

**Appendix 4**

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



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# The DFSA Rulebook

General Module

**(GEN)**

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## 5 MANAGEMENT, SYSTEMS AND CONTROLS

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### 5.3 Systems and controls

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#### Relevant United Nations Resolutions and Sanctions

- 5.3.30** (1) An Authorised Person must establish and maintain effective systems and controls to:
- (a) obtain and make appropriate use of relevant resolutions or sanctions issued by the United Nations Security Council; and
  - (b) disclose in its annual MLRO report to the DFSA the manner in which it has complied with such resolutions or sanctions.
- (2) In relation to an activity which is restricted or prohibited by a relevant sanction or resolution issued by the United Nations Security Council, an Authorised Person must immediately notify the DFSA when it becomes aware that it is:
- (a) carrying on or about to carry on a Financial Service;
  - (b) holding or about to hold money or other assets; or
  - (c) undertaking or about to undertake any other business whether or not arising from or in connection with (a) or (b);
- for or on behalf of a Person, and such carrying on, holding or undertaking constitutes or may constitute a contravention of a relevant sanction or resolution issued by the United Nations Security Council.
- (3) An Authorised Person must ensure that the notification stipulated in (2) above includes the following information:
- (a) a description of the relevant activity in (2) (a), (b) or (c); and
  - (b) the action proposed to be taken or that has been taken by the Authorised Person with regard to the matters specified in the notification.

**Guidance**

1. In relation to the term “make appropriate use” in Rule 5.3.50 this may mean that an Authorised Person cannot undertake a transaction for or on behalf of a Person or that it may need to undertake further due diligence in respect of that Person.
  
2. Relevant resolutions or sanctions mentioned in Rule 5.3.30 may, inter alia, relate to money laundering and terrorist financing or proliferation of weapons of mass destruction financing or otherwise be relevant to the Financial Services carried on or the other business activities conducted by the Authorised Person. For example:
  - a. an Authorised Firm should exercise due care to ensure that it does not provide Financial Services to, or conduct business with, a Person engaged in money laundering or terrorist financing or proliferation of weapons of mass destruction financing; and
  
  - b. an Authorised Market Institution should exercise due care to ensure that it does not facilitate fund raising activities or listings by Persons engaged in money laundering or terrorist financing or proliferation of weapons of mass destruction financing.
  
3. In respect of the United Nations Security Council’s resolutions or sanctions, the MLRO should also refer to AML Rules 3.3.3(2)(h), 3.3.4(d) and 3.9.1(h) and AMI Rules 11.6.2(2)(k), 11.6.3(g) and 11.12.1(j) for requirements relating to the MLRO’s responsibility, reporting and training and awareness.