

Appendix 3

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



Notice of Amendments

Prudential – Investment, Insurance
Intermediation and
Banking Module
(PIB)

in relation to Consultation Paper No. 82

1 GENERAL REQUIREMENTS

1.1 Application

- 1.1.1** (1) This module (PIB) applies to every Authorised Firm other than:
- (a) an Insurer; ~~and~~
 - (b) a Representative Office; and
 - (c) a Credit Rating Agency.
- (2) The Rules in this module apply to an Authorised Firm in accordance with its Category determined under section 1.3.

Guidance

1. The effect of Rule 1.1.1 is that these Rules apply to all Authorised Firms, except those carrying on Insurance Business, that is, Insurers. Those Authorised Firms that are authorised to effect or carry out Contracts of Insurance should refer to the PIN module. These Rules apply both to Domestic Firms and Authorised Firms conducting Financial Services through a branch in the DIFC. The DFSA may modify or waive the operation of certain Rules or specified parts of such Rules in appropriate circumstances. The DFSA is more likely to consider such modifications or waivers in the case of those Authorised Firms operating in the DIFC through a branch. It is unlikely, however, the DFSA will waive or modify the system and control requirements.
2. The DFSA's Rules reinforce the fitness and proprietary requirements, GEN chapter 5 - Management Systems and Principle 4 for Authorised Firms. The PIB module is set out in:
 - a. two general chapters setting overall requirements: General Requirements and Capital; and
 - b. six chapters setting specific requirements relating to the following particular risks or issues: Islamic Financial Business (including Displaced Commercial Risk), Credit Risk, Market Risk, Liquidity Risk, Group Risk and Operational Risk.
3. The application of each section of this module as it applies to each Category of Authorised Firm is set out in Table 4 of this chapter.