

**Appendix 2**

Marking-up

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

Footnotes

Readers should also note that footnotes are provided as a guide to the source of the legislative provision or to provide a rationale for the proposals. The footnotes are for information purposes only and are not part of the legislative proposals.

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**PROPOSED CHANGES TO OTHER DFSA  
ADMINISTERED LAWS**

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# **PROPOSED CHANGES TO THE MARKETS LAW 2012**

## **PART 2: OFFER OF SECURITIES**

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### **CHAPTER 4: MISLEADING AND DECEPTIVE STATEMENTS OR OMISSIONS**

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#### **25 Stop orders**

- (1) If the DFSA is satisfied that a Prospectus Offer would contravene or has contravened this Law or the Rules made for the purposes of this Law or it is in the interest of the DIFC, the DFSA may issue a stop order directing that no offer, issue, sale or transfer of the Securities be made for such a period of time as it thinks appropriate.
- (2) Upon making a decision in relation to Article 25(1), the DFSA shall, without undue delay, inform the offeror of Securities in writing of its decision and the reasons for the decision.
- (3) The DFSA may only exercise its power to issue a stop order if it has given the offeror of Securities a suitable opportunity to make representations in person and in writing to the DFSA in relation to the proposed stop order.
- (4) The requirement imposed on the DFSA in Article 25(3) shall not apply where the DFSA concludes that any delay likely to arise as a result of such requirements is prejudicial to the interests of the DIFC or participants in the market.
- (5) Where pursuant to Article 25(4) the DFSA has issued a stop order directing that no offer, issue, sale or transfer of Securities be made without providing a prior opportunity to make representations, the DFSA shall:
  - (a) provide the relevant offeror of Securities an opportunity to make representations in person and in writing to the DFSA within a period of 14 days, or such further period as may be agreed, from the date on which such direction was made; and
  - (b) provide a response to any such submission, and make any consequential direction, variation or withdrawal of the direction, without undue delay.

- (6) The ~~Regulatory Appeals Committee~~ FMT has jurisdiction to hear and determine any ~~appeal~~ reference in relation to a decision of the DSFA to issue a stop order ~~made~~ under this Article.

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### **PART 3: AUTHORISED MARKET INSTITUTIONS**

#### **CHAPTER 1: SUPERVISION OF AUTHORISED MARKET INSTITUTIONS**

##### **26 Supervision of Authorised Market Institutions**

- (1) Without limiting the application of the Regulatory Law 2004, the DFSA may, by written notice, direct an Authorised Market Institution to do or not do specified things that the DFSA considers are necessary or desirable or to ensure the integrity of the DIFC financial markets, including but not limited to directions:
- (a) requiring compliance with any duty, requirement, prohibition, obligation or responsibility applicable to an Authorised Market Institution;
  - (b) requiring an Authorised Market Institution to act in a specified manner in relation to a transaction conducted on or through the facilities operated by an Authorised Market Institution, or in relation to a specified class of transactions; or
  - (c) requiring an Authorised Market Institution to act in a specified manner or to exercise its powers under any rules that the Authorised Market Institution has made.
- (2) Without limiting the application of Article 75 of the Regulatory Law 2004, the DFSA may, by written notice, direct an Authorised Market Institution to:
- (a) close the market or facilities operated by an Authorised Market Institution in a particular manner or for a specified period;
  - (b) suspend transactions on the market or through the facilities operated by the Authorised Market Institution;

- (c) suspend transactions in Investments conducted on the market or through the facilities operated by the Authorised Market Institution;
  - (d) prohibit trading in Investments conducted on the market or through the facilities operated by the Authorised Market Institution;
  - (e) defer for a specified period the completion date of transactions conducted on the market or through the facilities operated by the Authorised Market Institution;
  - (f) prohibit a specified person from undertaking any transactions on the facilities operated by the Authorised Market Institution; or
  - (g) do any act or thing, or not do any act or thing, in order to ensure an orderly market, or reduce risk to the DFSA's objectives.
- (3) The ~~Regulatory Appeals Committee~~ FMT has jurisdiction to hear and determine any ~~appeal~~ reference in relation to a decision of the DFSA to issue a direction under this Article ~~26~~.

