

Appendix 4

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



The DFSA Rulebook

Markets Rules

(MKT)

4.3 Disclosure of interests by connected persons

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Definitions

- 4.3.2** (1) For the purposes of Article 42(2) of the Law, a Person is hereby prescribed as a Connected Person of a Reporting Entity if that Person:
- (a) is becomes a Director or an individual involved in the senior management of either:
 - (i) the Reporting Entity; or
 - (ii) a controller of the Reporting Entity; or
 - (b) owns voting Securities carrying more than 5% of the voting rights attaching to all the voting Securities of either:
 - (i) the Reporting Entity; or
 - (ii) a controller of the Reporting Entity.
- (2) In (1), a Person is a controller of a Reporting Entity if that Person (the first person), either alone or with the Associates of that Person, controls the majority of the voting rights in, or the right to appoint or remove the majority of the Board of Directors of, the Reporting Entity or any Person who has similar control over the first person, including an ultimate controller of the first person.
- (3) For the purposes of determining whether a Person controls the voting rights in, or the right to appoint or remove the majority of the Board of Directors of a Reporting Entity or a controller of a Reporting Entity, any Securities held by that Person and his Associates, including those in which that Person or Associate of that Person has a beneficial interest, are deemed as his Securities except where:
- (a) any such Securities are held by that Person on behalf of another Person who is not an Associate of that Person; or
 - (b) the Person does not have control over the voting rights attaching to the Securities because of circumstances where some other Person exercises those rights or manages those Securities on a discretionary basis.
- (4) A Person is not a Connected Person of a Reporting Entity merely by reason of the admission of its Structured Products to trading on an Authorised Market Institution.

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5.1 Application

5.1.1 This section applies to every Reporting Entity other than that of a Listed Fund except where a narrower application is provided in respect of any particular class of Security.

Guidance

Chapter 6 contains the requirements relating to accounting periods and financial reporting in respect of Listed Funds.

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Annual financial report

- 5.1.4** (1) The annual financial report which is required to be produced by a Reporting Entity pursuant to Article 44 of the Law must include the information specified in (2).
- (2) In respect of the financial year to which the annual financial report relates, it must contain:
- (a) financial statements and accounts audited in accordance with Rule 5.1.5;
 - (b) a review of the operations during the year and the results of those operations;
 - (c) details of any significant changes in the Reporting Entity's state of affairs during the financial year;
 - (d) details relating to the Reporting Entity's principal activities during the year and any significant changes in the nature of those activities during the year;
 - (e) details of any matter or circumstance that has arisen since the end of the year that has significantly affected or may significantly affect:
 - (i) the Reporting Entity's operations in future financial years and the results of those operations; or
 - (ii) the Reporting Entity's state of affairs in future financial years; and
 - (f) likely developments in the Reporting Entity's operations in future financial years and the expected results of those operations;
 - (g) a statement of auditors required under Article 46(2) of the Law; ~~and~~
 - (h) a statement by Directors whether or not, in their opinion, the business of the Reporting Entity is a going concern, with supporting assumptions or qualifications as necessary; and

- (i) details relating to the identity and holdings of any Connected Person of the Reporting Entity.

Guidance

With regard to the opinion required under the obligation in Rule 5.1.4(2)(h), the DFSA recognises that while the accounts will be prepared by Persons other than the Directors, the Board has overall responsibilities to ensure the integrity and independence of the financial reporting process.

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