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# The DFSA Rulebook

## Markets Rules

### **(MKT)**

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## **1 INTRODUCTION**

### **1.1 Application**

- 1.1.1** (1) The Rules in this module (MKT) are made for the purposes of the Markets Law 2012 and apply to every Person to whom that legislation applies.
- (2) Without limiting the generality of (1), this module applies to:
- (a) a Person making an Offer of Securities to the Public except in relation to Units of a Fund;
  - (b) a Person applying to have Securities admitted to trading on an Authorised Market Institution;
  - (c) a Person specified in Rule 2.10.1 as liable for the content of a Prospectus;
  - (d) a Reporting Entity;
  - (e) a Person who is a Related Party;
  - (f) a Person who is a Restricted Person;
  - (f) a Person who is a Connected Person; and
  - (g) a Person appointed as a sponsor, compliance adviser or other expert adviser of a Reporting Entity.

#### **Guidance**

See Article 49(1) of the Markets Law for appointment of sponsors, compliance advisers and other advisers for Reporting Entities upon a direction by the DFSA.

- 1.1.2** Where a Rule prescribes a requirement on a Reporting Entity or an Undertaking, each Director, Partner or other Person charged with the management of that Reporting Entity or Undertaking must take all reasonable steps within its control to secure compliance with the requirement by the Reporting Entity or Undertaking.
- 1.1.3** Where a Rule prescribes a requirement relating to a Director, Partner or Employee of a Reporting Entity or an Undertaking:
- (a) the Director, Partner or Employee, as the case may be, must take all reasonable steps within his control to secure compliance with the requirement; and
  - (b) the Reporting Entity or Undertaking must take all reasonable steps to ensure compliance with the requirement by the Director, Partner or Employee.

## **Guidance**

### **Application to listed funds**

1. Where Units of a Fund are admitted to trading on an Authorised Market Institution, such a Fund is a Listed Fund. A reference to a Reporting Entity in relation to a Listed Fund is a reference to the Fund Manager of that Fund, unless another person has been declared by the DFSA as the Reporting Entity of the Fund.
2. Accordingly, any obligations of a Reporting Entity of a Listed Fund are, unless the context requires otherwise, obligations imposed on the Reporting Entity in respect of the Listed Fund (see Article 38(2) of the Law). Therefore, the obligations imposed by this Law and the Rules apply to the Governing Body of the Reporting Entity and to every member of the Governing Body in the manner specified in Rules 1.1.2 and 1.1.3.

### **Waivers and modifications**

3. The DFSA may, pursuant to Article 9 of the Law, waive or modify the application of the provisions in the Law where it considers appropriate or desirable in the interests of the DIFC to do so and, in accordance with the procedures set out in Guidance 4 below.
4. Generally, the DFSA will exercise the Article 9 power sparingly and only in circumstances where there is a clearly demonstrated case for granting a waiver or modification of the Law, such as:
  - a. to alleviate any undue regulatory burden on a Person in complying with the requirements in the Law in circumstances where investor protection intended by the relevant provisions is not reduced; or
  - b. to apply to a Person upon request (i.e. on a consent basis) the provisions of the Law which, without a modification, will not apply to that Person. For example, an Exempt Offeror (i.e. a Person such as a government or government instrumentality included in the DFSA's Exempt Offeror List in App5) who is not subject to the Prospectus disclosure and the liability regime in the Law and the Rules may apply to the DFSA for a modification to Article 14 of the Law so that it can make a Prospectus Offer of its Securities in accordance with the relevant Prospectus disclosure and liability regime in the Law and the Rules.
5. The DFSA also has the power, pursuant to Article 25 of the Regulatory Law 2004, to waive or modify the Rules. The Regulatory Policy and Process (RPP) module gives further information on how to seek a waiver or modification.

## **1.2 Overview of the module**

### **Guidance**

#### **Offers of securities – chapter 2**

1. Chapter 2 contains:
  - a. the requirements applicable to a Person who:
    - i. makes an Offer of Securities to the Public (other than in respect of Units, which are covered by the Prospectus and other requirements in the Collective Investment Law 2010 and the CIR Rules); and
    - ii. applies to have Securities admitted to trading on an Authorised Market Institution (other than the admission to trading of Units, which is governed by the requirements in chapter 6);

- b. the types of Exempt Offers (i.e. Securities which can be offered to the public without a Prospectus), Exempt Securities (i.e. Securities which can be admitted to trading on an Authorised Market Institution without a Prospectus) and Exempt Communications (i.e. communications relating to Securities which are not treated as a Prospectus);
- c. the requirements and procedures relating to the approval of a Prospectus by the DFSA;
- d. the requirements and procedures relating to the structure and content of a Prospectus including:
  - i. when material may be incorporated into a Prospectus by reference; and
  - ii. liability for the content of a Prospectus including the liability of Experts and other Persons whose reports or opinions are included in a Prospectus with their consent for such inclusion; and
- e. the circumstances in which the DFSA may accept an offer document prepared in accordance with the legislation applicable in a jurisdiction other than the DIFC as sufficient for the purposes of meeting the Prospectus requirements in the Law and the Rules.

### **Governance of reporting entity – chapter 3**

- 2. Chapter 3 covers a wide range of corporate governance requirements applicable to Reporting Entities including:
  - a. 7 high-level Corporate Governance Principles, with best practice standards relating to those principles which apply on a ‘comply or explain’ basis and which are set out in App4;
  - b. Directors’ duties, including acting in good faith and applying due diligence and care in the discharge of their duties and functions;
  - c. provisions to ensure fair treatment of shareholders in the conduct of affairs of the company, such as provisions relating to communication with shareholders, exercise of pre-emption rights, reduction of share capital and a list of matters that require approval by a majority of shareholders in voting; and
  - d. provisions to address conflicts of interest. For example individuals involved in the senior management of the Reporting Entity (such as executive Directors and other senior executives, called “Restricted Persons”), are prohibited from dealing in the Securities of the Reporting Entity during “close periods”, unless prior clearance for those dealings is obtained. Similarly, Persons who qualify as Related Parties of the Reporting Entity are prohibited from entering into commercial transactions with the Reporting Entity unless certain requirements are followed.

### **Market disclosure – chapter 4**

- 3. Every Reporting Entity is required to disclose to the market certain types of information either relating to the Securities of the Reporting Entity or the Reporting Entity itself. Such disclosure is designed to ensure that the markets are continually updated with information that is likely to have an impact on the price of the Securities so that investors can make an informed judgement about those Securities. For this purpose, Chapter 4 requires disclosure of Inside Information, with carve-outs for non-disclosure of commercially sensitive information for a limited period, as well as disclosures of interests held by Persons in positions of control or influence relating to a Reporting Entity (such as controllers and their associates, called “Connected Persons”), and the disclosure of Directors’ material interests in the Reporting Entity. The means by which disclosure of the information required to be provided to the markets are also specified in this chapter.

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**Accounting periods, financial reports and auditing – chapter 5**

4. Every Reporting Entity is required to prepare and file certain annual, semi-annual and other periodic financial reports relating to the financial position of the Reporting Entity. Such reports are required to be prepared in accordance with the specified internationally accepted accounting standards and, in the case of annual financial reports, required to be audited. The requirements relating to the preparation and audit of the financial statements and the disclosure of such reports within specified periods are set out in Chapter 5.

**Listed funds – chapter 6**

5. Chapter 6 contains, with the exception of the requirements in chapters 7 (sponsors) and 8 (systems and controls), all the requirements applicable to a Reporting Entity of a Listed Fund. These requirements, while mirroring the requirements applicable to other Reporting Entities, have been tailored to take account of the characteristics of Funds. These include:
  - a. general requirements applicable to Listed Funds;
  - b. Prospectus requirements for the purposes of having Units of a Fund admitted to trading on an Authorised Market Institution;
  - c. governance requirements applicable to Listed Funds;
  - d. market disclosure of information relating to Listed Funds; and
  - e. financial reporting requirements applicable to Listed Funds.

**Sponsors and compliance advisers – chapter 7**

6. The DFSA has the discretion to require the appointment of a sponsor, compliance adviser or other expert adviser by a Reporting Entity, including that of a Listed Fund. Chapter 7 contains the requirements relating to the appointment of such sponsors, compliance advisers and other expert advisers, and the obligations that apply to such Persons and the Reporting Entity where such sponsors or compliance advisers are appointed.

**Systems and controls – chapter 8**

7. Chapter 8 sets out the systems and controls a Reporting Entity, including a Reporting Entity of a Listed Fund, must have in order to be able to comply with the requirements applicable to that Person.

**Listing Rule – chapter 9**

8. Chapter 9 sets out the DFSA's Listing Rules.

**Transitional provisions – chapter 10**

9. Chapter 10 sets out the transitional provisions necessary to facilitate the transition from the Markets Law 2004 to the Law for certain debt Securities, as the new requirements are different from those under which such debt Securities were admitted to an Official List of Securities but were not traded on an Authorised Market Institution.



## **1.3 General**

### **1.3.1** A reference in this MKT module to:

- (a) “the Law”, is a reference to the Markets Law 2012;
- (b) “this module”, is a reference to this MKT module; and
- (c) “Rules”, except where otherwise provided, is a reference to the Rules in this module.

### **1.3.2** Where a Reporting Entity is referred to in this module as a Reporting Entity in respect of a specified class of Securities, it is a reference to a Person who has become a Reporting Entity by:

- (a) making an Offer of Securities to the Public; or
- (b) having Securities admitted to trading on an Authorised Market Institution, of that particular specified class of Securities.

### **Definition of a Small or Medium-Sized Enterprise (SME)**

#### **1.3.3** (1) An Applicant is a SME under this module if:

- (a) it is applying for the admission of its Shares to the List; and
- (b) the aggregate market value of all of its listed Shares on admission is reasonably expected to be less than \$250 million.

#### **(2)** A Listed Entity is a SME under this module if:

- (a) the aggregate market value of all of its listed Shares on admission was less than \$250 million; and
- (b) it has not ceased to be a SME under (3).

#### **(3)** A Listed Entity ceases to be a SME for the purposes of (2)(b), if the average aggregate market value of its listed Shares has exceeded \$500 million for 90 consecutive days.

### **Guidance**

1. The terms “Applicant” and “Listed Entity” are defined in Rule 9.1.1(2).
2. Rule 1.3.3 defines when an Applicant or Listed Entity is a SME. Under that Rule, such an Applicant or Listed Entity will be a SME unless the average aggregate market value of its listed shares exceeds \$500 million for 90 consecutive days. If that occurs, it will cease to be a SME and will need to meet the same continuing obligations as any other Listed Entity.
3. The DFSA may specify, for the purposes of the SME definition, the appropriate method to be used to calculate the aggregate market value of the Shares of an Applicant or a Listed Entity. A SME should have in place appropriate systems and controls to monitor the average aggregate market value of its listed Shares to determine if it ceases to be a SME under Rule 1.3.3(3). If a Listed Entity ceases to be a SME it is required under Rule 4.6.1 and App2 to disclose that fact to the market.

4. The DFSA may modify the application of the SME definition in Rule 1.3.3 in relation to a particular Applicant or Listed Entity, where it is satisfied that it is appropriate in the circumstances to do so. For example, if an Applicant is likely:
  - (a) to exceed the threshold in Rule 1.3.3(1)(b), but can demonstrate that it is appropriate to treat it as a SME because of its limited operating history and early stage of its development; or
  - (b) to fall below the threshold in Rule 1.3.3(1)(b), but can demonstrate that it should not be treated as a SME because it has an established track record and business.

## 1.4 Interpreting the rulebook

### Guidance

#### Interpretation

1. Every provision in the Rulebook must be interpreted in the light of its purpose. The purpose of any provision is to be gathered first and foremost from the text of the provision in question and its context among other relevant provisions.
2. When this section refers to a provision, this means every type of provision, including Rules and Guidance.
3. Where reference is made in the Rulebook to another provision of the Rulebook or other DIFC legislation, it is a reference to that provision as amended from time to time.
4. Unless the contrary intention appears:
  - a. words in the Rulebook importing the masculine gender include the feminine gender and words importing the feminine gender include the masculine; and
  - b. words in the Rulebook in the singular include the plural and words in the plural include the singular.
5. If a provision in the Rulebook refers to a communication, notice, agreement, or other document 'in writing' then, unless the contrary intention appears, it means in legible form and capable of being reproduced on paper, irrespective of the medium used. Expressions related to writing must be interpreted accordingly.
6. Any reference to 'dollars' or '\$' is a reference to United States Dollars unless the contrary intention appears.
7. 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 State holiday in the DIFC, the obligation must take place on the next calendar day which is a business day.

#### Defined terms

8. Defined terms are identified throughout the Rulebook by the capitalisation of the initial letter of a word or of each word in a phrase and are defined in the Glossary (GLO). Unless the context otherwise requires, where capitalisation of the initial letter is not used, an expression has its natural meaning.

## 1.5 Complaints against the DFSA

### Guidance

1. A Person who feels he has been adversely affected by the manner in which the DFSA has carried out its functions may make a complaint to the DFSA about its conduct or the conduct of its Employees.
2. A complaint must be in writing and should be addressed to the Chief Executive of the DFSA. The complaint will be dealt with by the DFSA in a timely manner.

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## 2 OFFER OF SECURITIES

### 2.1 Application

#### 2.1.1 This chapter applies to:

- (a) a Person who makes or intends to make an Offer of Securities to the Public in or from the DIFC other than in respect of Units;
- (b) a Person who makes an application to have any Securities other than Units admitted to trading on an Authorised Market Institution; and
- (c) any Person specified in section 2.10 as a Person liable for the content of a Prospectus.

#### Guidance

1. By virtue of Article 10(1) of the Law, a Person making an Offer of Securities to the Public in relation to Units of a Fund is exempt from the requirements in Part 2 of the Law and the Rules made for the purposes of that Part which deal with Prospectuses.
2. Article 10(2) of the Law requires a Person having or intending to have Units of a Fund admitted to trading on an Authorised Market Institution to comply with Part 2 of the Law and the Rules made for the purposes of that Part in the manner and circumstances prescribed in the Rules. Chapter 6 contains the requirements that apply to a Person who applies to have, or has or had, Units admitted to trading on an Authorised Market Institution.
3. The DFSA has the power, pursuant to Article 12(1) of the Law, to prescribe certain communications to be Exempt Communications. Such communications are not subject to the prohibition in Article 14(1) of the Law as they fall outside the definition of an “Offer of Securities to the Public” in Article 12(1) of the Law.
4. The DFSA also has the power under Article 14(3) of the Law to prescribe certain types of:
  - a. Offers of Securities to the Public as “Exempt Offers”, and
  - b. Securities to be “Exempt Securities”.

Exempt Offers and Exempt Securities are not subject to the prohibition in Article 14(1) of the Law and hence do not require a Prospectus.

## **2.2 Exempt communications**

### **Guidance**

Exempt Communications are not Offers of Securities to the Public and therefore do not attract the Prospectus requirements in the Law and Rules.

**2.2.1** For the purposes of Article 12(c) of the Law, in addition to the Exempt Communications specified in the Law, a communication is hereby prescribed by the DFSA as an Exempt Communication if it is made:

- (a) in connection with the trading of Securities that are listed and traded on a Regulated Exchange; and
- (b) in the ordinary course of business of an Authorised Firm or Recognised Member.

