



The DFSA Rulebook

Glossary Module

(GLO)

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z**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

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| Defined Term | Definition |
|--|---|
| 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. |
| Acting as the Trustee of a Fund | Has the meaning given in GEN section 2.24. [Added][VER10/08-06] |
| 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. |
| Advisor | In relation to a Fund, a Person who is retained by the Fund its Custodian, Person providing oversight or its Operator under a commercial arrangement which is not a contract of service: (a) to supply any of them with the advice in relation to the Fund as to the merits of investment opportunities or information relevant to the |

| Defined Term | Definition |
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| | <p>making of judgments about the merits of investment opportunities; or</p> <p>(b) to exercise for any of the functions concerning the management of the Fund Property.</p> <p>[Added][VER8/04-06]</p> |
| Affected Person | <p>In relation to a Fund:</p> <p>(a) its Operator;</p> <p>(b) its Governing Body;</p> <p>(c) its Custodian;</p> <p>(d) its Trustee or other Persons providing oversight;</p> <p>(e) any Advisor;</p> <p>(f) a holder of 5% or more of the Units of the Fund; or</p> <p>(g) any Associate of any Person in (a) to (f).</p> <p>[Added][VER8/04-06] [Amended][VER9/08-06]</p> |
| Alternative Trading System | A trading system or facility of a type specified under GEN 2.22.1. [Added][VER4/08-05] |
| AMI | The Authorised Market Institutions 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. |

| Defined Term | Definition |
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| Annual Audited Expenditure | The expenditure calculated in accordance with PIB Rule 2.5.2. |
| 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"> (1) A certificate of deposit with a maximum term to maturity of six months issued by and held with an Eligible Bank; (2) a term deposit with an Eligible Bank with a remaining term to maturity of one year or less; (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 & Poor's, or the equivalent by another Rating Agency; (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 (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. |
| 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. |



GLOSSARY (GLO)

| Defined Term | Definition |
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| Arranging Custody | Has the meaning given in GEN section 2.14. |
| 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. |

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| 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">(a) the spouse of A;(b) a child or stepchild of A;(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;(d) an Undertaking of which A is a Director;(e) a Person who is an Employee or partner of A;(f) where A is an Undertaking:<ul style="list-style-type: none">(i) a director of A;(ii) a subsidiary or wholly owned subsidiary of A; or(iii) a Director or Employee of such a subsidiary or wholly owned subsidiary; or(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. <p>(2) Except in AUT and ASP means in respect of a Person 'A', any Person, including an affiliated company which is:</p> <ul style="list-style-type: none">(a) an undertaking in the same Group as A; or(b) any other person whose business or domestic relationship with A or his Associate might |
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| | 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. |
| ATS | An Alternative Trading System. [Added][VER4/08-05] |
| ATS Operator | An Authorised Firm carrying on the Financial Service of Operating an Alternative Trading System for which it has authorisation under its Licence. [Added][VER4/08-05] |
| 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. |
| Authorised Person | An Authorised Firm or an Authorised Market Institution. [Added][VER3/04-05] |

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| Defined Term | Definition |
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| Bank | An Authorised Firm which holds a Licence 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. |
| Bearer Share | A Share that cannot be registered in the name of the holder and proof of ownership is possession of the Share certificate. [Added][VER3/04-05] |
| Beneficial Owner | <ul style="list-style-type: none"> (1) An individual who ultimately owns customers' assets or controls a customer account; (2) a Person on whose behalf a Transaction is being conducted; (3) a Person who exercises ultimate effective control over a legal Person or arrangement; or (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; or (5) in relation to a trust means a beneficiary as defined in the Trust Law 2005. [Added] [VER7/01-06] |
| Bid | includes a Takeover transaction however effected, including a reverse Takeover, partial bid, and also a bid by a parent entity for Shares in its subsidiary. [Added][VER5/09-05] |
| Bidder | includes, but is not limited to, companies wherever incorporated and individuals wherever resident who or which make a Bid under TKO. [Added][VER5/09-05] |

| Defined Term | Definition |
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| Bid Document | means a document issued by a Bidder containing information as stipulated under TKO (particularly Chapter 8) and posted in accordance with those Rules (particularly Chapter 11). [Added][VER5/09-05] |
| Bid Period | means the period from the time when an announcement is made of a proposed or possible Bid (with or without terms) until the first closing date or, if this is later, the date when the Bid becomes or is declared unconditional as to acceptances or lapses. An announcement that a holding, or aggregate holdings, of Shares carrying 30% or more of the voting rights of a Reporting Entity is for sale or that the Governing Body of a Reporting Entity is seeking potential Bidders will be treated as the announcement of a possible Bid. [Added][VER5/09-05] |
| Board | The Governing Body of the DFSA, established under Chapter 2 of Part 2 of the Regulatory Law 2004. [Amended][VER3/04-05] |
| 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"> (a) which has no separate legal personality; (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 (c) through which the Authorised Firm carries on Financial Services in or from the DIFC. |
| Business Rules | The written rules of an Authorised Market Institution which govern its activities as an Authorised Market Institution. [Added][VER3/04-05] |

