



# The DFSA Rulebook

Glossary Module

**(GLO)**

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## **1 INTRODUCTION**

### **1.1 Application**

- 1.1.1** This module (GLO) applies to every Person to whom any module of the Rulebook applies.

### **1.2 Defined Terms**

**1.2.1** In the Rulebook:

- (a) a word or phrase which has been capitalised and which is defined in this module is a defined term and has the meaning given in this module; and
- (b) a capitalised word or phrase which relates to a defined term must be interpreted accordingly.

#### **Guidance**

1. Defined terms are identified throughout the Rulebook by the capitalisation of the initial letter of a word or of each word in a phrase. Unless the context otherwise requires, where capitalisation of the initial letter or letters is not used, an expression has its natural meaning.
2. A word or phrase which appears with capitalisation of the initial letter, but is not itself defined in the Glossary (GLO), should be read in the same sense as the expression to which it relates, for example 'Advice on Financial Products or Credit' is related to 'Advising on Financial Products or Credit', so the reader should refer to the definition of 'Advising on Financial Products or Credit' for its meaning.
3. Many of the defined expressions in GLO are used or defined in the relevant DIFC law or in legislation made under it. In these cases, GLO may refer to the statutory provision which is the source of the Rulebook definition. Where there is a short statutory definition, GLO sets out the definition in full. Where the statutory definition is long, GLO gives a summary of it, and states that it is a summary.
4. Each module of the Rulebook has a reference code of three letters, usually a contraction or abbreviation of its title (for example, COB stands for the Conduct of Business module). The meaning of each of these codes is given in GLO.
5. GEN section 6.2 provides further important guidance on interpreting words and phrases.

## 2 GLOSSARY

### A

<b>Defined Term</b>	<b>Definition</b>
Acceptable Collateral	Those types of collateral set out in PIB Rule A4.8.32.
Accepting Deposits	Has the meaning given in GEN section 2.4.
Actuary	An individual who is a 'Fellow', or the holder of an equivalent qualification or rank, of a professional actuarial body that is a full member of the International Actuarial Association.
Adjusted Capital Resources	Capital resources calculated in accordance with PIN Rule A3.2.1.
Adjusted Cellular Capital Resources	Cellular capital resources calculated in accordance with PIN Rule A5.6.1.
Adjusted Fund Capital Resources	Fund capital resources calculated in accordance with PIN Rule A7.2.1.
Adjusted Non-Cellular Capital Resources	Non-cellular capital resources calculated in accordance with PIN Rule A5.2.1.
Advising on Financial Products or Credit	Has the meaning given in GEN section 2.11.
AMI	The Authorised Market Institution module of the Rulebook.
AML	The Anti Money Laundering module of the Rulebook.
Ancillary Service	Has the meaning given in ASP section 2.1.
Ancillary Service Provider	A Person who is registered by the DFSA in relation to the carrying on of one or more Ancillary Services.
Annual Audited Expenditure	The expenditure calculated in accordance with PIB Rule 2.5.2.

<b>Defined Term</b>	<b>Definition</b>
Annual Regulatory Return	An annual regulatory return of the type specified in PIN Rule A10.3.1.
Anti Money Laundering Suspicious Cases Unit (AMLSCU)	The Financial Intelligence Unit of the U.A.E.
Anti Money Laundering Officer	An individual designated under ASP Rule 6.2.2, who is directly responsible for an Ancillary Service Provider's compliance with applicable anti money laundering legislation.
Approved Asset	<ol style="list-style-type: none"> <li data-bbox="659 783 1395 888">(1) A certificate of deposit with a maximum term to maturity of six months issued by and held with an Eligible Bank;</li> <li data-bbox="659 909 1395 982">(2) a term deposit with an Eligible Bank with a remaining term to maturity of one year or less;</li> <li data-bbox="659 1003 1395 1182">(3) a negotiable debt instrument, with a remaining term to maturity of five years or less, where the instrument, or issuer thereof, is Rated at least AA- by Standard &amp; Poor's, or the equivalent by another Rating Agency;</li> <li data-bbox="659 1203 1395 1381">(4) a repurchase agreement which is fully collateralised with negotiable debt instruments meeting the rating criterion in (3), and where the credit rating of the counterparty also meets the criteria; or</li> <li data-bbox="659 1402 1395 1581">(5) a bond fund meeting the rating criterion in (3) and where the designated bank account for redeemed investment is the an Insurance Bank Account held by the Authorised Firm in accordance with the requirement of COB section 14.3.</li> </ol>
Approved Stock Exchange	A stock exchange designated as approved by a written notice from the DFSA, subject to any conditions that the DFSA may specify in that notice.
Arranging Custody	Has the meaning given in GEN section 2.14.

<b>Defined Term</b>	<b>Definition</b>
Arranging Credit or Deals in Investments	Has the meaning given in GEN section 2.9.
ASP	The Ancillary Service Providers module of the Rulebook.
ASP Code	The principles for Ancillary Service Providers prescribed in ASP section 4.2.
Associate	<p>(1) In AUT and ASP, means, in respect of a Person 'A' holding Shares or entitled to exercise, or control the exercise of voting power, in an Authorised Firm or a Holding Company of an Authorised Firm means:</p> <ul style="list-style-type: none"> <li>(a) the spouse of A;</li> <li>(b) a child or stepchild of A;</li> <li>(c) the trustee of any settlement, including any disposition or arrangement under which property is held on trust or subject to a comparable obligation, under which A has a life interest in possession;</li> <li>(d) an Undertaking of which A is a Director;</li> <li>(e) a Person who is an Employee or partner of A;</li> <li>(f) where A is an Undertaking: <ul style="list-style-type: none"> <li>(i) a director of A;</li> <li>(ii) a subsidiary or wholly owned subsidiary of A; or</li> <li>(iii) a Director or Employee of such a subsidiary or wholly owned subsidiary; or</li> </ul> </li> <li>(g) a Person who has an agreement or arrangement with A with respect to the acquisition, holding or disposal of Shares or other interests in the Authorised Firm or the Holding Company of an Authorised Firm or under which they undertake to act together in exercising their voting power in relation to an Authorised Firm or the Holding Company of an Authorised Firm that other Person.</li> </ul>

<b>Defined Term</b>	<b>Definition</b>
	<p>(2) Except in AUT and ASP means in respect of a Person 'A', any Person, including an affiliated company which is:</p> <p>(a) an undertaking in the same Group as A; or</p> <p>(b) any other person whose business or domestic relationship with A or his Associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties.</p>
AUT	The Authorisation module of the Rulebook.
Authorised Firm	A Person, other than an Authorised Market Institution, who holds a Licence.
Authorised Individual	An individual who has been authorised by the DFSA to carry out one or more Licensed Functions.
Authorised Market Institution	A Person who is Licensed by the DFSA in relation to the carrying on either or both of the Financial Services prescribed in GEN Rule 2.17.1 and 2.18.1.

