

Appendix 1

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

**MARKETS LAW
DIFC LAW No.12 of 2004**

PART 1: GENERAL

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8. The powers of the DFSA to make Rules

- (1) The DFSA Board of Directors may make Rules for the purposes of this Law pursuant to the power conferred upon it under Article 23 of the Regulatory Law 2004.
- (2) Without limiting the generality of Article 23 of the Regulatory Law 2004, the DFSA Board of Directors may make:
 - (a) Rules in relation to the licensing and supervision of Authorised Market Institutions;
 - ~~(b)~~ (b) Rules in relation to the offer of Securities in or from the DIFC which will be known as the Offered Securities Rules;
 - ~~(c)~~ (c) Rules in relation to the maintenance of Official Lists of Securities which will be contained in the Offered Securities Rules by Authorised Market Institutions;
 - (d) Rules in relation to the corporate governance and disclosure obligations of Reporting Entities which will be contained in the Offered Securities Rules;
 - (e) Rules in relation to takeovers, mergers and acquisitions of Reporting Entities which will collectively be known as the Takeover Rules;
 - (f) Rules for market participants in relation to market conduct which will be known as the Market Conduct Rules; and
 - (g) Guidance and general policy on Rules made for the purpose of this Law.
- (3) Where any legislation made for the purposes of this Law purports to be made in exercise of a particular power, it shall be taken also to be made in the exercise of all powers under which it may be made.
- (4) The DFSA Board of Directors shall publish draft Rules in the manner prescribed under Article 24 of the Regulatory Law 2004.

PART 4: LISTINGS

17. ~~Listings and Authorised Market Institutions~~ Maintaining an Official List of Securities

- (1) Subject to (3), an Official List of Securities for an Authorised Market Institution may be maintained by either the DFSA or the Authorised Market Institution.
- (2) The DFSA may maintain an Official List of Securities where:
- (a) the Authorised Market Institution does not wish to maintain an Official List of Securities;
 - (b) it has refused to grant an endorsement to an Authorised Market Institution to maintain an Official List of Securities; or
 - (c) it has suspended or withdrawn an endorsement from an Authorised Market Institution to maintain an Official List of Securities.
- ~~(2)~~ (3) An Authorised Market Institution shall not maintain an Official List of Securities unless it has an endorsed Licence authorising it to maintain ~~its~~ an Official List of Securities.
- (4) An Authorised Market Institution when maintaining an Official List of Securities shall comply with the relevant requirements in the Law, its listing rules, the Offered Securities Rules and any other legislative requirement.
- ~~(4)~~ (5) An Authorised Market Institution shall not permit trading of ~~Securities~~ Investments on its facilities unless those ~~Securities~~ Investments:
- (a) are admitted to, and not suspended from, ~~its~~ an Official List of Securities maintained by it or the DFSA; or
 - (b) meet the requirements set out in Rules made for the purpose of this Article.
- (6) The DFSA may make Rules prescribing appropriate transitional arrangements when transferring an Official List of Securities from an Authorised Market Institution to the DFSA or from the DFSA to an Authorised Market Institution.

18. Application for an endorsement

- ~~(3)~~ (1) An application for an endorsement on a Licence authorising an Authorised Market Institution to maintain an Official List of Securities may be made to the DFSA by:
- (a) ~~an~~ the Authorised Market Institution; or
 - (b) an applicant for a Licence to operate as an Authorised Market Institution.

- ~~(4)~~ (2) The DFSA may, in its absolute discretion, grant or refuse to grant an application for an endorsement.
- (3) When granting or refusing to grant an endorsement the DFSA shall consider whether an Authorised Market Institution has listing rules that meet the requirements in Article 22 and whether it complies with any other relevant requirement imposed by Law or Rules.
- ~~(5)~~ (4) Upon refusing to grant an endorsement, the DFSA shall, without undue delay, inform the applicant in writing of such refusal and, if requested by the applicant, the reasons for such refusal.
- ~~(6)~~ — The DFSA may endorse the Licence of an Authorised Market Institution authorising it to maintain an Official List of Securities.

