

**Appendix 8**

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



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# The DFSA Rulebook

Offered Securities Rules

**(OSR)**

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## 1 INTRODUCTION

### 1.1 Application

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#### 1.1.3 This module applies to:

- (a) a Person applying to have Securities admitted to an Official List of Securities; and
- (b) a Person who is a Reporting Entity;

including for these purposes, a Fund Manager ~~n-Operator~~ of a Fund applying to have Units admitted to an Official List of Securities and to a Fund Manager ~~n-Operator~~ which is a Reporting Entity.

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### 1.2 Overview of Module

#### Guidance

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#### Units and Listed Units

10. Article 12 of the Markets Law 2004 provides as follows:

“The application of this Part 3 and any Offered Securities Rules made for the purpose of this Part is subject to any provision of a DIFC collective investment law or of any rules made for the purpose of that law which may govern the offer of Securities comprised of units or shares in a collective investment fund or any rights or interests in such units or shares”.

11. Article ~~49(1) and (2)~~ 49(1) of the Collective Investment Law ~~2006~~ 2010 provides as follows:

- (1) An offer to issue or sell a Unit or an interest in a Unit of a Fund (“Unit of a Fund”) is governed by this Law and the Rules made for the purposes of this Law, except to the extent otherwise provided in Article 49(2).
- (2) With the exception of Part 3 of the Markets Law 2004, the provisions in that law apply to any offer to issue or sell a Unit of a Fund.”
- (1) ~~Subject to Article 11(2), the Markets Law 2004 applies to the offer, issue or sale of a Unit or any right or interest in a Unit.~~

~~(2) Part 3 of the Markets Law 2004 and the Offered Securities Rules made for the purpose of that Part do not apply to the offer, issue or sale of a Unit or any right or interest in a Unit.~~

12. ~~While Article 42-19 of the Collective Investment Law 2006 2010 defines what an Offer is for the purposes of that Law in relation to the Units of Funds, Part 7 of that Law and Rules made for the purposes of that Law set out the requirements relating to Offers of Units of Domestic Funds and Foreign Funds. It also prescribes the circumstances in which such an Offer is to be construed as being made “in the DIFC” and also “from the DIFC”. Consequently, all the provisions in this module (OSR) relating to Offers do not apply to a Fund or its Fund Manager Operator. The provisions relating to Offers concerning Funds, both Foreign Funds and Domestic Funds, are set out in the conduct of business module (COB).~~
13. Accordingly, chapters 2 to 6 of this module inclusive do not apply to a Person in respect of Offers of Securities which are Units.
14. However, the other provisions of OSR do apply to a Fund in relation to the listing of Units, Listed Funds and to Fund Managers Operators which are Reporting Entities. Consequently, chapters 7 to 14 of this module apply as appropriate in relation to Listed Funds and Public Funds, and Fund Managers of such Funds Operators.

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## **2 OFFERS OF SECURITIES**

### **2.2 Offers**

#### **2.2.1 .....**

##### **Guidance**

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##### **Cross border offers**

4. This guidance is primarily intended for Persons located outside the DIFC who undertake cross-border offers. Many cross-border offers with a DIFC element will be caught by these Rules. It is important that Persons located outside the DIFC are aware of the scope and impact of the Rules applicable to them.
5. Cross-border offers of Securities made to Persons in the DIFC fall within the Rules. Any Person who makes such an Offer is required to comply with the obligations of an Offeror under the Rules regardless of whether he is established in the DIFC or elsewhere.
6. ~~The scope of the regime applies without differentiating the media by which Offers take place. In the context of internet based offerings, this means that an operator of a website on which Securities are Offered to Persons within the DIFC will be subject to these Rules regardless of whether the operator is established in the DIFC or elsewhere.~~

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## **5 PROSPECTUS REQUIREMENTS**

### **5.1 Application**

- 5.1.1** (1) Sections 5.1 to 5.5 apply to an Offeror who is required under chapter 4 to file a Prospectus with the DFSA.
- (2) Sections 5.1 and 5.6 apply to a Reporting Entity other than a Reporting Entity which is a Fund Manager ~~n-Operator~~ of a Fund.

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## **7 LISTED SECURITIES**

### **7.1 Application**

- 7.1.1** (1) This chapter applies to:
- (a) a Person applying to have Securities admitted to an Official List of Securities;
  - (b) a Reporting Entity with Securities admitted to an Official List of Securities; and
  - (c) an Authorised Market Institution in relation to its operation and administration of an Official List of Securities.
- (2) For the purposes of (1)(a), this chapter applies, to the extent shown in Rule 7.1.2, to a Fund Manager ~~n-Operator~~ of a Fund applying to have the Units of its Fund admitted to an Official List of Securities.
- (3) For the purposes of (1)(b), this chapter applies to a Fund Manager ~~n-Operator~~ of a Listed Fund.

#### **Guidance**

1. An Authorised Market Institution operating and administering an Official List of Securities is required under the Markets Law 2004 to have a set of listing rules. The listing rules must include rules in relation to those matters set out in Article 18 of the Markets Law 2004, including rules in relation to applications for admission to an Official List of Securities and

requirements to be met for Securities to be admitted. Further requirements in respect of listing rules are detailed in the AMI module.

2. Once a Person has Securities admitted to an Official List of Securities by an Authorised Market Institution, in most instances, it will become a Reporting Entity. A Reporting Entity, and some other associated Persons, become subject to the provisions of chapters 8, 9, 10 and 11 of this module and have obligations to the DFSA. A Reporting Entity may also be subject to ongoing obligations to an Authorised Market Institution under the listing rules.
3. This chapter details the powers the DFSA has in respect of the listings process, including powers in relation to the admission of Securities and rules in relation to Securities admitted to an Official List of Securities.
4. The effect of Rule 1.1.3 is that this chapter, and those that follow which are relevant, apply to a Fund Manager ~~Operator~~ applying to have Units admitted to an Official List of Securities and to a Reporting Entity with Units admitted to an Official List of Securities, that is, the Fund Manager ~~Operator~~ of a Listed Fund.

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## **8 OBLIGATIONS OF REPORTING ENTITIES**

### **8.1 Application**

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**8.1.2** In relation to a Fund, the Fund Manager ~~Operator~~ of the Fund is the Reporting Entity.

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### **A2.3 Disclosures relating to Listed Funds**

- A2.3.1** (1) On occurrence of an event in the “event” column, the Reporting Entity (Fund Manager ~~Operator~~) of a Listed Fund must make the type of disclosure described in accordance with the “requirements” column and the “time” column.
- (2) In cases where the Listed Fund is in the form of the trust, the Reporting Entity (Fund Manager ~~Operator~~) of that Listed Fund must construe the items specified in the event column in an appropriate manner so as to achieve the fundamental purpose of disclosing relevant equivalent information in respect of the trust.