## B

<b>Defined Term</b>	<b>Definition</b>
Bank	An Authorised Firm which holds a License authorising it to carry on either or both of the Financial Services of Accepting Deposits or Providing Credit.
Banking Business	The business of Accepting Deposits or Providing Credit.
Base Capital Requirement	Has the meaning given in PIB section 2.4.
Beneficial Owner	<ul style="list-style-type: none"> <li>(1) An individual who ultimately owns customers' assets or controls a customer account;</li> <li>(2) a Person on whose behalf a Transaction is being conducted;</li> <li>(3) a Person who exercises ultimate effective control over a legal Person or arrangement; or</li> <li>(4) a Person on whose instructions the signatories of an account, or any intermediaries instructing such signatories, are for the time being accustomed to act.</li> </ul>
Body Corporate	Any body corporate, including limited liability partnership and a body corporate constituted under the law of a country or territory outside of the DIFC.
Branch	<p>A place of business within the DIFC:</p> <ul style="list-style-type: none"> <li>(a) which has no separate legal personality;</li> <li>(b) forms a legally dependant part of an Authorised Firm whose principal place of business and head office is in a jurisdiction other than the DIFC; and</li> <li>(c) through which the Authorised Firm carries on Financial Services in or from the DIFC.</li> </ul>

## C

<b>Defined Term</b>	<b>Definition</b>
Capital Requirements	The amount of capital an Authorised Firm must hold, calculated in accordance with PIB Rule 2.3.1.
Capital Resources	The total capital resources of an Authorised Firm calculated in accordance with PIB section 2.6.
Captive Cell	A Cell established by a Protected Cell Company to which are attributable assets and liabilities arising out of Insurance Business only in respect of risks related to or arising out of the business or operations of members of a Group which together hold a majority of the Cell Shares, including for this purpose only contracts of reinsurance in respect of such risks insured by the cedant.
Carrying Out Contracts of Insurance	Has the meaning given in GEN section 2.16.
Category	A prudential grouping of Authorised Firms which determines the application of the Rules in PIB.
Cell	A cell created by a Protected Cell Company for the purpose of segregating and protecting cellular assets in the manner provided by the Regulations made under the Companies Law 2004.
Cell Return	The return described in PIN Rule A10.2.4.
Cell Share Capital	Capital comprising of the proceeds of the issue of Cell Shares.
Cell Shares	Shares created and issued by a Protected Cell Company in respect of one of its cells.
Cellular Asset	The assets of the Protected Cell Company attributable to the Company's Cells.
Cellular Liabilities	Liabilities that may be settled by disposition of cellular assets.

<b>Defined Term</b>	<b>Definition</b>
Central Bank	The Central Bank of the U.A.E. or its equivalent in another country or territory.
Certificates	Has the meaning given in GEN Rule A2.1.1(d).
Charge	Any Fee or charge made to a Client in connection with Investment Business, whether levied by the Authorised Firm or any other Person, including a Mark-up or Mark-down.
Chief Executive (CEO)	The person appointed to the office of Chief Executive of the DFSA by the Council.
Chinese Wall	An arrangement described in Article 49 of the Markets Law 2004.
Class	In relation to a Contract of Insurance, the allocated insurance class as specified in GEN App4.
Class 1 Captive Insurer	A DIFC Incorporated Insurer permitted under the conditions of its authorisation to effect and carry out Contracts of Insurance only in respect of risks related to or arising out of the business or operations of entities to which it is related, including for this purpose only contracts of reinsurance in respect of such risks insured by the cedant.
Class 2 Captive Insurer	A DIFC Incorporated Insurer required under the conditions of its authorisation to obtain at least 80 per cent of its gross written premium in any year from Contracts of Insurance in respect of risks related to or arising out of the business or operations of entities to which it is related, including for this purpose only contracts of reinsurance in respect of such risks insured by the cedant.
Class 7 Capital Requirement	The capital requirement calculated in accordance with PIN section 4.5.
Class of Business	A classification of insurance contracts having similar characteristics, specified in GEN App4.
Client	Has the meaning given in COB chapter 3.



<b>Defined Term</b>	<b>Definition</b>
Client Account	(1) In relation to Client Money, an account specified in COB Rule A5.4.1; and  (2) in relation to a Safe Custody Investment an account specified in COB Rule A6.4.2.
Client Assets	Client Money and Client Investments.
Client Investments	Has the meaning given in COB section 9.4.
Client Money	Has the meaning given in COB section 9.3.
Client Money Auditor's Report	A report containing the content specified in GEN Rule 8.6.1(d).
Client Money Distribution Rules	The Rules under COB section A5.13.
Client Money Provisions	The provisions under COB App5.
Close Links	A Person (Person A) has close links with a Person (Person B) if:  (a) Person B:  (i) is a Holding company of Person A;  (ii) is a Subsidiary of Person A;  (iii) is a Holding Company of the Subsidiary of Person A;  (iv) is a Subsidiary of a Holding Company of Person A; or  (v) owns and controls 20% or more of the voting rights or shares of Person A; or  (b) Person A owns and controls 20% or more of the voting rights or shares of Person B.

<b>Defined Term</b>	<b>Definition</b>
Close Out Netting	A process whereby the claims and obligations of two Counterparties are accelerated, netted to form a single net sum and become immediately due upon the default, bankruptcy, liquidation or other similar circumstance of either of the Counterparties.
Close Relative	In relation to any individual: <ul style="list-style-type: none"> <li>(a) his spouse;</li> <li>(b) his children and step-children, his parents and step-parents, his brothers and sisters and his step-brothers and step-sisters; and</li> <li>(c) the spouse of any individual within (b).</li> </ul>
Closely Related	Has the meaning given in PIB Rule A4.8.8.
COB	The Conduct of Business module of the Rulebook.
Collateral	(1) In PIB, any form of asset, guarantee, or indemnity which is held or controlled by an Authorised Firm and is subject to a security interest or arrangement in favour of that firm; and  (2) In COB, a Client Investment which has been paid for in full by a Client and which is held or controlled by the Authorised Firm under the terms of a deposit, pledge, charge or other security arrangement.
Collective Investment Fund	Has the meaning given in GEN section A3.1.
Commercial Customer	In relation to an Insurer or an Insurance Intermediary, a customer who is: <ul style="list-style-type: none"> <li>(a) an Undertaking; or</li> <li>(b) a natural person carrying on a trade or business, with or without a view to profit.</li> </ul>
Commission	Any form of commission, including a benefit of any kind, offered or given in connection with Investment Business.



Defined Term	Definition
Commodities Risk Capital Requirement	A component of the Market Risk Capital Requirement to cover the risk of holding or taking positions in commodities, including precious metals, but excluding gold, calculated in accordance with PIB section 5.7.
Compliance Officer	The Licensed Function described in AUT Rule 10.2.2(e).
Concentration Risk	The risk faced by an Authorised Firm arising out of its Large Exposures.
Connected	In relation to a Person (A), a Person which has or has at any relevant time had the following relationship to A:  (a) a member of A's Group;  (b) a Controller of A;  (c) a member of a partnership of which a is a member;  (d) an employee or former employee of A;  (e) if A is a company: (i) an officer or manager of A or of a parent of A; (ii) an agent of A or of a parent of A;  (f) if A is a partnership is or has been a member, manager or agent of A; and  (g) if A is an unincorporated association of persons which is not a partnership, is or has been an officer, manager or agent of A.
Connected Counterparties	Has the meaning given in PIB Rule A4.8.11.
Contingent Liability Investment	A Derivative under the terms of which the Client will or may be liable to make further payments (other than Charges, and whether or not secured by margin) when the transaction falls to be completed or upon the earlier closing out of his position.

