
DIFC LAWS AMENDMENT LAW

DIFC LAW NO. 1 of 2014

PART 1: GENERAL

1. Title

This Law may be cited as the “DIFC Laws Amendment Law No.1 of 2014”.

2. Legislative Authority

This Law is made by the Ruler of Dubai.

3. Date of enactment

This Law is enacted on the date specified in the Enactment Notice in respect of this Law.

4. Commencement

This Law comes into force on the date specified in the Enactment Notice in respect of this Law.

PART 2: AMENDMENTS TO THE REGULATORY LAW 2004

5. The Regulatory Law 2004 is amended as prescribed in this Part.

6. The following Articles of the Regulatory Law 2004 are to be amended by inserting the underlined text and deleting the struck through text as shown below:

PART 2: THE DFSA

CHAPTER 1 - THE STRUCTURE OF THE DFSA

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8. The Powers, Functions and Objectives of the DFSA

(1)

(4) In exercising its powers and performing its functions, the DFSA shall take into consideration the following guiding principles, being the desirability of:

- (a) pursuing the objectives of the DIFC as set out under Dubai Law in so far as it is appropriate and proper for the DFSA to do so;
- (b) fostering the development of the DIFC as an internationally respected financial centre;
- (c) co-operating with and providing assistance to regulatory authorities in the ~~United Arab Emirates~~ State and other jurisdictions;
- (d) minimising the adverse effects of the activities of the DFSA on competition in the financial services industry;
- (e) using its resources in the most efficient way;
- (f) ensuring the cost of regulation is proportionate to its benefit;

- (g) exercising its powers and performing its functions in a transparent manner; and
- (h) complying with relevant generally accepted principles of good governance.

9. Structure of the DFSA

The DFSA shall be made up of:

- (a) the Chairman of the DFSA;
- (b) the DFSA Board of Directors;
- ~~(e) the Regulatory Appeals Committee of the DFSA Board of Directors;~~
- ~~(d)~~(c) the Financial Markets Tribunal ~~of~~ appointed by the DFSA Board of Directors;
- ~~(e)~~(d) the Chief Executive and members of his staff; and
- ~~(f)~~(e) ~~other~~ any DFSA committees as may be duly appointed from time to time.

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CHAPTER 2 - THE DFSA BOARD OF DIRECTORS

20. The Powers and Functions of the DFSA Board of Directors

- (1) The general powers and functions of the DFSA Board of Directors are to:
 - (a) ensure that the DFSA exercises its statutory powers and performs its statutory functions in accordance with its objectives;
 - (b) make policies relating to the regulation of financial services and related activities and any other matters over which the DFSA has exclusive jurisdiction;
 - (c) review the performance of the Chief Executive;
 - (d) give the Chief Executive written directions as to the furtherance of any of the DFSA's objectives or the performance of any of the Chief Executive's statutory functions. Such written directions shall not constitute Rules;
 - (e) arrange for the DFSA to enter into binding and non-binding arrangements, including memoranda of understanding and co-operation with similar bodies, provided they do not conflict with the treaties to which the United Arab Emirates State is a party; and

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~~CHAPTER 4 – THE REGULATORY APPEALS COMMITTEE OF THE DFSA BOARD~~

~~26. — The Regulatory Appeals Committee~~

- ~~(1) — The DFSA Board of Directors shall form a committee called the Regulatory Appeals Committee.~~
- ~~(2) — The DFSA Board of Directors shall appoint:
 - ~~(a) — from among its members, other than the Chairman of the DFSA or the Chief Executive of the DFSA, a Board Member to serve as chairman of the Regulatory Appeals Committee; and~~
 - ~~(b) — members of the Regulatory Appeals Committee.~~~~
- ~~(3) — None of the following persons shall be appointed as members of the Regulatory Appeals Committee:
 - ~~(a) — the Chairman of the DFSA;~~
 - ~~(b) — the Chief Executive of the DFSA; or~~
 - ~~(c) — a Member of the Financial Markets Tribunal; or~~
 - ~~(d) — subject to Article 26(4), any other director, officer, employee or agent of the DFSA or of any other agency or body of the DIFC established under Dubai Law.~~~~
- ~~(4) — The DFSA Board of Directors may appoint Members of the DFSA Board as members of the Regulatory Appeals Committee.~~
- ~~(5) — The DFSA Board of Directors may appoint persons, who are not DFSA Board Members, as members of the Regulatory Appeals Committee.~~
- ~~(6) — Members of the Regulatory Appeals Committee shall have relevant qualifications, expertise and experience in the regulatory aspects of financial services and related activities.~~
- ~~(7) — The DFSA Board of Directors may reappoint or dismiss the chairman of the Regulatory Appeals Committee.~~
- ~~(8) — The chairman of the Regulatory Appeals Committee may establish one or more panels of the Committee for the purpose of hearing appeals commenced under Article 28 of the Law.~~
- ~~(9) — On the commencement of an appeal under Article 28, the chairman of the Committee, shall without undue delay, select an appeal panel of at least three Committee members and appoint its chairman.~~

- ~~(10) — An appeal panel has the powers of the Committee to hear and decide the appeal.~~
- ~~(11) — The Regulatory Appeals Committee has power to do whatever it deems necessary for or in connection with, or reasonably incidental to, the performance of its functions.~~
- ~~(12) — The chairman of the Regulatory Appeals Committee or the chairman of a panel selected to hear and determine an appeal may make any procedural order or order granting interim relief that the Regulatory Appeals Committee has power to make relating to an appeal.~~

27. — Jurisdiction of the Regulatory Appeals Committee

- ~~(1) — In Article 27(2):~~
- ~~(a) — ‘applicant’ means a person who has applied to the DFSA for a decision; and~~
 - ~~(b) — ‘officer, employee or agent’ of a person includes a person who proposes to become an officer, employee or agent of a person.~~
- ~~(2) — The Regulatory Appeals Committee has jurisdiction to hear and determine any appeal where:~~
- ~~(a) — an applicant appeals the decision of the DFSA in relation to an application for a Licence or for an extension to the scope of a Licence;~~
 - ~~(b) — an applicant, Authorised Firm or Authorised Market Institution appeals the decision of the DFSA to impose or vary or withdraw a condition or restriction to its Licence;~~
 - ~~(c) — an Authorised Firm or Authorised Market Institution appeals a decision of the DFSA in relation to the exercise of its power to withdraw a Licence or to withdraw an authorisation in relation to a Financial Service;~~
 - ~~(d) — an officer, employee or agent of an Authorised Firm appeals a decision of the DFSA in relation to his application for Authorised Individual status or for extension of his status;~~
 - ~~(e) — an Authorised Individual appeals the decision of the DFSA to impose or vary or withdraw a condition or restriction to the grant of Authorised Individual status;~~
 - ~~(f) — a person appeals a decision of the DFSA to:
 - ~~(i) — issue a written notice, or vary or withdraw a written notice to which he is subject, under Article 58(1); or~~~~

- ~~(ii) — refuse to vary or withdraw a written notice following his request pursuant to Article 58(8);~~
- ~~(g) — an Authorised Individual appeals a decision of the DFSA to:

 - ~~(i) — issue a written notice, or vary or withdraw a written notice to which he is subject, under Article 58(2);~~
 - ~~(ii) — refuse to vary or withdraw a written notice following his request or the request of an Authorised Firm pursuant to Article 58(8); or~~
 - ~~(iii) — suspend or withdraw his Authorised Individual status under Article 58(2), (3) or (5);~~~~
- ~~(h) — an Authorised Firm or Authorised Market Institution appeals the decision of the DFSA to issue a notice to it or make a requirement of it under Article 74, 75, 75A, 76 or 88;~~
- ~~(i) — a person appeals a decision of the DFSA made pursuant to its powers under Article 64 or the Rules made for the purposes of that Article;~~
- ~~(j) — an applicant appeals a decision of the DFSA in relation to an application for registration as an auditor; or~~
- ~~(k) — a person appeals a decision of the DFSA to:

 - ~~(i) — issue an administrative fine under Article 90; or~~
 - ~~(ii) — issue an administrative censure under Article 91; or~~~~
- ~~(l) — an appeal is brought under such other jurisdiction as the DFSA Board of Directors may provide in the Rules or as may be conferred by or under any other DIFC Law.~~
- ~~(3) — Subject to the Law and Rules, the Regulatory Appeals Committee may make rules of procedure governing the commencement, hearing and determination of appeals, including as to:

 - ~~(a) — the rules as to evidence;~~
 - ~~(b) — the manner in which a power under Article 29 may be exercised;~~
 - ~~(c) — the manner in which conflicts of interest of members of the Regulatory Appeals Committee may be prevented;~~
 - ~~(d) — notification to the Chief Executive of the commencement of an appeal; and~~
 - ~~(e) — the manner in which the Chief Executive may appear and be heard in the appeal.~~~~

- ~~(4) Proceedings and decisions of the Regulatory Appeals Committee shall be heard and given in public unless:~~
- ~~(a) the Regulatory Appeals Committee hearing an appeal orders otherwise;~~
 - ~~or~~
 - ~~(b) the rules of procedure of the Regulatory Appeals Committee provide otherwise.~~
- ~~(5) No person may appeal or review a decision of the Regulatory Appeals Committee other than by way of judicial review proceedings before the Court on a point of law.~~
- ~~(6) Where:~~
- ~~(a) an appeal is commenced in accordance with Article 28 of the Law before the Regulatory Appeals Committee and a proceeding is commenced before the Financial Markets Tribunal in accordance with Article 32 of the Law or Article 56 of the Markets Law; and~~
 - ~~(b) there is a common question of law or fact in the appeal and the Tribunal proceeding and it is in the interests of the DIFC, justice and efficiency;~~
- ~~the chairman of the Regulatory Appeals Committee, on his own motion or that of a party to the appeal and with the consent of the parties and president of the Financial Markets Tribunal, may direct that the appeal be:~~
- ~~(c) referred to the Financial Markets Tribunal for determination on such terms as the chairman may direct;~~
 - ~~(d) heard at the same time or following the Financial Markets Tribunal proceeding; or~~
 - ~~(e) stayed until the determination of the Financial Markets Tribunal proceeding.~~
- ~~(7) Where an appeal has been referred to the Financial Markets Tribunal for determination under this Article, the Financial Markets Tribunal has the same powers the Regulatory Appeals Committee has under Article 29 of the Law to hear and determine the appeal.~~
- ~~(8) No person may appeal or review a decision of the Financial Markets Tribunal on an appeal that has been referred to the Tribunal under this Article other than by way of judicial review proceedings before the Court on a point of law.~~

28. Commencement of an Appeal

- ~~(1) A person may appeal to the Regulatory Appeals Committee only in circumstances where the committee has jurisdiction to hear and determine the appeal under Article 27.~~
- ~~(2) A person shall commence an appeal by giving the Regulatory Appeals Committee a written notice in the form provided for in the rules of procedure of the Regulatory Appeals Committee.~~
- ~~(3) An appeal shall be commenced:
 - ~~(a) within 30 days of the relevant decision of the DFSA; or~~
 - ~~(b) within such further period not exceeding 30 days as may be approved by the Regulatory Appeals Committee where it is satisfied that such approval is appropriate in the circumstances.~~~~

29. Powers to Hear and Determine an Appeal

- ~~(1) Upon the chairman of the Regulatory Appeals Committee receiving a notice of an appeal falling within the jurisdiction of the committee, the chairman of the Regulatory Appeals Committee shall without undue delay select a panel of at least three members of the Regulatory Appeals Committee, one of whom may be its chairman, to exercise the powers and perform the functions of the Regulatory Appeals Committee to hear and determine the appeal.~~
- ~~(2) For the purposes of hearing and determining an appeal, the Regulatory Appeals Committee may:
 - ~~(a) stay the decision of the DFSA to which an appeal relates and any related steps proposed to be taken by the DFSA until the committee has determined the appeal;~~
 - ~~(b) consider any evidence relating to the decision of the DFSA to which the appeal relates, whether or not such evidence was available to the DFSA at the material time;~~
 - ~~(c) receive and consider any material by way of oral evidence, written statements or documents, even if such material may not be admissible in evidence in civil or criminal proceedings in a court of law;~~
 - ~~(d) determine the manner in which such material is received by the committee;~~
 - ~~(e) by notice in writing require a person to attend before it at any sitting and to give evidence and produce any item, record or document in his possession relating to the subject matter of the appeal;~~
 - ~~(f) administer oaths;~~~~

- ~~(g) — examine or cause to be examined on oath or otherwise a person attending before it and require the person to answer truthfully any question which the committee considers appropriate for the purposes of the proceedings;~~
 - ~~(h) — order a witness to provide evidence in a truthful manner for the purposes of the proceedings by sworn statement;~~
 - ~~(i) — order a person not to publish or otherwise disclose any material disclosed by any person to the committee; or~~
 - ~~(j) — exercise such other powers or make such other orders as may be necessary for or ancillary to the conduct of the appeal or the performance of its function.~~
- ~~(3) — At the conclusion of an appeal, the Regulatory Appeals Committee may:~~
- ~~(a) — determine what, if any, is the appropriate action for the DFSA to take;~~
 - ~~(b) — remit the matter to the Chief Executive with such directions, if any, as the committee considers appropriate for giving effect to its determination, save that such directions may not require the DFSA to take any step which it would not otherwise have power to take; and~~
 - ~~(c) — make an order requiring a party to the appeal to pay a specified amount, being all or part of the costs of the appeal, including those of any party to the appeal. Such costs may be recovered from the recipient of the order in a court of competent jurisdiction as a debt due to the party which incurred the costs.~~
- ~~(4) — The Chief Executive must act in accordance with the determination of, and any direction given by, the Regulatory Appeals Committee.~~
- ~~(5) — A certificate that purports to be signed by the chairman or proper officer of the Regulatory Appeals Committee and states that the Regulatory Appeals Committee on a specified day made a specified determination or made a specified finding of fact, is in any proceedings before the Court, where relevant:~~
- ~~(a) — conclusive evidence of the determination of the Regulatory Appeals Committee made on that day; and~~
 - ~~(b) — prima facie evidence of the relevant finding of fact.~~

30. — Enforcement

- ~~(1) — A person commits a contravention if the person, without reasonable excuse:~~

- ~~(a) — fails to comply with an order, notice, prohibition or requirement of the Regulatory Appeals Committee under Article 29;~~
- ~~(b) — having been required by the Regulatory Appeals Committee under Article 29 to attend before such committee, does not attend or leaves the place where his attendance is so required without the permission of such committee;~~
- ~~(c) — hinders or deters any person from attending before the Regulatory Appeals Committee, giving evidence or producing any item, record or document, for the purposes of any appeal commenced under Article 28;~~
- ~~(d) — threatens or causes any loss to be suffered by any person who has attended before the Regulatory Appeals Committee, on account of such attendance;~~
- ~~(e) — threatens or causes any loss to be suffered by any member of the Regulatory Appeals Committee or any person assisting such committee at any time; or~~
- ~~(f) — engages in conduct, including without limitation the:

 - ~~(i) — destruction of documents; or~~
 - ~~(ii) — giving of information that is false or misleading;~~
 that is intended to obstruct the Regulatory Appeals Committee in the exercise of any of its powers.~~

~~(2) — A person who commits a contravention under Article 30(1) is liable to proceedings in the Financial Markets Tribunal for orders including but not limited to the imposition of a fine and censure.~~

~~(3) — Where a person fails to comply with an order, notice, prohibition or requirement of the Regulatory Appeals Committee made under Article 29, the Court may, on application of:~~

- ~~(a) — the committee; or~~
- ~~(b) — the Chief Executive at the request of the committee;~~

~~make any order as it thinks fit to enforce such order, notice, prohibition or requirement.~~

CHAPTER 5 — THE FINANCIAL MARKETS TRIBUNAL

31. — The Financial Markets Tribunal

- ~~(1) — The DFSA Board of Directors shall establish a tribunal of the DFSA called the Financial Markets Tribunal.~~
- ~~(2) — The DFSA Board of Directors shall appoint:
 - ~~(a) — a person to serve as the president of the Financial Markets Tribunal;
and~~
 - ~~(b) — a members of the Financial Markets Tribunal.~~~~
- ~~(3) — None of the following persons shall be appointed as president or as members of the Financial Markets Tribunal:
 - ~~(a) — the Chairman of the DFSA;~~
 - ~~(b) — the Chief Executive of the DFSA; or~~
 - ~~(c) — Board Members of the DFSA or members of the Regulatory Appeals Committee; or~~
 - ~~(d) — any director, officer, employee or agent of the DFSA or of any other agency or body of the DIFC established under Dubai Law.~~~~
- ~~(4) — Persons appointed as panel members of the Financial Markets Tribunal shall have relevant qualifications, expertise and experience in the regulatory aspects of financial services and related activities.~~
- ~~(5) — The DFSA Board of Directors may reappoint or dismiss the president of the Financial Markets Tribunal.~~
- ~~(6) — The president of the Financial Markets Tribunal has power to do whatever he deems necessary for or in connection with, or reasonably incidental to, the performance of the functions of the Financial Markets Tribunal.~~
- ~~(7) — The president of the Financial Markets Tribunal or the chairman of a panel selected to hear and determine proceedings brought before the Tribunal may make any procedural order or order granting interim relief that the Financial Markets Tribunal has the power to make relating to proceedings brought before it.~~

~~32. — Jurisdiction of the Financial Markets Tribunal~~

- ~~(1) — The Financial Markets Tribunal has jurisdiction to hear and determine proceedings which:
 - ~~(a) — are commenced under Article 33 and relate to an alleged breach of any provision of the Law or of the Rules or of any other legislation administered by the DFSA; or~~~~

- ~~(b) — relate to such other matters as may be prescribed in the Rules or provided for under any other law.~~
- ~~(2) — Subject to the Law and the Rules, the Financial Markets Tribunal may make rules of procedure governing the commencement, hearing and determination of proceedings, including as to:~~
- ~~(a) — the rules as to evidence;~~
- ~~(b) — the manner in which the powers under Article 34 may be exercised; and~~
- ~~(c) — the manner in which conflicts of interest of members of the Financial Markets Tribunal constituted under Article 34 may be prevented.~~
- ~~(3) — Proceedings and decisions of the Financial Markets Tribunal shall be heard and given in public unless:~~
- ~~(a) — the Financial Markets Tribunal hearing a matter orders otherwise; or~~
- ~~(b) — the rules of procedure of the Financial Markets Tribunal provide otherwise.~~
- ~~(4) — Proceedings before the Financial Markets Tribunal shall be determined on a balance of probabilities.~~
- ~~(5) — An appeal from a determination of the Financial Markets Tribunal may be made to the Court.~~
- ~~(6) — Where:~~
- ~~(a) — a proceeding is commenced before the Financial Markets Tribunal in accordance with this Article or Article 56 of the Markets Law and an appeal is commenced before the Regulatory Appeals Committee in accordance with Article 28 of the Law; and~~
- ~~(b) — there is a common question of law or fact in the appeal and the Tribunal proceeding and it is in the interests of the DIFC, justice and efficiency,~~
- ~~the president of the Financial Markets Tribunal, on his own motion or that of a party to the proceeding and with the consent of the parties and chairman of the Regulatory Appeals Committee, may direct that the proceeding be~~
- ~~(c) — referred to the Regulatory Appeals Committee for determination on such terms as the president may direct;~~
- ~~(d) — heard at the same time or following the appeal before the Regulatory Appeals Committee; or~~

~~(e) — stayed until the appeal before the Regulatory Appeals Committee has been determined;~~

~~(7) — Where a proceeding has been referred to the Regulatory Appeals Committee for determination under this Article, the Regulatory Appeals Committee has the same powers the Financial Markets Tribunal has under Article 34 of the Law and under Articles 53, 54 and 57 of the Markets Law to hear and determine the proceeding.~~

~~(8) — An appeal from a decision of the Regulatory Appeals Committee on a proceeding that has been referred to the Regulatory Appeals Committee under this Article may be made to the Court as an appeal under Article 32(5) of the Law.~~

~~33. — Commencing Proceedings~~

~~If it appears reasonably likely to the Chief Executive or the DFSA Board of Directors that there has been a breach of any provision of the Law or of any Rules or of any other legislation administered by the DFSA, the Chief Executive may (and shall, if instructed by the DFSA Board of Directors) by notice commence proceedings before the Financial Markets Tribunal in relation to such breach.~~

~~34. — Powers to Hear and Determine Proceedings~~

~~(1) — For the purposes of any proceedings before it, the Financial Markets Tribunal shall consist of at least three members of the Financial Markets Tribunal, one of whom may be its president.~~

~~(2) — On the commencement of proceedings under Article 33, the president of the Financial Markets Tribunal shall without undue delay, select the hearing panel and appoint its chairman.~~

~~(3) — The Financial Markets Tribunal may, for the purposes of any proceedings commenced under Article 33, on its own motion or that of any party to the proceedings:~~

~~(a) — receive and consider any material by way of oral evidence, written statements or documents, even if such material may not be admissible in evidence in civil or criminal proceedings in a court of law;~~

~~(b) — by notice in writing require a person to attend before it at any sitting and to give evidence and produce any item, record or document in his possession relating to the subject matter of the proceedings;~~

~~(c) — administer oaths;~~

~~(d) — examine or cause to be examined on oath or otherwise a person attending before it and require the person to answer truthfully any question which the Financial Markets Tribunal considers appropriate for the purposes of the proceedings;~~

- ~~(e) — order a witness to provide evidence in a truthful manner for the purposes of the proceedings by sworn statement;~~
 - ~~(f) — order a person not to publish or otherwise disclose any material disclosed by any person to the Financial Markets Tribunal;~~
 - ~~(g) — stay the proceedings on such grounds and on such terms and conditions as it considers appropriate having regard to the interests of justice; and~~
 - ~~(h) — exercise such other powers or make such other orders as the Financial Markets Tribunal considers necessary for or ancillary to the conduct of the proceedings or the performance of its function.~~
- ~~(4) — At the conclusion of any proceedings commenced under Article 33 in which an alleged breach is proven to the satisfaction of the Financial Markets Tribunal, it may by written notice to the Respondent declare that the Respondent has committed a contravention of a specified provision and do one or more of the following:~~
- ~~(a) — impose a fine on the Respondent;~~
 - ~~(b) — censure the Respondent, including by means of publishing a written notice of censure;~~
 - ~~(c) — make an order requiring the Respondent to effect restitution or compensate any person for such period and on such terms as the Financial Markets Tribunal may direct;~~
 - ~~(d) — make an order requiring the Respondent to account for, in such form and on such terms as the Financial Markets Tribunal may direct, such amounts as the Financial Markets Tribunal determines to be profits arising from wrongdoing or any other form of unjust enrichment as determined by the Financial Markets Tribunal;~~
 - ~~(e) — make an order requiring the Respondent to cease and desist from such activity as the Financial Markets Tribunal may stipulate;~~
 - ~~(f) — make an order requiring the Respondent to do an act or thing;~~
 - ~~(g) — make an order prohibiting the Respondent from holding office at any body corporate carrying on business in the DIFC; or~~
 - ~~(h) — make an order requiring a party to the proceedings to pay a specified amount, being all or part of the costs of the proceedings, including those of any party to the proceedings. Such costs may be recovered from the recipient of the order in a court of competent jurisdiction as a debt due to the party which incurred the costs.~~
- ~~(5) — Where the Financial Markets Tribunal imposes a fine or censure or makes a declaration or an order in relation to a person under Article 34(4), the DFSA~~

~~may, without limiting other powers it may have, exercise and perform its functions and powers under Chapters 4, 7 or 8 of Part 3 of the Law in relation to the person's Licence, Authorised Individual status or registration.~~

- ~~(6) — A certificate that purports to be signed by the president or proper officer of the Financial Markets Tribunal and states that the Financial Markets Tribunal on a specified day made a finding that a specified person has committed a contravention of a specified provision of the Law or of the Rules or of any other legislation administered by the DFSA or made a specified finding of fact, is in any proceedings before the Court, where relevant:~~
- ~~(a) — conclusive evidence that the person was found by the Financial Markets Tribunal on that day to have contravened the relevant provision;~~
 - ~~(b) — prima facie evidence that the person contravened that provision; and~~
 - ~~(c) — prima facie evidence of the relevant fact.~~

35. — Enforcement

- ~~(1) — A person commits a contravention if he, without reasonable excuse:~~
- ~~(a) — fails to comply with an order, notice, prohibition or requirement of the Financial Markets Tribunal under Article 34;~~
 - ~~(b) — having been required by the Financial Markets Tribunal under Article 34 to attend before such tribunal, leaves the place where his attendance is so required without the permission of such tribunal;~~
 - ~~(c) — hinders or deters any person from attending before the Financial Markets Tribunal, giving evidence or producing any item, record or document, for the purposes of any proceedings commenced under Article 33;~~
 - ~~(d) — threatens or causes any loss to be suffered by any person who has attended before the Financial Markets Tribunal, on account of such attendance;~~
 - ~~(e) — threatens or causes any loss to be suffered by any member of a Financial Markets Tribunal or any person assisting such tribunal at any time on account of the performance of his functions in that capacity;~~
 - ~~(f) — engages in conduct, including without limitation the:
 - ~~(i) — destruction of documents; or~~
 - ~~(ii) — giving of information that is false or misleading;~~~~

~~that is intended to obstruct the Financial Markets Tribunal in the exercise of any of its powers; or~~

~~(g) — fails to pay a fine imposed under Article 34(4)(a).~~

~~(2) — A person who commits a contravention under Article 35(1) is liable to a fine and may be subject to censure of the Financial Markets Tribunal, including by means of publication of a written notice of censure.~~

~~(3) — Where a person fails to comply with an order, notice, prohibition or requirement of a Financial Markets Tribunal made under Article 34, the Court may, on application of:~~

~~(a) — the Financial Markets Tribunal; or~~

~~(b) — the Chief Executive at the request of the Financial Markets Tribunal;~~

~~make any order as it thinks fit to enforce such order, notice, prohibition or requirement.~~

CHAPTER 4 – THE FINANCIAL MARKETS TRIBUNAL

26. Constitution of the Financial Markets Tribunal

(1) The DFSA shall maintain a tribunal of the DFSA called the Financial Markets Tribunal (referred to as the “FMT”).

(2) The DFSA Board of Directors:

(a) shall appoint persons for fixed terms to serve as the president and other members of the FMT; and

(b) may reappoint the president or any of the members for further fixed terms.

(3) None of the following persons shall be the president or a member of the FMT:

(a) the Chairman of the DFSA;

(b) the Chief Executive of the DFSA; or

(c) any other Board Member, director, officer, employee or agent of the DFSA or of any other agency or body of the DIFC established under Dubai Law.

(4) The president and members of the FMT shall have relevant qualifications, expertise and experience in the regulatory aspects of financial services and related activities.

- (5) The DFSA Board of Directors may dismiss the president or any of the members of the FMT for just cause. For the purpose of this Article, just cause means inability, incapacity or misbehaviour.