## **2.3 Exempt offers**

### **Guidance**

This section prescribes the type of offer that is an Exempt Offer. The prohibition in Article 14(1)(a) of the Law does not apply to such offers. Accordingly, a Person may make an Offer of Securities to the Public in the circumstances specified in this Rule without a Prospectus.

**2.3.1** For the purposes of Article 14(3)(a) of the Law the DFSA hereby prescribes the circumstances in which an offer is an Exempt Offer:

- (a) an offer made to or directed at only Professional Clients other than natural Persons;
- (b) an offer in or from the DIFC which is directed at fewer than 50 Persons in any 12 month period, excluding Professional Clients who are not natural persons;
- (c) an offer where the total consideration to be paid by a Person to acquire the Securities is at least \$100,000, or an equivalent amount in another currency;
- (d) an offer where the Securities are denominated in amounts of at least \$100,000, or an equivalent amount in another currency;
- (e) an offer where the total aggregate consideration for the Securities offered is less than \$100,000, or an equivalent amount in another currency, calculated over a period of 12 months;
- (f) an offer where Shares are issued in substitution for Shares of the same class as already issued, where the issue of the new Shares does not involve any increase in the issued share capital;
- (g) an offer where the Securities are Convertibles issued under a Prospectus to existing members or creditors of the Issuer or a member of its Group and there is no additional consideration to be paid;

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- (h) an offer where the Securities are offered in connection with a Takeover and a document is made available containing information which is considered by the DFSA as being equivalent to that of a Prospectus;
  - (i) an offer where the Securities are offered, allotted or to be allotted in connection with a merger if a document is available containing information which is regarded by the DFSA as being equivalent to that of a Prospectus;
  - (j) an offer where the Securities are offered, allotted or to be allotted in connection with a rights issue where:
    - (i) the Securities are of a class subject to Reporting Entity disclosure; and
    - (ii) a document is made available containing information on the number and nature of the Securities including rights attaching to those Securities and the reasons for and details of the Offer;
  - (k) an offer where the Shares are offered, allotted or to be allotted to existing shareholders free of charge or dividends paid out in the form of Shares of the same class as the Shares in respect of which the dividends are paid, and a document is made available containing information on the number and nature of the Shares and the reasons for and details of the offer;
  - (l) an offer where the Securities are offered, allotted or to be allotted to an existing or former director or Employee, or any Close Relative of such a director or Employee, of the Issuer or a member of the same Group as the Issuer and:
    - (i) the Issuer or the member of the Group already has its Securities admitted to trading on a Regulated Exchange; and
    - (ii) a document is made available to the offerees containing information on the number and nature of the Securities and the reasons for and details of the offer; or
  - (m) an offer of Securities that meets all of the following conditions:
    - (i) the offer is made only through an Investment Crowdfunding Platform, or a Property Investment Crowdfunding Platform, operated by a Crowdfunding Operator;
    - (ii) the offer is made to and directed at only investors who are Clients of the Crowdfunding Operator; and
    - (iii) the total aggregate consideration for the offer of Securities is not more than \$5 million, or an equivalent amount in another currency, calculated over a period of 12 months.

**2.3.2** Where any Securities, which were previously the subject of an Exempt Offer, are subsequently offered to the public, such a subsequent offer will be regarded, for the purposes of Part 2 of the Law and the Rules made for the purposes of that Part, as a separate and new Offer of Securities to the Public, unless that offer meets one of the criteria in Rule 2.3.1.

- 2.3.3** An offer of Securities remains an Exempt Offer even if the offer falls in whole or part within more than one of the circumstances specified in Rule 2.3.1, as long as all of the offer falls within at least one of those circumstances.

**Guidance**

1. In Rule 2.3.1(b), it is the number of offers made, rather than the actual issues or sales resulting from such offers, that would be relevant for the purposes of the exemption so that mass marketing to potential investors in or from the DIFC cannot be undertaken.
2. In considering whether a document referred to in (h) or (i) contains all the relevant information, the DFSA will take into account the information required under Part 2 of the Law and the Rules in this chapter.

## **2.4 Exempt securities**

**Guidance**

1. Exempt Securities are Securities which a Person can have admitted to trading on an Authorised Market Institution without a Prospectus.
2. The prohibition in Article 14(1)(b) of the Law does not apply, subject to the requirement in Rule 2.4.2, to the admission to trading on an Authorised Market Institution of Securities that are Exempt Securities under Rule 2.4.1.

- 2.4.1** For the purposes of Article 14(3)(b) of the Law the DFSA hereby prescribes the types of Securities that are Exempt Securities:

- (a) Shares representing, over a period of 12 months, less than 10 per cent of the number of Shares of the same class already admitted to trading on the same Authorised Market Institution;
- (b) Shares issued in substitution for Shares of the same class already admitted to trading on the same Authorised Market Institution, if the issue of the Shares does not involve any increase in the issued capital;
- (c) Securities offered in connection with a Takeover by means of an exchange offer, if a document is available containing information which is regarded by the DFSA as being equivalent to that of a Prospectus;
- (d) Securities offered, allotted or to be allotted in connection with a merger, if a document is available containing information which is regarded by the DFSA as being equivalent to that of the Prospectus;
- (e) Securities offered, allotted or to be allotted in connection with a rights issue if:
  - (i) the Securities are of the same class as the Securities already admitted to trading on the same Authorised Market Institution; and
  - (ii) a document is made available containing information on the number and nature of the Securities and the reasons for and details of the offer;

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- (f) Shares offered, allotted or to be allotted to existing shareholders free of charge, or in respect of dividends paid out in the form of Shares of the same class as the Shares in respect of which the dividends are paid, if:
    - (i) the Shares are of the same class as the Shares already admitted to trading on the same Authorised Market Institution; and
    - (ii) a document is made available containing information on the number and nature of the Shares and the reasons for and details of the offer;
  - (g) Securities offered, allotted or to be allotted to an existing or former director or Employee, or any Close Relative of such a director or Employee, of the Issuer or a member of the same Group as the Issuer and if:
    - (i) the Securities are of the same class as the Securities already admitted to trading on the same Authorised Market Institution; and
    - (ii) a document is made available containing information on the number and nature of the Securities and the reasons for and detail of the offer;
  - (h) Shares resulting from the conversion or exchange of other Securities or from the exercise of the rights conferred by other Securities, if the Shares are of the same class as the Shares already admitted to trading on the same Authorised Market Institution; or
  - (i) Securities already admitted to trading on another Authorised Market Institution or Regulated Exchange ("the other market"), where:
    - (i) the Securities, or Securities of the same class, have been admitted to trading and continuously traded on the other market for more than 18 months;
    - (ii) the ongoing obligations for trading on that other market have been complied with; and
    - (iii) the Person requesting the admission to trading of the Securities under this exemption makes a summary document in the English language which is approved by the DFSA in accordance with the requirements in section 2.6 and published:
      - (A) containing the information set out in Rule 2.5.2(1)(b) and such other information as the DFSA may require;
      - (B) stating where the most recent and current Prospectus, if any, can be obtained; and
      - (C) specifying where the financial information published by the Issuer pursuant to its ongoing disclosure obligations of the other market is available.

### **Guidance**

In considering whether a document referred to in (c) or (d) contains all the relevant information, the DFSA will take into account the information required under Part 2 of the Law and the Rules in this chapter.



- 2.4.2** All Securities in a class of Securities admitted to listing and trading including pursuant to Rule 2.4.1 must be traded on an Authorised Market Institution or a Regulated Exchange.

## **2.5 Prospectus structure and content**

### **Guidance**

Where the term “Prospectus Offer” is used in this section in reference to a Person, such a Person is either making an Offer of Securities to the Public or seeking to have Securities admitted to trading on an Authorised Market Institution (see the definition of the term “Prospectus Offer” in Article 14(4)(a) of the Law).

- 2.5.1** (1) A Person making a Prospectus Offer may, subject to section 2.9, produce a Prospectus structured either as:
- (a) multiple documents comprising:
    - (i) a Summary;
    - (ii) a Registration Statement; and
    - (iii) a Securities Note; or
  - (b) a single document containing a Summary and all the information required to be included in the Registration Statement and Securities Note.
- (2) For the purposes of Article 15(2) of the Law, the Prospectus must:
- (a) present information in a form which is comprehensible and easy to analyse;
  - (b) contain the documents and information specified in (1)(a) or (b) as are applicable; and
  - (c) in the case of an Offer of Securities to the Public, have an application form that meets the requirement in Rule 2.5.6.
- (3) Without prejudice to the general disclosure required under Article 15 of the Law, the Person producing the Prospectus must ensure that the Prospectus contains:
- (a) the statements and information required to be included in the Summary, as prescribed in Rule 2.5.2;
  - (b) all the information relating to the Issuer, as required to be included in a Registration Statement as set out in App1 section A1.1;
  - (c) all the information relating to the Securities, as required to be included in a Securities Note as set out in App1 section A1.2; and
  - (d) a prominent disclaimer in bold, on the front page of the Prospectus, as follows:

“The DFSA does not accept any responsibility for the content of the information included in the Prospectus, including the accuracy or completeness of such information. The liability for the content of the Prospectus lies with the Issuer of the Prospectus and other Persons, such as Experts, whose opinions are included in the Prospectus with their consent. The DFSA has also not assessed the suitability of the Securities to which the Prospectus relates to any particular investor or type of investor. If you do not understand the contents of this Prospectus or are unsure whether the Securities to which the Prospectus relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial advisor.”

**2.5.2** (1) The Person producing the Prospectus must, subject to (2), ensure that the Summary is at or near the beginning of the Prospectus and sets out in a clear, concise and easy to understand manner:

(a) statements that:

- (i) the Summary should be read as an introduction to the Prospectus and any decision to invest in the Securities should be based on consideration of the Prospectus as a whole; and
- (ii) civil liability may arise on the basis of the Summary but only if the Summary is misleading, inaccurate or inconsistent, when read in conjunction with the other parts of the Prospectus, or fails to provide the Key Information specified in (b); and

(b) the Key Information relating to:

- (i) the risks associated with and essential characteristics of the Issuer, and guarantor if any, of the Securities, including their assets, liabilities and financial position;
- (ii) the risks associated with and essential characteristics of the relevant Securities including rights attaching to those Securities;
- (iii) general terms of the offer, including estimated expenses charged to the investor;
- (iv) whether the Securities are to be admitted to trading and if so, the details relating to such admission;
- (v) reasons for the offer and the proposed use of the proceeds; and
- (vi) if applicable, matters specified in Rule 2.5.5.

(2) A Prospectus is not required to contain a Summary if it relates to a Debenture or a Warrant or Certificate over a Debenture that has a denomination of at least US\$100,000 and the Prospectus is for the purposes of such Securities being admitted to trading on an Authorised Market Institution.

### **Guidance**

Under Rule 2.8.1(3), a Summary is prohibited from incorporating information by reference.

**2.5.3** A Person making a Prospectus Offer may use the same Registration Statement in respect of more than one Prospectus Offer provided that:

- (a) the Registration Statement includes the most recent set of audited financial statements available in respect of the Issuer;
- (b) those financial statements referred to in (a) relate to a period ending not more than 12 months prior to the relevant offer; and
- (c) since the date of the Registration Statement, the Reporting Entity filing the Prospectus has complied with its market disclosure obligations in section 4.6 relating to the category of Securities to which the Prospectus relates.

**Guidance**

Where a Person uses the same Registration Statement to make Prospectus Offers relating to different types of Securities, such a Person should ensure, in addition to the Securities Note containing all the information relevant to the particular type of Securities, that the Registration Statement is also appropriate for each type of Security covered in the relevant Securities Note.

**2.5.4** Where the Person has used the same Registration Statement for making multiple Prospectus Offers:

- (a) both a Summary and Securities Note must be produced relating to each Prospectus Offer made using that Registration Statement; and
- (b) the Summary, Registration Statement and Securities Note must each comply with the approval requirements specified in section 2.6.

**2.5.5** Where a Prospectus contains a Registration Statement produced prior to the date of the Summary and the Securities Note, the Person producing the Prospectus must ensure that both the Summary and the Securities Note:

- (a) state the date of preparation of the Registration Statement; and
- (b) update any disclosure in the Registration Statement to the extent necessary in order to comply with these Rules by setting out on the front page of the Securities Note:
  - (i) if relevant, the website at which any subsequent disclosure is made available; and
  - (ii) an address at which the full text of any such disclosures is made available free of charge.

**Guidance**

1. The above provisions are designed to provide flexibility so that Persons making Prospectus Offers can make multiple offers using the same Registration Statement. However, care should be taken to ensure that the Registrations Statement and the Securities Note together provide all the information required to be contained in a Prospectus pursuant to Article 15(1) of the Law and the Rules.
2. There are additional disclosure requirements applicable to Islamic Securities contained in the IFR module.
3. Where the term “Prospectus Offer” is used in this section reference to a Person, such a Person is either making an Offer of Securities to the Public or seeking to have Securities admitted to trading on an Authorised Market Institution (see the definition in Article 14(4)(a) of the Law).

## **Application forms**

**2.5.6** A Person making an Offer of Securities to the Public must ensure that:

- (a) an application form for the issue or sale of the Securities which are the subject of the Prospectus Offer is not provided to any Person unless it is included in or accompanied by the relevant Prospectus; and
- (b) only applications in the form included or attached to the Prospectus are accepted.

## **Requirements relating to Offers of Securities from the DIFC**

**2.5.7** A Person who makes an Offer of Securities to the Public from the DIFC must:

- (a) notify the DFSA in writing at the timing of filing the Prospectus of any non-DIFC jurisdiction into which the offer is to be made; and
- (b) comply with any initial and ongoing obligations that are applicable in the jurisdiction in (a) in relation to the offer.

## **2.6 Approval and publication of a prospectus**

### **Application for approval**

**2.6.1** (1) For the purposes of Article 14(2) of the Law, a Person intending to make a Prospectus Offer ("the applicant") must, subject to (2), (3) and (4), submit to the DFSA:

- (a) a completed application using the appropriate form set out in AFN and the relevant fee prescribed in FER;
- (b) a Prospectus that meets the requirements in section 2.5;
- (c) a statement identifying where in the Prospectus the information required in the relevant paragraphs of App1 has been included and, where subsequent drafts or versions of the Prospectus are submitted, a marked-up version showing the changes from the previous version submitted to the DFSA;
- (d) if information is incorporated in the Prospectus by reference to another document, a copy of the information;
- (e) the identity of the Person who is or intends to be the Reporting Entity;
- (f) contact details of two individuals who are sufficiently knowledgeable about the content of the Prospectus to be able to answer queries of the DFSA during business hours; and
- (g) any other information that the DFSA may require.

(2) The application in (1) must be submitted to the DFSA:

- (a) in the case of an applicant who has not made a previous Prospectus Offer, at least 20 business days prior to the intended date on which the applicant expects the Prospectus to be approved;
  - (b) in other cases, at least 10 business days prior to the date on which the applicant expects the Prospectus to be approved; and
  - (c) in the case of a Supplementary Prospectus, as soon as reasonably possible.
- (3) If the Prospectus comprises multiple documents, the application for approval must be made using the appropriate form in AFN in relation to one or more of those separate documents.
- (4) In the case of a Supplementary Prospectus, the application for approval must:
- (a) be made using the appropriate form in AFN;
  - (b) accompanied by the relevant fee prescribed in FER; and
  - (c) comply with the requirements in Rule 2.9.1.

