleading information and data in the prospectus and before Announcing the company's first financial results after listing its shares in the financial market:

The first case: the investor retained the shares until the date of filing the case:

Compensation for losses as a result of subscribing or owning the company's shares until the date of announcing the company's first financial statements after listing its shares in the financial market, and this by calculating the difference between the subscription or purchase price (in case the purchase price is less than the subscription price) and the lowest level of fair price that was approved by the resolution Committee and multiplied by the number of shares, and the result is the amount of compensation, with no compensation for the bonus shares, and in case purchasing the shares at a value higher than the subscription value, the subscription price is applied.

The second case: The investor sold the shares before the date of filing the case:

Compensation for losses as a result of subscribing or owning the company's shares until the date of announcing the company's first financial statements after listing its shares in the financial market, considering the subscription or purchase price (in case the purchase price is less than the subscription price) minus the lowest level of the fair price that was approved by the resolution committees, and deducting the result from the selling price average of those sold shares and multiplied by the number of shares. The result is the amount of compensation, with an

adjustment to the selling price average in case there is a stock grant, and not compensated for that grant.²⁵

5.3: The authority of the Capital Market Authority in facing violations of disclosure and transparency through the Committee for the Resolution of Securities Disputes:

Article 59 of the Capital Market Law gave the right to the Capital Market Authority to file a case before the Committee for the Resolution of Securities Disputes against a person who has committed a violation of the provisions of the Capital Market Law, the regulations or rules issued by the Authority, the market regulations, the depository center or the Clearinghouse center.

According to Article 59, the penalties that the Committee for the Resolution of Securities Disputes can apply are as follows:

- 1- Warning the person concerned
- 2- Obligating the person concerned to stop or refrain from carrying out the work that is the subject of the case.
- 3- Obliging the concerned person to take the necessary steps to avoid the occurrence of the violation, or to take the necessary corrective steps to address the consequences of the violation.
- 4- Obligating the violator to pay no more than (triple) of the gains he achieved or triple the losses he avoided as a result of this violation to the Authority's account or compensating the persons who suffered damages as a result of the committed violation.
- 5- Suspending the trading of the security.
- 6- Preventing the violator from practicing Arbitration, managing portfolios, or working as an investment advisor for the period of time necessary for the safety of the market and the protection of investors.
- 7- attachment or execution of property
- 8- Travel ban
- 9- Prohibition of working in entities subject to the supervision of the Authority.
- 10- The Authority may request the Committee to impose a fine on persons responsible for an intended violation of the provisions of the Capital Market Law, the regulations or rules issued by the Authority, or the regulations of the market, the depository center, or the Clearinghouse center, provided that the fine imposed by the Committee does not exceed twenty-five million riyals (25,000,000) for each violation committed by the defendant.

Regarding the compensation mechanism in that case, the appeal committee for Resolution of Securities Dispute ruled that "taking actions that created an incorrect and misleading impression regarding the value of the security or declaring a material fact that resulted in damage to the investor:

Compensation for declaring a material incident caused in damage to the investor, pursuant to Paragraph (a) of Article 56 of the Capital Market Law, shall be the difference between the price actually paid for the purchase of the security and the value of the security on the date of filing the case or the price that could have been disposed of the securities in the market before filing the case before the committee.²⁶

The Appeal Committee for Resolution of Securities Disputes confirmed that the it has the right to rely on any presumption in order to attribute the violation or not, including what was stated in one of its rulings that "It is circumstantial evidence to prove a violation of Article 50 of the Capital Market Law (The very close period of time between the purchase of the company's shares and the meeting of the board of

directors and the disclosure of the information to all investors - the absence of a logical and acceptable justification for the purchase in that period - The absence of a previous purchase of the accused for a long time - it was proven that the timing of the sale of the accused in whom he has a relationship (of any type of relationship referred to in paragraph (b) of Article 4 of the Market Conduct Regulations) with the insider, was before it was presented to the board of directors and before the company announced that information to the general public, which proves that he obtained this information from him - the absence of intensive trading on the company's shares except for the trades subject to the violation - the presence of a number of correspondences and e-mails exchanged between the accused's employer and the company subject of the essential information in question, in which his knowledge was proven based on the nature of his work - that the accused traded in purchase on the company's shares before announcing the essential information, and sold after it was disclosed - contradicting the statements of the accused in the investigations conducted with him regarding the reason for the purchase.²⁷

