

**Appendix 4**

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



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# The DFSA Rulebook

## Representative Office Module

**(REP)**

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## 4 GENERAL PROVISIONS

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### 4.10 Restricted Speculative Investments

4.10.1 (1) A Representative Office must not market any Restricted Speculative Investment unless:

(a) the Restricted Speculative Investment is offered by a related party of the Representative Office; and

(b) the Representative Office is reasonably satisfied that the related party is subject to substantially similar requirements to the requirements applicable to an Authorised Firm offering Restricted Speculative Investments to a Retail Client in the DIFC.

(2) In (1), “market” has the same meaning as in GEN Rule 2.26.1(2) and “related party” has the same meaning as in GEN Rule 2.26.1(3).

4.10.2 A Representative Office must not, offer or provide to a person any incentive that influences, or is reasonably likely to influence, the person to trade in Restricted Speculative Investments.

#### **Guidance**

1. A Representative Office should be able to demonstrate to the DFSA the basis upon which it was reasonably satisfied that Restricted Speculative Investments it markets are subject to substantially similar requirements to those applicable to the offer of Restricted Speculative Investments in the DIFC.
2. Market in the context of a Representative Office includes making introductions or referrals (see GEN Rule 2.26.1(2)(c)).
3. While offers, such as lower fees that are not linked to volumes of trade, or access to information services or research tools relating to RSIs, will not generally be viewed as forms of prohibited incentives, a Representative Office would need to be able to demonstrate that these were not offered in a manner that was reasonably likely to influence the client to deal in RSIs.