

## Appendix 4

In this appendix underlining indicates new text and striking through indicates deleted text.

Some text is not being amended but is included for reference.



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# The DFSA Rulebook

## Markets Rules

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## **4 MARKET DISCLOSURE**

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### **4.2 Disclosure of inside information**

#### **Timely disclosure**

- 4.2.1** (1) A Reporting Entity must make timely disclosure of Inside Information in accordance with the requirements in this section.
- (2) A Reporting Entity must ensure that the disclosure it makes pursuant to (1) is not misleading, false or deceptive and does not omit anything likely to affect the import of the information.
- (3) For the purposes of complying with the requirement in (1), the Reporting Entity must, subject to Rule 4.2.3 and 4.2.4, make disclosure as soon as possible and in the manner specified in Rule 4.7.1.

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#### **Delaying disclosure**

- 4.2.2** A Reporting Entity may delay market disclosure of Inside Information so as not to prejudice its legitimate interests provided that:
- (a) the delay is not likely to mislead the markets; and
- (b) if the information is to be selectively disclosed to a Person prior to market disclosure, it is made in accordance with the requirements in Rule 4.2.3.

**4.2.2A** A Reporting Entity may delay market disclosure of Inside Information where all of the following conditions are met:

- (a) the Reporting Entity is:
- (i) an Authorised Firm to whom Part 5A of the Regulatory Law applies;  
or
- (ii) an entity in the same Group as an Authorised Firm referred to in (i);
- (b) the DFSA has given its consent in writing to the delay on the basis that disclosure of the information may undermine financial stability in the DIFC or is otherwise in the public interest having regard to the aims set out in Articles 8(3B) and (3C) of the Regulatory Law; and

- (c) if the information is to be selectively disclosed to a Person prior to market disclosure, the disclosure is made in accordance with the requirements in Rule 4.2.3.

**Selective disclosure**

- 4.2.3** (1) For the purposes of Rule 4.2.2(b) and 4.2.2A(c), a Reporting Entity may selectively disclose Inside Information to a Person prior to making market disclosure of such information only if:
- (a) it is for the purposes of the exercise by such a Person of his employment, profession or duties;
  - (b) that Person owes to the Reporting Entity a duty of confidentiality, whether based on law, contract or otherwise; and
  - (c) the Reporting Entity has provided to that Person, except where that Person is the DFSA, a written notice as specified in (3).
- (2) For the purposes of (1)(a), the Persons whose exercise of employment, profession or duties may warrant selective disclosure are as follows:
- (a) any adviser, underwriter, sponsor or compliance adviser;
  - (b) an agent employed by the Reporting Entity to release the information;
  - (c) Persons with whom the Reporting Entity is negotiating with a view to effecting a transaction or raising finance, including prospective underwriters or sponsors of an issue of Securities, providers of finance or loans or the placement of the balance of a rights issue not taken up by shareholders;
  - (d) the DFSA, or another Financial Services Regulator or a Resolution Authority where such disclosure is necessary or desirable for the regulator to perform its functions;
  - (e) a Person to whom the Reporting Entity discloses information in accordance with a lawful requirement;
  - (f) a major shareholder of the Reporting Entity; or
  - (g) any other Person to whom it is necessary to disclose the information in the ordinary course of business of the Reporting Entity.
- (3) For the purposes of (1)(c), the Reporting Entity must, before making disclosure to a Person, provide to that Person a written notice that:
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- (a) the information is provided in confidence and must not be used or be allowed to be used for a purpose other than the purpose for which it is provided; and
  - (b) the recipient must take reasonable steps to ensure that the recipient or any Person having access to the information through the recipient does not deal in the relevant Securities, or any other related Investment, or disclose such information without legitimate reason, prior to market disclosure of that information by the Reporting Entity.
- (4) Where a Reporting Entity makes selective disclosure of Inside Information pursuant to (1), it must ensure that a full announcement is made to the market as soon as possible, and in any event, when it becomes aware or has reasonable grounds to suspect that such information has or may have come to the knowledge of any Person or Persons other than those to whom the selective disclosure was made.

**Guidance**

1. It is likely that Inside Information will be made known to certain Employees of the Reporting Entity. A Reporting Entity should put in place procedures to ensure that Employees do not disclose such information, whether or not inadvertently, and that Employees are adequately trained in the identification and handling of Inside Information (see Rules 4.2.6 – 4.2.7 and associated Guidance).
2. Rule 4.2.3 does not excuse a Reporting Entity from its overriding obligation to disclose Inside Information as soon as possible pursuant to Rule 4.2.1. A Reporting Entity which proposes to delay public disclosure of Inside Information should refer to Rule 4.2.4, which sets out the limited disclosure exceptions permitted.

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