

Appendix 12

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



The DFSA Rulebook

Prudential – Investment, Insurance
Intermediation and
Banking Module

(PIB)

10 SUPERVISORY REVIEW AND EVALUATION PROCESSES

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10.6 Imposition of an Individual Capital Requirement

- 10.6.1** (1) This section applies to an Authorised Firm in Category 1, 2, 3A or 5.
- (2) The DFSA may, subject to (3) and (4), at any time by written notice to an Authorised Firm:
- (a) impose an Individual Capital Requirement; or
 - (b) vary or withdraw an Individual Capital Requirement.
- (3) The DFSA may act under (2) on its own initiative where the DFSA forms the view that the firm's Capital Requirement is insufficient to address adequately all its risks.
- (4) The DFSA will, in addition to prescribing an Individual Capital Requirement, also specify in the notice the types and amounts of Capital Resources required to meet the Individual Capital Requirement.
- (5) The procedures in Schedule 3 to the Regulatory Law 2004 apply to a decision of the DFSA under (2).
- (6) If the DFSA decides to exercise its power under (2), the Authorised Firm may refer the matter to the FMT for review.
- ~~(5) The DFSA may, subject to (6), only impose an Individual Capital Requirement or vary or withdraw an Individual Capital Requirement if it has given the relevant firm a suitable opportunity to make representations in person and in writing to the DFSA in relation to the proposed requirement.~~
- ~~(6) The requirement imposed on the DFSA under (4) will not apply:~~
- ~~(a) in relation to the imposition of an Individual Capital Requirement when a Licence is granted;~~
 - ~~(b) where the relevant Person has requested the imposition of an Individual Capital Requirement; or~~
 - ~~(c) where the DFSA concludes that any delay likely to arise as a result of such requirement is prejudicial to the interests of the DIFC.~~
- ~~(7) Where pursuant to (5)(c) the DFSA imposes, varies or withdraws an Individual Capital Requirement without providing a prior opportunity to make representations, the DFSA will:~~

- ~~(a) provide the relevant firm an opportunity to make representations in person and in writing to the DFSA within the period of 14 days, or such further period as may be agreed, from the date on which such Individual Capital Requirement is imposed, varied or withdrawn; and~~
- ~~(b) provide a response to any such submission, and make any consequential imposition, variation or withdrawal of the Individual Capital Requirement, without undue delay.~~
- ~~(8) The Regulatory Appeals Committee has jurisdiction to hear and determine any appeal in relation to a decision to impose, vary or withdraw an Individual Capital Requirement under this section.~~

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APP10 SUPERVISORY REVIEW AND EVALUATION PROCESSES

A10.3 Supervisory Review and Evaluation Process (SREP)

Guidance

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13. In relation to an Authorised Firm in Category 1, 2, 3A or 5, where the DFSA does not agree with the results of the firm's ICAAP results, the DFSA will involve the firm in a dialogue to reconcile any difference in view to arrive at a consensus estimate of the capital level required to address all risks identified either by the firm or by the DFSA in its SREP. Such an estimate will be specified by the DFSA as the Individual Capital Requirement for the firm. Where consensus is not possible the DFSA may impose an Individual Capital Requirement on a firm. ~~Such a decision by the DFSA is appealable to the Regulatory Appeals Committee.~~

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