

Appendix 3

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



The DFSA Rulebook

Conduct of Business Module

(COB)

2 CLIENT CLASSIFICATION

2.3 Types of Client

.....

Market Counterparty

- 2.3.4** (1) An Authorised Firm may treat a Professional Client referred to in Rule 2.3.2(2) as a Market Counterparty provided that the firm:
- (a) in the case of a Professional Client referred to in Rule 2.3.2(2)(a) to (f), has given to that Client a prior written notification of the classification as a Market Counterparty and that Client has not requested to be treated otherwise; and
 - (b) in the case of a Professional Client referred to in Rule 2.3.2(2)(g), (h), or (i), has obtained the prior written consent of that Client to be treated as a Market Counterparty.
- (2) The notification and consent referred to in (1) may be given in respect of all services or in respect of each individual Transaction.
- (3) The notification in (1)(a) need only be given to one of:
- (a) a Fund or its ~~Operator~~ Fund Manager; or
 - (b) a pension fund or its management company.

3 CORE RULES – INVESTMENT BUSINESS, ACCEPTING DEPOSITS, PROVIDING CREDIT AND PROVIDING TRUST SERVICES

.....

3.3 Key information and Client Agreement

Application

- 3.3.1** The Rules in this section do not apply to an Authorised Firm when it is:
- (a) carrying on a Financial Service with or for a Market Counterparty;
 - (b) Accepting Deposits;
 - (c) Providing Credit;

- (d) carrying on an activity of the kind described in GEN Rule 2.26.1 that constitutes marketing; or
- (e) a ~~n-Operator~~ Fund Manager of a Fund Offering the Units of a Fund it ~~operates~~ manages.

6 ADDITIONAL RULES - INVESTMENT BUSINESS

.....

6.4 Best execution

Application

- 6.4.1** The Rules in this section do not apply to an Authorised Firm with respect to any Transaction which:
- (a) it undertakes with a Market Counterparty;
 - (b) it carries out for the purposes of ~~operating~~ managing a Fund of which it is the ~~Operator~~ Fund Manager; or
 - (c) is an Execution-Only Transaction.

.....

6.6 Aggregation and allocation

Application

- 6.6.1** The Rules in this section do not apply to an Authorised Firm with respect to any Transaction which it:
- (a) undertakes with a Market Counterparty; or
 - (b) carries out for the purposes of ~~operating~~ managing a Fund of which it is the ~~Operator~~ Fund Manager.

.....

6.8 Other dealing rules

Application

- 6.8.1** The Rules in this section do not apply to an Authorised Firm with respect to any Transaction which it:
- (a) undertakes with a Market Counterparty; or
 - (b) carries out for the purposes of ~~operating~~ managing a Fund of which it is the ~~Operator~~ Fund Manager.

6.9 Confirmation notes

Application

- 6.9.1** The Rules in this section do not apply to an Authorised Firm with respect to any Transaction which it:
- (a) undertakes with a Market Counterparty; or
 - (b) carries out for the purposes of ~~operating~~ managing a Fund of which it is the ~~Operator~~ Fund Manager.

6.10 Periodic statements

Application

- 6.10.1** The Rules in this section do not apply to an Authorised Firm with respect to any Transaction which it:
- (a) undertakes with a Market Counterparty; or
 - (b) carries out for the purposes of ~~operating~~ managing a Fund of which it is the ~~Operator~~ Fund Manager.