

Appendix 1

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

REGULATORY LAW AMENDMENT LAW

DIFC LAW NO. [xx] of [2011]

PART 1: GENERAL

1. **Title**

This Law may be cited as the “Regulatory Law Amendment (No.x) Law of [2011]”

2. **Legislative Authority**

This Law is made by the Ruler of Dubai.

3. **Date of enactment**

This Law is enacted on the date specified in the Enactment Notice in respect of this Law.

4. **Commencement**

This Law comes into force on the date specified in the Enactment Notice in respect of this Law.

PART 2: AMENDMENTS

5. Article 27(2)(i) is amended as follows:

- (2) The Regulatory Appeals Committee has jurisdiction to hear and determine any appeal where:

.....

- (i) a person ~~seeking to acquire or who has acquired control of an Authorised Firm or Authorised Market Institution~~ appeals a the decision of the DFSA ~~to notify~~ made pursuant to its powers under Article 64 or the Rules made for the purposes of that Article that a controller is unacceptable;

...

6. Article 51 is amended as follows:

51 Withdrawing a Licence

The DFSA may withdraw a Licence of an Authorised Firm or Authorised Market Institution where:

- (a) as a consequence of withdrawal of authorisation in relation to one or more Financial Services under Article 50, the person is no longer authorised to carry on any Financial Service;
- (b) the person is no longer fit and proper to hold a Licence;
- (c) the person has failed either to remove a controller or to take such other action as required by the DFSA under ~~in the circumstances described in~~ Article 64; or
- (d) the person asks the DFSA to withdraw the Licence.

7. Article 64 is deleted and replaced by the following:

64. Provisions Governing Controllers

- (1) The DFSA may make Rules governing controllers of Authorised Firms, Authorised Market Institutions and Ancillary Service Providers, including in relation to:
- (a) when a person becomes or ceases to be a controller of an Authorised Firm, Authorised Market Institution or Ancillary Service Provider;
 - (b) when the acquisition or increase in the level of control of an Authorised Firm, Authorised Market Institution or Ancillary Service Provider requires either the prior approval of, or notification to, the DFSA;
 - (c) when the DFSA may object to an existing controller;
 - (d) the procedures relating to the approval, notification and objections referred to in Article 64(1)(b) and (c); and
 - (e) any other matter necessary or incidental to give effect to the provisions governing controllers.
- (2) Without limiting the generality of the DFSA powers, the DFSA may:
- (a) approve or object to a person becoming a controller of an Authorised Firm or Authorised Market Institution;
 - (b) approve or object to an increase in the level of control of an existing controller of an Authorised Firm or Authorised Market Institution;
 - (c) object to an existing controller of an Authorised Firm or Authorised Market Institution where it has reasonable grounds to believe that such a person is no longer an acceptable controller; and
 - (d) approve a person as a controller or approve an increase of control by an existing controller subject to such conditions as it considers appropriate.
- (3) Where the DFSA considers an existing controller of an Authorised Firm or Authorised Market Institution to be an unacceptable controller:
- (a) it must notify the controller and the Authorised Firm or Authorised Market Institution in writing that the controller is no longer an acceptable controller; and
 - (b) it may require that the controller, the Authorised Firm or Authorised Market Institution take such actions as specified by the DFSA.
- (4) Without limiting the generality of the DFSA powers, the DFSA may, for the purposes of Article 64(3)(b):
- (a) require an Authorised Firm or Authorised Market Institution to take such action as specified by the DFSA in relation to an unacceptable controller;
 - (b) where an Authorised Firm or Authorised Market Institution has failed to comply with a requirement referred to in Article 64(4)(a) to the

satisfaction of the DFSA, either withdraw, or impose conditions, on the Authorised Firm's or Authorised Market Institution's licence; or

- (c) require the unacceptable controller to take such action as specified by the DFSA.