<b>Defined Term</b>	<b>Definition</b>
Contract of Insurance	Has the meaning given in GEN Rule A4.1.1.
Controller	Has the meaning given in AUT Rule 15.1.2.
Convertible	An investment that gives the investor the right to convert the Security into equity at an agreed price or on an agreed basis.
Correspondent Account	An account opened on behalf of a Correspondent Banking Client to receive deposits from, to make payments on behalf of or to otherwise handle financial Transactions for or on behalf of the Correspondent Banking Client.
Correspondent Bank	A bank in a jurisdiction other than the DIFC where an Authorised Firm opens a Correspondent Account.
Correspondent Banking Client	A Client of an Authorised Firm which uses the firm's correspondent banking services account to clear Transactions for its own customer base.
Council	The governing body of the DFSA, established under Chapter 2 of Part 2 of the Regulatory Law 2004.
Counterparty	Means any person with or for whom an Authorised Firm carries on, or intends to carry on, any regulated business or associated business. In this context, a counterparty includes an individual, unincorporated body, company, government, local authority or other public body.
Counterparty Risk	The risk that an Authorised Firm's Counterparty does not perform its obligations under the terms of a contract.
Counterparty Risk Capital Component (CPCOM)	A component of the Credit Risk Capital Requirement calculated in accordance with PIB section 4.4.
Court	The DIFC Court.
Credit Default Product	A swap or Option, which has a payout linked to changes in an underlying Reference Asset's creditworthiness and protects the Protection Buyer against the risk of credit loss over a specified time period with the payout being conditional on some form of Credit Event.

<b>Defined Term</b>	<b>Definition</b>
Credit Derivatives	An over the counter financial Derivative instrument, which enables the isolation and separate transfer of Credit Risk and whose payout is linked to changes in the Reference Assets' creditworthiness.
Credit Enhancement	Has the meaning given in PIB Rule A4.10.1.
Credit Equivalent Amount (CEA)	The proportion of the nominal amount of an OTC derivative contract at risk if an Authorised Firm's Counterparty fails.
Credit Event	An event related to the creditworthiness of Reference Assets or Reference Entities in a Credit Derivatives contract, which triggers the termination or a payout under the contract.
Credit Event Payment	The consideration, which the Protection Seller pays to the Protection Buyer under a Credit Derivatives contract upon occurrence of a Credit Event.
Credit Facility	Any facility which includes any arrangement or agreement which extends monetary credit whether funded or unfunded to a Person including but not limited to any loan or syndicated loan, mortgage, overdraft, financial lease, letter of credit, financial guarantee, trade finance, transaction finance, project finance or asset finance.
Credit Risk	In relation to an Authorised Firm, the risk of loss if another party fails to perform on its financial obligation to the Authorised Firm.
Credit Risk Capital Component (CRCOM)	A component of the Credit Risk Capital Requirement calculated in accordance with PIB section 4.3.
Credit Risk Capital Requirement	The requirement calculated in accordance with PIB Rule 2.3.3.
Credit Spread Option	A type of contract where one Counterparty sells an Option to another Counterparty on a nominal amount of an asset swap on a specified Security, exercisable during a set period of time, in exchange for a payment of a premium where the Option gives the buyer the right to put the asset swap back to the seller at a strike spread



**GLOSSARY (GLO)**

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<b>Defined Term</b>	<b>Definition</b>
	over a pre-determined benchmark rate.
Credit-linked Note	A Security whose coupon payments are linked to the return on, and repayment of principal and is linked to the creditworthiness of, the Reference Assets.
Customer Complaint	Any significant expression of dissatisfaction sent from a customer to the Authorised Firm relating to a Financial Service.

## D

<b>Defined Term</b>	<b>Definition</b>
DAT	The Data Protection module of the Rulebook.
Dealing in Investments as Agent	Has the meaning given in GEN section 2.8.
Dealing in Investments as Principal	Has the meaning given in GEN section 2.7.
Debentures	The Investment specified in GEN Rule A2.1.1(b).
Decision Maker	The DFSA officer appointed by the Enforcement Decisions Committee to exercise the delegated authority of the DFSA in determining whether to exercise a power under Articles 49, 50, 51, 57, 58(1), 58(2), or 91 of the Regulatory Law 2004.
Delivery Versus Payment Transaction	A transaction in which the transfer of Investments and the payment of Money between the buyer and seller are intended to occur around the same time.
Delta	The measure of an Option's sensitivity to a change in value of the underlying Investment, asset or property.
Deposit	Has the meaning given in GEN section A1.1.
Derivative	A Future or an Option.
DFSA	The DIFC Financial Services Authority.
DIFC	The Dubai International Financial Centre.
DIFC Business Return	The return described in PIN Rule A10.2.6.
DIFC Business Risk Capital Requirement	The capital requirement calculated in accordance with PIN section A9.2.
DIFC Incorporated Insurer	An Insurer that is a Body Corporate incorporated under the Companies Law 2004.

<b>Defined Term</b>	<b>Definition</b>
DIFC Registrar of Companies	The registrar of companies appointed pursuant to the Companies Law 2004.
Director	<p>(1) In relation to an undertaking established under the Companies Law 2004, a Person who appears on the Register of Directors maintained by the DIFC Registrar of Companies; and</p> <p>(2) In relation to all other undertakings, a Person who has been admitted to a register which has a corresponding meaning to the Register of Directors or performs the function of acting in the capacity of a Director, by whatever name called.</p>
Displaced Commercial Risk Capital Requirement (PSIACOM)	The requirement calculated in accordance with PIB section 3.4.
Distribution Event	<p>A distribution event is:</p> <p>(a) the appointment of a liquidator, receiver or administrator, or trustee in bankruptcy, over the Authorised Firm or its Nominee Company;</p> <p>(b) the appointment of a liquidator, receiver or administrator, or trustee in bankruptcy, over a Third Party Agent of the Authorised Firm or its Nominee Company; or</p> <p>(c) the coming into force of a direction by the DFSA in respect of all Client Assets held by the Authorised Firm.</p>
Domestic Firm	<p>An Authorised Firm or an Ancillary Service Provider which:</p> <p>(a) has its registered and head office in the DIFC; or</p> <p>(b) if it is a subsidiary of an Undertaking whose principal place of business and head office is in a jurisdiction other than the DIFC, has its registered office in the DIFC.</p>



**GLOSSARY (GLO)**

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<b>Defined Term</b>	<b>Definition</b>
Dubai Law	Law made by the Ruler, as applicable in the Emirate of Dubai.
Duration Method	A measure of General Market Risk calculated in accordance with PIB Rule A5.2.19.

**E**

<b>Defined Term</b>	<b>Definition</b>
Effecting Contracts of Insurance	Has the meaning given in GEN section 2.15.
Eligible Bank	A bank Rated at least AA- by Standard & Poor's, or the equivalent by another Rating Agency.
Employee	An individual: <ul style="list-style-type: none"> <li>(a) who is employed or appointed by a Person in connection with that Person's business, whether under a contract of service or for services or otherwise; or</li> <li>(b) whose services, under an arrangement between that Person and a third party, are placed at the disposal and under the control of that Person.</li> </ul>
ENF	The Enforcement module of the Rulebook.
Enforceable Undertaking	An undertaking offered by a Person and accepted by the DFSA pursuant to Article 89 of the Regulatory Law 2004.
Enforcement Decisions Committee	The committee of senior executives of the DFSA formed to make recommendations and decisions in respect of investigations or enforcement activities undertaken by the DFSA.
Equity Risk Capital Requirement	A component of the Market Risk Capital Requirement, calculated in accordance with PIB section 5.5.
Execute	(In relation to a transaction) carry into effect or perform the transaction, whether as principal or as agent, including instructing another Person to execute the transaction.
Expenditure Based Capital Minimum	A capital requirement calculated in accordance with PIB section 2.5.



**GLOSSARY (GLO)**

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<b>Defined Term</b>	<b>Definition</b>
Exposure	The maximum loss that an Authorised Firm (and, where applicable, its PSIA holders) might suffer as a result of the default or failure of a Counterparty, or a group of Closely Related Counterparties or an issuer or group of Closely Related issuers.

