

For DFSA use only

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## Applying for Authorisation

## Notes for Applicants

These notes provide information that may assist you in completing the Core Information form, the various Fund forms, the Representative Office form, the Credit Rating Agency form, any applicable supplements and key documents required. Each note is linked to a specific question in the relevant form or supplement via a referenced number.

Firms are requested to contact the supervision department of the DFSA (switchboard +971 (0)4 362 1500 or <a href="mailto:info@dfsa.ae">info@dfsa.ae</a> ) before considering completing an application
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## The purpose of the Core information form, Fund Forms and supplements

The appropriate forms and supplements must be submitted if you wish to carry on one or more Financial Services in or from the DIFC. Financial Services are defined in the GEN module of the DFSA Rulebook. The GEN module (chapter 2) outlines which business activities fall within the definition of Financial Services, and enables you to check whether there are any exemptions or prohibitions which may be relevant to your application.

The GEN module (chapter 7) also sets out the DFSA's authorisation requirements. You can find a copy of the GEN Module of the DFSA Rulebook on the DFSA website at [www.dfsa.ae](http://www.dfsa.ae). The DFSA website also provides information on the authorisation process.

The forms and supplements are designed to assist you to provide us with information about the Financial Services for which you are seeking a Licence and to help us understand how you intend to carry on those activities. You will need to satisfy the DFSA that you have sufficient financial resources, appropriate personnel, adequate systems and internal controls to carry out the Financial Services you propose. Each person seeking status as an Authorised Individual should complete the AUT- IND 1 forms.

The DFSA may ask for additional information or clarification to complete the consideration of an application. We will correspond with the contact person listed on the form.

An Authorised Firm wishing to vary its current Licence should complete Form SUP 4 and any applicable supplements.

## Which forms / supplements do you complete?

You may be required to complete more than one form and supplement depending upon the nature of the Financial Services you want to carry out. The table below sets out the Financial Services covered by each form / supplement:

Form / Supplement	Financial Services
Core Information form	<p>Complete this form if you are applying for a Licence to carry on one or more Financial Services, as defined in the GEN module of the DFSA Rulebook.</p> <p>If you are applying to Manage a Collective Investment Fund (in relation to an Exempt Fund or QIF), please use the Exempt Fund form or QIF Domestic Fund Manager Form.</p> <p>If you are applying to Operate a Representative Office, please use the Representative Office form.</p> <p>If you are applying solely to Operate a Credit Rating Agency, please use the Credit Rating Agency form.</p>
Representative Office form	<p>Complete this form if you are applying to carry out the Financial Service of Operating a Representative Office. You do not have to submit the Core Information form or any supplement.</p>
Credit Rating Agency form	<p>Complete this form if you are applying to carry out <u>only</u> the Financial Service of Operating a Credit Rating Agency. You do not have to submit the Core Information form or any supplement.</p> <p>Do not complete this form if you are applying to conduct any other Financial Service in addition to Operating a Credit Rating Agency. In this case, you must complete the AUT CORE form and any supplement which relates to the</p>

<b>Form / Supplement</b>	<b>Financial Services</b>
	other Financial Service(s).
Asset management Supplement	<p>Complete this supplement if you are applying to carry out business activities related to asset management.</p> <p>Financial Services covered in this supplement are:</p> <ul style="list-style-type: none"> <li>• Managing Assets</li> <li>• Arranging Deals in Investments</li> <li>• Advising on Financial Products</li> <li>• Dealing in Investments as Agent</li> <li>• Arranging Custody</li> <li>• Providing Custody</li> <li>• Arranging Credit and Advising on Credit</li> </ul> <p>Please note that you should also submit the Core Information form and any other appropriate supplements.</p>
Banking and lending Supplement	<p>Complete this supplement if you are applying to carry on the following</p> <p>Financial Services:</p> <ul style="list-style-type: none"> <li>• Accepting Deposits</li> <li>• Providing Credit</li> </ul> <p>Please note that you should also submit the Core Information form and any other appropriate supplements.</p>
Sales and trading Supplement	<p>Complete this supplement if you are carrying out business activities similar to that of a marketing firm, stock broker, advisory firm or investment bank.</p> <p>Financial Services covered in this supplement are:</p> <ul style="list-style-type: none"> <li>• Dealing in Investments as Principal</li> <li>• Dealing in Investments as Agent</li> <li>• Advising on Financial Products</li> <li>• Arranging Deals in Investments</li> <li>• Arranging Custody</li> <li>• Providing Custody</li> <li>• Arranging Credit and Advising on Credit</li> </ul> <p>Please note that you should also submit the Core Information form and any other appropriate supplements.</p>
Islamic Finance Business Supplement	<p>Complete this supplement if you are applying to carry on Islamic Financial Business, which is defined in the GLO module of the DFSA Rulebook.</p> <p>Please note that you should also submit the Core Information form or Exempt Fund form and any other appropriate supplements.</p>

Insurance Supplement	<p>Complete this form if you are applying to carry on the following Financial Services:</p> <ul style="list-style-type: none"> <li>• Effecting Contracts of Insurance</li> <li>• Carrying out Contracts of Insurance</li> <li>• Insurance Intermediation</li> <li>• Insurance Management</li> </ul> <p>Please note that you should also submit the Core Information form and any other appropriate supplements.</p>
Public Fund Supplement	<p>Complete this form if you are applying to Manage a Collective Investment Fund (in relation to a Public Fund only). This is a multipurpose supplement to be used by a Domestic Fund Manager managing a Domestic and/or External Fund. Additionally it can be used by an External Fund Manager looking to manage a Domestic Fund.</p> <p>Please note that you should also submit the Core Information form and any other appropriate supplements.</p>
Miscellaneous Financial Services (no supplement required for these Financial Services)	<p>You do not have to complete a supplement if you are applying to carry on the following Financial Services:</p> <ul style="list-style-type: none"> <li>• Providing Fund Administration</li> <li>• Providing Trust Services</li> <li>• Acting as the Trustee of a Fund</li> <li>• Operating a Representative Office</li> <li>• Operating a Credit Rating Agency</li> </ul> <p>Complete only the Core Information form and submit your regulatory business plan. Please refer to the 'Miscellaneous Financial Services' section contained in Part 2 of these notes to understand the type of information required in your regulatory business plan.</p> <p>If you are carrying on any other Financial Services the appropriate supplement must also be submitted.</p>
Exempt Fund form	<p>Complete this form if you are applying to carry out the Financial Service of Managing a Collective Investment Fund (in relation to an Exempt Fund only). This is a multipurpose form to be used by a Domestic Fund Manager managing a Domestic and/or External Fund. Additionally it can be used by an External Fund Manager looking to manage a Domestic Fund. You do not have to submit the Core Information form. If you require an Islamic Endorsement you should complete the Islamic Finance business.</p>
Qualified Investor Fund: Domestic Fund Manager Form	<p>This form must be submitted by applicants applying to conduct the Financial Service of:</p> <ul style="list-style-type: none"> <li>• Managing a Collective Investment Fund which is a Qualified Investor Fund, and</li> <li>• Advising on Financial Products (in relation to QIFs only being managed by the applicant)</li> </ul> <p>If this is the only activity that the applicant firm intends to undertake then you are not required to submit the Core Information Form ("AUT-CORE").</p> <p>However, if you wish to carry on any other Financial Services activities then please submit the Form AUT-CORE in addition to this form. If this is the case then please only provide responses to Questions 1, 2, 21, 22, 23, 24 and 25.</p>

**APPLICATION FORMS AND NOTICES (AFN) – AUT - NOTES**

Qualified Investor Fund: Fund Notification Form	Complete this form if you are seeking to notify the DFSA that you are establishing a Qualified Investor Fund in the DIFC.
External Fund Manager Form	Complete this form if you are seeking to establish a presence as an External Fund Manager based in a reputable jurisdiction seeking to establish and manage a Fund in the DIFC. It can do so without having to obtain a DFSA Licence. External Fund Managers can manage funds in the DIFC ranging from Public Funds, Exempt Funds and Qualified Investor Funds.
External Fund: Notification Form	Complete this form if you are a Fund Manager which is an Authorised Firm in the DIFC which is seeking to establish a Fund in a jurisdiction other than the DIFC.

**Notes for completing the forms and supplements**

- The term “you” refers to the entity for which a Licence is being sought to conduct Financial Services in or from the DIFC. In all instances where a form or supplement requests details to be supplied in relation to you, responses should be provided in relation to the entity wanting to establish within the DIFC.
- Defined terms are identified throughout the forms and supplements by the capitalisation of the initial letter of each word. These terms are defined in the Glossary module (GLO) of the DFSA’s Rulebook.
- All financial information must be given in US Dollars, with a statement of the original currency used (if relevant) and the exchange rate applied for conversion.
- Questions must be answered fully and the use of abbreviations or acronyms should be avoided. Any abbreviations or acronyms used should be clearly defined.
- Do not leave any questions blank. If a question is not applicable this should be indicated in the response section. Failure to answer questions or provide full responses may delay the progress of the application.
- The forms must be completed in English. Any accompanying documentation must also be in English or accompanied by a certified translation.
- Before completing the forms and supplements, we urge you to read the GEN module (chapter 7) of the DFSA Rulebook to ensure you provide appropriate information. You are urged to familiarise yourself with other relevant Rules prior to completing the forms.
- You may find it useful to refer to the relevant leaflets under the DFSA Library / DFSA Publications on the DFSA website at [www.dfsa.ae](http://www.dfsa.ae).
- Answers must be typed in electronic format and the Core Information form / Exempt Fund form must be signed by a Director/Partner. If the firm still has to be incorporated, the Director who will be authorised in due course should sign.
- The version of the forms and supplements on the DFSA’s website are in PDF format. If you would like Microsoft Word versions, please contact our Authorisation Enquiries team. Please provide one hard copy and one soft copy of your application. The soft copy should be stored on CD or memory stick. Please do not send e-mail copies.



## Part 1: Core Information form notes

This section contains information that may assist you in completing the Core Information form. Each note below relates to a question or statement in the Core Information form. Eg CF6 provides information to help you to complete the matrix at CF6 of the Core Information form.

### Section 1 - Declaration

This section should be completed by all applicants.

### Section 2 - General information

CF1.	-
CF2.	We want information about the legal nature of your firm. Please refer to GEN Rule 7.2.2 – 7.2.3
CF3.	There are generally two high-level categories of firms applying to be Authorised Firms: DIFC entities and non-DIFC entities (or Branches).  DIFC entities are firms that have been created under DIFC legislation, such as DIFC Company Law or DIFC General Partnership Law.  Non-DIFC entities are firms that have been created outside of the DIFC under the laws of another jurisdiction, but who want to establish a place of business in the DIFC. Such firms are commonly referred to as Branch offices. Note that legally, the Branch is not a separate legal person to the firm.
CF4.	Start-up entities are either new Financial Services businesses or existing Financial Services businesses which have not been subject to Financial Services regulation. Please refer to the section 2-5 of the RPP Sourcebook module. Please note the DFSA does not accept applications for start-up banks.
CF5.	Give the name of the supervisory contact person from the relevant regulator including postal address, telephone number, fax number and e-mail address.
CF6.	Please refer to the GEN module for further details about Financial Services and Investment types. Please refer to GEN APP 4 for details about classes of insurance.
CF7.	Please refer to GLO for the definition of Islamic Financial Business.
CF8.	If you wish any of the DFSA Rules waived or modified (for example, in respect of certain of the prudential requirements for a branch application) you must submit the Form SUP 2.
CF9.	Please refer to COB chapter 2 for Client classification.
CF10.	If the company is going to be formed in the DIFC, please answer 'in formation'.
CF11.	Your financial year-end will be used to determine the regulatory reporting requirements.
CF12.	You will need to give details of any trading name(s) which you propose to use for the purpose of, or in connection with, any business carried out in or from the DIFC, if these are different from your legal name.
CF13.	If you answered "yes", please detail whether you are reliant on IT systems for programmed trades and / or proprietary trading, that the firm has created/implemented and the degree of complexity involved. Indicate whether the firm's IT systems automatically interface with Clients and/or third parties such as traders. Please note that you should answer "no" if a firm may be merely reliant on standard off the shelf products (e.g. Microsoft Office) which the majority of businesses use in their day-to-day activities.

### Controllers

CF14. Please refer to GEN Rule 11.8.3 for the definition of Controller.

**Contact details**

CF15.	The contact person named should be the person who is responsible for the application during the authorisation process and who will liaise with the DFSA. This person must be a representative of the company. It may be helpful to provide a second contact name as back-up.
CF16.	If you do not have an adviser assisting you with this application please go to question CF18.
CF17.	You may have a professional adviser assisting with the application process. Please tick “yes” if the DFSA should copy correspondence in relation to this application to the adviser.
CF18.	You need to give the full address of the registered and current / proposed place of business in the DIFC or Dubai. It is expected that prior to submitting this application you will have already approached the Dubai International Financial Centre Authority (DIFCA) in relation to securing premises.
CF19.	Whether you are a DIFC or non-DIFC entity please provide your head office address.
CF20.	-
CF21.	You will need to state the name of your auditor, their address, the relevant contact person, telephone number and fax number. For Domestic Firms the auditor must be an auditor registered with the DFSA in accordance with GEN Chapter 8.

**Documentation**

This section is a check list of all the documents you may need to submit to support your application. Please also see the section entitled Compulsory supporting documents.	
CF22.	<b>Regulatory business plan</b>  Please refer to ‘Part 2: Notes on what the DFSA expect to see in a regulatory business plan’.
CF23.	-
CF24.	-
CF25.	-
CF26.	-
CF27.	<b>AUT-IND 1 forms</b>  You must fill in an AUT-IND1 form for each individual who will be performing a Licensed Function. An Authorised Individual is a person who is approved by the DFSA to perform a Licensed Function for an Authorised Firm. Licensed Functions are defined in GEN Section 7.4. A person may perform more than one Licensed Function. However we do not expect to see the same individual carrying out both business and control responsibilities for example Senior Executive Officer and Compliance Officer roles.
CF28.	<b>Audited accounts</b>  Your most recent audited accounts including the balance sheet, P&L and cash flow statement. (Where audited accounts are unavailable please supply interim unaudited accounts or management accounts.)
CF29.	<b>Audited group accounts (if applicable)</b>  The Group’s most recent audited accounts including the balance sheet, P&L and cash flow statement. (Where audited accounts are unavailable please supply interim unaudited accounts or management accounts.)

**CF30. Financial projections**

**Please attach** the following financial projections and assumptions commencing at the time of authorisation and on a quarterly basis for each of the first three financial years after licensing:

- Balance sheet (if applicable)\*
- Profit and loss account, split into income streams; and
- Cash flow statement (if applicable)\*

Please provide the figures in the DFSA reporting return format relevant to the proposed Category of the applicant firm. A list of the key assumptions supporting these financial projections must also be submitted.

*\*These items may not be applicable in the case of a Branch*

The financial projections requested here are generic in nature. Other forms may request additional information according to the Financial Services to be conducted eg Insurance Business.

Using the figures provided in your projections please attach a calculation showing your Capital Resources versus your Capital Requirement at the time of authorisation and quarterly for three financial years.

Note:

- For Accepting Deposits, Providing Credit, Insurance Intermediation and Investment Business the Capital Requirement is the highest of the amounts outlined in PIB 2.3. The Capital Resources calculation should be performed in line with PIB 2.6 and the provisions in PIB sections 2.7 - PIB 2.10, and PIB chapters 4 and 5 as applicable.
- For Insurance Business the Adjusted Capital Resources, Adjusted Cellular Capital Resources and Adjusted Non Cellular Capital Resources calculation should be performed in line with PIN sections 4.3 and 4.4 as applicable
- For Insurers conducting Insurance Business as a Protected Cell Company an applicant will be required to demonstrate that it has adequate Capital Resources, Cellular Capital Resources, Adjusted Cellular Capital Resource or Adjusted Non Cellular Capital Resources (as applicable) to meet the Minimum Capital Requirement for the business it proposes to undertake.

**Financial reporting and returns**

For Accepting Deposits, Providing Credit, Insurance Intermediation and Investment Business:

- The prudential Rules are contained in the PIB module of the DFSA Rulebook
- Chapter 1 of the PIB module provides the Rules in respect of the preparation and submission of returns
- The relevant returns can be found in the PRU-EPRS Sourcebook, including instructional guidelines as to their use
- Editable electronic versions of the return forms can be obtained from the DFSA

For Insurance Business:

- The prudential Rules are contained in the PIN module of the DFSA Rulebook
- Chapter 6 of PIN module provides the Rules in respect of the preparation and submission of returns
- The relevant returns can be found in the PRU-EPRS Sourcebook, including instructional guidelines as to their use
- Editable electronic versions of the return forms can be obtained from the DFSA

**ISAE 3400 – The Examination of Prospective Financial Information**

If you are applying as a DIFC entity, to be a prudential Category 1 or 2 firm or an Insurer, you are required to submit to the DFSA a copy of the ISAE 3400 Examination of Prospective Financial Information report completed by the applicant's auditor. This is a standard implemented by IFAC (International Federation of Accountants). Under this report the auditor is required to obtain sufficient evidence to ascertain whether

- Assumptions on which the prospective financial information is based are not unreasonable
- Prospective financial information is properly prepared on the basis of the assumptions
- The prospective financial information is properly presented and all material assumptions disclosed and a clear indication as to whether the assumptions are best estimate or hypothetical
- Prospective financial information is prepared on a consistent basis with historical financial statements

**CF31. Evidence of source of funds for start-up**

Provide supporting evidence of the original source of funds which will be used to provide your initial Capital Resources. We usually require details of how the money sourced for the start-up entity has been generated. Please provide a bank reference. You may be asked for a declaration that the funds are not from the proceeds of crime.

