

**Appendix 3**

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



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# The DFSA Rulebook

## Offered Securities Rules

### **(OSR)**

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## 9 DISCLOSURE OF INTERESTS

### 9.1 Application

**9.1.1** This chapter applies to:

- (a) a Connected Person;
- (b) a Person when he ceases to be a Connected Person;
- (c) a Person who has a significant interest; as defined in Rule 9.3.1, in a Listed Fund; or
- (d) a Person when he ceases to have a significant interest, as defined in Rule 9.3.1, in a Listed Fund.

#### Guidance

1. Article 25 of the Market Law 2004 requires disclosures by Connected Persons of a Reporting Entity in relation to Financial Interests in or relating to Reporting Entities.
2. Under Article 25(5) of the Markets Law 2004, a Person is a Connected Person if:
  - a. he is a Director or is involved in the senior management of the Reporting Entity or an Associate Body Corporate of the Reporting Entity;
  - b. he owns or beneficially owns voting Securities carrying more than 5% of the votes attached to all voting Securities of the Reporting Entity or an Associate Body Corporate of the Reporting Entity; or
  - c. he is a Director of or is involved in the senior management of any Person who owns or beneficially owns voting Securities carrying more than 5% of the votes attached to all voting Securities of the Reporting Entity.
3. This chapter does not apply to a Person who is a Connected Person or ceases to be a Connected Person in relation to a Reporting Entity which is a Reporting Entity solely by reason of the admittance of its ~~Designated Investments~~ Structured Products to an Official List of Securities. By virtue of Rule 9.2.1(c) such a Person is deemed not to have a financial interest in such a Reporting Entity.

### 9.2 Disclosures of financial interests

**9.2.1** For the purpose of Article 25(5)(b) of the Markets Law 2004:

- (a) a Person is deemed to have the financial interest of:
    - (i) himself;
    - (ii) any beneficial interest he holds;
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- (iii) any of his Close Relatives;
  - (iv) any Person controlled by him;
  - (v) any Body Corporate of which he is a Director, or partnership of which he is a partner; and
  - (vi) any Person with whom he acts in concert; ~~and~~
- (b) a Person is deemed not to have a financial interest in (a) if:
- (i) that Person holds the Securities for another Person; or
  - (ii) that Person is unaware of his ownership of or entitlement to the Securities because another Person manages his assets; and
- (c) a Person is deemed not to have a financial interest in a Person who is a Reporting Entity solely by reason of the admittance of its ~~Designated Investments~~ Structured Products to an Official List of Securities.

**Guidance**

Article 25 provides as follows:

- “(1) A person who, as the consequence of any event, becomes connected to and has a financial interest in a Reporting Entity shall file a report with the DFSA and the relevant Reporting Entity within 5 business days of the event disclosing any financial interests in Investments in or relating to the Reporting Entity.
- (2) A person connected to a Reporting Entity shall file a report with the DFSA and the relevant Reporting Entity within 5 business days of the event on the occurrence of any event as a result of which:
- (a) he acquires or ceases to have a financial interest in Investments in or relating to the Reporting Entity;
  - (b) the level of financial interest in Investments in or relating to the Reporting Entity in relation to which he has previously filed a report with the DFSA has changed by an amount or passed through a defined level as prescribed by the Offered Securities Rules, or
  - (c) he ceases to be a connected person.”

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**APP 2 CONTINUING OBLIGATIONS**

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**A2.4 Disclosures relating to Listed Designated Investments Structured Products**

[Added][VER3/09-05]

**A2.4.1** On occurrence of an event in the “event” column, a Reporting Entity of a Designated Investment Structured Product must make the type of disclosure described in accordance with the “requirements” column and the “time” column.