**F**

<b>Defined Term</b>	<b>Definition</b>
FATF Country	A member country of the FATF.
Fee	Any payment offered or made by a Client to an Authorised Firm in connection with Investment Business or with any other business of the Authorised Firm, including (where applicable) any Mark-up or Mark-down.
Finance Officer	The Licensed Function described in AUT Rule 10.2.2(d).
Financial Action Task Force (FATF)	An intergovernmental body responsible for developing and promoting policies to combat money laundering and terrorist financing.
Financial Group	A group of entities which includes an Authorised Firm and: <ul style="list-style-type: none"> <li>(a) any Parent incorporated in the DIFC;</li> <li>(b) any Financial Institution subsidiaries (whether direct or indirect) of the Parent or Parents in (a) or of the Authorised Firm;</li> <li>(c) any Financial Institution in which the Parent or Parents in (a), the Financial Institution subsidiaries in (b) or the Authorised Firm (whether direct or indirect) hold 20% or more of the voting rights or capital; and</li> <li>(d) any entity which the DFSA directs the Authorised Firm to include in accordance with PIB Rule 7.1.2.</li> </ul>
Financial Group Capital Requirement	The Capital Requirement of a Financial Group calculated in accordance with PIB Rule 7.3.3.
Financial Group Capital Resources	The Capital Resources of a Financial Group calculated in accordance with PIB Rule 7.3.4.
Financial Institution	A regulated or unregulated entity, whose activities are primarily financial in nature.

<b>Defined Term</b>	<b>Definition</b>
Financial Instrument	Any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.
Financial Markets Tribunal	The tribunal established under Article 31 of the Regulatory Law 2004.
Financial Service	A financial activity prescribed in GEN section 2.2.
Financial Services Regulator	A regulator of financial service activities established in a jurisdiction other than the DIFC.
First Loss Facility	Has the meaning given in PIB Rule A4.10.1.
First to Default	In relation to 'First to Default' baskets, the situation when the entire Credit Derivative contract terminates following the first Credit Event on any of the Reference Assets or entities.
Foreign Currency	The currency of any country or territory other than the currency in which the Authorised Firm, to whom the expression relates, reports.
Foreign Exchange Risk Capital Requirement	A component of the Market Risk Capital Requirement and as calculated in accordance with PIB section 5.6.
Forward Price	A price calculated by reference to the valuation point next following the fund manager's agreement to sell or, as the case may be, to redeem the units in question.
Fund Return	The return described in PIN Rule A10.2.5.
Futures	The Investment specified in GEN Rule A2.1.1(g).

**G**

<b>Defined Term</b>	<b>Definition</b>
Gamma	The rate of change in an Option's Delta with respect to a change in the price of the underlying Securities.
GEN	The General module of the Rulebook.
General Insurance	Insurance other than Long-Term Insurance.
General Insurance Business	The business of Effecting Contracts of Insurance or Carrying Out Contracts of Insurance, where the Contracts of Insurance are contracts of General Insurance.
General Insurance Liabilities	Liabilities of an Insurer arising under or associated with contracts of General Insurance entered into by it, as insurer or cedant, including liabilities in respect of claims (whether or not incurred), acquisition costs and claims settlement costs.
General Market Risk	<p>(1) For the purposes of the Interest Rate Risk Capital Requirement, means the risk that losses may arise from price changes in Securities caused by parallel or non-parallel shifts in the yield curve or from price movements in the equity market for a given country;</p> <p>(2) for the purposes of the Equity Risk Capital Requirement, means the risk that losses may arise from a price movement in the equity market for a given country; or</p> <p>(3) for the purposes of internal models, means both of the above risks.</p>
General Market Risk Requirement	The measure of risk for the purposes of the Interest Rate Risk Capital Requirement and the Equity Risk Capital Requirement calculated in accordance with PIB Rules A5.2.15 and A5.3.2 respectively.
GLO	The Glossary module of the Rulebook.
Global Return	The return described in PIN Rule A10.2.3.

<b>Defined Term</b>	<b>Definition</b>
Governing Body	The board of directors, partners, committee of management or other governing body of an Authorised Firm.
Gross Outstanding Claims	In relation to an Insurer as at a date, the amount of the Insurer's provision for claims incurred but not yet paid as at that date, including claims incurred but not yet reported and provision for direct and indirect claims settlement expenses in respect of those claims.
Gross Written Premium	<p>(1) In relation to a Contract of Insurance, the amount of premium payable by the insured in respect of that contract, excluding any excise taxes levied on premiums and receivable by the Insurer but without any deduction for commissions or other acquisition expenses; and</p> <p>(2) in relation to an Insurer during a period:</p> <p>(a) in respect of General Insurance, the aggregate amount of Gross Written Premium in respect of insurance and reinsurance contracts entered into by the Insurer as insurer during that period, together with any adjustments arising in that period in respect of contracts effected in previous periods; and</p> <p>(b) in respect of Long-Term Insurance, the aggregate amount of Gross Written Premium becoming due for payment in that period.</p>
Group	<p>Means a group of entities which includes an entity (the 'first entity') and:</p> <p>(a) any Parent of the first entity; and</p> <p>(b) any subsidiaries (direct or indirect) of the Parent or Parents in (a) or the first entity.</p>
Group Risk	The risk of loss to the Authorised Firm as a result of its membership of, or linkages within a Group.

<b>Defined Term</b>	<b>Definition</b>
Guidance	Guidance is indicative and non-binding and may comprise:  (a) guidance made and issued by the Chief Executive under law administered by the DFSA; and  (b) any standard or code of practice issued by the Council which has not been incorporated into the Rules.

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## H

<b>Defined Term</b>	<b>Definition</b>
Historic Price	A price calculated by reference to the valuation point immediately preceding the fund manager's agreement to sell or, as the case may be, to redeem the units in question.
Holding Company	Has the meaning given in Schedule 1 to the Companies Law 2004.

<b>Defined Term</b>	<b>Definition</b>
Insurance Liabilities	General Insurance liabilities and Long-Term Insurance liabilities.
Instrument	Means, in relation to a Derivative, any Investment, asset or thing on which the value of the Derivative may be based.
Insurance Bank Account	A bank account with an Eligible Bank in the U.A.E. which has been opened by an Insurance Intermediary in accordance with COB Rule 14.3.1.
Insurance Broker	An Authorised Firm whose Licence authorises it to carry on the Financial Service of Insurance Broking.
Insurance Broking	Has the meaning given in GEN section 2.19.
Insurance Business	The business of Effecting Contracts of Insurance or Carrying Out Contracts of Insurance, including effecting or carrying out contracts of reinsurance (as reinsurer).
Insurance Fund	In relation to a Takaful Insurer, the aggregate of the assets and liabilities of the Insurer that are attributed to the Takaful transactions of the Insurer and the amount of any assets designated by the Insurer as a capital transfer to the insurance fund; and includes the amount of any profit, surplus or return (however called or described), less attributable expenses, arising on the investment of such funds.
Insurance Intermediary	An Insurance Broker or Insurance Manager.
Insurance Intermediation Business	The business of Insurance Broking or Insurance Management.
Insurance Management	Has the meaning given in GEN section 2.20.

