

Appendix 5

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



The DFSA Rulebook

Prudential – Investment, Insurance
Intermediation and
Banking Module

(PIB)

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3 CAPITAL

Introduction

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3.7 Expenditure Based Capital Minimum

3.7.1 This section applies to an Authorised Firm in Category 2, 3A, 3B, 3C or 4.

Guidance

The Expenditure Based Capital Minimum is a component of the calculation of the Capital Requirement under sections 3.4 and 3.5 and is a key factor in the calculation of the capital components under Rule 3.2.7.

3.7.2 An Authorised Firm must calculate its Expenditure Based Capital Minimum as:

- (a) subject to (b), in the case of an Authorised Firm which holds Client Assets or Insurance Moneyies, 18/52;
- (b) in the case of an Insurance Intermediary which holds Insurance Monies but not Client Assets, 9/52;
- (~~b~~c) in the case of an Authorised Firm in Category 2, 3A, 3B or 3C which does not hold Client Assets or Insurance Moneyies, 13/52; or
- (~~e~~d) in the case of an Authorised Firm in Category 4, which does not hold Insurance Moneyies, 6/52;

of the Annual Audited Expenditure, calculated in accordance with Rule 3.7.3.

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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;

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- (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 'Semiannual consolidated reporting for Financial Groups' indicates which Category of Authorised Firm of a Financial Group must prepare and submit the relevant form on a semiannual basis.

Guidance

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

Table 1 Authorised Firm Reporting Matrix

Form Number	Form Name	Domestic Firm or Branch	Authorised Firm Category	Frequency	Semiannual consolidated reporting for Financial Groups
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<u>B305</u>	<u>Insurance Manager (Underwriting Risk Form)</u>	<u>Domestic Firm and Branch</u>	<u>Insurance Managers</u>	<u>Quarterly and annually</u>	<u>Not applicable</u>