			<b>A2.4.1</b>
	<b>Event</b>	<b>Requirements</b>	<b>Time</b>
<b>Price Sensitive Information Relating to the Reporting Entity</b>			
1.	(a) material developments relating to the Securities that may constitute Price Sensitive Information; (b) any change in the business, financial condition, performance or expectation of performance that may constitute Price Sensitive Information; and (c) impending or strategic developments or matters in the course of negotiations where there is reason to believe that a breach of confidence has or is likely to occur in relation to Price Sensitive Information.	Market disclosure of the development or change as the case may be, including all Price Sensitive Information relating to it.	Without delay.
2.	Belief that a breach of confidence has occurred or is likely to occur in relation to Price Sensitive Information.	Disclosure to the DFSA of the breach or likely breach, including all Price Sensitive Information relating to it.	Without delay.
<b>The Governing Body of the Reporting Entity</b>			
3.	Shari’a Supervisory Board Where a Shari’a Supervisory Board has been appointed details of any changes to the membership of the Shari’a Supervisory Board.	Market disclosure of: (a) the identity, qualifications and experience of any new Shari’a Supervisory Board members; (b) the identity of any Shari’a Supervisory Board members who resign or are dismissed; (c) the effective date of the change; and (d) reasons for the change in membership.	Without delay.
<b>Business of the Reporting Entity</b>			

<b>A2.4.1</b>			
	<b>Event</b>	<b>Requirements</b>	<b>Time</b>
4.	<p>Transactions undertaken which could result in:</p> <p>(a) any significant investments or material change to a significant investment outside the ordinary course of business of the Issuer (being any investments equal to or greater than 5 per cent of the book value of the existing net assets of the Issuer) or the purchase of long term assets for a significant amount; or</p> <p>(b) the incurring of any significant debt outside the usual and ordinary course of business of the Issuer (significant debt being debt with an amount equal to or greater than 5 per cent of the book value of the existing net assets of the issuer).</p>	<p>Market disclosure relating to:</p> <p>(a) any decision to enter into such a transaction;</p> <p>(b) any material change or new matter affecting any matter contained in an earlier disclosure; and</p> <p>(c) a full description of the event, activity or transaction proposed or effected as the case may be.</p>	Without delay.
<b>Disclosures relating to Securities of the Issuer</b>			
5.	Any decision to declare, recommend or pay any dividend or to make any other distribution on the Securities or any decision not to declare, recommend or pay any dividend which would otherwise have been expected to have been declared, recommended or paid in the normal course of events.	Market disclosure of the decision, including the rate and amount of and record date for the dividend or other distribution or the grounds for the decision in relation to non-payment.	Without delay and in any event no later than 5 days prior to the record date or the date of expected distribution.
6.	A listing of the same class of Securities on an exchange outside the DIFC.	Market disclosure of the listing.	Without delay.
7.	Other disclosure requirements outside the DIFC arising from the listing of the same class of Securities on an exchange in the DIFC which do not require disclosure in the DIFC.	Market disclosure of the information subject to market disclosure in another jurisdiction.	Without delay.
<b>Financial Information Relating to a Reporting Entity</b>			
8.	Annual report and annual financial statements.	<p>(1) Market disclosure of the annual report and annual financial statements.</p> <p>The annual report must include in respect of the financial year to which it relates:</p> <p>(a) a review of operations during the year and the results of those operations;</p> <p>(b) details of any significant changes in the Reporting Entity's state of affairs during the financial year;</p> <p>(c) the Reporting Entity's principal activities during the year and any significant changes in the nature of those activities during the year;</p> <p>(d) details of any matter or circumstance that has arisen since the end of the year that has significantly affected or may significantly affect:</p> <p>(i) the Reporting Entity's operations in future financial years;</p>	As soon as possible after the accounts have been approved but no later than 120 days after the end of the financial period. [Amended][VER6/10-06]

<b>A2.4.1</b>			
	<b>Event</b>	<b>Requirements</b>	<b>Time</b>
		<ul style="list-style-type: none"> <li>(ii) the results of those operations in future financial years; or</li> <li>(iii) the Reporting Entity's state of affairs in future financial years; and</li> <li>(e) likely developments in the Reporting Entity's operations in future financial years and the expected results of those operations;</li> <li>(f) A statement by the auditors that the accounts give a true and fair view of the state of the Reporting Entity's affairs, profit and loss and additional information as may be required.</li> </ul> <p>(2) The annual financial statements must be audited by an independent, competent and qualified auditor in accordance with the International Auditing and Assurance Standards Board Financial or other standards acceptable to the DFSA or where appropriate, AAOIFI standards.</p>	
9.	Preliminary financial results.	Market disclosure of preliminary financial results.	Without delay, but no later than 30 minutes before the market opens on the day after Governing Body approval.
10.	Interim financial statements.	<ul style="list-style-type: none"> <li>(a) A Reporting Entity must publish a semi-annual financial statement for the first six months of each financial year or period; and</li> <li>(b) if the figures have either been audited or reviewed by the auditors, comments to this effect should be included.</li> </ul>	<p>Without delay and in any event no later than 60 days of the end of the period to which the statement relates.</p> <p>Without delay and in any event no later than 60 days of the end of the period to which the statement relates.</p>
11.	Change of accounting reference date.	Market disclosure of previous and proposed accounting reference date, and reasons for the change.	Without delay.