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| Defined Term | Definition |
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| 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 | [Deleted][VER2/10-04] |
| Captive Insurer | A Captive Insurer means a: <ul style="list-style-type: none"> (a) Class 1 Captive Insurer; (b) Class 2 Captive Insurer; or (c) Class 3 Captive Insurer. |
| 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. |

| Defined Term | Definition |
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| Cellular Liabilities | Liabilities that may be settled by disposition of cellular assets. |
| 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 individual appointed to the office of Chief Executive of the DFSA by the Board. [Amended][VER3/04-05] |
| 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 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 arising out of the business or operations of members of a Group which together hold a majority of Cell Shares, including for this purpose only contracts of reinsurance in respect of such risks insured by the cedant. [Added][VER2/10-04] |
| Class 2 Captive Cell | A Cell established by a Protected Cell Company to which are attributable assets and liabilities arising out of Insurance Business, 80% of the Gross Written Premium in any year being attributable to 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. [Added][VER2/10-04] |
| Class 3 Captive Cell | A Cell established by a Protected Cell Company: (a) to which are attributable assets and liabilities |

| Defined Term | Definition |
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| | <p>arising out of Insurance Business only in respect of risks related to or arising out of the business or operations of persons who engage in similar, related or common:</p> <ul style="list-style-type: none"> (i) businesses; (ii) activities; (iii) trade; (iv) services; or (v) operations; <p>including for this purpose only contracts of reinsurance in respect of such risks insured by the cedant; and</p> <p>(b) owned by such Persons or by a Body Corporate of which all such Persons are members.</p> <p>[Added][VER2/10-04]</p> |
| Class 1 Captive Insurer | <p>A DIFC Incorporated Insurer permitted under the conditions of its licence to effect or carry out Contracts of Insurance only in respect of risks related to or arising out of the business or operations of the Group, including for this purpose only contracts of reinsurance in respect of such risks insured by the cedant. [Amended][VER2/10-04]</p> |
| Class 2 Captive Insurer | <p>A DIFC Incorporated Insurer required under the conditions of its licence 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 the Group, including for this purpose only contracts of reinsurance in respect of such risks insured by the cedant. [Amended][VER2/10-04]</p> |
| Class 3 Captive Insurer | <p>A DIFC Incorporated Insurer which is:</p> <ul style="list-style-type: none"> (a) permitted under the conditions of its licence to effect or carry out Contracts of Insurance only in respect of risks related to or arising out of the business or operations of persons who engage in similar, related or common: <ul style="list-style-type: none"> (i) businesses; (ii) activities; |

| Defined Term | Definition |
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| | <p>(iii) trade;</p> <p>(iv) services; or</p> <p>(v) operations;</p> <p>including for this purpose only contracts of reinsurance in respect of such risks insured by the cedant, and</p> <p>(b) owned by such Persons or by a Body Corporate of which all such Persons are members.</p> <p>[Added][VER2/10-04]</p> |
| 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. |
| Clearing House | An Authorised Market Institution which is authorised under its Licence to carry on the Financial Service of Operating a Clearing House. [Added][VER3/04-05] |
| Client | Has the meaning given in COB chapter 3. |
| Client Account | <p>(1) In relation to Client Money, an account specified in COB Rule A5.4.1; and</p> <p>(2) in relation to a Safe Custody Investment an account specified in COB Rule A6.4.2.</p> |
| 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. |

| Defined Term | Definition |
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| Client Money Provisions | The provisions under COB App5. |
| Close Links | <p>A Person (Person A) has close links with a Person (Person B) if:</p> <p>(a) Person B:</p> <ul style="list-style-type: none"> (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 <p>(b) Person A owns and controls 20% or more of the voting rights or shares of Person B.</p> |
| 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 | <p>In relation to any individual:</p> <p>(a) his spouse;</p> <p>(b) his children and step-children, his parents and step-parents, his brothers and sisters and his step-brothers and step-sisters; and</p> <p>(c) the spouse of any individual within (b).</p> |
| Closely Related | Has the meaning given in PIB Rule A4.8.8. |
| COB | The Conduct of Business module of the Rulebook. |

| Defined Term | Definition |
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| Collateral | <p>(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</p> <p>(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.</p> |
| Collective Investment Fund | An arrangement which amounts to a Fund under Article 16 of the Collective Investment Law 2006 and which is not excluded under the Rules made under Article 17 set out under CIR 4. [Amended][VER08/04-06] |
| Commercial Customer | <p>In relation to an Insurer or an Insurance Intermediary, a customer who is:</p> <p>(a) an Undertaking; or</p> <p>(b) a natural person carrying on a trade or business, with or without a view to profit.</p> |
| Commercial Paper | Debentures with a maturity of less than 2 years at the date of issue. [Added][VER3/04-05] |
| Commission | Any form of commission, including a benefit of any kind, offered or given in connection with Investment Business. |
| 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 | <p>In relation to a Person (A), a Person which has or has at any relevant time had the following relationship to A:</p> <p>(a) a member of A's Group;</p> |

| Defined Term | Definition |
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| | <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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. |
| Connected Person | <p>For the purposes of OSR, a Person is 'connected' to a Reporting Entity if the Person:</p> <ul style="list-style-type: none"> (a) is a Director or is involved in the senior management of the Reporting Entity or an Associate Body Corporate of the Reporting Entity; (b) owns or beneficially owns voting Securities carrying more than 5% of the votes attached to all voting Securities or the Reporting Entity or an Associate Body Corporate of the Reporting Entity; or (c) is a Director of or is involved in the senior management of any Person who owns or beneficially owns voting Securities carrying more than 5% of the votes attached to all voting Securities of the Reporting Entity. <p>[Added][VER3/04-05]</p> |