**Compulsory supporting documents**

The documents required in this section can be self-certified by all firms *except start-up firms who will need to supply all the documentation as part of the application*. You should be aware that you may still be asked to supply all or any of the documents as part of the application.

**CF32. Compliance manual**

This is a critical document which will impact the decision whether the firm should be authorised. The DFSA prefers that the compliance procedures are incorporated in one manual. Once you receive authorisation, our Supervision team will visit and ask to see the manual. The manual should include the points mentioned below. Please note this is not an exhaustive list.

- the structural oversight and reporting arrangements that will ensure you continually meet your compliance obligations under applicable legislation in the DIFC;
- how compliance reports are prepared, authorised, disseminated and followed up;
- policies and procedures, systems and controls, and customer documentation should cover areas such as client classification, marketing material, suitability, disclosure of fees and commissions, inducements, and segregation of Client Assets;
- how compliance breaches are detected, recorded, categorised and rectified;
- how the DFSA and other Financial Services Regulators, if applicable, will be kept apprised of all relevant breaches;
- how you will keep yourself updated on any changes to applicable legislation in the DIFC and DFSA Rules;
- the arrangements for handling, resolving and recording complaints, with particular reference to the requirements of GEN chapter 9 (Complaints Handling and Dispute Resolution);
- how you will embed a positive mind-set towards compliance issues in all your employees, not just your compliance staff;
- how you will ensure compliance by any Person under a material outsourcing or delegation arrangement with relevant requirements and procedures;
- how you will determine and maintain records of your Client verification;
- how you will ensure training and competence are embedded into the culture of your firm;
- who will be responsible for reviewing the compliance plan, how often the plan will be reviewed and what process will be followed;
- how you will ensure compliance with financial reporting and regulatory Capital Requirements;

- does the firm have a conflicts management policy? Describe how senior management and the board will identify and manage conflicts of interest between different clients, and between the firm and clients. We want to know how you plan to manage conflicts that may arise in the course of your business.
- describe your employee code of conduct and how you deal with Employee Personal Account Transactions. Please see COB section 6.2;

If you want to carry on a Financial Service with or for a Retail Client, you must apply for and obtain a Licence endorsement (“Retail Endorsement”). An application for a Retail Endorsement can be made to the DFSA by an existing Authorised Firm or a new applicant. We will grant a Retail Endorsement only if we are satisfied that you can provide Financial Services to Retail Clients in accordance with all the regulatory requirements applicable to the relevant Financial Service.

You should also be able to demonstrate that your systems and controls (including policies and procedures) adequately provide for compliance with the requirements specifically dealing with Retail Clients, in particular:

- marketing materials intended for Retail Clients;
- content requirements for Client Agreements for Retail Clients;
- suitability assessment for recommending a financial product for a Retail Client;
- disclosure of fees and commissions and any inducements, to a Retail Client;
- segregation of Client Money and/or Client Investments, where relevant.

Your systems and controls must be adequate to ensure on an ongoing basis, that your employees remain competent and capable to perform the functions which are assigned to them, including any additional factors that may be relevant if their functions involve interfacing with Retail Clients.

The adequacy of your Complaints handling policies and procedures will also be reviewed. You must have Complaints handling policies and procedures that meet the requirements in GEN chapter 9.

Your policies and procedures must provide for fair, consistent and prompt handling of Complaints. In addition to the matters set out in GEN chapter 9, the policies and procedures should explicitly deal with how you ensure that:

- employees dealing with Complaints have adequate training and competencies to handle Complaints, appropriate impartiality and sufficient authority (see GEN Rules 5.3.19, 9.2.7 and 9.2.8);
- a Retail Client is made aware of the firm’s Complaints handling policies and procedures before obtaining its services (see COB Rule A2.1.2(1)(h)); and
- your firm’s Complaints handling policies and procedures are freely available to any Retail Client upon request.

**CF33. Anti-money laundering procedures**

Your anti-money laundering procedures should include, amongst other things, arrangements to:

- Ensure compliance with UAE Law No 4 and any other relevant UAE federal laws. The only exception is if another jurisdiction’s laws or regulations prevent or inhibit you from complying with UAE Law No 4 or the DFSA Rules; in which case you should tell us. Also note that should such an event arise after you are authorised, you are obliged to notify us promptly in writing;
- Ensure compliance with relevant resolutions or sanctions issued by the United Nations Security Council. Please refer to GEN Rule 5.3.29;
- Monitor for, detect and report suspicious customers and transactions. You should ensure your procedures comply with the requirement for Suspicious Transaction Reports (STRs), to be made in the required format to the Anti-Money Laundering Suspicious Cases Unit (AMLSCU), with a copy provided to the DFSA. Details of the required format of the report

and details for submission can be found on the DFSA website;

- Establish and verify the identity of the customer and any other person on whose behalf the customer is acting, including that of the beneficial owner. Details will need to be provided if you intend to delegate any aspect of the customer identification process to a qualified professional or the Unitholder verification process to a Fund Administrator;
- Establish and verify your business partners' identities, including correspondent banks;
- Provide an audit trail of transactions;
- Determine the duties and obligations of your Money Laundering Reporting Officer (MLRO);
- Review the effectiveness of your Anti-Money Laundering policies, procedures, systems and controls at minimum on an annual basis;
- Respond to any request for information made by UAE authorities or the DFSA. You will need to state where customer or Unitholder identification records will be kept and, if these are outside of the UAE, whether there is any secrecy or data protection legislation that would restrict access by you, the DFSA or the law enforcement agencies of the UAE. If this is the case, you will need to provide details of the arrangements that it will be put in place to ensure copies of these records are kept in a jurisdiction which allows access;
- Maintain AML relevant documents and records;
- Ensure that you obtain and make use of findings in relation to names of persons, groups, organisations or entities, or any other body where suspicion of money laundering or terrorist financing exists;
- Assess your risks in relation to money laundering and perform enhanced due diligence investigations for higher risk products, services and customers;
- Determine whether a customer is a Politically Exposed Person (PEP) and address the associated risks accordingly;
- Establish and maintain anti-money laundering training programmes and awareness sessions. This should include a description of the arrangements in place to ensure you obtain and use any government, regulatory and international findings;
- Ensure compliance with any other obligation in the DFSA's AML module. You must have arrangements in place to provide appropriate Anti-Money Laundering training (including the internal reporting duties and Client identification duties) to your employees. Please provide full details of what training you will provide for all your relevant employees and whether the MLRO will be in charge of this training. If the MLRO will not be in charge, then give the full name and job title of the person who will be;
- If you will be Providing Fund Administration, ensure such procedures are also relevant with respect to Unitholders of a Fund;
- If you will be Providing Trust Services, ensure such procedures include due diligence for settlors, trustees and principal names beneficiaries in accordance with COB section 5.10.
- You will need to provide the details of the Deputy Money Laundering Reporting Officer, including surname/family name and given name.
- You will need to state whether your Anti Money Laundering function will be subject to oversight, review or audit by either your Parent's Anti Money Laundering function, internal audit or another internal function or external organisation. If so, you will need to specify the arrangements including the nature of the oversight, review or audit and the scope and frequency with which it will be undertaken.
- AML Rule 3.4.1 requires a firm to take reasonable steps to verify the identity of its customers. Please detail the policies, procedures, systems and controls that you will put in place to ensure that sufficient evidence of the identity of all your Clients (or a Fund's Unitholders, if relevant) will be obtained.
- Detail the procedures or systems that you will put in place to ensure that "Know Your Customer" (KYC) or Unitholder information is made available to your relevant employees. In addition, are there any systems that will be set up to obtain further information;
- Detail the proposed disciplinary steps that you will put in place for any employee who fails to report promptly to the MLRO any suspicion or beliefs that money laundering is occurring as required in AML section 3.5;
- Describe the record keeping arrangements you will put in place for records, as specified in the AML module of the DFSA Rulebook.

**CF34. Compliance monitoring programme**

Your programme should document how compliance is monitored within the business units.

**CF35. Risk management policies**

Your policy document should describe the risk management arrangements you will establish and maintain to identify, assess, mitigate, control and monitor the risks arising from the Financial Services activities carried on in or from the DIFC. Such arrangements should also take into account any Funds for which you are acting as the Manager.

Include the following: the nature, scope and organisational structure of your risk management functions; the reporting lines and nature, scope and frequency of risk reporting, including the composition and terms of reference of any risk committees and any appropriate links to Group risk reporting.

**Fees**

The application fee will vary according to the Financial Services to be carried on. Comprehensive details of fees can be found in the Fees module of the DFSA Rulebook.

**Section 3 - Regulatory business plan**

Please refer to 'Part 2: Notes on what the DFSA expect to see in a regulatory business plan'.

**Section 4 – Prudential regulatory reporting**

CF36. To determine the prudential Category relevant to you, please refer to PIB section 1.3. If you are conducting the Financial Services of Effecting Contracts of Insurance and/or Carrying out Contracts of Insurance, please answer "Insurer".

CF37. Refer to GEN section 8.2 to determine the accounting standards to be used in preparing your financial accounts and statements. The expected standard is International Financial Reporting Standards (IFRS) / Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI). If you are using a different standard you will need to apply for a waiver.

CF38. -

**Section 5 – Fit and Proper questionnaire**

CF39-45. These questions are self-explanatory and are focused on the fitness and propriety of the firm. If you answer yes to any question please supply all relevant information - openness and honesty are essential. Should we need to examine your application more closely because of any disclosures you make, this will not necessarily count against you. However, deliberately withholding information or providing false or misleading information, will adversely impact the success of your application. If in doubt, disclose.

## Part 2: Notes on what the DFSA expect to see in a regulatory business plan

The regulatory business plan should set out the strategy and rationale for establishing an operation in the DIFC and also demonstrate how the business will be managed and controlled. We recommend you attach the regulatory business plan as a separate document, which should be no longer than 50 pages, depending on the nature and complexity of the business.

We need to understand the business model of your firm so we can ensure it is authorised for the correct Financial Services, Investment types and Client types and to enable us to assess the adequacy of your resources.

You will need to:

- identify all the Financial Services and any other activities you intend to carry on;
- identify all the likely business and regulatory risk factors;
- explain at high level how you will monitor and control these risks; and
- take into account any intended future developments.

Please remember that your description of your business is an important part of the overall application and integral to our decision making. The amount of detail submitted should be proportionate to the nature of the business you intend to carry on, and should be appropriate to the risks to your Clients.

### Introduction and background

This is an opportunity to provide a very brief introduction/history of the firm, including what experience, if any, you have in carrying on the proposed business in Dubai or other jurisdictions.

### Strategy and rationale for establishing in the DIFC

#### BP1. Business activities

Describe your proposed activities in terms of the permitted Financial Services defined in the GEN module of the DFSA Rulebook and the type of products and/or services you propose to offer, together with a rationale for these conclusions. Please document how each Financial Service listed below will relate to your day-to-day business activities.

- Accepting Deposits;
- Providing Credit;
- Dealing in Investments as Principal;
- Dealing in Investments as Agent;
- Arranging Deals in Investments;
- Managing Assets;
- Advising on Financial Products;
- Managing a Collective Investment Fund;
- Providing Custody;
- Arranging Custody;
- Effecting Contracts of Insurance;
- Carrying out Contracts of Insurance;
- Insurance Intermediation;
- Insurance Management;
- Managing a Profit Sharing Investment Account;
- Operating an Alternative Trading System;
- Acting as the Trustee of a Fund;
- Providing Trust Services;
- Providing Fund Administration; and
- Arranging Credit and Advising on Credit.



<p><b>Please note that, if the applicant is a branch of a non-DIFC entity, it may only apply for financial service activities for which its head office has already been licensed by its home state regulator.</b></p>	
BP2.	<p><b>Target markets (geographical areas)</b> Which markets / regions you will target.</p>
BP3.	<p><b>Product(s)</b> Describe your financial products / investments in detail.</p>
BP4.	<p><b>Clients</b> Describe in detail the types of Clients that you intend to target, including the approximate size of the target Client base eg institutional, high net worth, Professional Clients, Retail Clients related / group company, geographical location, high net worth, professionals, retail etc. Please refer to COB chapter 2 for Client classification.</p> <p>We also expect you to identify existing and target clients, and to identify ultimate beneficial owners in relation to each client and each transaction that you are involved in. This would include understanding the beneficial ownership or having access to beneficial ownership information of holdings in any pooled investment vehicle that you manage.</p> <p>Detail should also be provided as to how you plan to source your clients eg by referral, marketing, advertising or transfer from within your Group. Where Clients will be transferred, please explain, in detail, the process, timescale and the due diligence that will be undertaken to ensure full compliance with the requirements of the COB and AML modules of the DFSA Rulebook.</p> <p>Document in detail how you plan to derive an income from your Clients eg premiums, commission, interest, etc.</p>
BP5.	<p><b>Competition</b> Who do you see as your main competitors? How will you go about increasing your share of the market?</p>

### Organisational structure

BP6.	<p><b>Proposed legal entity structure</b> In this section, we are seeking information on corporate structure and the proposed legal structure and where it fits into existing operations. We want to know the type of legal entity to be used and then whether this entity will be applying as a DIFC entity or non-DIFC entity.</p>
BP7.	<p><b>Relationship with group to include organogram and description of intra-group commercial activities</b> Organogram of group structure identifying all Controllers, ultimate beneficial owners, other shareholders and Close Links. Include a clear breakdown of percentage shareholding sizes, jurisdiction in which the entity/individual is based, identification of any other regulated entities and each entity's principal activity. Where shares are held by a trust, you must also provide details of all trustees, settlors and beneficiaries. You should also provide narrative regarding intra-group transactions and business relationships eg guarantees, cash flows and their rationale.</p>
BP8.	<p><b>Other regulators of group</b> Describe the extent to which overseas regulators supervise the group and whether they carry out supervision of the firm on a consolidated group basis.</p>

### Management structure and organisation (corporate governance)

BP9.	<p><b>Board: executive and non-executive members</b> Describe the board composition - experience, non-executive directors and the frequency of board meetings. Brief biographies for each individual will be helpful.</p>
BP10.	<p><b>Senior management</b> Provide brief biographies of the senior management team of the entity/group. Indicate the allocation of individual and where applicable, shared significant responsibilities among the senior management team; as well as the titles and role descriptions of the relevant senior managers to whom significant responsibilities are allocated. Also provide the basis on which you have assessed their ability and qualifications to discharge the allocated responsibilities.</p>

	Please also provide details regarding your/group corporate governance structure in terms of how business decisions are made and controls implemented. This should include information concerning the management information flows within the firm; and how the governing body and other relevant corporate governance structures receive the information needed to run the business.
BP11.	<b>Main committees (insight into decision making and how risk will be monitored)</b> Describe any board committees and main committees which will make decisions, monitor and control risk. Describe the scope, remit, composition, responsibilities and reporting lines of each committee.
BP12.	<b>Organogram of legal entity eg reporting lines to demonstrate separation of functions and independence of compliance/internal audit</b> The employee organogram should identify the senior management / head functions with significant influence and any reporting lines to the Governing Body. Please ensure the CO and MLRO have access to both the Senior Executive Officer and board of Directors.

