

Appendix 2

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



The DFSA Rulebook

Recognition Module

(REC)

Item 3. REC 7.2.2(a) – Authorisation and recognition**3 RECOGNITION**

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3.2 Application for recognition as a Recognised Body

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3.2.2 An applicant for Recognition as a Recognised Body must be:

- (a) licensed or otherwise authorised to operate an exchange, clearing house or settlement facility in a jurisdiction acceptable to the DFSA;

~~but must not be:~~

- ~~(b) an Authorised Firm or an applicant to be an Authorised Firm; or~~
- ~~(c) an Authorised Market Institution or an applicant to be an Authorised Market Institution.~~

Guidance

In determining whether the jurisdiction is acceptable to the DFSA, the DFSA will place primary importance on the standard of regulation in that jurisdiction and will consider whether there are adequate arrangements in place for co-operation between the DFSA and the relevant Financial Services Regulator. These arrangements will normally take the form of a memorandum of understanding between the DFSA and the Financial Services Regulator.

3.2.3 An applicant for Recognition as a Recognised Body must submit a written application to the DFSA demonstrating:

- (a) how the applicant satisfies or intends to satisfy the Recognition Requirements and any other requirements applicable to it;
 - (b) a 12 month business plan for the operations in the DIFC; and
 - (c) copies of any agreements relied upon to satisfy the Recognition Requirements.
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7 RECOGNITION

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7.2 Application for recognition as a Recognised Member

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7.2.2 An applicant for Recognition as a Recognised Member must:

- (a) [Deleted] not be:
 - (i) ~~an Authorised Firm or an applicant to be an Authorised Firm; or~~
 - (ii) ~~an Authorised Market Institution or an applicant to be an Authorised Market Institution,~~
- (b) be able to comply with the requirements in either Rule 7.2.3(a) or Rule 7.2.3(b);
- (c) have its head and registered offices outside of the DIFC; and
- (d) subject to being granted Recognition by the DFSA, be a Member of, or authorised to use the facilities of, an Authorised Market Institution.

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7.2.4 An applicant for Recognition as a Recognised Member must submit a written application to the DFSA together with:

- (a) either:
 - (i) evidence of its licensed or authorised status outside of the DIFC jurisdiction, if relying on Rule 7.2.3(a); or
 - (ii) sufficient evidence to demonstrate to the DFSA's satisfaction of its ability to meet the requirements in Rule 7.2.3(b) if relying on that Rule; and
 - (b) the information required by chapter 8; and
 - (c) any other additional information as required by the DFSA.
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