| Defined Term | Definition |
|---------------------------------|---|
| Constitution | <p>In relation to a Fund:</p> <ul style="list-style-type: none"> (a) which is in the form of a Body Corporate, the instrument of incorporation; (b) which is in the form of a Trust, the trust deed; (c) which is in the form of a Partnership, the partnership deed; or (d) adopting a form other than one specified in (a) to (c), any instrument creating the legal form of the Fund to which the Operator is a party setting out provisions relating to any aspect of the operation or management of the Fund. <p>[Added][VER8/04-06]</p> |
| Contingent Liability Investment | <p>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.</p> |
| Contract of Insurance | <p>Has the meaning given in GEN Rule A4.1.1.</p> |
| Controller | <ul style="list-style-type: none"> (1) In relation to an Authorised Firm, a Person who, either along or with any Associate fulfils the criteria specified in AUT Rule 15.1.2; or (2) in relation to an Authorised Market Institution a Person who, either alone or with any Associate fulfils the criteria specified in AMI Rule 6.1.2. <p>[Amended][VER3/04-05]</p> |
| Convertible | <p>An Investment that gives an investor the right to convert the Security into another form of Security at an agreed price or on an agreed basis. [Amended][VER3/04-05]</p> |
| Correspondent Account | <p>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.</p> |

| Defined Term | Definition |
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| 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 | [Deleted][VER3/04-05] |
| 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. |
| 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. |

| Defined Term | Definition |
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| 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 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. |

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| Defined Term | Definition |
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| 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. |
| Delegation Arrangement | An agreement in writing which fulfils the criteria in CIR App 1. [Added][VER8/04-06] |
| Domestic Fund | A Fund established or domiciled in the DIFC. [Added][VER8/04-06] |
| 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. |
| Designated Fund | A Foreign Fund which has been designated by the DFSA under Article 20 of the Law. [Added][VER8/04-06] |

| Defined Term | Definition |
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| Designated Investments | Investments which the DFSA determines satisfy the criteria specified in GEN App 2. [Added][VER5/09-05] |
| DFSA | The Dubai Financial Services Authority. [Amended][VER3/04-05] |
| 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. |
| 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</p> |

| Defined Term | Definition |
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| | Company; or (c) the coming into force of a direction by the DFSA in respect of all Client Assets held by the Authorised Firm. |
| Domestic Firm | An Authorised Person or an Ancillary Service Provider which: (a) has its registered and head office in the DIFC; or (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. [Amended][VER3/04-05] |
| 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

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| Defined Term | Definition |
|----------------------------------|--|
| 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. |
| Eligible Custodian | A Person meeting prescribed criteria under CIR Rule 6.3.2. [Added][VER8-04-06] [Amended][VER9/08-06] |
| Eligible Person | In relation to the delegation of an activity by an Operator an Eligible Person is a Person meeting the criteria prescribed under CIR Rule 7.3.1(4) and in relation to the delegation of an activity by the Trustee of an Investment Trust an Eligible Person is a Person meeting the criteria prescribed under CIR Rule 7.3.3(4). [Amended][VER9/08-06] |
| Employee | An individual: (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 (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. |
| 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. |
| Exchange | An Authorised Market Institution which is authorised under its Licence to carry on the Financial Service of |

| Defined Term | Definition |
|-----------------------------------|---|
| | Operating an Exchange. [Added][VER3/04-05] |
| 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. |
| Exempt Offer | An Offer prescribed under Article 14(2) of the Markets Law 2004 and further prescribed under OSR section 2.4. [Added][VER3/04-05] |
| Exempt Offeror | An Offeror who is specified in the list of Exempt Offerors set out in OSR App 5. [Added][VER3/04-05] |
| Expenditure Based Capital Minimum | A capital requirement calculated in accordance with PIB section 2.5. |
| 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

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| Defined Term | Definition |
|-------------------------------------|---|
| 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. |
| Feeder Fund | A Fund which is dedicated to investing in the Units of another Fund (the master Fund) or in the Shares of a single eligible investment trust specified in CIR Rule 13.3.4. [Added][VER8/04-06] |
| 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 | <p>A group of entities which includes an Authorised Firm and:</p> <ul style="list-style-type: none"> (a) any Parent incorporated in the DIFC; (b) any Financial Institution subsidiaries (whether direct or indirect) of the Parent or Parents in (a) or of the Authorised Firm; (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 (d) any entity which the DFSA directs the Authorised Firm to include in accordance with PIB Rule 7.1.2. |
| Financial Group Capital Requirement | The Capital Requirement of a Financial Group calculated in accordance with PIB Rule 7.3.3. |

| Defined Term | Definition |
|---|---|
| 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. |
| 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. |
| Foreign Fund | A Fund established or domiciled in a jurisdiction other than the DIFC. [Added][VER8/04-06] |
| 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 | A Collective Investment Fund. [Added][VER8/04-06] |



GLOSSARY (GLO)

| Defined Term | Definition |
|---------------------|---|
| Fund Administrator | An Authorised Firm which is authorised under its Licence to Provide Fund Administration or a Person who is authorised or licensed by a Financial Service Regulator to provide such administration. [Added][VER8/04-06] |
| Fund Property | The property held for or within a Fund. [Added][VER8/04-06] |
| Fund Return | The return described in PIN Rule A10.2.5. |
| Futures | The Investment specified in GEN Rule A2.1.1(g). |

