

THE TEL-AVIV STOCK EXCHANGE

The Tel-Aviv Stock Exchange operates a fully automated order-driven trading system and provides market participants a full complement of market services.

In 1997, the TASE introduced Tel Aviv Continuous Trading (TACT) system. By the end of 1998, all shares, bonds and T-bills were migrated from the trading floors to the new system, and in October 1999, derivatives trading was migrated to TACT as well.

The TASE's and integrated trading platform for equities, fixed income instruments and derivatives is adapted from a system developed by the Chicago Stock Exchange. It runs on HP Alpha Open VMS. The TASE Clearing House, a subsidiary of the TASE, runs an in-house system based on IBM technology.

Israel's dual-listing law enables companies that are traded on Nasdaq, the NYSE or the Amex to dual-list on the TASE with no additional regulatory requirements.

In February 2002, the TASE Clearing House opened an electronic link with the Depository Trust Company (DTC) to simplify cross-border settlement for shares of publicly traded companies listed on both the TASE and the U.S. stock exchanges.

TASE History

Securities trading in Israel dates back to 1935, when the Anglo-Palestine Bank Ltd., together with pre-state Israel's leading banks and brokerage firms, founded the Exchange Bureau for Securities, which acted as an unofficial stock exchange. Trading and listings increased over the next decade, and when Israel was founded in 1948, the authorities made an effort to establish an official bourse.

The Tel Aviv Stock Exchange (<http://www.tase.co.il>) was incorporated and began operations in 1953. A decade later, a group of bourse members established the TASE Clearing House Ltd. In 1968, the Israeli parliament, the Knesset, enacted the Securities Law, which created a solid regulatory framework for the TASE operations (<http://www.isa.gov.il>). In 1983, the Exchange moved to its current location at Ahad Ha'Am Street in Tel Aviv. The TASE derivatives market opened in 1993, improving the investment community's ability to manage risk.