

Appendix 1

In this appendix the proposed section is all new text and so it is not underlined.



The DFSA Rulebook

Markets Rules

(MKT)

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9A MARKET ABUSE

Application of the Code of Market Conduct

- 9A.1.1** (1) Article 8(2)(f) of the Markets Law provides for the making of a code of market conduct. The Code of Market Conduct (CMC) is issued under Article 20(2)(c) of the Regulatory Law and has the status of Guidance as defined in Article 2(f)(ii) of Schedule 1 to the Regulatory Law.
- (2) The CMC applies to Persons in respect of conduct that occurs in the DIFC or elsewhere, however, it only applies to conduct that occurs outside the DIFC if the conduct affects DIFC markets or users of DIFC markets.

Guidance

1. The CMC is intended to prevent Market Abuse by providing further clarity about what activities the DFSA might regard as constituting Market Abuse under the Markets Law.
2. The CMC applies to persons to whom Part 6 of the Markets Law applies, that is, it applies to persons generally whether individuals or bodies corporate and whether or not regulated.
3. Examples in the CMC are not intended to be exhaustive. There may be other circumstances in which conduct may contravene the Market Abuse provisions.
4. The defences under Article 64(1) of the Markets Law apply if a Person establishes that a permitted price stabilisation or purchase of the Person's own shares was carried out in accordance with the Rules. The relevant Rules relating to carrying on a permitted price stabilisation can be found in the PRS Module. The relevant Rules relating to purchase of the Person's own shares can be found in MKT (e.g. Rules 9.7.4 and 9.7.6). Further information about these and other Market Abuse defences can be found in the CMC.

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