19. Suspension or withdrawal of an endorsement

- ~~(7)~~ (1) The DFSA may at any time by written notice ~~to an Authorised Market Institution~~ suspend or withdraw the endorsement on ~~its~~ the Licence ~~authorising the~~ of an Authorised Market Institution to maintain an Official List of Securities.
- ~~(8)~~ (2) The DFSA may act under Article ~~17(7)~~ 19(1) on its own initiative or at the request of an Authorised Market Institution.
- ~~(9)~~ (3) Subject to Article 19(4), the DFSA may only suspend or withdraw the endorsement on a Licence on its own initiative if it has given the Authorised Market Institution a suitable opportunity to make representations in person and in writing to the DFSA in relation to the proposed changes.
- ~~(10)~~ (4) The requirement imposed on the DFSA under Article 19(3) shall not apply in the case of a suspension of an endorsement on a Licence if the DFSA concludes that any delay likely to arise as a result of such requirement is prejudicial to the interests of the DIFC.
- ~~(11)~~ (5) Where pursuant to Article 19(4), the DFSA suspends an endorsement without providing a prior opportunity to make representations, the DFSA shall:
- (a) provide the relevant Authorised Market Institution with an opportunity to make representations in person and in writing to the DFSA within a period of fourteen days or such further period as may be allowed from the date on which the endorsement is suspended; and
 - (b) provide a response to any such submission and make any consequential direction without undue delay.
- ~~(6)~~ The DFSA may give any third party who has a direct interest in the matter an opportunity to make representations to the DFSA if the DFSA considers it desirable to do so.

~~(12)~~ An Authorised Market Institution which has an endorsed Licence authorising it to maintain an Official List of Securities must have a set of listing rules made in accordance with Article 18.

20. Admission to an Official List of Securities maintained by an Authorised Market Institution

(1) This Article applies where an Authorised Market Institution maintains an Official List of Securities.

~~(13)~~ (2) An Authorised Market Institution may ~~only~~ grant admission of Securities ~~admission~~ to ~~its~~ an Official List of Securities in accordance with its listing rules and where it is satisfied that the requirements of its listing rules, the Offered Securities Rules and any other requirements it or the DFSA has imposed are or will be complied with.

(3) An Authorised Market Institution shall notify an applicant in writing of its decision in relation to the application for admission of Securities to an Official List of Securities.

~~(14)~~ (4) The DFSA may, by written notice:

(a) object to the admission by an Authorised Market Institution of Securities to ~~its~~ an Official List of Securities; or

(b) impose, vary or withdraw conditions or restrictions on the admission by an Authorised Market Institution of Securities to ~~its~~ an Official List of Securities;

where it is in the interests of the DIFC to do so or the DFSA reasonably considers, for a reason relating to the issuer of the Securities or to the Securities, that:

(i) granting the Securities admission to ~~an~~ the Official List of Securities would be detrimental to the interests of persons using the facilities or otherwise dealing in the Securities;

(ii) the requirements of the listing rules have not been complied with;

(iii) any requirement imposed by the DFSA has not been complied with; or

(iv) the issuer of the Securities has failed to comply with any obligations to which he is or was subject to ~~as a result of~~ in relation to having a listed or traded Security in the DIFC or another jurisdiction.

~~(15)~~ (5) Where the DFSA objects to the admission of Securities to an Official List of Securities in accordance with Article ~~17(14)(a)~~ 20(4)(a), the Authorised Market Institution shall not admit the Securities to ~~its~~ the Official List of Securities.

~~(16)~~ (6) Where the DFSA imposes conditions or restrictions on the admission by an Authorised Market Institution of Securities to ~~its~~ an Official List of Securities in accordance with

Article 20(4)(b), the Authorised Market Institution shall not admit the Securities to ~~the~~ its Official List of Securities unless it complies with the conditions and restrictions.