27. Powers and Functions of the FMT

- (1) The powers and functions of the FMT are to hear and determine references and other proceedings as specified in Chapter 5 of Part 2.
- (2) The FMT may do whatever it deems necessary for or in connection with, or reasonably incidental to, performing its functions and exercising its powers conferred for the purposes of Article 27(1), including the giving of directions as to practice and procedure to be followed in the FMT in the hearing and determination of references or other proceedings.
- (3) The president of the FMT may establish one or more panels of the FMT to exercise the powers and perform the functions of the FMT.
- (4) The president of the FMT or the chairman of a panel appointed to hear and determine a reference or other proceeding may make any procedural order or order granting interim relief that the FMT has the power to make.
- (5) For the purpose of a reference or other proceeding, the president of the FMT or the chairman of a panel appointed to hear and determine the proceeding:
- (a) may appoint one or more persons, who shall be independent and an expert in their field, to assist the FMT in deciding any of the issues arising in the proceeding, including assistance in the examination of the parties' witnesses; and
 - (b) shall provide the parties with an opportunity to make submissions on the expert's assistance and shall record in its decision the issues on which, and the extent to which, such assistance was relied upon by the FMT.
- (6) Subject to the Law and Rules, the FMT may make rules of procedure governing the commencement, hearing and determination of references and other proceedings, including as to:
- (a) rules of evidence;
 - (b) the manner in which powers may be exercised;
 - (c) the manner in which conflicts of interest of members of the FMT may be prevented;
 - (d) the manner in which an FMT appointed expert may provide assistance to the FMT;

- (e) notification to the Chief Executive of the commencement of a reference or other proceeding; and
- (f) the manner in which the Chief Executive may appear and be heard in the reference or other proceeding.

CHAPTER 5 – PROCEEDINGS IN THE FINANCIAL MARKETS TRIBUNAL

28. Definitions

In this Chapter, unless the context provides otherwise:

- (a) an “officer, employee or agent” of a person includes a person who proposes to become an officer, employee or agent of a person; and
- (b) a “proceeding” is:
 - (i) a reference;
 - (ii) a regulatory proceeding; or
 - (iii) an application by the DFSA to the FMT for the payment or reimbursement of costs and expenses of an investigation under Article 79;
- (c) a “reference” is a proceeding before the FMT to review a decision of the DFSA under this Article;
- (d) a “regulatory proceeding” is a proceeding before the FMT to hear and determine an issue of a regulatory nature as prescribed under the Law or the Rules or any other legislation administered by the DFSA.

29. References

- (1) The FMT has jurisdiction to hear and determine any reference where a provision of legislation administered by the DFSA or a provision in or made under a DIFC Law provides that a matter may be referred to the FMT for review.
- (2) A person may commence a reference to the FMT only in circumstances where the FMT has jurisdiction to hear and determine the reference under this Article.
- (3) A reference must be commenced:
 - (a) within 30 days of the relevant decision of the DFSA; or
 - (b) within such further period not exceeding 30 days as may be approved by the FMT where it is satisfied that such approval is appropriate in the circumstances.
- (4) At the conclusion of a reference, the FMT may do one or more of the following:

- (a) affirm the original decision of the DFSA which is the subject of the reference;
- (b) vary that original decision;
- (c) set aside all or part of that original decision and make a decision in substitution;
- (d) decide what, if any, is the appropriate action for the DFSA to take and remit the matter to the Chief Executive;
- (e) make such order in respect of any matter or any of the parties which it considers appropriate or necessary in the interests of the DFSA's regulatory objectives or otherwise in the interests of the DIFC; or
- (f) issue directions for giving effect to its decision, save that such directions may not require the DFSA to take any step which it would not otherwise have the power to take.

30. Regulatory proceedings

- (1) The FMT has jurisdiction to hear and determine any regulatory proceeding where a provision of the Law, the Rules, or any other legislation administered by the DFSA provides that the FMT may hear and determine a regulatory proceeding relating to a matter.
- (2) The DFSA or any other person may commence a regulatory proceeding in the FMT only in circumstances where the FMT has jurisdiction pursuant to this Article to hear and determine the matter.
- (3) A regulatory proceeding may be brought either:
 - (a) by the DFSA; or
 - (b) by another person with:
 - (i) sufficient interest in the matter to which the regulatory proceeding relates; and
 - (ii) the consent of the DFSA or, where such consent is denied, the consent of the FMT.
- (4) At the conclusion of a regulatory proceeding, the FMT may do one or more of the following:
 - (a) declare that a person has committed a contravention of a specified provision;

- (b) impose a fine on a person in respect of a contravention, of such amount as it considers appropriate;
- (c) censure the person by any means, including by way of publishing a notice of censure;
- (d) make an order requiring the person to effect restitution or compensate any other person for such period and on such terms as the FMT may direct;
- (e) make an order requiring the person to account, in such form and on such terms as the FMT may direct, for such amounts as the FMT determines to be profits arising from wrongdoing or any other form of unjust enrichment as determined by the FMT;
- (f) make an order requiring the person to cease and desist from such activity as the FMT may stipulate;
- (g) make an order requiring the person to do an act or thing;
- (h) make an order prohibiting the person from holding office at any body corporate carrying on business in the DIFC; or
- (i) make a finding, declaration or order of a type prescribed under the Law, Rules or any other legislation administered by the DFSA.

31. Conduct of proceedings

- (1) A person shall commence a proceeding by giving the FMT a written notice in the form provided for in the rules of procedure of the FMT.
- (2) Subject to Article 31(4), on the commencement of a proceeding, the president of the FMT shall, without undue delay:
 - (a) select and appoint a panel of one or more members of the FMT to exercise the powers and perform the functions of the FMT to hear and determine the matter; and
 - (b) appoint a panel member to be the panel chairman.
- (3) For the purpose of Article 31(2), the president of the FMT may appoint himself as the chairman or as a member of a panel in a proceeding.
- (4) (a) Where:
 - (i) a proceeding is commenced before the FMT;
 - (ii) there are common parties or there is a common question of law or fact in any other proceeding commenced before the FMT;
and

(iii) the president of the FMT is satisfied that it is in the interests of justice and efficiency and is in the interests of the DIFC to make a direction under this Article;

the president of the FMT may direct that:

(iv) the proceedings be consolidated, heard and determined by the FMT constituted as a single panel, on such terms as the president may direct;

(v) the proceedings are to be heard at the same time, or one following another; or

(vi) a proceeding is to be stayed until the determination of another proceeding.

(b) Where two or more original proceedings are consolidated into a single proceeding under Article 31(4)(a), the FMT panel constituted for the consolidated proceeding shall, in hearing and determining issues relevant to each of the original proceedings, have the same powers in relation to those issues as the FMT panel would have had in the original proceedings.

(5) In hearing and determining a proceeding, the FMT may:

(a) receive and consider any evidence by way of oral evidence, written statements or documents, even if such evidence may not be admissible in civil or criminal proceedings in a court of law;

(b) determine the manner in which such evidence is received by the FMT;

(c) where the proceeding is a reference, consider any evidence relating to the subject-matter of the reference, whether or not such evidence was available to the DFSA at the time of the decision to which the reference relates;

(d) by notice in writing require a person to attend before it at any sitting and to give evidence and produce any item, record or document in his possession relating to the subject matter of the proceeding;

(e) administer oaths;

(f) examine or cause to be examined on oath or otherwise a person attending before it and require the person to answer truthfully any question which the FMT considers appropriate for the purpose of the proceeding;

(g) order a witness to provide evidence by sworn statement for the purpose of the proceedings;

- (h) order a person not to publish or otherwise disclose any material disclosed by any person to the FMT;
- (i) where the proceeding is a reference, stay the decision of the DFSA to which the reference relates and any related steps proposed to be taken by the DFSA until the FMT has determined the reference; and
- (j) exercise such other powers or make such other orders as the FMT considers necessary for or ancillary to the conduct of the proceeding or the performance of its function.
- (6) Proceedings and decisions of the FMT shall be heard and given in public unless the FMT orders otherwise, or its rules of procedure provide otherwise.
- (7) Any finding of fact in a proceeding shall be determined on the balance of probabilities.
- (8) A decision of the FMT may be taken by a majority.
- (9) At the conclusion of a proceeding, the FMT may also make an order requiring a party to the proceedings to pay a specified amount, being all or part of the costs of the proceedings, including those of any party.
- (10) Where the FMT makes an order requiring a party to the proceedings to pay costs under Article 31(9), such costs may be recovered from the recipient of the order in a court of competent jurisdiction as a debt due to the party which incurred the relevant costs.
- (11) Upon making its decision, the FMT must without undue delay inform each party to the proceeding in writing of:

 - (a) such decision and the reasons for such decision, including its findings on material questions of fact and identifying the evidence or other material on which those findings were based;
 - (b) the date on which the decision is to take effect; and
 - (c) where applicable, the date by which payment of any fine, restitution or compensation must be made.
- (12) A certificate that purports to be signed by the president or proper officer of the FMT and which states that the FMT on a specified day made a specified decision, including a finding that a specified person has committed a contravention of a specified provision of the Law or of the Rules or of any other legislation administered by the DFSA or made a specified finding of fact, is, in any other proceedings before FMT, or proceedings before the Court, where relevant:

 - (a) conclusive evidence of the decision of the FMT made on that day;

(b) prima facie evidence that the person contravened that provision; and

(c) prima facie evidence of the relevant finding of fact.

32. Enforcement

(1) A person commits a contravention if that person, without reasonable excuse:

(a) fails to comply with a lawful order, notice, prohibition or requirement of the FMT;

(b) having been lawfully required by the FMT to attend before it, does not attend or leaves the place where his attendance is so required without the permission of the FMT;

(c) hinders or deters any person from attending before the FMT, giving evidence or producing any item, record or document, for the purposes of any reference or other proceeding;

(d) threatens or causes any loss to be suffered by any person who has attended before the FMT, on account of such attendance;

(e) threatens or causes any loss to be suffered by any member of the FMT or any person assisting the FMT at any time; or

(f) engages in conduct, including without limitation the:

(i) destruction of documents; or

(ii) giving of information that is false or misleading;

that is intended to obstruct the FMT in the exercise of any of its powers.

(2) Without limiting the application of Article 32(3), where a person commits a contravention under Article 32(1), the FMT may make one or more orders imposing a fine on the person of such amount as it considers appropriate, censuring the person, requiring the person to effect restitution or compensation, requiring the person to cease and desist from such activity as the FMT may stipulate, or requiring the person to do any other act or thing.

(3) Where a person fails to comply with a decision, lawful order, notice, prohibition or requirement of the FMT, or fails to pay a fine lawfully imposed by the FMT, the Court may, on application of:

(a) the FMT; or

(b) any party to the reference or other proceeding, including the DFSA;

make any order as it thinks fit to enforce such decision, order, notice, prohibition, requirement or fine.

33. Appeal from a decision of the FMT

- (1) A party to a reference or other proceeding may, with the permission of the FMT or the Court, appeal a decision of the FMT to the Court only on a point of law.
- (2) In this Article:
 - (a) “permission” means, in the first instance, permission of the FMT and where this is denied, permission of the Court; and
 - (b) “a party” includes the DFSA.

34. Savings and Transitional

- (1) For the purposes of this Article:
 - (a) “previous Law” means the Regulatory Law 2004 as it was in force immediately prior to the commencement of the DIFC Laws Amendment Law No. 1 of 2014; and
 - (b) “current Law” means the provisions of this Law that came into force under the DIFC Laws Amendment Law No. 1 of 2014, as amended from time to time.
- (2) The Financial Markets Tribunal that was established under the previous Law continues as if it had been established under the current Law including, without limitation, any appointment made under the previous Law which if subsisting at the date of commencement of the current Law shall continue as if made under the current Law.
- (3) The Regulatory Appeals Committee that was established under the previous Law continues only for the purposes of Article 34(5).
- (4) Except as provided in Article 34(5) and (6):
 - (a) anything done or omitted to be done under or for the purposes of the previous Law, including a contravention, is deemed to be done or omitted to be done under or for the purposes of the current Law; and
 - (b) nothing in the current Law affects:
 - (i) any right, privilege, remedy, obligation or liability accrued to or incurred by a person under the previous Law; or

(ii) any investigation or legal or administrative proceeding commenced or to be commenced in respect of such a right, privilege, remedy, obligation or liability.

(5) Any proceeding instituted in the Financial Markets Tribunal or the Regulatory Appeals Committee under the previous Law shall continue under the previous Law, and for that purpose, the provisions in Chapters 4 and 5 of Part 2 of the previous Law shall continue in force and effect until such time as the proceedings, and any related appeals and proceedings, are complete.

(6) Where there is a contravention under Article 30(1) or 35(1) of the previous Law, proceedings may be instituted in the Financial Markets Tribunal pursuant to Article 30(2) or 35(2) of the previous Law, and, for that purpose, the provisions in Chapters 4 and 5 of Part 2 of the previous Law shall continue in force and effect until such time as those proceedings, and any related appeals and proceedings, are complete.

35. not in use

CHAPTER 6 - THE CHIEF EXECUTIVE OF THE DFSA

36. The Powers and Functions of the Chief Executive

The powers and functions of the Chief Executive are, so far as is reasonably practicable, to:

- (a) exercise the executive power of the DFSA by taking such steps as are reasonable and which he considers appropriate to meet the objectives of the DFSA;
- (b) license, authorise, register, recognise, regulate and supervise the conduct of activities and persons required to be regulated by the DFSA by or under Dubai Law or DIFC Law;
- (c) prepare or cause to be prepared in a timely and efficient manner:
 - (i) draft Rules; and
 - (ii) draft standards or codes of practice;

reasonably required to enable the DFSA to perform its statutory functions, and submit such drafts to the DFSA Board of Directors;

- (d) make and issue Guidance which does not constitute a standard or code of practice, and which is reasonably required to enable the DFSA to perform its statutory functions, and advise the DFSA Board of Directors of such Guidance;
- (e) grant waivers and modifications to the application of Rules;

- (f) exercise any power to grant waivers or modifications to the application of other legislation applying in the DIFC where such a power is conferred on the DFSA by that legislation, and advise the DFSA Board of Directors of any such exercise of power;
- (g) investigate ~~or cause to be investigated~~ matters capable of investigation under any legislation administered by the DFSA, undertake remedial or enforcement actions and, where appropriate, commence proceedings before the ~~Financial Markets Tribunal~~ FMT and any other tribunals or courts of appropriate jurisdiction;
- (h) where appropriate to do so, delegate such of his functions and powers as may more efficiently and effectively be performed by officers or employees of the DFSA or committees of such persons, and, with the approval of the DFSA Board of Directors either generally or in relation to any particular matter, by any other person; and
- (i) exercise and perform such other powers and functions as may be delegated to the Chief Executive by the DFSA Board of Directors from time to time.

CHAPTER 7 – CONFLICTS OF INTEREST AND USE OF INFORMATION

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38. Confidential Information

- (1) Subject to Article 38(3), confidential information must not be disclosed by the DFSA or by any of its officers, employees or agents, or by any person coming into possession of the information, without the consent of the person to whom the duty of confidentiality is owed.
- (2) Information is confidential when:
 - (a) it is received by the DFSA or any of its officers, employees or agents in the course of the performance by such person of a function under the Law or under any other legislation administered by the DFSA; and
 - (b) it has not been made available to the public in circumstances in which disclosure is not prohibited under such Law or other legislation.
- (3) The DFSA may disclose confidential information where such disclosure:
 - (a) is permitted or required under the Law or Rules or under other legislation administered by the DFSA;
 - (b) is permitted or required by any other law;
 - (c) is made to:

- (i) the Companies Registrar;
- (ii) a Financial Services Regulator;
- (iii) a governmental or regulatory authority exercising powers and performing functions relating to anti-money laundering, counter-terrorist financing or sanctions compliance;
- (iv) a self-regulatory body or organisation exercising and performing powers and functions in relation to financial services;
- (v) a civil or criminal law enforcement agency; or
- (vi) a governmental or other regulatory authority including a self-regulatory body or organisation exercising powers and performing functions in relation to the regulation of auditors, accountants or lawyers;

for the purpose of assisting the performance by any such person of its regulatory functions; or

- (d) is made in good faith for the purposes of performance and exercise of the functions and powers of the DFSA.

CHAPTER 8 – OTHER REGULATORS

39. Exercise of Powers on Behalf of Other Regulators

At the request of:

- (a) the Companies Registrar;
- (b) a Financial Services Regulator;
- (c) a governmental or regulatory authority exercising powers and performing functions relating to anti-money laundering, counter-terrorist financing or sanctions compliance ~~national or international sanctions~~;
- (d) a self-regulatory body or organisation exercising and performing powers and functions in relation to financial services;
- (e) a civil or criminal law enforcement agency; or
- (f) a governmental or other regulatory authority, including a self-regulatory body or organisation exercising powers and performing functions in relation to the regulation of auditors, accountants or lawyers,

the DFSA may, where it considers appropriate, exercise its powers under the Law or under any other legislation administered by the DFSA for the purpose of assisting the performance by such persons ~~of its~~ their regulatory functions.

40. Delegation of Functions and Powers to Other Regulators

(1) Without limiting in any way the generality of any other provisions of the Law, ~~including Article 36~~, the DFSA may delegate functions and powers to a representative of:

- (a) a Financial Services Regulator;
- (b) a governmental or regulatory authority in the ~~State United Arab Emirates~~ or elsewhere exercising powers and performing functions relating to anti-money laundering, counter-terrorist financing or ~~national or international~~ sanctions compliance; or
- (c) a civil or criminal law enforcement agency of the ~~State United Arab Emirates~~;

for the purpose of exercising the powers of the DFSA under Chapters 1 and 2 of Part 5, ~~save that such representative shall be supervised in the exercise of his powers by the Chief Executive or his delegated officer.~~

(2) The DFSA may delegate a function or power under this Article only if it considers that there are adequate arrangements in place to ensure that the delegated function or power will be exercised in a manner that is consistent with Chapters 1 and 2 of Part 5 and the objectives of the DFSA.

PART 3: LICENCES, AUTHORISATION AND REGISTRATION

CHAPTER 1 - THE FRAMEWORK OF REGULATION

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41B. General prohibition against misconduct

(1) A person must not, in or from the DIFC, engage in conduct in connection with a Financial Product or a Financial Service that is:

- (a) misleading or deceptive or likely to mislead or deceive;
- (b) fraudulent; or
- (c) dishonest.

(2) The DFSA shall make Rules prescribing what constitutes a Financial Product for the purposes of Article 41B(1).

(3) Nothing in this Article limits the scope or application of any other provision in legislation administered by the DFSA.

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43. ~~Authorised Individuals and Licensed Functions of Authorised Persons~~

- (1) The DFSA shall make Rules prescribing functions (“Licensed Functions”) of an Authorised Person that shall be carried out by individuals who have been authorised by the DFSA to carry out those functions.
- (2) Licensed Functions prescribed under Article 43(1) which may include the functions of senior officers or employees with material responsibility for both or either:
 - (a) managing an Authorised Firm Person; and/or
 - (b) the carrying on by an Authorised Firm Person of its Financial Services.
- (2) ~~The Licensed Functions of an Authorised Firm shall be carried out by its Authorised Individuals.~~
- (3) An individual who is authorised by the DFSA to carry out a Licensed Function:
 - (a) for an Authorised Firm, shall be referred to as an Authorised Individual; and
 - (b) for an Authorised Market Institution, shall be referred to as a Key Individual.
- (4) A person shall not carry out a Licensed Function for an Authorised Firm unless he is authorised by the DFSA as an Authorised Individual to carry out that Licensed Function for the Authorised Firm.
- (5) A person shall not carry out a Licensed Function for an Authorised Market Institution unless he is authorised by the DFSA as a Key Individual to carry out that Licensed Function for the Authorised Market Institution.
- (36) ~~An Authorised Firm Person shall take all reasonable steps to ensure that none of its officers, employees or agents performs a Licensed Function:~~
 - (a) without being authorised by the DFSA as an Authorised Individual or as a Key Individual in relation to such the relevant Licensed Function;
 - (b) contrary to a restriction imposed written notice issued by the DFSA under Article 58(1) or 59(1) or (2); or
 - (c) where Authorised Individual or Key Individual status of that individual has been suspended or withdrawn under Article 58(2), (3), (4) (1), (2), (3) or (5).
- (47) An Authorised Individual or Key Individual shall:
 - (a) act within the scope of his authority granted under his Authorised Individual or Key Individual status; and

(b) comply with any condition or restriction applicable to such status.

(58) ~~A person who is not an Authorised Individual shall not represent that he is such a person.~~ A person who is not:

(a) an Authorised Individual; or

(b) a Key Individual,

shall not represent that he is such a person.

44. ~~DELETED~~ Prohibition relating to Endorsements

(1) The DFSA may make Rules prescribing activities that may be carried on only by an Authorised Person that has an appropriate Licence Endorsement authorising it to carry on that activity.

(2) A person must not carry on an activity prescribed under Article 44(1) unless the person has an appropriate Licence Endorsement authorising it to carry on that activity.

CHAPTER 2 – APPLICATIONS FOR A LICENCE

45. Application for a Licence, ~~or for Extension to a Licence~~ or an Endorsement

(1) An application for a Licence authorising an Authorised Person ~~Firm or an Authorised Market Institution~~ to carry on one or more Financial Services or for a Licence Endorsement may be made to the DFSA by any:

(a) body corporate;

(b) partnership; or

(c) unincorporated association.

(2) An Authorised Person ~~Firm or Authorised Market Institution~~ may apply to the DFSA:

(a) to extend its Licence to Financial Services other than those in respect of which it already has a Licence; or

(b) to obtain an additional Licence Endorsement.

(3) The DFSA may make Rules providing that certain persons or types of person may not be granted a Licence in relation to particular Financial Services or a particular Licence Endorsement.

- (4) The DFSA shall make Rules ~~containing a set of~~ prescribing requirements which an ~~application~~ applicant for a Licence, or for extension of a Licence to other Financial Services, ~~or for a Licence Endorsement~~, must meet before ~~such application can be accepted and~~ a Licence or extension or Licence Endorsement will be granted by the DFSA. Such Rules ~~shall~~ may, without limiting the generality of that power, include requirements relating to an applicant's:
- (a) ~~the fitness and propriety of applicants;~~
 - (b) resources (including financial resources);
 - (c) compliance arrangements;
 - (d) systems and controls;
 - (e) legal form; and
 - (f) name (including terms that shall not be used in the name).
- (5) The DFSA may make Rules providing for such requirements referred to in Article 45(4) to be varied in cases where an application is made by a person which is, at the time of application, regulated in a jurisdiction other than the DIFC.
- (6) The DFSA may make Rules:
- (a) ~~prescribing the requirements an applicant applying for a Licence must meet before authorisation can be granted by the DFSA. Such Rules may include requirements relating to the legal form an applicant must adopt;~~
 - (~~b~~a) prescribing certain persons or categories of person to be exempted from the requirements referred to in Article 45(4); and
 - (~~b~~a) providing for any such exemptions to be:
 - (i) limited to certain Financial Services or specified circumstances; or
 - (ii) subject to certain conditions and restrictions.
- (7) (a) If an Authorised Person ~~Firm or Authorised Market Institution~~ is:
- (i) a partnership; or
 - (ii) an unincorporated association;
- it does not need to reapply for a Licence by reason only of a change to its membership.

- (b) Article 45 (7) (a) applies subject to the effect of Article 64.

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47. Rejection of an Application

- (1) The DFSA may ~~in its absolute discretion~~ refuse to grant an application for a Licence or for an extension to a Licence or for a Licence Endorsement if it is not satisfied that the requirements under Article 45 for the grant of the Licence, extension to the Licence or the Licence Endorsement have been met.
- (2) ~~Upon refusing to grant a Licence or an extension to a Licence, the DFSA shall without undue delay inform the applicant in writing of such refusal and, where requested by the applicant, the reasons for such refusal. The procedures in Schedule 3 apply to a decision of the DFSA under Article 47(1).~~
- (3) If the DFSA decides to exercise its power under Article 47(1), the applicant may refer the matter to the FMT for review.

48. Granting of an application a Licence or Extension to a Licence

- (1) The DFSA may grant an application for a Licence or for an extension to a Licence or for a Licence Endorsement if it is satisfied that the requirements under Article 45 for the grant of the Licence, extension to the Licence or the Licence Endorsement have been met. ~~with or without conditions and restrictions.~~
- (2) The DFSA may impose conditions or restrictions on a Licence or in relation to a Licence Endorsement when it is granted or extended under Article 48(1).
- (23) Upon deciding to grant a Licence or an extension to a Licence or a Licence Endorsement, the DFSA shall without undue delay inform the relevant applicant in writing of:
- (a) such decision;
 - (b) the date on which the Licence or extension or Licence Endorsement shall be deemed to take effect;
 - (c) the Financial Service or Financial Services or activity that the applicant is authorised to carry on; and
 - (d) any conditions and restrictions applicable to the Licence or the newly extended Licence or relating to the Licence Endorsement.
- (4) The procedures in Schedule 3 apply to a decision of the DFSA under Article 48(2) to impose conditions or restrictions.

- (5) If the DFSA decides to exercise its power under Article 48(2) to impose conditions or restrictions, the applicant may refer the matter to the FMT for review.

CHAPTER 3 – CONDITIONS AND RESTRICTIONS ON A LICENCE

49. Applying Conditions and Restrictions to a Licence

- (1) ~~Subject to Articles 49(2) and (3),~~ The DFSA may at any time by written notice to an Authorised Person Firm or Authorised Market Institution:
- (a) impose conditions and restrictions or additional conditions and restrictions on a Licence or in relation to a Licence Endorsement; ~~and~~
or
- (b) vary or withdraw conditions and restrictions imposed on a Licence or in relation to a Licence Endorsement.
- (2) The DFSA may act under Article 49(1) on its own initiative or at the request of an Authorised Person Firm or Authorised Market Institution.
- (3) ~~Subject to Article 49(4), the DFSA may only impose conditions and restrictions or additional conditions and restrictions or vary or withdraw conditions and restrictions on the Licence if it has given the relevant Authorised Firm or Authorised Market Institution a suitable opportunity to make representations in person and in writing to the DFSA in relation to the proposed changes. The procedures in Schedule 3 apply to a decision of the DFSA under Article 49(1).~~
- (4) If the DFSA decides to exercise its power under Article 49(1), the Authorised Person may refer the matter to the FMT for review.~~The requirement imposed on the DFSA under Article 49(3) shall not apply:~~
- (a) ~~in relation to the imposition of conditions and restrictions when a Licence, or an extension of a Licence, is granted;~~
- (b) ~~where the relevant person has requested the imposition, variation or withdrawal of conditions and restrictions under Article 49(2); or~~
- (c) ~~where the DFSA concludes that any delay likely to arise as a result of such requirement is prejudicial to the interests of the DIFC.~~
- (5) ~~Where pursuant to Article 49(4)(c) the DFSA imposes, varies or withdraws a condition or restriction without providing a prior opportunity to make representations, the DFSA shall:~~
- (a) ~~provide the relevant Authorised Firm or Authorised Market Institution an opportunity to make representations in person and in writing to the DFSA within the period of 14 days, or such further period as may be~~

~~agreed, from the date on which such condition or restriction is imposed, varied or withdrawn; and~~

- ~~(b) provide a response to any such submission, and make any consequential imposition, variation or withdrawal of the condition or restriction, without undue delay.~~

CHAPTER 4 – WITHDRAWAL OR SUSPENSION OF A LICENCE OR AN AUTHORISATION OR ENDORSEMENT UNDER A LICENCE

50. Withdrawing an Authorisation under, or Endorsement on, under a Licence

- (1) ~~Subject to Article 50(3),~~ ~~€~~The DFSA may withdraw authorisation in relation to one or more Financial Services for which an Authorised Person Firm ~~or Authorised Market Institution~~ is authorised under a Licence or may withdraw a Licence Endorsement.
- (2) The DFSA may act under Article 50(1) on its own initiative or at the request of an Authorised Person Firm ~~or Authorised Market Institution~~.
- (3) The DFSA may exercise its power under Article 50(1) on its own initiative in the following circumstances:
- (a) the Authorised Person Firm ~~or Authorised Market Institution~~ is in breach of, or has been in breach of, one or more restrictions or conditions applicable to its Licence or relating to a Licence Endorsement;
- (b) the Authorised Person Firm ~~or Authorised Market Institution~~ is otherwise in breach of, or has otherwise been in breach of, the Law or Rules or other legislation administered by the DFSA;
- (c) the Authorised Person Firm ~~or Authorised Market Institution~~ is no longer fit and proper to carry on a Financial Service for which it has an authorisation or an activity for which it has a Licence Endorsement;
- (d) the Authorised Person Firm ~~or Authorised Market Institution~~ has failed for a period of at least twelve consecutive months to carry on one or more Financial Services for which it is authorised under a Licence or an activity for which it has a Licence Endorsement; or
- ~~(e) the Authorised Firm or Authorised Market Institution requests the withdrawal; or~~
- ~~(e) the DFSA considers that the exercise of the power is necessary or desirable in the pursuit of its objectives.~~
- (4) The procedures in Schedule 3 apply to a decision of the DFSA under this Article.

