



To: OTC Authorised Traders
From: Market Operations
Date: July 10 2013
Market Circular: **002. NASD Process for Partial dematerialisation of shares**

BEFORE TRADE

1. Broker collects certificate from investor, issues script receipt to investor. Request investor to sign transfer form/Authority to dematerialize.
(Please visit www.nasdaq.com to download the transfer form/ Authority to dematerialize).
2. Broker delivers transfer form/authority to dematerialize and certificate to registrar.
3. Registrar will create a book entry and notify the broker when verification is complete. (Note: verification should take no longer than 48hours. Anything above the specified hours, broker should contact the registrar).
4. Brokers to confirm:
 - a) Security is created in Central securities clearing system (CSCS) and Bulletin Board (BB)
 - If yes, Broker can trade from next Beginning of day (BOD)
 - If no, Broker fills Admission to trade form (NASD form 3). NASD will apply for the shares to be admitted to trade on Bulletin Board (BB).
(Please visit www.nasdaq.com/market/listings/admitted_security, for full instruction on how to admit a new security to trade).
 - b.) Client has investment account at CSCS
 - If yes, instructs registrar to credit clients account with shares
 - If no, Broker applies to create an investment account and instructs registrar when opened

AFTER TRADE

1. NASD issues alert to clients at End of day(EOD)
2. Broker prints trade activity
3. Broker settlement banks is notified on net debit or credit by CSCS
4. Trades are settled in 3days after End of day(EOD)
5. Securities are transferred from seller to buyer at T+3