

Appendix 1

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

The DFSA Rulebook

General Module

(GEN)

2 FINANCIAL SERVICES

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2.9 Arranging credit or deals in investments

- 2.9.1(1)** In Rule 2.2.2 Arranging credit or deals in Investments means:
- (a) making arrangements with a view to another Person whether as principal or agent buying, selling, subscribing for or underwriting an Investment; or
 - (b) making arrangements for another Person, whether as principal or agent, to borrow money by way of a Credit Facility.
- (2) The arrangements in (1) include:
- (a) arrangements which do not bring about the transaction; and
 - (b) making invitations or, engaging in any other conduct with a view to influencing another Person to enter into a transaction referred to in (1). [Added][VER6/06-06]
- (3) In (2)(b):
- (a) invitations mean any communications that directly or indirectly invite a Person to enter into any transaction referred to in (1); and
 - (b) other conduct means any conduct, though not amounting to an invitation, that can be viewed as a step in the chain that directly or indirectly leads a Person to enter in to a transaction referred to in (1) and includes the making of a referral.
- (4) The arrangements in (1) do not include arrangements which amount to Operating an Alternative Trading System [Added][VER4/08-05].

Guidance

Activities referred to in (2)(b) may include providing communications that contain generic advice, in which case authorisation for both arranging and advising may be required. [Added][VER6/06-06]

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2.11 Advising on financial products or credit

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- 2.11.1** (1) In Rule 2.2.2 Advising on financial products or credit means giving advice which:
- (a) is given to a Person in his capacity as an investor or potential investor, or in his capacity as agent for an investor or a potential investor on the merits of his buying, selling, holding, subscribing for or underwriting a particular financial product (whether as principal or agent); or
 - (b) is given to a Person in his capacity as a borrower or potential borrower or as agent for a borrower or potential borrower on the merits of his entering into a particular Credit Facility; or
 - (c) constitutes generic advice. [Added][VER6/06-06]
- (2) Advice in (1)(a) and (b) includes a statement, opinion or report:
- (a) where the intention is to influence a Person, in making a decision, to select a particular financial product or an interest in a particular financial product or to enter into a particular Credit Facility; or
 - (b) which could reasonably be regarded as being intended to have such an influence.
- (3) In (1)(c), 'generic advice' means any communication, subject to (4), that:
- (a) contains information about a particular financial product or Credit Facility; ~~and~~
 - (b) could reasonably be regarded as being intended to influence a Person when making a decision relating to any financial product or Credit Facility to which the communication relates; and
 - (c) does not contain any advice on the merits of that particular Person entering into a transaction to buy, sell, hold, subscribe for or underwrite a particular financial product or enter into a particular Credit Facility, whether as principal or agent.

~~although the communication does not contain any advice on the merits of that Particular person entering into a transaction to buy, sell, hold, subscribe for or underwrite those financial products or enter into a particular Credit Facility, whether as principal or agent.~~
