

Appendix 3

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



The DFSA Rulebook

Representative Office Module

(REP)

4 GENERAL PROVISIONS

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4.10 Restricted Speculative Investments

4.10.1 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.

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 Rule 1.3 and GEN Rule 2.26.1(2)(c).
3. In Rule 4.10.2, incentives include bonus offers, gifts, rebates of fees (including volume-based rebates), trading credits or any form of reward in relation to the opening of a new account or trading in a new type of Restrictive Speculative Investment. Certain types of offers, such as lower fees that are not linked to volumes of trade or the provision of access to information services and research tools may not be prohibited forms of incentive. However, a Representative Office needs to be able to demonstrate, on a reasonable basis, that such an offer does not constitute an incentive.