

## **Fees (Clause 5)**

No.	Types of Fees	Amount
1.	Licence Application	Waiver of fee for the year 2020 until further notice
2.	Licence Renewal	
3.	Application for Approval on Ad-hoc Matters	
4.	Trading on Fusang Exchange	
5.	Application for Listing	
6.	Clearing and Settlement	

## **Exchange Members' Reporting Obligations**

<b>Audited Financial Statements (Clause 7.2)</b>
A Licensee must, within a period not exceeding <b>3 months from the last day of its financial year</b> , submit to Fusang using the specified licensing portal that is made available by Fusang through the Fusang Website or communicating via email to <a href="mailto:onboarding@fusang.co">onboarding@fusang.co</a> its audited financial statements in respect of that financial year.
<b>Notification Requirements (Clause 7.3)</b>
During the validity period of its Licence, a Licensee must immediately notify Fusang using the specified licensing portal that is made available by Fusang through the Fusang Website or communicating via email to <a href="mailto:compliance@fusang.co">compliance@fusang.co</a> of:
i. any change in Control;
ii. any change in its particulars as submitted to Fusang in its initial application for a license, including any change in the Licensees: <ul style="list-style-type: none"><li>• name;</li><li>• directors, partners, Senior Management or substantial shareholders, or in their particulars;</li><li>• business address;</li><li>• share capital;</li><li>• contact information;</li><li>• bank accounts; or</li><li>• auditor;</li></ul>
iii. any event or circumstance which may adversely affect or impair its ability to execute its business plan and strategy as submitted to Fusang;
iv. the commencement or likely commencement of any disciplinary or court proceedings of any nature whatsoever against them;
v. any judgment entered against it;
vi. any breach by it of any applicable law;
vii. any other circumstances or events that may be detrimental to the interest of its clients; and
viii. any other circumstances or events that adversely affect or impair its ability to carry out its obligations as a Licensee, as the case may be.

**Maintenance of Eligibility (Clause 7.4)**

A Licensee must not be:

- i. a resident of, or incorporated under the laws of an Excluded Jurisdiction; and
- ii. otherwise prohibited or restricted from accessing or using the Fusang Exchange.

**Professional Indemnity Insurance (Clause 7.5)**

A Licensee must effect and maintain professional indemnity insurance throughout the validity period of its Licence in the amount specified on the Fusang Website.

**Self-reporting (Clause 7.6)**

A Licensee must:

- i. contact Fusang immediately; and
  - ii. not trade on the Fusang Exchange,
- if it has reason to believe that it has not complied with the Core Principles or is otherwise under an obligation to report to Fusang under these Rules of Exchange.

**Obligations of Trading Agent (Clause 10)****Conduct of Trading Activities**

A Trading Agent and a Trading Participant must:

- i. not trade in Assets that have been suspended;
- ii. not trade with Trading Agents or Trading Participants whose access to the Fusang Exchange has been suspended;
- iii. report all disputes between itself and other Trading Agents or Trading Participants to Fusang; and
- iv. in the case of a Trading Agent that is acting as an agent:
  - take reasonable steps to ensure that it does not make any recommendation to its client, or effect or arrange a discretionary transaction with or for its client, unless the recommendation or transaction is suitable for the client having regard to the facts about the client of which it is, or should reasonably be, aware; and
  - promptly report to Fusang and take all necessary corrective actions if mistakes are made by it during trading on the Fusang Exchange.

**Client Agreements**

- i. A Trading Agent must enter into a legally binding client agreement with its client before dealing with or for that client in respect of the Fusang Exchange.
- ii. A client agreement must in all cases contain:
  - the full name and address of the client and the Trading Agent;
  - a description of the nature of services to be provided to or available to the client;
  - a description of any remuneration (and the basis and means for payment) that is to be paid by the client to the Trading Agent, such as commission, brokerage, and any other fees; and
  - a statement to the effect that in respect of transactions concluded on the Fusang Exchange, these Rules of Exchange apply to every transaction and are binding on both the Trading Agent and its client.

### **Maintenance of Records**

- i. A Trading Agent must keep and maintain all records that are necessary for Fusang to establish an audit trail from the receipt of an Order, through to Matching, expiry or withdrawal of that Order, and if Matched, clearing and settlement of the Matched Order.
- ii. The records referred to in rule 10.3(a) must be maintained for at least six years.

## **Obligations of Listing Sponsors (Clause 13)**

### **Role of Listing Sponsor During Application Process**

- i. An Applicant Issuer must appoint a Listing Sponsor in connection with an application for listing a:
  - A security that it issues as a Financial Instrument; or
  - A virtual asset that it issues as a Virtual Asset.
- ii. A Listing Sponsor appointed pursuant to rule 13.1(a):
  - is responsible for ensuring that:
    - a. a complete and proper application is made to Fusang in accordance with these Rules of Exchange; and
    - b. that the Applicant Issuer complies with these Rules of Exchange; and
  - will be the Applicant Issuer's principal channel of communication with Fusang throughout the application process.

### **Role of Listing Sponsor During Listing**

- i. Unless exempted in writing by Fusang, an Issuer must retain a Listing Sponsor in connection with a Security or virtual asset that it issues while that Security or virtual asset remains a Financial Instrument or Virtual Asset, as the case may be.
- ii. A Listing Sponsor retained in accordance with rule 13.2(a):
  - is responsible for Fusang for ensuring that the Issuer complies with these Rules of Exchange; and
  - will be the Issuer's principal channel of communication with Fusang while the:
    - a. Security in respect of which they are appointed is a Financial Instrument; or
    - b. A virtual asset in respect of which they are appointed is a Virtual Asset, as the case may be.

### **Specific Responsibilities**

A Listing Sponsor must:

- i. Submit on behalf of the Applicant Issuer or the Issuer to Fusang all the information and documents that are required by Fusang to be submitted to Fusang; and
- ii. Ensure that its Issuers pay all applicable fees to Fusang.

### **Direct Communication with the Issuer**

- i. Notwithstanding any other provision of these Rules of Exchange, Fusang may communicate directly with an Applicant Issuer or Issuer, or with any adviser of an Applicant Issuer or Issuer other than a Listing Sponsor, on any matter.
- ii. In the event of communication occurring under rule 13.4(a), an Applicant Issuer or Issuer must ensure that its Listing Sponsor is informed of the communications as soon as practicable thereafter unless directed otherwise by Fusang.
- iii. Nothing in this rule 13.4 detracts from a Listing Sponsor's responsibility and obligations as set out in these Rules of Exchange.