G

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| Defined Term | Definition |
|---------------------------------|--|
| 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. |

| Defined Term | Definition |
|---------------------|--|
| Global Return | The return described in PIN Rule A10.2.3. |
| Governing Body | <p>(1) The board of directors, partners, committee of management or other governing body of an Undertaking.</p> <p>[Amended][VER3/04-05]</p> <p>(2) In CIR, in relation to a Fund, a Person or a body of Persons who together form the directing mind of the Fund including but not limited to:</p> <p>(a) its Operator, a member of its main or supervisory board, a General Partner; or</p> <p>any other Person or body of Persons exercising equivalent powers and functions in relation to directing the operation of the Fund.</p> <p>[Amended][VER8/04-06]</p> |

| Defined Term | Definition |
|----------------------------------|--|
| Government and Public Securities | <p>(1) Securities that are loan stock, bonds or other instruments creating or acknowledging indebtedness, issued by or on behalf of an Exempt Offeror or a subdivision thereof or a local or other public authority of any country or jurisdiction which is an Exempt Offeror.</p> <p>(2) There are excluded from the Securities specified in (1) so far as applicable:</p> <p>(a) an instrument creating or acknowledging indebtedness for, or for money borrowed to defray, the consideration payable under a contract for the supply of goods or services;</p> <p>(b) a cheque or other bill of exchange, a banker's draft or a letter of credit (but not a bill of exchange accepted by a banker);</p> <p>(c) a banknote, a statement showing a balance on a bank account, or a lease or other disposition of property; and</p> <p>(d) a Contract of Insurance.</p> <p>[Added][VER9/08-06]</p> |
| 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</p> |

| Defined Term | Definition |
|---------------------|---|
| | <p>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 | <p>The risk of loss to the Authorised Firm as a result of its membership of, or linkages within a Group.</p> |
| Guidance | <p>Guidance is indicative and non-binding and may comprise:</p> <p>(a) guidance made and issued by the Chief Executive under law administered by the DFSA; and</p> <p>(b) any standard or code of practice issued by the Board which has not been incorporated into the Rules.</p> <p>[Amended][VER3/04-05]</p> |

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| Defined Term | Definition |
|-----------------|--|
| Hedge Fund | <p>A Hedge Fund which has some or all of the following characteristics:</p> <ul style="list-style-type: none"> (a) it has a broad mandate giving its Operator flexibility to shift strategy; (b) it is aimed at achieving absolute returns rather than returns relative to the market; (c) it employs some or all of the following techniques: <ul style="list-style-type: none"> (i) the pursuit of absolute returns or “alpha” rather than measuring their investment performance relative to the market; (ii) the use of short selling; (iii) the use of Derivatives for investment purposes; (iv) the use of economic or debt leverage as well as leverage embedded in financial instruments such as Derivatives; (v) the acquisition of distressed debt with a view to its realisation at a profit; or (vi) the acquisition of “high yield” debt Securities; or (d) it charges performance-based fees in addition to a management fee based on the volume of assets under management. <p>[Added][VER8/04-06]</p> |
| Historic Price | <p>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.</p> |
| Holding Company | <p>Has the meaning given in Schedule 1 to the Companies Law 2004.</p> |

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| Defined Term | Definition |
|------------------------|--|
| Independent Valuer | A Person who carries on the business or profession of valuing Real Property and who meets the criteria set out under CIR 13.5. [Amended][VER9/08-06] |
| Investment Company | An open or closed ended company established for the sole purpose of collective investment which is incorporated under Article 90 of the Companies Law 2004 in accordance with chapter 13 of Companies (IC) the Regulations made under that Law. [Added][VER8/04-06] |
| Investment Partnership | A limited partnership established for the sole purpose of collective investment which is formed and registered under the Limited Partnership Law 2006 in accordance with the Regulations made under that Law. [Added][VER8/04-06] |
| Investment Trust | An express trust created solely for collective investment purposes under the Investment Trust Law 2006. [Added][VER9/08-06] |
| Investment Undertaking | An Investment Company, Investment Partnership and any other Undertaking or contractual arrangement other than a Protected Cell Company which is used as the investment vehicle for a Fund. [Added][VER8/04-06] |
| Islamic Fund | A Fund whose entire operations are conducted in accordance with Shari'a. [Added][VER8/04-06] |
| Insurance Liabilities | General Insurance liabilities and Long-Term Insurance liabilities. |

| Defined Term | Definition |
|--------------------------|--|
| 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 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 Authorised Firm whose Licence authorises it to carry on the Financial Service of Insurance Intermediation. [Amended][VER6/12-05] |
| Insurance Intermediation | Has the meaning given in GEN section 2.19. |
| Insurance Management | Has the meaning given in GEN section 2.20. |
| 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. |

| Defined Term | Definition |
|--|---|
| 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 | <p>The business of:</p> <ul style="list-style-type: none"> (e) Dealing in Investments as Principal; (f) Dealing in Investments as Agent; (g) Arranging Credit or Deals in Investments (h) Managing Assets; (i) Advising on Financial Products or Credit; (j) Operating a Collective Investment Fund; (k) Providing Custody; (h) Arranging Custody; (i) Managing a Profit Sharing Investment Account; or (j) Operating an Alternative Trading System. <p>[Added][VER4/08-05]</p> |
| Investment Grade | A credit rating applied to debt items in accordance with PIB A5.2.14. |

| Defined Term | Definition |
|-----------------------------|--|
| Investment Manager | A Person who, acting only on behalf of a Client: <ul style="list-style-type: none"> (a) manages Investments in an account or portfolio on a discretionary basis under the terms of a discretionary management agreement; or (b) manages Investments in an account or portfolio on a non-discretionary basis under the terms of a non-discretionary management agreement. |
| Investment Research | A publication which contains: <ul style="list-style-type: none"> (a) the results of research into Investments; (b) analysis of factors likely to influence the future performance of Investments; or (c) advice or recommendations based on those results or analysis. |
| 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. |
| 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. |