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## CHAPTER 2 – OFFICIAL LIST OF SECURITIES

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### ~~36~~ — 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 30;~~
- ~~(b) — suspend or withdraw an endorsement under Article 31;~~
- ~~(c) — object to the admission of Securities to an Official List of Securities under Article 34(1)(a);~~
- ~~(d) — impose, vary or withdraw a condition or restriction in respect of the admission of Securities to an Official List of Securities under Article 34(1)(b);~~

- (e) ~~suspend or delist Securities from an Official List of Securities under Article 35;~~  
~~or~~
- (f) ~~direct an Authorised Market Institution to suspend or delist Securities admitted to an Official List of Securities under Article 35.~~

### **36      Jurisdiction of the FMT**

The FMT has jurisdiction to hear and determine any reference in relation to a decision of the DFSA to:

- (a)      refuse an application for an endorsement under Article 30;
- (b)      suspend or withdraw an endorsement under Article 31;
- (c)      object to, or refuse an application for, the admission of Securities to an Official List of Securities under Article 34(1)(a) or 34(2)(a);
- (d)      impose, vary a condition or restriction in respect of the admission of Securities to an Official List of Securities under Article 34(1)(b) or 34(2)(b);
- (e)      suspend or delist Securities from an Official List of Securities under Article 35;  
or
- (f)      direct an Authorised Market Institution to suspend or delist Securities admitted to an Official List of Securities under Article 35.

## **CHAPTER 3 – RECOGNITION**

### **37.      Recognised Status**

- (1)      The DFSA shall, by ~~rules~~ Rules, 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 maintained by the DFSA pursuant to Article 37(4).
- (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 a person satisfies and will continue to satisfy the recognition criteria prescribed for the purposes of this Article.
  - (6) The DFSA shall, by ~~rules~~ Rules, prescribe the initial and ongoing criteria which a person must satisfy in order to be, and continue to be, a recognised person (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 the ~~rules~~ Rules made for the purposes of this Article.
  - (8) The DFSA may make ~~rules~~ 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~~ FMT has jurisdiction to hear and determine any ~~appeal~~ reference in relation to a decision of the DFSA ~~made for the purposes of~~ under Article 37(5) or (7).

## **PART 4: OBLIGATIONS OF REPORTING ENTITIES**

### **CHAPTER 1: DEFINITIONS**

#### **38. Definition of a Reporting Entity**

- (1) A person is, subject to Article 38(3), a Reporting Entity if the person:

- (a) has or had Securities admitted to an Official List of Securities at any time;
  - (b) has made an Offer of Securities to the Public other than in relation to Units of a Fund;
  - (c) merges with or acquires a Reporting Entity referred to in Article 38(1)(a) or (b); or
  - (d) is declared by the DFSA pursuant to Article 38(4) to be a Reporting Entity.
- (2) For the purposes of Article 38(1)(a):
- (a) in the case of a Fund where the Units are or have been included in an Official List of Securities (a “Listed Fund”):
    - (i) a reference to a Reporting Entity is a reference to the Fund Manager of that Fund or such other person as the DFSA may declare (who may also be called a “Reporting Entity of the Listed Fund”); and
    - (ii) any obligations of a Reporting Entity are, unless the context requires otherwise, obligations in respect of the Listed Fund; and
  - (b) for avoidance of doubt, a person does not become a Reporting Entity of a Listed Fund by merely offering the Units of the Fund to the public, unless the Units are also admitted to an Authorised Market Institution.
- (3) A person is not a Reporting Entity:
- (a) if the person is an Exempt Offeror;
  - (b) if:
    - (i) the person previously had Securities admitted to an Official List of Securities but currently has no Securities admitted to an Official List of Securities;
    - (ii) the current holders of at least seventy five per cent of the Securities of the Reporting Entity or the Listed Fund, as is

relevant, have agreed in writing that the person is no longer needed to be a Reporting Entity; and

(iii) the DFSA has confirmed in writing upon being notified of the grounds referred to in Article 38(3)(b)(i) and (ii) that the person need no longer be a Reporting Entity; and

(c) in the case of a person referred to in Article 38(1)(a),(b) or (c), if that person is declared by the DFSA pursuant to Article 38(4)(a)(ii) not to be a Reporting Entity.