### **Approval of a prospectus**

- 2.6.2** (1) The DFSA will only approve a Prospectus which has been filed with the DFSA in accordance with Rule 2.6.1 as soon as reasonably practicable where:
- (a) it is satisfied that:
    - (i) the Prospectus meets all the applicable requirements in the Law and the Rules; and
    - (ii) the Board of the Undertaking whose Securities are to be offered complies with, and has adequate systems and controls in place to ensure on-going compliance with, the applicable requirements; and
  - (b) it has received all the necessary consents as required under the requirements in this chapter.
- (2) A Prospectus filed with the DFSA is not an Approved Prospectus for the purposes of Article 14(2) unless the DFSA has issued to the applicant a notice stating its approval:
- (a) of the Prospectus or the Supplementary Prospectus as the case may be; and
  - (b) in the case of a Prospectus in (a) comprising multiple documents, of all the multiple documents.
- (3) The procedures in Schedule 3 to the Regulatory Law apply to a decision of the DFSA not to approve a Prospectus under this Rule.
- (4) If the DFSA decides to exercise its power not to approve a Prospectus under this Rule, the applicant may refer the matter to the FMT for review.

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**Guidance**

- a. A Person intending to apply to the DFSA for approval of a Prospectus pursuant to Rule 2.6.1(1) should consider submitting a draft Prospectus for preliminary review by the DFSA prior to formally submitting the Prospectus for DFSA approval. See the RPP Sourcebook for procedures for applying for DFSA approval.
2. The formal approval of a Prospectus by the DFSA will not prevent the use by the DFSA of its powers, such as the stop order power in Article 25 of the Law, in circumstances where the need for such action is subsequently identified. For example, if the DFSA becomes aware, after the approval of the Prospectus, that it contains any misleading or deceptive information, or it breaches the Prospectus provisions in other respects, the DFSA may use its stop order power or take any other action as appropriate in the circumstances.

**Publication of a prospectus**

- 2.6.3** (1) After a Prospectus has been approved by the DFSA, it must be made available to the public as soon as is reasonably practicable, and in any case, at a reasonable time in advance of, and at the latest at the beginning of, the making of the Prospectus Offer.
- (2) An Approved Prospectus is deemed to be made available to the public for the purposes of (1) when such a Prospectus is published:
- (a) in printed form, to be made available free of charge to the public at the registered office of any one or more of the following:
    - (i) the Person making the Prospectus Offer;
    - (ii) any Authorised Firm appointed by the Person in (a) to act as the placement or selling agent in respect of the offer; or
    - (iii) if applicable, the relevant Authorised Market Institution on which the Securities are to be traded; or
  - (b) in an electronic form on the website of any one or more Persons referred to in (a).
- (3) The content and format of the Prospectus made available to the public in accordance with (2) must at all times be identical to the version approved by the DFSA.

**Duration of the validity of a prospectus**

- 2.6.4** (1) Except where an exemption under Rule 2.3.1 or 2.4.1 applies, the Securities to which a Prospectus relates must not be offered for subscription or sale under an Approved Prospectus unless that Prospectus is a current Prospectus.
- (2) For the purposes of (1), an Approved Prospectus is current only for a period of 12 months from the date on which that Prospectus has been approved by the DFSA in accordance with Rule 2.6.2.
- 2.6.5** (1) A financial intermediary may make an Offer of Securities to the Public in reliance on an Approved Prospectus which has been produced by the Issuer in accordance with Rules 2.6.1 and 2.6.2 only in circumstances where:

- (a) the Prospectus is a current Prospectus and meets all the relevant requirements relating to a Prospectus as specified in Part 2 of the Law and the Rules in this chapter;
  - (b) the financial intermediary has undertaken such due diligence and care as is reasonable for such a Person to undertake for the purposes of ensuring that the Prospectus meets the requirements in (a); and
  - (c) the Issuer has given its prior written consent for the use of the Prospectus by the financial intermediary and that consent has been filed with the DFSA and has not been withdrawn.
- (2) Both the financial intermediary and the Issuer of the Securities incur civil liability pursuant to Article 24 of the Law for a Prospectus referred to in (1).
  - (3) For the purposes of this Rule, a “financial intermediary” is an Authorised Firm or a Person licensed and supervised by a Financial Services Regulator.

#### **Guidance**

1. In order to meet the obligation in Rule 2.6.5(1)(b), a financial intermediary should undertake a review of the Prospectus to ensure that it does not contain any obvious misleading or deceptive information or omissions that would be reasonably apparent to a financial intermediary assessing and analysing the Prospectus.
2. The financial intermediary and the Issuer of the Securities may be able to rely on the defences provided in Articles 21 and 22 of the Law against any action brought against that Person for a breach of the requirements relating to the applicable Prospectus requirements.

## **2.7 Offer documents from other jurisdictions**

- 2.7.1** (1) The DFSA may, subject to (2), approve an offer document produced under legislation in a jurisdiction other than the DIFC for the purposes of meeting the Prospectus requirements in this chapter where:
- (a) it is satisfied that:
    - (i) the Prospectus contains information equivalent to that which is required for a Prospectus in this chapter; and
    - (ii) the offeror meets all the other requirements relating to a Prospectus Offer as prescribed in the Rules; or
  - (b) the other jurisdiction provides a level of regulation relating to the offer which is acceptable to the DFSA.
- (2) The DFSA may, subject to (3), approve an offer document referred to in (1) in accordance with the requirements and procedures set out in section 2.6 and, subject to such conditions or restrictions imposed by the DFSA as it sees fit.
  - (3) An application for approval of an offer document produced in accordance with the legislation in a jurisdiction other than the DIFC must:
    - (a) be made using the appropriate form in AFN;
    - (b) be accompanied by the relevant fee prescribed in FER; and



- (c) include:
  - (i) where the offer document referred to in (1) is not in the English language, an English translation acceptable to the DFSA; and
  - (ii) a clear statement that it is an offer document prepared in accordance with the requirements applicable in the relevant jurisdiction and not in the DIFC.
- (4) An offer document referred to in (1) is an Approved Prospectus for the purposes of Article 14(1) of the Law where it has been approved by the DFSA in accordance with the requirements in this Rule and section 2.6.
- (5) The procedures in Schedule 3 to the Regulatory Law apply to a decision of the DFSA under this Rule not to approve an offer document or to impose conditions or restrictions on an approval.
- (6) If the DFSA decides to exercise its power under this Rule not to approve an offer document or to impose conditions or restrictions on an approval, the applicant may refer the matter to the FMT for review.

#### **Guidance**

A Person considering filing an offer document pursuant to Rule 2.7.1 should approach the DFSA at the earliest possible time to discuss how to proceed. This is because the DFSA will undertake the assessment required under Rule 2.7.1 on a case-by-case basis. See Guidance item 1 under Rule 2.6.2 for details relating to the DFSA Prospectus approval process.

## **2.8 Incorporation by reference**

- 2.8.1** (1) Subject to (3), where a requirement in this chapter requires disclosure of information in a Prospectus, the Person making the Prospectus Offer may incorporate that information by reference to another source of information, provided that:
- (a) the source of information is publicly available on a continuing basis;
  - (b) the information is clearly set out and easily accessible in that source;
  - (c) the information is in the English language; and
  - (d) the information can be accessed without charge.
- (2) A reference must also contain sufficient information to enable an investor to decide whether to obtain the information or any part of it.
- (3) A Summary must not incorporate information by reference.

#### **Guidance**

Information that may generally be incorporated by reference includes instruments or statute of incorporation of a company, annual reports, periodic financial reports and listing particulars.



- 2.8.2** A Person who makes a Prospectus Offer must provide a copy of any information incorporated by reference under this section free of charge to any Person who requests it during the Offer Period.

## **2.9 Notification of material changes during the currency of the prospectus**

- 2.9.1** (1) If, during the currency of the Prospectus:
- (a) there is a significant change in, or a material mistake or inaccuracy affecting, any matter contained in the Prospectus; or
  - (b) a significant new matter arises,
- the Person making the Prospectus Offer must produce a Supplementary Prospectus in accordance with the requirements in this Rule.
- (2) For the purpose of (1), 'significant' or 'material' means information which an investor would reasonably require for the purpose of making an informed assessment relating to the Securities to which the Prospectus relates.
- (3) In the case of a Prospectus Offer, the Person required to produce the Supplementary Prospectus under (1) must:
- (a) make a clear statement that it is a Supplementary Prospectus;
  - (b) comply with the requirements in section 2.6 relating to the approval of a Supplementary Prospectus; and
  - (c) ensure that the Supplementary Prospectus is available until the end of the Offer Period:
    - (i) in the same media and through the same channels as the original Prospectus; and
    - (ii) to each offeree free of charge; and
  - (d) provide the Supplementary Prospectus without undue delay to each Person who has subscribed for or offered to purchase the Securities in reliance on the initial Prospectus.
- (4) For the purposes of complying with (3), if the Prospectus comprises a Registration Statement and a Securities Note, the Supplementary Prospectus must consist of an updated Registration Statement and Securities Note.

### **Guidance**

Particular care should be taken so that the financial information in a Prospectus is not outdated. For example, in respect of the last year of audited financial information included in a Prospectus, such information is required, under Rule A1.1.1 (item 7.1) of App1, not to be older than 18 months from the date of the Registration Statement where the Issuer includes audited interim financial statements in the Registration Statement and, not to be older than 15 months, if such interim financial statements are unaudited.

**2.9.2** Where Rule 2.9.1 applies, any reference in these Rules to a Prospectus must be read as a reference to a Prospectus as amended by a Supplementary Prospectus unless the context requires otherwise.

**2.9.3** When a Supplementary Prospectus has been filed for the purposes of the requirement in Rule 2.9.1(1), the Person responsible for producing the Supplementary Prospectus must:

- (a) inform offerees of their right to confirm or withdraw any subscription or offer made on the basis of the original Prospectus and the manner in which to do so; and
- (b) allow the offeree a period of at least seven business days from the date of receipt of the Supplementary Prospectus in which to confirm or withdraw its subscription or offer.

## **2.10 Prospectus liability**

**2.10.1** (1) For the purposes of Article 15(5)(b) of the Law, the following Persons are, subject to (2), prescribed as liable for a Prospectus and its content:

- (a) the Issuer;
- (b) the Person making a Prospectus Offer, if it is not the Issuer;
- (c) where the Person in (a) or (b) is a Body Corporate:
  - i. each Person who is a Director of that Body Corporate at the time when the Prospectus Offer is being made; and
  - ii. each Person who has consented to be named, and is named, in the Prospectus as a Director or as having agreed to become a Director of that body either immediately or at a future time,

unless the Prospectus Offer is in relation to the issue of Debentures;
- (d) each Person who accepts, and is stated in the Prospectus as having accepted responsibility for the Prospectus or for any part thereof;
- (e) each Person who is deemed to accept responsibility for any part of a Prospectus under these Rules;
- (f) if there is a guarantor or obligor in relation to the issue of Securities:
  - (i) the guarantor in relation to the information in the Prospectus that relates to the guarantor or its guarantee; or
  - (ii) the obligor in relation to the information in the Prospectus that relates to the obligor or its obligations; and
- (g) each Person not falling within any of the foregoing paragraphs who has authorised the contents of the Prospectus or any part thereof.

- (2) If the Prospectus Offer is in relation to the issue of Debentures the Person described in (1)(c) is not, under this Rule, liable for the relevant Prospectus and its contents.
- (3) A Person who has accepted liability for or authorised only part of the content of any Prospectus under (1)(c) or (d) is liable only for that part and only if it is included substantially in the same form and context as the Person agreed to for inclusion in the Prospectus.
- (4) Nothing in (1) makes a Person liable for any part of a Prospectus by reason only of giving advice as to its content in a professional capacity to a Person specified in (1)(a) to (e).

**2.10.2** (1) For the purposes of liability under Article 24(1) of the Law, an Expert is a Person accepting responsibility for any statement or report included in whole or in part in a Prospectus if he has given written consent to such inclusion.

- (2) An Expert in (1) is a Person, in relation to a matter, whose profession or reputation gives authority to a statement or report made by him in relation to that matter.

**2.10.3** A Person responsible for making a Prospectus Offer must:

- (a) keep a record of any consent received under Rule 2.10.2(1); and
- (b) include a statement in the Prospectus that the Expert has consented to the inclusion of his statement or report.

## **2.11 Exceptions from liability**

**2.11.1** (1) Pursuant to Article 24(2) of the Law, a Person is hereby prescribed as not incurring civil liability for any loss arising from any misleading or deceptive statement or omission in a Prospectus if any of the circumstances specified in (2) – (6) apply.

- (2) Without prejudice to Article 21 of the Law, a Person does not incur civil liability under Article 24(1) of the Law if that Person can show that:
  - (a) the statement was true and not misleading or that the matter the omission of which caused the loss was properly omitted;
  - (b) he made all enquiries that were reasonable in the circumstances and believed that there was no misleading or deceptive statement or omission in the Prospectus; or
  - (c) before the Securities were acquired by any Person in reliance on the Prospectus, he had taken all such steps as were reasonable for him to have taken to secure that a correction was promptly made and brought to the attention of the Persons likely to acquire the Securities in question.
- (3) A Person does not incur any liability under Article 24(1) of the Law for any loss in respect of Securities caused by any misleading or deceptive statement

or omission purporting to be made by or on the authority of an Expert which is, and is stated to be, included in the Prospectus with the Expert's consent at the time when the Prospectus was approved by the DFSA and published if:

- (a) he believed on reasonable grounds that the Person was an Expert and had consented to the inclusion in the Prospectus of a statement or report made by that Expert in the form and context in which such a statement or report was included in the Prospectus;
  - (b) he believed on reasonable grounds that the statement or report was true and not misleading or that the matter, the omission of which caused the loss, was properly omitted;
  - (c) he made all enquiries that were reasonable in the circumstances and believed that there was no misleading or deceptive statement or omission in the Expert's statement included in the Prospectus; or
  - (d) before the Securities were acquired by any Person in reliance of the Prospectus, he had taken all such steps as it was reasonable for him to have taken to secure that a correction was promptly brought to the attention of Persons likely to acquire the Securities in question.
- (4) Without prejudice to (2) and (3), a Person does not incur any liability under Article 24(1) of the Law for any loss in respect of any Securities caused by any statement or omission as is mentioned in that Article if:
- (a) before the Securities were acquired by any Person, a correction or, where the statement was such as is mentioned in (2)(c), the fact that the Expert was not competent or had not consented to the inclusion of the statement attributed to that Expert in the Prospectus had been published in a manner designed to bring to the attention of Persons likely to acquire the Securities in question; or
  - (b) he took all such steps as it was reasonable for him to take to secure such publication and believed on reasonable grounds that such a publication had taken place before the Securities were acquired.
- (5) A Person does not incur any liability under Article 24(1) of the Law for any loss resulting from a statement made by a public official or contained in a official public document which is included in the Prospectus if the statement is accurately and fairly reproduced.
- (6) A Person does not incur any liability under Article 24(1) of the Law if the Person incurring the loss acquired the Securities in question with knowledge:
- (a) that the statement was false or misleading;
  - (b) of the omitted matter or of the change; or
  - (c) of the new matter or inaccuracy.

