

January 22, 2018

FMDQ/MRG/220118/MB-26

To: ALL MARKET PARTICIPANTS OF FMDQ OTC SECURITIES EXCHANGE

From: MARKET REGULATION GROUP

REVISION OF ASSOCIATE MEMBER (INTER-DEALER BROKER) DEFINITION

1. This Market Bulletin is issued in furtherance of the Securities and Exchange Commission (“SEC” or the “Commission”) *New Rules and Sundry Amendments to the SEC Rules 2013*, released on November 22, 2017 which amends Rule 234 (Definition of “Inter-Dealer Broker”). Click [here](#) to view amendment to SEC Rule 234.
2. Following the issuance of the amendment by the Commission, it has become necessary for FMDQ OTC Securities Exchange (“FMDQ” or the “OTC Exchange”) to align the definition of its Associate Member (Inter-Dealer Broker) (“AMI”) membership category with the extant regulation, as follows:

Previous Definition	Revised Definition
<i>Institutions in this sub-category facilitate liquidity in the FMDQ markets by offering brokerage services amongst FMDQ Dealing Members only. These institutions are registered by the Securities and Exchange Commission, as inter-dealer brokers and are authorised by FMDQ to provide their services on the FMDQ platform.</i>	<i>Institutions in this sub-category facilitate liquidity in the FMDQ markets by offering brokerage services amongst FMDQ Dealing Members, and between FMDQ Dealing Members and other financial institutions including pension fund administrators, fund managers and insurance companies. These institutions are registered by the Securities and Exchange Commission as inter-dealer brokers, and are authorised by FMDQ to provide their services on the FMDQ platform.</i>

3. In the interest of clarity, AMIs are prohibited from facilitating transactions amongst other financial institutions, i.e. institutions that are not FMDQ Dealing Members. All transactions must have an FMDQ Dealing Member as one (1) of the counterparties.
4. This Market Bulletin shall take effect **immediately**.

Please be guided accordingly.

Should you require any further clarification/information with respect to this Market Bulletin, please do not hesitate to contact the Market Regulation Group at mrq@fmdgotc.com.