- (5) If the DFSA decides to exercise its power under this Article, the Authorised Person may refer the matter to the FMT for review.

51. Withdrawing a Licence

- (1) The DFSA may withdraw a Licence of an Authorised Person Firm ~~or Authorised Market Institution~~ where:
- (a) as a consequence of withdrawal of authorisation in relation to one or more Financial Services under Article 50, the person is no longer authorised to carry on any Financial Service;
 - (b) the person is no longer fit and proper to hold a Licence;
 - (c) the person has failed either to remove a controller or to take such other action as required by the DFSA under Article 64; or
 - (d) the person asks the DFSA to withdraw the Licence.
- (2) The procedures in Schedule 3 apply to a decision of the DFSA under this Article.
- (3) If the DFSA decides to exercise its power under this Article, the Authorised Person may refer the matter to the FMT for review.

~~52. Procedure for Withdrawal~~

- (1) ~~Subject to Articles 52(2) and (3), the DFSA may only exercise its power under Articles 50 and 51 if it has given the relevant Authorised Firm or Authorised Market Institution a suitable opportunity to make representations in person and in writing to the DFSA in relation to the proposed withdrawal.~~
- (2) ~~The restriction imposed on the DFSA under Article 52(1) shall not apply if:~~
- ~~(a) the DFSA concludes that any delay likely to arise as a result of such requirement is prejudicial to the interests of the DIFC; or~~
 - ~~(b) the person requests the DFSA to:~~
 - ~~(i) withdraw its Licence; or~~
 - ~~(ii) withdraw authorisation in relation to one or more Financial Services under its Licence and the withdrawal goes no wider than such request.~~
- (3) ~~Where the DFSA takes steps to exercise its powers under Articles 50 or 51 in relation to an Authorised Firm or Authorised Market Institution following a determination of the FMT or a decision of the Court in relation to the conduct of such person, the obligation upon the DFSA to afford that person an~~

~~opportunity to make representations to the DFSA shall not apply in relation to findings of fact of the FMT or the Court as the case may be.~~

~~(4) Where the DFSA has received a representation from a person under this Article, the DFSA shall without undue delay inform such person in writing of its response to such representation.~~

~~(5) Upon deciding to withdraw:~~

~~(a) — authorisation in relation to a Financial Service, or~~

~~(b) — a Licence;~~

~~the DFSA shall without undue delay inform the relevant person in writing of:~~

~~(c) — such decision;~~

~~(d) — the date on which such withdrawal shall be deemed to take effect; and~~

~~(e) — if relevant, the Financial Service to which such withdrawal relates.~~

52. Suspension of Authorisation, Endorsement or Licence

(1) The DFSA may suspend for a period not exceeding 12 months:

(a) an authorisation in relation to one or more Financial Services for which an Authorised Person is authorised under its Licence;

(b) a Licence Endorsement; or

(c) a Licence of an Authorised Person.

(2) The DFSA may act under this Article on its own initiative or at the request of an Authorised Person.

(3) The DFSA may act under this Article on its own initiative if it has reasonable grounds to believe that:

(a) the Authorised Person is:

(i) in breach of, or has been in breach of, one or more restrictions or conditions applicable to its Licence or a Licence Endorsement;

(ii) in breach of, or has been in breach of, the Law or Rules or other legislation administered by the DFSA; or

(iii) no longer fit and proper to carry on a Financial Service for which it has Authorisation under its Licence or an activity for which it holds a Licence Endorsement; and

- (b) the exercise of the power is necessary or desirable in the interests of the DIFC.
- (4) If the DFSA imposes a suspension under this Article it may provide that the Authorised Person may continue to carry on specified activities despite the suspension.
- (5) The procedures in Schedule 3 apply to a decision of the DFSA under this Article.
- (6) If the DFSA decides to exercise its power under this Article, the Authorised Person may refer the matter to the FMT for review.

CHAPTER 5 - AUTHORISED INDIVIDUAL AND KEY INDIVIDUAL STATUS

53. **Applications for Authorised Individual or Key Individual status ~~or for Extension of status~~**

- (1) In this Chapter:
 - (a) "Authorised ~~Firm~~ Person" includes a person whose application for a Licence or application for extension of a Licence is being considered by the DFSA; and
 - (b) "director, officer, employee or agent" of a person includes a person who proposes to become a director, officer, employee or agent of a person.
- (2) An application for Authorised Individual or Key Individual status of a director, officer, employee or agent of an Authorised ~~Firm~~ Person shall be made by:
 - (a) such director, officer, employee or agent; and
 - (b) the Authorised ~~Firm~~ Person for which the Licensed Function is to be performed under the terms of office, employment or agency between such Authorised ~~Firm~~ Person and such director, officer, employee or agent.
- (3) ~~Where a person holds Authorised Individual or Key Individual status, in relation to Licensed Functions of an Authorised Firm, such Authorised Individual and Authorised Firm that individual together with the relevant~~ Authorised Person may apply to the DFSA to extend the scope of the Authorised Individual or Key Individual status to Licensed Functions other than those in respect of which the ~~individual~~Authorised Individual already holds such status.
- (4) The DFSA shall make Rules ~~containing~~ prescribing the requirements which an application for Authorised Individual or Key Individual status must meet before ~~such application can be accepted and authorisation is~~ granted by the

DFSA. Such Rules shall, without limiting the generality of the power, include requirements relating to the fitness and propriety of applicants.

- (5) The DFSA may make Rules providing for such requirements to be varied in cases where:
 - (a) an application is made to extend the scope of Authorised Individual or Key Individual status to Licensed Functions other than those in respect of which he already holds such status; or
 - (b) an application is made for the grant of Authorised Individual or Key Individual status by and for an officer, employee or agent who is, at the time of application, regulated in a jurisdiction other than the DIFC to perform a role which is substantially similar to the Licensed Function in relation to which the application is made.
- (6) The DFSA may make Rules:
 - (a) prescribing certain persons or categories of persons to be exempted from the requirements referred to in Article 53(4); and
 - (b) providing for any such exemptions to be:
 - (i) limited to certain Licensed Functions or specified circumstances; ~~and/or~~
 - (ii) subject to certain conditions and restrictions.

54. Providing Information in relation to the Application

- (1) At any time after the filing of an application under Article 53, the DFSA may require the Authorised Firm Person or the relevant director, officer, employee or agent to provide additional information reasonably required for the DFSA to be able to decide the application.
- (2) If at any time between the filing of an application and the grant of Authorised Individual or Key Individual status or of an extension to his status, the relevant director, officer, employee or agent becomes aware of a material change in his circumstances reasonably likely to be relevant to the application under consideration, he shall inform the Authorised Firm Person in writing of such change without delay.
- (3) If at any time between the filing of an application and the grant of Authorised Individual or Key Individual status or of an extension to a status the Authorised Firm Person becomes aware of a material change reasonably likely to be relevant to the application under consideration, it shall inform the DFSA in writing of such change without delay.

55. Deleted Rejecting an Application

- (1) ~~The DFSA may in its absolute discretion reject an application for Authorised Individual status or for extension to status.~~
- (2) ~~Upon refusing to grant Authorised Individual status or an extension to status, the DFSA shall without undue delay inform the relevant director, officer, employee or agent and the Authorised Firm in writing of such refusal and, where requested by either the relevant director, officer, employee or agent or Authorised Firm the reasons for such refusal.~~

56. Granting an Application or rejection of an application for authorised status

- (1) The DFSA may grant Authorised Individual or Key Individual status, ~~or including~~ an extension to such status, ~~with or without conditions and restrictions~~ if it is satisfied that the requirements under Article 53 for the grant of the application have been met.
- (2) The DFSA may refuse to grant Authorised Individual or Key Individual status or an extension to such status if it is not satisfied that the requirements under Article 53 have been met.
- (3) The DFSA may, if it considers it appropriate to do so:
 - (a) grant Authorised Individual or Key Individual status subject to conditions and restrictions;
 - (b) impose such conditions and restrictions at any time after the grant of Authorised Individual or Key Individual status; or
 - (c) vary or withdraw such conditions or restrictions.
- (24) Upon deciding to authorise a director, officer, employee or agent of an Authorised ~~Person Firm~~ as an Authorised Individual or Key Individual, or to extend the scope of an Authorised Individual or Key Individual status to other Licensed Functions, the DFSA shall without undue delay inform the relevant director, officer, employee or agent and the Authorised ~~Person Firm~~ in writing of:
 - (a) such decision;
 - (b) the date on which the authorisation or extension shall be deemed to take effect;
 - (c) the Licensed Functions to which the authorisation relates; and
 - (d) any conditions and restrictions applicable to the Authorised Individual or Key Individual status or extended status.
- (5) The procedures in Schedule 3 apply to a decision of the DFSA under this Article:

- (a) to refuse to grant Authorised Individual or Key Individual status to an individual or to extend such status; or
- (b) to impose or vary conditions or restrictions on an Authorised Individual or Key Individual.

The DFSA shall give both the applicant, Authorised Individual or Key Individual (as the case may be) and the relevant Authorised Person or applicant to be an Authorised Person (as the case may be) an opportunity to make representations under the procedures in Schedule 3.

- (6) If the DFSA decides to exercise its power under this Article:
 - (a) to refuse to grant Authorised Individual or Key Individual status to an individual or to extend such status; or
 - (b) to impose or vary conditions or restrictions on an Authorised Individual or Key Individual,

the applicant, Authorised Individual or Key Individual (as the case may be) or the relevant Authorised Person or applicant to be an Authorised Person (as the case may be) may refer the matter to the FMT for review.

CHAPTER 6 – ~~DELETED CONDITIONS AND RESTRICTIONS ON AUTHORISED INDIVIDUAL STATUS~~

57. ~~Deleted Applying Conditions and Restrictions to Authorised Individual Status~~

- (1) ~~Subject to Articles 57(2) and (3), the DFSA may at any time by written notice to an Authorised Individual and the Authorised Firm in relation to which the Authorised Individual is a director, officer, employee or agent:~~
 - (a) ~~impose conditions and restrictions or additional conditions and restrictions on the grant of Authorised Individual status; and~~
 - (b) ~~vary or withdraw conditions and restrictions imposed on the grant of such status.~~
- (2) ~~The DFSA may act under Article 57(1) on its own initiative or at the request of the Authorised Individual or Authorised Firm.~~
- (3) ~~Subject to Article 57(4), the DFSA may only impose conditions and restrictions or additional conditions and restrictions or vary or withdraw conditions and restrictions on a grant of Authorised Individual status if it has given the relevant Authorised Individual and Authorised Firm a suitable opportunity to make representations in person and in writing to the DFSA in relation to the proposed changes.~~
- (4) ~~The requirement imposed on the DFSA under Article 57(3) shall not apply:~~

- ~~(a) in relation to the imposition of conditions and restrictions when Authorised Individual status is granted;~~
 - ~~(b) where the relevant person has requested the imposition, variation or withdrawal of conditions and restrictions under Article 57(2);~~
 - ~~(c) where the DFSA concludes that any delay likely to arise as a result of such requirement is prejudicial to the interests of the DIFC.~~
- ~~(5) Where pursuant to Article 57(4)(c) the DFSA imposes, varies or withdraws a condition or restriction without providing a prior opportunity to make representations; the DFSA shall:~~
- ~~(a) provide the relevant Authorised Individual and Authorised Firm an opportunity to make representations in person and in writing to the DFSA within the period of 14 days, or such further period as may be agreed, from the date on which such condition or restriction is imposed, varied or withdrawn; and~~
 - ~~(b) provide a response to any such submission, and make any consequential imposition, variation or withdrawal of the condition or restriction, without undue delay.~~

CHAPTER 7 – RESTRICTION, SUSPENSION AND WITHDRAWAL OF AUTHORISED INDIVIDUAL OR KEY INDIVIDUAL STATUS

58. ~~Restricting Persons or Suspending or Withdrawing Authorisations~~

- ~~(1) If the DFSA reasonably concludes that a person is not a fit and proper person to perform any functions in or in connection with the provision of Financial Services in the DIFC, whether or not they are Licensed Functions, it may by means of written notice restrict such person from performing any or all such functions.~~
- ~~(12) If the DFSA reasonably concludes that:~~
- ~~(a) an Authorised Individual or Key Individual is in breach of, or has been in breach of, an obligation that applies as a result of such ~~person's~~ individual's Authorised Individual or Key Individual status; or~~
 - ~~(b) a ~~person~~ an individual is no longer fit and proper to perform a role in respect of which he is an Authorised Individual or Key Individual;~~
- ~~it may:~~
- ~~(c) by means of a written notice restrict the ~~person~~ individual from performing one or more Licensed Functions; or~~
 - ~~(d) suspend or withdraw Authorised Individual or Key Individual status from such ~~person~~ individual.~~

- (23) The DFSA may withdraw the Authorised Individual or Key Individual status of ~~a person~~ an individual if:
- (a) the ~~person~~ individual becomes bankrupt;
 - (b) the ~~person~~ individual is convicted of a serious criminal offence;
 - (c) the ~~person~~ individual becomes incapable (through mental or physical incapacity) of managing his affairs;
 - (d) the ~~person~~ individual or the relevant Authorised Person Firm asks the DFSA to withdraw the relevant status; or
 - (e) the Licence of the relevant Authorised Person Firm is withdrawn.
- (34) The DFSA may withdraw authorisation in relation to one or more Licensed Functions of an Authorised Individual or Key Individual if the ~~Authorised Individual~~ Individual or relevant Authorised Person Firm asks the DFSA to withdraw such authorisation.
- (4) The procedures in Schedule 3 apply to a decision of the DFSA under Article 58(1) or (2).
- (5) Where the DFSA:
- (a) is conducting an investigation under Article 78; and
 - (b) in the course of such investigation ~~suspects~~ believes on reasonable grounds that a person an individual has engaged in serious misconduct ~~conduct~~ that may form grounds for the withdrawal of the ~~person~~ individual's Authorised Individual or Key Individual status;
- it may suspend the Authorised Individual or Key Individual status of such ~~person~~ individual for the duration of the investigation or related proceedings insofar as such investigation or proceedings relate to the ~~person~~ individual.
- (6) The procedures in Schedule 3 apply to a decision of the DFSA under Article 58(5).
- (67) ~~A person who:~~ An individual commits a contravention if the individual
- (a) ~~performs a function in breach of Article 58(1); or~~
 - (b) performs a Licensed Function:
 - (ia) in breach of ~~the Rules~~ a provision in legislation administered by the DFSA that applies to that individual;

- (ii**b**) contrary to a ~~written notice issued~~ restriction imposed under Article 58(2**1**); or
- (iii**c**) where his Authorised Individual or Key Individual status has been suspended or withdrawn under Article 58(2**1**), (3**2**), (4**3**) or (5);

~~commits a contravention.~~

- (8**7**) The DFSA may vary or withdraw a ~~written notice issued~~ restriction or suspension imposed under this Article 58(1) or (2) where it is reasonable to do so.
- (9**8**) The DFSA may act under Article 58(7**8**) on its own initiative or at the request of the relevant ~~person~~ individual or Authorised Person Firm.
- (10) The DFSA shall give both the individual and the Authorised Person an opportunity to make representations under the procedures in Schedule 3 where the procedures in that Schedule apply under this Article.
- (11) If the DFSA decides to exercise a power under this Article, the individual or the Authorised Person may refer the matter to the FMT for review.

59. — Procedure for Restricting Persons or Suspending or Withdrawing an Authority

- (1) — ~~Subject to Articles 59(2) and (3), the DFSA may only exercise its power to:~~
 - (a) — ~~issue or vary a written notice; or~~
 - (b) — ~~suspend or withdraw Authorised Individual status;~~

~~under Article 58 if it has given the relevant person a suitable opportunity to make representations in person and in writing to the DFSA in relation to the proposed written notice or variation of notice or suspension or withdrawal.~~
- (2) — ~~The restriction imposed on the DFSA under Article 59(1) shall not apply where:~~
 - (a) — ~~the DFSA concludes that any delay likely to arise as a result of such requirement is prejudicial to the interests of the DIFC;~~
 - (b) — ~~the DFSA proposes to withdraw Authorised Individual status under Article 58(3); or~~
 - (c) — ~~the Authorised Individual has requested the issue or variation of a written notice or the suspension of his status.~~
- (3) — ~~Where the DFSA takes steps to exercise its powers under Article 58 in relation to an Authorised Individual following a determination of the FMT or a decision of the Court relating to the conduct of such person, the obligation upon the~~

~~DFSA to afford the person an opportunity to make representations to the DFSA shall not apply in relation to findings of fact of the FMT or the Court as the case may be.~~

~~(4) Where the DFSA has received a representation from a person under this Article, the DFSA shall without undue delay inform such person in writing of its response to such representation.~~

~~(5) Upon deciding under Article 58 to:~~

~~(a) issue, vary or withdraw a written notice; or~~

~~(b) suspend or withdraw Authorised Individual status;~~

~~the DFSA shall without undue delay inform the relevant person in writing of:~~

~~(c) such decision;~~

~~(d) the date on which the issue, variation or withdrawal of the written notice or suspension or withdrawal of Authorised Individual status shall be deemed to take effect; and~~

~~(e) the Licensed Functions or other functions to which such issue, variation or withdrawal of the written notice or suspension or withdrawal of Authorised Individual status may relate.~~

59. Restricting persons from performing functions in the DIFC

(1) If the DFSA believes on reasonable grounds that a person is not a fit and proper person to perform any functions in connection with the provision of Financial Services in or from the DIFC, it may restrict the person from performing all or any such functions.

(2) A restriction under this Article may relate to a function whether or not it is a Licensed Function.

(3) The DFSA may vary or withdraw a restriction imposed under this Article.

(4) A person who performs a function in breach of a restriction under this Article commits a contravention.

(5) The procedures in Schedule 3 apply to a decision of the DFSA under Article 59(1).

(6) If the DFSA decides to exercise its power under Article 59(1), the person may refer the matter to the FMT for review.

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CHAPTER 10 - OTHER MATTERS RELATING TO LICENSING

62. Public Registers

- (1) The DFSA shall publish and maintain a register of current and past grants, withdrawals and suspensions of Licences, Licence Endorsements and authorisations of all Authorised Persons, Firms, Authorised Market Institutions ~~and~~ Authorised Individuals and Key Individuals in such manner as may be prescribed in the Rules.
- (2) The DFSA shall publish and maintain a register of current and past registrations of all DNFBPs in such manner as may be prescribed in the Rules.
- (3) The DFSA shall publish and maintain registers of:
 - (a) all persons in relation to whom ~~written notices have been issued~~ action has been taken under Article 58(1); and
 - (b) all persons in relation to whom ~~written notices have been issued~~ action has been taken under Article ~~59~~58(2);indicating whether any such ~~notice~~ action is of past effect or current, in such manner as may be prescribed in the Rules.
- (4) The DFSA shall publish and maintain a register of current and past registrations, suspensions and withdrawals of registrations of ~~auditors~~ Registered Auditors and Audit Principals in such manner as may be prescribed in the Rules.
- ~~(4A) The DFSA may decide not to publish information about a suspension imposed under Article 58(5) or Article 98A(5).~~
- (5) The DFSA shall publish and maintain a register of all Domestic Funds.
- (6) The DFSA shall make a reasonably current version of any registers maintained under Article 62(1), (2), (3), (4) and (5) readily available for viewing by the public during the normal business hours of the DFSA.

63. Extended jurisdiction

- (1) Any power which the DFSA may exercise in relation to an Authorised Person ~~Firm, Authorised Market Institution~~, Registered Auditor, Authorised Individual, Key Individual, Audit Principal, Principal Representative, DNFBP or Domestic Fund or an officer, employee or agent of an Authorised Person, Registered Auditor, DNFBP or Domestic Fund under the Law or Rules or other legislation administered by the DFSA may, subject to Articles 63(2) and (3), continue to be exercised ~~for a period of two years~~ after the date on which:
 - (a) the Licence of such Authorised Person ~~Firm or Authorised Market Institution~~;

- (b) the registration of a DNFBP, ~~or Registered Auditor or Audit Principal~~;
- (c) the Authorised Individual or Key Individual status of such individual ~~Authorised Individual~~;
- (d) the registration of the Principal Representative; or
- (e) the registration of a Domestic Fund;

is withdrawn by the DFSA under the Law or other legislation administered by the DFSA.

~~(2) If, pursuant to the Law, proceedings are commenced before the FMT before the expiry of the period of two years referred to in Article 63(1), then the provisions of Article 63(1) shall remain in force until such time as the proceedings and any related appeals and proceedings are completed.~~

(2) Except as provided in Article 63(3), the DFSA may only exercise a power under Article 63(1) in relation to a person within three years after the day on which the DFSA became aware of the act or omission that gave rise to the right to exercise the power in respect of that person.

(3) If proceedings with respect to the act or omission are commenced by the DFSA within the period referred to in Article 63(2), then the provisions of Article 63(1) shall remain in force until such time as the proceedings and any review or appeal relating to the proceedings are completed.

(4) For the purposes of this Article:

(a) the DFSA is aware of an act or omission if it has information from which the act or omission can reasonably be inferred; and

(b) a proceeding against a person is commenced when a notice is first provided to the person under Schedule 3, or a proceeding is commenced by the DFSA in the FMT or the Court, with respect to the act or omission.

PART 4: GENERAL REGULATION AND ANTI-MONEY LAUNDERING PROVISIONS

CHAPTER 1 – GENERAL PROVISIONS

64. Provisions Governing Controllers

- (1) The DFSA may make Rules in connection with the change of control of Authorised ~~Persons Firms and Authorised Market Institutions~~, including Rules as to:
 - (a) when a person becomes or ceases to be a controller of an Authorised ~~Person Firm or Authorised Market Institution~~;

- (b) when the acquisition or increase in the level of control of an Authorised Person Firm or ~~Authorised Market Institution~~ requires either the prior approval of, or notification to, the DFSA;
 - (c) when the DFSA may object to an existing controller;
 - (d) the procedures relating to the approval, notification and objections referred to in Article 64(1)(b) and (c); and
 - (e) any other matter necessary or incidental to give effect to the provisions governing controllers.
- (2) Without limiting the generality of the DFSA powers, the DFSA may:
- (a) approve or object to a person becoming a controller of an Authorised Person Firm or ~~Authorised Market Institution~~;
 - (b) approve or object to an increase in the level of control of an existing controller of an Authorised Person Firm or ~~Authorised Market Institution~~;
 - (c) object to an existing controller of an Authorised Person Firm or ~~Authorised Market Institution~~ where it has reasonable grounds to believe that such a person is no longer an acceptable controller; and
 - (d) approve a person as a controller or approve an increase of control by an existing controller subject to such conditions as it considers appropriate.
- (3) Where the DFSA considers an existing controller of an Authorised Person Firm or ~~Authorised Market Institution~~ to be an unacceptable controller:
- (a) it must notify the controller and the Authorised Person Firm or ~~Authorised Market Institution~~ in writing that the controller is no longer an acceptable controller; and
 - (b) it may require that the controller, and the Authorised Person Firm or ~~Authorised Market Institution~~ take such actions as specified by the DFSA.
- (4) Without limiting the generality of the DFSA powers, the DFSA may, for the purposes of Article 64(3)(b):
- (a) require an Authorised Person Firm or ~~Authorised Market Institution~~ to take such action as specified by the DFSA in relation to an unacceptable controller;
 - (b) where an Authorised Person Firm or ~~Authorised Market Institution~~ has failed to comply with a requirement referred to in Article 64(4)(a) to the satisfaction of the DFSA, either withdraw, or impose conditions, on the Authorised Person's Firm's or ~~Authorised Market Institution's~~ licence; or
 - (c) require the unacceptable controller to take such action as specified by the DFSA.

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67. Obligations of Disclosure to the DFSA

- (1) (a) Subject to Article 67(2), any of the following persons:
- (i) an Authorised ~~Person Firm, Authorised Market Institution~~ or DNFBP; or
 - (ii) an auditor of any person in sub-paragraph (i);
- shall disclose to the DFSA anything which reasonably tends to show a matter specified in paragraph (b):

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PART 5: POWERS OF SUPERVISION AND INVESTIGATION

CHAPTER 1 – POWERS OF SUPERVISION

73. Powers to Obtain Information

- (1) The DFSA may require an Authorised ~~Person Firm, Authorised Market Institution~~, DNFBP, Domestic Fund, Registered Auditor or any director, officer, employee or agent of such person by written notice to:
- (a) give, or procure the giving of, such specified information; or
 - (b) produce, or procure the production of, such specified documents;
- to the DFSA as the DFSA considers necessary or desirable to meet the objectives of the DFSA.
- (2) The DFSA may require~~enter the premises of~~ any Authorised ~~Person Firm, Authorised Market Institution~~, Domestic Fund, DNFBP or Registered Auditor to allow the DFSA to enter its premises during normal business hours or at any other time as may be agreed for the purpose of inspecting and copying information or documents stored in any form on such premises, as it considers necessary or desirable to meet the objectives of the DFSA.
- (3) The DFSA may exercise its powers under this Article 73~~(4)~~ in respect of any person specified in Article 73(1) or (2) within, or outside of, the DIFC.
- ~~(4) The Court may on application by the DFSA order that the DFSA may make a requirement under Article 73(1) outside of the jurisdiction of the DIFC in respect of a person to whom Article 73(1) applies other than an Authorised Firm, Authorised Market Institution or DNFBP.~~
- ~~(45)~~ Information given or a document produced as a result of the exercise by the DFSA of powers under this Article 73 is admissible in evidence in any proceedings, provided that any such information or document also complies

with any requirements relating to the admissibility of evidence in such proceedings.