## **2.12 Financial promotions**

- 2.12.1** (1) A Person who makes a Prospectus Offer must not, and must ensure that any agent of that Person or a member of its Group or other Persons associated or connected with the Prospectus Offer do not, during the Offer Period, make a Financial Promotion relating to a Prospectus Offer unless the Financial Promotion:
- (a) states that a Prospectus has been approved by the DFSA and published or is to be published; and
  - (b) gives an address from which a Prospectus is or will be made available in the DIFC or provides a link to a website from which the Prospectus can be accessed.
- (2) Where a Person making a Prospectus Offer uses a Prospectus that comprises multiple documents as provided in Rule 2.5.1(1), the obligation to give or provide access to a Prospectus in (1)(b) means giving or providing access to all the documents comprising the Prospectus.

### **Guidance**

The requirements relating to Financial Promotions in Rule 2.12.1 do not apply, due to the definitional exclusion provided in Article 12(1) of the Law, to any communication:

- a. made in connection with the trading of Securities on an Authorised Market Institution or Regulated Exchanges;
- b. made for the purposes of complying with the on-going reporting requirements of an Authorised Market Institution or the DFSA; or
- c. which is an Exempt Communication as defined in Rule 2.2.1.

## **2.13 Miscellaneous**

- 2.13.1** (1) The DFSA may require a Prospectus Offer to be underwritten by an underwriter acceptable to the DFSA.
- (2) The procedures in Schedule 3 to the Regulatory Law apply to a decision of the DFSA under this Rule.
- (3) If the DFSA decides to exercise its power under this Rule, the Offeror may refer the matter to the FMT for review.
- 2.13.2** If one or more Directors of an Issuer are offering Shares they hold in the Issuer as part of a Prospectus Offer, an Issuer must ensure that the Prospectus contains a prominent statement of:
- (a) the identity of each Directors offering his Shares; and
  - (b) the number of Shares such a Director is offering, and the proportion of the Issuers share capital represented by the holding of that Director.

- 2.13.3** (1) The DFSA may, during the Offer Period or such other longer period as specified, impose a requirement that the monies held by a Person making a Prospectus Offer or his agent pursuant to the Prospectus Offer or issuance are held in an escrow account for a specified period and on specified terms.
- (2) The DFSA may also require the appointment of a paying agent during the offer period.
- (3) The procedures in Schedule 3 to the Regulatory Law apply to a decision of the DFSA under this Rule.
- (4) If the DFSA decides to exercise its power under this Rule, the Offeror may refer the matter to the FMT for review.

**Guidance**

See also section 3.4 which contains additional restrictions relating to dealings by Restricted Persons which may apply to executive Directors.

## **3 GOVERNANCE OF REPORTING ENTITIES**

### **Guidance**

Governance requirements set out under this Part are designed for the purposes of Article 39 of the Law.

### **3.1 Application**

- 3.1.1** (1) This chapter applies to every Reporting Entity except where a narrower application is provided in respect of any particular class of Securities.
- (2) This chapter does not apply to a Reporting Entity of a Listed Fund.

### **Guidance**

See Chapter 6 for the governance requirements applicable to Reporting Entities of Listed Funds.

### **3.2 Corporate governance principles**

#### **Application**

- 3.2.1** This section applies to a Reporting Entity in respect of Shares, and the Board of Directors (“the Board”) of such a Reporting Entity.

#### **Corporate governance principles**

- 3.2.2** Pursuant to Article 39(2)(a) of the Law, the principles in Rules 3.2.3 to 3.2.9 are hereby prescribed as “the Corporate Governance Principles”.

### **Guidance**

1. The Corporate Governance Principles in this section apply to Reporting Entities as mandatory high level requirements. App4 sets out best practice standards that may be adopted by a Reporting Entity to achieve compliance with these principles.
2. The best practice standards in App4 are designed to provide a degree of flexibility so that a Reporting Entity can achieve outcomes intended by the Corporate Governance Principles whilst taking into account the nature, scale and complexity of its business.
3. Generally, if a Reporting Entity does not adopt the best practice standards set out in App4, or adopts them only partially, the DFSA would expect the reasons for doing so and any alternative measures adopted to achieve the outcomes intended by the Corporate Governance Principles to be disclosed in the Prospectus and thereafter pursuant to disclosure required under Rule 3.2.10. Any inaccurate or false representations would breach the prohibition against misleading and deceptive statements in Article 20 of the Law.

#### **Principle 1 – Board of directors**

- 3.2.3** Every Reporting Entity must have an effective Board which is collectively accountable for ensuring that the Reporting Entity’s business is managed prudently and soundly.

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**Principle 2 – Division of responsibilities**

- 3.2.4** The Board must ensure that there is a clear division between the board's responsibility for setting the strategic aims and undertaking the oversight of the Reporting Entity and the Senior Management's responsibility for managing the Reporting Entity's business in accordance with the strategic aims and risk parameters set by the Board.

**Principle 3 – Board composition and resources**

- 3.2.5** The Board, and its committees, must have an appropriate balance of skills, experience, independence and knowledge of the Reporting Entity's business, and adequate resources, including access to expertise as required and timely and comprehensive information relating to the affairs of the Reporting Entity.

**Principle 4 – Risk management and internal control systems**

- 3.2.6** The Board must ensure that the Reporting Entity has an adequate, effective, well-defined and well-integrated risk management, internal control and compliance framework.

**Principle 5 – Shareholder rights and effective dialogue**

- 3.2.7** The Board must ensure that the rights of shareholders are properly safeguarded through appropriate measures that enable the shareholders to exercise their rights effectively, promote effective dialogue with shareholders and other key stakeholders as appropriate, and prevent any abuse or oppression of minority shareholders.

**Principle 6 – Position and prospects**

- 3.2.8** The Board must ensure that the Reporting Entity's financial and other reports present an accurate, balanced and understandable assessment of the Reporting Entity's financial position and prospects by ensuring that there are effective internal risk control and reporting requirements.

**Principle 7 – Remuneration**

- 3.2.9** The Board must ensure that the Reporting Entity has remuneration structures and strategies that are well aligned with the long-term interests of the entity.

**Annual reporting on compliance**

- 3.2.10** The annual financial report of a Reporting Entity to which this section applies must:
- (a) state whether the best practice standards specified in App4 have been adopted by the Reporting Entity for the purposes of complying with the Corporate Governance Principles;
  - (b) if the best practice standards in App4 have not been fully adopted or have been only partially adopted explain:
    - (i) why the best practice standards were not adopted fully or adopted only partially, as is relevant; and
    - (ii) what actions, if any, have been taken by the Reporting Entity to achieve compliance with the Corporate Governance Principles to the



extent the relevant best practice standards were not adopted, or were only partially adopted; and

- (c) include a statement by Directors whether or not, in their opinion, the corporate governance framework of the Reporting Entity is effective in promoting compliance with the Corporate Governance Principles, with supporting information and assumptions, and qualifications if necessary.

#### **Guidance**

1. Rule 3.2.10 reflects the “comply or explain” approach adopted by the DFSA in respect of the Corporate Governance Principles.
2. With regard to the opinion required under Rule 3.2.10(c), adequate information relating to the corporate governance framework of the Reporting Entity should be included to support the opinion, such as the identity of its chair, any committees of the Board and their role and membership, the chief executive and persons undertaking key control functions such as the head of compliance, risk control and internal audit and how their independence is achieved. See also the disclosure of information required under App2.

### **3.3 Directors duties and fair treatment of shareholders**

#### **Application**

- 3.3.1** (1) This section applies, subject to (2), to:
- (a) the Board of a Reporting Entity in respect of Shares; and
  - (b) each individual Director who is a member of such a board.
- (2) The requirement in Rule 3.3.3 applies to every Reporting Entity.

#### **Guidance**

1. Where a Person referred to in Rule 3.3.1(1) is required under any legislation applicable to such a Person to comply with a similar or more stringent requirement than the requirements in this section, compliance with those other requirements would be sufficient compliance for the purposes of the relevant requirement in this section.
2. For example, in the case of a reduction of share capital, more stringent procedures such as a special resolution (i.e. a vote of at least 75% of the shareholders in voting), may be required under the company law or other legislation applicable to a Reporting Entity in its jurisdiction of incorporation. Where this is the case, compliance with the more stringent requirements applicable to the Reporting Entity suffices for the purposes of compliance with the requirements in this section dealing with a shareholder approval by simple majority in Rule 3.3.8.

#### **Directors’ duties**

- 3.3.2** A Director of a Reporting Entity must act:

- (a) on a fully informed basis;
- (b) in good faith,
- (c) honestly;
- (d) with due diligence and care, and

- (e) in the best interests of the Reporting Entity and its shareholders.

#### **Guidance**

In order to meet the obligation to act with due diligence and care, a Director should (amongst other things) ensure that he has enough time and capacity available to devote to the job. See also the best practice standards in App4 which apply to Directors of Reporting Entities who are subject to Corporate Governance Principles.

#### **Equality of treatment**

- 3.3.3** The Board of a Reporting Entity must ensure equality of treatment of all holders of Securities of a particular class or type in respect of all rights attaching to the Securities of that class or type of Securities.

#### **Reduction of share capital**

- 3.3.4** The Board of a Reporting Entity must ensure that a Reporting Entity does not purchase its own Shares unless:

- (a) the purchase does not materially prejudice the Reporting Entity's ability to pay its creditors;
- (b) it has obtained prior approval of shareholders in meeting by:
  - (i) a Special Resolution in the case of a SME that has had its Shares admitted to the List for less than 24 months; and
  - (ii) an Ordinary Resolution in any other case; and
- (c) prior to the meeting seeking the consent referred to in (b), the notice of the meeting and any accompanying documents relating to the purchase is filed with the DFSA.

#### **Guidance**

In addition to complying with Rule 3.3.4, a Listed Entity is required under Rule 9.7.4 to obtain the DFSA's written approval before it purchases its own Shares. It will also need to comply with any applicable company law requirements relating to the purchase of its own Shares.

#### **Pre-emption rights**

- 3.3.5** The Board of a Reporting Entity must, except where otherwise provided in the constituent documents of the Reporting Entity, ensure that a Reporting Entity provides pre-emption rights under which, on an issue of Shares by the Reporting Entity for cash, the shareholders of the Reporting Entity are offered any Shares to be issued in proportion to their existing holdings prior to the Shares being offered to third parties, unless there is prior approval of the issue of Shares without pre-emption rights by shareholders in meeting, by a majority vote.

#### **Communications with shareholders**

- 3.3.6** (1) The Board of a Reporting Entity must ensure that all the necessary information and facilities are available to its shareholders to enable them to exercise the rights attaching to their Shares on a well informed basis.

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- (2) Without limiting the generality of the obligation in (1), the Board must ensure that the shareholders:
    - (a) are provided with the necessary information relating to the matters to be determined at meetings to enable them to exercise their right to vote, including the proxy forms and notice of meetings; and
    - (b) have access to any relevant notices or circulars giving information in relation to the rights attaching to the Securities.

### **Proxy solicitation**

- 3.3.7** The Board of a Reporting Entity must ensure that for each meeting at which shareholders are eligible to exercise voting rights attaching to their Securities, each shareholder is given the right and means to vote by proxy.

### **Other matters requiring shareholder approval**

- 3.3.8** (1) The Board of a Reporting Entity must, subject to (2), ensure that a majority of shareholders in voting approves:
- (a) any alteration of the constitutional documents of the Reporting Entity including any alteration to the memorandum of association, articles of association, bylaws or any other instrument constituting the Reporting Entity;
  - (b) an alteration of the issued share capital of the Reporting Entity which is more than 20% of the existing issued share capital;
  - (c) any acquisition or disposal of an asset of the Reporting Entity where the value of the asset involved is 50% or more of the value of the net assets of the Reporting Entity as at its last published financial reports;
  - (d) the appointment or removal of a Director of the Reporting Entity and the terms of such appointment;
  - (e) the appointment or removal of the auditor of the Reporting Entity; and
  - (f) the placing of the Reporting Entity into voluntary liquidation.
- (2) The requirement in (1) does not apply, subject to any requirements in the constitutional documents of the Reporting Entity, in relation to the appointment or removal of a Director or auditor of a Reporting Entity in circumstances where the immediate appointment or removal is necessary in the interests of the Reporting Entity.

### **Guidance**

1. Under Rule 3.3.8(1)(b), an increase in the issued share capital of a Reporting Entity which results in an increase of more than 20% of its current share capital requires shareholder approval regardless of whether or not such an increase is within the authorised capital of the relevant Reporting Entity.
2. The circumstances in which the immediate removal of a Director or auditor may become necessary include matters affecting that Person's fitness and propriety, such as professional misconduct of such a Person.

## **3.4 Dealings by restricted persons**

### **Application**

- 3.4.1** (1) This section applies to:
- (a) the Board of every Reporting Entity; and
  - (b) a Restricted Person in relation to such a Reporting Entity.
- (2) For the purposes of (1)(b), a Person is a Restricted Person in relation to a Reporting Entity if he is involved in the senior management of the Reporting Entity.

### **Guidance**

1. Persons are considered as involved in the senior management if they are in a position of authority and influence in making management or executive decisions with regard to the day-to-day management of the business of the Reporting Entity. Some members of the Board, such as executive Directors, will be subject to the requirements in this section because they undertake managerial functions and responsibilities relating to the day-to-day management of the Reporting Entity.
2. Chapter 6 contains requirements applicable to Reporting Entities of Listed Funds.

### **Prohibition on dealing**

- 3.4.2** (1) A Restricted Person must not engage in dealing in the Securities of the Reporting Entity during a close period except in the circumstances specified in Rule 3.4.3 or 3.4.4.
- (2) For the purposes of this Rule:
- (a) a “close period” is:
    - (i) the period from the relevant financial year end up to and including the time of the announcement or publication of the annual financial reports; and
    - (ii) if the Reporting Entity reports on a semi-annual basis, the period from the end of the relevant semi-annual financial period up to and including the time of the announcement or publication; or
    - (iii) if the Reporting Entity reports on a quarterly basis, the period from the end of the relevant quarter up to and including the time of the announcement.
  - (b) “dealing in Securities” means:
    - (i) any acquisition or disposal of, or agreement to acquire or dispose of, Securities of the Reporting Entity;
    - (ii) entering into a contract (such as a contract for difference) the purpose of which is to secure a profit or avoid a loss by

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- reference to fluctuations in the price of the Securities of the Reporting entity;
  - (iii) the grant, acceptance, acquisition, disposal, exercise or discharge of any option to acquire or dispose of any Securities of the Reporting Entity;
  - (iv) entering into, or terminating, assigning or novating any stock lending agreement in respect of the Securities of the Reporting Entity;
  - (v) using as security, or otherwise granting a charge, lien or other encumbrance over the Securities of the Reporting Entity; or
  - (vi) any other transaction including a transfer for no consideration, or the exercise of any power or discretion effecting a change of ownership of a beneficial interest in, the Securities of the Reporting Entity.
- (3) The prohibition in (1) applies to any dealing by Restricted Persons whether or not such dealings are with another Restricted Person or any other Person.

### **Clearance to deal**

- 3.4.3** (1) The prohibition in Rule 3.4.2(1) does not apply in relation to any dealing in Securities where the Restricted Person has obtained prior clearance to deal as provided in (2) and (3).
- (2) For the purposes of (1), prior written clearance to deal in the Securities of a Reporting Entity must be obtained:
- (a) from a Director designated by the Board for the purposes of providing clearances to deal; and
  - (b) in the case of dealings by the Director designated for the purpose of providing clearances to deal, from the full Board or another Director designated by the Board for the purposes of providing such clearance.
- (3) For the purposes of (1) and (2), a Director of the Reporting Entity must not be given written clearance to deal in any Securities of the Reporting Entity during any period when there exists any matter which constitutes Inside Information unless the Person responsible for granting clearance has no reason to believe that the proposed dealing is or may be in breach of the Law or the Rules.