It was also time that "the proof of the existence of the link between the accused in violating Article 49 of the Capital Market Law is based on several presumptions, including friendship, kinship, and the working relationship between them, and the correspondence of the IP addresses of the investment portfolios belonging to the accused and the investors, the simultaneous commission of the violations that were done by them, and their entry on specific security during a specific period, also the presence of similarity in some of these orders in terms of quantity, price or timing of purchase and sale orders, the harmony of mutual supply and demand between the portfolios they manage, and the exchange of interests stemming from the nature and convergence of the behavior subject of the violation.²⁸

5.4. The Sole Power of the Capital Market Authority Against Violations of Disclosure and Transparency:

Under Paragraph C of Article 59 of the Capital Market Law, the Capital Market Authority has the right to impose the following penalties without resorting to the Committee for the Resolution of Securities Disputes, which are:

1. Warning the concerned person.
2. Obligating the concerned person to take the necessary steps to avoid the occurrence of the violation, or to take the necessary corrective steps to address the consequences of the violation.
3. Imposing a financial fine by the Board of the Capital Market Authority on any person responsible for a violation of the provisions of the Capital Market Law and its implementing regulations, the regulations of the market, the depository center, the clearing center and its rules, provided that the imposed fine does not exceed five million (5,000,000) riyals for each violation committed by the violator.

6. Conclusion:

The research looked at what governance entails and the concepts that govern it. It also addressed the idea of disclosure and transparency, as well as the significance of adhering to it in capital markets generally, and, by extension, the Saudi stock exchange. The research also looked at the Capital Market Authority's role in requiring firms to disclose and be transparent, whether they want to list their stocks on the Saudi stock

exchange or are already listed under what are known as ongoing commitments.

The research examined the legislative structure to guarantee that disclosure and transparency are implemented in the Saudi stock exchange. This is accomplished through the obligations that must be met in order to guarantee the effective implementation of the duty of disclosure. The research also addressed the forbidden behaviors that violate the idea of transparency, which the Saudi stock market must have.

In a similar vein, the study dealt with the controls and mechanisms for applying disclosure and transparency in the Saudi stock exchange, where the study reviewed the penalties that the Capital Market Authority is entitled to impose on violators through the Securities Dispute Resolution Committee, or that it has its signature directly without resorting to the Securities Dispute Resolution Committee.

The study also dealt with ways of compensating those affected by the actions considered by the financial market law as a violation of the obligation of disclosure and transparency, by compensation through/outside compensation funds.

The study concluded that the Capital Market Law and the regulations issued by the Capital Market Authority achieve compliance with the principles of disclosure and transparency and ensure the means through which it can evaluate deviations that may occur in violation of the duties imposed for the application of disclosure and transparency. However, the researcher believes that the Capital Market Authority should not be immunized if it breaches its duties. In the investigation of the correctness and completeness of the information provided to it by the source, because the Authority, when it approved a prospectus or when it was authorized to announce a fundamental change that may in one way or another include incorrect or contradictory information, so you have participated in that deception and the investor trusts in The market represented by the Authority.

Acknowledgment

The author gratefully acknowledge the approval and the support of this research study by Grant No.- 7268-BA-2017-1-8-F from the Deanship of Scientific Research at Northern Border University, Arar, KSA.

