

ANNEX B

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



AUTHORISATION (AUT)



The DFSA Rulebook

Authorisation Module

(AUT)

PART 2 - AUTHORISED FIRMS

3 APPLICATION FOR A LICENCE

3.3 ~~Fitness and propriety of Authorised Firms~~ Consideration and assessment of applications

3.3.1

3.3.2 In order to become authorised to carry on one or more Financial Services, the applicant must satisfy the DFSA that it has adequate resources including financial resources. In making this assessment, the DFSA will consider:

- (a) how the applicant will comply with the applicable provisions of PIB or PIN;
- (b) the provision the applicant makes in respect of any liabilities, including contingent and future liabilities;
- (c) the means by which the applicant and members of its Group manage risk in connection with its business; and
- (d) the rationale for, and basis of, the applicant's business plan.

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3.3.7 In assessing an application for a Licence authorising the applicant to Operate an Alternative Trading System, the DFSA will have regard to, but is not limited to, considering the following matters:

- (a) whether the establishment of an ATS is in the interests of the Financial Services and Markets industry,;
- (b) whether the ATS will lead to more efficient price discovery of, or deepen liquidity in, an Investment; and
- (c) whether there is any risk of market fragmentation of liquidity or inefficiency in price discovery as a result of the proposed ATS operation.

4 APPLICATION TO CHANGE THE SCOPE OF A LICENCE

4.2 Applications by Authorised Firms

4.2.1

4.2.2 (1) An Authorised Firm applying to extend the scope of its Licence by adding the Financial Service of:

(a) Effecting Contracts of Insurance; or

(b) Carrying out Contracts of Insurance

must be a Body Corporate.

(2) If the application to extend the scope of an Authorised Firms Licence is in respect of the Financial Service of Accepting Deposits, the Authorised Firm must be a Body Corporate or a Partnership.

(3) An Authorised Firm applying to increase the scope of its Licence by adding the Financial Service of Operating an Alternative Trading System will be assessed in accordance with the matters set out under Rule 3.3.7.

(4) An Authorised Firm applying to extend the scope of its Licence by adding one of more Financial Services must be able to demonstrate that it has compliance arrangements, including process and procedures that will enable it to comply with all applicable Rules in relation to the additional Financial Services.