

Appendix 1

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

**REGULATORY LAW AMENDMENT
DIFC LAW No. X of 2021**

AMENDMENTS TO THE REGULATORY LAW 2004

The Regulatory Law 2004 is amended by inserting the underlined text and deleting the struck through text as shown below:

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67. Obligations of Disclosure to the DFSA

- (1) (a) Subject to Article 67(2), any of the following persons:
 - (i) an Authorised Person or DNFBP; or
 - (ii) an auditor of any person in sub-paragraph (i);shall disclose to the DFSA anything which reasonably tends to show a matter specified in paragraph (b):
 - (b) The relevant matters for the purposes of (a) are:
 - (i) a breach, or likely breach of a provision of the Law or Rules or other legislation administered by the DFSA;
 - (ii) a failure, or likely failure, to comply with any obligation to which a person is subject under such legislation; or
 - (iii) any other matter as the DFSA may prescribe in Rules;which may be attributable to the conduct of the person in (a)(i) or its directors, officers, employees or agents.
- (2) Article 67(1) shall not apply to the extent that compliance with such requirement would disclose a Privileged Communication.
- (3) A person referred to in Article 67(1)(a) shall establish and implement appropriate systems and internal procedures to enable its compliance, and compliance by its auditor, with Article 67(1).
- (4) Any provision in an agreement between a person referred to in Article 67(1)(a) and a director, officer, employee, agent or auditor is void in so far as it purports to hinder compliance with an obligation under Article 67(1).

(5) Without limiting the application of any other provision of this Law, an auditor does not contravene any duty to which the auditor is subject merely because the auditor gives to the DFSA:

(a) a notification as required under this Article; or

(b) any other information or opinion in relation to any such matter;

if the auditor is acting in good faith and reasonably believes that the notification, information or opinion is relevant to any functions of the DFSA.

(6) No person shall be subjected to loss of employment or any other detriment or loss or damage merely by reason of undertaking any act to cause or assist a person referred to in Article 67(1)(a) or (b) to comply with an obligation under Article 67(1).

(7) A Court may, on application of an aggrieved person, make any order for relief where the person has been subjected to any such loss of employment or detriment or loss or damage referred to in Article 67(6).

68. Disclosures to the DFSA

A person is neither liable to a proceeding, nor subject to a liability, nor in breach of any duty, merely by reason of the giving of information or production of a document by the person to the DFSA:

(a) in good faith; and

(b) in reasonable belief that the information or document is relevant to any functions of the DFSA;

whether such information or document is given or produced pursuant to a requirement at law or otherwise.

68A. Whistleblower Protection

(1) A person who makes a disclosure of information specified in Article 68A(2) to a person specified in Article 68A(3) is entitled to the protection in Article 68A(4).

(2) For the purposes of Article 68A(1), the disclosure of information made by the person must:

- (a) relate to a reasonable suspicion that a Regulated Entity, an officer or employee of a Regulated Entity or an Affiliate of an Authorised Person has or may have:
 - (i) contravened a provision of this Law, the Rules or any other legislation administered by the DFSA; or
 - (ii) engaged in money laundering, fraud or any other financial crime; and
 - (b) be made in good faith.
- (3) For the purposes of Article 68A(1), the disclosure of information is made to any one or more of the following:
- (a) the Regulated Entity;
 - (b) an officer of the Regulated Entity;
 - (c) in the case of an Authorised Person, to a person performing a Licensed Function for the Authorised Person;
 - (d) an Auditor, or a member of the audit team, of the Regulated Entity;
 - (e) the DFSA;
 - (f) a criminal law enforcement agency in the State; or
 - (g) any other person prescribed by the Rules for the purposes of this Article.
- (4) Where a person makes a disclosure referred to in Article 68A(1):
- (a) the person shall not be subject to any civil or contractual liability for making that disclosure;
 - (b) no contractual, civil or other remedy or right shall be enforced against the person by another person for making that disclosure; and
 - (c) the person shall not be dismissed from his current employment, or otherwise subject to any action by his employer or any related party of the employer which is reasonably likely to cause detriment to that person, for making that disclosure.

- (5) A Court may, on application of an aggrieved person, make any order for relief where the person has been subject to any loss of employment, detriment or action referred to in Article 68A(4).
- (6) For the avoidance of doubt, it is not necessary for a person who makes a disclosure of information to identify himself to qualify for protection under this Article.
- (7) Nothing in this Article limits any other protection provided under this Law to a person who provides information to the DFSA or a person referred to in Article 68A(3).