74. Requirement to Provide a Report

- (1) The DFSA may require, in such manner and in such form as it may prescribe in the Rules, an Authorised Person ~~Firm or Authorised Market Institution~~ to provide the DFSA with a report on any matter about which the DFSA has required or could require the giving of information or production of documents under Article 73.
- (2) The DFSA may require, at such frequency and in such manner and in such form as it may prescribe in the Rules, an Authorised Market Institution to provide the DFSA with a report or reports relating to the conduct of or the performance of the regulatory functions of an Authorised Market Institution, including but not limited to a report or reports addressing:
 - (a) ongoing compliance of the Authorised Market Institution with the terms of its Licence;
 - (b) complaints received and dealt with and disciplinary matters arising and dealt with;
 - (c) adequacy and performance of systems and controls; or
 - (d) financial matters concerning the operation of the Authorised Market Institution.
- (3) The person appointed to make a report required by Article 74(1) or (2) must be a person nominated or approved by the DFSA.
- (4) Where a requirement has been made of an Authorised Person ~~Firm or Authorised Market Institution~~ under this Article, it must take all reasonable steps to ensure that any person who is providing or has provided services to the Authorised Person ~~Firm or Authorised Market Institution~~ shall provide all such assistance as the appointed person may reasonably require.
- (5) Subject to Article 74(6), information given or a document produced as a result of the exercise by the DFSA of powers under this Article ~~74~~ is admissible in evidence in any proceedings, provided that any such information or document also complies with any requirements relating to the admissibility of evidence in such proceedings.
- (6) The DFSA shall not disclose a statement made by a person in a report made pursuant to a requirement made of the person under Article 74(1) or (2) to any law enforcement agency for the purpose of criminal proceedings against the person unless:
 - (a) the person consents to the disclosure; or

(b) the DFSA is required by law or court order to disclose the statement.

(7) The procedures in Schedule 3 apply to a decision of the DFSA under Article 74 (1) or (2).

(8) If the DFSA decides to exercise its power under Article 74 (1) or (2), the person may refer the matter to the FMT for review.

75. Imposing Prohibitions or Restrictions on Business

(1) Subject to Article 77, the DFSA may impose any one or more of the following prohibitions or requirements ~~by written notice~~:

(a) a prohibition on an Authorised Person ~~Firm or Authorised Market Institution~~ from:

(i) entering into certain specified transactions or types of transaction;

(ii) soliciting business from certain specified persons or types of person;

(iii) carrying on business in a specified manner or other than in a specified manner; ~~or~~

(iv) using a particular name or description in respect of the Authorised Person; or

(iv) using a particular name for a Fund or a sub-fund of a Fund; or

(b) a requirement that an Authorised Person ~~Firm or Authorised Market Institution~~ ~~to~~ carry on business in, and only in, a specified manner.

(2) The prohibitions or requirements in Article 75(1) may be imposed on the Fund Manager in relation to the management of a Fund or on the Fund itself, even where the Fund has no legal personality.

(3) The procedures in Schedule 3 apply to a decision of the DFSA under Article 75(1).

(4) If the DFSA decides to exercise its power under Article 75(1), the Authorised Person may refer the matter to the FMT for review.

75A. Power to issue directions for prudential purposes

(1) For prudential purposes, the DFSA may, ~~by written notice~~, direct that a particular Authorised Firm or Authorised Firms within a specified class:

(a) comply with any specified additional capital or liquidity requirements;

(b) apply a specific provisioning policy or treatment of specified assets;

- (c) comply with specified limits on material risk exposures;
 - (d) comply with specified limits on exposures to related parties;
 - (e) meet additional or more frequent reporting requirements; or
 - (f) take such other action as is specified in the direction.
- (2) The DFSA may direct an Affiliate of an Authorised Person to take specified steps or not to carry out specified activities if the DFSA:
- (a) is the consolidated supervisor of the Group to which the Authorised Person belongs; and
 - (b) is satisfied that the direction is necessary or desirable for the purposes of the effective prudential supervision of the Group on a consolidated basis.
- (3) A direction to an Affiliate under Article 75A(2) may include a requirement that the Affiliate:
- (a) limit any activities it undertakes or may undertake (including closing any office that is outside the jurisdiction in which it has its principal place of business and head office) if the activities are reasonably likely to expose the Authorised Person or its Group to excessive risks or risks that are not properly managed; or
 - (b) take such other measures as are necessary to remove any impediments to effective supervision of the group on a consolidated basis, including a direction to take steps to restructure the Group.
- (4) Nothing in this Article limits the scope or application of any other power that the DFSA may have in legislation administered by the DFSA.
- (52) A direction issued under this Article 75A(1) comes into force on the date specified in the ~~written~~ notice and remains in force, subject to Article 75A(47), until it is revoked or varied in writing by the DFSA pursuant to Article 75A(36).
- (63) The DFSA may, by ~~written~~ notice, revoke or vary, any direction given pursuant to this Article-75A(1).
- (74) A direction issued to Authorised Firms within a specified class under Article 75A(1), including any variation made to such a direction pursuant to Article 75A(36), shall not remain in force for a period longer than 12 months from the date specified in the initial direction notice issued pursuant to Article 75A(1).
- (8) The procedures in Schedule 3 apply to a decision of the DFSA under this Article to issue a direction to a particular person or to vary such a direction.

- (9) If the DFSA decides to exercise its power under this Article to issue a direction to a particular person or to vary such a direction, the person may refer the matter to the FMT for review.

76. Restriction on Dealing with Property

- (1) In ~~this Article 76~~:
- (a) “dealing” in relation to property includes the maintaining, holding, disposing and transferring of property; and
 - (b) “relevant property”, in relation to an Authorised Person ~~Firm or Authorised Market Institution~~, means:
 - (i) any property held by the person, ~~acting within the capacity for which it holds a Licence~~, on behalf of any of the clients of the person, or held by any other person on behalf of or to the order of the person ~~acting within such capacity~~; or
 - (ii) any other property which the DFSA reasonably believes to be owned or controlled by the person.
- (2) Subject to Article 77, the DFSA may ~~by written notice~~:
- (a) prohibit an Authorised Person ~~Firm or Authorised Market Institution~~ from:
 - (i) dealing with any relevant property in a specified manner or other than in a specified manner; or
 - (ii) assisting, counselling or procuring another person to deal with any relevant property in a specified manner or other than in a specified manner;
 - (b) require an Authorised Person ~~Firm or Authorised Market Institution~~ to deal with any relevant property in a specified manner;
 - (c) require an Authorised Person ~~Firm or Authorised Market Institution~~ to deal with any relevant property such that:
 - (i) the property remains of the value and of the description that appear to the DFSA to be desirable with a view to ensuring that the person will be able to meet its liabilities in relation to the business which constitutes a Financial Service for which it holds a Licence; and
 - (ii) the person is able at any time readily to transfer or dispose or otherwise deal with ~~of~~ the property when instructed to do so by the DFSA;

- (d) withdraw an existing prohibition or requirement imposed on an Authorised Person; or
 - (e) substitute or vary an existing prohibition or requirement imposed on an Authorised Person.
- (3) The DFSA may in any prohibition or requirement imposed under Article 76(2) direct that, for the purposes of such requirement, property of a specified description shall or shall not be taken into account.
 - (4) The procedures in Schedule 3 apply to a decision of the DFSA under this Article.
 - (5) If the DFSA decides to exercise its power under this Article, the Authorised Person may refer the matter to the FMT for review.

77. Imposition of a prohibition or requirement

- (1) The DFSA may impose a prohibition or requirement under Article 75 or 76 in the circumstances prescribed in the Rules.
- (2) ~~Where a prohibition or requirement imposed under Article 75 or 76 is in force, the DFSA may by written notice to the person on whom the prohibition or requirement is imposed:~~
 - (a) ~~withdraw the prohibition or requirement; or~~
 - (b) ~~substitute another prohibition or requirement for, or vary, the prohibition or requirement.~~
- (32) Any prohibition or requirement including any variation or substitution of such prohibition or requirement, made under Articles 75 or and 76, and the imposition, withdrawal, substitution or variation of a prohibition or requirement under such Articles does not operate so as to render an agreement unenforceable by a party to the agreement if he proves that in entering into the agreement he acted in good faith and was unaware of any notice given, served or published in relation to such imposition, withdrawal, substitution or variation.
- (43) The withdrawal of a Licence under Chapter 4 of Part 3 of the Law does not affect the validity of a current prohibition or requirement made under Articles 75 or 76.

CHAPTER 2 - THE CONDUCT OF INVESTIGATIONS

78. Power of the DFSA to conduct an investigation

- (1) The DFSA may conduct such investigation as it ~~the Chief Executive~~ considers appropriate and expedient under Chapter 2 of Part 5:

- (a) where ~~it he~~ has reason to suspect that a contravention of the Law or of the Rules or of any other legislation administered by the DFSA is being or may have been committed; or
 - (b) further to a request made under Article 39.
- (2) A person is entitled to legal representation during the course of an investigation.

79. Costs of an Investigation

- (1) Subject to Article 79(2), the DFSA shall pay the costs and expenses of an investigation.
- (2) Where, as a result of an investigation under Chapter 2 of Part 5, a person is found by: ~~in the Financial Markets Tribunal or in any court of law exercising civil or criminal jurisdiction~~
- (a) the DFSA;
 - (b) the FMT; or
 - (c) the Court,

to have contravened a provision of the Law or of the Rules or of any other legislation administered by the DFSA, the ~~Financial Markets Tribunal~~ FMT or the Court may order, on application brought by the DFSA, that the person pay or reimburse the DFSA in respect of the whole, or a specified part of, the costs and expenses of the investigation, including the remuneration of any officer involved in the investigation.

- (3) The FMT may make an order under Article 79(2), on an application by the DFSA, whether or not the person has commenced, or intends to commence, a reference to the FMT in relation to a decision of the DFSA.
- (4) The DFSA may apply to the Court for an order under Article 79(2) only where there is a proceeding before the Court relating to the alleged contravention by the person.

80. Powers to Obtain Information and Documents for Investigation

- (1) Where the DFSA considers that a person is or may be able to give information or produce a document which is or may be relevant to an investigation, it may:
- (a) enter the business premises of such person during normal business hours for the purpose of inspecting and copying information or documents stored in any form on such premises;
 - (b) require such person to give, or procure the giving of, specified information in such form as it may reasonably require;

- (c) require such person to produce, or procure the production of, specified documents;
 - (d) require such person (the interviewee) to attend before an officer, employee or agent of the DFSA (the interviewer) at a specified time and place to answer questions in private (compulsory interview); or
 - (e) require such person to give it any assistance in relation to the investigation which the person is able to give.
- (2) Where the DFSA exercises its power under Article 80(1)(a) to enter business premises, it may:
- (a) require any appropriate person to make available any relevant information stored at those premises for inspection or copying;
 - (b) require any appropriate person to convert any relevant information into a form capable of being copied; and
 - (c) use the facilities of the occupier of the premises, free of charge, to make copies.
- (3) Where the DFSA exercises its power under Article 80(1)(d) to conduct a compulsory interview, it may give a direction:
- (a) concerning who may be present;
 - (b) preventing any person present during any part of the compulsory interview from disclosing to any other person any information provided to the interviewee or questions asked by the interviewer during the compulsory interview;
 - (c) concerning the conduct of any person present, including as to the manner in which they will participate in the interview;
 - (d) requiring the interviewee to swear an oath or give an affirmation that the answers of the interviewee will be true; and
 - (e) requiring the interviewee to answer any questions relevant to the investigation.
- (4) A requirement made under Article 80(1) (b),(c), (d), and (e) shall be stated in writing.
- (5) The DFSA may require the relevant person to give such information or produce such documents by the end of a reasonable period and at a place specified in the notice.
- (6) The DFSA may exercise its powers under Article 80(1) in respect of any person within, or outside of, the DIFC; provided that, if the person is outside the DIFC and is not a Regulated Person, the DFSA shall either:
- (a) use any arrangements it has with a regulatory authority in the jurisdiction in which the person is resident or domiciled, or the premises are located, to assist it to exercise the power; or
 - (b) apply to the Court for an order compelling the person to provide the information, produce or procure the production of the documents, or

answer questions, or permitting the DFSA to enter the premises of that person.

- (7) ~~In exercising its powers under Article 80(1) outside of the DIFC, the DFSA shall comply with local requirements relevant to the exercise of those powers including, where appropriate, informing or proceeding in collaboration with a local regulator.~~In Article 80(6), a Regulated Person means an Authorised Person, DNFBP, Fund, Auditor, Reporting Entity or any director, officer, employee or agent of such person.

80A. Use and effect of Information and Documents obtained for an Investigation

- (81) Subject to Article 80A(92), information given or documents produced as a result of the exercise by the DFSA of powers under Article 80 is admissible in evidence in any proceedings, provided that any such information or document also complies with any requirements relating to the admissibility of evidence in such proceedings.
- (92) The DFSA shall not disclose a statement made by a person in answer to any question asked pursuant to a requirement made of the person under Article 80(1)(d) to any law enforcement agency for the purpose of criminal proceedings against the person unless:
- (a) the person consents to the disclosure; or
 - (b) the DFSA is required by law or court order to disclose the statement.
- (403) The DFSA may retain possession of any information and documents given to it pursuant to a requirement made under Article 80(1) for so long as is necessary:
- (a) for the purposes of the investigation to which the notice relates;
 - (b) for a decision to be made about whether or not a proceeding to which the information or documents would be relevant should be commenced; or
 - (c) for such a proceeding to be completed.
- (414) A person is not entitled to claim a lien on any documents as a basis for failing to comply with a requirement made under Article 80(1), but any lien is not otherwise prejudiced.
- (425) Where a person is unable to produce information or documents in compliance with a requirement made under Article 80(1), the DFSA may require the person to state, to the best of that person's knowledge or belief, where the information or documents may be found and who last had possession, custody or control of the information or documents.
- (436) Where the DFSA considers that, if disclosed, the fact of the issuing of a notice requiring a person to:
- (a) produce documents;
 - (b) give information;
 - (c) attend a compulsory interview; or
 - (d) give assistance;

may hinder the investigation to which it relates, the DFSA may direct a person who receives a notice under Article 80(1) not to disclose the receipt of a notice or any information relating to compliance therewith to any other person, other than his legal representative under a duty of confidentiality.

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PART 6: CONTRAVENTIONS AND FINES

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87. DELETED Fines

~~(1) Except as provided in Article 90, a fine in relation to a contravention may be imposed either by the Financial Markets Tribunal under Article 34 or by the DFSA under Article 90 but not by both in relation to the same contravention.~~

~~(2) Subject to Article 87(3) and Article 90(1), the Law sets no limit on a fine that may be imposed in relation to a contravention.~~

~~(3) The President may by means of regulations set or revise a maximum amount of fine applicable in respect of a contravention.~~

~~(4) Any fine that is imposed on a person by the Financial Markets Tribunal under Article 34 or by the DFSA under Article 90 is payable to the DFSA within:~~

~~(a) the time period ordered or directed for payment; or~~

~~(b) otherwise, within 30 days of the date of imposition of the fine;~~

~~unless the person takes such action as may be prescribed in the Law, Rules or other legislation administered by the DFSA to remove his liability to pay the fine.~~

~~(5) The Court may order, on application of the DFSA, the recovery as a debt due so much of a fine as is not paid in accordance with Article 87(4).~~

~~(6) The DFSA may make Rules in connection with the payment and recovery of fines under this Article.~~

~~(7) Nothing in Article 87 affects the powers that the DFSA may have apart from this Article.~~

PART 7: ENFORCEMENT

88. Appointment of Managers

(1) The DFSA may ~~by written notice~~ require an Authorised Person ~~Firm or Authorised Market Institution~~ to appoint one or more individuals to act as managers of the business of the person on such terms as the DFSA may specify

~~stipulate in its written notice.~~ Such terms may be varied from time to time by notice in writing given by the DFSA to the person.

- (2) The individual or individuals appointed to act as managers of the business under Article 88(1) must be nominated or approved by the DFSA.
- (3) The DFSA may impose a requirement under Article 88(1) where it considers it necessary or desirable to appoint a manager:
 - (a) to determine or address concerns as to the solvency or the level of compliance with prudential requirements of the Authorised Person ~~Firm or Authorised Market Institution~~;
 - (b) for the orderly transition of the Authorised Person ~~Firm or Authorised Market Institution~~ from one set of owners or controllers to a new set of owners or controllers;
 - (c) to wind down the operations of the Authorised Person ~~Firm or Authorised Market Institution~~ for the protection of customers of the Authorised Person ~~Firm or Authorised Market Institution~~; or
 - (d) where it has reasonable grounds to suspect serious contraventions of the law have been committed by the Authorised Person ~~Firm or Authorised Market Institution~~ and to ensure that customers or regulated entities are not adversely affected or to maintain the integrity of the DIFC.
- (4) The procedures in Schedule 3 apply to a decision of the DFSA under this Article.
- (5) If the DFSA decides to exercise its power under this Article, the Authorised Person may refer the matter to the FMT for review.

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90. Administrative Fine

- ~~(1) The DFSA may fine a person where such person contravenes:~~
 - ~~(a) a Rule made by the DFSA; or~~
 - ~~(b) a provision of any legislation administered by the DFSA except for Articles 30 and 35.~~
- ~~(2) Where the DFSA considers that a person has contravened a provision of the Rules or legislation under Article 90(1), it may impose by written notice given to the person a fine, in respect of the contravention, of such amount as it considers appropriate but not exceeding:~~
 - ~~(a) \$20,000 in the case of a natural person; or~~
 - ~~(b) \$100,000 in the case of a body corporate;~~~~in respect of each contravention.~~

- ~~(3) — The DFSA may exercise its power under Article 90(1) only if it has given the relevant person a suitable opportunity to make representations in person and in writing to the DFSA in relation to the proposed fine.~~
- ~~(4) — Upon deciding to impose a fine upon a person, the DFSA must without delay inform the person in writing of:~~
- ~~(a) — such decision and the reasons for such decision;~~
 - ~~(b) — the date on which the decision is to take effect; and~~
 - ~~(c) — the date by which payment of the fine must be made.~~
- ~~(5) — If the person has not paid the full amount of the fine within the period specified in the notice, the DFSA may recover so much of the fine as remains outstanding as a debt due, together with costs.~~

~~91. — Administrative Censures~~

- ~~(1) — The DFSA may censure a person where such person contravenes:~~
- ~~(a) — a Rule made by the DFSA; or~~
 - ~~(b) — a provision of any legislation administered by the DFSA except for Articles 30 and 35.~~
- ~~(2) — The DFSA may exercise its power under Article 91(1) only if it has given the relevant person a suitable opportunity to make representations in person and in writing to the DFSA in relation to the proposed censure.~~
- ~~(3) — Upon deciding to impose a censure upon a person, the DFSA must without delay inform the person in writing of:~~
- ~~(a) — such decision and the reasons for such decision; and~~
 - ~~(b) — the date on which the censure is to be made.~~
- ~~(4) — The DFSA may censure a person by any means, including by way of publishing a notice of censure.~~

90. Sanctions and directions

- (1) — Where the DFSA considers that a person has contravened a provision of any legislation administered by the DFSA, other than in relation to Article 32, the DFSA may exercise one or more of the powers in Article 90(2) in respect of that person.
- (2) — For the purposes of Article 90(1) the DFSA may:
- (a) — fine the person such amount as it considers appropriate in respect of the contravention;
 - (b) — censure the person in respect of the contravention;

- (c) make a direction requiring the person to effect restitution or compensate any other person in respect of the contravention within such period and on such terms as the DFSA may direct;
 - (d) make a direction requiring the person to account for, in such form and on such terms as the DFSA may direct, such amounts as the DFSA determines to be profits or unjust enrichment arising from the contravention;
 - (e) make a direction requiring the person to cease and desist from such activity constituting or connected to the contravention as the DFSA may stipulate;
 - (f) make a direction requiring the person to do an act or thing to remedy the contravention or matters arising from the contravention; or
 - (g) make a direction prohibiting the person from holding office in or being an employee of any Authorised Person, DNFBP, Reporting Entity or Domestic Fund.
- (3) Nothing in this Article prevents the DFSA from exercising any other power that it may exercise under this Law or any other legislation administered by the DFSA.
- (4) The procedures in Schedule 3 apply to a decision of the DFSA under this Article.
- (5) If the DFSA decides to exercise its power under this Article in relation to a person, the person may refer the matter to the FMT for review.
- (6) The DFSA shall prepare, publish and maintain a statement of:
- (a) its policy in relation to the factors to be considered by the DFSA in exercising a power in respect of a person under Article 90(2)(a) and (b); and
 - (b) the procedure which the DFSA has adopted, which is designed to secure, among other things, that the decision is taken by a person not directly involved in establishing the evidence on which that decision is based.
- (7) The DFSA may at any time modify or replace a statement published by it under this Article and where it does so it shall publish any modified or replacement statement.
- (8) A statement required to be published under this Article shall be published in a way appearing to the DFSA to be best calculated to bring it to the attention of the public.

- (9) In exercising, or deciding whether to exercise, its power under Article 90(2)(a) or (b), the DFSA shall have regard to any statement published by it under this Article and in force at the time when the contravention in question occurred.
- (10) If the person who is subject to a fine under Article 90(2)(a) has not paid to the DFSA the full amount of the fine within the period specified in the notice, the Court may order, on application of the DFSA, the recovery as a debt due so much of the fine as remains outstanding, together with costs.

91A. Saving and Transitional

- (1) For the purposes of this Article:
- (a) “previous Law” means the Regulatory Law 2004 as it was in force immediately prior to the DIFC Laws Amendment Law No. 1 of 2014 coming into force; and
- (b) “current Law” means the provisions of this Law that came into force under the DIFC Laws Amendment Law No. 1 of 2014.
- (42) ~~The saving and transitional provisions in this Article apply are applicable in circumstances where the DFSA has issued a notice under Article 90 or 91 of the previous Law. For the purpose of this Article the “previous Law” means the version of the Regulatory Law 2004 in force immediately prior to the DIFC Laws Amendment (No. 2) Law of 2012 coming into force.~~
- (2) ~~Where such a notice has been issued by the DFSA, Articles 90 and 91 (as amended) under this law~~ of the current Law shall not affect:
- (a) any right, privilege, remedy, obligation or liability accrued to or incurred by any person; or
- (b) any investigation or legal or administrative proceeding commenced or to be commenced in respect of any right, remedy, privilege, obligation or liability,
- in relation to the relevant notice, and any such investigation or legal or administrative proceeding may be instituted, continued or enforced, including any penalty, fine or forfeiture, under ~~this law~~ the current Law subject to Article ~~90(3)-91A(3).~~
- (3) Where such a notice has been issued by the DFSA, Articles 90 and 91 as prescribed in the previous ~~Law~~ are deemed to continue in force until such time as necessary for the purposes of any investigation or proceeding specified in this Article to be concluded.
- (4) ~~The DFSA may, by Rules, prescribe any transitional or saving provisions as appear to the DFSA necessary or desirable so as to give effect to, or to facilitate, the transition from the previous Law to this the current Law.~~

92. Injunctions and Orders

- (1)
- (3)
- (e) an order prohibiting the relevant person or any other person from taking or sending out of the jurisdiction of the Court or out of the ~~United Arab Emirates State~~ any assets of the relevant person or held on his behalf;
- (f) in the event that the relevant person is a natural person, an order appointing a receiver or trustee, having such powers as the Court may see fit, of the property or any of the property of the relevant person;
- (g) in the event that the relevant person is a body corporate, an order appointing a receiver or receiver and manager, having such powers as the Court may see fit, of the property or any of the property of the relevant person;
- (h) in the event that the relevant person is a natural person, an order requiring him to deliver up to the Court his passport and such other documents as the Court sees fit; or
- (i) in the event that the relevant person is a natural person, an order prohibiting him from leaving the jurisdiction of the Court or of the ~~United Arab Emirates State~~ without the consent of the Court.

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93. Compulsory Winding up

Where it appears to the DFSA that it is just and equitable and in the interests of the DIFC that a company which is or has been:

- (a) an Authorised Person ~~Firm or Authorised Market Institution~~; or
- (b) carrying on Financial Services in breach of the Financial Services Prohibition;

should be wound up, it may apply to the Court for, and the Court may make orders considered necessary and desirable for, the winding up of such company.

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PART 8: AUDITORS ACCOUNTING AND AUDITING

CHAPTER 1 – GENERAL PROVISIONS AND AUDITING PROHIBITIONS

97. ~~Qualification and application~~ Definitions

- (+) In this Part, unless expressed otherwise:
- (a) an aAuditor means:

- ~~(a)(i)~~ in relation to a Domestic Firm ~~an Authorised Firm, Authorised Market Institution or a Public Listed Company incorporated or formed in the DIFC, Public Listed Company or Domestic Fund, a Registered Auditor~~ ~~an auditor who is registered under this Law;~~
or
- ~~(b)(ii)~~ in relation to an Authorised Person which is not a Domestic Firm ~~incorporated or formed in a jurisdiction other than the DIFC, an auditor appointed by the~~ ~~of that Authorised Person Firm.;~~
- (b) a Registered Auditor means a person registered by the DFSA under Article 98;
- (c) an Audit Principal means an individual appointed by a Registered Auditor who is responsible for:
 - (i) managing the conduct of audit work undertaken by the Registered Auditor; or
 - (ii) signing audit reports, or any other reports as may be required under the Rules, on behalf of the Registered Auditor; and
- (d) an Audit Service means:
 - (i) an audit of the financial statements of an Authorised Person, Public Listed Company or Domestic Fund;
 - (ii) an audit of whether an Authorised Person, Public Listed Company or the Fund Manager or Trustee of a Domestic Fund has complied with applicable requirements in legislation administered by the DFSA; or
 - (iii) the preparation of an opinion or report relating to an audit referred to in (i) or (ii),

but does not include the performance of any internal audit function by or for a person referred to in (i) or (ii).

~~(2) For the purposes of this Part a person is a Public Listed Company if that person is incorporated or formed in the DIFC and is admitted to an official list of securities in the DIFC or is admitted to an equivalent list of securities in another jurisdiction.~~

~~(3) The DFSA shall make Rules setting out the requirements an auditor must meet to become registered by the DFSA. Such Rules may include requirements relating to the qualifications, experience and fitness and propriety of applicants.~~

- (4) ~~The DFSA may make Rules providing for a variation of the requirements referred to in Article 97(3) where an application is made by a firm that is, at the time of application, regulated in a jurisdiction other than the DIFC.~~

97A. Adoption of financial reporting and auditing standards

- (1) A Rule made by the DFSA for the purposes of this Part may require compliance with or be expressed by reference to requirements in a specified financial reporting or auditing standard or code of ethics issued by a professional body (including such a standard or code as amended or re-enacted from time to time).
- (2) In this Article, “specified” means specified in the Rules.

97B. Rules about financial statements and records

The DFSA may make Rules applying to Authorised Persons, Reporting Entities and Domestic Funds relating to:

- (a) the preparation and maintenance of financial statements;
- (b) the keeping of accounting records;
- (c) the preparation of regulatory returns relating to financial statements;
- (d) the determination of a financial year; and
- (e) the giving of a direction by the DFSA to a particular person or class of persons requiring the use of a particular financial reporting standard.

97C. Auditing Prohibitions (Domestic Entities)

- (1) A person shall not provide any Audit Service to a Domestic Firm, Public Listed Company or Domestic Fund, unless that person is a Registered Auditor.
- (2) A Registered Auditor shall not permit any person to undertake any of the responsibilities of an Audit Principal unless that person is registered by the DFSA as an Audit Principal for that Registered Auditor.