### **Exempt dealings**

- 3.4.4** The prohibition in Rule 3.4.2(1) does not apply in relation to any dealing in Securities in the Reporting Entity if such dealing by the Restricted Person relates to:
- (a) undertakings or elections to take up, or the taking up of, an entitlement under a rights issue or dividend reinvestment offer, or allowing such an entitlement or offer to lapse;
  - (b) undertakings to accept, or the acceptance of, a Takeover Offer under Takeover Rules;

- (c) dealings where the beneficial interest in the relevant Security does not change;
- (d) transactions between the Restricted Person and an Associate of such a person; or
- (e) transactions relating to dealings in an Employee Share Scheme in accordance with the terms of such a scheme.

## **3.5 Related party transactions**

### **Application**

**3.5.1** This section applies, subject to Rule 3.5.4, to:

- (a) a Reporting Entity; and
- (b) a Related Party of such a Reporting Entity.

### **Definitions**

**3.5.2** In this section, unless otherwise provided:

- (a) a Person is a Related Party of a Reporting Entity if that Person:
  - (i) is, or was within the 12 months before the date of the Related Party Transaction:
    - (A) a Director or a Person involved in the senior management of the Reporting Entity or a member of its Group;
    - (B) an Associate of a Person referred to in (a)(i)(A); or
  - (ii) owns, or has owned within 12 months before the date of the Related Party Transaction, voting Securities carrying more than 5% of the voting rights attaching to all the voting Securities of either the Reporting Entity or a member of its Group; or
  - (iii) is, or was within the 12 months before the date of the Related Party Transaction, a Person exercising or having the ability to exercise significant influence over the Reporting Entity or an Associate of such a Person.
- (b) a transaction is a Related Party Transaction if it is a transaction:
  - (i) between a Reporting Entity and a Related Party;
  - (ii) under which the Reporting Entity invests in another Undertaking or asset, or provides financial assistance to another Undertaking, in which a Related Party also has a financial interest; or
  - (iii) between the Reporting Entity and any other Person the purpose or effect of which is to benefit a Related Party; or

- (iv) of the kind referred to in (i) – (iii) and is between a Subsidiary of a Reporting Entity and a Related Party of the Reporting Entity.

#### **Guidance**

1. A Person is regarded as exercising significant influence over a Reporting Entity, for example, if that Person is a consultant or adviser to the Reporting Entity.
2. Any transactions between a Subsidiary of a Reporting Entity and a Related Party is included within the definition of a Related Party Transaction. This is because a Related Party may, through the Reporting Entity, be able to influence terms which are more favourable to the Related Party when transacting with the subsidiary. Such transactions could be detrimental to the interests of the Reporting Entity.

#### **Related party transaction procedures**

##### **3.5.3 A Reporting Entity must ensure that:**

- (a) if the value of a Related Party Transaction is greater than 5% of value of the net assets of the Reporting Entity as stated in its most recent financial reports, it does not enter into such a transaction unless the transaction has been put to shareholder approval and has received prior approval by a majority of the shareholders in voting of the Reporting Entity;
- (b) if the value of the Related Party Transaction is less than the 5% threshold referred to in (a), it gives to the DFSA a notice as soon as possible after the transaction of the relevant terms and the basis on which such terms are considered fair and reasonable, supported by a written confirmation by an independent third party acceptable to the DFSA; or
- (c) if the cumulative value of a series of Related Party Transactions with the same Related Party reaches the 5% threshold referred to in (a) in any 12 month period, it does not enter into the last of the series of the transactions unless such proposed action has been put to shareholder approval and received approval by a majority of the shareholders in voting of the Reporting Entity.

#### **Exemptions**

##### **3.5.4 The requirements in this section do not apply to a transaction referred to in Rule 3.5.2(b):**

- (a) where the transaction is made in the ordinary course of business and on commercial terms no less favourable than those of an arm's length transaction with an unrelated party;
- (b) where it, or any series of transactions with the same Related Party in any 12 month period, does not exceed 0.25% of the value of the net assets of the Reporting Entity as stated in its most recent financial reports;
- (c) where it is made in accordance with the terms of an Employee Share Scheme or other employee incentive scheme approved by the Board of the Reporting Entity; or
- (d) where it involves the issue of new Securities for cash or pursuant to the exercise of conversion or subscription rights attaching to Securities issued to

existing Shareholders where the Securities are traded on an Authorised Market Institution or a Regulated Exchange.



## **4 MARKET DISCLOSURE**

### **4.1 Application**

- 4.1.1** (1) This chapter applies, subject to (2), to every Reporting Entity other than that of a Listed Fund.
- (2) The requirements in this section do not apply to a Reporting Entity if the relevant market disclosure has already been made in relation to the Securities either by another Person or in relation to other securities.

#### **Guidance**

1. The market disclosure requirements applicable to Listed Funds are in chapter 6.
2. This chapter sets out the obligations of Reporting Entities to disclose and control information in order to protect actual and potential investors and to maintain a fair, informed and orderly market in Securities. This chapter also sets out the limited circumstances under which a Reporting Entity may selectively disclose Inside Information, delay public disclosure and control access to such information in order to limit the potential market abuse.
3. The DFSA recognises the importance to the market of accurate, up-to-date information about Reporting Entities. Reporting Entities are therefore required to disseminate Inside Information as soon as possible. Where these obligations are not met and the DFSA considers it appropriate, the DFSA may seek one or more sanctions as specified in Part 7 of the Law.

### **4.2 Disclosure of inside information**

#### **Timely disclosure**

- 4.2.1** (1) A Reporting Entity must make timely disclosure of Inside Information in accordance with the requirements in this section.
- (2) A Reporting Entity must ensure that the disclosure it makes pursuant to (1) is not misleading, false or deceptive and does not omit anything likely to affect the import of the information.
- (3) For the purposes of complying with the requirement in (1), the Reporting Entity must, subject to Rule 4.2.3 and 4.2.4, make disclosure as soon as possible and in the manner specified in Rule 4.7.1.

#### **Guidance**

1. A Reporting Entity is required to disclose Inside Information as soon as possible. In practice, a short period before announcing Inside Information is permitted where a Reporting Entity is affected by an unexpected event and the Reporting Entity needs to clarify the situation or take legal advice so that any information released is accurate and not misleading. Any delay should be limited to a period no longer than is reasonably necessary in the circumstances. Where there is a danger of the information leaking out in the meantime, the Reporting Entity should make a holding announcement giving an outline of the subject matter of the announcement, the reasons why a full announcement cannot yet be made and undertaking to make a full announcement as soon as possible.

2. For the disclosure to be not misleading, false or deceptive, a Reporting Entity should provide information that is accurate, factual and complete. Any incomplete or inaccurate information, such as omission of relevant information, would be misleading or deceptive. Information should be provided in an easy to understand manner and not for promotional purposes. The use of imprecise and confusing language such as ‘double digit’ or ‘in excess of last year’ should be avoided as it does not allow investors to properly assess the information for the purpose of making an informed decision relating to the relevant Securities.
3. Where a Reporting Entity realises that it has or may have breached its continuous disclosure obligations, it should contact the DFSA to discuss the matter and seek guidance on remedying the situation and on taking steps to ensure that similar breaches are prevented from recurring.
4. A confidentiality agreement should not prevent an entity from complying with its obligations relating to the disclosure of Inside Information.
5. If, for any reason, a Reporting Entity is unable, or unwilling to make a holding announcement it may be appropriate for the Reporting Entity to file a report pursuant to Rule 4.2.5 and for the trading of its Securities to be suspended until the Issuer is in a position to make an announcement.

### **Identifying inside information**

6. Inside Information is defined in Article 63(1)(a) of the Law as:  
*“information in relation to Investments of a precise nature which:*  
  - (i) *is not generally available;*
  - (ii) *relates, directly or indirectly, to one or more Reporting Entities or the issuer of the Investments concerned or to one or more of the Investments; and*
  - (iii) *would, if generally available, be likely to have a significant effect on the price of the Investments or on the price of related investments.”*
7. For the purposes of Article 63(1)(a), information is considered “precise” if it:
  - a. indicates circumstances that exist or may reasonably be expected to come into existence or an event that has occurred or may reasonably be expected to occur; and
  - b. is specific enough to enable a conclusion to be drawn as to the possible effect of those circumstances or that event on the price of Investments or related investments.
8. Similarly, information would be likely to have a “significant effect on price” if and only if it is information of that kind which a reasonable investor would be likely to use as part of the basis of his investment decisions.
9. The Reporting Entity is itself best placed to determine whether information, if made public, is likely to have a significant effect on the price of the relevant Securities, as what constitutes Inside Information will vary widely according to circumstances.

### **Financial forecasts and expectations**

10. Where a Reporting Entity makes a market announcement which includes a profit or revenue forecast, such forecasts become, as soon as made, factored into the market pricing of the relevant Securities. If the Reporting Entity becomes aware that there is likely to be a material difference between the forecast and the true outcome, the Reporting Entity should make an announcement correcting the forecast as soon as possible so that the market pricing reflects the accurate position.
11. In relation to financial forecasts published by a Reporting Entity, the DFSA considers that circumstances giving rise to a variation from the previous one should generally be considered Inside Information and should be disclosed by the Reporting Entity as soon as possible. Even

where a Reporting Entity has not made a previous forecast, circumstances giving rise to a variation of profit or revenue from the previous corresponding reporting period should be disclosed where such circumstances would have a significant effect on the price of relevant Securities. Generally, a change of 10% or more is a material change, but in some circumstances, a smaller variation may also be disclosable if it would reasonably be considered to have a significant effect on the price of the relevant Securities.

12. In making such disclosure, the Reporting Entity should provide clear details of the extent of the variation. For example, a Reporting Entity may indicate that, based on management accounts, its expected net profit will be an approximate amount (e.g. approximately \$15 million) or alternatively within a stated range (e.g. between \$14m and \$16m). Alternatively, a Reporting Entity may indicate an approximate percentage movement (e.g. up or down by 35%).

#### **Relationship between continuous disclosure and periodic disclosures**

13. Periodic disclosures by Reporting Entities are required in a number of circumstances, and examples can include interim and annual financial reports and accounts, prospectuses, bidder's statements and target's statements.
14. In the course of preparing these disclosure documents, Reporting Entities may become aware of Inside Information which was previously insufficiently precise to warrant disclosure. In such circumstances, a Reporting Entity should not defer releasing that information until the periodic disclosure or other document is finalised. In such circumstances, a Reporting Entity is expected to make an announcement containing the Inside Information as soon as possible.

#### **Securities of the same class admitted to trading in more than one jurisdiction**

15. Reporting Entities with Securities of the same class admitted to trading in more than one jurisdiction should ensure that the release of announcements containing Inside Information is co-ordinated across jurisdictions. If the requirements for disclosure are stricter in another jurisdiction than in the DIFC, the Reporting Entity must ensure that the same information is released in the DIFC as in that other jurisdiction.
16. Reporting Entities should not delay an announcement in the DIFC in order to wait for a market to open in another jurisdiction.

#### **Delaying disclosure**

**4.2.2** A Reporting Entity may delay market disclosure of Inside Information so as not to prejudice its legitimate interests provided that:

- (a) the delay is not likely to mislead the markets; and
- (b) if the information is to be selectively disclosed to a Person prior to market disclosure, it is made in accordance with the requirements in Rule 4.2.3.

#### **Selective disclosure**

**4.2.3** (1) For the purposes of Rule 4.2.2(b), a Reporting Entity may selectively disclose Inside Information to a Person prior to making market disclosure of such information only if:

- (a) it is for the purposes of the exercise by such a Person of his employment, profession or duties;
- (b) that Person owes to the Reporting Entity a duty of confidentiality, whether based on law, contract or otherwise; and

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- (c) the Reporting Entity has provided to that Person, except where that Person is the DFSA, a written notice as specified in (3).
  - (2) For the purposes of (1)(a), the Persons whose exercise of employment, profession or duties may warrant selective disclosure are as follows:
    - (a) any adviser, underwriter, sponsor or compliance adviser;
    - (b) an agent employed by the Reporting Entity to release the information;
    - (c) Persons with whom the Reporting Entity is negotiating with a view to effecting a transaction or raising finance, including prospective underwriters or sponsors of an issue of Securities, providers of finance or loans or the placement of the balance of a rights issue not taken up by shareholders;
    - (d) the DFSA or another Financial Services Regulator where such disclosure is necessary or desirable for the regulator to perform its functions;
    - (e) a Person to whom the Reporting Entity discloses information in accordance with a lawful requirement;
    - (f) a major shareholder of the Reporting Entity; or
    - (g) any other Person to whom it is necessary to disclose the information in the ordinary course of business of the Reporting Entity.
  - (3) For the purposes of (1)(c), the Reporting Entity must, before making disclosure to a Person, provide to that Person a written notice that:
    - (a) the information is provided in confidence and must not be used or be allowed to be used for a purpose other than the purpose for which it is provided; and
    - (b) the recipient must take reasonable steps to ensure that the recipient or any Person having access to the information through the recipient does not deal in the relevant Securities, or any other related Investment, or disclose such information without legitimate reason, prior to market disclosure of that information by the Reporting Entity.
  - (4) Where a Reporting Entity makes selective disclosure of Inside Information pursuant to (1), it must ensure that a full announcement is made to the market as soon as possible, and in any event, when it becomes aware or has reasonable grounds to suspect that such information has or may have come to the knowledge of any Person or Persons other than those to whom the selective disclosure was made.

#### **Guidance**

1. It is likely that Inside Information will be made known to certain Employees of the Reporting Entity. A Reporting Entity should put in place procedures to ensure that Employees do not disclose such information, whether or not inadvertently, and that Employees are adequately trained in the identification and handling of Inside Information (see Rules 4.2.6 – 4.2.7 and associated Guidance).
2. Rule 4.2.3 does not excuse a Reporting Entity from its overriding obligation to disclose Inside Information as soon as possible pursuant to Rule 4.2.1. A Reporting Entity which proposes to

delay public disclosure of Inside Information should refer to Rule 4.2.4, which sets out the limited disclosure exceptions permitted.

### **Disclosure exceptions**

- 4.2.4** (1) A Reporting Entity need not, subject to (2), make disclosure of information pursuant to Rule 4.2.1, where, in the reasonable opinion of the Reporting Entity, the disclosure required by that Rule would:
- (a) be unduly detrimental to the legitimate interests of the Reporting Entity; or
  - (b) disclose commercially sensitive material.
- (2) Where a Reporting Entity intends not to make the disclosure pursuant to (1), it must immediately file with the DFSA a confidential report which:
- (a) contains all the information which it seeks not to disclose and the reasons for non-disclosure; and
  - (b) is in the English language and, where any documents accompanying the report are not in the English language, an English translation of such documents.
- (3) The DFSA may:
- (a) specify the period during which disclosure of the information included in the confidential report need not be disclosed to the markets; and
  - (b) extend the period referred to in (a) upon application by the Reporting Entity.
- (4) Where a confidential report is filed with the DFSA under (2), the Reporting Entity need not comply with the requirements in Rule 4.2.1 during the period permitted by the DFSA pursuant to (3), unless or until one of the following occurs:
- (a) the DFSA directs the Reporting Entity to comply with Rule 4.2.1;
  - (b) the Reporting Entity becomes aware that there is a material change of circumstances that renders the reason for non-disclosure of the information no longer valid; or
  - (c) the Reporting Entity becomes aware or has reasonable grounds to suspect that the relevant Inside Information has or may have come to the knowledge of any Person or Persons other than by way of selective disclosure in accordance with Rule 4.2.3.
- (5) The procedures in Schedule 3 to the Regulatory Law apply to a decision of the DFSA under (3) or (4)(a).
- (6) If the DFSA decides to exercise its power under (3) or (4)(a), the Reporting Entity may refer the matter to the FMT for review.

