

Appendix 2

A new Markets Law [2011] is being proposed to the Ruler under Consultation Paper 75. This appendix shows proposed changes to the draft Markets Law [2011] contained in Consultation Paper 75 and, if accepted, will result in the insertion of two new Articles in the draft Markets Law with resultant renumbering. In this annex underlining indicates new text and striking through indicates deleted text.

PROPOSED AMENDMENTS TO MARKETS LAW [2011]

8. The DFSA powers to make Rules

- (1) The DFSA 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 shall make the following Rules:
 - (a) in relation to the offer of Securities in or from the DIFC;
 - (b) in relation to the licensing and supervision of Authorised Market Institutions, including requirements and procedures in the event of default by members of an Authorised Market Institution;
 - (c) in relation to the maintenance of Official Lists of Securities;
 - (d) in relation to the governance of Reporting Entities including corporate governance and related party transactions;
 - (e) in relation to takeovers, mergers and acquisitions of Reporting Entities;
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 - (f) for the prevention of market abuse, including any code of market conduct-; and
 - (g) in relation to recognised persons.

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CHAPTER 3 – RECOGNITION

37. Recognised Status

- (1) The DFSA shall make rules which permit an Authorised Market Institution to admit as a member a recognised member.
- (2) A person which operates an exchange, clearing house or alternative trading system from a place of business outside the DIFC (the “operator”) shall not provide direct access to its facilities to persons in the DIFC unless such operator is admitted to the list of recognised persons pursuant to Article 38.
- (3) For the purposes of this Law:
 - (a) “recognised body” means a person which operates an exchange, clearing house or alternative trading system in a jurisdiction other than the DIFC which has been admitted to, and appears on, the list of recognised bodies maintained by the DFSA pursuant to this Article;
 - (b) “recognised member” means a person located in a jurisdiction other than the DIFC which has been admitted to, and appears on, the list of recognised members maintained by the DFSA pursuant to this article;
and
 - (c) “recognised person” means a recognised body or a recognised member.
- (4) The DFSA shall maintain a list of recognised bodies and recognised members (the “list of recognised persons”) for the purposes of this Article.

- (5) The DFSA may only admit a person to its list of recognised persons if it appears to the DFSA that such person satisfies and will continue to satisfy the recognition criteria made for the purposes of this Article.
- (6) The DFSA shall prescribe in rules the initial and ongoing criteria which an applicant to be recognised must satisfy and continue to satisfy in order to be recognised (the “recognition criteria”);
- (7) If it is necessary or desirable in pursuit of its objectives, the DFSA may remove a person from its list of recognised persons in the circumstances and manner prescribed in Rules made for the purposes of this Article.
- (8) The DFSA may make Rules regarding any definition, requirement or other matter which the DFSA considers necessary to give effect to the requirements, purpose or intent of this Article.
- (9) The Regulatory Appeals Committee has jurisdiction to hear and determine any appeal in relation to a decision of the DFSA made for the purposes of Article 37 (5) or (7).

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47. Public Listed Companies

A Reporting Entity which is a Public Listed Company must appoint a Registered Auditor to be its auditor.

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SCHEDULE

INTERPRETATION

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3. Defined Terms

Term	Definition
<u>Authorised Person</u>	<u>Has the meaning given in Article 3, Schedule 1 of the Regulatory Law 2004.</u>
<u>Registered Auditor</u>	<u>An auditor registered by the DFSA in accordance with Part 8 of the Regulatory Law 2004.</u>