(4) The DFSA may, subject to Article 38(5), upon application of a person or on its own initiative:

(a) declare in writing that a person is:

(i) a Reporting Entity; or

(ii) not a Reporting Entity; and

(b) impose such conditions or restrictions as it considers appropriate in respect of such a declaration.

(5) The DFSA may only exercise its power under Article 38(4) on its own initiative if it has given a person a suitable opportunity to make representations in person and in writing in relation to the proposed declaration or imposition of conditions or restrictions.

(6) ~~The Regulatory Appeals Committee~~ FMT has jurisdiction to hear and determine any reference in relation to a decision of the DFSA made under ~~over any decision made by the DFSA pursuant to~~ Article 38(4).

(7) The DFSA may, by Rules, prescribe requirements applicable to Reporting Entities including any circumstances in which such requirements may not apply to certain Reporting Entities.

(8) The DFSA may, by Rules, extend the requirements applicable to a Reporting Entity to any person who intends to undertake any activity specified in Article 38(1)(a), (b) or (c) where it considers appropriate to do so.

(9) A reference to a Reporting Entity in the Law and the Rules made for the purposes of the Law includes, except where otherwise provided or the context implies

otherwise, a person intending to have Securities admitted to trading on an Authorised Market Institution.

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## **CHAPTER 6 – SPONSORS AND COMPLIANCE ADVISERS**

### **49. Appointment of Sponsors or Compliance Advisers**

- (1) The DFSA may, by written notice, require that a Reporting Entity appoint a sponsor, compliance adviser or other expert adviser on such terms and conditions as it considers appropriate.
- (2) The DFSA may, by Rules, prescribe:
  - (a) the circumstances in which a Reporting Entity is required to appoint a sponsor, compliance adviser or other expert adviser;
  - (b) the requirements applicable to the Reporting Entity and a person appointed as a sponsor, compliance adviser or other expert adviser; and
  - (c) any other matter necessary to give effect to such appointments.
- (3) The DFSA may only require a Reporting Entity to appoint a sponsor, compliance adviser or other expert adviser pursuant to Article 49(1) if it has provided to the Reporting Entity a prior written notice stating the reasons for proposing to do so, and giving the Reporting Entity an opportunity to make representations.
- (4) ~~The Regulatory Appeals Committee~~ FMT has jurisdiction to hear and determine any ~~appeal against~~ reference in relation to a decision made by of the DFSA under ~~pursuant to~~ Article 49(1).

## **CHAPTER 7 – MISCELLANEOUS**

### **50. DFSA powers**

- (1) The DFSA may, subject to Article 50(2), by written notice:
  - (a) direct a Reporting Entity to disclose specified information to the market or take such other steps as the DFSA considers appropriate; or
  - (b) impose on a Reporting Entity any additional continuing obligations,

on such terms and conditions as determined by the DFSA.

- (2) The DFSA may only exercise the powers in Article 50(1) if it:
  - (a) is satisfied that it is in the interest of the DIFC to do so; and
  - (b) has provided to the Reporting Entity a notice in writing of its proposal to direct the Reporting Entity to disclose specified information or impose any additional continuing obligations on the Reporting Entity and the reasons for proposing to do so, giving the Reporting Entity an opportunity to make representations, unless Article 50(3) applies.
- (3) Where the DFSA concludes that any delay likely to arise as a result of allowing a Reporting Entity to make representations would be prejudicial to the interests of the DIFC, it will not provide the Reporting Entity the prior opportunity to make representations.
- (4) Where the DFSA has imposed additional obligations without providing to the Reporting Entity a prior opportunity to make representations pursuant to Article 50(3), the DFSA shall:
  - (a) provide to the Reporting Entity 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 additional continuing obligations were imposed; and
  - (b) provide a written response to any representations made and make any consequential direction, variation or withdrawal of the additional obligations imposed without undue delay.
- (5) ~~The Regulatory Appeals Committee~~ FMT has jurisdiction to hear and determine any ~~appeal against a direction or the imposition of any additional continuing obligations made pursuant to~~ reference in relation to a decision of the DFSA under Article 50(1).