CHAPTER 2 – REGISTRATION OF AUDITORS AND AUDIT PRINCIPALS

98. Registration and conditions and restrictions and ~~cancellation of registration~~

- (1) The DFSA shall make Rules setting out the criteria a person must meet to become and remain registered by the DFSA as a Registered Auditor or as an Audit Principal.
- (2) An application to be registered as an Audit Principal shall be made jointly by the Registered Auditor and the person who will be the Audit Principal if registration is granted.

- (13) The DFSA may ~~in its absolute discretion:~~
- (a) ~~grant or refuse to grant an application for registration, as a Registered Auditor or Audit Principal; and~~
 - (b) ~~impose restrictions and conditions upon the registration.~~
- (2) ~~Upon refusing to grant an application for registration, the DFSA shall without undue delay, inform the applicant in writing of such refusal and, where requested by the applicant, the reasons for such refusal.~~
- (3) ~~The DFSA may withdraw the registration of an auditor on such grounds and manner as prescribed in the Rules.~~
- (4) Upon granting registration as a Registered Auditor or as an Audit Principal, the DFSA shall inform the applicant of that fact and whether there are any restrictions or conditions imposed upon the registration.
- (5) A Registered Auditor and an Audit Principal shall act within the scope of the relevant registration and comply with any restrictions and conditions imposed upon such registration.
- (6) The DFSA may at any time by notice to a Registered Auditor or Audit Principal, as appropriate:
- (a) impose restrictions or conditions on the registration of that Registered Auditor or that Audit Principal; and
 - (b) vary or withdraw restrictions or conditions imposed on such registration.
- (7) The DFSA may act under Article 98(6) on its own initiative or at the request of the Registered Auditor or Audit Principal.
- (8) The procedures in Schedule 3 apply to a decision of the DFSA under this Article to refuse to grant an application for registration or to impose or vary conditions and restrictions on any registration. If a power is being exercised in relation to an Audit Principal, the DFSA shall give both the Audit Principal and its Registered Auditor an opportunity to make representations under those procedures.
- (9) If the DFSA decides to exercise its power under this Article to refuse to grant an application for registration or to impose or vary conditions or restrictions on any registration, the applicant or Registered Auditor or Audit Principal may refer the matter to the FMT for review.

CHAPTER 3 - SUSPENSION AND WITHDRAWAL OF REGISTRATION OF REGISTERED AUDITORS AND AUDIT PRINCIPALS

98A. Suspension and withdrawal of registration

- (1) The DFSA may suspend or withdraw the registration of a Registered Auditor or an Audit Principal:
- (a) in the case of the registration of a Registered Auditor, at the request of the Registered Auditor;
 - (b) in the case of the registration of an Audit Principal, at the request of the Audit Principal or the Registered Auditor who appointed the Audit Principal; or
 - (c) on its own initiative.
- (2) The DFSA may exercise its powers under Article 98A(1)(c) in the following circumstances:
- (a) the Registered Auditor or Audit Principal is in breach of, or has been in breach of, one or more restrictions or conditions applicable to its registration;
 - (b) the Registered Auditor or Audit Principal is in breach of, or has been in breach of, this Law or the Rules;
 - (c) the Registered Auditor is no longer fit and proper to provide the Audit Services permitted under its registration or the Audit Principal is no longer fit and proper to perform the role of Audit Principal;
 - (d) the Registered Auditor has failed for a period of at least twenty-four consecutive months to provide Audit Services permitted under its registration;
 - (e) in the case of an Audit Principal, if the Audit Principal:
 - (i) becomes bankrupt;
 - (ii) is convicted of a serious criminal offence;
 - (iii) becomes incapable (through mental or physical incapacity) of managing his affairs; or
 - (iv) is no longer employed by the Registered Auditor who appointed the Audit Principal; or
 - (f) in the case of an Audit Principal, if the registration of its Registered Auditor is suspended or withdrawn.
- (3) The DFSA may make Rules setting out requirements that a Registered Auditor and an Audit Principal must meet before it will grant a request to suspend or withdraw registration.

- (4) The procedures in Schedule 3 apply to a decision of the DFSA under Article 98A(1)(c) to suspend or withdraw registration on its own initiative. If a power is being exercised in relation to an Audit Principal, the DFSA shall give both the Audit Principal and its Registered Auditor an opportunity to make representations under those procedures.
- (5) Where:
- (a) either or both of the following occur:
- (i) the DFSA conducts an investigation under Article 78 that relates to a Registered Auditor or Audit Principal; or
- (ii) a recognised professional body conducts an investigation relating to a member who is an Audit Principal; and
- (b) arising out of such an investigation, the DFSA believes on reasonable grounds that the Registered Auditor or Audit Principal has engaged in serious misconduct that may form grounds for the withdrawal of the registration of the Registered Auditor or Audit Principal,
- the DFSA may suspend the relevant registration for the duration of the investigation or any related proceedings insofar as the investigation or proceedings relate to that Audit Principal or Registered Auditor.
- (6) The procedures in Schedule 3 apply to a decision of the DFSA under Article 98A(5). If a power is being exercised in relation to an Audit Principal, the DFSA shall give both the Audit Principal and its Registered Auditor an opportunity to make representations under the procedures in Schedule 3.
- (7) If the DFSA decides to exercise its power under this Article to suspend or withdraw the registration of a Registered Auditor or Audit Principal, the Registered Auditor or Audit Principal may refer the matter to the FMT for review.

CHAPTER 4 – APPOINTMENT AND REMOVAL OF AUDITORS

99. Appointment and removal of auditors

- (1) In this Article, a Relevant Person means an Authorised Person, a Public Listed Company and, in relation to a Domestic Fund, the Fund Manager of that Fund.
- (42) A Relevant Person, subject to Article 99(5), ~~An Authorised Firm, Authorised Market Institution or a Public Listed Company~~ shall:
- (a) at each annual general meeting appoint ~~an auditor~~ a person to hold office – act as Auditor from the conclusion of that meeting to the conclusion of the next annual general meeting; or

- (b) at the beginning of each financial year appoint ~~an auditor~~ a person to ~~hold office~~ act as Auditor until the beginning of the next financial year.
- (23) A person who becomes a Relevant Person ~~an Authorised Firm, Authorised Market Institution or a Public Listed Company~~ after the beginning of a financial year must, subject to Article 99(5), appoint ~~an auditor~~ a person who shall ~~hold office to~~ act as Auditor until the conclusion of that financial year.
- (3) ~~An Authorised Firm, Authorised Market Institution or a Public Listed Company may fill any vacancy in the office of auditor and fix the auditor's remuneration.~~
- (4) A Relevant Person shall as soon as practicable fill any vacancy that arises in the appointment of an Auditor.
- (5) The DFSA may, by Rules, exempt a specified class of Relevant Person from the requirements in this Article. If a Relevant Person is exempted from the requirements in this Article, then the other requirements in this chapter and in chapters 5 and 6 of this Part do not apply to, or in relation to, the Relevant Person.
- (6) In the case of a Domestic Fund which is an Investment Trust:
- (a) the Trustee of that Fund shall ensure that at all times the Domestic Fund has an Auditor; and
- (b) the Fund Manager of that Fund shall obtain the prior approval of the Trustee before carrying out any activities under this Article relating to the appointment or removal of an Auditor for that Domestic Fund.
- (47) ~~A Relevant Person~~ An Authorised Firm, Authorised Market Institution or a Public Listed Company shall not appoint an ~~auditor~~ Auditor under this Article unless:
- (a) the ~~auditor~~ Auditor has, prior to the appointment, consented in writing to the ~~Relevant Person~~ Authorised Firm, Authorised Market Institution or a Public Listed Company to acting as Auditor ~~hold such office~~; and
- (b) the ~~Relevant Person, and the Trustee of a Domestic Fund which is an Investment Trust,~~ Authorised Firm, Authorised Market Institution or a Public Listed Company is are not, on reasonable inquiry, aware of any matter which should preclude the ~~auditor~~ Auditor from giving his consent under Article ~~99(6)~~99A(2).
- (5) ~~An auditor shall not consent to an appointment as an auditor of an Authorised Firm, Authorised Market Institution or a Public Listed Company if:~~
- (a) ~~the auditor has, or may reasonably be perceived to have, a conflict of interest of a nature prescribed in the Rules;~~
- (b) ~~the auditor does not have, or may reasonably be perceived not to have, a requisite degree of independence from the Authorised Firm,~~

~~Authorised Market Institution or a Public Listed Company as prescribed in the Rules; or~~

~~(e) the auditor or any associate of the auditor in a firm or business undertaking has acted as an auditor of the Authorised Firm, Authorised Market Institution or a Public Listed Company within such earlier period or frequency as prescribed in the Rules.~~

(68) A Relevant Person ~~An Authorised Firm, Authorised Market Institution or a Public Listed Company~~ may at any time remove an ~~auditor~~ Auditor notwithstanding anything in any agreement between it and the ~~auditor~~ Auditor.

(79) The DFSA may direct, or the Court on an application made by the DFSA may order, a Relevant Person to:

(a) appoint an Auditor, where an Auditor has not been appointed by the Relevant Person; or

(b) the removal of remove an Auditor from and appoint a new Auditor, where in the opinion of the DFSA or the Court (as the case may be) the Auditor appointed by the Relevant Person is not suitable to provide Audit Services to the Relevant Person an Authorised Firm, Authorised Market Institution or a Public Listed Company on such grounds and in such manner as prescribed in the Rules.

(10) The procedures in Schedule 3 apply to a decision of the DFSA under Article 99(9) to give a direction.

(11) If the DFSA decides to exercise its power under Article 99(9) to give a direction, the person may refer the matter to the FMT for review.

(812) The appointment of a firm as an ~~auditor~~ Auditor of an Authorised ~~Person, Firm, Authorised Market Institution~~ or a Public Listed Company or a Domestic Fund is taken to be an appointment of all persons who are partners of the firm.

(913) Nothing in this Article is to be taken as depriving an ~~auditor~~ Auditor removed under it of compensation or damages payable to the ~~auditor~~ Auditor in respect of the termination of appointment as ~~auditor~~ Auditor.

99A. Auditor not to act in certain circumstances

(1) In this Article, a Relevant Person means an Authorised Person, Public Listed Company and, in relation to a Domestic Fund, the Domestic Fund, the Fund Manager, the Trustee and any member of the Governing Body of the Domestic Fund.

(2) A person must not consent to an appointment, or if appointed continue to act, as the Auditor of an Authorised Person, Public Listed Company or Domestic Fund if:

- (a) the person has, or may on reasonable grounds be perceived to have, a conflict of interest with respect to the Relevant Person;
 - (b) the person does not have, or may on reasonable grounds be perceived not to have, a requisite degree of independence from the Relevant Person;
 - (c) the person provides prescribed non-audit services to the Relevant Person; or
 - (d) the person or any associate of the person or an Audit Principal appointed by the person has provided Audit Services to the Relevant Person within such earlier period or such frequency as may be prescribed in the Rules.
- (3) The DFSA may make Rules for the purposes of Article 99A(2), including prescribing what constitutes a conflict of interest, a requisite degree of independence and a prescribed non-audit service.

CHAPTER 5 – AUDITORS REPORTS AND DUTIES

100. ~~Auditor's' reports report to the Authorised Firm, Authorised Market Institution or a Public Listed Company~~

- (1) In this Article, a Relevant Person means an Authorised Person, Public Listed Company or Domestic Fund.
- (2) The DFSA may make Rules in relation to:
 - (a) the functions to be carried out by an ~~auditor~~ Auditor when auditing ~~the accounts of a Relevant Person an Authorised Firm, Authorised Market Institution or a Public Listed Company;~~
 - (b) the scope of the ~~auditor's~~ Auditors' report; ~~and~~
 - (c) the scope of ad-hoc reports of the ~~auditor~~ Auditor;;
 - (d) the submission of Auditor's reports to the DFSA; and
 - (e) the naming in the Auditor's report of persons responsible for the audit work and their liability as a result of being named.

101. Auditors' duties

- (1) In this Article, a Relevant Person means an Authorised Person, Public Listed Company or Domestic Fund.
- (1)(2) ~~An auditor of an Authorised Firm, Authorised Market Institution or a Public Listed Company~~ An Auditor shall, in preparing the report in relation to accounts of a Relevant Person an Authorised Firm, Authorised Market

~~Institution or a Public Listed Company~~, carry out such investigations as will enable the ~~auditor~~ Auditor to form an opinion as to the following matters:

- (a) whether proper accounting records have been kept by the Relevant Person ~~the Authorised Firm, Authorised Market Institution or a Public Listed Company~~ and proper returns adequate for the audit have been received from branches not visited by the ~~auditor~~ Auditor;
- (b) whether the financial statements of the Relevant Person ~~Authorised Firm, Authorised Market Institution or a Public Listed Company~~ accounts are in agreement with the accounting records and regulatory returns;
- (c) whether the financial statements of the Relevant Person ~~Authorised Firm, Authorised Market Institution or a Public Listed Company~~ accounts have been prepared in compliance with the applicable accounting financial reporting standards; and
- (d) whether the accounts financial statements of the Relevant Person ~~Authorised Firm, Authorised Market Institution or a Public Listed Company~~ represent a true and fair view of the financial condition and the state and of affairs of the Relevant Person ~~Authorised Firm, Authorised Market Institution or a Public Listed Company~~.

~~(2)~~(3) If the ~~auditor~~ Auditor is of the opinion that proper accounting records have not been kept, or that proper returns adequate for the audit have not been received from branches not visited by the ~~auditor~~ Auditor, or if that the accounts financial statements are not in agreement with the accounting records and regulatory returns, or that the ~~accounts~~ financial statements do not comply with accounting standards or they do not represent a true and fair view, the ~~auditor~~ Auditor shall state that fact in the report.

~~(3)~~(4) If the ~~auditor~~ Auditor fails to obtain all the information and explanations which, to the best of the ~~auditor's~~ Auditor's knowledge and belief are necessary for the purposes of the audit, the ~~auditor~~ Auditor shall state that fact in the report.

(5) An Auditor of a Domestic Fund shall disclose to the Trustee of the Domestic Fund, if appointed, and to the person providing the oversight function of a Domestic Fund which is a Public Fund, any information relevant to that person's role.

102. Resignation of an auditor

(1) In this Article, a Relevant Person means an Authorised Person, Public Listed Company or Domestic Fund.

~~(1)~~(2) An ~~auditor~~ Auditor of a Relevant Person ~~an Authorised Firm, Authorised Market Institution or a Public Listed Company~~ may resign from office as Auditor by depositing a notice in writing to that effect, together with a statement ~~under~~ referred to in Articles 102(2)(3) and (4), at the registered office

of the ~~Relevant Person~~ Authorised Firm, Authorised Market Institution or the Public Listed Company registered office; and any such notice operates to bring its term of ~~office as Auditor~~ to an end on the date on which the notice is deposited, or on such later date as may be specified in it.

~~(2)~~(3) When an ~~auditor~~ Auditor ceases for any reason to ~~hold office~~ act as the auditor Auditor of a Relevant Person, it shall deposit at the registered office of ~~the Authorised Firm, Authorised Market Institution or the Public Listed Company~~:

- (a) the Authorised Person;
- (b) the Public Listed Company; or
- (c) in the case of a Domestic Fund;
 - (i) the Domestic Fund; and
 - (ii) if appointed, the Trustee of that Fund.

a notice setting out the matters specified in Article 102(4).

(4) The notice must contain either:

- (a) a statement to the effect that there are no circumstances connected with ~~the its~~ ceasing to ~~hold office~~ act as Auditor which the ~~auditor~~ Auditor considers should be brought to the notice of the relevant members or Unitholders, or creditors of the ~~Relevant Person~~ Authorised Firm, Authorised Market Institution or a Public Listed Company; or
- (b) if there are any circumstances referred to in (a), a statement of the nature of those circumstances ~~any circumstances as are mentioned above~~.

~~(3)~~(5) Where a notice contains information referred to in statement under Article 102(2)(4)(b) falls within sub paragraph (b) of that Article, the ~~Authorised Firm, Authorised Market Institution or a Public Listed Company~~:

- (a) the Authorised Person;
- (b) the Public Listed Company; or
- (c) in the case of a Domestic Fund, the Fund Manager of the fund, or failing which, the other members of the Governing Body of the Fund, or if appointed the Trustee of the Fund.

shall provide to the DFSA ~~send~~ a copy of the statement to the DFSA and any response by that person.

CHAPTER 6 – CO-OPERATION WITH AUDITORS AND AUDITORS OBLIGATIONS OF DISCLOSURE TO THE DFSA

103. Co-operation with auditors

- (1) In this Article, a Relevant Person means:
- (a) an Authorised Person;
 - (b) a Public Listed Company;
 - (c) in relation to a Domestic Fund, the Fund Manager and, where appointed, the Trustee of the Fund, any person providing oversight of the Fund and any member of the Governing Body of the Fund; and
 - (d) an officer, employee or agent of a person referred to in (a), (b) or (c).
- (2) A Relevant Person shall co-operate with its Auditor and, without limiting the generality of that obligation, shall comply with such measures relating to co-operation with its Auditor as may be prescribed in the Rules.
- (3) A Relevant Person shall not knowingly or recklessly:
- (a) provide information to its Auditor that is materially false, misleading or deceptive; or
 - (b) omit to provide information to its Auditor, that its Auditor reasonably requires, or is entitled to require, where the omission of such information is likely to mislead or deceive its Auditor.
- ~~(1) — An Authorised Firm, Authorised Market Institution or a Public Listed Company, and any director, officer or employee of an Authorised Firm, Authorised Market Institution or a Public Listed Company, shall not knowingly or recklessly make to the auditor of an Authorised Firm, Authorised Market Institution or a Public Listed Company a statement (whether written or oral) which:~~
- ~~(a) — conveys or purports to convey any information or explanation which the auditor requires, or is entitled to require, as auditor of the Authorised Firm, Authorised Market Institution or a Public Listed Company; and~~
 - ~~(b) — is either or both:~~
 - ~~(i) — false, misleading or deceptive in a material particular; or~~
 - ~~(ii) — is such that it omits information where the omission of such information is likely to mislead or deceive the auditor.~~

~~(2)(4)~~ An ~~Authorised Firm, Authorised Market Institution or a Public Listed Company, or any director, officer or employee of an Authorised Firm, Authorised Market Institution or a Public Listed Company, A Relevant Person~~ or any person acting under the direction or authority of such ~~Relevant Person~~ Relevant Person ~~an Authorised Firm, Authorised Market Institution or a Public Listed Company, or director, officer or employee,~~ shall not without reasonable excuse engage in any of the following conduct, including without limitation the:

- (a) destruction or concealment of documents;
- (b) coercion, manipulation, misleading, or influencing of the Auditor auditor;
- (c) failure to provide access to information or documents specified by the Auditor auditor; or
- (d) failure to give any information or explanation which the person is able to give;

where ~~that the Authorised Firm, Authorised Market Institution or a Public Listed Company, director, officer, employee or other person~~ knows or ought to know that such conduct could, ~~if successful,~~

- (e) obstruct the ~~auditor~~ Auditor in the performance of his duties under this ~~Part or Rules made for the purposes of this Part~~ Chapter; or
- (f) result in the rendering of the ~~accounts~~ financial statements of the ~~Authorised Person, Firm, Authorised Market Institution or a Public Listed Company or Domestic Fund,~~ or the ~~auditor's~~ Auditor's report materially misleading.

104. Obligation of Disclosure to the DFSA

- (1) An Auditor auditor is subject to the obligations of disclosure under Article 104(3).
- (2) Without limiting the application of any other provision of this Law, an Auditor auditor does not contravene any duty to which the Auditor auditor is subject merely because the Auditor ~~auditor~~ gives to the DFSA:
 - (a) a notification as required under this Article 104; or
 - (b) any other information or opinion in relation to any such matter;

if the Auditor auditor is acting in good faith and reasonably believes that the notification, information or opinion is relevant to any functions of the DFSA.

- (3) Subject to Article 104(4), an Auditor auditor shall disclose to the DFSA any matter which reasonably tends to show one of the following:

- (a) a breach, or likely breach of a provision of the Law or other legislation administered by the DFSA;
- (b) a failure, or likely failure, to comply with any obligation to which a person is subject under such legislation; or
- (c) any other matter as the DFSA may prescribe in Rules;

which may be attributable to the conduct of the relevant ~~Authorised Firm, Authorised Market Institution or a Public Listed Company, or of its directors, officers, employees or agents~~;

- (d) Authorised Person;
- (e) Public Listed Company;
- (f) Domestic Fund, Fund Manager, Trustee or the Governing Body of a Domestic Fund; or
- (g) officer, employee or agent of a person referred to in (d), (e) or (f).

- (4) Article 104(3) shall not apply to the extent that compliance with such requirement would disclose a Privileged Communication.
- (5) An Authorised Person Firm, Authorised Market Institution, or a Public Listed Company or the Fund Manager of a Domestic Fund shall establish and implement appropriate systems and internal procedures to enable ~~it and~~ its Auditor auditor to comply with Article 104(3).
- (6) Any provision in an agreement between an Authorised Person, Firm, Authorised Market Institution or a Public Listed Company or a Domestic Fund, and a director, officer, employee, agent or Auditor auditor is void in so far as it purports to hinder any person from causing or assisting the Auditor auditor to comply with an obligation under Article 104(3).
- (7) No person shall be subjected to detriment or loss or damage merely by reason of undertaking any act to cause or assist an Auditor auditor to comply with an obligation under Article 104(3).
- (8) A Court may, on application of an aggrieved person, make any order for relief where the person has been subjected to any such detriment or loss or damage referred to in Article 104(7).

105. ~~Supervision of auditors~~

- (1) ~~The DFSA may in its absolute discretion suspend the registration of an Auditor.~~
- (2) ~~The DFSA may make Rules setting out the grounds and manner in which registration may be suspended by the DFSA.~~

PART 10: MISCELLANEOUS

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118. General Saving and Transitional

- (1) For the purposes of this Article:
 - (a) “previous law” means the Regulatory Law 2004 , the Markets Law 2012, the Collective Investment Law 2010, the Law Regulating Islamic Finance Business Law 2004 and the Investment Trust Law 2006 as in force immediately before the commencement of the DIFC Laws Amendment Law No. 1 of 2014;
 - (b) “current law” means the provisions of the laws referred to in paragraph (a) as in force after the commencement of the DIFC Laws Amendment Law No. 1 of 2014.
- (2) The DFSA may, by Rules, prescribe any transitional or saving provisions as appear to the DFSA necessary so as to give effect to, or facilitate, the transition from the previous law to the current law.

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**SCHEDULE 1
INTERPRETATION**

1. Rules of interpretation

- (1) In the Law, unless the contrary intention appears, a reference to:
 -
 - (d) unless stated otherwise, a day means a calendar day. If an obligation falls on a calendar day which is either a Friday or Saturday or an official sState holiday in the DIFC, the obligation shall take place on the next calendar day which is a business day;
 -

2. Legislation in the DIFC

References to legislation and Guidance in the Law shall be construed in accordance with the following provisions:

- (a) Federal Law is law made by the federal government of the State United Arab Emirates;
~~Emirates~~;
-

3. Defined Terms

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings:

Term	Definition
<u>Audit Service</u>	<u>has the meaning given to that term in Article 97(d) of this Law.</u>
<u>Auditor</u>	<u>has the meaning given to that term in Article 97(a) of this Law.</u>
<u>Audit Principal</u>	<u>has the meaning given to that term in Article 97(c) of this Law.</u>
<u>Affiliate</u>	<u>in relation to an Authorised Person, means any other entity in the Group to which the Authorised Person belongs.</u>
<u>Authorised Person</u>	<u>an Authorised Firm or an Authorised Market Institution.</u>
Authorised Individual	<u>an natural person individual who has been authorised by the DFSA to perform one or more Licensed Functions for an Authorised Firm.</u>
<u>Decision Notice</u>	<u>a written notice given by the DFSA to a person pursuant to paragraph 5 of Schedule 3.</u>
<u>Domestic Firm</u>	<u>an Authorised Person which:</u> <u>(a) has its registered and head office in the DIFC; or</u> <u>(b) if it is a subsidiary of a legal entity whose principal place of business and head office is in a jurisdiction other than the DIFC, has its registered office in the DIFC.</u>
Financial Markets Tribunal	<u>the Financial Markets Tribunal established pursuant referred to in Article 34 26 of the Law.</u>
<u>Financial Service</u>	<u>has the meaning given in Article 41 of this Law.</u>
<u>FMT</u>	<u>the Financial Markets Tribunal.</u>
<u>Governing Body</u>	<u>has the meaning given to that term in Article 3 of Schedule 1 to the Collective Investment Law 2010.</u>

Term	Definition
<u>Group</u>	<p><u>means a group of entities which includes an entity (the ‘first entity’) and:</u></p> <p>(a) <u>any Parent of the first entity; and</u></p> <p>(b) <u>any Subsidiaries (direct or indirect) of the Parent or Parents in (a) of the first entity.</u></p>
<u>Investment Trust</u>	<p><u>has the meaning given to that term in Article 3 of the Schedule to the Investment Trust Law 2006.</u></p>
<u>Key Individual</u>	<p><u>an individual who has been authorised by the DFSA to perform one or more Licensed Functions for an Authorised Market Institution.</u></p>
<u>Licence Endorsement</u>	<p><u>an endorsement made by the DFSA on a Licence that permits an Authorised Person to carry on an activity prescribed under Article 44.</u></p>
<u>officer</u>	<p><u>in relation to an entity, means an officer of that entity including a director.</u></p>
<u>Parent</u>	<p><u>a holding company as defined in Schedule 1 to the DIFC Companies Law.</u></p>
<u>Preliminary Notice</u>	<p><u>a written notice given by the DFSA to a person under paragraph 4(1) of Schedule 3.</u></p>
<u>Principal Representative</u>	<p><u>has the meaning prescribed in the Rules.</u></p>
<u>Public Fund</u>	<p><u>has the meaning given to that term in Article 3 of Schedule 1 to the Collective Investment Law 2010.</u></p>
Public Listed Company	<p><u>has the meaning given to that term in Article 97(2) of this Law; a person incorporated or formed in the DIFC and who is admitted to an official list of securities in the DIFC or an equivalent list of securities in another jurisdiction.</u></p>
Regulatory Appeals Committee	<p><u>a standing committee of the DFSA Board of Directors, established under and governed by Chapter 4 of Part 2 of the Law and includes a sub-committee constituted under Article 29 of this Law.</u></p>
Respondent	<p><u>a person who is the subject of a matter before a Financial Markets Tribunal or the Court.</u></p>

Term	Definition
<u>Registered Auditor</u>	<u>has the meaning given to that term in Article 97(b) of this Law.</u>
<u>Reporting Entity</u>	<u>has the meaning given to that term in Article 3 of the Schedule to the Markets Law 2012.</u>
<u>State</u>	<u>United Arab Emirates.</u>
<u>Subsidiary</u>	<u>a subsidiary as defined in Schedule 1 to the DIFC Companies Law.</u>
Trustee	has the meaning given in Article 2 of Schedule 1 to the Investment Trust Law 2006 <u>a Trustee within the meaning of the Investment Trust Law 2006 and the Collective Investment Law 2010.</u>

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SCHEDULE 3
DECISION-MAKING PROCEDURES

1. Interpretation

For the purposes of this Schedule:

“Relevant Person” means a person in relation to whom a power is exercised or proposed to be exercised.