**Proposed resources (non-financial resources)**

BP13.	<b>Human resources: staffing and recruitment</b> Describe your proposed staffing and overall headcount including details regarding where they are located locally, regionally and globally if applicable. Outline how you will supervise, train and monitor your employees to ensure they remain fit and proper, competent and capable of performing the functions to which they are assigned.
BP14.	<b>Premises</b> Where is the principal/proposed principal place of business? Is it fully operational? If not, when will you have fully operational premises? When will the contract on the premises run out?
BP15.	<b>Outsourcing arrangements (if relevant)</b> Provide details relating to any arrangements made with third parties / Service Provider in connection with the Financial Services you are carrying on, and explain fully how the activity will be operated. Points to consider are: <ul style="list-style-type: none"> <li>• the rationale for outsourcing/delegating;</li> <li>• function/activity/Financial Service to be outsourced / delegated;</li> <li>• whether this will be outsourced externally or to a Group entity and the name of the provider;</li> <li>• why you have chosen this entity, any contingency plan, and how you will monitor and review the third party's performance;</li> <li>• the arrangements for the selection and appointment of outsource providers and how control over the outsourced function(s) will be maintained;</li> <li>• location of third party / Service Provider.</li> </ul>

**High level controls**

BP16.	<b>Risk management including risk tolerance / approach and risk policies to include credit, market, liquidity, operational, underwriting and reserving.</b> Identify the main external and internal risks for your business and how you intend to manage those risks. Document what policies will be in place (eg credit, market, liquidity, operational, underwriting and reserving) to mitigate these risks.
BP17.	<b>Compliance (including AML/CTF policies)</b> Describe the role of compliance and AML; the resourcing of the function(s) and its internal and external reporting line and how employees will be made aware of their regulatory obligations. Specify how senior management will ensure a culture of compliance is embedded in each of the business units, as well as the systems and controls that will be in place to monitor compliance. It is important that senior management and the board of a firm look to instil an appropriate culture for compliance and risk management throughout the firm. Document how you promote this eg through an appropriate remuneration policy, incentives for client retention, staff recruitment process (background checks), and management information. Describe the AML/CTF policies and procedures that you will have in place to prevent money laundering and terrorist financing. Document whether your compliance/MLRO functions will be subject to oversight, review or audit by a parent or Group compliance function, internal audit or another internal function or external organisation. Specify the arrangements including the nature

of the oversight, review or audit and the scope and frequency with which it will be undertaken.

**BP18. Internal audit**

Provide details of the nature, scope, remit, organisational structure, reporting lines and staffing of the internal audit function. If your firm is part of a Group, you will also need to provide details of the relationship between your internal audit function and the internal audit function of the Group.

## Financial projections

**BP19. Assumptions and projections demonstrating adequate financial resources**

To reflect the financial projections requested in the Core Information form please document your approach to the assumptions made, capitalisation, liquidity, earnings and any associated risks. Please also describe what stress testing has been carried out in relation to expected revenues and costs. Please note assumptions and projections should cover 3 years of operation shown on a quarterly basis.

## Additional notes for certain Financial Services

This section contains information that may assist you in completing the regulatory business plan if you are carrying on the following Financial Services:

- Providing Fund Administration
- Providing Trust Services
- Acting as the Trustee of a Fund

You should cover each of the following points when producing your regulatory business plan. There are no supplements for these Financial Services. If you wish to conduct only these Financial Services, you are required to complete the Core Information form and regulatory business plan only.

**BP20. Providing Fund Administration**

Provide a description of the proposed activities you will carry on while conducting the Financial Service of Fund Administration to be provided in or from the DIFC with reference to the activities set out below and under GEN Rule 2.24:

- processing dealing instructions including subscriptions, redemptions, stock transfers and arranging settlements;
- valuation of assets and performing net asset value calculations;
- maintaining the share register and Unitholder registration detail;
- performing anti-money laundering requirements;
- undertaking transaction monitoring and reconciliation functions;
- performing administrative activities in relation to banking, cash management, treasury and foreign exchange; and
- producing financial statements; or communication with participants, the Fund, the Fund Manager, investment managers, custodian, trustee, prime brokers, regulators and any other parties in relation to the administration of the fund.

A description of any other administrative functions or services proposed which are not captured by the above activities.

A description of any circumstances where the Fund Administrator will not be appointed either by the Fund itself, or the Manager of the Fund. Details should be provided of any sub-delegation arrangements.

A description of the arrangements for the maintenance of records in compliance with CIR section 5.1.6 – 5.1.7.

If your services involve holding cheques to the order of a Fund's bank account, or holding a mandate over a Fund's bank account, an outline of the circumstances and the controls that you will have in place to ensure compliance with CIR Rule 5.1.3 will need to be given.

**BP21. Providing Trust Services**

In conjunction with Part 2 of these notes your regulatory business plan should also describe the nature of the activities you will carry on while conducting the Financial Service of Providing Trust Services.

Detail regarding the following activities as per GEN Rule 2.23.1:

- the provision of services with respect to the creation of an express trust;
- arranging for any Person to act as a trustee in respect to any express trust;
- acting as trustee in relation to an express trust;
- the provision of Trust Administration Services in relation to an express trust; or
- acting as a protector or enforcer in relation to an express trust.

Please refer to GEN Rule 2.23.1 and COB chapter 5. Please note the activity of Providing Trust Services does not include the activity of Acting as the Trustee of a Fund, which is a separate Financial Service.

How you will mitigate the potential for any money laundering risks inherent to the structures used by trusts / express trusts. Please refer to the AML module of the DFSA Rulebook.

Whether you will be delegating any duties or powers and outline the circumstances and the controls that you will operate to ensure compliance with COB Rule 5.2.9.

A description of the procedures that ensure regular reviews are conducted in accordance with COB Rule 5.3.1. A description of your arrangements to ensure compliance with the principle of dual control detailed at COB section 5.5. A description of your procedures for conducting due diligence on settlors, trustees and principal named beneficiaries in accordance with COB section

**BP22. Acting as the Trustee of a Fund**

You should provide the full name and business address of the Trustee. Indicate whether the Trustee is an Authorised Firm authorised to Act as the Trustee of a Fund; or an applicant to be an Authorised Firm.

Confirm whether the Operator has entered or will enter into a Trust Deed with the Trustee in accordance with the requirements of Art 13 of the Investment Trust Law 2006 and other applicable requirements under the Collective Investment Law and CIR Rules.

What resources you will have to carry out the duties of the Trustee as required under Part 5 of the Investment Trust Law 2006, and how you will ensure a Trustee has the requisite experience and independence.

What measures you will take before carrying out an Operator's instructions to ensure that those measures comply with the requirements of CIR Rules 7.1.3 (1) and (2) (concerning the issue of Units). The arrangements you will implement to ensure the Fund's Unitholder register is maintained in accordance with CIR Rule 8.7 and the Investment Trust Law 2006.

If you intend to delegate the Financial Service of Providing Fund Administration and Providing Custody and whether under CIR Rule 8.12.3 you have obtained consent from the Fund Manager. If so, please provide full details, including the name of the Service Provider(s) involved, details of whom it is regulated by, and a summary of the due diligence required under CIR Rule 8.12.4 and App 1.

If you will be carrying out the fund oversight function required under the CIR Rules in respect of the Fund, please describe what arrangements you will implement in order to ensure you are meeting your obligations under CIR Rules (concerning general oversight duties).

## Part 3: Supplement notes

### Asset management supplement notes

This section contains information that may assist you in completing the asset management supplement. Each note relates to a question in the asset management supplement e.g. AM3 below provides information that assists applicants to complete the question at AM3 of the asset management supplement.

#### Section 1: Corporate governance, strategy and business model

AM1.	Confirm whether the funds / portfolios accounts to be managed will be individual Client funds; Domestic Funds, Foreign Funds, or pooled accounts. Document whether you will be managing Investments in an account or portfolio (whether on a discretionary basis or a non-discretionary basis under the terms of a non-discretionary management agreement). How will these accounts be structured? Provide details about the underlying assets to be invested in such as cash, equities, debt, property, derivatives, and, if applicable details of the products such as derivatives used only for hedging purpose.
AM2.	-
AM3.	Provide details of any role you have in the governance of portfolio(s) you manage as well as the role of the Fund Manager, investment committee and any other third parties. Outline the likely structure of your investment committee.

#### Section 2: Financial and operational risks

AM4.	Provide details regarding the principal investors who will provide the seed capital of any portfolio you will manage.
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#### Section 3: Conduct of business risks to clients and markets

AM5.	Please refer to COB section 6.4 and COB Rules 6.8.3 – 6.8.6. Where a Client order is passed to another person for Execution, describe the procedures to be adopted to ensure Client orders are passed on in a timely fashion and are properly executed. Your answer should also address how you will manage any differences in work days and time between the DIFC and the jurisdiction in which that other person is located.
AM6.	Describe the procedures and controls to be adopted to ensure conversations relating to negotiating, agreeing, arranging and confirming Transactions and for the passing of payment instructions comply with the record keeping requirements in COB section 6.7 and APP 1.
AM7.	You can only market Foreign Funds that meet DFSA requirements. (Please see CIR chapter 15)
AM8.	Please see COB sections 6.11, 6.12, 6.13, APP5 and APP6.
AM9.	Please see COB section 3.5.
AM10.	-
AM11.	Please see COB section 3.4. Detail the extent to which considerations as to suitability will be limited and how such limitations (if any) will be communicated to and consented to by Professional Clients. Documentation of such assessment and record keeping should be addressed.
AM12.	Please provide details of the risks inherent to any portfolio(s) you will manage including diversification, currency, types of investments and the estimated proportion which will be represented by each type of investment. This should also be reflected in your risk management policy and procedures and be available for inspection if required.
AM13.	-
AM14.	Please see COB section 6.10.
AM15.	Please provide detail regarding the appropriate skills and experience of the person(s) in Client facing roles and responsible for the exercise of discretionary management decisions in relation to the management of these products. Please also refer to GEN Rule 5.3.18.

## Banking and lending supplement notes

This section contains information that may assist you in completing the banking and lending supplement. Each note relates to a question in the banking and lending supplement. Eg BL7 below provides information that assists applicants to complete the question at BL7 of the banking and lending supplement.

### Section 1: Corporate governance, strategy and business model

BL1. Please provide detail of the intended nature of the Deposits which you would wish to attract. i.e. whether your proposed deposit base is intended to comprise of professional, commercial or interbank funding. Where the firm's proposed deposit base would be a mixture of these, please give an indication, in percentage terms, of how the deposit base may be structured. Please also provide details as to how you intend to attract your depositors.

### Section 2: Financial and operational risks

BL2. The appropriate level at which credit decisions are taken will vary according to the type of credit offered and your size and structure. A credit committee may be appropriate, with formal terms of reference laid down. Alternatively, individuals may be given pre-assigned authority limits. It will usually be appropriate for the final credit approval authority to be given by employees reporting independently from the employees interacting with the clients. Further guidance on Credit Risk systems and controls and on the specific areas which the Credit Risk policy should cover, are set out in PIB sections 4.2 and A4.2. Where a credit committee exists, please attach a copy of its terms of reference.

BL3. This question deals with the Concentration Risk of Large Exposures, general exposures (eg it could be that a large number of loans and investments are concentrated on a particular industry sector) and country exposures. Please refer to PIB.

BL4. The provisioning policies will need to include the type of reporting mechanisms you use, how often the provisioning policy is reviewed, the type of management reports used and to whom they are circulated, the decision making process for ensuring the adequacy of specific provisions, write-off policy and the procedures and controls in place to identify the need to make provision. Please refer to PIB section 4.2

BL5. You will need to show how your liquidity strategy seeks to identify, measure, monitor and control Liquidity Risk and how this Liquidity Risk is managed on a day-to-day basis. You should also advise on the expected maturity profile of your proposed deposit base and how you intend to manage any apparent maturity mismatches between your credit portfolio and your funding requirements. Finally your answer should set out what, if any, contingency plans are in place to access liquidity in extreme circumstances. See in particular PIB sections 6 and PIB App 6.

BL6. You should provide a copy of your policy for managing Trading Book and Non-Trading Book interest rate risk and describe the tools you use to manage it. You should also describe the role of the asset and liability committee or other appropriate management committee in managing this risk.

BL7. Include a description of the risk identification and monitoring tools and processes, any capital charge calculations models you use to address operational risk and operational risk reporting to the board and senior management. Please explain how your reconciliation, operational and accounting controls ensure the integrity of the general ledger in your financial accounting system at all times.

### Section 3: Conduct of business risks to clients and markets

BL8. Please refer to COB section 4.2.

BL9. Please refer to COB section 4.3.

BL10. Please refer to COB Rule 4.3.1

### Insurance supplement notes

This section contains information that may assist you in completing the insurance supplement (Form AUT-INS). Each note relates to a question in that Form. For example, IN8 below provides information to assist you to complete the question at IN8 of the Form.

#### Section 1: Corporate governance, strategy and business model

IN1.	-
IN2.	PIN chapter 10 focuses solely on Insurance Special Purpose Vehicles (ISPV). If you are an ISPV and have answered this question fully, you do not need to answer the remaining questions in this supplement.

#### Section 2: Financial and operational risks

IN3.	There is extensive guidance on the management and control of risks in PIN Appendix 2. See in particular PIN sections A2.7 and A2.9.
IN4.	See in particular PIN section A2.14.
IN5.	See in particular PIN section A2.5 and the requirements for actuarial review in PIN chapter 7.
IN6.	See in particular PIN section A2.6.
IN7.	You need to answer this question only if your staff engage in direct distribution of your products (by arranging and/or advising). See in particular GEN Rule 2.15.1(2). Please describe your systems and controls to ensure appropriate staff skills, competencies and knowledge.

#### Section 3: Conduct of business risks to clients and markets

IN8.	This question relates to Insurance Monies arising from Insurance Intermediation or Insurance Management business. These are defined in COB Rule 7.12.2 and the rules on handling them are contained in COB Rules 7.12.5 to 7.12.15.
IN9.	To answer this question, please refer to the definitions of the terms 'Insurance Agent' and 'Insurance Broker' in the Glossary Module of the DFSA Rulebook.
IN10	<p>If under the insurance agency agreement/s (such as coverholder agreements or mandates) you will have the authority to underwrite in or from the DIFC, you need an Insurance Management Licence. If underwriting decisions are made outside the DIFC, you will need an Insurance Intermediation Licence. If your authority to underwrite in or from the DIFC is subject to a limit, you will still need an Insurance Management Licence.</p> <p>Please provide details of the agency agreements you will have to identify the type of Licence you will need. Such details should include the list of Insurers you intend to use over the next 12 months, whether or not you act or will act under agency agreements with those Insurers, where underwriting decisions are made, and any limitations on the scope of the authority. Please provide copies of such agreements.</p>

IN11. Please describe the systems and controls you will have in place to address conflicts of interests if you act both as an Insurance Agent and Insurance Broker. See Guidance under COB Rule 7.9.1.

#### **Section 4: Retail Insurance**

IN12. You need to answer this question only if you intend to be an Insurer whose staff engage in direct distribution of your Contracts of Insurance (by arranging and/or advising). See in particular GEN Rule 2.15.1(2).

IN13. You need to answer this question if you intend to be an Insurance Intermediary providing your services to Retail Clients.

IN14. You need to answer this question if you intend to underwrite as agent of a Non-DIFC Insurer in retail markets.

You may not carry on such activity without the DFSA's prior approval of the non-DIFC Insurers for whom you intend to underwrite.

To apply for the DFSA's prior approval of such an Insurer, you need to set out in your application the details specified in the Guidance to COB Rule 7.2.6 i.e. sufficient information to establish that the non-DIFC insurer for which it proposes to act is fit and proper and is subject to adequate regulation in its home jurisdiction.



## Islamic Finance Business supplement notes

This section contains information to assist you in completing the Islamic Financial Business supplement. Each note relates to a question in the Islamic Financial Business supplement. Eg IF2 below provides information to assist you to complete the question at IF2 of the Islamic Financial Business supplement.

### Section 1: Corporate governance, strategy and business model

IF1.	Set out your track record in Islamic Financial Business and how you are regulated in other jurisdictions in relation to Islamic Financial Business.
IF2.	Please refer to GLO for the definitions of Islamic Financial Business, Islamic Financial Institution and Islamic Window.
IF3.	Explain how each financial Transaction effected as part of your Islamic Financial Business takes place. This should take account of Murabaha, Mudaraba, Musharaka, Ijarah, Istisna, Salam, Kefala, Sukuk, Bai Bithman Ajil, Arboun, Takaful, and any other types of Islamic Contract. Identify the prudential risks involved in a transaction and which party carries those risks. See IFR chapter 3 and 5 for the prudential treatment of Islamic Contracts.
IF4.	See IFR chapter 3 for requirements in relation to your Shari'a Supervisory Board (SSB).
IF5.	See IFR chapter 3 on appointment, dismissal and remuneration.
IF6.	-
IF7.	See IFR Rule 3.5.4

### Section 2: Financial and operational risks

IF8.	-
IF9.	-
IF10.	See IFR section 3.4
IF11.	See IFR chapter 3
IF12.	See IFR section 3.6 and IFR section 3.7.

### Section 3: Conduct of business risks to clients and markets

IF13.	See IFR section 3.8
IF14.	See IFR section 3.8
IF15.	See IFR chapters 3 and 5. Please also refer to PIB chapter 3 for prudential treatment.
IF16.	See IFR chapter 5
IF17.	See IFR chapter 5
IF18.	-
IF19.	-
IF20.	See IFR chapter 6
IF21.	-
IF22.	See IFR Rule 3.7.2.

### Public Fund supplement notes

This section contains information that may assist you to complete the Public Fund supplement. Each note relates to a question in the Public Fund supplement. Eg PF3 below provides information to help you to complete the question at PF3 of the Public Fund supplement.