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## **PART 7: CONTRAVENTIONS AND PROCEEDINGS**

### **66. DELETED ~~Contraventions~~**

A person who:

- (a) ~~does an act or thing that the person is prohibited from doing by or under this Law or by the Rules;~~
- (b) ~~does not do an act or thing that the person is required or directed to do by or under this Law or by the Rules; or~~
- (c) ~~otherwise contravenes a provision of this Law or the Rules;~~

~~commits a contravention of this Law or the Rules, as the case may be, by virtue of Article 85 of the Regulatory Law 2004.~~

67. **DELETED Declaration of contravention**

~~The Court or the Financial Markets Tribunal may make a declaration in proceedings pending before it that a person has committed a contravention of this Law or the Rules.~~

68. **Orders in the interests of the DIFC**

- (1) The Court ~~or the Financial Markets Tribunal may~~, on the application of the DFSA, may make one or more of the following orders in relation to a person, irrespective of whether a contravention of this Law or the Rules made for the purposes of this Law has occurred, ~~if in its opinion, it is satisfied that~~ it is in the interest of the DIFC to make such an ~~the order or orders~~:
  - (a) an order restricting any conduct on such conditions or terms as the Court ~~or Financial Markets Tribunal~~ thinks fit;
  - (b) an order that trading in any Investments cease permanently or for such period as is specified in the order;
  - (c) an order that any exemptions contained in the Law or the Rules do not apply permanently or for such period as is specified in the order;
  - (d) an order that a person submit to a review by the DFSA of his practices and procedures and institute such changes as may be directed by the DFSA;
  - (e) an orders in relation to activities relating to a Takeover Offers within the DIFC;

- (f) an order that a disclosure be made to the market;
  - ~~(g) an order reprimanding a person described in the order;~~
  - ~~(h)~~ (g) an order that a person resign one or more positions that the person holds as a director or officer of a company;
  - ~~(i)~~ (h) an order that a person is prohibited from becoming or acting as a director or officer of any company;
  - ~~(j)~~ (i) an order that a person is prohibited from making offers of Securities in or from the DIFC;
  - ~~(k)~~ (j) an order that a person is prohibited from being involved in Reporting Entities, Listed Funds or Securities within the DIFC;
  - ~~(l)~~ (k) an order requiring a person to disgorge to the DFSA any amounts obtained as a result of the non-compliance with the Law or the Rules;
  - ~~(m)~~ (l) an order that a release, report, Prospectus, ~~Supplementary~~, return, financial statement or any other document described in the order:
    - (i) be provided by a person described in the order,
    - (ii) not be provided by a person described in the order; or
    - (iii) be amended by a person to the extent that amendment is practicable;
  - ~~(n) an order that a person pay a fine;~~
  - ~~(o)~~ (m) any order that the Court ~~or Financial Markets Tribunal~~ thinks fit, in order to maintain the integrity of the DIFC and ensure an efficient, honest, fair and transparent market; or
  - ~~(p)~~ (n) an order that a person must comply with a condition of a written notice referred to in Article 9(2) in a specified way.
- (2) The Court ~~or Financial Markets Tribunal may~~, on the application of the DFSA, may make interim and ex parte orders specified in Article 68(1)(a), (b), (c), (d), (e), (f), (l) and (m) ~~and (o)~~.

- (3) An order under Article 68(1) and (2) may be subject to such terms and conditions as the Court ~~or the Financial Markets Tribunal~~ may impose.

69. **DELETED Certificate of contravention**

~~A certificate signed by the Registrar of the Court or a member of the Financial Markets Tribunal which states that the Court or Financial Markets Tribunal on a specified day made a finding that a specified person has committed a contravention of a specified provision of the Law or of the Rules or of any other legislation administered by the DFSA or made a specified finding of fact is, in any other proceedings before the Court or Financial Markets Tribunal, where relevant:~~

- ~~(a) — conclusive evidence that the person was found by the Court or the Financial Markets Tribunal on that day to have contravened the relevant provision;~~
- ~~(b) — prima facie evidence that the person contravened that provision; and~~
- ~~(c) — prima facie evidence of the relevant finding of fact determined by the Court or the Financial Markets Tribunal.~~

**PART 8: FINANCIAL MARKETS TRIBUNAL**

70. **Jurisdiction of the Financial Markets Tribunal FMT**

- ~~(1) The Financial Markets Tribunal has additional jurisdiction as set out in Article 70(2).~~
- ~~(2) (1) The Financial Markets Tribunal FMT has jurisdiction to hear and determine any regulatory proceedings in relationng to:~~
- ~~(a) an issue arising out of the supervision ~~relating to~~ of an Authorised Market Institution other than a direction under Article 26(2);~~
- ~~(b) an issue arising out of an offers of Securities arising under this Law;~~
- ~~(c) an issue arising out of a takeover, takeover offer, merger or acquisition of shares; or~~
- ~~(d) any matter that may be prescribed by law or the Rules for the purpose of this Article.~~