| Defined Term | Definition |
|-------------------------------|---|
| 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. |
| Issue Note | In relation to a Prospectus structured as two documents, one of the required documents in accordance with OSR Rule 5.4.1(b). [Added][VER3/04-05] |
| Issuer | <ol style="list-style-type: none">(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;(2) (in relation to a Unit in a Collective Investment Fund) the operator of the fund;(3) (in relation to an interest in a limited Partnership) the Partnership; and(4) (in relation to Certificates) the Person who issued or is to issue the Security to which the Certificate or other instrument relates. |

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

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| Defined Term | Definition |
|----------------|---|
| Key Individual | An Employee of an Authorised Market Institution assigned to oversee a Regulatory Function. [Added][VER3/04-05] |

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| Defined Term | Definition |
|-------------------------------|---|
| 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). |
| Licensing Requirements | The requirements set out in AMI section 7.2 in relation to the granting of a Licence to an Authorised Market Institution. [Added][VER3/04-05] |
| 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. |
| Listed Fund | A Collective Investment Fund which has been admitted to the Official List of Securities of an Authorised Market Institution. [Added][VER4/08-05] |
| Lloyd's | The society established in the United Kingdom and known as Lloyd's. |
| Lloyd's Underwriter | An underwriting member of Lloyds. |

| Defined Term | Definition |
|---------------------------------|--|
| 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. |
| 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> <ul style="list-style-type: none"> (1) the payment of the whole or part of the benefits is dependent upon the termination or continuation of human life; (2) the payment of any part of the premiums is dependent upon the termination or continuation of human life; (3) the benefits under the contract include payment of a sum on marriage or on the birth of a child; or (4) the contract is a permanent health insurance contract. |
| 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

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| Defined Term | Definition |
|---------------------|---|
| Managing Assets | Has the meaning given in GEN section 2.10. |
| Mandatory Bid | means a Bid which must be made under Rule 4.1.1 of TKO. [Added][VER5/09-05] |
| Market Counterparty | <p>A Client who is:</p> <ul style="list-style-type: none"> (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; (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; (c) a properly constituted government, government agency, central bank or other national monetary authority of any country or jurisdiction; (d) a public authority or state investment body; (e) a supranational organisation whose members are either countries, central banks or national monetary authorities; (f) an Authorised Firm or Regulated Financial Institution; (g) an Authorised Market Institution, regulated exchange or regulated clearing house; (h) an Undertaking which is a Holding Company or Subsidiary of an Undertaking in (f) or (g) with that undertakings consent; |

| Defined Term | Definition |
|---------------------------------|---|
| | (i) a Body Corporate whose shares are listed or admitted to trading on any regulated exchange of an IOSCO member country; or (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 Misconduct | Conduct which contravenes a provision contained in chapter 1 of Part 8 of the Markets Law 2004. [Added][VER3/04-05] |
| Market Price | The price at which the Shares are being traded on an Authorised Market Institution. [Added][VER4/08-05] |
| 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 | (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: <ul style="list-style-type: none"> <li data-bbox="737 1612 1403 1717">(a) the price at which the Authorised Firm takes a principal position in the relevant Investment; and <li data-bbox="737 1749 1403 1812">(b) the price at which the Authorised Firm Executes the transaction with its Client; or |

| Defined Term | Definition |
|--|---|
| | <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> <p>(a) the price at which best execution would be achieved; and</p> <p>(b) the price at which the Authorised Firm Executes the transaction with its Client.</p> |
| Material Information | In relation to Investments, information that significantly affects, or would reasonably be expected to have a significant effect, on the market price or value of Investments. [Added][VER3/04-05] |
| Maturity Ladder | A table that ordinaly ranks the maturity time bands and assets and liabilities within them. |
| 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. |
| Member | A Person admitted as a member of an Authorised Market Institution in accordance with its Business Rules. [Added][VER3/04-05] |
| 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. |

| Defined Term | Definition |
|---|---|
| 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) | <p>(1) For the purposes of AMI, an individual who is a Director, Partner or other appropriately senior employee of an Authorised Market Institution who has responsibility for the Authorised Market Institution's compliance with the Rules in AMI chapter 11 and any relevant money laundering legislation applicable to the AMI.</p> <p>(2) For all other purposes the Licensed Function described in AUT Rule 10.2.2(g). [Amended/VER3/04-05]</p> |
| Multilateral Development Bank | <p>Any one of the following banks:</p> <ul style="list-style-type: none"> (a) African Development Bank (AfDB); (b) Asian Development Bank (ASB); (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). |

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| Defined Term | Definition |
|--------------------------|--|
| 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 style="padding-left: 40px;">(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> |

| Defined Term | Definition |
|----------------------------------|---|
| | <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. |

