

Appendix 3

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



The DFSA Rulebook

General Module

(GEN)

3. FINANCIAL PROMOTIONS

3.1 Application

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3.1.1 This chapter applies to any Person who approves, makes or intends to make a Financial Promotion in or from the DIFC.

3.1.2 Rules 3.4.1 to 3.6.3 do not apply to a Person who makes an Offer which is in accordance with the requirements relating to:

- (a) an Offer of Securities under the Markets Law 2012 and the MKT Rules; or
- (b) an Offer of Units under the Collective Investment Law 2010 and CIR Rules.

Guidance

The purpose of the exclusion in Rule 3.1.2 is to ensure that a Person who makes an Offer referred to in that Rule is not subject to duplicative requirements. The exclusion applies only to a communication by a Person making an Offer and if that communication is subject to requirements specified in the relevant laws or Rules.

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5.3 Systems and controls

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Conduct

5.3.20 An Authorised Person must 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:

- (a) ~~market misconduct~~Market Abuse; or
- (b) a financial crime under any applicable U.A.E. laws.

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11 SUPERVISION

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11.10 Notifications

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Suspected Market Abuse

11.10.12A (1) An Authorised Firm must notify the DFSA immediately if:

(a) it receives an order from a Client, or arranges or executes a transaction with or for a Client; and

(b) it has reasonable grounds to suspect that the order or transaction may constitute Market Abuse.

(2) The notification under (1) must specify:

(a) sufficient details of the order or transaction; and

(b) the reasons for the Authorised Firm suspecting that the order or transaction may constitute Market Abuse.

(3) An Authorised Firm must not inform the Client, or any other Person involved in the order or transaction, of a notification under this Rule.

Guidance

1. An Authorised Firm must establish and maintain systems and controls that ensure that it and its employees do not engage in Market Abuse or facilitate others to engage in Market Abuse (see Rule 5.3.20). Under Rule 11.10.12A, the firm must notify the DFSA if it reasonably suspects that an order or transaction of a Client may constitute Market Abuse.

2. In some cases, a suspicion of Market Abuse may arise when an order is received. In other cases, it may not be apparent until a transaction is executed or when viewed in the context of later information, behaviour or transactions. When a firm submits a notification, it should be able to explain to the DFSA its reasons for suspecting that the order or transaction may constitute Market Abuse.

3. The details of the order or transaction provided with the notification should include the date and time of the order or transaction, the Investment concerned, the Client or other parties involved, the nature of the order (e.g. limit order or market order) or transaction (on-exchange or OTC) and if the Client was acting for its own account or on behalf of a third party.

4. If an Authorised Firm becomes aware that the firm itself, or an employee of the firm, has engaged in conduct that may constitute Market Abuse, it has a separate obligation to notify the DFSA under Article 67 of the Regulatory Law and GEN 11.10.7.

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