~~(17)~~ (7) Where, pursuant to ~~Article 17(14)~~ 20(4), the DFSA has objected to the admission of a Security to an Official List of Securities or imposed a condition or restriction, the DFSA shall:

- (a) provide the applicant and the Authorised Market Institution 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 allowed, from the date on which such written notice was provided; and
- (b) provide a response to any such submission, and make any necessary consequential variation, withdrawal or amendment of the objection, condition or restriction without undue delay.

~~(18)~~ ~~The Regulatory Appeals Committee has jurisdiction to hear and determine any appeal in relation to a decision to:~~

- ~~(a) refuse an application for an endorsement under this Article;~~
- ~~(b) object to the admission of Securities to an Official List of Securities under this Article; and~~
- ~~(c) impose, vary or withdraw a condition or restriction under this Article.~~

(8) An Authorised Market Institution shall have, for the purposes of maintaining an Official List of Securities, listing rules that meet the requirements prescribed in Article 22.

21. Admission to an Official List of Securities maintained by the DFSA

- (1) This Article applies where the DFSA maintains an Official List of Securities.
- (2) The DFSA may grant Securities admission to an Official List of Securities in accordance with the Law and the Offered Securities Rules and where the DFSA is satisfied that the requirements of the Offered Securities Rules and any other requirements it has imposed are and will be complied with.
- (3) The DFSA may impose, vary or withdraw conditions or restrictions on the admission of Securities to an Official List of Securities.
- (4) The DFSA shall notify the applicant in writing of its decision in relation to the admission of Securities to an Official List of Securities in accordance with the Offered Securities Rules.
- (5) The DFSA shall have, for the purposes of maintaining an Official List of Securities, listing rules contained in the Offered Securities Rules that meet the requirements prescribed in Article 22.

18. 22. Listing Rules Requirements and DFSA Powers

- (1) The listing rules of an Authorised Market Institution ~~must~~ or the DFSA shall include rules in relation to:
 - (a) applications for admission to ~~its~~ an Official List of Securities;
 - (b) requirements to be met before Securities may be granted admission to ~~its~~ an Official List of Securities;
 - (c) agreements ~~between an Authorised Market Institution and other persons in~~ connection with admitting Securities to ~~its~~ an Official List of Securities;
 - (d) the enforcement of those agreements in (c);
 - (e) the suspension and de-listing ~~and suspension~~ of Securities from ~~its~~ an Official List of Securities;
 - (f) the imposition on any person of obligations to observe specific standards of conduct or to perform, or refrain from performing, specified acts, reasonably imposed in connection with the admission of Securities to ~~its~~ an Official List of Securities or continued admission of Securities to ~~its~~ an Official List of Securities;
 - (g) penalties or sanctions which may be imposed by an Authorised Market Institution or the DFSA for a breach of the listing rules;
 - (h) procedures or conditions which may be imposed, or circumstances which are required to exist, in relation to matters which are provided for in the listing rules;
 - (i) dealing with possible conflicts of interest that might arise when a person seeks to have Securities admitted to ~~its~~ an Official List of Securities;
 - (j) such other matters as are necessary or desirable for the proper operation of the listing rules and process; and
 - (k) ~~the~~ any other matters prescribed by the Rules made by the DFSA for the purpose of this Article.
- (2) Applications for the admission of Securities to ~~its~~ an Official List of Securities ~~must~~ shall be made by the issuer of the Securities, or by a third party on behalf of and with the consent of the issuer of the Securities.
- (3) An Authorised Market Institution shall only amend its listing rules in accordance with the ~~Rules~~ Rules made by the DFSA for this purpose.