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| Defined Term | Definition |
|--|--|
| Offered Securities Rules | Rules made by the DFSA under Article 8(2)(c) of the Markets Law 2004 and set out in OSR. [Added][VER3/04-05] |
| Offeree | A Person to whom an Offer of Securities is made. [Added][VER3/04-05] |
| Offeror | A Person who makes an Offer of Securities. [Added][VER3/04-05] |
| Offer | An offer of Securities falling within Article 13 of the Markets Law 2004. [Added][VER3/04-05] |
| Offer Price | The price at which the Shares were offered and accepted under the offer document. In the event that an auction process was used to determine the offer price, then that price is the offer price. [Added][VER4/08-05] |
| Official List of Securities | A list of Securities maintained by an Authorised Market Institution in accordance with the Markets Law 2004 and the Rules in the OSR module. [Added][VER3/04-05] |
| Operator | <p>The person, described under Article 12(3) of the Collective Investment Law 2006, who is responsible for the management of the property held for or within a Fund and who otherwise operates the Fund and, in relation to a Domestic Fund, is authorised under a Licence granted by the DFSA to operate the Fund.</p> <p>[Added][VER8/04-06] [Amended][VER9/08-06]</p> |
| 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. |

| Defined Term | Definition |
|---|--|
| Operating a Management Office | Has the meaning given in ASP Rule 2.3.5. |
| Operating an Alternative Trading System | Has the meaning given in GEN section 2.22. [Added][VER4/08-05] |
| 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. |
| OSR | The Offered Securities Rules module of the DFSA Rulebook. [Added][VER3/04-05] |
| Outsourcing Arrangement | An agreement in writing which fulfils the criteria in CIR App 1. [Added][VER8/04-06] |
| 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

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| Defined Term | Definition |
|------------------------------|--|
| Parent | A Holding Company as defined in Schedule 1 of The Companies Law 2004. |
| Partner | In relation to an Undertaking which is a Partnership, a Person occupying the position of a partner, by whatever name called. [Amended][VER3/04-05] |
| 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. |
| Permitted Third Party | In relation to a Fund, an Authorised Firm to whom a function has been outsourced in accordance with CIR. [Added][VER8/04-06] |
| 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: (a) a transaction in a government and public Security; (b) a transaction in a life policy; or (c) a discretionary transaction if there is no prior communication with the Employee and the discretion is not exercised by the Authorised Firm. |
| Personal Exempt Offer | An Exempt Offer of a kind specified in OSR Rule 2.4.1(2). [Added][VER3/04-05] |

| Defined Term | Definition |
|---|--|
| PFN | The Prescribed Forms and Notices module of the Rulebook. |
| PIB | The Prudential - Investment, Insurance Intermediation and Banking Business module of the Rulebook. |
| 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. |
| Price Sensitive Information | Information of a type which is liable to cause substantial movement in the price of Securities or (in the case of Debentures) to affect significantly the ability of the Issuer to meet its commitments. [Added/VER3/04-05] |

| Defined Term | Definition |
|--------------------------|---|
| Price Stabilisation | The activity of stabilising the price of a Share or Debenture in the way described in PRS Rule 1.3.1. [Added][VER4/08-05] |
| 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. |
| Private Equity Fund | A Fund which: (a) invests in unlisted companies, by means of equity or convertible debt or other instruments carrying an equity related reward; or (b) participate in management buy-outs or buy-in. [Added][VER8/04-06] |
| Private Fund | Has the meaning given under Article 54 of the Collective Investment Law 2006. [Added][VER8/04-06] |
| Private Trust Company | Means a body corporate: (1) (a) the purpose of which is solely to provide trust business services in respect of a specific trust or trusts where: i. each settlor of a trust is a Related Person in relation to any other settlor of any other trust to which the body corporate Provides Trust Services; ii. each beneficiary of such a trust is a Related Person in relation to the settlor of the same trust, except that the beneficiary of the residual estate of the settlor may be a charity; (b) that does not solicit trust business from, or Provide Trust Services to, the public; and |

| Defined Term | Definition |
|---------------------|---|
| | <p>(c) which acts as trustee only for trusts for which all Trust Administration Services are carried out by a Trust Service Provider.</p> <p>(2) For the purposes of the definition in (1) a Related Person means:</p> <p>(a) the individual's spouse; children both present and future, including step-children, and their spouses; parents including step-parents; grandparents; grandchildren, both present and future, including step-grandchildren, and their spouses; parents in law, including step-parents in law; brothers, step-brothers, sisters, step-sisters and their spouses and children; parent's brothers, step-brothers, sisters, step-sisters and their spouses; children of a brother, step-brother, sister or step-sister of the individual's parents both present and future, including step-children, and their spouses; children of the individual's brothers, step-brothers, sisters or step-sisters, both present and future, including step-children, and their spouses.</p> <p>(b) a firm or a body corporate in which the individual or any of the Persons mentioned in (a) has control of not less than 20% of the voting power in the firm or body corporate, whether such control is exercised individually or jointly.</p> <p>(3) For any of the relationships listed in 2(a) that may be established by blood, that same relationship may also be established by adoption.</p> <p>[Added] [GLO/VER7/01-06]</p> |

| Defined Term | Definition |
|--|--|
| 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. |
| Professional Investor | A Person whose ordinary activities involve him in acquiring, holding, managing or disposing of Investments and any other Person prescribed by the Offered Securities Rules. [Added][VER3/04-05] |
| 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 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"> (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; (b) in accordance with Shari'a and held out as such; and (c) under the term of an agreement whereby: <ul style="list-style-type: none"> (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 (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. |
| Property | Has the meaning given in Articles (1) and (2) of the U.A.E. Federal Law No.4 of 2002. |
| Property Fund | A Fund dedicated to investment in Real Property and Securities issued by Body Corporates whose main activities are investing in, dealing, developing or redeveloping Real Property. [Added][VER8/04-06] |