The following boxes marked 'X' indicate which sections of this form need to be completed by you:

Applicable Section	Type of Public Fund Application				
	Authorisation as a Domestic Fund Manager	Variation of Licence as a Domestic Fund Manager	Applying as an External Fund Manager	Existing Domestic / External Fund Manager seeking Registration of an additional Public Fund	Converting an existing Exempt Fund to Public Fund status
<b>Section 1:</b> Declaration	X	X	X	X	X
<b>Section 2:</b> Information about the Domestic Fund Manager	X	X			X
<b>Section 3:</b> Information about the Trustee*	X	X	X	X	X
<b>Section 4:</b> Documentation for a Domestic Fund Manager	X	X			X
<b>Section 5:</b> Documentation for an External Fund Manager			X		X
<b>Section 6:</b> Information about a Fund	X	X	X	X	X
<b>Section 7:</b> Documentation for a Fund	X	X	X	X	X
<b>Section 8:</b> Disclosure			X	X	X
<b>Section 9:</b> Additional Declaration for External Fund Manager			X	X	X

\* Only applies to Investment Trusts

**Section 1: Declarations-**

This section should be completed by all applicants.
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**Section 2: Information about the Domestic Fund Manager**

PF1.	You should describe how the Fund Manager’s procedures and controls will ensure that: <ul style="list-style-type: none"> <li>a) the fund is valued according to CIR 8.4 (Valuation of a fund) and the extent to which you will follow CIR App4 (“Guidance on asset valuation and pricing”) or other alternative methodologies, which should be described;</li> <li>b) a single price is determined in accordance with CIR 8.5 (Determination of a single price);</li> <li>c) if the Fund is an open-ended Funds, issues and redemptions are able to be made at all times during dealing days in accordance with CIR 8.6 (Issue and redemption),</li> <li>d) a register of each Unitholder is maintained in the DIFC in accordance with CIR 8.7 (Unitholder register); and</li> <li>e) sufficient accounting and other records are held in the DIFC in accordance with CIR 8.10 (Maintenance of records).</li> </ul>
PF2.	Please provide details regarding who is the Eligible Custodian and how it meets the requirements in section 8.2 of CIR. Please also see CIR section 8.12 and CIR Appendix 1 for delegation requirements. Please also provide details of any arrangements put in place where the Fund Manager has availed itself of the requirements in CIR 13.4.2 and 13.4.2B for Public Property Funds and CIR 13.3.1 for Private Equity Funds.
PF3.	Please provide details regarding who will carry out the investment management activities of the Fund. This should include the name of the Service Provider, a summary of the due diligence required under CIR 8.12.4, the Service Provider regulator, and attach the draft Delegation Agreement. Please also specify how the Service Provider meets the criteria under CIR Rule 8.12.2. Please see CIR section 8.12 and CIR Appendix 1 for delegation requirements.
PF4.	Please provide details regarding who will carry out the Fund Administration. CIR chapter 5 specifies the requirements applying to a Fund Administrator. You should also include the name of the Service Provider, a summary of the due diligence required under CIR 8.12.4, the Service Provider regulator, and attach the draft Delegation Agreement. Please also specify how the Service Provider meets the criteria under CIR Rule 8.12.2. Please see CIR section 8.12 and CIR Appendix 1 for delegation requirements.
PF5.	Please see Article 38 of the Collective Investment Law and make reference to the Fund’s constitution and prospectus.
PF6.	Please refer to Articles 39-42 of the Collective Investment Law as well as CIR section 10.3.
PF7.	You must confirm which oversight arrangement is applicable to your Fund whether it be an oversight committee, Eligible Custodian or Trustee.
PF8.	Please see CIR section 9.3 regarding auditors.
PF9.	Please advise which of the following accounting standards permitted by CIR 9.2 will be followed by the Fund: IFRS Supplemented by IMA SORP; US GAAP; AAOIFI (for an Islamic Fund). Please see CIR Rule 9.2.1.
PF10.	Please see CIR 5.1.2 and the AML Module.
PF11.	If you wish to have any of the DFSA Rules waived or modified, you must submit the Form SUP 2.

**Section 3: Information about the Trustee**

PF12.	-
PF13.	Article 21 of the Collective Investment Law provides for three categories of persons as capable of acting as a Trustee. This includes a body corporate which is an Authorised Firm with a Licence authorising it to act as a Trustee or to Provide Custody; or a person regulated and supervised by Financial Services Regulator in a Recognised Jurisdiction with respect to its custody or depositary services.
PF14.	Please see the relevant sections of the CIR module and Investment Trust Law 2006 for the

	requirements of a Trustee of a Fund and Trust Deed.
PF15.	Please see CIR 7.1.3
PF16.	Please see CIR 8.7 and Article 25 of the Investment Trust Law.
PF17.	Please see CIR 8.12.3 – 8.12.7.
PF18.	Please see CIR 10.3.1 and 10.3.4.

**Section 4: Documentation for a Domestic Fund Manager**

PF19.	Please see CIR sections 8.2 and 8.12 as well as CIR APP 1.
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**Section 5: Documentation for an External Fund Manager**

PF20.	If you are unable to attach a letter of good standing from your regulator regarding your application, you must arrange for it to be sent directly to the DFSA by your regulator prior to submission of this application. Otherwise DFSA will not be able to accept submission of your application.
PF21.	-
PF22.	
PF23.	Please see CIR 6.1.3 regarding the appointment of a Fund Administrator or Trustee as agent of an External Fund Manager. Please note the agreement must contain the information regarding the type of powers being granted to the agent to facilitate the External Fund Manager in relation to its dealings with the DFSA and Unitholders and prospective Unitholders such as: <ul style="list-style-type: none"> <li>• If it is an open-ended Fund, the issue, resale and redemption of the Units of the Fund and the publication of the price at which such issue, resale or redemption will occur as provided under the Law and the Rules;</li> <li>• The sending to Unitholders of the Fund all the reports required under the Law and the Rules;</li> <li>• Access to the Constitution and most recent Prospectus of the Fund to Unitholders and Prospective Unitholders;</li> <li>• Access to the Unitholder register; and</li> <li>• Access to the books and records relating to the Fund as required by the DFSA and any person providing the oversight functions of the Fund, in or from a place in the DIFC.</li> </ul>
PF24.	Please refer to the notes in PF23.

**Section 6: Information about the Fund**

**General information**

PF25.	-
PF26.	Please refer to Article 16(1) of the Collective Investment Law for the Domestic Fund criteria.
PF27.	Please see Article 26 of the Collective Investment Law for the permitted form of a Domestic Fund.
PF28.	Please see CIR Chapters 3 and 13 as well as IFR Chapter 6.
PF29.	-
PF30.	A Fund Manager is under an obligation to operate and administer a Fund in line with its risk profile and investment objectives set out in the Prospectus of the Fund. Please see CIR Rule 10.5.2.
PF31.	If the fund has exposures to derivatives it should describe in detail the risk management processes which will be implemented by the Fund Manager to ensure it is able to monitor and measure as frequently as appropriate the risk of the Fund's Derivative positions and their contribution to the risk profile of the Fund. Please see CIR Rule 10.5.5.
PF32.	Please see CIR 10.5.6 – 10.5.7 and also CIR chapter 13 for requirements applicable to specific types of Fund.

PF33. Please advise whether the Fund is planning to list on an Authorised Market Institution immediately upon, or shortly after (within the first 12 months) of the Fund's incorporation or establishment. Please distinguish between any longer term plans to list, for example as an exit strategy for the Fund's initial Unitholders.

**Additional information about Specialist Funds**

<b>Private Equity Fund</b> ( the following 3 questions only apply if you intend to manage a Private Equity Fund)
PF34. Please see CIR Rule 13.3.1.
PF35. Please see CIR Rules 13.3.3 – 13.3.4.
PF36. Please refer to CIR 14.4.5
<b>Hedge Fund</b> ( the following 7 questions only apply if you intend to manage a Hedge Fund)
PF37. Please refer to the Hedge Fund Code of Practice section in Part 6 of these notes. This is a principle-based code that sets out what the DFSA views as best practice standards for Hedge Funds.
PF38. Please see CIR Rule 13.6.1.
PF39. Please see CIR Rule 13.6.2
PF40. Explain any prime brokerage relationships including details of any borrowing and custodial arrangements as per CIR Rule 13.6.3.
PF41. In relation to side letters, please refer to principle 7 of the DFSA Hedge Fund Code of Practice. This is also located in this Notes Booklet.
PF42. A side pocket is an arrangement under which a Fund Manager of a Fund (such as a Hedge Fund) may segregate illiquid assets from the main portfolio of the Fund by issuing to Unitholders a new class of Units which participates only in the assets held in the side pocket. Such Units are not redeemable until the Fund is able to liquidate the assets held in the side pocket. To be able to create side pockets, the Fund Manager must have a clear mandate that enables it do so, and adequate prior disclosure should also be made to Unitholders of the discretion which the Fund Manager has to create such side pockets, including the circumstance in which the Fund Manager may exercise that discretion.
PF43. Please see CIR Rule 14.4.6
<b>Property Fund</b> ( the following 6 questions only apply if you intend to manage a Property Fund)
PF44. Please see CIR Rule 13.4.1
PF45. Please see CIR Rule 13.4.4
PF46. Please see CIR Rule 13.4.5 and 13.4.10.
PF47. Please see CIR Rule 13.4.18 – 13.4.21
PF48. Please see CIR Rule 13.4.3
PF49. Please see CIR Rules 13.4.11A to 13.4.16.
PF50. Please see CIR Rules 14.4.2, 14.4.3 and, if applicable, 14.4.4, 14.4.4A, 14.4.4B.
<b>Real Estate Investment Trust</b> (the following question only apply's if you intend to manage a Real Estate Investment Trust)
PF51. Please see CIR section 13.5.
<b>Islamic Fund</b> ( the following 2 questions only apply if you intend to manage an Islamic Fund)
PF52. Please see IFR Rule 6.2
PF53. Please see IFR 6.2.1 (2)
PF54. Please see IFR 6.2.1 (3)
PF55. Please see IFR 6.5.
PF56. Please see IFR Rule 6.1
<b>Feeder Fund</b> (the following 2 questions only apply if you intend to manage a Feeder Fund)
PF57. Please see CIR 13.2
PF58. Please see CIR Rule 14.4.1
<b>Fund of Funds</b> (the following question only apply's if you intend to manage a Fund of Funds)
PF59. Please see CIR Rule 13.1
<b>Umbrella Funds</b> (the following question only apply's if you intend to manage an Umbrella Fund)
PF60. Please see CIR Rule 13.7



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**APPLICATION FORMS AND NOTICES (AFN) – AUT - NOTES**

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<b>Money Market Funds</b> (the following question only apply's if you intend to manage a Money Market Fund)
PF61. Please see CIR Rule 3.1.11 including Guidance Notes 3 & 4.
PF62. Please see CIR Rule 13.8.1
PF63. Please see CIR Rule 13.8.2

**Additional information about an External Fund**

PF64.	<p>The Fund Manager of an External Fund must:</p> <ul style="list-style-type: none"> <li>(a) have systems and controls which are adequate to ensure compliance with the requirements that apply to the External Fund in the jurisdiction in which it is established or domiciled; and</li> <li>(b) inform the DFSA of the jurisdiction in which the Fund is or is to be established or domiciled and the nature of regulatory requirements applicable to the Fund in the host jurisdiction.</li> </ul> <p>A Fund Manager of an External Fund is generally not subject to the requirements that otherwise apply to other Domestic Funds (see Article 14(2) of the Law). However, some limited requirements apply to External Funds. See for example the disclosure required under Rules 14.2.4 – 14.2.7. Should such a requirement conflict with any requirements that apply to an External Fund in the jurisdiction in which the Fund is domiciled, the Fund Manager may apply to the DFSA for appropriate waivers or modifications of the DFSA requirements.</p> <p>The DFSA may upon receipt of the information referred to in Rule 6.2.2(b), assess the desirability of establishing an External Fund in that particular jurisdiction chosen by the Fund Manager. Relevant considerations include:</p> <ul style="list-style-type: none"> <li>(a) The Fund Manager's need to establish the Fund in the particular jurisdiction for reasons such as the physical location of the Fund assets or investor preference;</li> <li>(b) Any regulatory risks arising from establishing the External Fund in the relevant jurisdiction, particularly if the Fund is to be open to retail investors; and</li> <li>(c) Whether the relevant jurisdiction complies with the FATF or other relevant international standards or requirements.</li> </ul>
PF65.	Give the name of the supervisory contact person from the relevant regulator including postal address, telephone number, fax number and e-mail address.
PF66.	-
PF67.	Please see CIR Rule 6.2.2
PF68.	If you wish any of the DFSA Rules waived or modified you must submit the Form SUP 2.

**Section 7: Documentation for a Fund**

PF69.	The Constitution of the Fund must be in compliance with CIR Chapter 7 and CIR APP5.
PF70.	The Constitution of the Fund must be legally certified by the Funds legal advisers as complying with the requirements set out in CIR and the Collective Investment Law 2006.
PF71.	The Prospectus of the Fund must be in compliance with CIR Chapter 14, CIR Appendix 7 and CIR Rule 10.4.
PF72.	The Prospectus of the Fund must be legally certified by the Funds legal advisers as complying with the requirements set out in the CIR and Collective Investment Law 2006 and under CIR.
PF73.	Please see CIR 9.3.1
PF74.	Please provide a copy of the Fund approval letter from the Financial Services Regulator who was responsible for approval and the ongoing monitoring of the Fund

**Section 8: Disclosure-**

This section should be completed by all applicants.
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**Section 9: Additional Declaration for an External Fund Manager**

This section should be completed by an External Fund Manager only.
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## Sales and trading supplement notes

This section contains information that may assist you to complete the sales and trading supplement. Each note relates to a question in the sales and trading supplement. Eg ST11 below provides information that assists applicants to complete the question at ST11 of the sales and trading supplement.

### Section 1: Corporate governance, strategy and business model

ST1.	Describe in detail what sales and trading you will be carrying out. We want to understand which activities and which products your business will entail and to know, in income terms, the significance of each business line in the overall business plan.
ST2.	Explain how your senior management determines and updates your business strategy. Please describe how your business performance is reviewed, how new business initiatives are adopted, and the processes involved in determining Client take on, new product development, new business activities and, for proprietary trading, your risk tolerance in relation to your capital.
ST3.	Provide a Transaction flow chart for each type of sales and/or trading Transaction that you will undertake. These should clearly identify your role, the Client's role and the role of any other third parties in each Transaction. Please indicate the movement of monies and assets. Each step in a Transaction should be clear, with the responsibilities and obligations of the parties involved clearly identified.

### Section 2: Financial and operational risks

<b>Risk management</b>	
ST4.	Describe how you functionally separate risk management from business functions, and how you ensure that risk management can challenge the business as appropriate. You may want to reference internal mechanisms such as reporting lines, management information, internal risk assessment reviews. Please see GEN section 5.3.
ST5.	-
ST6.	This question relates to principal and client trading. We would expect a description to include details of any stress testing and validation model-based techniques used.
ST7.	We are interested to know how you will intend to manage Client accounts in terms of payments, distributions, valuations, and reporting.
ST8.	-
<b>Internal control environment</b>	
ST9.	Provide a copy of relevant Client Agreements. Please see COB chapter 3 and COB APP2.
ST10.	See COB chapter 6 for record keeping requirements.
ST11.	We want to know how you will ensure appropriate clearing and settlement of Transactions.
<b>Client Assets</b>	
ST12.	-
ST13.	See COB sections 6.11, 6.12, and 6.13.
ST14.	We want to know how you will reconcile your records of Client Assets, including Client Money, with the records of other parties (such as third party custodians) so as to ensure any differences identified are rectified promptly.
ST15.	-



**Section 3: Conduct of business risks to clients and markets**

ST16. We want to know how you ensure that your employees, particularly in the front office and Client facing roles, are competent. You may want to refer to your recruitment process and ongoing training and competence programmes. Please see GEN Rule 5.3.19.
ST17. See GEN chapter 9. You will need to show that you have procedures in place to ensure that a complaint from a Retail Client will be handled fairly, consistently and promptly.
ST18. See COB section 6.4.
ST19. See COB section 3.4. You will need to show you ensure that advice to Clients is suitable and in line with requirements.
ST20. Please see COB chapter 3 and COB chapter 6.
ST21. You can only market Foreign Funds that meet our requirements. Please see CIR chapter 15.
ST22. It is important for you to ensure that you are not involved in market abuse such as market manipulation / insider trading. We want to understand what controls you have in place to prevent abusive practices.

## Part 4: Exempt Fund form notes

### Exempt Fund form notes

This section contains information to assist you to complete the Exempt Fund form. Each note relates to a question in the Exempt Fund form. e.g. EF5 below provides information to assist you to complete the question at EF5 of the Exempt Fund form.