References

- [1] ¹ Issued by the Board of the Capital Market Authority pursuant to Resolution No. 8/16/2017 amended by Resolution No. 1/7/2021 dated 14/1/2021 https://cma.org.sa/RulesRegulations/Regulations/Documents/CGRegulations_ar.pdf
- [2] ¹ Alangir, M., 2007, May, Corporate Governance: A Risk Perspective. In Governance and Reform, a conference organized by the Egyptian Banking institute, Cairo (Vol. 227, p. 45).
- [3] ¹ Freeland, C., 2007, May, Basel Committee Guidance on Corporate Governance for Banks. In Corporate Governance and Reform: Paving the Way to Financial Stability and Development, a conference organized by the Egyptian Banking Institute, Cairo, May (pp. 7-8).
- [4] ¹ Castellón, M.A.G., 2021. THE CONCEPT OF CORPORATE GOVERNANCE. Revista Científica "Visión de Futuro", 25(2), pp.178-194.
- [5] DOI: <https://doi.org/10.36995/j.visiondefuturo.2021.25.02R.005.en>
- [6] ¹ Bedford "Extension in Accounting Disclosur Prentice" New Jersey N.M.1973, P. 12-17.
- [7] ¹¹ Mustafa Hassan Bissoni Al-Saadani, The extent to which transparency and disclosure are related to financial reports and corporate governance, Finance and Trade Journal, November 2009, p. 16.
- [8] ¹ Germain, M., 1997. Transparence et information. Petites Affiches, (139), p.16.
- [9] Chung, K.H. and Chuwonganant, C., 2009. Transparency and market quality: Evidence from SuperMontage. Journal of Financial Intermediation, 18(1), pp.93-111
- [10] ¹ Mustafa Hassan Bissoni Al-Saadani, The extent to which transparency and disclosure are related to financial reports and corporate governance, Finance and Trade Journal, November 2009, p. 7.
- [11] ¹ Heurteux, C., 1960. *L'information des actionnaires et des épargnants en droit français et comparé* (Doctoral dissertation, Grenoble)., p.361.
- [12] ¹ Issued by the Board of the Capital Market Authority pursuant to Resolution No. 3-123-2017 dated 12/27/2017 AD, as amended by Resolution No. 1-7-2021 dated 14/1/2021.
- [13] ¹ Muhammad bin Abdullah Al-Ghamlas, The Role of the Capital Market Authority in Hussein Disclosure and Transparency for Saudi Listed Companies, Journal of Accounting Research, Volume 12, Issue One 2013, p. 40.
- [14] ¹ Capital market booklet 6, https://cma.org.sa/Awareness/Publications/booklets/Booklet_6.pdf
- [15] ¹ Martynyshyn, Y., Kukin, I., Khlystun, O., Zrybnieva, I. and Pidlisnyi, Y., 2021. Analysis of the Features of Corporate Governance by the State: Similarity and Difference of Models. International Journal of Computer Science & Network Security, 21(6), pp.29-34.
- [16] <https://doi.org/10.22937/IJCSNS.2021.21.6.6>
- [17] ¹ Bhattacharya, U. and Daouk, H., 2002. The world price of insider trading. The Journal of Finance, 57(1), pp.75-108.
- [18] ¹ Hussein Abdel Muttalib, Mechanisms of Disrupting the Egyptian Stock Exchange for the Development of Savings, Egypt Contemporary Journal, Issue 477/478, p. 551.
- [19] ¹ Muhammad bin Abdullah Al-Ghamlas, op, cit. p.40.
- [20] ¹ Capital market booklet 6, https://cma.org.sa/Awareness/Publications/booklets/Booklet_6.pdf
- [21] ¹ Decision issued by the Securities Dispute Appeal Committee No. 1941/L.S/2020 issued on 7/2/2020
- [22] Decision issued by the Securities Dispute Appeal Committee No. 1050/SY/2016 issued on 12/4/2016
- [23] ¹ Mohamed Ibrahim Moussa, Governance of Companies Listed in the Stock Exchange, New University House, Alexandria, 2010, p. 96.
- [24] ¹ Germain, M., 1997. Transparence et information. Petites Affiches, (139), p.16.
- [25] ¹ The Market Is the Saudi Stock Exchange (Tadawul).
- [26] ¹ Mohamed Abdallah alghimlas, op, cit. p.40.