| Defined Term | Definition |
|--------------------------------|--|
| Property Related Assets | Assets which are Shares, Debentures or Warrants which are issued by a Body Corporate, a substantial activity of which relates to investment in Real Property and Certificates which confer rights in respect of such Investments. [Added][VER8/04-06] |
| Prospectus | A document containing the information about a Security, by whatever name called and includes any supplementary documents. [Amended][VER8/04-06] |
| Prospectus Offer | An Offer of Securities made in circumstances where a Prospectus has been filed with the DFSA and published. [Added/VER3/04-05] |
| 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. |
| 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. |

| Defined Term | Definition |
|---------------------------------------|--|
| 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. |
| Providing Trust Services | Has the meaning given in GEN section 2.23. [Amended][GLO/VER7/01-06] |
| 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> <ul style="list-style-type: none"> (a) confidence in the financial stability of the DIFC; (b) the ability of the Authorised Firm to meet the applicable DFSA requirements and standards relating to the Authorised Firm's financial resources; or (c) the fitness and propriety of the Authorised Firm to remain authorised. |
| 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 periodical in which an Investment Analyst makes a recommendation or offers an opinion concerning an Investment. |
| Public Fund | Has the meaning given under Article 46 of the Collective Investment Law 2006. [Added][VER8/04-06] |



GLOSSARY (GLO)

| Defined Term | Definition |
|------------------------|---|
| Public Sector Entities | Bodies owned by central or regional governments or Local Authorities which perform regulatory and other non-commercial functions. |

Q

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| Defined Term | Definition |
|-----------------------------|--|
| Qualifying Holding | Any holding in the capital of a non-financial Undertaking of which the Authorised Firm is a controller. |
| Qualified Investor | <p>(1) In OSR, a Person specified in OSR Rule 3.3.2.</p> <p>[Added/VER3/04-05]</p> <p>(2) In CIR and COB, in relation to participation in a Fund and in relation to Transactions involving a Unit, a Person who meets the criteria to be a Client in COB Rule 3.3.2.</p> <p>[Amended/VER8/04-06] [Amended][VER9/08-06]</p> |
| 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 th calendar day after the day on which the Investment is admitted to trading. |

R

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| Defined Term | Definition |
|-------------------------------|--|
| 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. |
| Real Estate Investment Trust | A Public Property Fund which is constituted as an Investment Company or as an Investment Trust in accordance with CIR 13.5.26(2). [Added][VER9/08-06] |
| Real Property | Land or buildings, whether freehold or leasehold, where the unexpired term of any lease exceeds 20 years. [Added][VER8/04-06] |
| REC | The Recognition module of the Rulebook. |
| 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 Person | A Recognised Body or a Recognised Member. [Added/VER3/04-05] |

| Defined Term | Definition |
|----------------------------------|--|
| Recognised Jurisdiction | A jurisdiction which has been recognised by the DFSA under Article 20 of this Law. [Amended][VER8/04-06] |
| Recognised Jurisdiction Notice | A notice issued by the DFSA, pursuant to Article 20 of the Collective Investment Law 2006, listing countries and territories which are Recognised Jurisdictions and Foreign Funds which are Designated Funds in respect of these jurisdictions. [Added/VER8/04-06] |
| 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. |
| Recognition | The status acquired by a Person to whom the DFSA has issued a Recognition Notice pursuant to Article 61 of the Regulatory Law 2004. [Added/VER3/04-05] |
| Recognition Notice | A notice issued by the DFSA pursuant to Article 61 of the Regulatory Law 2004. |
| 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. |
| Registration Statement | In relation to a Prospectus structured as two documents, one of the required documents in accordance with OSR Rule 5.4.1(b). [Added/VER3/04-05] |
| 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. |

| Defined Term | Definition |
|------------------------------|---|
| 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 Board, established under the Regulatory Law 2004, and includes a sub-committee constituted under Article 29 of the Regulatory Law 2004. [Amended/VER3/04-05] |
| Regulatory Function | Has the meaning given in AMI Rule 7.2.2(3). [Added/VER3/04-05] |
| Regulatory Law | The Regulatory Law 2004. |
| REITS | A Real Estate Investment Trust. [Added][VER9/08-06] |
| Reporting Entity | Has the meaning given in schedule 1 of the Markets Law 2004. [Added/VER3/04-05] |
| Retail Customer | Has the meaning given in COB Rule 3.2.2 (2). |
| Return | Includes both Quarterly Regulatory Returns and Annual Regulatory Returns. |
| Related | In respect of one entity, the first entity, being in the position relative to that entity of: (a) a second entity that is a Subsidiary, Associate or Holding Company of the first entity; (b) a second entity that is a Subsidiary or Associate of the Holding Company of the first entity; (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; (d) the spouse or minor child of a natural person referred to in (c) above; or |

| Defined Term | Definition |
|---|---|
| | (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. |
| 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 Board under any DIFC law. [Amended][VER3/04-05] |
| Rulebook | The DFSA Rulebook. |