- 4.2.5** By filing a report under Rule 4.2.4, the Reporting Entity undertakes that the contents of the report and any accompanying documents are true, accurate and not

misleading and contain all the information which the DFSA would reasonably expect to be made aware of in the circumstances of the case.

### **Guidance**

1. Examples of circumstances under which a Reporting Entity might rely on the exception from disclosure in Rule 4.2.4 include where:
  - a. it would be a breach of law to disclose such information;
  - b. the information is a trade secret;
  - c. there are negotiations in course where the outcome or normal pattern of those negotiations would be likely to be affected by public disclosure;
  - d. the information is provisional and generated for internal management purposes prior to later public disclosure; or
  - e. there are impending developments that could be jeopardised by premature disclosure.
2. Rule 4.2.4 does not permit a Reporting Entity to delay public disclosure of the fact that it is in financial difficulty or of its worsening financial condition and is limited to the fact or substance of the negotiations to deal with such a situation. A Reporting Entity is also not permitted to delay disclosure of Inside Information on the basis that its position in subsequent negotiations to deal with the situation will be jeopardised by the disclosure of its financial condition.
3. Where the DFSA considers that the reliance on permitted exceptions under Rule 4.2.4 is not in the interests of actual or potential investors, market integrity or the DIFC, it may direct the Reporting Entity to make either a holding announcement or full market disclosure (see Rule 4.5.1). The DFSA may, in addition, require the Authorised Market Institution in which the Securities are traded to suspend trading of the relevant Securities.

### **Control of inside information**

- 4.2.6** A Reporting Entity must establish effective arrangements to deny access to Inside Information to Persons other than those who require it for the exercise of their functions within the Reporting Entity.
- 4.2.7** A Reporting Entity must establish and maintain adequate systems and controls to enable it to identify at all times any Person working for it under a contract of employment or otherwise, who has or may reasonably be likely to have access to Inside Information relating to the Reporting Entity, whether on a regular or occasional basis.
- 4.2.8** A Reporting Entity must take the necessary measures to ensure that its Directors and Employees who have or may have access to Inside Information acknowledge the legal and regulatory duties entailed, including dealing restrictions in relation to the Reporting Entity's Securities or any related Investments, and are aware of the sanctions attaching to the misuse or improper use or circulation of such information.
- 4.2.9** A Reporting Entity must nominate two individuals to be its main points of contact with the DFSA in relation to continuing disclosure and other obligations under this chapter.

## **Guidance**

### **Framework for handling Inside Information**

1. The responsibility for ensuring that a Reporting Entity has an adequate overall policy on the handling of Inside Information lies with the Board of the Reporting Entity. Whilst responsibility for compliance with the continuing obligations set out in the Rules lies with the Reporting Entity, Directors should be aware that they may be held personally liable for breaching these Rules.
2. Reporting Entities should have a consistent procedure for assessing whether information is Inside Information and should clearly identify those within the Reporting Entity who are responsible for the communication of this information to the market.
3. Reporting Entities should put in place arrangements for maintaining the confidentiality of Inside Information before announcement. These should include adequate training for Employees in the handling, distribution and announcement of Inside Information as appropriate. Reporting Entities should, for example, guard against the risk of Inside Information being leaked to the market through selective disclosure of internal briefings or via trade journals. Where the Reporting Entity considers that this may have occurred, an announcement should be made immediately.

### **Inadvertent disclosure**

4. In situations where the Reporting Entity will be open to questioning that may be designed to elicit or may have the effect of eliciting Inside Information (such as during shareholders' meetings or dealing with analysts or journalists), the Reporting Entity should plan in advance how it will respond to such questions. If the Reporting Entity intends to disclose Inside Information at such a meeting, an announcement must be made before or at the same time as the meeting.

## **4.3 Disclosure of interests by connected persons**

### **Guidance**

Article 42 of the Law requires certain persons connected to a Reporting Entity to file with the DFSA and the Reporting Entity a report in accordance with the requirements prescribed in the Rules.

### **Application**

- 4.3.1** This section applies to a Connected Person of a Reporting Entity other than that of a Listed Fund.

### **Guidance**

Chapter 6 contains Connected Person disclosure requirements relevant to Listed Funds.

### **Definitions**

- 4.3.2** (1) For the purposes of Article 42(2) of the Law, a Person is hereby prescribed as a Connected Person of a Reporting Entity if that Person:
- (a) is a Director or an individual involved in the senior management of either:
    - (i) the Reporting Entity; or
    - (ii) a controller of the Reporting Entity; or



- (b) owns, whether legally or beneficially, or controls, whether directly or indirectly, voting Securities carrying more than 5% of the voting rights attaching to all the voting Securities of either:
    - (i) the Reporting Entity; or
    - (ii) a controller of the Reporting Entity.
- (2) In (1), a Person is a controller of a Reporting Entity if that Person (the first person), either alone or with his Associates, controls the majority of the voting rights in, or the right to appoint or remove the majority of the Board of, the Reporting Entity or any Person who has similar control over the first person, including an ultimate controller of the first person.
- (3) For the purposes of determining whether a Person:
  - (a) owns or controls voting Securities in (1)(b); or
  - (b) controls the voting rights in or the right to appoint or remove the majority of the Board of a Reporting Entity or a controller of a Reporting Entity in (2),

any Securities held by that Person and his Associates, including those in which that Person or an Associate of that Person has a beneficial interest, are deemed as his Securities except as specified in (4).
- (4) For the purposes of (3), Securities are not deemed as his Securities where:
  - (a) any such Securities are held by that Person on behalf of another Person who is not an Associate of that Person; and
  - (b) the Person does not have control over the voting rights attaching to the Securities because some other Person exercises those rights or manages those Securities on a discretionary basis.
- (5) A Person is not a Connected Person of a Reporting Entity merely by reason that:
  - (a) its Structured Products are admitted to trading on an Authorised Market Institution; or
  - (b) such Person:
    - (i) owns or holds voting Securities solely in its capacity as trustee, nominee or custodian under an agreement to hold such Securities; and
    - (ii) does not exercise any voting or other rights associated with the Securities except in accordance with the express instructions of the owner of the Securities or in accordance with the agreement in (i).



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**Events that trigger a report**

- 4.3.3** (1) A Connected Person must file the report required under Article 42(1) of the Law (the “report”) with the DFSA and the Reporting Entity within 5 business days of the occurrence of any of the events prescribed in (2) and (3).
- (2) In the case of a Person who is a Connected Person under Rule 4.3.2(1)(a), that Person must file the report:
- (a) upon becoming or ceasing to be a Director of a controller of the Reporting Entity;
  - (b) upon acquiring or ceasing to hold either alone or with an Associate of the Person any Securities or other Investments in or relating to the Reporting Entity or a controller of the Reporting Entity; and
  - (c) upon any increase or decrease of the level of an interest referred to in (b).
- (3) In the case of a Person who is a Connected Person under Rule 4.3.2(1)(b), that Person must file the report:
- (a) upon acquiring or ceasing to hold voting Securities carrying more than 5% of the voting rights attaching to all voting Securities of either the Reporting Entity or a controller of the Reporting Entity; and
  - (b) upon an increase or decrease of at least 1% of the level of interest previously reported pursuant to (a).

**Derivatives giving entitlement to securities**

- 4.3.3A** For the purposes of Rules 4.3.2 and 4.3.3, a Person is taken to hold Securities or Investments in or relating to a Reporting Entity, if the Person holds a Derivative or any other Financial Instrument that on its maturity will confer on him:
- (a) an unconditional right to acquire the Security or Investment; or
  - (b) the discretion as to his right to acquire the Security or Investment.

**Content of the report**

- 4.3.4** A report filed by a Connected Person must contain the following information:
- (a) the name and address of the Connected Person;
  - (b) the date on which the event giving rise to the obligation to file a report occurred;
  - (c) the date on which the filing was made; and
  - (d) the price, amount and class of Securities or other Investments as is relevant in relation to the transaction or other event and the previous and new level of interest held.

## **Market disclosure**

- 4.3.5** Upon a Connected Person filing a report with the Reporting Entity, the Reporting Entity must, as soon as possible, make market disclosure of that report in accordance with Rule 4.7.1.

## **4.4 Disclosure of directors' material interests**

### **Guidance**

Article 43 of the Law requires Persons with a material interest in the Reporting Entity to give a notice relating to that interest in accordance with the requirements prescribed in the Rules.

### **Application**

- 4.4.1** This section applies to every Reporting Entity other than that of a Listed Fund.

### **Guidance**

Chapter 6 contains the disclosure of material interest applicable to Listed Fund.

### **Definition of a material interest**

- 4.4.2** A Director of a Reporting Entity has a material interest in the Reporting Entity if that person has any interest arising through:
- (a) the direct or indirect ownership of, or beneficial ownership of, Investments in the Reporting Entity; or
  - (b) any involvement in financial or commercial arrangement with or relating to the Reporting Entity.

### **Content and procedures relating to the notice**

- 4.4.3** (1) Subject to (2), a notice relating to a material interest must be given by a Person referred to in Rule 4.4.2, to the other Directors of the Reporting Entity within 5 business days of the material interest arising or changing.
- (2) A Person referred to in (1) need not give a notice relating to a material interest if the material interest is required to be included in a report which that Person must provide by virtue of being a Connected Person under section 4.3 and the Person has complied with the requirement mentioned in that section.
- (3) A notice relating to a material interest must contain:
- (a) the name and address of the Person giving the notice; and
  - (b) the details relating to the material interest, including the date on which the material interest arose or changed.

### **Market disclosure**

- 4.4.4** Upon receiving a notice relating to a material interest, the Reporting Entity must, as soon as possible, make market disclosure of that report in accordance with Rule 4.7.1.

## **4.5 Power to direct disclosure**

### **Guidance**

Article 50 of the Law gives the DFSA the power to direct a Reporting Entity to disclose specified information to the market or take such other steps as the DFSA considers appropriate where it is satisfied that it is in the interest of the DIFC to do so.

- 4.5.1** (1) The DFSA may, pursuant to its power under Article 50(1)(a) of the Law, issue a written notice directing a Reporting Entity (a “direction notice”) to disclose specified information to the market and to take any other steps as the DFSA considers appropriate in the following circumstances:
- (a) where a Reporting Entity fails to comply with an obligation to disclose any information under the Law and the Rules;
  - (b) to correct or prevent a false market if the DFSA reasonably considers that there is or is likely to be a false market in a Reporting Entity’s Securities;
  - (c) where there is a rumour or media speculation in relation to the Reporting Entity or the relevant Securities that has not been confirmed or clarified by an announcement by the Reporting Entity made in accordance with Rule 4.2.1 and such rumour or media speculation is or is reasonably likely to have an impact upon the price of the Reporting Entity or the relevant Securities; or
  - (d) where it is in the interests of:
    - (i) actual or potential investors;
    - (ii) market integrity; or
    - (iii) the DIFC.
- (2) A Reporting Entity which receives a direction notice issued pursuant to (1) must comply with the terms of that notice.

## **4.6 Other matters that require market disclosure**

- 4.6.1** A Reporting Entity must disclose to the market in accordance with Rule 4.7.1 the matters specified in App2.

## **4.7 Manner of market disclosure**

- 4.7.1** (1) When a Reporting Entity is required to make market disclosure of any information, such information must be released to the market by way of an announcement made:
- (a) to the Authorised Market Institution on which the Securities are admitted to trading;

- (b) on the website of the Reporting Entity; and
- (c) to any approved Regulatory Announcement Service.
- (2) The disclosure in (1) must also be concurrently provided to the DFSA.
- (3) Without prejudice to its obligations relating to market disclosure, a Reporting Entity must take reasonable care to ensure that any information it is required to disclose is clear, fair and not misleading, false or deceptive.

**4.7.2** The DFSA may, upon application by a Person or on its own initiative, approve a Regulatory Announcement Service for the purposes of making the disclosure in 4.7.1(c).

**4.7.3** A Reporting Entity must retain on its website all information that has been disclosed to markets for a period of one year following publication.

## **4.8 Information to be disclosed on a SME's website**

### **Guidance**

This section aims to ensure that SME investors and prospective investors can easily locate key information about the SME and its business in one place: on the SME's website. In some cases, this may require a SME to disclose information on its website that is already publically available elsewhere. The requirements in this section are in addition to other disclosure requirements that apply to a Listed Entity, such as those set out elsewhere in chapter 4.

- 4.8.1** (1) A Reporting Entity that is a SME must disclose the following information prominently on its website:
- (a) a description of its business and details of its key personnel;
  - (b) the names of its Directors and a brief biography of each Director;
  - (c) a description of the responsibilities of the members of the Board and details of any Board committees and their responsibilities;
  - (d) its country of incorporation and main country or countries in which it operates;
  - (e) its constitutional documents;
  - (f) details of any other exchanges on which it has, or has applied to have, its Securities admitted to trading;
  - (g) the number of its listed Shares in issue and the number of any listed Shares held as treasury Shares (as defined in Rule 9.7.6(3));
  - (h) the percentage of its Listed Securities that are not in public hands, so far as it is aware;
  - (i) the identity of any of its Connected Persons that hold Listed Securities issued by the Reporting Entity and the percentage of any such holdings;

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- (j) the annual financial reports prepared and filed by the Reporting Entity under Article 44 of the Law since admission of its Shares to the List or, if its Shares have been admitted to the List for more than three years, for the previous three years;
  - (k) the semi-annual financial reports or any other financial statements prepared and filed by the Reporting Entity under Article 45 of the Law since admission or, if its Shares have been admitted to the List for more than three years, for the previous three years;
  - (l) all announcements it has made under Rule 4.7.1 in the previous 12 months;
  - (m) all Inside Information it has publicly disclosed under Rule 4.2.1 since admission or, if its Shares have been admitted to the List for more than five years, for the previous five years;
  - (n) its most recent Approved Prospectus, if any, together with any other Approved Prospectus it has published in the previous five years and any circulars or similar publications sent to shareholders in the previous 12 months;
  - (o) details of any corporate governance code that its Board has decided to apply, how the Reporting Entity complies with that code, and where it departs from that code, an explanation of the reasons for doing so;
  - (p) if the Reporting Entity is not incorporated in the DIFC, a statement that the rights of shareholders may be different from the rights of shareholders in a DIFC incorporated company;
  - (q) whether the Reporting Entity is subject to the Takeover Rules (TKO);
  - (r) any takeover legislation or code to which it is subject in its country of incorporation or operation, other than TKO, or any other similar provisions it has voluntarily adopted, together with a link either:
    - (i) to the relevant legislation, code or provisions; or
    - (ii) to a website where further details about the legislation, code or provisions can be found; and
  - (s) details of any compliance adviser, sponsor or other expert adviser appointed by the Reporting Entity under Article 49(1) of the Law.
- (2) The Reporting Entity must ensure that the information referred to in (1) is kept up to date.