The following boxes marked 'X' indicate which sections of this form need to be completed by you:

Applicable Section	Type of Exempt Fund Application			
	Authorisation as a Domestic Fund Manager	Variation of License as a Domestic Fund Manager	Applying as an External Fund Manager	Existing Domestic / External Fund Manager giving Notification of additional Exempt Fund
<b>Section 1:</b> Declaration	X	X	X	X
<b>Section 2:</b> General Information	X	X	X	
<b>Section 3:</b> Contact Details	X	X	X	
<b>Section 4:</b> Information about the Domestic Fund Manager	X	X		
<b>Section 5:</b> Documentation for a Domestic Fund Manager	X	X		
<b>Section 6:</b> Documentation for an External Fund Manager			X	
<b>Section 7:</b> Compulsory supporting documents for a Fund Manager	X	X	X	
<b>Section 8:</b> Fees for a Domestic Fund Manager Application / Domestic Fund (Initial Annual Fee)	X	X	X	X
<b>Section 9:</b> Prudential Regulatory Reporting for a Domestic Fund Manager	X	X		
<b>Section 10:</b> Fit & Proper Questionnaire	X	X	X	
<b>Section 11:</b> Information about the Fund	X	X	X	X
<b>Section 12:</b> Disclosure	X	X	X	X
<b>Section 13:</b> Additional Declaration for External Fund Manager			X	

### Section 1: Declaration

This section should be completed by all applicants.

### Section 2: General information

EF1.	-
EF2.	-
EF3.	We are seeking information about the legal nature of your Firm. Please refer to GEN Rule 7.2.2.
EF4.	<p>There are generally two types of firms applying to be Authorised Firms: DIFC entities and non-DIFC entities (or Branches).</p> <p>DIFC entities are firms that have been created under DIFC legislation, such as DIFC Company Law or DIFC General Partnership Law.</p> <p>Non-DIFC entities are firms that have been created outside of the DIFC under the laws of another jurisdiction, but who want to establish a place of business in the DIFC. Such firms are commonly referred to as Branch offices. Note that legally, the Branch is not a separate legal person to the firm.</p>
EF5.	Start-up entities are either new Financial Services businesses or existing Financial Services businesses which have not been subject to Financial Services regulation in the past. Please refer section 2-5 of the RPP Sourcebook module.
EF6.	Give the name of the supervisory contact person from the relevant regulator including postal address, telephone number, fax number and e-mail address.
EF7.	Please refer to GLO for the definition of Islamic Financial Business.
EF8.	If the company is going to be formed in the DIFC, please answer 'in formation'.
EF9.	Your financial year-end will be used to determine the regulatory reporting requirements.
EF10.	You will need to give details of any trading name(s) which you propose to use for the purpose of, or in connection with, any business carried out in or from the DIFC, if these are different from your legal name.

### Section 3: Contact details

EF11.	The contact person named should be the person who is responsible for the application during this process and who will liaise with the DFSA. This person must be a representative of the company. It may be helpful to provide a second contact name as back up.
EF12.	If you do not have an adviser assisting you with this application, please go to question EF14.
EF13.	You may have a professional adviser assisting you with this application. Please tick yes if the DFSA should copy correspondence in relation to this application to the adviser.
EF14.	You need to give the full address of the registered and current / proposed place of business in the DIFC or Dubai. It is expected that prior to submitting an application for authorisation, you will have already approached the Dubai International Financial Centre Authority (DIFCA) in relation to securing premises.
EF15.	Whether you are a DIFC entity or non-DIFC entity, please provide your head office address.
EF16.	-
EF17.	State the name of your auditor, their address, the relevant contact person, telephone number and fax number. Note that for Domestic Firms, the auditor must be an auditor registered with the DFSA in accordance with GEN chapter 8.
EF18.	-

### Section 4: Information about the Domestic Fund Manager

EF19.	You should confirm whether or not the Fund Manager's procedures and controls will ensure that it meets the management and operation requirements of CIR Chapter 8.
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EF20. In relation to the Custody of the Fund Property, please confirm compliance with the applicable requirements in CIR 13.4.2A.
EF21. Please provide details regarding the custodial arrangements put in place by the Fund Manager whether this is via an Eligible Custodian or Self Custody if the Fund Manager avails itself of such an option if the Fund takes the form of a Property Fund and Private Equity Fund.
EF22. Please provide details regarding who is the Eligible Custodian and whether it meets the requirements in section 8.2 of CIR. Please also see CIR section 8.12 and CIR Appendix 1 for delegation requirements.
EF23. Please provide details regarding who will carry out the investment management activities of the Fund and that it meets the requirements. Please see CIR section 8.12 and CIR Appendix 1 for delegation requirements.
EF24. Please provide details regarding who will carry out the Fund Administration and confirm that it meets the requirements in GEN and also in CIR section 8.12 and CIR Appendix 1 for delegation requirements.
EF25. Please see CIR section 9.3 regarding auditors.
EF26. Please advise which of the following accounting standards permitted by CIR 8.2 will be followed by the Fund: IFRS Supplemented by IMA SORP; US GAAP; AAOIFI (for an Islamic Fund). Please see CIR Rule 9.2.1.
EF27. Please see CIR Chapter 9.
EF28. If you wish to have any of the DFSA Rules waived or modified you must submit the Form SUP 2.

**Section 5: Documentation for a Domestic Fund Manager**

<p>EF29. <b>Organogram of group structure</b></p> <p>This should identify all Controllers, other shareholders and Close Links including a breakdown of shareholding, jurisdiction in which the entity/individual is based, and identification of any other regulated entities. Where shares are held by a trust, provide details of all trustees, settlers and beneficiaries.</p> <p>Also provide narrative regarding intra-group transactions and business relationships e.g. guarantees, cash flows and their rationale.</p>
<p>EF30. <b>Staff organogram including reporting lines</b></p> <p>This should identify the senior management / head functions with significant influence and any reporting lines to the Governing Body. Please ensure the CO and MLRO also have access to both the Senior Executive Officer and the board.</p>
EF31. -
EF32. -
<p>EF33. <b>AUT-IND1 forms</b></p> <p>You must fill in an AUT-IND1 form for each individual who will be performing a Licensed Function. An Authorised Individual is a person who is approved by the DFSA to perform a Licensed Function for an Authorised Firm. Licensed Functions are defined in GEN section 7.4. A person may perform more than one Licensed Function. However we do not expect to see the same individual carrying out both business and control responsibilities, for example, Senior Executive Officer and Compliance Officer roles.</p>
<p>EF34. <b>Financial projections</b></p> <p><b>Please attach</b> the following financial projections and assumptions commencing at the time of authorisation and, on a quarterly basis, for each of the first three financial years after licensing:</p> <ul style="list-style-type: none"> <li>• Balance sheet (if applicable)*</li> <li>• Profit and loss account, split into income streams; and</li> <li>• Cash flow statement (if applicable)*</li> <li>• forecast of your Capital Resources versus your Capital Requirement</li> </ul> <p><i>*These items may not be applicable in the case of a Branch.</i></p>

<p>Please provide the figures in the DFSA reporting return format. A list of the key assumptions supporting these financial projections must also be submitted. Please confirm whether you have stress tested your forecasts and provide details.</p>
<p><b>EF35. Evidence of source of funds for start-up</b>          For start-ups, supporting evidence of the original source of funds which will be used to provide initial capital resources. We usually require details of how the money sourced for the start-up entity has been generated. Please provide a bank reference. You may be asked for a declaration that the funds are not from the proceeds of crime.</p>
<p>EF36. -</p>
<p>EF37. -</p>

**Section 6: Documentation for an External Fund Manager**

<p>EF38. If you are unable to attach a letter of good standing from your regulator regarding your application, you must arrange for it to be sent directly to the DFSA by your regulator prior to submission of this application. Otherwise DFSA will not be able to accept submission of your application.</p>
<p>EF39. -</p>
<p>EF40. Please see CIR 6.1.3 regarding the appointment of a Fund Administrator or Trustee as agent of an External Fund Manager. Please note the agreement must contain the information regarding the type of powers being granted to the agent to facilitate the External Fund Manager in relation to its dealings with the DFSA and Unitholders and prospective Unitholders such as:</p> <ul style="list-style-type: none"> <li>• If it is an open-ended Fund, the issue, resale and redemption of the Units of the Fund and the publication of the price at which such issue, resale or redemption will occur as provided under the Law and the Rules;</li> <li>• The sending to Unitholders of the Fund all the reports required under the Law and the Rules;</li> <li>• Access to the Constitution and most recent Prospectus of the Fund to Unitholders and Prospective Unitholders;</li> <li>• Access to the Unitholder register; and</li> <li>• Access to the books and records relating to the Fund as required by the DFSA and any person providing the oversight functions of the Fund, in or from a place in the DIFC.</li> </ul>
<p>EF41. Please refer to the notes in EF38.</p>

**Section 7: Compulsory Supporting Documents for a Fund Manager**

<p>The documents required in this section can be self-certified by all firms. Be aware that you may still be asked to supply all or any of the documents as part of the application.</p>
<p><b>EF42. Compliance manual</b>          This is a critical document which will impact the decision whether the firm should be authorised. The DFSA prefers it if the compliance procedures are incorporated in one manual. Once you receive authorisation, our Supervision team will visit and ask to see the manual. The manual should include the following details:</p> <ul style="list-style-type: none"> <li>• The structural oversight and reporting arrangements that will enable you to continually meet your compliance obligations under applicable legislation in the DIFC;</li> <li>• How compliance reports are prepared, authorised, disseminated and followed up;</li> <li>• How compliance breaches are detected, recorded, categorised and rectified;</li> <li>• How the DFSA and other Financial Services Regulators, if applicable, will be kept apprised of all relevant breaches;</li> <li>• How you will keep your firm updated of any changes to applicable legislation in the DIFC and DFSA Rules;</li> <li>• The arrangements for handling, resolving and recording complaints received from clients, with particular reference to the requirements of GEN chapter 9 (Internal Dispute Resolution</li> </ul>

and Complaints Handling);

- How you will embed a positive mind-set towards compliance issues from all your employees, not just your compliance team;
- How you will ensure compliance by any Person under a material outsourcing or delegation arrangement with relevant Regulations and procedures;
- How you will determine and maintain records of Client verification;
- How you will ensure training and competence are embedded into your firm's culture;
- Who will be responsible for reviewing the compliance plan, and how often the plan will be reviewed and what process will be followed;
- How you will ensure compliance with financial reporting and regulatory capital requirements;
- How senior management and the board will identify and manage conflicts of interest between different clients, and between the firm and its clients.

**EF43. Anti-money laundering procedures**

Your anti-money laundering procedures should include, amongst other things, arrangements to:

- Ensure compliance with UAE Law No 4 and any other relevant UAE federal laws. The only exception is if another jurisdiction's laws or regulations prevent or inhibit you from complying with UAE Law No 4 or the DFSA Rules; in which case you should tell us. Also note that should such an event arise in the future, Authorised Firms are obliged to promptly notify us in writing;
- Ensure compliance with relevant resolutions or sanctions issued by the United Nations Security Council. Please refer to GEN Rule 5.3.30.
- Monitor for, detect and report suspicious customers and transactions. You should ensure your procedures comply with the requirement for Suspicious Transaction Reports (STRs), to be made in the required format to the Anti-Money Laundering Suspicious Cases Unit (AMLSCU), with a copy provided to the DFSA. Details of the required format of the report and details for submission can be found on the DFSA website;
- Establish and verify the identity of the customer and any other person on whose behalf the customer is acting, including that of the beneficial owner. Details will need to be provided if you intend to delegate any aspect of the customer identification process to a qualified professional or the Unitholder verification process to a Fund Administrator;
- Establish and verify your business partners' identities, including correspondent Banks;
- Provide an audit trail of transactions;
- Determine the duties and obligations of your Money Laundering Officer (MLRO);
- Review the effectiveness of your Anti-Money Laundering policies, procedures, systems and controls at minimum on an annual basis;
- Respond to any request for information made by UAE authorities or the DFSA. You will need to state where customer or Unitholder identification records will be kept outside of the UAE, whether there is any secrecy or data protection legislation that would restrict access by the applicant, the DFSA or the law enforcement agencies of the UAE. If this is the case, you will need to provide details of the arrangements that it will be put in place to ensure copies of these records are kept in a jurisdiction which allows access;
- Maintain AML relevant documents and records;
- Ensure that you obtain and make use of findings in relation to names of persons, groups, organisations or entities, or any other body where suspicion of money laundering or terrorist financing exists;
- Assess your risks in relation to money laundering and perform enhanced due diligence investigations for higher risk products, services and customers;
- Determine whether a customer is a Politically Exposed Person (PEP) and address the associated risks accordingly;
- Establish and maintain an anti-money laundering training programmes and awareness sessions. This should include a description of the arrangements in place to ensure you obtain use any government, regulatory and international findings;
- Ensure compliance with any other obligation in the DFSA's AML module. You must have arrangements in place to provide appropriate Anti-Money Laundering training (including the internal reporting duties and Client identification duties) to your employees. Please provide full details of what training you will provide for all your relevant employees and whether the

	<p>MLRO will be in charge of this training. If the MLRO will not be in charge, then give the full name and job title of the person who will be;</p> <ul style="list-style-type: none"> <li>• If you will be Providing Fund Administration, ensure such procedures are also relevant with respect to Unitholders of a Fund;</li> <li>• You will need to provide the details of the Deputy Money Laundering Officer, including Surname/Family name and Given name.</li> <li>• You will need to state whether your Anti-Money Laundering function will be subject to oversight, review or audit by either your Parent’s Anti-Money Laundering function, internal audit or another internal function or external organisation. If so, you will need to specify the arrangements including the nature of the oversight, review or audit and the scope and frequency with which it will be undertaken.</li> <li>• AML Rule 3.4.1 requires a firm to take reasonable steps to verify the identity of its customers. Please detail the policies, procedures, systems and controls that you will put in place to ensure that sufficient evidence of the identity of all your Clients (or a Fund’s Unitholders, if relevant) will be obtained.</li> <li>• Detail the procedures or systems that you will put in place to ensure that “Know Your Customer” (KYC) or Unitholder information is made available to your relevant employees. In addition, are there any systems that will be set up to obtain further information;</li> <li>• Detail the proposed disciplinary steps that you will put in place for any employee who fails to report promptly to the MLRO any suspicion or beliefs that money laundering is occurring as required in AML chapter 3.5;</li> <li>• Describe the record keeping arrangements you will put in place for records, as specified in the AML module of the DFSA Rulebook.</li> </ul>
EF44.	<p><b>Compliance monitoring programme</b></p> <ul style="list-style-type: none"> <li>• Your programme should document how compliance is monitored within the business units.</li> </ul>
EF45.	<p><b>Risk management policies</b></p> <p>Your policy document should describe the risk management arrangements you will establish and maintain to identify, assess, mitigate, control and monitor the risks arising from the Financial Services activities carried out in or from the DIFC. Such arrangements should also take into account the Funds for which you are acting as the Fund Manager.</p> <p>Include the following: The nature, scope and organisational structure of your risk management functions. The reporting lines and nature, scope and frequency of risk reporting, including the composition and terms of reference of any risk committees and any appropriate links to Group risk reporting.</p>
EF46.	<p><b>Delegation Agreement</b></p> <p>Your agreement should describe the delegation arrangements in place for the particular function whether it be custody, investment management or fund administration. Please see GEN and CIR sections 8.2 and 8.12 as well as CIR Appendix 1 for delegation requirements.</p>

**Section 8: Fees for a Domestic Fund Manager Application / Domestic Fund (Initial Annual Fee)**

Details of fees can be found in the Fees module of the DFSA Rulebook.

**Section 9: Prudential Regulatory Reporting for a Domestic Fund Manager**

EF47.	Please refer to GEN section 8.2 to determine the accounting standards to be used in preparing your financial accounts and statements.
EF48.	-

**Section 10: Fit and Proper Questionnaire**

EF49-54. These questions are self-explanatory and are focused on the fitness and propriety of the firm. Please supply all relevant information - openness and honesty are essential. Should we need to examine your application more closely because of any disclosures you make, this will not



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**APPLICATION FORMS AND NOTICES (AFN) – AUT - NOTES**

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necessarily count against you. However, deliberately withholding information or providing false or misleading information, will adversely impact the success of your application. If in doubt, disclose.



