

## Appendix 5

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



# **Code of Market Conduct (CMC)**

## 1 INTRODUCTION

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### **Systems and controls to prevent market abuse misconduct**

19. An Authorised Person is required under GEN Rule 5.3.20 to establish and maintain systems and controls that ensure, as far as reasonably practical, that the Authorised Person and its Employees do not engage in conduct, or facilitate others to engage in conduct, which may constitute Market Abuse~~market misconduct~~. If an Authorised Firm or Recognised Member suspects on reasonable grounds that an order from a Client, or a transaction it arranges or executes with or for a Client, may constitute Market Abuse, it must notify the DFSA immediately of that fact (see GEN 11.10.12A and REC 3.4.5).

### **Other provisions that apply to Prospectuses and Reporting Entities**

20. If a misleading or deceptive statement or a material omission occurs in a Prospectus, then separate and specific prohibitions and defences are likely to apply. These are set out in Articles 20 to 25 of the Markets Law and in Articles 56 to 58 of the Collective Investment Law.

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