## **5 ACCOUNTING PERIODS AND FINANCIAL REPORTS AND AUDITING**

### **Guidance**

1. Article 44 of the Law provides that a Reporting Entity shall prepare and file with the DFSA an annual financial report in accordance with the requirements prescribed in the Rules.
2. Article 45 of the Law provides that a Reporting Entity shall prepare and file with the DFSA:
  - a. a semi-annual financial report; and
  - b. any other financial statements as are required by the DFSA,
 in the circumstances prescribed by Rules.

### **5.1 Application**

- 5.1.1** This section applies to every Reporting Entity other than that of a Listed Fund except where a narrower application is provided in respect of any particular class of Security.

### **Guidance**

Chapter 6 contains the requirements relating to accounting periods and financial reporting in respect of Listed Funds.

### **Financial reporting standards**

- 5.1.2** (1) A Reporting Entity must prepare financial statements for each financial year of the Reporting Entity.
- (2) A Reporting Entity must prepare and maintain all financial statements in accordance with the International Financial Reporting Standards (IFRS) or other financial reporting standards acceptable to the DFSA.

### **Accounting periods**

- 5.1.3** (1) A Reporting Entity must not change its accounting reference date as specified in its most recent Prospectus unless it has obtained the prior approval of the DFSA in accordance with the requirements in (2).
- (2) A Reporting Entity that proposes to change its accounting reference date must:
- (a) notify the DFSA of its proposal at least 28 business days prior to making such a change; and
  - (b) obtain the DFSA's prior approval for the proposed change.

## **Annual financial report**

- 5.1.4** (1) The annual financial report which is required to be produced by a Reporting Entity pursuant to Article 44 of the Law must include the information specified in (2).
- (2) In respect of the financial year to which the annual financial report relates, it must contain:
- (a) financial statements audited in accordance with Rule 5.1.5;
  - (b) a review of the operations during the year and the results of those operations;
  - (c) details of any significant changes in the Reporting Entity's state of affairs during the financial year;
  - (d) details relating to the Reporting Entity's principal activities during the year and any significant changes in the nature of those activities during the year;
  - (e) details of any matter or circumstance that has arisen since the end of the year that has significantly affected or may significantly affect:
    - (i) the Reporting Entity's operations in future financial years and the results of those operations; or
    - (ii) the Reporting Entity's state of affairs in future financial years; and
  - (f) likely developments in the Reporting Entity's operations in future financial years and the expected results of those operations;
  - (g) a statement of auditors required under Article 46(2) of the Law;
  - (h) a statement by Directors whether or not, in their opinion, the business of the Reporting Entity is a going concern, with supporting assumptions or qualifications as necessary; and
  - (i) details relating to the identity and holdings of any Connected Person of the Reporting Entity.

### **Guidance**

With regard to the opinion required under the obligation in Rule 5.1.4(2)(h), the DFSA recognises that while the financial statements will be prepared by Persons other than the Directors, the Board has overall responsibilities to ensure the integrity and independence of the financial reporting process.

- 5.1.5** The annual financial report of a Reporting Entity that is not a Public Listed Company must be audited by an independent, competent and qualified auditor in accordance with the International Standards on Auditing as issued by the International Auditing and Assurance Standards Board ("IAASB") or other standards acceptable to the DFSA.

### **Guidance**

1. MKT Rule 5.1.5 applies to a Reporting Entity that is not a Public Listed Company.

2. A Public Listed Company is required under Article 99 of the Regulatory Law to appoint an auditor that is a Registered Auditor (see MKT 5.2). Under MKT Rule 5.2.7 a Public Listed Company must require its Registered Auditor to conduct an audit of its financial statements in accordance with the requirements of the relevant standards published by the International Auditing and Assurance Standards Board (IAASB) in respect of its financial business or other standards acceptable to the DFSA and produce audit reports as specified in AUD.

**5.1.6** The annual financial report must be signed by at least two Directors of the Reporting Entity.

**Guidance**

The DFSA expects a Reporting Entity to make, within its annual financial report, appropriate levels of disclosure for different types of Securities. Accordingly, the disclosure made for an Issuer of Shares would be significantly more extensive than the disclosure made in respect of an Issuer of Debentures.

**Semi-annual financial report**

- 5.1.7** (1) Pursuant to Article 45(1)(a) of the Law, a Reporting Entity in respect of Shares, or Warrants or Certificates over Shares must, in addition to the annual financial report, prepare and file a semi-annual financial report which meets the requirements in (2) and (3).
- (2) A Reporting Entity must:
- (a) prepare such report:
    - (i) for the first six months of each financial year or period; and if there is a change to the accounting reference date, prepare such report in respect of the period up to the old accounting reference date; and
    - (ii) in accordance with the applicable IFRS standards or other standards acceptable to the DFSA;
  - (b) if the financial statements have either been audited or reviewed by auditors, include in the report statements to that effect; and
  - (c) ensure that the report includes:
    - (i) an indication of important events that have occurred during the first six months of the financial year, and their impact on the financial statements;
    - (ii) a description of the principal risks and uncertainties for the remaining six months of the financial year; and
    - (iii) a condensed set of financial statements, an interim management report and associated responsibility statements.
- (3) A semi-annual financial report must be signed by at least two Directors of the Reporting Entity.



## **Market disclosure**

- 5.1.8** (1) A Reporting Entity where it is required by the Law and the Rules to prepare the following financial reports must disclose to the market, in accordance with Rule 4.7.1:
- (a) its annual financial report;
  - (b) its semi-annual financial report; and
  - (c) its preliminary financial results.
- (2) A Reporting Entity must make the market disclosure required in (1) within the following time periods:
- (a) in relation to its annual financial report, as soon as possible after the financial statements have been approved, but no later than 120 days after the end of the financial period;
  - (b) in relation to its semi-annual financial report, as soon as possible and in any event no later than 60 days after the end of the period to which the report relates; and
  - (c) in relation to its preliminary financial results, as soon as possible but no later than 30 minutes before the market opens on the day after the approval of the Board.
- (3) A Reporting Entity must, where there is a change to its accounting reference date, disclose to the market in accordance with Rule 4.7.1:
- (a) the change to its accounting reference date as soon as possible; and
  - (b) if it is a Reporting Entity in relation to Shares, a second interim report within six months of the old accounting reference date if the change of the accounting reference date extends the annual accounting period to more than 14 months.

## **5.2 Application in respect of a public listed company**

- 5.2.1** This section applies to every Public Listed Company.

### **Guidance**

1. A Public Listed Company is defined in the Regulatory Law to mean a person incorporated or formed in the DIFC and who is admitted to an official list of securities in the DIFC or to an equivalent list of securities in another jurisdiction.
2. A Public Listed Company is required under Article 99 of the Regulatory Law to appoint an auditor that is a Registered Auditor.

### **Appointment and termination of auditors**

- 5.2.2** A Public Listed Company must:

- (a) notify the DFSA of the appointment of a Registered Auditor by completing and submitting the appropriate form in AFN;
- (b) prior to the appointment of the Registered Auditor, take reasonable steps to ensure that the Registered Auditor has the required skills, resources and experience to audit the business of the Public Listed Company for which the Registered Auditor has been appointed; and
- (c) ensure that the Registered Auditor, at the time of appointment and for the duration of the engagement is registered with the DFSA as a Registered Auditor.

**5.2.3** A Public Listed Company must notify the DFSA immediately if the appointment of its Registered Auditor is or is about to be terminated, or on the resignation of its Registered Auditor, by completing and submitting the appropriate form in AFN.

**5.2.4** A Public Listed Company must appoint a Registered Auditor to fill any vacancy in the office of Registered Auditor and ensure that the replacement Registered Auditor can take up office at the time the vacancy arises or as soon as reasonably practicable.

**5.2.5** (1) A Public Listed Company must take reasonable steps to ensure that the Registered Auditor and the relevant audit staff of the Registered Auditor are independent of and not subject to any conflict of interest with respect to the Public Listed Company.

- (2) A Public Listed Company must notify the DFSA if it becomes aware, or has reason to believe, that the Registered Auditor or the relevant audit staff of the Registered Auditor are no longer independent of the Public Listed Company, or have a conflict of interest which may affect their judgement in respect of the Public Listed Company.

#### **Guidance**

A Public Listed Company should consider whether there is any financial or personal relationship between it or any of its relevant Employees and the Registered Auditor or any of the relevant Employees of the Registered Auditor that may affect the judgement of the Registered Auditor when conducting an audit of the Public Listed Company or complying with all its legal obligations, including the Regulatory Law, AUD, AML and other relevant modules of the DFSA Rulebook.

#### **Co-operation with auditors**

**5.2.6** A Public Listed Company must take reasonable steps to ensure that it and its Employees:

- (a) provide any information to its Registered Auditor that its Registered Auditor reasonably requires, or is entitled to receive as Registered Auditor;
- (b) give the Registered Auditor right of access at all reasonable times to relevant records and information within its possession;
- (c) allow the Registered Auditor to make copies of any records or information referred to in paragraph (b);
- (d) do not interfere with the Registered Auditor's ability to discharge its duties;
- (e) report to the Registered Auditor any matter which may significantly affect the financial position of the Public Listed Company; and

- (f) provide such other assistance as the Registered Auditor may reasonably request it to provide.

#### **Function of the auditor**

**5.2.7** A Public Listed Company, must in writing require its Registered Auditor to:

- (a) conduct an audit of the Public Listed Company's financial statements in accordance with the International Standards on Auditing as issued by the International Auditing and Assurance Standards Board (IAASB) in respect of its financial business or other standards acceptable to the DFSA; and
- (b) produce a Public Listed Company Auditor's Report on the audited financial statements in accordance with the Markets Law 2012 and AUD App6.

**5.2.8** A Public Listed Company must submit any auditor's reports and financial statements required by this chapter to the DFSA within four months of the Public Listed Company's financial year end.

## **6 LISTED FUNDS**

### **6.1 Application**

**6.1.1** This chapter applies to:

- (a) every Reporting Entity of a Listed Fund; and
- (b) any other Person specified in the Rules.

### **6.2 General requirements**

**6.2.1** (1) A Person may have the Units of a Fund admitted to an Official List of Securities only if:

- (a) in the case of a Domestic Fund, it is a Public Fund; and
- (b) in the case of a Foreign Fund:
  - (i) it is a Designated Fund from a Recognised Jurisdiction; or
  - (ii) it is a Fund approved by the DFSA as a Fund subject to equivalent regulation as that applying to a Public Fund;

and it meets the relevant criteria in (2) as applicable.

(2) The relevant criteria for the purposes of (1)(b) are:

- (a) in the case of a fund that meets the criteria of a Property Fund, it is a closed-ended investment vehicle and 60% or more of the Fund's assets comprise Real Property;
- (b) in the case of a fund that is referred to in its offer documents as an "Exchange Traded Fund" or "ETF", it complies with CIR Rule 3.1.12; and
- (c) in the case of a fund that is referred to in its offer documents as an "Islamic Exchange Traded Fund" or "Islamic ETF", it complies with IFR Rule 6.13.1(2).

**6.2.2** Where an obligation applies to a Reporting Entity of a Fund under a provision of this chapter, except where expressly provided otherwise, the Governing Body of the Reporting Entity must ensure compliance with that obligation.

#### **Guidance**

In the case of an Investment Company (Fund) which has as its Fund Manager a licensed Corporate Director, the Reporting Entity of that Fund is its Corporate Director. See CIR section 8.1A for details relating to Corporate Directors.

## 6.3 Prospectus requirements relating to a listed fund

### Guidance

1. The Prospectus requirements including content and structure in chapter 2 of this module do not apply to Prospectuses relating to Units of Funds. Prospectus requirements that apply to Offer of Units of Funds are found in the Collective Investment Law 2010 and the CIR module. See Article 10(1) of the Law which disapplies chapter 2 of this module to Fund Prospectuses.
2. However, under Article 14(1)(b) of the Law, a Prospectus is required for the purposes of admitting any Securities, including Units, to trading on an Authorised Market Institution. The Rules in this section 6.3 are designed to enable a Person seeking to have Units of a Fund admitted to trading on an Authorised Market Institution to be able to use a Prospectus prepared in accordance with the requirements in the Collective Investment Law 2010 and the Rules in the CIR module if it is a Domestic Fund. In the case of Foreign Funds, the offer documents prepared in accordance with the requirements in a foreign jurisdiction will be acceptable in the circumstances prescribed in this section.

### 6.3.1 (1) A Person intending to have Units admitted to trading on an Authorised Market Institution must, subject to (2), (3) and (4), submit to the DFSA:

- (a) a completed application using the appropriate form set out in AFN and the relevant fee prescribed in FER;
- (b) a Prospectus relating to the Fund ("Fund Prospectus") which:
  - (i) complies with, in the case of a Domestic Fund, the requirements in the Collective Investment Law 2010 and CIR that apply to a Public Fund, and, where that Fund is also an Islamic Fund, the additional requirements in IFR chapter 6;
  - (ii) is prepared, in the case of a Foreign Fund, in accordance with the requirements in Rule 6.3.3; and
  - (iii) contains, unless it is an Islamic Listed Fund, a prominent disclaimer in bold, on the front page of the Prospectus, as follows:

"The DFSA does not accept responsibility for the content of the information included in the Prospectus, including the accuracy or completeness of such information. The liability for the content of the Prospectus lies with the Issuer of the Prospectus and other Persons, such as Experts, whose opinions are included in the Prospectus with their consent. The DFSA has also not assessed the suitability of the Securities to which the Prospectus relates to any particular investor or type of investor. If you do not understand the contents of this Prospectus or are unsure whether the Securities to which the Prospectus relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial advisor."

- (c) where subsequent drafts or versions of the Fund Prospectus are submitted, a marked up version showing changes from the previous version submitted to the DFSA;

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- (d) if information is incorporated in the Fund Prospectus by reference to another document, a copy of that other document;
  - (e) the identity of the Person who is or intends to be the Reporting Entity;
  - (f) contact details of two individuals who are sufficiently knowledgeable about the content of the document referred to in (b) to be able to answer queries of the DFSA during business hours; and
  - (g) any other information that the DFSA may require.
- (2) The application in (1) must be submitted to the DFSA:
- (a) in the case of an applicant who has not made a previous Prospectus Offer, at least [20] business days prior to the intended date on which the applicant expects the Prospectus to be approved;
  - (b) in other cases, at least [10] business days before the intended date on which the applicant expects the Prospectus to be approved; and
  - (c) in the case of a Supplementary Prospectus, as soon as is reasonably possible.
- (3) In the case of a Supplementary Prospectus, the application for approval must:
- (a) be made using the appropriate form set out in the AFN module;
  - (b) accompanied by the relevant fee prescribed in the FER module; and
  - (c) include:
    - (i) in the case of a Domestic Fund, a Supplementary Prospectus which meets the requirements in the Collective Investment Law 2010 and the CIR Rules, and where that Fund is an Islamic Fund, the additional requirements in IFR; and
    - (ii) in the case of a Foreign Fund, a document which meets the equivalent requirements applicable in the jurisdiction in which the Fund is established or domiciled.
- (4) In the case of a Passported Fund, the following disclaimer must be used instead of the disclaimer specified in (1)(b)(iii):

“This is an Approved Prospectus for the purposes of admitting Securities, including units, to trading on an Authorised Market Institution in the Dubai International Financial Centre.

Notwithstanding that the DFSA has approved the prospectus, the DFSA does not accept responsibility for the content of the information included in the Prospectus, including the accuracy or completeness of such information. The liability for the content of the Prospectus lies with the Issuer of the Prospectus and other Persons, such as Experts, whose opinions are included in the Prospectus with their consent.