## Section 11: Information about the Fund

### General information

EF55	Please see CIR Rule 7.1.4.
EF56	Please refer to Article 16(4) of the Collective Investment Law for the Domestic Fund criteria.
EF57	Please see Article 26 of the Collective Investment Law for the permitted form of a Domestic Fund.
EF58	Please see CIR Chapter 3 or IFR Chapter 6.
EF59	Please see the applicable parts of CIR Chapter 3.
EF60	-
EF61	-
EF62	-

### Additional information about an External Fund

EF63	<p>The Fund Manager of an External Fund must:</p> <ul style="list-style-type: none"> <li>(a) have systems and controls which are adequate to ensure compliance with the requirements that apply to the External Fund in the jurisdiction in which it is established or domiciled; and</li> <li>(b) inform the DFSA of the jurisdiction in which the Fund is or is to be established or domiciled and the nature of regulatory requirements applicable to the Fund in the host jurisdiction.</li> </ul> <p>A Fund Manager of an External Fund is generally not subject to the requirements that otherwise apply to other Domestic Funds (see Article 14(2) of the Law). However, some limited requirements apply to External Funds. See for example the disclosure required under Rules 14.2.4 – 14.2.7. Should such a requirement conflict with any requirements that apply to an External Fund in the jurisdiction in which the Fund is domiciled, the Fund Manager may apply to the DFSA for appropriate waivers or modifications of the DFSA requirements.</p> <p>The DFSA may upon receipt of the information referred to in Rule 6.2.2(b), assess the desirability of establishing an External Fund in that particular jurisdiction chosen by the Fund Manager. Relevant considerations include:</p> <ul style="list-style-type: none"> <li>(a) The Fund Manager's need to establish the Fund in the particular jurisdiction for reasons such as the physical location of the Fund assets or investor preference;</li> <li>(b) Any regulatory risks arising from establishing the External Fund in the relevant jurisdiction, particularly if the Fund is to be open to retail investors; and</li> <li>(c) Whether the relevant jurisdiction complies with the FATF or other relevant international standards or requirements.</li> </ul>
EF64	Give the name of the supervisory contact person from the relevant regulator including postal address, telephone number, fax number and e-mail address.
EF65	-
EF66	Please see CIR Rule 6.2.2
EF67	If you wish any of the DFSA Rules waived or modified you must submit the Form SUP 2.

### Compulsory Supporting Documents for a Fund

EF68	The Constitution of the Fund must be in compliance with CIR Chapter 7 and CIR APP5.
EF69	The Prospectus of the Fund must be in compliance with CIR Chapter 14 and CIR Rule 12.2.



**Section 12: Disclosure**

This section should be completed by all applicants.

**Section 13: Additional Declaration for an External Fund Manager**

This section should be completed by an External Fund Manager only.

## Part 5: Qualified Investor Funds

### Qualified Investor Funds: Domestic Fund Manager form notes

This section contains information to assist you to complete the Qualified Investor Fund: Domestic Fund Manager form. Each note relates to a question in the Qualified Investor Fund: Domestic Fund Manager form e.g. QM5 below provides information to assist you in completing the question at QM5 of the Qualified Investor Fund: Domestic Fund Manager form.

#### Section 1: Declaration

This section should be completed by all applicants.
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#### Section 2: General information

QM1. Please provide the full name of the firm applying to be licensed as a Fund Manager.
QM2. This form can be used for either an applicant to be an Authorised Firm or an Authorised Firm making a separate request to the DFSA to change the scope of its current Licence in respect of Managing a Collective Investment Fund which is a Qualified Investor Fund. In addition to this we are also seeking to determine whether you will be providing advice in respect of the QIFs which you intend to manage.
QM3. We are seeking information about the legal nature of your Firm. Please refer to GEN Rule 7.2.2.
QM4. There are generally two types of firms applying to be Authorised Firms: DIFC entities and non-DIFC entities (or Branches). <ul style="list-style-type: none"> <li>a. DIFC entities are firms that have been created under DIFC legislation, such as DIFC Company Law or DIFC General Partnership Law.</li> <li>b. Non-DIFC entities are firms that have been created outside of the DIFC under the laws of another jurisdiction, but who want to establish a place of business in the DIFC. Such firms are commonly referred to as Branch offices. Note that, legally, the Branch is not a separate legal person to the firm.</li> </ul>
QM5. Start-up entities are either new Financial Services businesses or existing Financial Services businesses which have not been subject to Financial Services regulation in the past. Please refer to section 2-5 of the RPP Sourcebook module.
QM6. If the company is going to be formed in the DIFC, please answer 'in formation'.
QM7. Your financial year-end will be used to determine the regulatory reporting requirements.
QM8. You will need to give details of any trading name(s) which you propose to use for the purpose of, or in connection with, any business carried out in or from the DIFC, if these are different from your legal name.
QM9. Give the name of the supervisory contact person from the relevant regulator including postal address, telephone number, fax number and e-mail address.
QM10. Please refer to GLO for the definition of Islamic Financial Business.

#### Section 3: Contact details

QM11. The contact person named should be the person who is responsible for the application during this process and who will liaise with the DFSA. This person must be a representative of the company. It may be helpful to provide a second contact name as a back-up.
QM12. If you do not have an adviser assisting you with this application, please go to question QM14.
QM13. You may have a professional adviser assisting you with this application. Please tick yes if the

DFSA should copy correspondence in relation to this application to the adviser.
QM14. You need to give the registered address for the DIFC operation. It is expected that prior to submitting an application for authorisation you will have already approached the Dubai International Financial Centre Authority (DIFCA) in relation to securing premises.
QM15. You need to give the full address of the current/proposed place of business in the DIFC or Dubai. It is expected that prior to submitting an application for authorisation you will have already approached the Dubai International Financial Centre Authority (DIFCA) in relation to securing premises.
QM16. Whether you are a DIFC entity or non-DIFC entity, please provide your head office address.
QM17. -
QM18. State the name of your auditor, their address, the relevant contact person, telephone number and fax number. Note that for Domestic Firms, the auditor must be an auditor registered with the DFSA in accordance with GEN chapter 8.
QM19. -

**Section 4: Nature of Applicant’s Business and intended activities in the DIFC**

QM20. The DFSA will review the proposed activities to ensure that they are within the scope of a Fund Manager managing Qualified Investor Funds set out in the Collective Investment Rules Module (CIR) and the General Rules Module (GEN) of the DFSA Rulebook. Please describe what systems and controls the firm will have in place to ensure it conducts the activities of a Fund Manager which is managing Qualified Investor Funds.
QM21. The following provides a brief summary regarding the structure of funds expressed in the form:  <u>IC (Investment company)</u> GLO definition: An open or closed ended company established for the sole purpose of collective investment which is incorporated under the DIFC Companies Law in accordance with the Regulations made under that Law.  <u>IP (Investment partnership)</u> GLO definition: A limited partnership established for the sole purpose of collective investment which is formed and registered under the Limited Partnership Law 2006 in accordance with the Regulations made under that Law.  <u>IT (Investment trust)</u> GLO definition: An express trust created solely for collective investment purposes under the Investment Trust Law 2006.
QM22. -

**Section 5: Information about the Fund Manager**

QM23. Please confirm whether or not the Fund Manager will ensure that it meets the various requirements set out in the Collective Investment Law, Collective Investment Rules and the General Module (GEN) of the DFSA Rulebook.
QM24. If you wish to have any of the DFSA Rules waived or modified you must submit the Form SUP 2.

**Section 6: Anti-Money Laundering**

QM25. Please consult the Anti-Money Laundering, Counter-Terrorist Financing and Sanctions Module (AML) of the DFSA Rulebook before confirming that appropriate arrangements are in place.
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**Section 7: Documentation for a Fund Manager**

<p><b>QM26. Organogram of group structure</b>  This should identify all Controllers, other shareholders and Close Links including a breakdown of shareholding, jurisdiction in which the entity/individual is based, and identification of any other regulated entities. Where shares are held by a trust, provide details of all trustees, settlers and beneficiaries. Please refer to GEN Rule 11.8.3 for the definition of Controller.</p>
<p><b>QM27. Staff organogram including reporting lines</b>  This should identify the senior management / key functions with significant influence and any reporting lines to the Governing Body. Please ensure the CO and MLRO also have access to both the Senior Executive Officer and the board.</p>
<p>QM28. -</p>
<p>QM29. -</p>
<p><b>QM30. AUT-IND1 forms</b>  You must fill in an AUT-IND1 form for each individual who will be performing a Licensed Function. An Authorised Individual is a person who is approved by the DFSA to perform a Licensed Function for an Authorised Firm. Licensed Functions are defined in GEN section 7.4. A person may perform more than one Licensed Function. However we do not expect to see the same individual carrying out both business and control responsibilities, for example, Senior Executive Officer and Compliance Officer roles.</p>
<p><b>QM31. Financial projections</b>  <b>Please attach</b> the following financial projections and assumptions commencing at the time of authorisation and, on a quarterly basis, for each of the first three financial years after licensing:</p> <ul style="list-style-type: none"> <li>• Balance sheet (if applicable)*</li> <li>• Profit and loss account, split into income streams</li> <li>• Cash flow statement (if applicable)* and</li> <li>• forecast of your Capital Resources versus your Capital Requirement</li> </ul> <p><i>*These items may not be applicable in the case of a Branch.</i></p> <p>Please provide the figures in the DFSA reporting return format. A list of the key assumptions supporting these financial projections must also be submitted. Please confirm whether you have stress-tested your forecasts and provide details.</p>
<p><b>QM32. Evidence of source of funds for start-ups</b>  For start-ups, supporting evidence of the original source of funds which will be used to provide initial capital resources. We usually require details of how the money sourced for the start-up entity has been generated. Please provide a bank reference. You may be asked for a declaration that the funds are not from the proceeds of crime.</p>
<p>QM33. -</p>
<p>QM34. -</p>

**Section 8: Compulsory Supporting Documents for a Fund Manager**

<p>The documents required in this section can be self-certified by all firms. Be aware that you may still be asked to supply all, or any, of the documents as part of the application.</p>
<p><b>QM35. Compliance manual</b>  This is a critical document which will impact the decision as to whether the firm should be authorised. The DFSA prefers the compliance procedures to be incorporated in one manual. Once you receive authorisation, our Supervision team will visit your offices and ask to see the manual. The manual should include the following details:</p> <ul style="list-style-type: none"> <li>• The structural oversight and reporting arrangements that will enable you to continually meet your compliance obligations under applicable legislation in the DIFC;</li> <li>• How compliance reports are prepared, authorised, disseminated and followed up;</li> <li>• How compliance breaches are detected, recorded, categorised and rectified;</li> </ul>

<ul style="list-style-type: none"> <li>• How the DFSA and other Financial Services Regulators, if applicable, will be kept apprised of all relevant breaches;</li> <li>• How you will keep your firm updated of any changes to applicable legislation in the DIFC and DFSA Rules;</li> <li>• The arrangements for handling, resolving and recording complaints received from clients, with particular reference to the requirements of GEN chapter 9 (Internal Dispute Resolution and Complaints Handling);</li> <li>• How you will embed a positive mind-set towards compliance issues from all your employees, not just your compliance team;</li> <li>• How you will ensure compliance by any Person under a material outsourcing or delegation arrangement with relevant Regulations and procedures;</li> <li>• How you will determine and maintain records of Client verification;</li> <li>• How you will ensure training and competence are embedded into your firm's culture;</li> <li>• Who will be responsible for reviewing the compliance plan, and how often the plan will be reviewed and what process will be followed;</li> <li>• How you will ensure compliance with financial reporting and regulatory capital requirements;</li> <li>• How senior management and the board will identify and manage conflicts of interest between different clients, and between the firm and its clients.</li> </ul>
<p><b>QM36. Anti-money laundering procedures</b> Your anti-money laundering procedures should include, amongst other things, arrangements to:</p> <ul style="list-style-type: none"> <li>• Ensure compliance with UAE Law No 4 and any other relevant UAE federal laws.</li> <li>• Ensure compliance with the DFSA's Anti-Money Laundering, Counter-Terrorist Financing and Sanctions Module (AML).</li> </ul>
<p><b>QM37. Compliance monitoring programme</b> Your programme should document how compliance is monitored within the business units.</p>
<p><b>QM38. Risk management policies</b> Your policy document should describe the risk management arrangements you will establish and maintain to identify, assess, mitigate, control and monitor the risks arising from the Financial Services activities carried out in or from the DIFC. Such arrangements should also take into account the Funds for which you are acting as the Fund Manager.</p> <p>Please include the following: The nature, scope and organisational structure of your risk management functions, the reporting lines and nature, scope and frequency of risk reporting, including the composition and terms of reference of any risk committees and any appropriate links to Group risk reporting.</p>

**Section 9: Fees for a Fund Manager Application**

Details of fees can be found in the Fees module of the DFSA Rulebook.

**Section 10: Prudential Regulatory Reporting for a Fund Manager**

QM39. Please refer to GEN section 8.2 to determine the accounting standards to be used in preparing your financial accounts and statements.

QM40. -

**Section 11: Fit and Proper Questionnaire**

QM41-47. These questions are self-explanatory and are focused on the fitness and propriety of the firm. Please supply all relevant information - openness and honesty are essential. Should we need to examine your application more closely because of any disclosures you make, this will not necessarily count against you. However, deliberately withholding information or providing false or misleading information, will adversely impact the success of your application. If in doubt, disclose.



**Section 12: Disclosure**

This section should be completed by all applicants.

## Qualified Investor Funds: Fund Notification Form notes

This section contains information to assist you to complete the Qualified Investor Fund: Notification form. Each note relates to a question in the Qualified Investor Fund: Notification form e.g. QF5 below provides information to assist you to complete the question at QF5 of the Qualified Investor Fund: Notification form.

### Section 1: Declaration

This section should be completed by all applicants.

### Section 2: Contact details

EX1. Please provide the full name of the Fund Manager.
EX2. The contact person named should be the person who is responsible for the application during this process and who will liaise with the DFSA. This person must be a representative of the company. It may be helpful to provide a second contact name as a back-up.
EX3. If you do not have an adviser assisting you with this application, please go to question QF5.
EX4. You may have a professional adviser assisting you with this application. Please tick yes if the DFSA should copy any correspondence in relation to this application to the adviser.

### Section 3: Fund Structure and Investment Policy

EX5. Please provide the full name of the Fund.
EX6. You should confirm whether or not the Fund meets the various requirements set out in Article 16(5) of the Collective Investment Law.
<p>EX7. Fund Structure. Please tick the applicable boxes. Multiple boxes may be used for any one fund if applicable. The following provides a brief summary regarding the structure of funds expressed in the form:</p> <p><u>Investment company</u> GLO definition: An open or closed ended company established for the sole purpose of collective investment which is incorporated under the DIFC Companies Law in accordance with the Regulations made under that Law.</p> <p><u>Investment partnership</u> GLO definition: A limited partnership established for the sole purpose of collective investment which is formed and registered under the Limited Partnership Law 2006 in accordance with the Regulations made under that Law.</p> <p><u>Investment trust</u> GLO definition: An express trust created solely for collective investment purposes under the Investment Trust Law 2006.</p> <p><u>Master Fund</u> See CIR 3.1.4</p> <p><u>Feeder Fund</u> See CIR 3.1.5</p> <p><u>Umbrella fund</u> See CIR 3.1.10.</p>



EX8. Type of Fund.  
Please tick the applicable boxes. Multiple boxes may be used for any one fund if applicable. The following provides a brief summary regarding the types of funds expressed in the form:

Traditional

Essentially the same as a standard mutual fund, such a fund is long-only, unleveraged, with returns driven largely by the performance of the market or an asset class and with no performance-based fees.

Private equity

A fund investing in an asset class consisting of equity securities and, to a lesser extent, debt in operating companies that are not publicly traded on an exchange

Money market

A Fund that invests in short-term (less than one year) debt securities such as T-bills, CDs and commercial paper.

REIT

See CIR 3.1.8

Islamic

See CIR 3.1.2

Hedge fund

See CIR 3.1.9

Fund of funds

See CIR 3.1.3

ETF

A fund containing a portfolio designed to replicate the performance of a major index or benchmark, capable of being traded like any other exchange-traded security throughout the trading day.

CTA

Essentially, a hedge fund specialising in using futures, options on futures, and forwards to implement its investment strategy.

Index tracker

A fund designed to replicate the performance of an index or benchmark (compare ETF).

Venture capital

A private equity fund investing in start-up and (generally) small businesses with significant growth potential and characterised as being high-risk/high-return opportunities.

Real Property (Real Estate)

See CIR 3.1.7

Managed currency

A fund seeking to profit from considered investments in foreign exchange.

EX9. Asset classes invested into by the Fund.  
Please tick the applicable boxes. Multiple boxes may be used for any one fund if applicable. The following provides a brief summary regarding the asset classes expressed in the form:

Equities (Shares)

Shares of ownership in publicly held companies. See GEN A2.1.1 (a)

Real Property (Real estate)

GLO definition: Land or buildings, whether freehold or leasehold, where the unexpired term of any lease exceeds 20 years.

Money market investments (Bills/Notes/Commercial Paper etc.)

Liquid, short-term, fixed income securities issued by governments or firms

Government bonds

Fixed income securities issued by governments

Futures/options

For definitions see GEN A2.3.1

Infrastructure

Basic physical systems and businesses such as water, power, transport systems, communication systems

Credit incl. corporate bonds

Fixed income securities and loans issued by corporations

Microfinance

As an asset class, investments are generally made in microfinance institutions (MFIs) which in turn make micro-loans to new businesses in the developing world.

