

ANNEX D

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



The DFSA Rulebook

Conduct of Business Module

(COB)

PART 8 – CONDUCT OF BANKING BUSINESS

20 CONFLICT OF INTERESTS

20.1 Application

20.1.1 This chapter applies to an Authorised Firm with respect to the conduct of Banking Business.

20.2 Managing Conflict of Interests

- 20.2.1** (1) An Authorised Firm when conducting Banking Business must ensure that it takes all reasonable steps to ensure that conflicts of interest between itself and its customers and between one customer and another are identified and then prevented or managed in such a way that the interests of a customer are not adversely affected and to ensure that all its customers are fairly treated and not prejudiced by any such interests.
- (2) Where an Authorised Firm has knowledge of a conflict of interest it must manage the conflict of interest by:
- (a) establishing and maintaining effective Chinese Walls to restrict the communication of the information;
 - (b) disclosing the conflict of interest to the customer in writing either generally or in relation to a specific transaction; or
 - (c) relying on a written policy of independence, which requires an Employee to disregard any conflict of interest when advising a customer or exercising discretion.
- (3) If an Authorised Firm is unable to manage a conflict of interest as provided above, it must decline to act for the customer.
- (4) For the purposes of this Rule, when an Authorised Firm acts with knowledge, the Authorised Firm will not be taken to act with knowledge as long as none of the relevant individuals involved on behalf of the Authorised Firm acts with that knowledge as a result of a Chinese Wall arrangement established under (2)(a).