

Legal Organization of Exchanging Shares in Palestine Exchange

“Analytical Study”

Abstract

This thesis handles the legal organization of exchanging the shares of the public shareholding companies listed in Palestine Stock–Exchange by virtue of the Companies Law No. (12) For 1964, which is enforce in West Bank and the Palestinian Securities Law No. (12) for 2004, and the regulations and instructions issued under it, through following and analytical descriptive methodology, which throws light on the most outstanding legal and practical aspects relevant to this subject.

Setting from the importance of exchanging shares in Palestine Stock Exchange whether at national economic level or at investors level, this necessitates to separate the executive aspect of exchanging shares from the controlling aspect, which is made by an independent authority represented by the Palestinian Capital Market Authority, within the framework of seeking to enhance the requirements of transparency and achieving the public interest from beyond the exchanging operations in the stock exchange, and protecting the rights of the investors in it .

In this context, the Palestinian Legislator binds the public shareholding companies to be listed in Palestine Stock Exchange so that they can exchange their shares, through it after fulfilling a group of listing conditions which are previously specified. It was also tended limit conducting the operation of exchanging shares in the stock exchange to the legally licensed financial mediation companies according to the exchanging agreement concluded with their client investors as these financial mediation companies are considered in this regard as the

liaison module between the public shareholding companies listed in the Stock Exchange, on one hand and the investors who are willing to buy or sell shares, on the other hand.

The operations of selling and buying shares in the Stock Exchange are arranged with a group of rights and obligations whether rising from the exchanging contracts concluded between investors and the financial mediation companies, which are considered as the basis of the operation of exchanging shares in the Stock Exchange or the rights and obligations stipulated in Law.

However, talking about obligations is faced by bearing the legal responsibility to any parties of the operation of exchanging shares when they breach their obligations under the exchanging contracts, or violate the legally imposed obligations which aimed to protect the rights of investors and safety of exchanging operations in the Stock-Exchange. These responsibilities are represented in the civic, criminal and disciplinary responsibility.

At the end of this thesis the researcher will reach several results and recommendations, which she suggests in order to deal with the challenges and obstacles which face exchanging shares so as to activate the investing operation in Palestine Stock Exchange, and enhance confidence in the safety of exchanging operations in it to protect the rights of investors.