**EX10. Investment strategy used by the Fund.**

Please tick the applicable boxes. Multiple boxes may be used for any one fund if applicable. The following provides a brief summary regarding the investment strategies expressed in the form:

Long-only

The fund holds only 'long' positions in assets and securities

Long-short

The fund holds long positions in securities it expects to increase in value and short positions in securities (in the same asset class as the long positions) which it expects to decrease in value or to hedge the long positions against general market exposure.

Short bias

The fund maintains a net short exposure to the market through a combination of short and long positions.

Market neutral

The fund seeks to avoid any form of overall market exposure by utilising 'matching' long and short positions in different securities in the same market.

Emerging market

The fund invests primarily or exclusively in the securities of a developing country or group of developing countries.

Merger arbitrage (risk arbitrage)

The fund seeks to profit from opportunities arising from extraordinary corporate events such as M&A and Leveraged Buyouts (LBOs) by taking appropriate positions in the securities associated with the event. (see Event driven).

Event driven (special situation)

The fund seeks to exploit pricing inefficiencies that may occur before or after a corporate event, such as a bankruptcy, merger, acquisition, or spinoff. (see Merger arbitrage).

Statistical arbitrage

Typically the fund trades pairs (or larger baskets) of stock that its quant models show as having a fairly persistent relationship statistically, shorting the relatively overpriced stock and buying the relatively underpriced stock and profiting from the anticipated convergence.

Quantitative

The fund selects investments and may also execute the trading decision based on quantitative models.

Dividend arbitrage

The fund seeks to profit from dividend-paying stocks by holding the relevant stock through the ex-dividend date while hedging the long position in the stock with in-the-money put options.

Balanced

A traditional fund that combines a stock component and fixed income component, allowing the fund to switch between a moderate risk weighting (more equity) and a conservative (more fixed income) weighting.

Convertible bond arbitrage

The fund seeks to profit on any mispricing between a convertible bond and its underlying stock.

Fixed income arbitrage

The fund seeks to profit from temporary pricing mismatches between related securities by taking 'off-setting' long and short positions, often with leverage, while limiting exposure to interest rate changes.

Distressed securities

The fund seeks to profit from holding securities trading at a discount to par value in firms experiencing financial or operational distress, bankruptcy etc., often by trying to influence the process of restructuring.

Volatility arbitrage

The fund seeks to profit from volatility changes in market indices or individual name securities, without being affected by the direction of the price movement.

Global macro

The fund implements opportunistic trading strategies to profit from shifts in macroeconomic trends.

Multi-strategy

Typically the fund is organised as separate trading groups, each specialising in a specific investment strategy, with fund capital being allocated dynamically across strategies depending on the expected investment opportunities.

EX11. -

EX12. -

EX13. -

**Section 4: Management and Operation of the Fund**

EX14. You should confirm whether or not the Fund Manager's personnel responsible for managing the fund have relevant and up-to-date experience in managing such funds.

EX15. Please provide details regarding the minimum amount which an investor can invest into the fund.

EX16. In relation to the Custody of the Fund Property, please confirm compliance with the applicable requirements in CIR 12A 3.1.

EX17. Please confirm the frequency of the Net Asset Valuation (NAV) calculation.
EX18. Please advise which of the fee structures are applicable to the fund's investors. Multiple fee structures may apply.
EX19. The fund manager has a duty to act in the best interests of the Unitholders and, if there is a conflict between the Unitholders' interests and its own interests, to give priority to the Unitholders' interests. On this basis please provide details of any particular risk areas in which potential conflicts may arise and how the firm intends to disclose and manage such conflicts with Unitholders.
EX20. If you have been granted any waivers or modifications of the DFSA Rules prior to submitting this form please provide the Notice number. Please note that this notification will not be accepted until any policy issues and waivers/modifications are resolved.

### **Section 5: Parties to the Fund**

Please provide details regarding any third parties who may provide a service to the fund by way of delegation or outsourcing arrangement. Where relevant details should include name, address, regulatory status and whether an agreement is in place. These agreements are not required to be submitted to the DFSA as part of this application. However such agreements should be ready for inspection should the DFSA request sight of them.

### **Section 6: Compulsory Supporting Documents for a Fund**

EX21. Please confirm you have attached the Constitution of the Fund.
EX22. Please confirm you have attached the Information Memorandum of the Fund.

### **Section 7: Fees for a Domestic Fund (Initial Annual Fee)**

Details of fees can be found in the Fees module of the DFSA Rulebook.

### **Section 8: Disclosure**

This section should be completed by all applicants.

## Part 6: External Fund Manager Form notes

### External Fund Manager Form notes

This section contains information to assist you to complete the External Fund Manager form. Each note relates to a question in the External Fund Manager form e.g. EM5 below provides information to assist you in completing the question at EM5 of the External Fund Manager form.

#### Section 1: Declaration

This section should be completed by all applicants.

#### Section 2: Additional Declaration for an External Fund Manager

This section should be completed by all applicants applying as an External Fund Manager and by either the Appointed Fund Administrator or Appointed Trustee.

#### Section 3: General Information

EM1.	Please provide the full name of the firm applying as an External Fund Manager.
EM2.	We are seeking information about the legal nature of your Firm. Please refer to GEN Rule 7.2.2.
EM3.	-
EM4.	-
EM5.	You will need to give details of any trading name(s) which you propose to use for the purpose of, or in connection with, any business carried out in or from the DIFC, if these are different from your legal name.
EM6.	-

#### Section 4: Contact details

EM7.	You need to give the full address of the current place of business in your jurisdiction.
EM8.	You need to give the registered address for the operation in your jurisdiction
EM9.	The contact person named should be the person who is responsible for the application during this process and who will liaise with the DFSA. This person must be a representative of the company. It may be helpful to provide a second contact name as a back-up.
EM10.	If you do not have an adviser assisting you with this application, please go to question EM12.
EM11.	You may have a professional adviser assisting you with this application. Please tick yes if the DFSA should copy correspondence in relation to this application to the adviser.
EM12.	State the name of your auditor, their address, the relevant contact person, telephone number and fax number.

#### Section 5: Regulatory Details

EM13.	Give the name of the supervisory contact person from the relevant regulator including postal address, telephone number, fax number and e-mail address.
EM14.	-
EM15.	We need this information to determine that you have the equivalent authorisation/license in your jurisdiction to manage a collective investment fund in the DIFC.
EM16.	-

**Section 6: Nature of Applicant’s Business and intended activities in the DIFC**

EM17. The DFSA will review the proposed activities to ensure that they are within the scope of an External Fund Manager of a DIFC domiciled fund as set out in the Collective Investment Rules Module (CIR) of the DFSA Rulebook. Please describe what systems and controls the firm will have in place to ensure it conducts the activities of a Fund Manager which is managing a domestic fund.
EM18. The following provides a brief summary regarding the structure of funds expressed in the form:  <u>IC (Investment company)</u> GLO definition: An open or closed ended company established for the sole purpose of collective investment which is incorporated under the DIFC Companies Law in accordance with the Regulations made under that Law.  <u>IP (Investment partnership)</u> GLO definition: A limited partnership established for the sole purpose of collective investment which is formed and registered under the Limited Partnership Law 2006 in accordance with the Regulations made under that Law.  <u>IT (Investment trust)</u> GLO definition: An express trust created solely for collective investment purposes under the Investment Trust Law 2006.
EM19. -
EM20. Please refer to COB Rule 2.3 of the DFSA Rulebook in relation to the definitions for types of clients.

**Section 7: Documentation for an External Fund Manager**

EM21. If you are unable to attach a letter of good standing from your regulator regarding your application, you must arrange for it to be sent directly to the DFSA by your regulator prior to submission of this application. Otherwise DFSA will not be able to accept submission of your application.
EM22. -
EM23. An External Fund Manager must be subject to regulation by a financial services regulator in a Recognised Jurisdiction or otherwise acceptable to the DFSA with respect to managing a collective investment fund. You should refer to the DFSA’s Recognised Jurisdiction Notice on the DFSA website. If your jurisdiction does not appear on this Notice you will be required to demonstrate to the DFSA that you are from an acceptable jurisdiction. In order to do so you are required to carry out a comparative analysis of your jurisdiction’s regulated fund regime against that of the DFSA and highlight where any gaps exist. Where such gaps exist you should also demonstrate controls you intend to implement to match DFSA requirements. As part of your submission you should provide the comparative analysis including gaps and remedies.
EM24. Please see CIR 6.1.3 regarding the appointment of a Fund Administrator or Trustee as agent of an External Fund Manager. Please note the agreement must contain the information regarding the type of powers being granted to the agent to facilitate the External Fund Manager in relation to its dealings with the DFSA and Unitholders and prospective Unitholders such as: <ul style="list-style-type: none"> <li>• If it is an open-ended Fund, the issue, resale and redemption of the Units of the Fund and the publication of the price at which such issue, resale or redemption will occur as provided under the Law and the Rules;</li> <li>• The sending to Unitholders of the Fund of all the reports required under the Law and the Rules;</li> <li>• Access to the Constitution and most recent Prospectus of the Fund to Unitholders and Prospective Unitholders;</li> <li>• Access to the Unitholder register; and</li> <li>• Access to the books and records relating to the Fund as required by the DFSA and any</li> </ul>

<p>person providing the oversight functions of the Fund, in or from a place in the DIFC.</p>
<p>EM25. Please refer to the notes in EM24.</p>

### Section 8: Compulsory Supporting Documents for a Fund Manager

<p>The documents required in this section can be self-certified by all firms. Be aware that you may still be asked to supply all, or any, of the documents as part of the application.</p>
<p>EM26. <b>Compliance manual</b> The manual should ensure compliance with the relevant DFSA Rules.</p>
<p>EM27. <b>Anti-money laundering procedures</b> Your anti-money laundering procedures should include, amongst other things, arrangements to:</p> <ul style="list-style-type: none"> <li>• Ensure compliance with UAE Law No 4 and any other relevant UAE federal laws.</li> <li>• Ensure compliance with the DFSA’s Anti-Money Laundering, Counter-Terrorist Financing and Sanctions Module (AML).</li> </ul>
<p>EM28. <b>Compliance monitoring programme</b> Your programme should document how compliance is monitored within the business units.</p>
<p>EM29. <b>Risk management policies</b> Your policy document should describe the risk management arrangements you will establish and maintain to identify, assess, mitigate, control and monitor the risks arising from the Financial Services activities carried out in or from the DIFC. Such arrangements should also take into account the Funds for which you are acting as the Fund Manager.</p>

### Section 9: Fit and Proper Questionnaire

<p>EM30-36. These questions are self-explanatory and are focused on the fitness and propriety of the firm. Please supply all relevant information - openness and honesty are essential. Should we need to examine your application more closely because of any disclosures you make, this will not necessarily count against you. However, deliberately withholding information or providing false or misleading information will adversely impact the success of your application. If in doubt, disclose.</p>
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### Section 10: Disclosure

<p>This section should be completed by all applicants.</p>
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## Part 7: External Fund Notification Form notes

### External Fund Notification Form notes

This section contains information to assist you to complete the External Fund Notification form. Each note relates to a question in the notification form e.g. EX5 below provides information to assist you to complete the question at EX5 of the External Fund Notification form.

#### Section 1: Declaration

This section should be completed by all applicants.

#### Section 2: Contact details

EX1. Please provide the full name of the Fund Manager.

EX2. The contact person named should be the person who is responsible for the application during this process and who will liaise with the DFSA. This person must be a representative of the company. It may be helpful to provide a second contact name as a back-up.

EX3. If you do not have an adviser assisting you with this application, please go to question EX5.

EX4. You may have a professional adviser assisting you with this application. Please tick yes if the DFSA should copy any correspondence in relation to this application to the adviser.

#### Section 3: External Fund Structure and Investment Policy

EX5. Please provide the full name of the Fund.

EX6. Fund Structure.

Please tick the applicable boxes. Multiple boxes may be used for any one fund if applicable. The following provides a brief summary regarding the structure of funds expressed in the form:

##### Investment company

GLO definition: An open or closed ended company established for the sole purpose of collective investment which is incorporated under the DIFC Companies Law in accordance with the Regulations made under that Law.

##### Investment partnership

GLO definition: A limited partnership established for the sole purpose of collective investment which is formed and registered under the Limited Partnership Law 2006 in accordance with the Regulations made under that Law.

##### Investment trust

GLO definition: An express trust created solely for collective investment purposes under the Investment Trust Law 2006.

##### Other

Please specify if your fund is not an investment company, investment partnership or investment trust i.e. it may be a Unit Trust in the UK.

##### Master Fund

See CIR 3.1.4

##### Feeder Fund

See CIR 3.1.5

##### Umbrella fund

See CIR 3.1.10.



EX7. Type of Fund.  
Please tick the applicable boxes. Multiple boxes may be used for any one fund if applicable. The following provides a brief summary regarding the types of funds expressed in the form:

Traditional

Essentially the same as a standard mutual fund, such a fund is long-only, unleveraged, with returns driven largely by the performance of the market or an asset class and with no performance-based fees.

Private equity

A fund investing in an asset class consisting of equity securities and, to a lesser extent, debt in operating companies that are not publicly traded on an exchange

Money market

A Fund that invests in short-term (less than one year) debt securities such as T-bills, CDs and commercial paper.

REIT

See CIR 3.1.8

Islamic

See CIR 3.1.2

Hedge fund

See CIR 3.1.9

Fund of funds

See CIR 3.1.3

ETF

A fund containing a portfolio designed to replicate the performance of a major index or benchmark, capable of being traded like any other exchange-traded security throughout the trading day.

CTA

Essentially, a hedge fund specialising in using futures, options on futures, and forwards to implement their investment strategy.

Index tracker

A fund designed to replicate the performance of an index or benchmark (compare ETF).

Venture capital

A private equity fund investing in start-up and (generally) small businesses with significant growth potential and characterised as being high-risk/high-return opportunities.

Real Property (Real Estate)

See CIR 3.1.7

Managed currency

A fund seeking to profit from considered investments in foreign exchange.

EX8. Asset classes invested into by the Fund.  
Please tick the applicable boxes. Multiple boxes may be used for any one fund if applicable. The following provides a brief summary regarding the asset classes expressed in the form:

Equities (Shares)

Shares of ownership in publicly held companies. See GEN A2.1.1 (a)

Property (Real estate)

GLO definition: Land or buildings, whether freehold or leasehold, where the unexpired term of any lease exceeds 20 years.

Money market investments (Bills/Notes/Commercial Paper etc.)

Liquid, short-term, fixed income securities issued by governments or firms

Government bonds

Fixed income securities issued by governments

Futures/options

For definitions see GEN A2.3.1

Infrastructure

Basic physical systems and businesses such as water, power, transport systems, communication systems

Credit incl. corporate bonds

Fixed income securities and loans issued by corporations

Microfinance

As an asset class, investments are generally made in microfinance institutions (MFIs) which in turn make micro-loans to new businesses in the developing world.

EX9. Investment strategy used by the Fund.

Please tick the applicable boxes. Multiple boxes may be used for any one fund if applicable. The following provides a brief summary regarding the investment strategies expressed in the form:

Long-only

The fund holds only 'long' positions in assets and securities

Long-short

The fund holds long positions in securities it expects to increase in value and short positions in securities (in the same asset class as the long positions) which it expects to decrease in value or to hedge the long positions against general market exposure.

Short bias

The fund maintains a net short exposure to the market through a combination of short and long positions.

Market neutral

The fund seeks to avoid any form of overall market exposure by utilising 'matching' long and short positions in different securities in the same market.

Emerging market

The fund invests primarily or exclusively in the securities of a developing country or group of developing countries.

Merger arbitrage (risk arbitrage)

The fund seeks to profit from opportunities arising from extraordinary corporate events such as M&A and Leveraged Buyouts (LBOs) by taking appropriate positions in the securities associated with the event. (see Event driven).

Event driven (special situation)

The fund seeks to exploit pricing inefficiencies that may occur before or after a corporate event, such as a bankruptcy, merger, acquisition, or spinoff. (see Merger arbitrage).

Statistical arbitrage

Typically the fund trades pairs (or larger baskets) of stock that its quant models show as having a fairly persistent relationship statistically, shorting the relatively overpriced stock and buying the relatively underpriced stock and profiting from the anticipated convergence.

Quantitative

The fund selects investments and may also execute the trading decision based on quantitative models.

Dividend arbitrage

The fund seeks to profit from dividend-paying stocks by holding the relevant stock through the ex-dividend date while hedging the long position in the stock with in-the-money put options.

Balanced

A traditional fund that combines a stock component and fixed income component, allowing the fund to switch between a moderate risk weighting (more equity) and a conservative (more fixed income) weighting.

Convertible bond arbitrage

The fund seeks to profit on any mispricing between a convertible bond and its underlying stock.

