

**Appendix 4**

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



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# The DFSA Rulebook

Prudential – Investment, Insurance  
Intermediation and  
Banking Module

**(PIB)**

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## PART 3 – Calculating the Capital Requirement

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### 3.6 Base Capital Requirement

**3.6.1** This section applies to an Authorised Firm in any Category.

**Guidance**

1. The Base Capital Requirement is a component of the calculation of the Capital Requirement under sections 3.3, 3.4 and 3.5.
2. As the Base Capital Requirement in Rules 3.5.2 and 3.5.3 does not apply to an Authorised Firm that only manages Venture Capital Funds, this section also does not apply to such a firm.

**3.6.2** The table below sets out the Base Capital Requirement for each Category of an Authorised Firm.



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| <b>Category</b> | <b>Base Capital Requirement</b>   |
|-----------------|---|
| Category 1      | US \$10 million   |
| Category 2      | US \$2 million  |
| Category 3A     | US \$500,000  |
| Category 3B     | US \$4 million<br>Except if the only Financial Service referred to in Rule 1.3.4 is Operating an Employee Money Purchase Scheme or Acting as the Administrator of an Employee Money Purchase Scheme, in which case the Base Capital Requirement is:<br>(a) US \$500,000 for an Operator; or<br>(b) US \$1 million for an Administrator. |
| Category 3C     | US \$500,000<br>Except if the only Financial Service referred to in Rule 1.3.5(a) that the Authorised Firm is authorised to carry on is Managing a Collective Investment Fund in which case its Base Capital Requirement is:<br>(a) US \$140,000 if it manages any Public Fund <u>or Credit Fund</u> ; or<br>(b) US \$70,000 otherwise. |
| Category 3D     | US \$200,000  |
| Category 4      | US \$ 10,000<br>Except if the Authorised Firm:<br>(a) is authorised to Operate a Crowdfunding Platform and it holds Client Assets; or<br>(b) provides Money Transmission, in which case its Base Capital Requirement is US \$140,000.   |
| Category 5      | US \$10 million   |

**3.6.3** An Authorised Firm must have Common Equity Tier 1 Capital (CET1 Capital), as defined in section 3.13, of not less than its relevant Base Capital Requirement at the time that it obtains authorisation and at all times thereafter.

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## APP2 GENERAL REQUIREMENTS

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### A2.4 Reporting to the DFSA

**A2.4.1** In the following Table 1:

- (a) the column headed 'Domestic Firm or Branch' indicates whether the relevant form must be prepared and submitted by a Domestic Firm or Branch;
- (b) the column headed 'Authorised Firm Category' indicates which Category of Authorised Firm must prepare and submit the relevant form;
- (c) the column headed 'Frequency' indicates whether the relevant form must be prepared and submitted on a quarterly or annual basis; and
- (d) the column headed 'Semi-annual consolidated reporting for Financial Groups' indicates which Category of Authorised Firm of a Financial Group must prepare and submit the relevant form on a semi-annual basis.

#### **Guidance**

Table 1 is referred to in section 2.3, and forms part of the Rules.



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**Table 1      Authorised Firm Reporting Matrix**

| Form Number | Form Name              | Domestic Firm or Branch  | Authorised Firm Category  | Frequency      | Semi-annual consolidated reporting for Financial Groups |
|-------------|------------------------|--------------------------|---|----------------|---|
| ...         | ...                    | ...                      | ...   | ...            | ...   |
| B310        | Large Exposure         | Domestic Firm and Branch | Category 1, 2, 3A and 5 <u>and a Category 3C Authorised Firm that manages a Credit Fund</u> | Quarterly only | Category 1, 2 and 5                                     |
| B320        | Arrears and Provisions | Domestic Firm and Branch | Category 1, 2, 3A and 5 <u>and a Category 3C Authorised Firm that manages a Credit Fund</u> | Quarterly only | Category 1, 2 and 5                                     |
| ...         | ...                    | ...                      | ...   | ...            | ...   |
| B340        | Credit Activity        | Domestic Firm and Branch | Category 1, 2, 3A and 5 <u>and a Category 3C Authorised Firm</u>                            | Quarterly only | Not applicable  |



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| Form Number | Form Name              | Domestic Firm or Branch  | Authorised Firm Category  | Frequency      | Semi-annual consolidated reporting for Financial Groups |
|-------------|------------------------|--------------------------|---|----------------|---|
|             |                        |                          | <u>that manages a Credit Fund</u>   |                |   |
| B350        | Trade Finance Activity | Domestic Firm and Branch | Category 1, 2, 3A and 5 <u>and a Category 3C Authorised Firm that manages a Credit Fund</u> | Quarterly only | Not applicable  |
| ...         | ...                    | ...                      | ...   | ...            | ...   |