(2) At the conclusion of such proceedings, the FMT may make a finding or declaration of unacceptable circumstances or a contravention of the Law or Rules, and may make one or more of the following orders, in addition to any orders it may make under Article 29 of the Regulatory Law 2004:

- (a) an order requiring a person to comply with this Law or the Rules;
- (b) an order in relation to the control or acquisition of Investments in or relating to a Reporting Entity;
- (c) an order in relation to the rights of shareholders or minority shareholders in a Reporting Entity; or
- (d) any consequential orders as the FMT sees fit following a finding or the making of a declaration.

~~(3) — A proceeding brought under Article 70(2) shall be referred to as a “regulatory proceeding” for the purposes of this Part.~~

~~(4) — A regulatory proceeding under this Part does not include an appeal of a DFSA decision.~~

~~(5) — A regulatory proceeding under this Part may be brought by the DFSA or by another person with the consent of the DFSA.~~

~~(6) — Subject to Article 70(7), an appeal from a determination from the Financial Markets Tribunal may be made to the Court pursuant to Article 32(5) of the Regulatory Law 2004.~~

~~(7) — An appeal lies to the Court on a point of law from a determination by the Financial Markets Tribunal of an appeal to the Tribunal prescribed by Rules made by the DFSA for the purposes of this Article.~~

71. **DELETED Powers to hear and determine matters**

~~(1) — The Financial Markets Tribunal shall be constituted, operate and exercise powers as prescribed under Articles 31 to 35 of the Regulatory Law 2004.~~

~~(2) — At the conclusion of any proceedings, under this Law, the Financial Markets Tribunal may make a finding or declaration of unacceptable circumstances or a contravention of the Law or Rules, and may make one or more of the following~~

~~orders, in addition to any orders it may make under Article 34 of the Regulatory Law 2004 or Article 67 of this Law:~~

- ~~(a) — an order requiring the respondent to comply with this Law or the Rules;~~
- ~~(b) — an order in relation to the control or acquisition of Investments in or relating to a Reporting Entity;~~
- ~~(c) — an order in relation to the rights of shareholders or minority shareholders in a Reporting Entity;~~
- ~~(d) — an order requiring the respondent to do any act or thing; or~~
- ~~(e) — any consequential orders as the Financial Markets Tribunal sees fit following a finding or the making of a declaration.~~

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## SCHEDULE

### INTERPRETATION

#### 3. Defined Terms

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

Term	Definition
Financial Markets Tribunal	the Financial Markets Tribunal established pursuant to Article <del>263</del> of the Regulatory Law 2004.
<u>FMT</u>	<u>the Financial Markets Tribunal</u>
Regulatory Appeals Committee	<del>has the meaning given in Article 3 of Schedule 1 of the Regulatory Law 2004.</del>

# PROPOSED CHANGES TO COLLECTIVE INVESTMENT LAW 2010

## PART 10: ~~THE REGULATORY APPEALS COMMITTEE~~ FINANCIAL MARKETS TRIBUNAL

### 70 Jurisdiction of the FMT in relation to references

~~Without in anyway limiting the jurisdiction of the Regulatory Appeals Committee conferred upon it by or under the Regulatory Law 2004 or any other Law administered by the DFSA, the Regulatory Appeals Committee has additional jurisdiction in accordance with Article 27(2)(k) of the Regulatory Law 2004 to hear and determine any appeal where:~~

The FMT has jurisdiction to hear and determine any reference where:

- (a) an applicant ~~appeals the~~ seeks a review of a decision of the DFSA in relation to an application for the registration of a Fund;
- (b) a Fund, its Trustee or any member of its Governing Body ~~appeals~~ seeks review of a decision of the DFSA in relation to the exercise of its power to withdraw the registration of the Fund;
- (c) a Fund, its Trustee or any member of its Governing Body ~~appeals~~ seeks review of the decision of the DFSA to issue, vary or withdraw a notice in relation to the Fund or any member of its Governing Body;
- (d) a Fund, its Trustee or any member of its Governing Body ~~appeals~~ seeks review of the decision of the DFSA in relation to the proposed alteration of a Fund under Part 8; or
- (e) a Fund, its Trustee or any member of its Governing Body ~~appeals~~ seeks review of the decision of the DFSA to issue a direction, objection or requirement or a stop order under the Law.