<b>Defined Term</b>	<b>Definition</b>
Insurance Manager	An Authorised Firm whose Licence authorises it to carry on the Financial Service of Insurance Management.
Insurance Monies	Has the meaning given in COB Rule 14.2.1.
Insurer	A Person carrying on in the DIFC either or both of the following Financial Services for which it has authorisation under its Licence:  (a) Effecting Contracts of Insurance; or  (b) Carrying Out Contracts of Insurance.
Interest Rate Risk Capital Requirement	A component of Market Risk Capital Requirement and as calculated in accordance with PIB section 5.4.
Invested Assets	Any asset, right or interest of an Insurer that is held by the Insurer for the primary purpose of generating revenues or for directly providing funds to meet the Insurer's cash outflows in the future.
Investment	Has the meaning given in GEN section A2.1.
Investment Analyst	An Employee of an Authorised Firm who prepares Investment Research.
Investment Business	The business of:  (a) Dealing in Investments as Principal;  (b) Dealing in Investments as Agent;  (c) Arranging Credit or Deals in Investments  (d) Managing Assets;  (e) Advising on Financial Products or Credit;  (f) Operating a Collective Investment Fund;  (g) Providing Custody;

<b>Defined Term</b>	<b>Definition</b>
	(h) Arranging Custody; or (i) Managing a Profit Sharing Investment Account.
Investment Grade	A credit rating applied to debt items in accordance with PIB A5.2.14.
Investment Manager	A Person who, acting only on behalf of a Client: <ul style="list-style-type: none"> <li>(a) manages Investments in an account or portfolio on a discretionary basis under the terms of a discretionary management agreement; or</li> <li>(b) manages Investments in an account or portfolio on a non-discretionary basis under the terms of a non-discretionary management agreement.</li> </ul>
Investment Research	A publication which contains: <ul style="list-style-type: none"> <li>(a) the results of research into Investments;</li> <li>(b) analysis of factors likely to influence the future performance of Investments; or</li> <li>(c) advice or recommendations based on those results or analysis.</li> </ul>
Investment Risk Reserve	Represents the amount that is appropriated out of the income of investment account holders, after allocating the Mudarib's share, in order to meet future losses attributable to investment account holders.
Investment-Linked Insurance	Contracts of Insurance where the benefits are wholly or partly to be determined by reference to the value of, or the income from, property of any description (whether or not specified in the contracts) or by reference to fluctuations in, or in an index of, the value of property of any description (whether or not so specified).
IOSCO	The International Organisation of Securities Commissions.
ISF	The Islamic Financial Business module of the Rulebook.

<b>Defined Term</b>	<b>Definition</b>
Islamic Contract	Any contract designed to comply with Shari'a.
Islamic Financial Business	Any part of the financial business of an Authorised Firm which is carried out in accordance with Shari'a.
Islamic Financial Institution	An Authorised Firm or an Authorised Market Institution which has, on its Licence, an endorsement authorising it to conduct Islamic Financial Business as an Islamic Financial Institution.
Islamic Window	That part of an Authorised Firm or Authorised Market Institution, other than an Islamic Financial Institution, which conducts Islamic Financial Business.
Issuer	<p>(1) (in relation to any Security) (other than a Unit in a Collective Investment Fund) the Person by whom it is or is to be issued;</p> <p>(2) (in relation to a Unit in a Collective Investment Fund) the operator of the fund;</p> <p>(3) (in relation to an interest in a limited Partnership) the Partnership; and</p> <p>(4) (in relation to Certificates) the Person who issued or is to issue the Security to which the Certificate or other instrument relates.</p>

**J**

<b>Defined Term</b>	<b>Definition</b>
Joint Forum	The Basel Committee on Banking Supervision (BCBS), the International Organization of Securities Commissions (IOSCO) and the International Association of Insurance Supervisors (IAIS).

## K

[no definitions]

**L**

<b>Defined Term</b>	<b>Definition</b>
Large Exposure	An Exposure, whether in an Authorised Firm's Non-Trading Book or Trading Book, or both, to a Counterparty or Group of Closely Related Counterparties or a Group of Counterparties connected to the Authorised Firm which in aggregate equals or exceeds 10% of the Authorised Firm's Capital Resources.
Licence	A Licence granted by the DFSA under Chapter 2 of Part 3 of the Regulatory Law 2004.
Licensed Director	The Licensed Function described in AUT Rule 10.2.2(b).
Licensed Function	A function described in AUT section 10.2.
Licensed Partner	The Licensed Function described in AUT Rule 10.2.2(c).
Licensed Representative	The Licensed Function described in AUT Rule 10.2.2(h).
Limited Liability Partnership	A partnership incorporated under the Limited Liability Partnership Law 2004 or under the law of a country or territory outside the DIFC.
Liquidity Risk	The risk of loss to an Authorised Firm as a result of inability to meet its obligations as they fall due.
Lloyd's	The society established in the United Kingdom and known as Lloyd's.
Lloyd's Underwriter	An underwriting member of Lloyds.
Local Authorities	Government or municipal authorities, which do not operate at a national level.
Local Services Office	Has the meaning given in ASP Rule 8.4.1.

<b>Defined Term</b>	<b>Definition</b>
Long-Term Insurance	<p>A Contract of Insurance of a type specified in GEN Rule A4.1.2, expressed to be in force for more than one year, where under the terms of the contract any of the following conditions exists:</p> <ol style="list-style-type: none"> <li data-bbox="667 573 1404 674">(1) the payment of the whole or part of the benefits is dependent upon the termination or continuation or human life;</li> <li data-bbox="667 709 1404 810">(2) the payment of any part of the premiums is dependent upon the termination or continuation of human life;</li> <li data-bbox="667 846 1404 909">(3) the benefits under the contract include payment of a sum on marriage or on the birth of a child; or</li> <li data-bbox="667 945 1404 1008">(4) the contract is a permanent health insurance contract.</li> </ol>
Long-Term Insurance Business	The business of Effecting Contracts of Insurance or Carrying Out Contracts of Insurance, where the Contracts of Insurance are contracts of Long-Term Insurance.
Long-Term Insurance Fund	A fund in respect of Long-Term Insurance Business established and maintained in accordance with PIN chapter 3.
Long-Term Insurance Liabilities	Liabilities of an Insurer arising under or associated with contracts of Long-Term Insurance, entered into by it as insurer or cedent, including liabilities of the kinds referred to in PIN Rules 5.6.6 and 5.6.7.

**M**

Defined Term	Definition
Managing Assets	Has the meaning given in GEN section 2.10.
Market Counterparty	<p>A Client who is:</p> <ul style="list-style-type: none"> <li>(a) an Undertaking, which has had, or any of whose Holding Companies or Subsidiaries has had, in the last two years, called up share capital or net assets of at least \$10 million. In the case of a limited liability partnership calculated without deducting loans owing to any of the partners;</li> <li>(b) a trustee of a trust or pension fund which has had in the last two years assets of at least \$10 million calculated by aggregating the value of the cash and investments forming part of the trust's or fund's assets, but before deducting its liabilities;</li> <li>(c) a properly constituted government, government agency, central bank or other national monetary authority of any country or jurisdiction;</li> <li>(d) a public authority or state investment body;</li> <li>(e) a supranational organisation whose members are either countries, central banks or national monetary authorities;</li> <li>(f) an Authorised Firm or Regulated Financial Institution;</li> <li>(g) an Authorised Market Institution, regulated exchange or regulated clearing house;</li> <li>(h) an Undertaking which is a Holding Company or Subsidiary of an Undertaking in (f) or (g) with that undertakings consent;</li> <li>(i) a Body Corporate whose shares are listed or admitted to trading on any regulated exchange of an IOSCO member country; or</li> </ul>