2. Application of Schedule

This Schedule applies to the DFSA, subject to paragraph 3, where a provision in legislation administered by the DFSA requires the DFSA to make a decision in accordance with the procedures in this Schedule.

3. Decisions to which procedures do not apply

(1) The procedures in this Schedule (other than sub-paragraph (2) of this paragraph) do not apply to a decision by the DFSA:

(a) to withdraw a direction, requirement, restriction or prohibition;

(b) to withdraw a condition or restriction imposed in relation to a Licence, Licence Endorsement, registration, authorisation or approval; or

(c) in relation to a person, if the person has requested, or consented in writing to, the making of the decision.

(2) In the cases referred to in sub-paragraph (1), the DFSA must notify the person in writing of the decision and the date on which it is to take effect.

(3) If the DFSA makes a decision in relation to a person after a determination of the FMT or a decision of the Court relating to the conduct of the person, the requirement to give the person an opportunity to make representations under paragraph 4 or 6 (as applicable) does not apply in relation to findings of fact of the FMT or the Court.

4. Opportunity to make representations before a decision

(1) If the DFSA proposes to make a decision to which this Schedule applies, it must first give the Relevant Person:

(a) a written notice (a “Preliminary Notice”) containing the information in sub-paragraph (2); and

(b) an opportunity to make representations to the DFSA in person and in writing concerning the decision the DFSA proposes to take.

(2) The Preliminary Notice must:

(a) specify the proposed decision;

- (b) specify the reasons for that proposed decision, including any proposed findings of fact;
 - (c) include a copy of the relevant materials which were considered in making the proposed decision;
 - (d) inform the person that they may make representations to the DFSA concerning the proposed decision; and
 - (e) specify how and by when any representations may be made.
- (3) For the purposes of sub-paragraph (2)(c), the DFSA:
 - (a) may refer to materials (instead of providing a copy) if they are already held by the Relevant Person or are publicly available; and
 - (b) is not required to provide material that is the subject of legal professional privilege.
- (4) If the DFSA does not receive any representations within the period specified in the Preliminary Notice, it may proceed to make the proposed decision and give the person a Decision Notice in accordance with paragraph 5.
- (5) If the DFSA receives representations within the period specified in the Preliminary Notice, it must consider the representations in making the decision.
- (6) If, after considering the representations, the DFSA decides:
 - (a) to make the proposed decision (either as proposed or with variations), then it must give the person a Decision Notice under paragraph 5; or
 - (b) not to make the proposed decision, then it must as soon as practicable notify the person in writing that it has decided not to make the decision.
- (7) If the DFSA concludes that any delay likely to arise as a result of complying with the procedures in this paragraph would be prejudicial to the interests of direct or indirect users of financial services in the DIFC or otherwise prejudicial to the interests of the DIFC:
 - (a) the requirements in sub-paragraphs (1) to (6) do not apply; and
 - (b) instead the DFSA must provide the person with an opportunity to make representations in accordance with the procedures in paragraph 6 after it has made the decision.

5. Decision Notice

- (1) If the DFSA decides to make a decision to which this Schedule applies, it must, as soon as practicable, give the Relevant Person a written notice (a “Decision Notice”) specifying:
 - (a) the decision;
 - (b) the reasons for the decision, including its findings of fact;
 - (c) the date on which the decision is to take effect;
 - (d) if applicable, the date by which any relevant action must be taken by the person; and
 - (e) the person’s right to seek review of the decision by the FMT (where applicable).
- (2) The Decision Notice must include a copy of the relevant materials which were considered in making the decision.
- (3) For the purposes of sub-paragraph (2), the DFSA:
 - (a) may refer to materials (instead of providing a copy) if they are already held by the Relevant Person or are publicly available; and
 - (b) is not required to provide material that is the subject of legal professional privilege.

6. Opportunity to make representations after a decision

- (1) If this paragraph applies under paragraph 4(7), the DFSA must:
 - (a) provide the Relevant Person with an opportunity to make representations to the DFSA in person and in writing within a period of 14 days, or such further period as may be agreed, from the date on which the Decision Notice is given to the person under paragraph 5; and
 - (b) inform the Relevant Person in the Decision Notice that they may make representations concerning the decision and specify how and by when any representations may be made.
- (2) If the DFSA does not receive any representations within the period specified in the Decision Notice, it must inform the person in writing that the decision is to stand (subject to any right of the person to refer the matter to the FMT for review).
- (3) If the DFSA receives representations within the period specified in the Decision Notice, it must consider the representations in deciding whether to confirm, withdraw or vary the decision.

- (4) If after considering representations received the DFSA decides:
- (a) to confirm the decision, it must as soon as practicable notify the person in writing that the decision is to stand (subject to any right of the person to refer the matter to the FMT for review);
 - (b) to withdraw the decision, it must as soon as practicable notify the person in writing that the decision has been withdrawn; or
 - (c) to vary the decision, it must as soon as practicable give the person an amended Decision Notice under paragraph 5.
- (5) For the avoidance of doubt, the opportunity to make representations under this paragraph does not arise:
- (a) if the person was given a Preliminary Notice and the opportunity to make representations under paragraph 4 before the decision was made;
or
 - (b) in respect of an amended Decision Notice given under sub-paragraph (4)(c).

PART 3: AMENDMENTS TO THE MARKETS LAW 2012

7. The Markets Law 2012 is amended as prescribed in this Part.
8. The following Articles of the Markets Law 2012 are to be amended by inserting the underlined text and deleting the struck through text as shown below:

PART 2: OFFER OF SECURITIES

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CHAPTER 4: MISLEADING AND DECEPTIVE STATEMENTS OR OMISSIONS

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25. STOP ORDERS

- (1) If the DFSA is satisfied that an Prospectus-Offer of Securities to the Public would contravene or has contravened this Law or the Rules made for the purposes of this Law or it is in the interest of the DIFC, the DFSA may issue a stop order directing that no offer, issue, sale or transfer of the Securities be made for such a period of time as it thinks appropriate.
- (2) The procedures in Schedule 3 to the Regulatory Law 2004 apply to a decision of the DFSA under this Article.
- (3) If the DFSA decides to exercise its power under this Article, the offeror may refer the matter to the FMT for review.
- ~~(2) Upon making a decision in relation to Article 25(1), the DFSA shall, without undue delay, inform the offeror of Securities in writing of its decision and the reasons for the decision.~~
- ~~(3) The DFSA may only exercise its power to issue a stop order if it has given the offeror of Securities a suitable opportunity to make representations in person and in writing to the DFSA in relation to the proposed stop order.~~
- ~~(4) The requirement imposed on the DFSA in Article 25(3) shall not apply where the DFSA concludes that any delay likely to arise as a result of such requirements is prejudicial to the interests of the DIFC or participants in the market.~~
- ~~(5) Where pursuant to Article 25(4) the DFSA has issued a stop order directing that no offer, issue, sale or transfer of Securities be made without providing a prior opportunity to make representations, the DFSA shall:
 - ~~(a) provide the relevant offeror of Securities an opportunity to make representations in person and in writing to the DFSA within a period of 14 days, or such further period as may be agreed, from the date on which such direction was made; and~~~~

~~(b) provide a response to any such submission, and make any consequential direction, variation or withdrawal of the direction, without undue delay.~~

~~(6) The Regulatory Appeals Committee has jurisdiction to hear and determine any appeal in relation to a decision to issue a stop order made under this Article.~~

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PART 3: AUTHORISED MARKET INSTITUTIONS

CHAPTER 1: SUPERVISION OF AUTHORISED MARKET INSTITUTIONS

26. SUPERVISION OF AUTHORISED MARKET INSTITUTIONS

- (1) Without limiting the application of the Regulatory Law 2004, the DFSA may, ~~by written notice,~~ direct an Authorised Market Institution to do or not do specified things that the DFSA considers are necessary or desirable or to ensure the integrity of the DIFC financial markets, including but not limited to directions:
 - (a) requiring compliance with any duty, requirement, prohibition, obligation or responsibility applicable to an Authorised Market Institution;
 - (b) requiring an Authorised Market Institution to act in a specified manner in relation to a transaction conducted on or through the facilities operated by an Authorised Market Institution, or in relation to a specified class of transactions; or
 - (c) requiring an Authorised Market Institution to act in a specified manner or to exercise its powers under any rules that the Authorised Market Institution has made.
- (2) Without limiting the application of Article 75 of the Regulatory Law 2004, the DFSA may, ~~by written notice,~~ direct an Authorised Market Institution to:
 - (a) close the market or facilities operated by an Authorised Market Institution in a particular manner or for a specified period;
 - (b) suspend transactions on the market or through the facilities operated by the Authorised Market Institution;
 - (c) suspend transactions in Investments conducted on the market or through the facilities operated by the Authorised Market Institution;
 - (d) prohibit trading in Investments conducted on the market or through the facilities operated by the Authorised Market Institution;
 - (e) defer for a specified period the completion date of transactions conducted on the market or through the facilities operated by the Authorised Market Institution;

- (f) prohibit a specified person from undertaking any transactions on the facilities operated by the Authorised Market Institution; or
 - (g) do any act or thing, or not do any act or thing, in order to ensure an orderly market, or reduce risk to the DFSA's objectives.
- (3) The procedures in Schedule 3 to the Regulatory Law 2004 apply to a decision of the DFSA under this Article. The Regulatory Appeals Committee has jurisdiction to hear and determine any appeal in relation to a decision to issue a direction under Article 26.
- (4) If the DFSA decides to exercise its power under this Article, the Authorised Market Institution may refer the matter to the FMT for review.

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CHAPTER 2 – OFFICIAL LIST OF SECURITIES

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30. APPLICATION FOR AN ENDORSEMENT

- (1) An application for an endorsement on a Licence authorising an Authorised Market Institution to maintain an Official List of Securities may be made to the DFSA by:
- (a) the Authorised Market Institution; or
 - (b) an applicant for a Licence to operate an Authorised Market Institution.
- (2) The DFSA may grant ~~or refuse to grant~~ an application for an endorsement: if it is satisfied that the
- ~~(3) When granting or refusing to grant an endorsement, the DFSA shall consider whether an Authorised Market Institution or applicant (as the case may be) has listing rules that meet the requirements in Article 32 and whether it complies with any other relevant requirements that are imposed by this Law or the Rules.~~
- (3) The DFSA may refuse to grant an endorsement if it is not satisfied that the requirements referred to in Article 30(2) are met.
- (4) Upon refusing to grant an endorsement, the DFSA shall, without undue delay, inform the applicant in writing of such refusal and the reasons for such refusal. The procedures in Schedule 3 to the Regulatory Law apply to a decision of the DFSA under this Article to refuse to grant an endorsement.
- (5) If the DFSA decides to exercise its power under this Article to refuse to grant an endorsement, the Authorised Market Institution or applicant (as the case may be) may refer the matter to the FMT for review.

31. SUSPENSION OR WITHDRAWAL OF AN ENDORSEMENT

- (1) The DFSA may at any time, ~~by written notice,~~ suspend or withdraw the endorsement on the Licence of an Authorised Market Institution to maintain an Official List of Securities: if it appears to the DFSA that the Authorised Market Institution no longer meets the requirements referred to in Article 30 or at the request of the Authorised Market Institution.
- (2) The procedures in Schedule 3 to the Regulatory Law 2004 apply to a decision of the DFSA under this Article. The DFSA may also give any third party who has a direct interest in the matter an opportunity to make representations to the DFSA under those procedures if it considers it appropriate to do so.
- (3) If the DFSA decides to exercise its power under this Article, the Authorised Market Institution may refer the matter to the FMT for review.
- ~~(2) The DFSA may act under Article 31(1) on its own initiative or at the request of an Authorised Market Institution.~~
- ~~(3) The DFSA may, Subject to Article 31(4), suspend or withdraw the endorsement on a Licence on its own initiative if it has given the Authorised Market Institution a suitable opportunity to make representations in person and in writing to the DFSA in relation to the proposed changes.~~
- ~~(4) The requirement imposed on the DFSA under Article 31(3) shall not apply in the case of a suspension of an endorsement on a Licence if the DFSA concludes that any delay likely to arise as a result of such requirement is prejudicial to the conduct of an orderly market or the interests of the DIFC.~~
- ~~(5) Where pursuant to Article 31(4), the DFSA suspends an endorsement without providing a prior opportunity to make representations, the DFSA shall:
 - ~~(a) provide the relevant Authorised Market Institution with an opportunity to make representations in person and in writing to the DFSA within a period of 14 days or such further period as may be allowed from the date on which the endorsement is suspended; and~~
 - ~~(b) provide a response to any such submission and make any consequential direction without undue delay.~~~~
- ~~(6) The DFSA may, unless Article 31(4) applies, give any third party who has a direct interest in the matter an opportunity to make representations to the DFSA.~~

32. LISTING RULES REQUIREMENTS

- (1) The listing rules of an Authorised Market Institution shall contain such provisions as are prescribed in the Rules.

- (2) Subject to Article 32(3), the DFSA may, ~~by written notice,~~ direct an Authorised Market Institution to:
- (a) make listing rules within a specified period; or
 - (b) amend specified listing rules in the manner and within the period prescribed.
- (3) The DFSA may only direct an Authorised Market Institution in accordance with Article 32(2) if it has first requested the Authorised Market Institution to make or amend specified listing rules and the Authorised Market Institution has failed to comply with that requirement within the period specified by the DFSA in its request.
- (4) The procedures in Schedule 3 to the Regulatory Law 2004 apply to a decision of the DFSA under Article 32 (2).
- (5) If the DFSA decides to exercise its power under Article 32(2), the Authorised Market Institution may refer the matter to the FMT for review.
- ~~(6)~~(4) Where the DFSA maintains an Official List of Securities, it shall, by Rules, prescribe the relevant listing rules. Such listing rules shall include requirements relating to:
- (a) procedures for admission of Securities to its Official List of Securities, including:
 - (i) requirements to be met before Securities may be granted admission to an Official List of Securities; and
 - (ii) agreements in connection with admitting Securities to an Official List of Securities;
 - (b) enforcement of the agreements referred to in Article 32~~(6)~~(4)(a)(ii);
 - (c) procedures for suspension and delisting of Securities from an Official List of Securities;
 - (d) the imposition on any person of obligations to observe specific standards of conduct or to perform, or refrain from performing, specified acts, reasonably imposed in connection with the admission of Securities to an Official List of Securities or continued admission of Securities to an Official List of Securities;
 - (e) penalties or sanctions which may be imposed by the DFSA for a breach of the listing rules;
 - (f) procedures or conditions which may be imposed, or circumstances which are required to exist, in relation to matters which are provided for in the listing rules;

- (g) actual or potential conflicts of interest that have arisen or might arise when a person seeks to have Securities admitted to an Official List of Securities; and
- (h) such other matters as are necessary or desirable for the proper operation of the listing rule process and the market.

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34. OBJECTIONS OR REFUSAL BY THE DFSA TO AN ADMISSION OF SECURITIES TO AN OFFICIAL LIST OF SECURITIES

(1) Where an Authorised Market Institution maintains an Official List of Securities, the DFSA may, ~~by written notice~~:

- (a) object to the admission of Securities to such an Official List of Securities; or
- (b) impose conditions or restrictions in respect of the admission of Securities to such an Official List of Securities, or vary or withdraw such conditions or restrictions,

in the circumstances specified in Article 34(3).

(2) Where the DFSA maintains an Official List of Securities, the DFSA may, ~~by written notice~~:

- (a) refuse an application for admission of Securities to such an Official List of Securities; or
- (b) impose conditions or restrictions, in respect of the admission of Securities to such an Official List of Securities, or vary or withdraw such conditions or restrictions,

in the circumstances specified in Article 34(3).

(3) The DFSA may exercise its powers under Article 34(1) or (2) where:

- (a) the DFSA reasonably considers, for a reason relating to the issuer of the Securities or to the Securities, that:
 - (i) granting the Securities admission to an Official List of Securities would be detrimental to the interests of persons dealing in the relevant Securities using the facilities of an Authorised Market Institution or otherwise;
 - (ii) any requirements in the listing rules as are applicable have not been or will not be complied with;

- (iii) any requirement imposed by the DFSA has not been or will not be complied with; or
 - (iv) the issuer of the Securities has failed or will fail to comply with any obligations applying to it including those relating to having its Securities admitted to an Official List of Securities or listed or traded in another jurisdiction; or
- (b) it is in the interests of the DIFC to do so.
- (4) Where the DFSA objects to the admission of Securities to an Official List of Securities pursuant to Article 34(1)(a), such Securities shall not be admitted by an Authorised Market Institution to its Official List of Securities.
- (5) Where the DFSA imposes conditions or restrictions on the admission of Securities to an Official List of Securities pursuant to Article 34(1)(b), such Securities shall not be admitted by an Authorised Market Institution to its Official List of Securities unless there is compliance with those conditions and restrictions.
- (6) ~~Where the DFSA exercises its powers under Article 34(1) or (2), it shall:~~
 - ~~(a) provide the applicant and where relevant the Authorised Market Institution an opportunity to make representations in person and in writing to the DFSA within a period of 14 days, or such further period as may be allowed, from the date on which such written notice was provided; and~~
 - ~~(b) provide a response to any such submission, and make, if necessary, any consequential variation, withdrawal or amendment of the objection, condition or restriction without undue delay.~~
- (6) The procedures in Schedule 3 to the Regulatory Law 2004 apply to a decision of the DFSA under Article 34(1) or (2). The DFSA may also give the Authorised Market Institution an opportunity to make representations under the procedures in Schedule 3 if it considers it appropriate to do so.
- (7) If the DFSA decides to exercise its power under Article 34(1) or (2), the applicant or the Authorised Market Institution may refer the matter to the FMT for review.

35. SUSPENDING AND DELISTING SECURITIES FROM AN OFFICIAL LIST OF SECURITIES

- (1) The DFSA or an Authorised Market Institution may, in accordance with its listing rules, suspend or delist Securities from its Official List of Securities with immediate effect or from such date and time as may be specified where it is satisfied that there are circumstances that warrant such action or it is in the interests of the DIFC.

- (2) The DFSA may, ~~by written notice,~~ direct an Authorised Market Institution to suspend or delist Securities from an Official List of Securities with immediate effect or from such date and time as may be specified if it is satisfied there are circumstances that warrant such action or it is in the interests of the DIFC.
- (3) ~~The DFSA shall provide the written notice under Article 35(2) to the Reporting Entity and where relevant the Authorised Market Institution and such notice shall include the reasons for the DFSA's decision.~~
- (4) ~~Subject to Article 35(5), the DFSA may only exercise its power under Article 35(1) or (2) if it has given the Reporting Entity and where relevant the Authorised Market Institution a suitable opportunity to make representations in person and in writing in relation to the proposed suspension or delisting.~~
- (5) ~~The requirements imposed on the DFSA in Article 35(4) shall not apply:~~
- ~~(a) in relation to:~~
- ~~(i) the suspension by the DFSA of Securities from an Official List of Securities; or~~
- ~~(ii) a direction given by the DFSA to an Authorised Market Institution to suspend Securities,~~
- ~~where the DFSA concludes that any delay likely to arise as a result of such requirements is prejudicial to the interests of the DIFC, or~~
- ~~(b) to a suspension or delisting of Securities which is requested by Reporting entity.~~
- (6) ~~Where pursuant to Article 35(5) the DFSA has:~~
- ~~(a) suspended a Security from an Official List of Securities; or~~
- ~~(b) directed an Authorised Market Institution to suspend Securities from an Official List of Securities;~~
- ~~without providing a prior opportunity to make representations, the DFSA shall:~~
- ~~(i) provide the relevant Reporting Entity and where relevant the Authorised Market Institution an opportunity to make representations in person and in writing to the DFSA within the period of 14 days, or such further period as may be agreed, from the date on which such direction or suspension was made; and~~
- ~~(ii) provide a response to any such submission, and make, if necessary, any consequential direction, variation or withdrawal of the direction, without undue delay.~~

- (3) The procedures in Schedule 3 to the Regulatory Law 2004 apply to a decision of the DFSA under this Article. The DFSA shall give both the Reporting Entity and the Authorised Market Institution an opportunity to make representations under the procedures in that Schedule.
- (4) If the DFSA decides to exercise its power under this Article, the Reporting Entity or the Authorised Market Institution may refer the matter to the FMT for review.
- ~~(5)(7)~~ The DFSA may, ~~by written notice,~~ withdraw a direction made under Article 35(2) at any time.
- ~~(6)(8)~~ Securities that are suspended from an Official List of Securities are still admitted to an Official List of Securities for the purposes of Parts 3 and 4 of this Law.
- ~~(7)(9)~~ The DFSA may, by Rules, prescribe any additional requirements or procedures relating to the delisting or suspension of Securities from or restoration of Securities to an Official List of Securities.

36. ~~DELETED JURISDICTION OF THE REGULATORY APPEALS COMMITTEE~~

~~The Regulatory Appeals Committee has jurisdiction to hear and determine any appeal in relation to a decision of the DFSA to:~~

- ~~(a) — refuse an application for an endorsement under Article 30;~~
- ~~(b) — suspend or withdraw an endorsement under Article 31;~~
- ~~(c) — object to the admission of Securities to an Official List of Securities under Article 34(1)(a);~~
- ~~(d) — impose, vary or withdraw a condition or restriction in respect of the admission of Securities to an Official List of Securities under Article 34(1)(b);~~
- ~~(e) — suspend or delist Securities from an Official List of Securities under Article 35;
or~~
- ~~(f) — direct an Authorised Market Institution to suspend or delist Securities admitted to an Official List of Securities under Article 35.~~

CHAPTER 3 – RECOGNITION

37. Recognised Status

- (1) The DFSA shall, by ~~rules~~ Rules, permit an Authorised Market Institution to admit as a member a recognised member.

- (2) A person which operates an exchange, clearing house or alternative trading system from a place of business outside the DIFC (the “operator”) shall not provide direct access to its facilities to persons in the DIFC unless such operator is admitted to the list of recognised persons maintained by the DFSA pursuant to Article 37(4).
- (3) For the purposes of this Law:
- (a) “recognised body” means a person which operates an exchange, clearing house or alternative trading system in a jurisdiction other than the DIFC which has been admitted to, and appears on, the list of recognised bodies maintained by the DFSA pursuant to this Article;
- (b) “recognised member” means a person located in a jurisdiction other than the DIFC which has been admitted to, and appears on, the list of recognised members maintained by the DFSA pursuant to this article; and
- (c) “recognised person” means a recognised body or a recognised member.
- (4) The DFSA shall maintain a list of recognised bodies and recognised members (the “list of recognised persons”) for the purposes of this Article.
- (5) The DFSA may only admit a person to its list of recognised persons if it appears to the DFSA that such a person satisfies and will continue to satisfy the recognition criteria prescribed for the purposes of this Article.
- (5A) The DFSA may refuse to admit a person to its list of recognised persons if it appears to the DFSA that the person does not satisfy or will not continue to satisfy the criteria referred to in Article 37(5).
- (6) The DFSA shall, by ~~rules~~ Rules, prescribe the initial and ongoing criteria which a person must satisfy in order to be, and continue to be, a recognised person (the “recognition criteria”);
- (7) If it is necessary or desirable in pursuit of its objectives, the DFSA may remove a person from its list of recognised persons in the circumstances and manner prescribed in the ~~rules~~ Rules made for the purposes of this Article.
- (8) The DFSA may make ~~rules~~ Rules regarding any definition, requirement or other matter which the DFSA considers necessary to give effect to the requirements, purpose or intent of this Article.
- ~~(9) The Regulatory Appeals Committee has jurisdiction to hear and determine any appeal in relation to a decision of the DFSA made for the purposes of Article 37(5) or (7).~~
- (9) The procedures in Schedule 3 to the Regulatory Law 2004 apply to a decision of the DFSA under Article 37(5A) or Article 37(7).

- (10) If the DFSA decides to exercise its power under Article 37(5A) or Article 37(7), the person may refer the matter to the FMT for review.

PART 4: OBLIGATIONS OF REPORTING ENTITIES

CHAPTER 1: DEFINITIONS

38. DEFINITION OF A REPORTING ENTITY

- (1) A person is, subject to Article 38(3), a Reporting Entity if the person:
- (a) has or had Securities admitted to an Official List of Securities at any time;
 - (b) has made an Offer of Securities to the Public other than in relation to Units of a Fund;
 - (c) merges with or acquires a Reporting Entity referred to in Article 38(1)(a) or (b); or
 - (d) is declared by the DFSA pursuant to Article 38(4) to be a Reporting Entity.
- (2) For the purposes of Article 38(1)(a):
- (a) in the case of a Fund where the Units are or have been included in an Official List of Securities (a “Listed Fund”):
 - (i) a reference to a Reporting Entity is a reference to the Fund Manager of that Fund or such other person as the DFSA may declare (who may also be called a “Reporting Entity of the Listed Fund”); and
 - (ii) any obligations of a Reporting Entity are, unless the context requires otherwise, obligations in respect of the Listed Fund; and
 - (b) for avoidance of doubt, a person does not become a Reporting Entity of a Listed Fund by merely offering the Units of the Fund to the public, unless the Units are also admitted to an Authorised Market Institution.
- (3) A person is not a Reporting Entity:
- (a) if the person:
 - (i) is an Exempt Offeror; or
 - (ii) has made an Offer of Securities to the Public where that offer is an Exempt Offer;

- (b) if:
 - (i) the person previously had Securities admitted to an Official List of Securities but currently has no Securities admitted to an Official List of Securities;
 - (ii) the current holders of at least seventy five per cent of the Securities of the Reporting Entity or the Listed Fund, as is relevant, have agreed in writing that the person is no longer needed to be a Reporting Entity; and
 - (iii) the DFSA has confirmed in writing upon being notified of the grounds referred to in Article 38(3)(b)(i) and (ii) that the person need no longer be a Reporting Entity; or
 - (c) in the case of a person referred to in Article 38(1)(a),(b) or (c), if that person is declared by the DFSA pursuant to Article 38(4)(a)(ii) not to be a Reporting Entity.
- (4) The DFSA may, ~~subject to Article 38(5)~~, upon application of a person or on its own initiative:
- (a) declare in writing that a person is:
 - (i) a Reporting Entity; or
 - (ii) not a Reporting Entity; and
 - (b) impose such conditions or restrictions as it considers appropriate in respect of such a declaration.
- ~~(5) The DFSA may only exercise its power under Article 38(4) on its own initiative if it has given a person a suitable opportunity to make representations in person and in writing in relation to the proposed declaration or imposition of conditions or restrictions.~~
- ~~(6) The Regulatory Appeals Committee has jurisdiction over any decision made by the DFSA pursuant to Article 38(4).~~
- (5) The procedures in Schedule 3 to the Regulatory Law 2004 apply to a decision of the DFSA under Article 38(4).
- (6) If the DFSA decides to exercise its power under Article 38(4), the person may refer the matter to the FMT for review.
- (7) The DFSA may, by Rules, prescribe requirements applicable to Reporting Entities, including any circumstances in which such requirements may not apply to certain Reporting Entities.

- (8) The DFSA may, by Rules, extend the requirements applicable to a Reporting Entity to any person who intends to undertake any activity specified in Article 38(1)(a), (b) or (c) where it considers appropriate to do so.
- (9) A reference to a Reporting Entity in the Law and the Rules made for the purposes of the Law includes, except where otherwise provided or the context implies otherwise, a person intending to have Securities admitted to trading on an Authorised Market Institution.