- [27] ¹ Martynyshyn, Y., Kukin, I., Khlystun, O., Zrybnieva, I. and Pidlisnyi, Y., 2021. Analysis of the Features of Corporate Governance by the State: Similarity and Difference of Models. International Journal of Computer Science & Network Security, 21(6), pp.29-34.
- [28] ¹ Rules On The Offer Of Securities And Continuing Obligations, Annex 9 to 12.
- [29] ¹ Decision issued by the Securities Disputes Appeal Committee No. 1703/SY 2019 issued on 8/5/2019.
- [30] ¹ Decision issued by the Securities Disputes Appeal Committee No. 973/SY/2015 issued on 25/11/2015.
- [31] ¹ Imad Hammadi Al-Bajawi, The Law of the Financial Market, Al-Mutanabbi Library, Riyadh, p. 2019, p. 179.
- [32] ¹ Martynyshyn, Y., Kukin, I., Khlystun, O., Zrybnieva, I. and Pidlisnyi, Y., 2021. Analysis of the Features of Corporate Governance by the State: Similarity and Difference of Models. International Journal of Computer Science & Network Security, 21(6), pp.29-34.
- [33] ¹ Issued by the Board of the Capital Market Authority pursuant to Resolution No. 8/16/2017 amended by Resolution No. 1/7/2021 dated 14/1/2021
- [34] ¹ Decision issued by the Securities Dispute Appeal Committee No. 1900 / L.S./2020 issued on 3/5/2020.
- [35] Decision issued by the Securities Disputes Appeal Committee No. 1788/ L.S/2019 issued on 20/9/2019.
- [36] ¹ Decision issued by the Securities Dispute Appeal Committee No. 1556/ L.S/2018 issued on 26/10/2018.
- [37] Decision issued by the Securities Disputes Appeal Committee No. 955/ L.S /2015 issued on 08/9/2015.
- [38] ¹ Decision issued by the Securities Disputes Appeal Committee No. 533/ LS/2012 issued on 12/8/2012.
- [39] ¹ Decision issued by the Securities Disputes Appeal Committee No. 148/ L.S /2009 issued on 23/6/2009.
- [40] ¹ Decision issued by the Securities Dispute Appeal Committee No. 1487/L. S/2018 issued on 8/8/2018.
- [41] Decision issued by the Securities Dispute Appeal Committee No. 1596/L. S/2018 issued on 18/12/2018.
- [42] ¹ Decision issued by the Securities Dispute Appeal Committee No. 1478/ L.S/2018 issued on 7/29/2018.
- [43] ¹ Decision issued by the Securities Disputes Appeal Committee No. 974/ L.S/2015 issued on 29/11/2015.
- [44] ¹ Decision issued by the Securities Dispute Appeal Committee No. 1646/L.S/2019 issued on 4/2/2019.
- [45] Decision issued by the Securities Disputes Appeal Committee No. 1485/ L.S/2018 issued on 8/8/2018.
- [46] Decision issued by the Securities Dispute Appeal Committee No. 1452/L.S/2018 issued on 12/5/2018.
- [47] ¹ Decision issued by the Securities Dispute Appeal Committee No. 169/SY/2009 issued on 9/13/2009.
- [48] ¹ Abboud Al-Sarraj, Explanation of the Economic Penal Code in Syrian and Comparative Legislation, Damascus University Publications, ed. 2010 pp. 44-45.
- [49] ¹ Gerges Tohme, Crimes that Violate the Rules of Governance, A Comparative Critical Study (Kuwait and Lebanon) Journal of the Kuwait International Law School, Year 9, Issue 3, June 2021, pg. 531.
- [50] ¹ Decision issued by the Securities Dispute Appeal Committee No. 1941/L. S/2020 issued on 7/2/2020.
- [51] Decision issued by the Securities Dispute Appeal Committee No. 1224/ L.S /2017 issued on 10/5/2017.
- [52] Decision issued by the Securities Disputes Appeal Committee No. 1057/ L.S /2016 issued on 4/5/2016.
- [53] ¹ Decision issued by the Securities Dispute Appeal Committee No. 1888 / L.S./2020 issued on 2/3/2020.
- [54] ¹ Decision issued by the Securities Dispute Appeal Committee No. 370/ L.S /2010 issued on 6/8/2011.
- [55] ¹ Decision issued by the Securities Dispute Appeal Committee No. 1872/L. S/2020 issued on 10/2/2020.