<b>Defined Term</b>	<b>Definition</b>
	(j) a Collective Investment Fund or Special Purpose Vehicle.
Market Maker	In relation to an Investment, a Person who holds himself out as able and willing to enter into transactions of sale and purchase in Investments of that description at prices determined by him generally and continuously rather than in respect of each particular transaction.
Market Risk	The risk of loss that arises from fluctuations in the values of, or income from, assets or in interest or exchange rates.
Market Risk Capital Requirement	The requirement calculated in accordance with PIB Rule 2.3.4.
Mark-up or Mark-down	<p>(1) When an Authorised Firm receives instructions from a Client and takes a principal position in the relevant Investment in order to complete a transaction, that is, when the Authorised Firm takes a principal position in the relevant Investment which it would not otherwise take, except to complete that transaction, difference, if any, between:</p> <ul style="list-style-type: none"> <li>(a) the price at which the Authorised Firm takes a principal position in the relevant Investment; and</li> <li>(b) the price at which the Authorised Firm Executes the transaction with its Client; or</li> </ul> <p>(2) When a an Authorised Firm Executes a transaction with its Client against its own book and owes a duty of best execution, the difference between:</p> <ul style="list-style-type: none"> <li>(a) the price at which best execution would be achieved; and</li> <li>(b) the price at which the Authorised Firm Executes the transaction with its Client.</li> </ul>
Maturity Ladder	A table that ordinally ranks the maturity time bands and assets and liabilities within them.

<b>Defined Term</b>	<b>Definition</b>
Maturity Method	This is an advanced approach that an Authorised Firm may use to measure the risk of holding or taking positions in debt Securities and other interest rate-related instruments, calculated in accordance with PIB Rule A5.2.17.
Maturity Mismatch	A difference between the maturity of an asset and the corresponding liability.
Minimum Capital Requirement	The requirement calculated in accordance with PIN Rule A4.2.1.
Minimum Cellular Capital Requirement	The Minimum Segmental Capital Requirement in respect of a cell.
Minimum Fund Capital Requirement	The requirement calculated in accordance with PIN Rule A8.2.1.
Minimum Non-Cellular Capital Requirement	The Minimum Segmental Capital Requirement in respect of that part of a protected cell company that is not a cell.
Minimum Segmental Capital Requirement	The requirement calculated in accordance with PIN section A6.2.
MKT	The Markets module of the Rulebook.
Modified Duration	The time period calculation for the purposes of the Duration Method in accordance with PIB Rule A5.2.21.
Money	Any form of money, including cheques and other payable orders.
Money Laundering	The criminal offence defined in Article (1) of the Federal Law No. 4 of 2002 of the U.A.E.
Money Laundering Reporting Officer (MLRO)	The Licensed Function described in AUT Rule 10.2.2(g).
Multilateral Development Bank	Any one of the following banks: (a) African Development Bank (AfDB); (b) Asian Development Bank (ASB);

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<b>Defined Term</b>	<b>Definition</b>
	(c) Caribbean Development Bank (CDB); (d) Council of Europe Development Bank; (e) European Bank for Reconstruction and Development (EBRD); (f) European Investment Bank (EIB); (g) European Investment Fund (EIF); (h) Inter-American Development Bank (IADB); (i) Inter-American Investment Corporation (IAIC); (j) International Bank for Reconstruction and Development (IBRD); (k) International Finance Corporation (IFC); or (l) Nordic Investment Bank (NIB).

## N

<b>Defined Term</b>	<b>Definition</b>
Net Outstanding Claims	In respect of an Insurer as at a date, Gross Outstanding Claims of the Insurer as at that date, less the amount of reinsurance and other recoveries expected to be received in respect of those claims.
Net Written Premium	In respect of an Insurer during a period, Gross Written Premium of the Insurer during that period less the amount of premium on reinsurance contracts entered into by the Insurer as cedant during the same period.
Netting	A process by which the claims and obligations between two Counterparties are offset against each other to leave a single net sum.
Netting by Novation	The process of automatically amalgamating some or all claims and obligations between two Counterparties to create a single new claim or obligation replacing the relevant former claims or obligations.
Nominee Company	A company incorporated in the DIFC whose business consists solely of acting as a holder of Client Assets where such assets are held by the Nominee Company as agent of an Authorised Firm.
Non-Cellular Assets	Assets of a Protected Cell Company which are not Cellular Assets.
Non-Cellular Liabilities	Liabilities that may not be settled by disposition of cellular assets.
Non-Performing	<p>(1) In the case of loans and other financial instruments to which an Authorised Firm is exposed, having either of the following qualities:</p> <p>(a) Contractual payments of interest or principal are 90 days or more past the date on which they were due and payable, and the current value of any security held in respect of the loan or other financial instrument is insufficient, after making allowance for</p>

<b>Defined Term</b>	<b>Definition</b>
	<p>expenses of realisation, to meet the total amount of principal and accrued interest; or</p> <p>(b) having an enhanced risk of default, assessed on the basis of reasonable criteria.</p> <p>(2) In regard to (1)(a), if a loan or other financial instrument has a regular payment schedule, the loan or other instrument is 90 days past due when 90 calendar days have elapsed since the due date of a contractual payment that has not been met in full; and the total amount that is due but has not yet been paid is equivalent to at least 90 days' worth of contractual payments.</p>
Non-Trading Book	Describes positions, exposures and on-and off-balance sheet items, which are not in the Trading Book.
Notice of Administrative Censure	A notice given to a Person in accordance with ENF Rule 7.13.2.
Notice of Administrative Fine	A notice given to a Person in accordance with ENF Rule 7.12.2.
Notice of Objection	A notice filed by a Person who has received a Notice of Administrative Censure or a Notice of Administrative Fine who objects to the imposition of the censure or fine as the case may be.

# O

<b>Defined Term</b>	<b>Definition</b>
Operating a Clearing House	Has the meaning given in GEN section 2.18.
Operating a Collective Investment Fund	Has the meaning given in GEN section 2.12.
Operating a Local Services Office	Has the meaning given in ASP Rule 2.3.4.
Operating a Management Office	Has the meaning given in ASP Rule 2.3.5.
Operating an Exchange	Has the meaning given in GEN section 2.17.
Option Risk Capital Requirement	A component of the Market Risk Capital Requirement and calculated in accordance with PIB section 5.8.
Options	The Investment specified in GEN Rule A2.1.1(e).
Original Maturity	(1) The time period between the date an offer is made and the date it expires or lapses.  (2) In relation to Debentures, the interval between its issue date and the date on which it becomes due and payable.
Originator	As defined in PIB Rule A4.10.1.
Own Account Transaction	A transaction Executed by the Authorised Firm for its own benefit or for the benefit of its Associate.
Owner's Equity	In relation to a Takaful Insurer, the amount of the assets, less the liabilities, of the Insurer that are not attributed to the insurance fund of the Insurer.

**P**

<b>Defined Term</b>	<b>Definition</b>
Parent	A Holding Company as defined in Schedule 1 of The Companies Law 2004.
Partner	In relation to an Authorised Firm which is a Partnership, a Person occupying the position of a partner, by whatever name called.
Partnership	Any partnership, including a partnership constituted under the law of a country or territory outside the DIFC, but not including a Limited Liability Partnership.
Permanent Health Insurance	Has the meaning given in GEN Rule A4.1.2(d).
Permanent Share Capital	Ordinary paid-up share capital or similar shareholders' or members' equity, including retained earnings, however called.
Person	A Person includes any natural person, Body Corporate or body unincorporated, including a legal person, company, Partnership, unincorporated association, government or state.
Personal Account Transaction	A transaction undertaken by an Employee of an Authorised Firm in a Investment, other than: <ul style="list-style-type: none"> <li>(a) a transaction in a government and public Security;</li> <li>(b) a transaction in a life policy; or</li> <li>(c) a discretionary transaction if there is no prior communication with the Employee and the discretion is not exercised by the Authorised Firm.</li> </ul>
PFN	The Prescribed Forms and Notices module of the Rulebook.
PIB	The Prudential -Investment, Insurance Intermediation and Banking Business module of the Rulebook.

