

## ANNEX C

The **Glossary (GLO) Module** is amended by replacing the existing definition of Security with the definition of Security below and adding the definition of Designated Investment below.



## **GLOSSARY (GLO)**

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### **Security**

- (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;
- (2) Designated Investments; and
- (3) For the purposes of PIB, Security also includes Derivatives and Rights and Interests.

### **Designated Investments**

Investments which the DFSA determines satisfy the criteria specified in GEN App 2.

## ANNEX C

As all the text is new it is not underlined in the usual manner.



**GENERAL (GEN)**

- The **General (GEN) Module** is amended to add under App2 INVESTMENTS the following category and the Exclusion reference.

GEN App2.1.1 An Investment means:

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Designated Investments

- (i) rights under any contract where:
  - (i.) the value of the contract is ultimately determined by reference, wholly or in part, to fluctuations in an index of Shares;
  - (ii.) the index referred to is acceptable to the DFSA;
  - (iii.) the contract is wholly settled by cash or set-off between the parties but excludes rights under:
    - (A). a contract where one or more of the parties will or may take delivery of any property to which the contract relates;
    - (B). a contract under which money is received by way of deposit on terms that any return to be paid on the sum deposited will be calculated by reference to an index, interest rate, exchange rate or other factor; or
    - (C). a Contract of Insurance
  - (iv.) the rights under the contract are such as to ensure that the profit or loss of either party is proportioned directly to the fluctuations in question, and not leveraged upon them; and
  - (v.) the holder of the rights under the contract is not exposed to contingent liabilities with any counterparty.

### Guidance

The DFSA will determine an index is acceptable based on, but not limited to, whether:

- (a) the index of shares is broad-based;
- (b) the shares constituting the index are traded on one or more recognised exchanges; and
- (c) information concerning the composition, weighting and calculation of the index is publicly available.

2.1.2 A Designated Investment is excluded from being an Investment of a type specified under (a) to (h) of Rule A 2.1.1.