- (4) Subject to Article ~~22(5)~~ ~~18(5)~~ the DFSA may by written notice direct an Authorised Market Institution to:
- (a) make listing rules within a specified period; or
 - (b) amend specified listing rules in the manner and within the period prescribed.
- (5) The DFSA may only direct an Authorised Market Institution in accordance with Article ~~18(4)~~ 22(4) if it has first requested the Authorised Market Institution to make or amend specified listing rules and the Authorised Market Institution has failed to comply with that requirement within the period specified by the DFSA in its request.

19. 23. Suspending and delisting Securities from an Official List of Securities

- (1) The DFSA or an Authorised Market Institution may, in accordance with its listing rules, suspend or delist Securities from an Official List of Securities with immediate effect or from such date and time as may be specified where it is satisfied that there are circumstances that warrant such action or it is in the interests of the DIFC.
- ~~(1)~~ (2) The DFSA may by written notice direct an Authorised Market Institution to suspend or delist ~~or suspend~~ Securities from ~~its~~ an Official List of Securities with immediate effect or from such date and time as may be specified if it is satisfied there are special circumstances ~~which preclude regular dealings~~ that warrant such action or it is in the interests of the DIFC.
- ~~(2)~~ (3) The DFSA shall provide the written notice under Article ~~19(4)~~ 23(2) without undue delay to the Reporting Entity and the Authorised Market Institution and where requested by the Reporting Entity or the Authorised Market Institution shall provide the reasons for the decision.
- ~~(3)~~ (4) Subject to (5), the DFSA may only exercise its power under Article ~~19(1)~~ 23(1) and (2) if it has given the Reporting Entity and the Authorised Market Institution a suitable opportunity to make representations in person and in writing in relation to the proposed suspension or delisting ~~or suspension~~.
- ~~(4)~~ (5) The requirements imposed on the DFSA in Article ~~19(3)~~ 23(4) shall not apply:
- (a) in relation to the suspension by the DFSA of Securities from an Official List of Securities; or
 - (b) in the case of a directions by the DFSA to an Authorised Market Institution to suspend Securities,
where the DFSA concludes that any delay likely to arise as a result of such requirements is prejudicial to the interests of the DIFC.
- ~~(5)~~ (6) Where pursuant to Article ~~19(4)~~ 23(5)(b) the DFSA has:
- (a) suspended a Security from an Official List of Securities; or

- (b) directed an Authorised Market Institution to suspend Securities from an Official List of Securities;

without providing a prior opportunity to make representations, the DFSA shall:

- (i) provide the relevant Reporting Entity and the Authorised Market Institution 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 direction ~~was~~ or suspension was made; and
- (ii) provide a response to any such submission, and make any necessary consequential direction, variation or withdrawal of the direction, without undue delay.

~~(6)~~ (7) The DFSA may by written notice withdraw a direction made under Article ~~19(4)~~ 23(2) at any time.

~~(7)~~ ~~The Regulatory Appeals Committee has jurisdiction to hear and determine any appeal in relation to a decision made by the DFSA under this Article.~~

(8) Securities that are suspended from an Official List of Securities are still admitted to an Official List of Securities for the purposes of Parts 4, 5 and 6 of this Law.

24. Jurisdiction of the Regulatory Appeals Committee

The Regulatory Appeals Committee has jurisdiction to hear and determine any appeal in relation to a decision of the DFSA to:

- (a) refuse an application for an endorsement under Article 18;
- (b) suspend or withdraw an endorsement under Article 19;
- (c) object to the admission of Securities to an Official List of Securities under Article 20;
- (d) impose, vary or withdraw a condition or restriction under Articles 20 and 21;
- (e) refuse an application for admission to an Official List of Securities under Article 21;
- (f) suspend or delist Securities from an Official List of Securities under Article 23; or
- (g) direct an Authorised Market Institution to suspend or delist Securities admitted to an Official List of Securities under Article 23.

SCHEDULE

INTERPRETATION

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3. Defined Terms

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings:

Term	Definition
Official List of Securities	a list of Securities maintained by an Authorised Market Institution <u>or the DFSA</u> in accordance with this Law and Rules made for this purpose.

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