<b>Defined Term</b>	<b>Definition</b>
PIN	The Prudential – Insurance Business module of the Rulebook.
Policy Benefit	An amount payable under an insurance contract as a result of the occurrence of an event insured under the contract.
Politically Exposed Persons	Individuals who are or have been entrusted with prominent public functions in a country or territory, for example heads of state or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned co-operations, important political party officials but not middle ranking or more junior individuals in these categories.
Potential Future Credit Exposure (PFCE)	An amount calculated by multiplying the nominal principal amount of an OTC derivative contract by a specified percentage dependent on the nature and Residual Maturity of the contract.
Preliminary Findings Letter	A letter issued by the DFSA to a Person who may be the subject of Court or Financial Markets Tribunal proceedings setting out the preliminary view of the DFSA and the general facts upon which that view has been reached and inviting the recipient to comment or make submissions on the accuracy of the facts and the preliminary view reached.
Premium Liability	The liability referred to in PIN Rule 5.4.7.
Principal Representative	An individual designated by an Ancillary Service Provider in accordance with ASP Rule 6.2.1.
Principle	A principle prescribed in GEN chapter 4 for Authorised Firms or Authorised Individuals as the case may be.
Privileged Communication	A privilege arising from the provision of professional legal advice and any other like privilege properly applicable at law to the communication in question, but does not include a general duty of confidentiality.
Profit Equalisation Reserve	Represents the amount appropriated out of the Mudaraba income, before allocating the Mudarib's share, in order to maintain a certain level of investment

<b>Defined Term</b>	<b>Definition</b>
	returns for investment account holders and to increase owners' equity.
Profit Sharing Investment Account (PSIA)	<p>An account, portfolio or fund managed:</p> <ul style="list-style-type: none"> <li>(a) in relation to property of any kind, including the currency of any country or territory, held for or within the account, portfolio or fund;</li> <li>(b) in accordance with Shari'a and held out as such; and</li> <li>(c) under the term of an agreement whereby: <ul style="list-style-type: none"> <li>(i) the investor agrees to share any profit with the manager of the account, portfolio or fund in accordance with a predetermined specified percentage or ratio; and</li> <li>(ii) the investor agrees that he alone will bare any losses in the absence of negligence or breach of contract on the part of the manager.</li> </ul> </li> </ul>
Property	Has the meaning given in Articles (1) and (2) of the U.A.E. Federal Law No.4 of 2002.
Protected Cell Company	A company incorporated as, or converted into, a Protected Cell Company in accordance with the provisions of the Regulations made under the Companies Law 2004.
Protection Buyer	The Counterparty to a Credit Derivative contract that wishes to reduce the exposure to Credit Risk by protecting itself from potential loss suffered as a result of deterioration in the creditworthiness of the reference assets.
Protection Seller	The Counterparty to a Credit Derivative contract that wishes to take on Credit Risk arises from potential loss suffered as a result of deterioration in the creditworthiness of the reference assets in return for compensation from the Protection Buyer.

<b>Defined Term</b>	<b>Definition</b>
Providing Accountancy Services	Has the meaning given in ASP Rule 2.3.2.
Providing Compliance Services	Has the meaning given in ASP Rule 2.3.6.
Providing Credit	Has the meaning given in GEN section 2.5.
Providing Custody	Has the meaning given in GEN section 2.13.
Providing Legal Services	Has the meaning given in ASP Rule 2.3.1.
Providing Market Information Services	Has the meaning given in ASP Rule 2.3.3.
Providing Money Services	Has the meaning given in GEN section 2.6.
Prudential Context	<p>In relation to activities carried on by a Authorised Firm, the context in which the activities might have, or might reasonably be regarded as likely to have, a negative effect on:</p> <p>(a) confidence in the financial stability of the DIFC;</p> <p>(b) the ability of the Authorised Firm to meet the applicable DFSA requirements and standards relating to the Authorised Firm's financial resources; or</p> <p>(c) the fitness and propriety of the Authorised Firm to remain authorised.</p>
PSIA	Profit Sharing Investment Account.
PSIAr	Profit Sharing Investment Account received on a restricted basis.
PSIAu	Profit Sharing Investment Account received on an unrestricted basis.
Public Appearance	Any participation in an interview which is part of a seminar, forum, radio, television, website, newspaper, journal, magazine, or other periodical or other public speaking activity, or the writing of an article for a website, newspaper, journal, magazine or other



**GLOSSARY (GLO)**

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<b>Defined Term</b>	<b>Definition</b>
	periodical in which an Investment Analyst makes a recommendation or offers an opinion concerning an Investment.
Public Sector Entities	Bodies owned by central or regional governments or Local Authorities which perform regulatory and other non-commercial functions.

**Q**

<b>Defined Term</b>	<b>Definition</b>
Qualifying Holding	Any holding in the capital of a non-financial Undertaking of which the Authorised Firm is a controller.
Quarterly Regulatory Return	A quarterly return of the type specified in PIN Rule A10.3.2.
Quiet Period	In relation to an initial public offering of securities, the period beginning on the day of publication of listing particulars or a prospectus relating to the offering of that Investment and ending on the 30 <sup>th</sup> calendar day after the day on which the Investment is admitted to trading.

## R

<b>Defined Term</b>	<b>Definition</b>
Rated	In the case of an instrument or a counterparty, assigned a rating by a Rating Agency in respect of the counterparty credit risk associated with the instrument or counterparty.
Rating Agency	Standard & Poor's, Moody's, AM Best, Fitch Ratings or another agency approved in writing by the DFSA.
Readily Realisable Securities	A government or public Security denominated in the currency of the country of its issuer, or any other Security which is admitted to official listing on an exchange in a Zone 1 country and regularly traded on or under the rules of such an exchange.
Recognition Notice	A notice issued by the DFSA pursuant to Article 61 of the Regulatory Law 2004.
Recognised Body	A Person who holds a Recognition Notice, issued to it pursuant to Article 61 of the Regulatory Law 2004, recognising it as a Recognised Body.
Recognised Member	A Person who holds a Recognition Notice, issued to that Person pursuant to Article 61 of the Regulatory Law 2004, recognising it as a Recognised Member.
Recognised Supervisory Authority	Means any government or quasi-government financial services regulator in a Zone 1 country or such other countries as the DFSA may accept.
Reference Asset	The asset against which payments under a Derivative contract are calculated.
Reference Date	The date as at which an actuarial investigation is performed for the purposes of PIN section 7.3.
Reference Entity	The entity against which payments under a Derivative contract are calculated.