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48. PUBLIC LISTED COMPANIES

A Reporting Entity which is a Public Listed Company ~~must appoint~~ shall have a Registered Auditor to be its auditor appointed in accordance with Part 8 of the Regulatory Law 2004 and any Rules made for the purposes of that Part.

CHAPTER 6 – SPONSORS AND COMPLIANCE ADVISERS

49. APPOINTMENT OF SPONSORS OR COMPLIANCE ADVISERS

- (1) The DFSA may, ~~by written notice,~~ require that a Reporting Entity appoint a sponsor, compliance adviser or other expert adviser on such terms and conditions as it considers appropriate.
- (2) The DFSA may, by Rules, prescribe:
 - (a) the circumstances in which a Reporting Entity is required to appoint a sponsor, compliance adviser or other expert adviser;
 - (b) the requirements applicable to the Reporting Entity and a person appointed as a sponsor, compliance adviser or other expert adviser; and
 - (c) any other matter necessary to give effect to such appointments.
- ~~(3) The DFSA may only require a Reporting Entity to appoint a sponsor, compliance adviser or other expert adviser pursuant to Article 49(1) if it has provided to the Reporting Entity a prior written notice stating the reasons for proposing to do so, and giving the Reporting Entity an opportunity to make representations.~~
- ~~(4) The Regulatory Appeals Committee has jurisdiction to hear and determine any appeal against a decision made by the DFSA pursuant to Article 49(1).~~
- (3) The procedures in Schedule 3 to the Regulatory Law 2004 apply to a decision of the DFSA under Article 49(1).
- (4) If the DFSA decides to exercise its power under Article 49(1), the Reporting Entity may refer the matter to the FMT for review.

CHAPTER 7 – MISCELLANEOUS

50. DFSA POWERS

- (1) The DFSA may, if it is satisfied that it is in the interest of the DIFC to do so subject to Article 50(2), by written notice:
 - (a) direct a Reporting Entity to disclose specified information to the market or take such other steps as the DFSA considers appropriate; or
 - (b) impose on a Reporting Entity any additional continuing obligations, on such terms and conditions as determined by the DFSA.
- ~~(2) The DFSA may only exercise the powers in Article 50(1) if it:~~
 - ~~(a) is satisfied that it is in the interest of the DIFC to do so ; and~~
 - ~~(b) has provided to the Reporting Entity a notice in writing of its proposal to direct the Reporting Entity to disclose specified information or impose any additional continuing obligations on the Reporting Entity and the reasons for proposing to do so, giving the Reporting Entity an opportunity to make representations, unless Article 50(3) applies.~~
- ~~(3) Where the DFSA concludes that any delay likely to arise as a result of allowing a Reporting Entity to make representations would be prejudicial to the interests of the DIFC, it will not provide the Reporting Entity the prior opportunity to make representations.~~
- ~~(4) Where the DFSA has imposed additional obligations without providing to the Reporting Entity a prior opportunity to make representations pursuant to Article 50(3), the DFSA shall:~~
 - ~~(a) provide to the Reporting Entity an opportunity to make representations in person and in writing to the DFSA within the period of 14 days or such further period as may be agreed from the date on which such additional continuing obligations were imposed; and~~
 - ~~(b) provide a written response to any representations made and make any consequential direction, variation or withdrawal of the additional obligations imposed without undue delay.~~
- ~~(5) The Regulatory Appeals Committee has jurisdiction to hear and determine any appeal against a direction or the imposition of any additional continuing obligations made pursuant to Article 50(1).~~
- (2) The procedures in Schedule 3 to the Regulatory Law 2004 apply to a decision of the DFSA under this Article.

- (3) If the DFSA decides to exercise its power under this Article, the Reporting Entity may refer the matter to the FMT for review.

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PART 7: CONTRAVENTIONS AND PROCEEDINGS

66. DELETED CONTRAVENTIONS

~~A person who:~~

- (a) ~~does an act or thing that the person is prohibited from doing by or under this Law or by the Rules;~~
- (b) ~~does not do an act or thing that the person is required or directed to do by or under this Law or by the Rules; or~~
- (c) ~~otherwise contravenes a provision of this Law or the Rules;~~

~~commits a contravention of this Law or the Rules, as the case may be, by virtue of Article 85 of the Regulatory Law 2004.~~

67. DELETED DECLARATION OF CONTRAVENTION

~~The Court or the Financial Markets Tribunal may make a declaration in proceedings pending before it that a person has committed a contravention of this Law or the Rules.~~

68. ORDERS IN THE INTERESTS OF THE DIFC

- (1) ~~The Court or the Financial Markets Tribunal may, on the application of the DFSA, may make one or more of the following orders in relation to a person, irrespective of whether a contravention of this Law or the Rules made for the purposes of this Law has occurred, if ~~in its opinion, it is satisfied that~~ it is in the interest of the DIFC to make such an ~~the order or orders:~~~~
- (a) ~~an order restricting any conduct on such conditions or terms as the Court or Financial Markets Tribunal thinks fit;~~
- (b) ~~an order that trading in any Investments cease permanently or for such period as is specified in the order;~~
- (c) ~~an order that any exemptions contained in the Law or the Rules do not apply permanently or for such period as is specified in the order;~~
- (d) ~~an order that a person submit to a review by the DFSA of his practices and procedures and institute such changes as may be directed by the DFSA;~~
- (e) ~~an orders in relation to activities relating to a Takeover Offers within the DIFC;~~

- (f) an order that a disclosure be made to the market;
 - ~~(g) an order reprimanding a person described in the order;~~
 - ~~(h)~~(g) an order that a person resign one or more positions that the person holds as a director or officer of a company;
 - ~~(i)~~(h) an order that a person is prohibited from becoming or acting as a director or officer of any company;
 - ~~(j)~~(i) an order that a person is prohibited from making offers of Securities in or from the DIFC;
 - ~~(k)~~(j) an order that a person is prohibited from being involved in Reporting Entities, Listed Funds or Securities within the DIFC;
 - ~~(l)~~(k) an order requiring a person to disgorge to the DFSA any amounts obtained as a result of the non-compliance with the Law or the Rules;
 - ~~(m)~~(l) an order that a release, report, Prospectus, ~~Supplementary~~, return, financial statement or any other document described in the order:
 - (i) be provided by a person described in the order,
 - (ii) not be provided by a person described in the order; or
 - (iii) be amended by a person to the extent that amendment is practicable;
 - ~~(n) an order that a person pay a fine;~~
 - ~~(o)~~(m) any order that the Court ~~or Financial Markets Tribunal~~ thinks fit, in order to maintain the integrity of the DIFC and ensure an efficient, honest, fair and transparent market; or
 - ~~(p)~~(n) an order that a person must comply with a condition of a written notice referred to in Article 9(2) in a specified way.
- (2) The Court ~~or Financial Markets Tribunal~~ ~~may~~, on the application of the DFSA, may make interim and ex parte orders specified in Article 68(1)(a), (b), (c), (d), (e), (f), (l) and (m) ~~and (o)~~.
 - (3) An order under Article 68(1) and (2) may be subject to such terms and conditions as the Court ~~or the Financial Markets Tribunal~~ may impose.

69. DELETED CERTIFICATE OF CONTRAVENTION

~~A certificate signed by the Registrar of the Court or a member of the Financial Markets Tribunal which states that the Court or Financial Markets Tribunal on a specified day~~

~~made a finding that a specified person has committed a contravention of a specified provision of the Law or of the Rules or of any other legislation administered by the DFSA or made a specified finding of fact is, in any other proceedings before the Court or Financial Markets Tribunal, where relevant:~~

- ~~(a) — conclusive evidence that the person was found by the Court or the Financial Markets Tribunal on that day to have contravened the relevant provision;~~
- ~~(b) — prima facie evidence that the person contravened that provision; and~~
- ~~(c) — prima facie evidence of the relevant finding of fact determined by the Court or the Financial Markets Tribunal.~~

PART 8: THE FINANCIAL MARKETS TRIBUNAL

70. JURISDICTION OF THE FINANCIAL MARKETS TRIBUNAL FMT

- ~~(1) The Financial Markets Tribunal has additional jurisdiction as set out in Article 70(2).~~
- ~~(2)(1) The Financial Markets Tribunal FMT has jurisdiction to hear and determine any regulatory proceedings in relation to:~~
 - ~~(a) an issue arising out of the supervision ~~relating to~~ of an Authorised Market Institution other than a direction under Article 26(2);~~
 - ~~(b) an issue arising out of an offers of Securities arising under this Law;~~
 - ~~(c) an issue arising out of a takeover, takeover offer, merger or acquisition of shares; or~~
 - ~~(d) any matter that may be prescribed by law or the Rules for the purpose of this Article.~~
- ~~(2) At the conclusion of such proceedings, the FMT may make a finding or declaration of unacceptable circumstances or a contravention of the Law or Rules, and may make one or more of the following orders, in addition to any orders it may make under Article 30 of the Regulatory Law 2004:~~
 - ~~(a) an order requiring a person to comply with this Law or the Rules;~~
 - ~~(b) an order in relation to the control or acquisition of Investments in or relating to a Reporting Entity;~~
 - ~~(c) an order in relation to the rights of shareholders or minority shareholders in a Reporting Entity; or~~
 - ~~(d) any consequential orders as the FMT sees fit following a finding or the making of a declaration.~~

- ~~(3) — A proceeding brought under Article 70(2) shall be referred to as a “regulatory proceeding” for the purposes of this Part.~~
- ~~(4) — A regulatory proceeding under this Part does not include an appeal of a DFSA decision.~~
- ~~(5) — A regulatory proceeding under this Part may be brought by the DFSA or by another person with the consent of the DFSA.~~
- ~~(6) — Subject to Article 70(7), an appeal from a determination from the Financial Markets Tribunal may be made to the Court pursuant to Article 32(5) of the Regulatory Law 2004.~~
- ~~(7) — An appeal lies to the Court on a point of law from a determination by the Financial Markets Tribunal of an appeal to the Tribunal prescribed by Rules made by the DFSA for the purposes of this Article.~~

71. DELETED Powers to hear and determine matters

- ~~(1) — The Financial Markets Tribunal shall be constituted, operate and exercise powers as prescribed under Articles 31 to 35 of the Regulatory Law 2004.~~
- ~~(2) — At the conclusion of any proceedings, under this Law, the Financial Markets Tribunal may make a finding or declaration of unacceptable circumstances or a contravention of the Law or Rules, and may make one or more of the following orders, in addition to any orders it may make under Article 34 of the Regulatory Law 2004 or Article 67 of this Law:
 - ~~(a) — an order requiring the respondent to comply with this Law or the Rules;~~
 - ~~(b) — an order in relation to the control or acquisition of Investments in or relating to a Reporting Entity;~~
 - ~~(c) — an order in relation to the rights of shareholders or minority shareholders in a Reporting Entity;~~
 - ~~(d) — an order requiring the respondent to do any act or thing; or~~
 - ~~(e) — any consequential orders as the Financial Markets Tribunal sees fit following a finding or the making of a declaration.~~~~

.....

SCHEDULE

INTERPRETATION

1. RULES OF INTERPRETATION

(1) In this Law, a reference to:

.....

(d) a day means, except where otherwise stated, a calendar day. If an obligation falls on a calendar day which is either a Friday or Saturday or an official sState holiday in the DIFC, the obligation shall take place on the next calendar day which is a business day;

.....

2. LEGISLATION IN THE DIFC

References to legislation and Guidance in this Law shall be construed in accordance with the following provisions:

(a) Federal Law is law made by the federal government of the ~~United Arab Emirates State~~ State;

.....

(d) this Law is The Markets Law, ~~DIFC Law No. []~~ of 2012 made by the Ruler;

.....

3. DEFINED TERMS

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings:

Term	Definition
Financial Markets Tribunal	the Financial Markets Tribunal established pursuant <u>referred to in</u> Article 2631 <u>2634</u> of the Regulatory Law 2004.
<u>FMT</u>	<u>the Financial Markets Tribunal.</u>
Regulatory Appeals Committee	has the meaning given in Article 3 of Schedule 1 of the Regulatory Law 2004.
<u>State</u>	<u>United Arab Emirates</u>

PART 4: AMENDMENTS TO THE COLLECTIVE INVESTMENT LAW 2010

9. The Collective Investment Law 2010 is amended as prescribed in this Part.
10. The following Articles of the Collective Investment Law 2010 are to be amended by inserting the underlined text and deleting the struck through text as shown below:

PART 2: DEFINITIONS

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CHAPTER 2: TYPES OF FUNDS AND RELEVANT CRITERIA

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15. Types of Domestic Funds

- (1) A Domestic Fund shall be one of the following types of Fund:
 - (a) a Public Fund;
 - (b) ~~a Private Fund; or~~
 - (eb) an Exempt Fund; or
 - (c) a Qualified Investor Fund.
- (2) The DFSA may treat any type of Domestic Fund referred to in Article 15(1) as a specialist class of a Domestic Fund pursuant to Article 17.

16. Domestic Fund criteria

- (1) A Domestic Fund shall, ~~subject to Article 16(5),~~ be constituted as a Public Fund if:
 - (a) it has, or intends to have, more than 100 Unitholders;
 - (b) some or all of its Units are offered to investors by way of a public offer;
or
 - (c) its Unitholders include Retail Clients.
- (2) A Domestic Fund may be constituted either ~~as a Private Fund or as an Exempt Fund~~ or as a Qualified Investor Fund but only if that Fund ~~meets the relevant criteria~~ satisfies all of the conditions in Article 16(3) or (4) or (5) as applicable.
- (3) ~~Deleted A Domestic Fund meets the Private Fund criteria, subject only to Article 16(6), if:~~
 - (a) ~~it has, or intends to have, 100 or fewer Unitholders;~~
 - (b) ~~its Units are offered to persons only by way of a private placement; and~~

- (e) ~~all its Unitholders are persons who meet the criteria to be classified as Professional Clients.~~
- (4) A Domestic Fund ~~is an~~ meets the Exempt Fund criteria, subject only to Article 16(6), if:
- (a) ~~it has,~~ or intends to have, 100 or fewer Unitholders;
 - (b) its Units are offered to persons only by way of a ~~P~~private ~~P~~lacement;
 - (c) all its Unitholders are persons who meet the criteria to be classified as Professional Clients; and
 - (d) the initial subscription to be paid by a person to become a Unitholder is at least US\$50,000,
- and it does not satisfy the conditions in Article 16(5) to be a Qualified Investor Fund.
- (5) ~~Nothing in this Law or the Rules shall prevent a Fund that meets the criteria to be a Private Fund or an Exempt Fund being constituted as a Public Fund.~~ A Domestic Fund is a Qualified Investor Fund, subject only to Article 16(6), if:
- (a) it has 50 or fewer Unitholders;
 - (b) its Units are offered to persons only by way of a Private Placement;
 - (c) all its Unitholders are persons who meet the criteria to be classified as Professional Clients; and
 - (d) the initial subscription to be paid by a person to become a Unitholder is at least US\$500,000.
- (6) A Domestic Fund does not cease to be a ~~Private Fund or an Exempt Fund~~ or a Qualified Investor Fund under Article 16(3) ~~or (4)~~ or (5) merely because one or more Units in that Fund is registered in the name of a person who does not meet the criteria to be a Unitholder of that particular type of Fund as a result of:
- (a) inheritance from a registered Unitholder of the Fund; or
 - (b) any legal action brought for or against a registered Unitholder.
- (7) The DFSA shall, by Rules, prescribe:
- (a) the relevant criteria for a person to be classified as a Retail Client or a Professional Client; and
 - (b) ~~what activities constitute a public offer or a private placement; and~~

- (be) any other requirements or matters which the DFSA considers necessary to give effect to the requirements or intent of the provisions in this chapter.

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PART 4: ESTABLISHMENT AND OPERATION OF DOMESTIC FUNDS

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Chapter 1: Requirements applicable to all Domestic Funds

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27. General requirements

- (1) Every Domestic Fund shall have:
- (a) a written Constitution which complies with the Rules;
 - (b) a purpose that is reasonably capable of being successfully carried into effect;
 - (c) a Registered Auditor appointed in accordance with Part 8 of the Regulatory Law 2004 and any Rules made for the purposes of that Part ~~an auditor appointed to it in accordance with Part 6;~~
 - (d) if it is an Investment Trust, a Trustee appointed to the Fund in accordance with the requirements in the Investment Trust Law 2006;
 - (e) if it is not an Investment Trust, an eligible person with whom the legal title to the Fund Property is registered unless otherwise provided in the Rules; and
 - (f) in the case of an open-ended Fund, single pricing for the purposes of redemption and re-issue or sale of Units in the Fund where the price of a Unit is calculated by reference to the net asset value of the property of the Fund to which the Units relate and in accordance with the Rules.
- (2) Any provision in the Constitution of a Domestic Fund is void in so far as it would have the effect of exempting the Fund, the Fund Manager and, if appointed, the Trustee from liability for any failure to discharge their obligations under this Law, the Regulatory Law 2004, the Law Regulating Islamic Financial Business 2004, the Investment Trust Law 2006 or any rules made for the purposes of these laws.
- (3) The DFSA shall, for the purposes of Article 27(1)(e), by Rules, prescribe the criteria that a person must meet to be considered “eligible” and such Rules may permit the Fund Manager to be considered “eligible” for the purposes of a particular type of, or a specialist class of, a Domestic Fund.

- (4) If, in the opinion of the DFSA, the name of a Fund or of a Sub-Fund of a Fund conflicts with the name of another Fund or is undesirable or misleading, it may direct the Fund Manager to change the name of the Fund or the Sub-Fund.

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30. Rejection of an application

- (1) The DFSA may, ~~in its discretion~~, refuse to grant an application for registration of a Public Fund if it is not satisfied that the requirements referred to in Article 28 have been met.
- (2) ~~Upon refusing to grant registration, the DFSA shall, without undue delay, inform the Fund Manager and, if appointed, the Trustee in writing of such refusal and, where requested by the Fund Manager or Trustee, the reasons for such refusal.~~
- (2) The procedures in Schedule 3 to the Regulatory Law 2004 apply to a decision of the DFSA under Article 30(1).
- (3) If the DFSA decides to exercise its power under Article 30(1), the applicant may refer the matter to the FMT for review.

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32. Withdrawal of registration

- (1) The DFSA may, subject to Article 32(2), withdraw the registration of a Public Fund where one or more of the following circumstances apply:
- (a) the Fund is not operating or has been wound up;
 - (b) any information provided to the DFSA by the Fund Manager or, if appointed, the Trustee, is false or misleading in a material particular or materially misleading;
 - (c) the Fund Manager or, if appointed, the Trustee has contravened a requirement imposed on it by or under this Law or the Investment Trust Law 2006;
 - (d) the Fund Manager or, if appointed, the Trustee or member of the Fund's Governing Body has not complied with a direction issued by the DFSA under the Law;
 - (e) a person other than a member of the Fund's Governing Body, Shari'a Supervisory Board, the Trustee or a person providing oversight functions is exercising significant influence over the Fund, the Fund Manager or any member of the Fund's Governing Body;

- (f) the Fund Manager is no longer fit and proper to manage the Fund or is incapable of acting as the Fund Manager of the Fund in compliance with the Law or Rules or the terms of its Constitution;
 - (g) the Trustee is no longer fit and proper to act as Trustee of the Fund or is incapable of acting as Trustee of the Fund in compliance with this Law or Rules or the terms of its Constitution and the Investment Trust Law 2006;
 - (h) the Fund Manager or, if appointed, the Trustee requests the DFSA to withdraw the registration of the Fund on the grounds that the Unitholders have passed a Special Resolution approving the Fund to be deregistered;
 - (i) the Fund Manager is no longer authorised under its Licence to manage the Fund; or
 - (j) in the case of an External Fund Manager, that person ceases to meet the requirements in Article 20(5).
- (2) The DFSA may withdraw the registration of a Fund under Article 32(1) only if it considers that:
- (a) the withdrawal is in the interests of the Unitholders of the Fund; or
 - (b) appropriate steps have been taken or may reasonably be taken to protect the interests of the Unitholders.
- (3) Where the DFSA has withdrawn, or proposes to withdraw, a registration under this Article, it may, by written notice, direct the Fund Manager, or if appointed, the Trustee to take such steps as the DFSA considers necessary or desirable to protect the interests of Unitholders in the Fund.
- ~~(4) Unless the DFSA withdraws the registration of the Fund upon an application made by the Fund Manager or where relevant the Trustee or on the grounds the Fund Manager is no longer authorised under its Licence to manage the Fund, the DFSA shall only do so if it has given the relevant Fund Manager and, if appointed, the Trustee a suitable opportunity to make representations in person and in writing to the DFSA in relation to the proposed withdrawal and the DFSA has informed the Fund Manager or where relevant the Trustee in writing of its response to any such representation.~~
- ~~(5) Upon deciding to withdraw a registration, the DFSA shall, without undue delay, inform the Fund Manager and where relevant the Trustee in writing of:~~
- ~~(a) its decision;~~
 - ~~(b) the date on which the withdrawal of registration shall come into effect;~~
- ~~and~~

~~(e) — if requested by the Fund Manager or the Trustee, the reasons for its decision.~~

- (4) The procedures in Schedule 3 to the Regulatory Law 2004 apply to a decision of the DFSA under this Article. The DFSA shall give both the Fund Manager and the Trustee (if appointed) the opportunity to make representations under those procedures.
- (5) If the DFSA decides to exercise its power under this Article, the Fund Manager or the Trustee (if appointed) may refer the matter to the FMT for review.
- (6) The Court may order the DFSA to withdraw the registration of a Public Fund.

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Chapter 3: Notification requirement applicable to ~~Private and Exempt Funds~~ and Qualified Investor Funds

34. Notification requirement

- (1) The Fund Manager of a ~~Private Fund or an Exempt Fund~~ or a Qualified Investor Fund shall notify the DFSA at least 14 days prior to the initial Offer to issue Units in the Fund and in the case of ~~if a closed-ended Fund,~~ any subsequent Offer to issue Units in the Fund.
- (2) Such a notification must be made in the manner prescribed in the Rules and include the name of the Fund and the type of Fund and any further details required under such Rules.
- (3) ~~If a Domestic Fund can no longer meet the Private Fund or Exempt Fund criteria in Article 16(3) or (4) as applicable, the Fund Manager of that Fund shall apply either for the registration of the Fund as a Public Fund under Article 28 or for the winding up of that Fund as provided under Part 8 of this Law.~~ If a Domestic Fund can no longer meet the conditions to be an Exempt Fund or a Qualified Investor Fund under Article 16(4) or (5) as applicable, the Fund Manager of that Fund shall, as soon as practicable, either:
 - (a) in the case of an Exempt Fund, register the Fund as a Public Fund under Article 28, or in the case of a Qualified Investor Fund, reconstitute the Fund as an Exempt Fund or register the Fund as a Public Fund under Article 28; or
 - (b) apply for the winding up of that Fund as provided under Part 8 of this Law.

Chapter 4: Alterations to a Domestic Fund

35. Alterations

- (1) Subject to Article 35(6):
 - (a) changes to a Domestic Fund's Constitution or Prospectus in respect of investment, borrowing or gearing powers may be made; or

- (b) the Fund Manager, the Trustee, a member of the Governing Body or the auditor of a Fund may be replaced;

~~i~~f, an appropriate Special Resolution has been passed, by the Unitholders at a meeting convened by the Unitholders solely for that purpose.

- (2) Any other materially significant changes not falling within Article 35(1), such as, replacing a member of the Shari'a Supervisory Board or changes to the Constitution or Prospectus, which may adversely affect the Unitholders may be made in relation to a Fund if an appropriate ordinary resolution has been passed by a simple majority of the Unitholders at a meeting convened for that purpose.
- (3) If the Fund Manager and, if appointed, the Trustee, consider on reasonable grounds that the change is not one that falls within Article 35(1) or (2) and will not adversely affect Unitholders' rights, such change may be made by the Fund Manager without recourse to the Unitholders other than to notify them after the change has been effected.
- (4) The DFSA may, by Rules, prescribe:
 - (a) further requirements applicable for any changes to the Fund, including the changes referred to in this Article; and
 - (b) exemptions from the requirements in this Article.

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36. Grant or rRejection of proposed alteration

- (1) The DFSA may ~~in its absolute discretion refuse to grant approval of~~ approve a proposed alteration if it is satisfied that the requirements in Article 35 have been met.
- (2) ~~Upon refusing to grant approval, the DFSA shall, in writing and without undue delay, inform the Fund Manager, if appointed, the Trustee, and the Domestic Fund as is appropriate, of such refusal and, where requested by the Fund, the reasons for such refusal. The DFSA may refuse to grant approval of a proposed alteration if it is not satisfied that the requirements in Article 35 have been met.~~
- (3) The procedures in Schedule 3 to the Regulatory Law 2004 apply to a decision of the DFSA under Article 36(2). The DFSA shall give both the Fund Manager and the Trustee (if appointed) the opportunity to make representations under those procedures.
- (4) If the DFSA decides to exercise its power under Article 36(2), the Fund Manager or the Trustee (if appointed) may refer the matter to the FMT for review.

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PART 5: GOVERNANCE OF DOMESTIC FUNDS

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Chapter 2: Oversight of Public Funds

39. Requirements relating to oversight arrangements

- (1) A Fund Manager of a Domestic Fund which is, or is to be, a Public Fund shall:
 - (a) establish and maintain one of the permitted oversight arrangements prescribed in the Rules; and
 - (b) ensure that a person appointed to carry out the oversight function for the Fund meets:
 - (i) the independence criteria set out in Article 42 of this Law; and
 - (ii) any additional suitability criteria prescribed in Rules made for the purposes of this Article.
- (24) ~~The DFSA may, in its absolute discretion,~~ at any time object to a particular oversight arrangement or an individual appointed to carry out the oversight function for a Fund and require the Fund Manager to appoint a replacement if it appears to the DFSA that the requirements in Article 39(1) are not being met.
- (5) ~~The DFSA shall notify the Fund Manager of such objection in writing and, where requested by the Fund Manager, the reasons for such objection.~~
- (3) The procedures in Schedule 3 to the Regulatory Law 2004 apply to a decision of the DFSA under this Article.
- (4) If the DFSA decides to exercise its power under this Article, the Fund Manager may refer the matter to the FMT for review.