### 71 Jurisdiction of the FMT in relation to regulatory proceedings

FMT has jurisdiction to hear and determine any regulatory proceeding in relation to an issue arising out of an Offer of Units of a Fund or in respect of the management and operation of a Fund.

**PART 11:-~~DELETED THE FINANCIAL MARKETS TRIBUNAL~~**

**71 ~~Jurisdiction of the Financial Markets Tribunal~~**

(1) ~~Without in any way limiting the jurisdiction of the Financial Markets Tribunal conferred upon it by or under the Regulatory Law 2004 or any other Law administered by the DFSA, the Financial Markets Tribunal has additional jurisdiction as set out in Article 71(2).~~

(2) ~~The Financial Markets Tribunal has jurisdiction to hear and determine a proceeding in relation to an issue arising out of an Offer of Units of a Fund or in respect of the management and operation of a Fund.~~

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**SCHEDULE 1  
INTERPRETATION**

**3. Defined Terms**

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

<b>Terms</b>	<b>Definitions</b>
<u>Financial Markets Tribunal</u>	<u>the Financial Markets Tribunal established pursuant to Article 26 of the Regulatory Law 2004.</u>
<u>FMT</u>	<u>the Financial Markets Tribunal</u>

# PROPOSED CHANGES TO THE LAW REGULATING ISLAMIC FINANCIAL BUSINESS 2004

## PART 2: CONDUCT OF ISLAMIC FINANCIAL BUSINESS

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### 11. Application for an endorsement

- (1) An application for an endorsement on a Licence authorising an Authorised Firm or Authorised Market Institution to conduct Islamic Financial Business as an Islamic Financial Institution or by operating an Islamic Window may be made to the DFSA by any:
  - (a) body corporate; ~~or~~
  - (b) partnership; ~~or~~
  - (c) ~~unincorporated association~~when applying for a Licence under Article 45 of the Regulatory Law 2004.
- (2) An Authorised Firm or Authorised Market Institution may apply to the DFSA for an endorsement to conduct Islamic Financial Business as an Islamic Financial Institution or by operating an Islamic Window, or to vary such an endorsement.
- (3) The DFSA Board of Directors may make Rules providing that certain persons or categories of person may not be granted an endorsement in relation to Islamic Financial Business.
- (4) The DFSA Board of Directors may make Rules:
  - (a) prescribing the requirements an applicant applying for an endorsement must meet before an endorsement can be granted by the DFSA. Such Rules may include requirements relating to the legal form an applicant must adopt;

- (b) providing for ~~the such~~ requirements referred to in Article 11(4)(a) to be varied in cases where an application is made by a person which is, at the time of application, regulated in a jurisdiction other than the DIFC;
- (c) prescribing certain persons or categories of person to be exempted from the requirements referred to in Article 11(4)(a); and
- (d) providing for any such exemptions to be:
  - (i) limited to certain Islamic Financial Business activities or specified circumstances; or
  - (ii) subject to certain conditions and restrictions.
- (5) The DFSA may ~~in its absolute discretion~~ refuse to grant an application for an endorsement or for a variation to an endorsement.
- (6) Upon refusing to grant an endorsement or a variation to an endorsement, the DFSA shall without undue delay inform the applicant in writing of ~~the such~~ refusal and, ~~if requested by the applicant, the~~ shall give reasons for such refusal.
- (7) The ~~Regulatory Appeals Committee~~ FMT has jurisdiction to hear and determine any ~~appeal~~ reference in relation to a decision of the DFSA to:
  - (a) refuse an application for an endorsement or a variation to an endorsement made under this Article;
  - (b) impose a limitation, condition or restriction on a person's endorsement under Rules made for the purposes of Article 11(4)(d).

