

Annex A

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

Organisation

- 5.3.2** An Authorised Person must implement clear reporting lines that take into account the nature, scale and complexity of its business. These reporting lines, together with clear management responsibilities, must be communicated to all Employees and documented within the Authorised Person. If it is an Authorised Firm, it must also clearly identify the Employees who will be delivering Financial Services to its customers, and their respective lines of accountability and supervision.

Staff and agents

- 5.3.18** An Authorised Person must establish and maintain systems and controls that enable it to satisfy itself of the suitability of anyone who acts for it.
- 5.3.19** (1) An Authorised Firm must ensure, as far as reasonably practical, that its Employees are:
- (a) fit and proper;
 - (b) appropriately trained for the duties they perform; and
 - (c) trained in the requirements of the legislation applicable in the DIFC.
- (2) An Authorised Firm must establish and maintain systems and controls to comply with (1). An Authorised Firm must be able to demonstrate that it has complied with these requirements through appropriate measures including relevant records.

Guidance

1. When assessing the fitness and propriety of Employees, an Authorised Firm should be guided by the matters set out in AUT section A1.3 and should also monitor conflicts or potential conflicts of interest arising from all of the individual's links and activities.
2. In particular, when assessing the competence of Employees, an Authorised Firm should:
 - a. obtain details of the knowledge and skills of the individual in relation to the knowledge and skills required for the role;

- b. take reasonable steps to verify the relevance, accuracy and authenticity of any information obtained; and
 - c. determine, in light of the individual's relevant qualifications, knowledge and experience, the persons is capable of fulfilling the duties of the role to be assigned to the person.
3. An Authorised Firm should also satisfy itself that an Employee:
- a. continues to be competent in his proposed role;
 - b. has kept abreast of market, product, technology, legislative and regulatory developments that are relevant to the Employee's role; and
 - c. is able to apply his knowledge.