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PART 6: AUDITORS OF DOMESTIC FUNDS [NOT IN USE]

43. ~~Appointment and removal of auditors~~

- (1) ~~The Fund Manager of a Domestic Fund shall:~~
 - (a) ~~for the purposes of Article 27(1)(c) and subject to Article 43(7), appoint an auditor; and~~
 - (b) ~~at each annual general meeting appoint an auditor to hold office from the conclusion of that meeting to the conclusion of the next annual general meeting; or~~
 - (c) ~~at the beginning of each financial year appoint an auditor to hold office until the beginning of the next financial year.~~
- (2) ~~The appointment of a firm as an auditor of a Domestic Fund is taken to be an appointment of all persons who are partners of the firm.~~

- ~~(3) — A Fund Manager and, if appointed, the Trustee shall ensure that at all times the Fund has an auditor.~~
- ~~(4) — The Fund Manager shall not appoint to a Domestic Fund an auditor under this Article unless:~~
- ~~(a) — the auditor has, prior to the appointment, consented in writing to serve as the auditor for the Domestic Fund;~~
 - ~~(b) — the Fund Manager and, if appointed, the Trustee is not, on reasonable inquiry, aware of any matter which should preclude the auditor from giving its consent under Article 43(5); and~~
 - ~~(c) — the auditor is registered with the DFSA in accordance with Part 8 of the Regulatory Law 2004.~~
- ~~(5) — An auditor shall not consent to an appointment as an auditor of a Domestic Fund if:~~
- ~~(a) — the auditor has, or may reasonably be perceived to have, a conflict of interest of a nature prescribed in the Rules;~~
 - ~~(b) — the auditor does not have, or may reasonably be perceived not to have, a requisite degree of independence from the Fund Manager and, if appointed, the Trustee or other members of the Governing Body of the Domestic Fund as prescribed in the Rules; or~~
 - ~~(d) — the auditor or any associate of the auditor in a firm or business undertaking has acted as an auditor of the Fund Manager and, if appointed, the Trustee within such earlier period or frequency as prescribed in the Rules.~~
- ~~(6) — The Fund Manager of a Domestic Fund may, subject to Articles 43(7) and 46, at any time remove an auditor notwithstanding anything in any agreement between it and the auditor.~~
- ~~(7) — In the case of an Investment Trust, the Fund Manager must obtain the prior approval of the Trustee before carrying out any activities under Article 43 in relation to the appointment or removal of an auditor.~~
- ~~(8) — The Court may, on an application made by the DFSA, order the removal of an auditor of a Domestic Fund.~~
- ~~(9) — Nothing in this Article is to be taken as depriving an auditor removed under it of compensation or damages payable to the auditor in respect of the termination of appointment as auditor.~~

44. Deleted Auditor's reports

- ~~(1) — An auditor of a Domestic Fund must make an audit report.~~

- (2) ~~The DFSA may make Rules in relation to:~~
- (a) ~~the functions to be carried out by an auditor when auditing a Domestic Fund's accounts;~~
 - (b) ~~the scope of the auditor's audit report; and~~
 - (c) ~~the scope of ad hoc reports of the auditor.~~

45. Deleted Auditors' duties

- (1) ~~An auditor shall, in preparing the audit report in relation to the accounts of a Domestic Fund, carry out such investigations as will enable the auditor to form an opinion as to the following matters:~~
- (a) ~~whether proper accounting records have been kept by the Fund Manager and, if appointed, the Trustee in respect of the Domestic Fund;~~
 - (b) ~~whether the Domestic Fund's accounts are in agreement with the accounting records and regulatory returns;~~
 - (c) ~~whether the Domestic Fund's accounts have been prepared in compliance with the applicable accounting standards; and~~
 - (d) ~~whether the accounts of the Domestic Fund represent a true and fair view of the financial condition and state of affairs of the Domestic Fund.~~
- (2) ~~If the auditor is of the opinion that proper accounting records have not been kept, or that the accounts are not in agreement with the accounting records and returns, or that the accounts do not comply with applicable accounting standards, the auditor shall state that fact in the audit report.~~
- (3) ~~If the auditor fails to obtain all the information and explanations which, to the best of the auditor's knowledge and belief are necessary for the purposes of the audit, the auditor shall state that fact in the report.~~
- (4) ~~An auditor shall disclose to the Trustee and the person providing oversight function of a Public Fund any information relevant to such person's role.~~

46. Deleted Resignation of an auditor

- (1) ~~An auditor of a Domestic Fund may resign from office by depositing a notice in writing to that effect together with a statement under Article 46(2) at the Domestic Fund's registered office and with the DFSA; and any such notice operates to bring its term of office to an end on the date on which the notice is deposited, or on such later date as may be specified in it.~~
- (2) ~~When an auditor ceases for any reason to hold office the auditor shall deposit at the Domestic Fund's and, if appointed, the Trustee's registered office and with the DFSA:~~

- (a) ~~— a statement to the effect that there are no circumstances connected with the ceasing to hold office which the auditor considers should be brought to the notice of the Unitholders or creditors of the Domestic Fund; or~~
 - (b) ~~— if there are any circumstances as are mentioned above, a statement of the nature of such circumstances.~~
- (3) ~~— Where an auditor's statement falls within Article 46(2)(b), the Fund Manager, or failing which, the other members of the Governing Body of the Domestic Fund or, if appointed the Trustee, shall provide to the DFSA any response to the auditor's statement along with a copy of that statement.~~

47. Deleted Co-operation with auditors

- (1) ~~— A Domestic Fund, any member of its Governing Body, any person providing oversight, any officer, employee or agent of the Domestic Fund, its Fund Manager or where appointed its Trustee, shall not knowingly or recklessly make to the auditor a statement (whether written or oral) which:~~
- (a) ~~— conveys or purports to convey any information or explanation which the auditor requires, or is entitled to require, as auditor of the Domestic Fund; and~~
 - (b) ~~— is either:

 - (i) ~~— false, misleading or deceptive in a material particular; or~~
 - (ii) ~~— such that it omits information where the omission of such information is likely to mislead or deceive the auditor.~~~~
- (2) ~~— A Domestic Fund, any member of its Governing Body, any person providing the oversight function, any officer or employee of the Domestic Fund, its Fund Manager or, where appointed, its Trustee, or any person acting under the direction or authority of such persons, shall not without reasonable excuse engage in conduct, including without limitation the:~~
- (a) ~~— destruction or concealment of documents;~~
 - (b) ~~— coercion, manipulation, misleading, or influencing of the auditor;~~
 - (c) ~~— failure to provide access to information or documents specified by the auditor; or~~
 - (d) ~~— failure to give any information or explanation which the person is able to give;~~

~~where the Domestic Fund, Fund Manager, Trustee, member of the Governing Body, officer, employee or other person knows or ought to know that such conduct could, if successful:~~

- (e) ~~— obstruct the auditor in the performance of his duties under this Part; or~~

~~(f) — result in the rendering of the accounts of the Domestic Fund or the auditor's report being materially misleading.~~

48. Deleted Obligation of disclosure to the DFSA

~~(1) — An auditor is subject to the obligations of disclosure under Article 48(3).~~

~~(2) — Without limiting the application of any other provision of this Law, an auditor does not contravene any duty to which the auditor is subject merely because the auditor gives to the DFSA:~~

~~(a) — a notification as required under this Article; or~~

~~(b) — any other information or opinion in relation to any such matter;~~

~~if the auditor is acting in good faith and reasonably believes that the notification, information or opinion is relevant to any functions of the DFSA.~~

~~(3) — Subject to Article 48(4), an auditor shall disclose to the DFSA any matter which reasonably tends to show one of the following:~~

~~(a) — a breach, or likely breach of a provision of this Law or the Rules;~~

~~(b) — a failure, or likely failure, to comply with any obligation to which a person is subject under such legislation; or~~

~~(c) — any other matter as the DFSA may prescribe in Rules;~~

~~which may be attributable to the conduct of the relevant Domestic Fund, the Trustee, the Fund Manager or other member of the Governing Body including the Domestic Fund's, the Trustee's or the Fund Manager's directors, officers, employees or agents.~~

~~(4) — Article 48(3) shall not apply to the extent that compliance with such requirement would disclose a Privileged Communication.~~

~~(5) — The Fund Manager of a Domestic Fund shall establish and implement appropriate systems and internal procedures to enable it and its auditor to comply with Article 48(3).~~

~~(6) — Any provision in an agreement between a Domestic Fund and a director, officer, employee, agent or auditor is void in so far as it purports to hinder any person from causing or assisting the auditor to comply with an obligation under Article 48(3).~~

~~(7) — No person shall be subjected to detriment or loss or damage merely by reason of undertaking any act to cause or assist an auditor to comply with an obligation under Article 48(3).~~

- ~~(8) — The Court may, on application of an aggrieved person, make any order for relief where the person has been subjected to any such detriment or loss or damage referred to in Article 48(7).~~

PART 7: MARKETING OF DOMESTIC AND FOREIGN FUNDS

Chapter 1: General

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50. Marketing prohibition

- (1) Subject to Article 50(2), a person shall not, in or from the DIFC, Offer a Unit of a Fund to a prospective or existing Unitholder unless:
- (a) a Prospectus that complies with the requirements in this Law and the Rules made for the purposes of this Law is made available to such a Unitholder;
 - (b) the person making the Offer is either the Fund Manager of the Fund or an Authorised Firm whose Licence authorises it do so; and
 - (c) the Offer is made in accordance with the requirements in this Law and the Rules made for the purposes of this Law.
- (2) The DFSA may, by Rules, exempt any person or class of persons from the prohibition in Article 50(1) and in doing so, may subject such person or class of persons to any conditions it considers appropriate.
- (3) A Prospectus includes, except where expressly stated otherwise:
- ~~(a) — a Short Form Prospectus;~~
 - (a) an Information Memorandum in respect of an Offer of a Unit of an Exempt Fund or a Qualified Investor Fund;
 - (b) a Supplementary or Replacement Prospectus; and
 - (c) in the case of an External Fund or Foreign Fund, the Units of which are marketed in or from the DIFC, any prospectus or other disclosure document prepared in accordance with the laws applicable to that External Fund or Foreign Fund.

Chapter 2: Marketing of Domestic Fund

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52. Prospectus content

- (1) The presentation of the information in a Prospectus shall be clear, fair and not misleading.

- (2) A Prospectus shall contain all the information which a person and his professional advisers would reasonably require and expect to find in a Prospectus to be able to make an informed decision to become a Unitholder of the Fund.
- (3) Without limiting the generality of the obligation in Article 52(2), the DFSA may, by Rules, prescribe the information that must be included in a Prospectus for the purposes of this Article, including different provisions for different types of, or specialist classes of, Domestic Funds and any reduced content requirements for ~~Private and Exempt Funds~~ and Qualified Investor Funds.
- (4) If at any time after the issue of a Prospectus there is a material change affecting any matter contained in the Prospectus or a significant new matter arises, the Fund Manager shall in accordance with the requirements prescribed in the Rules issue a Supplementary or a Replacement Prospectus.

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PART 8: TRANSFER SCHEMES AND WINDING UP OF DOMESTIC FUNDS

65 Winding up by order of the Court

- (1) The Court may order the winding up of a Domestic Fund if:

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- (f) within 3 months before the application for the order was made, execution or other process was issued on a judgment, decree or order obtained in the Court or in any other court (whether in the ~~United Arab Emirates State~~ United Arab Emirates State or otherwise) which is final and not subject to appeal in favour of a creditor of, and against, the Fund or the Fund Manager in its capacity as the Fund Manager of the Fund and the execution or process has been returned unsatisfied; or

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PART 9: DFSA POWERS IN RELATION TO A FUND

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69. Stop orders

- (1) If the DFSA is satisfied that:
 - (a) any Prospectus or other document referred to in Article 56(1)(a) is misleading or deceptive;
 - (b) any dealings in a Unit in a Domestic Fund would contravene or ~~has~~ have contravened this Law or the Rules;
 - (c) the Fund Manager is operating a type of, or specialist class of, a Domestic Fund for which it is not authorised under its Licence;
 - (d) ~~that~~ due to exceptional circumstances it is in the interest of the Unitholders in the Fund;

- (e) it is in the interests of the DIFC; or
- (f) the Fund Manager has failed to comply with a direction given under Article 27(4);

the DFSA may issue a stop order directing that no Offers, issues, redemptions, sales or transfers of the Units of the Fund be made for such a period of time as it thinks appropriate.

- ~~(2) Upon making a decision in relation to Article 69(1) the DFSA shall without undue delay inform the Fund, the Fund Manager and if appointed the Trustee in writing of its decision and where requested by any such persons the reasons for the decision.~~
- ~~(3) The DFSA may only exercise its power to issue a stop order if it has given the relevant person a suitable opportunity to make representations in person and in writing to the DFSA in relation to the proposed stop order.~~
- (2) The procedures in Schedule 3 to the Regulatory Law 2004 apply to a decision of the DFSA under this Article. The DFSA shall give both the Fund Manager and the Trustee (if appointed) the opportunity to make representations under those procedures.
- (3) If the DFSA decides to exercise its power under this Article, the Fund Manager or the Trustee (if appointed) may refer the matter to the FMT for review.
- ~~(4) The requirements imposed on the DFSA in Article 69(3) shall not apply where the DFSA concludes that any delay likely to arise as a result of such requirements is prejudicial to the interests of the DIFC or Unitholders in the Fund.~~
- ~~(5) Where pursuant to Article 69(4) the DFSA has issued a stop order directing that no Offers, issues, redemptions, sales or transfers of Units in a Fund be made without providing a prior opportunity to make representations, the DFSA shall:
 - ~~(a) provide the relevant person an opportunity to make representations in person and in writing to the DFSA within the period of 14 days, or such further period as may be agreed, from the date on which such direction was made; and~~
 - ~~(b) provide a response to any such submission, and make any consequential direction, variation or withdrawal of the direction, as it considers appropriate without undue delay.~~~~

.....

PART 10: ~~THE REGULATORY APPEALS COMMITTEE~~ FINANCIAL MARKETS TRIBUNAL

70. Deleted Jurisdiction of the FMT in relation to references

~~Without in anyway limiting the jurisdiction of the Regulatory Appeals Committee conferred upon it by or under the Regulatory Law 2004 or any other Law administered by the DFSA, the Regulatory Appeals Committee has additional jurisdiction in accordance with Article 27(2)(k) of the Regulatory Law 2004 to hear and determine any appeal where:~~

- ~~(a) — an applicant appeals the decision of the DFSA in relation to an application for the registration of a Fund;~~
- ~~(b) — a Fund, its Trustee or any member of its Governing Body appeals a decision of the DFSA in relation to the exercise of its power to withdraw the registration of the Fund;~~
- ~~(c) — a Fund, its Trustee or any member of its Governing Body appeals the decision of the DFSA to issue, vary or withdraw a notice in relation to the Fund or any member of its Governing Body;~~
- ~~(d) — a Fund, its Trustee or any member of its Governing Body appeals the decision of the DFSA in relation to the proposed alteration of a Fund under Part 8; or~~
- ~~(e) — a Fund, its Trustee or any member of its Governing Body appeals the decision of the DFSA to issue a direction, objection or requirement or a stop order under the Law.~~

71. Jurisdiction of the FMT in relation to regulatory proceedings

The FMT has jurisdiction to hear and determine any regulatory proceeding in relation to an issue arising out of an Offer of Units of a Fund or in respect of the management and operation of a Fund.

PART 11: ~~DELETED~~ THE FINANCIAL MARKETS TRIBUNAL

71. — Jurisdiction of the Financial Markets Tribunal

- ~~(1) — Without in any way limiting the jurisdiction of the Financial Markets Tribunal conferred upon it by or under the Regulatory Law 2004 or any other Law administered by the DFSA, the Financial Markets Tribunal has additional jurisdiction as set out in Article 71(2).~~
- ~~(2) — The Financial Markets Tribunal has jurisdiction to hear and determine a proceeding in relation to an issue arising out of an Offer of Units of a Fund or in respect of the management and operation of a Fund.~~

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**SCHEDULE 1
PART 1 INTERPRETATION**

1. Rules of interpretation

(1) In the Law, unless the contrary intention appears, a reference to:

.....

(d) unless stated otherwise, a day means a calendar day. If an obligation falls on a calendar day which is either a Friday or Saturday or an official ~~s~~State holiday in the DIFC, the obligation shall take place on the next calendar day which is a business day;

.....

2. Legislation in the DIFC

References to legislation and Guidance in the Law shall be construed in accordance with the following provisions:

(a) Federal Law is law made by the federal government of the ~~United Arab Emirates~~ State;

.....

(d) the Law is the ~~Collective Investments Law 2010~~ made by the Ruler;

.....

3. Defined Terms

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings:

Terms	Definitions
<u>Financial Markets Tribunal</u>	<u>the Financial Markets Tribunal referred to in Article 26 of the Regulatory Law 2004.</u>
<u>FMT</u>	<u>the Financial Markets Tribunal</u>
<u>Private Fund</u>	has the meaning given in Article 16(3) of this Law.
<u>Private Placement</u>	<u>an Offer made to a Person who is likely to be interested in the Offer having regard to:</u> (a) <u>previous contact between the Person making the Offer and that Person;</u> (b) <u>a professional or other connection between the Person making the Offer and that Person; or</u>

	(c) <u>statements or actions by that Person that indicate that he is interested in Offers of that kind.</u>
<u>Qualified Investor Fund</u>	<u>has the meaning given in Article 16(5) of this Law.</u>
<u>Registered Auditor</u>	<u>Has the meaning given to that term in Article 97(b) of the Regulatory Law 2004.</u>
<u>State</u>	<u>United Arab Emirates</u>

.....

PART 5: AMENDMENTS TO THE LAW REGULATING ISLAMIC FINANCIAL BUSINESS LAW 2004

11. The Law Regulating Islamic Financial Business Law 2004 is amended as prescribed in this Part.
12. The following Articles of the Law Regulating Islamic Financial Business Law 2004 are to be amended by inserting the underlined text and deleting the struck through text as shown below:

PART 2: CONDUCT OF ISLAMIC FINANCIAL BUSINESS

.....

11. Application for an endorsement

- (1) An application for an endorsement on a Licence authorising an Authorised ~~Person Firm or Authorised Market Institution~~ to conduct Islamic Financial Business as an Islamic Financial Institution or by operating an Islamic Window may be made to the DFSA by any:

- (a) body corporate; or
- (b) partnership; ~~or~~
- (c) ~~unincorporated association~~

when applying for a Licence under Article 45 of the Regulatory Law 2004.

- (2) An Authorised ~~Person Firm or Authorised Market Institution~~ may apply to the DFSA for an endorsement to conduct Islamic Financial Business as an Islamic Financial Institution or by operating an Islamic Window, or to vary such an endorsement.
- (3) The DFSA Board of Directors may make Rules providing that certain persons or categories of person may not be granted an endorsement in relation to Islamic Financial Business.
- (4) The DFSA Board of Directors may make Rules:
 - (a) prescribing the requirements an applicant applying for an endorsement must meet before an endorsement can be granted by the DFSA. Such Rules may include requirements relating to the legal form an applicant must adopt;
 - (b) providing for such requirements referred to in Article 11(4)(a) to be varied in cases where an application is made by a person which is, at the time of application, regulated in a jurisdiction other than the DIFC;
 - (c) prescribing certain persons or categories of person to be exempted from the requirements referred to in Article 11(4) (a); and
 - (d) Providing for any such exemptions to be:

- (i) limited to certain Islamic Financial Business activities or specified circumstances; or
 - (ii) subject to certain conditions and restrictions.
- (5) The DFSA may ~~in its absolute discretion refuse to~~ grant an application for an endorsement or for a variation to an endorsement if it is satisfied that the requirements for an endorsement or variation of an endorsement under this Article have been met.
- (5A) The DFSA may refuse an application if it not satisfied that the requirements for an endorsement or variation of an endorsement under this Article have been met.
- ~~(6) Upon refusing to grant an endorsement or a variation to an endorsement, the DFSA shall without undue delay inform the applicant in writing of such refusal and, if requested by the applicant, reasons for such refusal. The procedures in Schedule 3 to the Regulatory Law 2004 apply to a decision of the DFSA under Article 11(5A).~~
- (7) If the DFSA decides to exercise its power under Article 11(5A), the applicant may refer the matter to the FMT for review.
- ~~(7) The Regulatory Appeals Committee has jurisdiction to hear and determine any appeal in relation to a decision to refuse an application for an endorsement or a variation to an endorsement made under this Article.~~

12. Endorsements Conditions, restrictions and withdrawal

- ~~(1) The DFSA may endorse the Licence of an Authorised Firm or Authorised Market Institution authorising it to conduct Islamic Financial Business as an Islamic Financial Institution or by operating an Islamic Window.~~
- ~~(2)~~(1) Subject to ~~Articles 12(3) and (4),~~ The DFSA may at any time by written notice to an Authorised Person Firm or Authorised Market Institution;
- (a) impose conditions and restrictions ~~or additional conditions and restrictions~~ in relation to an endorsement;
 - (b) vary or withdraw conditions and restrictions imposed in relation to an endorsement; or
 - (c) withdraw an endorsement.
- ~~(3)~~(2) The DFSA may act under Article ~~12(2)~~ 12(1) on its own initiative or at the request of an Authorised Person ~~Firm or Authorised Market Institution.~~
- (3) The DFSA may withdraw an endorsement on its own initiative under Article 12(1)(c) if:
- (a) the Authorised Person is in breach of, or has been in breach of, one or more restrictions or conditions applicable to the endorsement;

- (b) the Authorised Person is in breach of, or has been in breach of, the Law or Rules or other legislation administered by the DFSA;
 - (c) the Authorised Person is no longer fit and proper to carry on Islamic Financial Business; or
 - (d) the DFSA considers that the exercise of the power is necessary or desirable in the pursuit of its objectives.
- (4) The procedures in Schedule 3 to the Regulatory Law 2004 apply to a decision of the DFSA under this Article.
- (5) If the DFSA decides to exercise its power under this Article, the Authorised Person may refer the matter to the FMT for review.
- ~~(4) Subject to Article 12(5), the DFSA may only impose conditions and restrictions or additional conditions and restrictions or vary or withdraw conditions and restrictions in relation to an endorsement if it has given the relevant Authorised Firm or Authorised Market Institution a suitable opportunity to make representations in person and in writing to the DFSA in relation to the proposed changes.~~
- ~~(5) The requirement imposed on the DFSA under Article 12(4) shall not apply:
 - ~~(a) in relation to the imposition of conditions and restrictions when a Licence is first endorsed;~~
 - ~~(b) where the relevant person has requested the imposition, variation or withdrawal of conditions and restrictions under Article 12(3); or~~
 - ~~(c) where the DFSA concludes that any delay likely to arise as a result of such requirement is prejudicial to the interests of the DIFC.~~~~
- ~~(6) Where pursuant to Article 12(5)(c) the DFSA imposes, varies or withdraws a condition or restriction without providing a prior opportunity to make representations, the DFSA shall:
 - ~~(a) provide the relevant Authorised Firm or Authorised Market Institution an opportunity to make representations in person and in writing to the DFSA within the period of 14 days, or such further period as may be agreed, from the date on which such condition or restriction is imposed, varied or withdrawn; and~~
 - ~~(b) provide a response to any such submission, and make any consequential imposition, variation or withdrawal of the condition or restriction, without undue delay.~~~~
- ~~(7) The Regulatory Appeals Committee has jurisdiction to hear and determine any appeal in relation to a decision to impose, vary or withdraw a condition or restriction made under this Article.~~

.....

SCHEDULE 1

INTERPRETATION

1. Rules of interpretation

(1) In the Law, a reference to:

.....

(d) unless stated otherwise, a day means a calendar day. If an obligation falls on a calendar day which is either a Friday or Saturday or an official ~~s~~State holiday in the DIFC, the obligation shall take place on the next calendar day which is a business day;

.....

2. Legislation in the DIFC

References to legislation and Guidance in the Law shall be construed in accordance with the following provisions:

(a) Federal Law is law made by the federal government of the ~~United Arab Emirates~~ State;

.....

3. Defined Terms

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings:

Term	Definition
<u>Authorised Person</u>	<u>has the meaning given in Schedule 1 to the Regulatory Law 2004.</u>
<u>Financial Markets Tribunal</u>	<u>the Financial Markets Tribunal referred to in Article 26 of the Regulatory Law 2004.</u>
<u>FMT</u>	<u>the Financial Markets Tribunal.</u>
<u>State</u>	<u>United Arab Emirates</u>

PART 6: AMENDMENTS TO THE INVESTMENT TRUST LAW 2006

- 13. The Investment Trust Law 2006 is amended as prescribed in this Part.
- 14. The following provisions of the Investment Trust Law 2006 are to be amended by inserting the underlined text and deleting the struck through text as shown below:

PART 8: THE FINANCIAL MARKETS TRIBUNAL

29. Jurisdiction of the ~~Financial Markets Tribunal~~ FMT in relation to regulatory proceedings

(1) ~~Without in any way limiting the jurisdiction of the Financial Markets Tribunal conferred upon it by or under the Regulatory Law 2004 or any other Law administered by the DFSA, the Financial Markets Tribunal has additional jurisdiction as set out in Article 29(2).~~

(2) ~~The Financial Markets Tribunal has jurisdiction to hear and determine a proceeding in relation to an issue arising out of an offer of Units of an Investment Trust or out of the operation of an Investment Trust.~~

The FMT has jurisdiction to hear and determine a regulatory proceeding in relation to an issue arising out of an offer of Units of an Investment Trust or out of the operation of an Investment Trust.

.....

**SCHEDULE
INTERPRETATION**

1. Rules of interpretation

(1) In this Law, unless the contrary intention appears, a reference to:

.....

(c) unless stated otherwise, a day means a calendar day. If an obligation falls on a calendar day which is either a Friday or Saturday or an official sState holiday in the DIFC, the obligation shall take place on the next calendar day which is a business day;

.....

2. Legislation in the DIFC

References to legislation and Guidance in the Law shall be construed in accordance with the following provisions:

(a) Federal Law is law made by the federal government of the ~~United Arab Emirates State~~;

.....

3. **Defined Terms**

In this Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings:

Terms	Definitions
<u>Financial Markets Tribunal</u>	<u>the Financial Markets Tribunal referred to in Article 26 of the Regulatory Law 2004.</u>
<u>FMT</u>	<u>the Financial Markets Tribunal</u>
<u>State</u>	<u>United Arab Emirates</u>

PART 7: AMENDMENTS TO THE DIFC COURT LAW 2004

15. The DIFC Court Law 2004 is amended as prescribed in this Part.
16. The following Article of the DIFC Court Law 2004 is amended by deleting the struck through text as shown below:

28. Appeals from DIFC Tribunals

- (1) The Court of First Instance has jurisdiction pursuant to Article 5(A) of the Judicial Authority Law to hear and determine an appeal of a decision of a tribunal provided for in the Law, DIFC Law or Rules of Court where the appeal relates to:
- (a) a question of law;
 - (b) an allegation of a miscarriage of justice;
 - (c) an issue of procedural fairness; or
 - (d) a matter provided for in or under DIFC Law.
- (2) The Court of First Instance may, in the exercise of its appellate jurisdiction:
- (a) affirm, reverse or vary the decision appealed;
 - (b) set aside the decision appealed, in whole or in part;
 - (c) make any other order it considers appropriate;
 - (d) remit proceedings to the tribunal from which the appeal was brought, subject to any directions the Court of First Instance considers appropriate; or
 - (e) make any order or direction that is in the interests of justice.
- (3) No appeal shall lie from a decision of the Court of First Instance under this Article.
- ~~(4) Nothing in this Article confers any right of appeal to the Court of First Instance from a decision of the Regulatory Appeals Committee.~~

PART 8: REFERENCES TO REGULATORY APPEALS COMMITTEE IN OTHER DIFC LAWS OR REGULATIONS

17. A reference in:
- (a) a DIFC Law (other than a law referred to in Part 1 to 7 of this Law); or
 - (b) a rule or regulation made under a DIFC Law referred to in Article 17(a),

to the Regulatory Appeals Committee shall be taken to be a reference to the Financial Markets Tribunal referred to in Article 26 of the Regulatory Law 2004.