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CHAPTER 2 – ANTI-MONEY LAUNDERING COMPLIANCE

70. Jurisdiction

- (1) This chapter is made in recognition of the application in the DIFC of Federal Law No. 20 of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organisations, Federal Law No. 7 of 2014 on Combating Terrorism Offences and any other Federal legislation relating to money laundering, terrorist financing, the financing of unlawful organisations or sanctions non-compliance.
- (2) A reference in this chapter to:
 - (a) any law or legislation includes any implementing regulation or other instrument made by or under the law or legislation; and
 - (b) money laundering is taken to include terrorist financing, the financing of unlawful organisations and sanctions non-compliance.
- (3) The DFSA has, in respect of Relevant Persons, jurisdiction for regulation in relation to money laundering in the DIFC and the DFSA is the relevant authority that licenses and supervises Relevant Persons in the DIFC for the purposes of the Federal Anti-Money Laundering Legislation.
- (4) Nothing in (3) is intended to limit any function or power conferred on another body or authority under the Federal Anti-Money Laundering Legislation.
- (5) In this Part, a “Relevant Person” means:
 - (a) an Authorised Person;

- (b) a Registered Auditor;
- (c) a Designated Non-Financial Business or Profession (DNFBP); or
- (d) an officer, employee or agent of a person referred to in (a), (b) or (c).

[The above Article is not being amended but is included only for reference]

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104. Obligation of Disclosure to the DFSA

- (1) An Auditor is subject to the obligations of disclosure under Article 104(3).
- (2) Without limiting the application of any other provision of this Law, an Auditor does not contravene any duty to which the Auditor is subject merely because the Auditor gives to the DFSA:
 - (a) a notification as required under this Article; or
 - (b) any other information or opinion in relation to any such matter;if the Auditor is acting in good faith and reasonably believes that the notification, information or opinion is relevant to any functions of the DFSA.
- (3) Subject to Article 104(4), an Auditor shall disclose to the DFSA any matter which reasonably tends to show one of the following:
 - (a) a breach, or likely breach of a provision of the Law or other legislation administered by the DFSA;
 - (b) a failure, or likely failure, to comply with any obligation to which a person is subject under such legislation; or
 - (c) any other matter as the DFSA may prescribe in Rules;which may be attributable to the conduct of the relevant:
 - (d) Authorised Person;

- (e) Public Listed Company;
 - (f) Domestic Fund, Fund Manager, Trustee or the Governing Body of a Domestic Fund; or
 - (g) officer, employee or agent of a person referred to in (d), (e) or (f).
- (4) Article 104(3) shall not apply to the extent that compliance with such requirement would disclose a Privileged Communication.
- (5) An Authorised Person, Public Listed Company or the Fund Manager of a Domestic Fund shall establish and implement appropriate systems and internal procedures to enable its Auditor to comply with Article 104(3).
- (6) Any provision in an agreement between an Authorised Person, Public Listed Company or a Domestic Fund, and a director, officer, employee, agent or Auditor is void in so far as it purports to hinder any person from causing or assisting the Auditor to comply with an obligation under Article 104(3).
- (7) No person shall be subjected to loss of employment or any other detriment or loss or damage merely by reason of undertaking any act to cause or assist an Auditor to comply with an obligation under Article 104(3).
- (8) A Court may, on application of an aggrieved person, make any order for relief where the person has been subjected to any such loss of employment or detriment or loss or damage referred to in Article 104(7).

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SCHEDULE 1 INTERPRETATION

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3. Defined Terms

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings:

Term	Definition
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Auditor	has the meaning given to that term in Article 97(a) of this Law.
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Affiliate	in relation to an Authorised Person, means any other entity in the Group to which the Authorised Person belongs.
Authorised Firm	a person who holds a Licence to carry on one or more Financial Services prescribed pursuant to Article 42(1)(a).
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Authorised Market Institution	a person who is licensed by the DFSA in relation to the carrying on of one or more Financial Services prescribed pursuant to Article 42(1)(b).
Authorised Person	an Authorised Firm or an Authorised Market Institution.
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DNFBP	has the meaning prescribed in the Rules made pursuant to Article 71A (2) of the Law.
Licensed Function	a function prescribed pursuant to Article 43(1).
M money laundering	has the meaning given in Article 70 (2)(b) of the Law.
officer	in relation to an entity, means an officer of that entity including a director.
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person	has the meaning given in Article 1 of Schedule 1 to the Law.
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Term	Definition
Registered Auditor	has the meaning given to that term in Article 97(b) of this Law.
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<u>Regulated Entity</u>	<u>means:</u> (a) <u>an Authorised Person;</u> (b) <u>a Registered Auditor; or</u> (c) <u>a DNFBP.</u>
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