Fixed income arbitrage

The fund seeks to profit from temporary pricing mismatches between related securities by taking 'off-setting' long and short positions, often with leverage, while limiting exposure to interest rate changes.

Distressed securities

The fund seeks to profit from holding securities trading at a discount to par value in firms experiencing financial or operational distress, bankruptcy etc., often by trying to influence the process of restructuring.

Volatility arbitrage

The fund seeks to profit from volatility changes in market indices or individual name securities, without being affected by the direction of the price movement.

Global macro

The fund implements opportunistic trading strategies to profit from shifts in macroeconomic trends.

Multi-strategy

Typically the fund is organised as separate trading groups, each specialising in a specific investment strategy, with fund capital being allocated dynamically across strategies depending on the expected investment opportunities.

EX10. -

EX11. -

EX12. -

**Section 4: External Fund Requirements**

EX13. This is the jurisdiction in which you have established the fund.

EX14. Please specify the name of the relevant fund laws, rules, regulations which are applicable to the fund in its jurisdiction. This should also include the fund category i.e. exempt fund, public fund, etc.

EX15. Please advise whether you are allowed to target retail clients to invest in the fund in its jurisdiction.

EX16. Please advise what AML legislation applies to the fund in your jurisdiction. As an example for DIFC domestic fund this would be the AML Module of the DFSA Rulebook.

EX17. Please advise whether the jurisdiction in which the fund is domiciled complies with the Financial Action Task Force (FATF) Recommendations. These Recommendations are used as the international standard.

EX18. The contact person named should be the person who is responsible for the regulatory authorisation and ongoing supervision of the fund.

EX19. Please confirm which entities will distribute the fund.

EX20. The Fund Manager of an External Fund must:

- (c) Have systems and controls which are adequate to ensure compliance with the requirements that apply to the External Fund in the jurisdiction in which it is established or domiciled; and
- (d) Inform the DFSA of the jurisdiction in which the Fund is or is to be established or domiciled and the nature of regulatory requirements applicable to the Fund in that jurisdiction.

A Fund Manager of an External Fund is generally not subject to the requirements that otherwise apply to Domestic Funds (see Article 14(2) of the Law). However, some limited requirements apply to External Funds. See for example the disclosure required under Rules 14.2.4 – 14.2.7. Should such a requirement conflict with any requirements that apply to an External Fund in the jurisdiction in which the Fund is domiciled, the Fund Manager may apply to the DFSA for appropriate waivers or modifications of the DFSA requirements.

The DFSA may upon receipt of the information referred to in Rule 6.2.2(b), assess the desirability of establishing an External Fund in that particular jurisdiction chosen by the Fund Manager. Relevant considerations include:

- (d) The Fund Manager's need to establish the Fund in the particular jurisdiction for reasons such as the physical location of the Fund assets or investor preference;
- (e) Any regulatory risks arising from establishing the External Fund in the relevant jurisdiction, particularly if the Fund is to be open to retail investors; and
- (f) Whether the relevant jurisdiction complies with the FATF or other relevant international standards or requirements.

EX21. If you have been granted any waivers or modifications of the DFSA Rules prior to submitting this form please provide the Notice number. Please note that this notification will not be accepted until any policy issues and waivers/modifications are resolved.

**Section 5: Parties to the Fund**

Please provide details of any third parties who may provide a service to the fund by way of delegation or outsourcing arrangement. Where relevant, details should include name, address, regulatory status and whether an agreement is in place. These agreements are not required to be submitted to the DFSA as part of this application. However such agreements should be ready for inspection should the DFSA request sight of them.

**Section 6: Compulsory Supporting Documents for a Fund**

EX22. Please confirm you have attached the Information Memorandum of the Fund.

**Section 7: Disclosure**

This section should be completed by all applicants.

## **Part 8: Representative Office form notes**

### **Representative Office form notes**

Each note below relates to a question or statement in the Representative Office Application form. E.g. RO1 provides information to help you to complete question RO1 in the Representative Office Application form.

#### **General Information notes**

RO1. Please provide the full name of the firm applying to be licensed as a Representative Office
RO2. We want information about the legal nature of your firm. Please refer to GEN Rule 7.2.2 – 7.2.3.
RO3. Please provide details of the head office (telephone, fax, e-mail and website address)
RO4. Please provide date and place of incorporation for the head office.
RO5. Your financial year-end will be used to determine the regulatory reporting requirements.
RO6. You will need to give details of any trading name(s) which you propose to use for the purpose of, or in connection with, any business carried out in or from the DIFC, if these are different from your legal name.
RO7. The contact person named should be the person who is responsible for the application during the authorisation process and who will liaise with the DFSA. This person must be a representative of the company. It may be helpful to provide a second contact name as back-up.
RO8. You may have a professional adviser assisting with the application process.
RO9. Please tick “yes” to question if the DFSA should copy correspondence in relation to this application to the adviser.

#### **Home jurisdiction regulator**

RO10. Give the name of the supervisory contact from the relevant regulator including postal address, telephone number, fax number and e-mail address.
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#### **Controllers**

RO11. Please refer to GEN Rule 11.8.3 for the definition of Controller.
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#### **Nature of applicant’s business and intended activities in the DIFC**

RO12. The DFSA will review the proposed activities to ensure that they are within the scope of a Representative Office as defined in Representative Office Module of the DFSA Rulebook. Please describe what systems and controls the firm will have in place to ensure it only conducts the activities of a Representative Office.
---

**Anti Money Laundering**

RO13. Please consult chapter 6 of the Representative Office Module (REP) of the DFSA Rulebook before confirming that appropriate arrangements are in place.

**Principal Representative**

RO14. Please complete form AUT-IND4 for the individual proposed as the Principal Representative.

**Fees**

For comprehensive details of fees, please refer to the Fees module of the DFSA Rulebook.

**Applicant Firm Fit & Proper Questionnaire**

RO15/  
RO20 These questions are self-explanatory and are focused on the fitness and propriety of the firm. If you answer yes to any question please supply all relevant information - openness and honesty are essential. Should we need to examine your application more closely because of any disclosures you make, this will not necessarily count against you. However, deliberately withholding information or providing false or misleading information, will adversely impact the success of your application. If in doubt, disclose.

## Part 9: Credit Rating Agency form notes

### Credit Rating Agency form notes

Each note below relates to a question or statement in the Credit Rating Agency application form. E.g. CR1 provides information to help you to complete question CR1 in the Credit Rating Agency application form.

#### General Information notes

CR1. Provide the full name of the firm applying to be licensed as a Credit Rating Agency.
CR2. Provide details of any trading name(s) which you propose to use for the purpose of, or in connection with, any business carried out in or from the DIFC, if these are different from your legal name.
CR3. Provide information about the legal nature of your firm. Please refer to GEN Rule 7.2.2.
CR4. Specify whether the applicant applying to be licensed is incorporated inside or outside the DIFC (i.e. a branch).
CR5. To be completed only where the applicant is incorporated outside of the DIFC (i.e. a branch).
CR6. Provide the name of the supervisory contact from the relevant regulator including postal address, telephone number, fax number and e-mail address.
CR7. Provide details for the applicant's office in the DIFC including address, telephone, fax, email and website.
CR8. Provide the applicant's financial year end.
CR9. State the name of your auditor, their address, the relevant contact person, telephone number and fax number. For Domestic Firms the auditor must be an auditor registered with the DFSA in accordance with GEN Chapter 8.
CR10. The contact person named should be the person who is responsible for the application during the authorisation process and who will liaise with the DFSA. This person must be a representative of the applicant.
CR11. You may have a professional adviser assisting with the application process.
CR12. Please tick "yes" to question if the DFSA should copy correspondence in relation to this application to the adviser.
CR13. If you wish any of the DFSA Rules waived or modified you must submit the Form SUP 2

#### Controllers

CR14. Please refer to GEN Rule 11.8.3 for the definition of Controller.
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**Corporate Governance**

CR15. The DFSA will review the proposed corporate governance structure to ensure that it is appropriate given the size, scope and nature of the applicant's proposed operations. Consideration should be given to the requirements in Chapter 5 of the General (GEN) Module and the guidance in Section 2-2 of the Regulatory Policy and Process (RPP) Sourcebook.

**Nature of applicant's business and intended activities in the DIFC**

CR16. The DFSA will review the proposed activities to ensure that they are within the scope of Operating a Credit Rating Agency as defined in GEN 2.27. Should the applicant intend to carry out any ancillary services consideration should be given COB 8.5.2.

**Compliance**

CR17/ CR21 The DFSA will review the proposed compliance framework and the arrangements described for ensuring compliance with the relevant COB requirements. Consideration should be given to the requirements in GEN 5.3.7 to 5.3.12 and Chapter 8 of the Conduct of Business (COB) Module.

**Documentation**

CR22. Organogram of group structure identifying all Controllers, ultimate beneficial owners, other shareholders and Close Links. Include a clear breakdown of percentage shareholding sizes, jurisdiction in which the entity/individual is based, identification of any other regulated entities and each entity's principal activity. Where shares are held by a trust, you must also provide details of all trustees, settlors and beneficiaries.

CR23. Organogram of legal entity including reporting lines to demonstrate separation of functions and independence of risk management/compliance/internal audit. The employee organogram should identify the senior management / head functions with significant influence and any reporting lines to the Governing Body. Please ensure that the Compliance Officer has access to both the Senior Executive Officer and board of Directors.

CR24. Provide a copy of the applicant's most recent audited accounts. Where the applicant is yet to be established, provide a copy of its parent's most recent audited accounts.

CR25. All Credit Rating Agencies must nominate a suitable individual to carry out the mandatory licensed function of Senior Executive Officer.

CR26. All Credit Rating Agencies must nominate a suitable individual to carry out the mandatory licensed function of Compliance Officer. If the nominated Compliance Officer is not resident in the UAE, the applicant must also submit an SUP2 form applying for a waiver of GEN 7.5.2. In such cases, the applicant must demonstrate that it has sufficient resources and appropriate compliance oversight arrangements for the DIFC operation.

CR27. An SUP2 form is only required where the applicant wishes to apply to have any of the DFSA Rules waived or modified.



**Fees**

For comprehensive details of fees, please refer to the Fees module of the DFSA Rulebook.

**Applicant Firm Fit & Proper Questionnaire**

CR28/ These questions are self-explanatory and are focused on the fitness and propriety of the  
CR34 firm. If you answer yes to any question please supply all relevant information - openness and honesty are essential. Should we need to examine your application more closely because of any disclosures you make, this will not necessarily count against you. However, deliberately withholding information or providing false or misleading information, will adversely impact the success of your application. If in doubt, disclose.

## **Part 10: Other Information**

### **Becoming Authorised**

In order to conduct Financial Services through the Dubai International Financial Centre, individuals or entities need to seek authorisation from the DFSA. Authorisation is given in the form of a Licence which is issued by the DFSA, which specifies the type of Financial Services that can be conducted.

The following is a guide for firms seeking authorisation from the DFSA:

#### **Tips for applicants**

1. Spend time preparing your application. Read the GEN module of the DFSA Rulebook, as well as the guidance notes to the application forms before you start your application.
2. Carefully identify which of your proposed business activities fall within the definition of Financial Services. Check whether there are any exemptions or prohibitions which may impact your application.
3. If you are a start-up firm, review our policy statement on start-ups. This can be found on the DFSA website under Legislation. We do not accept applications for start-up banks.
4. Check you are submitting the most-up-to date version of our application form(s) and that you have used the right forms for the business activities you are proposing. Ensure your application specifies clearly the Financial Services you intend to carry out.
5. Be as comprehensive as possible in providing the information required. Make sure your forms are signed and that you have included the required attachments.
6. Review your application before submission, particularly when using consultants or legal advisers. You are the one who knows your business best and you are responsible for all information contained in the application.
7. Provide one hard copy and one soft copy of your application. The soft copy should be stored on a CD or memory stick. Please do not send e-mail copies.
8. Ensure you have paid the correct application fee. Details of the fee schedule are set out in the Fees module of the DFSA Rulebook. We will only commence work on your application when payment and the original application form(s) have been received.
9. Nominate a contact person within your firm to be responsible for managing the application process and to assist the DFSA with any enquiries.
10. Initiate the Registrar of Companies process at the same time as lodging your application with the DFSA. This will save you time at the end of the process.

#### **How we assess applications**

Before we can authorise a firm as an Authorised Firm, we need to be satisfied that the firm meets our Fit and Proper test, and is likely to do so on an ongoing basis. Generally, Fit and Proper means the ability to carry out a financial service competently, with honesty and integrity.

The areas we look at include:

- **Legal status:** A firm must be a body corporate or partnership. It can be formed in the DIFC, or a firm can establish a branch of a legal entity based in another jurisdiction. In the latter instance, the DFSA would expect the outside jurisdiction to have internationally compliant regulatory and legal standards.
- **Location of offices:** A firm must carry on its activities from a place of business in the DIFC. Please discuss office requirements with the DIFC Authority Business Development Unit.
- **Ownership and group structure:** The DFSA seeks to establish that it will be able to effectively supervise the firm. Therefore we need to be made aware of any Close Links (eg parent, subsidiary, sister company) which could hinder effective ongoing supervision.
- **Adequate resources:** A firm must have adequate resources to carry out the proposed financial services including financial resources and adequate systems and controls. A firm must have an internal audit function.
- **Senior management:** A firm must appoint a Senior Executive Officer, a Compliance Officer, an Anti-Money Laundering Reporting Officer and a Finance Officer. The first three positions require the individuals responsible to be resident in the UAE. As part of our process, we will evaluate the competence and integrity of the proposed senior management team.

### **How to prepare to apply**

We strongly recommend that firms, in the first instance, engage with the Business Development unit of the DIFCA. They will help you understand the value proposition of the DIFC to assist your evaluation of whether a presence here will make business sense for your firm.

Some firms go straight to attempting to complete the application forms. This often results in a poor application and can lengthen the application process. Here are some recommended preparation steps:

- Decide what type of business you want to carry out and check which Financial Services you will need to apply for.
- Determine who will be part of the senior management and who will be in the mandatory positions. Prepare to complete the necessary individual application forms.
- Develop a comprehensive regulatory business plan that sets out your proposed activities, 3-year financial projections and budget, resources such as human, systems and financial. This can be shared with the DFSA Authorisation Enquiries team who will be happy to comment on your proposal.
- Familiarise yourself with the applicable rules from the DFSA Rulebook and be prepared to show how you will comply with those rules. This will include providing a compliance manual, a compliance monitoring programme, and risk management policies.
- Determine your minimum regulatory capital requirements, with which you will need to comply at all times. This should be included in your 3-year financial projections.

## **Completing the Application Forms**

It is vital that you supply all relevant information. Openness and honesty are essential. Should we need to examine your application more closely because of any disclosures you make, this will not necessarily count against you. However, deliberately withholding information or providing false or misleading information, will adversely impact the success of your application. If in doubt, disclose.

If the information you provide is inaccurate or incomplete, we may deem your application as materially incomplete, in which case it would not be accepted. Thus, missing information will lengthen the application process. Ensure that all relevant documents are also included with your completed application.

You should also start the registration process with the DIFC Registrar of Companies at the same time as you submit your DFSA application. This will help you to avoid delays at the end of the authorisation process.

## **Fees**

The application fee will vary according to the Financial Services to be provided. Comprehensive details of fees can be found in the **Fees module (FER)** of the DFSA Rulebook.

## **Authorisation timeline**

If the application is complete and the application fee has been paid, we will process the application according to the following timeline:

- Within 2 business days of receipt of the application: A letter acknowledging receipt of the application is sent.
- Within 10 business days of receipt of the application: We aim to send out an initial review letter.
- Dialogue between you and the DFSA will start and continue as required to the final review.
- Within 4 months of receipt of the application: We aim to complete a final review and recommendation.

The timeline set out above is indicative only. The time taken to process your application will depend on its scale and complexity, as well as the timely submission of information and response to any requests for further clarification. The need to make the correct regulatory decision will always take precedence over meeting target timescales.

A successful application will result in the DFSA issuing you an in-principle letter which will allow you to complete the DIFC Registrar of Companies process. We will then issue your DFSA Licence once you can demonstrate that you have successfully registered with the Registrar of Companies, opened a bank account and sufficiently capitalised the firm (for DIFC entities only) and met any other outstanding matters.

You will have only 3 months to complete the outstanding requirements and establish operational premises during the in-principle period. It will be helpful if you can establish contact with any other relevant third parties eg Registrar of Companies, bank etc at the same time as submitting your DFSA application.

### Getting help

- **DFSA Rulebook:** Generally applicable modules include:, General (GEN) and Conduct of Business (COB).
- **Authorisation Enquiries:** You can direct your questions regarding our regulatory regime or the authorisation process to Authorisation Enquiries.
- **DIFCA Business Development Manager:** For advice on the commercial aspects of setting up in the DIF and for copies of the application forms.