S

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| Defined Term | Definition |
|---|--|
| 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. |
| Safekeeping Arrangement | An agreement in writing which fulfils the criteria in CIR App 1. [Added][VER8/04-06] |
| Securities Exchange Bid | has the meaning given under Section 1.4 of TKO. [Added][VER5/09-05] |
| 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 to or interest in any such Investment but not a right to or interest in a Derivative;</p> <p>(2) Designated Investments; and</p> <p>(3) For the purposes of PIB, Security also includes Derivatives and Rights and Interests.</p> <p>[Added][VER5/09-05]</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). |

| Defined Term | Definition |
|---------------------------|--|
| 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 an Authorised Person and entrusted with the duty of directing, reviewing and supervising the activities of the Authorised Person conducting Islamic Financial Business in order to ensure that the Authorised Person in compliance with Shari'a. [Amended][VER3/04-05] |
| 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"> (a) issuing Investments; (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 (c) entering into transactions or terminating transactions involving Investments in connection with the issue, redemption, termination or re-purchase of Investments; and <p>and has been explicitly established for the purpose of:</p> <ul style="list-style-type: none"> (d) securitising assets; or. (e) investing in Real Property |

| Defined Term | Definition |
|--------------------------|---|
| | and, in the case of (d), has been assessed by a rating agency. [Amended][VER9/08-06] |
| Special Resolution | In relation to a Domestic Fund, a resolution passed by a majority of not less than 75% of the votes validly cast (whether on a show of hands or on a poll) for and against the resolution at a general meeting or class meeting of Unitholders, of which notice specifying the intention to propose the resolution as a special resolution has been duly given. [Added][VER8/04-06] |
| 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. |
| Stabilisation Agent | A Person appointed by a Stabilisation Manager under PRS Rule 3.4.1 to assist him in conducting Price Stabilisation. |
| Stabilisation Manager | A Person appointed by an Issuer of Shares under PRS Rule 3.2.1 to conduct Price Stabilisation. |
| Stabilisation Window | The period of time specified in PRS Rule 1.3.1(3) during which Price Stabilisation may occur. |
| State | The U.A.E. |
| Statement by Directors | The statement described under PIN section A10.15. |
| 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. |
| Supplementary Prospectus | An updated Prospectus produced in accordance with |

| Defined Term | Definition |
|-------------------------------|---|
| | OSR section 5.6. [Amended][VER3/04-05] |
| 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

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| Defined Term | Definition |
|---------------------|---|
| Takaful Insurer | An Insurer, any part of whose Insurance Business consists of Takaful transactions. |
| Takeover | has the meaning given in the Markets Law 2004. [Added][VER5/09-05] |
| Takeover Principle | means a takeover principle prescribed in Section 1.5 of TKO in accordance with Article 35 of the Markets Law 2004. [Added][VER5/09-05] |
| Target | includes a Reporting Entity subject to a Bid made under TKO. [Added][VER5/09-05] |
| Target Circular | means a document circulated by the Governing Body of a Target in response to a Takeover as described in Section 8.2 of TKO. [Added][VER5/09-05] |
| 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. |
| TKO | the Takeover Rules Module of the Rulebook. [Added][VER5/09-05] |
| 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. |

| Defined Term | Definition |
|-------------------------------|--|
| 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 except in COB sections 6.8, 6.9 and 6.10 where it has the meaning given under COB Rule 6.8.1(2). [Amended][VER10/08-06] |
| Trust Administration Services | The provision of Trust Administration Services include: (a) the keeping of accounting records relating to an express trust and the preparation of trust accounts; (b) the preparation of trust instruments or other documents relating to an express trust; (c) the management and administration of trust assets subject to an express trust; (d) dealing with trust assets subject to an express trust, including the investment, transfer and disposal of such assets; (e) the distribution of trust assets subject to an express trust; and (f) the payment of expenses or remuneration out of an express trust. [Added][VER7/01-06] |
| Trust Deed | A deed entered into by an Operator and the Trustee to create an Investment Trust. [Added][VER9/08-06] |
| Trust Law | The Trust Law 2005. [Added][VER7/01-06] |
| Trust Service Provider | Means an Authorised Firm whose Licence allows it to carry on the activity of Providing Trust Services. [Added][VER7/01-06] |



GLOSSARY (GLO)

| Defined Term | Definition |
|---------------------|---|
| Trustee | <p>The Person, described under Article 17 of the Investment Trust Law 2006 who is appointed under a Trust Deed as the trustee of an Investment Trust to hold the Fund's Property on trust for the Unitholders and to oversee the operation of the Fund and, in relation to a Domestic Fund, is authorised under a licence to act as the trustee of the Fund.</p> <p>[Added][VER9/08-06]</p> |

U

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| Defined Term | Definition |
|--|---|
| U.A.E. | United Arab Emirates. |
| Umbrella Fund | <p>A Fund under which the contributions of the participants in the Fund and the profits or income out of which payments are to be made to them are pooled separately in relation to separate parts of the Fund Property.</p> <p>[Added][VER8/04-06]</p> |
| Undertaking | <p>Means:</p> <ul style="list-style-type: none"> (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. |
| Unit | A Unit or Share representing the rights or interests of a participant in a Fund. [Amended][VER08/04-06] |
| Unitholder | <p>In relation to a Fund, means any holder of a Unit in the Fund or of any right or interest in such a Unit, otherwise known as a 'participant' and whose name is entered on the Fund's register in relation to that Unit.</p> <p>[Added][VER08/04-06]</p> |
| 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. |

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| Defined Term | Definition |
|---------------------|--|
| Vega | The measure of an Option's sensitivity to a change in the volatility of the underlying Investment, asset or property. |
| Voluntary Bid | a Bid made for acquisition of the equity Share capital of a Reporting Entity where there is no obligation to extend a Mandatory Bid. [Added][VER5/09-05] |

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| Defined Term | Definition |
|---------------------|--|
| 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

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[no definitions]

Y

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[no definitions]

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| Defined Term | Definition |
|---------------------|---|
| 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. |