- [56] Decision issued by the Securities Dispute Appeal Committee No. 1556 / L.S / 2018 issued on 26/10/2018.
- [57] Decision issued by the Securities Dispute Appeal Committee No. 1611/ L.S /2018 issued on 30/12/2018.
- [58] ¹ Decision issued by the Securities Dispute Appeal Committee No. 1646/L. S/2019 issued on 4/2/2019.
- [59] Decision issued by the Securities Disputes Appeal Committee No. 1485/ L.S /2018 issued on 8/8/2018 .
- [60] Decision issued by the Securities Dispute Appeal Committee No. 1452/L.S/2018 issued on 12/5/2018.
- [61] ¹ Ben Sherif Zouhair, The Role of Compensation Funds in Covering Environmental Pollution Damage, Master Thesis, Faculty of Law, University of Algiers 01, 2015, p. 10.
- [62] ¹ Khaled Mustafa Fahmy, Legal Aspects of Environmental Protection from Pollution in the Light of National Legislation and International Agreements, First Edition, Dar Al Fikr Al Jamia, Alexandria, Egypt, 2011, p. 553.
- [63] ¹ waili Jamal, Legal protection of the marine environment from the dangers of pollution, a comparative study, Ph.D. thesis, University of Tlemcen, 2007, p. 310.
- [64] ¹ Decision issued by the Securities Dispute Appeal Committee No. 1703/SY 2019 for the year 1440AD issued on 8/5/2019.
- [65] ¹ Decision issued by the Securities Dispute Appeal Committee No. 169/SY/2009 issued on 9/13/2009
- [66] ¹ Decision issued by the Securities Disputes Appeal Committee No. 1485/SY/2018 issued on 8/8/2018
- [67] Decision issued by the Securities Dispute Appeal Committee No. 1646/L.S/2019 issued on 4/2/2019.
- [68] Decision issued by the Securities Dispute Appeal Committee No. 1596/SY/2018 issued on 18/12/2018
- [69] ¹ Decision issued by the Securities Dispute Appeal Committee No. 1900 / L.S./2020 issued on 3/5/2020
- [70] Decision issued by the Securities Dispute Appeal Committee No. 1872/L.S/2020 issued on 10/2/2020
- [71] Decision issued by the Securities Disputes Appeal Committee No. 1555/L.S/2018 issued on 26/10/2018
- [72] Decision issued by the Securities Dispute Appeal Committee No. 1194/SY/2017 issued on 1/3/2017
- [73] Behera, Santosh K., Pradeep Kumar, Debi P. Dogra, and Partha P. Roy. "A Robust Biometric Authentication System for Handheld Electronic Devices by Intelligently Combining 3D Finger Motions and Cerebral Responses." *IEEE Transactions on Consumer Electronics* 67, no. 1 (2021): 58-67.
- [74] ¹ Khaled Mustafa Fahmy, Legal Aspects of Environmental Protection from Pollution in the Light of National Legislation and International Agreements, First Edition, Dar Al Fikr Al Jamia, Alexandria, Egypt, 2011, p. 553.
- [75] ¹ waili Jamal, Legal protection of the marine environment from the dangers of pollution, a comparative study, Ph.D. thesis, University of Tlemcen, 2007, p. 310.
- [76] ¹ Decision issued by the Securities Dispute Appeal Committee No. 1703/SY 2019 for the year 1440AD issued on 8/5/2019.
- [77] ¹ Decision issued by the Securities Dispute Appeal Committee No. 169/SY/2009 issued on 9/13/2009
- [78] ¹ Decision issued by the Securities Disputes Appeal Committee No. 1485/SY/2018 issued on 8/8/2018
- [79] Decision issued by the Securities Dispute Appeal Committee No. 1646/L.S/2019 issued on 4/2/2019
- [80] Decision issued by the Securities Dispute Appeal Committee No. 1596/SY/2018 issued on 18/12/2018
- [81] ¹ Decision issued by the Securities Dispute Appeal Committee No. 1900 / L.S./2020 issued on 3/5/2020
- [82] Decision issued by the Securities Dispute Appeal Committee No. 1872/L.S/2020 issued on 10/2/2020
- [83] Decision issued by the Securities Disputes Appeal Committee No. 1555/L.S/2018 issued on 26/10/2018
- [84] Decision issued by the Securities Dispute Appeal Committee No. 1194/SY/2017 issued on 1/3/2017
-