			<b>A2.4.1</b>
	<b>Event</b>	<b>Requirements</b>	<b>Time</b>
12.	On a change of accounting reference date extending the annual accounting period to more than 14 months.	Market disclosure of a second interim report.	Within six months of the new accounting reference date.
<b>Decisions submitted to and approved by holders of Securities</b>			
13.	Events requiring consent of holders of Securities under App3.	Market disclosure of: (a) nature, details, contents and effect of the relevant event, activity or transaction; (b) any material change affecting any matter contained in an earlier disclosure.	Without delay.
<b>Other communications required under the Rules</b>			
14.	Any resolution passed by the Directors of the Reporting Entity other than a resolution concerning ordinary business of the Reporting Entity.	Market disclosure of the resolution.	Without delay.
<b>Insolvency/winding up of the Reporting Entity</b>			
15.	Insolvency/winding up: (a) the presentation of any winding-up petition, the making of any winding-up order or the appointment of an administrator, liquidator or the commencement of any proceedings under the Insolvency Law in respect of the Reporting Entity or any member of its Group; or (b) the passing of any resolution by the Reporting Entity or any member of its Group that it be wound up by way of members' or creditors' voluntary winding-up, or the occurrence of any event or termination of any period of time which would cause a winding-up.	Market disclosure of the: (a) time and date of the presentation, details of the order, appointment, resolution or other event; (b) identity of the petitioner or other Person at whose instigation the event occurs; (c) court or tribunal responsible for making any order; or (d) administrator or liquidator appointed.	Without delay.

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**A2.5 Other Obligations of a Reporting Entity in relation to Designated Investments Structured Products**

[Added][VER3/09-05]

**A2.5.1** On occurrence of an event in the “events” column, a Reporting Entity must ensure compliance in accordance with the “requirements” column and the “time” column. [Amended][VER2/08-05]

			<b>A2.5.1</b>
	<b>Event</b>	<b>Requirements</b>	<b>Time</b>
<b>Equality of treatment of investors by a Reporting Entity</b>			
1.	Treatment of investors.	A Reporting Entity must ensure equality of treatment in respect of all holders of Securities who are in the same position in respect of all rights attaching to the Securities.	At all times.
<b>Communications with holders of Securities</b>			
2.	Any event in relation to which holders of Securities have voting or other rights.	A Reporting Entity must ensure that all the necessary facilities and information are available to enable holders of its Securities to exercise their rights.  In particular it must: (a) inform holders of Securities of meetings which they are entitled to attend, enable them to exercise their right to vote, including any cross border voting rights; and (b) publish notices or circulars giving information in relation to the rights attached to the Securities.	At all times.
3.	Notices of meetings in relation to Securities.	The Reporting Entity must send a proxy form along with the notice convening a meeting of holders of Securities to each Person entitled to vote at the meeting.	At the same time as the sending of the notice.
4.	Paying agency.	An Issuer must have appointed a paying agent (which may be the Issuer itself).	At all times.

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**APP3 CONSENT OF HOLDERS OF SECURITIES**

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**A3.5 Consent of holders of ~~Designated Investments~~ Structured Products – other events giving rise to the rights of holders of securities to vote**

**A3.5.1** The holders of the Securities in a Reporting Entity must give consent as specified in the “threshold for decision” column in order for a Reporting Entity to undertake the action referred to in the “event” column of this section.

		<b>A3.5.1</b>
Item	Event	Threshold for decision
1.	Any alteration by the Issuer of the nature of or rights attached to a class of its Securities.	Majority of the class of Securities which are to be varied and the majority of any class of Securities which are negatively affected.