12. ~~Endorsements~~ **Conditions, restrictions and withdrawal**

- ~~(1) — The DFSA may endorse the Licence of an Authorised Firm or Authorised Market Institution authorising it to conduct Islamic Financial Business as an Islamic Financial Institution or by operating an Islamic Window.~~
- ~~(2)~~ (1) Subject to Articles 12(2), (3) and (4), the DFSA may at any time by written notice to an Authorised Firm or Authorised Market Institution;
  - (a) impose conditions and restrictions or additional conditions and restrictions in relation to an endorsement;

- (b) vary or withdraw conditions and restrictions imposed in relation to an endorsement; or
  - (c) withdraw an endorsement.
- (~~3~~) (2) The DFSA may act under Article ~~12(2)~~ 12(1) on its own initiative or at the request of an Authorised Firm or Authorised Market Institution.
- (3) The DFSA may act on its own initiative under Article 12(1)(c) if the DFSA reasonably concludes that the holding of an endorsement by the Authorised Firm or Authorised Market Institution is not in the interests of the DIFC.
- (4) Subject to Article 12(5), the DFSA may only impose conditions and restrictions or additional conditions and restrictions or vary or withdraw conditions and restrictions in relation to an endorsement or withdraw an endorsement after ~~if~~-it has given the relevant Authorised Firm or Authorised Market Institution a suitable opportunity to make representations in person and in writing to the DFSA in relation to the proposed changes.
- (5) The requirement imposed on the DFSA under Article 12(4) shall not apply:
- (a) in relation to the imposition of conditions and restrictions when a Licence is first endorsed;
  - (b) where the relevant person has requested the imposition, variation or withdrawal of conditions and restrictions or withdrawal of an endorsement under Article ~~12(3)~~ 12(2); or
  - (c) where the DFSA concludes that any delay likely to arise as a result of such requirement is prejudicial to the interests of the DIFC.
- (6) Where pursuant to Article 12(5)(c) the DFSA imposes, varies or withdraws a condition or restriction or withdraws an endorsement without providing a prior opportunity to make representations, the DFSA shall:
- (a) provide the relevant Authorised Firm or 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 condition or restriction is imposed, varied or withdrawn or from the date on which the endorsement is withdrawn; and

- (b) provide a response to any such submission, and make any consequential imposition, variation or withdrawal of the condition or restriction, without undue delay.
- (7) The ~~Regulatory Appeals Committee~~ FMT has jurisdiction to hear and determine any ~~appeal reference~~ reference in relation to a decision ~~to impose, vary or withdraw a condition or restriction made~~ under this Article: to impose or vary a condition or restriction at any time subsequent to granting an endorsement.

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**SCHEDULE 1**  
**INTERPRETATION**

**3. Defined Terms**

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

<b>Term</b>	<b>Definition</b>
<u>Financial Markets Tribunal</u>	<u>the Financial Markets Tribunal established pursuant to Article 26 of the Regulatory Law 2004.</u>
<u>FMT</u>	<u>the Financial Markets Tribunal</u>

# PROPOSED CHANGES TO THE INVESTMENT TRUST LAW 2006

## PART 8: THE FINANCIAL MARKETS TRIBUNAL

### 29 Jurisdiction of the ~~Financial Markets Tribunal~~ FMT in relation to regulatory proceedings

~~(1) Without in any way limiting the jurisdiction of the Financial Markets Tribunal conferred upon it by or under the Regulatory Law 2004 or any other Law administered by the DFSA, the Financial Markets Tribunal has additional jurisdiction as set out in Article 29(2).~~

~~(2) The Financial Markets Tribunal has jurisdiction to hear and determine a proceeding in relation to an issue arising out of an offer of Units of an Investment Trust or out of the operation of an Investment Trust.~~

Without in any way limiting the jurisdiction of the FMT conferred upon it by or under the Regulatory Law 2004 or any other law administered by the DFSA, the FMT has additional jurisdiction under Article 29 of the Regulatory Law 2004 to hear and determine a regulatory proceeding in relation to an issue arising out of an offer of Units of an Investment Trust or out of the operation of an Investment Trust.

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## SCHEDULE INTERPRETATION

### 3. **Defined Terms**

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

<b>Terms</b>	<b>Definitions</b>
<u>Financial Markets Tribunal</u>	<u>the Financial Markets Tribunal established pursuant to Article 26 of the Regulatory Law 2004.</u>
<u>FMT</u>	<u>the Financial Markets Tribunal</u>