<b>Defined Term</b>	<b>Definition</b>
Regulated Financial Institution	A Person who does not hold a Licence but who is authorised in a jurisdiction other than the DIFC to carry on any financial service by another Financial Services Regulator.
Regulation	Legislation made by the DFSA under any DIFC law.
Regulators	In addition to the DFSA, regulators with recognised jurisdiction in relation to financial services, whether in the DIFC or outside of the DIFC.
Regulatory Appeals Committee	A standing committee of the Council, established under the Regulatory Law 2004, and includes a sub-committee constituted under Article 29 of the Regulatory Law 2004.
Regulatory Law	The Regulatory Law 2004.
Retail Customer	Has the meaning given in COB Rule 3.2.2 (2).
Return	Includes both Quarterly Regulatory Returns and Annual Regulatory Returns.
Related	<p>In respect of one entity, the first entity, being in the position relative to that entity of:</p> <ul style="list-style-type: none"> <li>(a) a second entity that is a Subsidiary, Associate or Holding Company of the first entity;</li> <li>(b) a second entity that is a Subsidiary or Associate of the Holding Company of the first entity;</li> <li>(c) a director or officer of the first entity or of an entity that is related to the first entity by reason of (a) or (b) above;</li> <li>(d) the spouse or minor child of a natural person referred to in (c) above; or</li> <li>(e) a company that is a Subsidiary of or subject to significant influence by or from a natural person referred to in (c) or (d) above.</li> </ul>

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<b>Defined Term</b>	<b>Definition</b>
Remuneration	Any form of remuneration, including benefits of any kind.
Residual Maturity	The period of time until an asset or an off-balance sheet item matures or expires.
Responsible Officer	The Licensed Function described in AUT Rule 10.2.2(i).
Restricted Profit Sharing Investment Accounts	A PSIA in respect of the investment account holder imposes certain restrictions as to where, how and for what purpose his funds are to be invested.
Revolving Securitisation	Has the meaning given in PIB Rule A4.10.1.
Rho	The measure of an Option's sensitivity to a change in interest rates.
Rights and Interests	Has the meaning given in GEN Rule A2.1.1(h).
Rule	Legislation made by the DFSA under any DIFC law.
Rulebook	The DFSA Rulebook.

## S

<b>Defined Term</b>	<b>Definition</b>
Safe Custody Auditor's Report	A report containing the content specified in GEN Rule 8.6.1(e).
Safe Custody Investment	A Client Investment held or to be held for safekeeping by an Authorised Firm or Third Party Agent Providing Custody or Arranging Custody.
Safe Custody Provisions	The provisions under COB App6.
Securities Underwriting Capital Requirement	A component of the Market Risk Capital Requirement and defined in PIB section 5.9.
Securitisation	Has the meaning given in PIB Rule A4.10.1.
Security	<p>(1) Shares, Debentures, Warrants, Certificates, Units or any right or interest in any such Investment.</p> <p>(2) For the purposes of PIB, Security also includes Derivatives and Rights of Interest.</p>
Segregated Account	An account established and maintained in accordance with COB App5.
Segregated Client	Has the meaning given in COB Rule A5.2.1(2).
Senior Executive Officer	The Licensed Function described in AUT Rule 10.2.2(a).
Senior Manager	The Licensed Function described in AUT Rule 10.2.2(f).
Servicer	Has the meaning given in PIB Rule A4.10.1.
Shares	Has the meaning given in GEN Rule A2.1.1(a).
Shari'a Supervisory Board	The board comprised of individuals appointed by the Authorised Firm and entrusted with the duty of directing, reviewing and supervising the activities of the Authorised Firm undertaking Islamic Financial Business in order to ensure that the Authorised Firm is in compliance with Shari'a.

<b>Defined Term</b>	<b>Definition</b>
Shell Bank	A bank incorporated in a jurisdiction in which it has no physical presence and which is unaffiliated with a regulated financial group.
Soft Dollar Agreement	An agreement in any form under which an Authorised Firm receives goods or services in return for Investment Business put through or in the way of another Person.
Solvency Reference Date	A date at which an Insurer's compliance with capital adequacy requirements in PIN chapter 4 are assessed.
Special Purpose Vehicle	<p>A Body Corporate whose sole purpose, either generally or when acting in a particular capacity, is to carry out one or more of the following functions:</p> <ul style="list-style-type: none"> <li>(a) issuing Investments;</li> <li>(b) redeeming or terminating or repurchasing, whether with a view to re-issue or to cancellation, an issue, in whole or par, of Investments; or</li> <li>(c) entering into transactions or terminating transactions involving Investments in connection with the issue, redemption, termination or re-purchase of Investments; and:</li> </ul> <p>has been explicitly established for the purpose of securitising assets and assessed by a rating agency.</p>
Specific Risk	The risk that losses on an Authorised Firm's net long or short position in an individual equity or Security may arise from a negative or positive price movement of that equity or Security relative to the relevant market generally.
Sponsor	Has the meaning given in PIB A4.10.1.
SSB	Shari'a Supervisory Board.
State	The U.A.E.
Statement by Directors	The statement described under PIN section A10.15.

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<b>Defined Term</b>	<b>Definition</b>
Subsidiary	Has the meaning given in Schedule 1 to the Companies Law 2004.
SUP	The Supervision module of the Rulebook.
Supplementary Notes	A note which is supplementary to a Return.
Suspicious Transaction Report	A report made in accordance with AML section 3.5 or with ASP section 8.7 or 9.5 as applicable.
Synthetic Securitisation	A securitisation which uses Credit Derivatives to transfer the credit risk associated with the underlying assets.

## T

<b>Defined Term</b>	<b>Definition</b>
Takaful Insurer	An Insurer, any part of whose Insurance Business consists of Takaful transactions.
Theta	The ratio of the change in an Option price to the decrease in time to expiration. Theta can also be referred to as time decay.
Third Party Agent	In relation to a Client Account mean, an Authorised Firm or Regulated Financial Institution including a bank, custodian, an intermediate broker, a settlement agent, a clearing house, an exchange and 'over the counter' counterparty.
Tier One Capital	Capital referred to as Tier One Capital in the table set out under PIB Rule 2.6.2.
Tier Two Capital	Capital referred to as Tier Two Capital in the table set out under PIB Rule 2.6.2.
Total Return Swap	A contract under which two parties exchange their positive or negative returns on a notional amount of a Reference Asset for a specified period of time.
Trading Book	The positions and exposures including, on and off-balance sheet items eligible for inclusion in the Trading Book, as described in PIB chapter 1.
Transaction	Any transaction undertaken by an Authorised Firm in the course of carrying on a Financial Service in or from the DIFC.

## U

<b>Defined Term</b>	<b>Definition</b>
U.A.E.	United Arab Emirates.
Undertaking	Means:  (a) a Body Corporate or Partnership; or  (b) an unincorporated association carrying on a trade or business, with or without a view to profit.
Underwriting	An arrangement under which a party agrees to buy, before issue, a specified quantity of Securities in an issue of Securities on a given date at a given price, if no other party has purchased or acquired them.
Units	Has the meaning given in GEN Rule A2.1.1(f).
Unrestricted Profit Sharing Investment Account	A PSIA in respect of which the investment account holder authorises the Authorised Firm to invest the account holder's funds in a manner which the Authorised Firm deems appropriate without laying down any restrictions as to where, how and for what purpose the funds should be invested.
Unsettled Transaction	A transaction where delivery of an instrument is due to take place against the receipt of cash but remains outstanding.

## V

<b>Defined Term</b>	<b>Definition</b>
Vega	The measure of an Option's sensitivity to a change in the volatility of the underlying Investment, asset or property.

**W**

<b>Defined Term</b>	<b>Definition</b>
Walkaway Clause	A provision which permits a non-defaulting party to make payments, or no payments at all, to the estate of the defaulter, even if the defaulter is a net creditor.
Warrants	Has the meaning given in GEN Rule A2.1.1(c).

## X

[no definitions]

## Y

[no definitions]

**Z**

<b>Defined Term</b>	<b>Definition</b>
Zone 1	Any of the following countries:  Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom and USA.
Zone 2	Any country which is not in Zone 1.