No other regulatory authority in the UAE has any responsibility for reviewing or verifying this prospectus or any other documents in connection with the promotion of this fund. Accordingly, no such authority in the UAE has

approved this prospectus or any other associated documents, nor taken any steps to verify the information set out herein, and therefore no regulatory authority in the UAE has any responsibility for the same.

This Passported Fund is a Public Fund and, accordingly, the units thereof may be promoted, including by means of a public offer of the units for public subscription, to persons in [insert relevant Host Jurisdiction(s)].

The DFSA has also not assessed the suitability of the Securities to which the Prospectus relates to any particular investor or type of investor. If you do not understand the contents of this Prospectus or are unsure whether the Securities to which the Prospectus relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial advisor.”

### **Guidance**

A “Public Fund” in Rule 6.3.1(4) has the meaning given in FPR Rule 1.3.1.

### **Approval of a prospectus**

- 6.3.2** (1) The DFSA will approve a Fund Prospectus which has been filed with the DFSA in accordance with Rule 6.3.1 as soon as reasonably practicable where it is satisfied that the Prospectus complies with all the requirements applicable to that Prospectus.
- (2) A Fund Prospectus is not an Approved Prospectus for the purposes of Article 14(2) of the Law unless the DFSA has issued to the applicant a notice stating its approval:
- (a) of the Prospectus or Supplementary Prospectus, as the case may be; and
  - (b) in the case of a, Prospectus in (a) comprising multiple documents, of all the multiple documents.
- (3) The procedures in Schedule 3 to the Regulatory Law apply to a decision of the DFSA under this Rule not to approve a Fund Prospectus.
- (4) If the DFSA decides to exercise its power not to approve a Fund Prospectus under this Rule, the applicant may refer the matter to the FMT for review.

### **Guidance**

1. A Person intending to apply to the DFSA for approval of a Fund Prospectus pursuant to Rule 6.3.1 should consider submitting a draft Prospectus for preliminary review by the DFSA prior to formally submitting the Prospectus for DFSA approval. See the RPP Sourcebook for procedures for applying for DFSA approval.
2. The approval of a Fund Prospectus by the DFSA will not prevent the use by the DFSA of its powers, such as the stop order power in Article 25 of the Law, in circumstances where the need for such action is subsequently identified. For example, if the DFSA becomes aware, after the approval of the Fund Prospectus, that it contains any misleading or deceptive information, or it breaches the Prospectus provisions in other respects, the DFSA may use its stop order power or take any other action as appropriate in the circumstances.

- 6.3.3** (1) For the purposes of Rule 6.3.1(b)(ii), the offer document relating to the Foreign Fund must comply with the requirements:
- (a) relating to a Designated Fund in a Recognised Jurisdiction; or
  - (b) in a jurisdiction which provides a level of regulation relating to the offer which is acceptable to the DFSA.
- (2) The DFSA may accept an offer document referred to in (1)(b) subject to such conditions or restrictions imposed by the DFSA as it sees fit.
- (3) Where the offer document referred to in (1) is not in the English language, it must be accompanied by an English translation acceptable to the DFSA.
- (4) The procedures in Schedule 3 to the Regulatory Law apply to a decision of the DFSA under this Rule to impose conditions or restrictions.
- (5) If the DFSA decides to exercise its power under this Rule to impose conditions or restrictions, the applicant may refer the matter to the FMT for review.

#### **Publication of a prospectus**

- 6.3.4** A Fund Prospectus approved by the DFSA pursuant to Rule 6.3.1 must:

- (a) be filed with the Authorised Market Institution on which the Units are to be admitted to trading as soon as possible after the DFSA has granted its approval; and
- (b) be published in accordance with the requirements in section 6.10.

#### **Exempt offers in respect of units**

- 6.3.5** The prohibition in Article 14(1)(b) of the Law does not apply, subject to the requirement in Rules 6.3.6, to the admission to trading on an Authorised Market Institution of:

- (a) Units representing, over a period of 12 months, less than 10 per cent of the number of Units of the same class already admitted to trading on the same Authorised Market Institution;
- (b) Units issued in substitution for Units of the same class already admitted to trading on the same Authorised Market Institution, if the issue of Units does not involve any increase in the issued capital;
- (c) Units offered, allotted or to be allotted to existing Unitholders free of charge, or in respect of dividends paid out in the form of Units of the same class as the Units in respect of which the dividends are paid, if:
  - (i) the Units are of the same class as the Units already admitted to trading on the same Authorised Market Institution; and
  - (ii) a document is made available containing information on the number and nature of the Units and the reasons for and details of the offer; or
- (d) Units already admitted to trading on another Authorised Market Institution or Regulated Exchange (the “other market”), where:



- (i) the Units of the same class have been admitted to trading and continuously traded on the other market for more than 18 months;
- (ii) the ongoing obligations for trading on that other market have been complied with; and
- (iii) there is a summary document in the English language approved by the DFSA and published:
  - (A) containing the Key Information required under Rule 2.5.2(1)(b);
  - (B) stating where the most recent and current Prospectus, if any, can be obtained; and
  - (C) specifying where the financial information published by the Issuer pursuant to its ongoing disclosure obligations of the other market is available.

**6.3.6** All Units in a class of Securities admitted to trading including those specified under Rule 6.3.5 must be traded on an Authorised Market Institution or a Regulated Exchange.

#### **Financial promotions**

**6.3.7** The Reporting Entity of a Listed Fund must ensure that any financial promotions relating to the Units of the Fund comply with the requirements relating to financial promotions:

- (a) in the case of a Domestic Fund, those in the Collective Investment Law 2010 and the CIR Rules; and
- (b) in the case of a Foreign Fund, the equivalent requirements applicable to the Fund in the jurisdiction of its domicile or establishment.

### **6.4 Governance requirements relating to a listed fund**

#### **Related Party Transactions**

- 6.4.1** (1) The Reporting Entity of a Listed Fund must ensure that no transaction with respect to the Fund Property is entered into with a Related Party except in accordance with the procedures in (2).
- (2) For the purposes of (1), a Reporting Entity of a Listed Fund must:
- (a) if the Fund is a Domestic Fund, comply with the requirements in the Collective Investment Law 2010 and the CIR Rules relating to Related Party Transactions; and
  - (b) if the Fund is a Foreign Fund, comply with the equivalent requirements applicable to that Fund in the jurisdiction of its domicile or establishment.

## **6.5 Market disclosure relating to a listed fund**

### **Disclosure of inside information**

- 6.5.1** (1) A Reporting Entity of a Listed Fund must:
- (a) make timely disclosure of Inside Information in accordance with the requirements in this section; and
  - (b) ensure that the disclosure it makes pursuant to (a) is not misleading, false or deceptive and does not omit anything likely to affect the import of the information.
- (2) For the purposes of complying with the requirement in (1)(a), the Reporting Entity of a Listed Fund must, subject to Rule 6.5.4 and 6.5.5, make disclosure to the market as soon as possible and in the manner specified in Rule 6.10.1.

### **Guidance**

1. A Reporting Entity of a Listed Fund is required to disclose Inside Information relating to the Listed Fund to the market as soon as possible in accordance with the requirements in Section 6.9. In practice, a short period before announcing Inside Information is permitted where a Reporting Entity is affected by an unexpected event and the Reporting Entity needs to clarify the situation or take legal advice so that any information released is accurate and not misleading. Any delay should be limited to a period no longer than is reasonably necessary in the circumstances. Where there is a danger of the information leaking out in the meantime, the Reporting Entity should make a holding announcement giving an outline of the subject matter of the announcement, the reasons why a full announcement cannot yet be made and undertaking to make a full announcement as soon as possible.
2. For the disclosure to be not misleading, false or deceptive, a Reporting Entity of a Listed Fund should provide information that is accurate, factual and complete. Any incomplete or inaccurate information, such as omission of relevant information, would be misleading or deceptive. Information should be provided in an easy to understand manner and not for promotional purposes. The use of imprecise and confusing language such as 'double digit' or 'in excess of last year' should be avoided as it does not allow investors to properly assess the information for the purpose of making an informed decision relating to the relevant Securities
3. A confidentiality agreement should not prevent a Reporting Entity from complying with its obligations relating to the disclosure of Inside Information.
4. If, for any reason, a Reporting Entity of a Listed Fund is unable, or unwilling to make a holding announcement it may be appropriate for the Reporting Entity to file a report pursuant to Rule 6.5.4(2) and for the trading of Units to be suspended until the Reporting Entity of the Listed Fund is in a position to make an announcement.

### **Identifying inside information relating to a listed fund**

5. Inside Information is defined in Article 63(1)(a) of the Law as:  
*"information in relation to Investments of a precise nature which:*
  - (i) *is not generally available;*
  - (ii) *relates, directly or indirectly, to one or more Reporting Entities or the issuer of the Investments concerned or to one or more of the Investments; and*

- (iii) *would, if generally available, be likely to have a significant effect on the price of the Investments or on the price of related investments.*”
6. For the purposes of Article 63(1)(a) of the Law, information is considered “precise” if it:
- indicates circumstances that exist or may reasonably be expected to come into existence or an event that has occurred or may reasonably be expected to occur; and
  - is specific enough to enable a conclusion to be drawn as to the possible effect of those circumstances or that event on the price of Investments or related investments.
7. Similarly, information would be likely to have a “significant effect on price” if and only if it is information of that kind which a reasonable investor would be likely to use as part of the basis of his investment decisions.
8. The Reporting Entity of a Listed Fund is itself best placed to determine whether information, if made public, is likely to have a significant effect on the price of the relevant Units, as what constitutes Inside Information will vary widely according to circumstances.

### **Financial forecasts and expectations**

9. Where a Reporting Entity of a Listed Fund has made a market announcement such as a profit forecast, such forecasts become, as soon as made, factored into the market pricing of the relevant Units. If the Reporting Entity becomes aware that there is likely to be a material difference between the forecast and the true outcome, the Reporting Entity should make an announcement correcting the forecast as soon as possible to ensure that the market pricing reflects accurate information.
10. In relation to financial forecasts published by a Reporting Entity of a Listed Fund, the DFSA considers that circumstances giving rise to a variation from the previous one should generally be considered Inside Information and should be disclosed by the Reporting Entity as soon as possible. Even where a Reporting Entity has not made a previous forecast, circumstances giving rise to a variation of profit or revenue from the previous corresponding reporting period should be disclosed where such circumstances would have a significant effect on the price of relevant Securities. Generally, a change of 10% or more is a material change, but in some circumstances, a smaller variation may also be disclosable if it would reasonably be considered to have a significant effect on the price of the relevant Securities.
11. In making such disclosure, the Reporting Entity of a Listed Fund should provide clear details of the extent of the variation. For example, a Reporting Entity may indicate that, based on management accounts, its expected net profit will be an approximate amount (e.g. approximately \$15 million) or alternatively within a stated range (e.g. between \$14m and \$16m). Alternatively, a Reporting Entity may indicate an approximate percentage movement (e.g. up or down by 35%).

### **Relationship between continuous disclosure and periodic disclosures**

12. Periodic disclosures by Reporting Entities of Listed Funds are required in a number of circumstances, and examples can include interim and annual financial reports and accounts and Prospectuses.
13. In the course of preparing these disclosure documents, a Reporting Entity of a Listed Fund may become aware of Inside Information previously unknown to it, or information which was previously insufficiently precise to warrant disclosure. In such circumstances a Reporting Entity of a Listed Fund should not defer releasing that information until the periodic disclosure or other documents is finalised. In such circumstances, a Reporting Entity should make an announcement containing the Inside Information as soon as possible.

### **Units of the same class admitted to trading in more than one jurisdiction**

14. A Reporting Entity of a Listed Fund with Units of the same class admitted to trading in more than one jurisdiction should ensure that the release of announcements containing Inside

Information is co-ordinated across jurisdictions. If the requirements for disclosure are stricter in another jurisdiction than in the DIFC, the Reporting Entity must ensure that the same information is released in the DIFC as in that other jurisdiction.

15. A Reporting Entity of a Listed Fund should not delay an announcement in the DIFC in order to wait for a market to open in another jurisdiction

### **Delaying disclosure**

**6.5.2** For the purposes of Article 41(5) of the Law, a Reporting Entity of a Listed Fund may delay market disclosure of Inside Information so as not to prejudice its legitimate interests provided that:

- (a) the delay is not likely to mislead the markets; and
- (b) if the information is to be selectively disclosed to a Person prior to market disclosure, it is made in accordance with the requirements in Rule 6.5.3.

### **Selective disclosure**

**6.5.3** (1) For the purposes of Rule 6.5.2(b), a Reporting Entity of a Listed Fund may selectively disclose Inside Information to a Person prior to making market disclosure of such information only if:

- (a) it is for the purposes of the exercise by such a Person of his employment, profession or duties;
- (b) that Person owes to the Reporting Entity a duty of confidentiality, whether based on law, contract or otherwise; and
- (c) the Reporting Entity has provided to that Person, except where that Person is the DFSA, a written notice as specified in (3).

(2) For the purposes of (1)(a), the Persons whose exercise of employment, profession or duties may warrant selective disclosure are as follows:

- (a) its advisers, underwriters, sponsors or compliance advisers;
- (b) the Trustee, Eligible Custodian or Persons providing oversight function of the Listed Fund;
- (c) an agent employed to release the information;
- (d) Persons with whom it is negotiating with a view to effecting a transaction or raising finance;
- (e) the DFSA or another Financial Services Regulator where such disclosure is necessary or desirable for the regulator to perform its functions;
- (f) a Person to whom the Reporting Entity discloses information in accordance with a lawful requirement;
- (g) a major Unitholder of the Reporting Entity; or
- (h) any other Person to whom it is necessary to disclose the information in the ordinary course of business of the Reporting Entity.

- (3) For the purposes of (1)(c), the Reporting Entity must, before making disclosure to a Person, provide to that Person a written notice that:
  - (a) the information is provided in confidence and must not be used for a purpose other than the purpose for which it is provided; and
  - (b) the recipient must take reasonable steps to ensure that the recipient or any Person having access to the information through the recipient does not deal in the relevant Securities, or any other related Investment, or disclose such information without legitimate reason, prior to market disclosure of that information by the Reporting.
- (4) Where a Reporting Entity makes selective disclosure of Inside Information pursuant to (1), it must ensure that a full announcement is made to the market as soon as possible, and in any event, when it becomes aware or has reasonable grounds to suspect that such information has or may have come to the knowledge of any Person or Persons other than those to whom the selective disclosure was made.

#### **Guidance**

1. It is likely that Inside Information will be made known to certain Employees of the Reporting Entity or the Listed Fund. A Reporting Entity should put in place procedures to ensure that those Employees do not disclose such information, whether or not inadvertently, and that Employees are adequately trained in the identification and handling of Inside Information.
2. Rule 6.5.3 does not excuse a Reporting Entity from its overriding obligation to disclose Inside Information as soon as possible pursuant to Rule 6.5.1. A Reporting Entity which proposes to delay public disclosure of Inside Information should refer to Rule 6.5.4, which sets out the limited disclosure exceptions permitted.

#### **Disclosure exceptions**

- 6.5.4** (1) A Reporting Entity of a Listed Fund need not, subject to (2), make disclosure of information pursuant to Rule 6.5.1, where, in the reasonable opinion of the Reporting Entity, the disclosure required by that Rule would:
- (a) be unduly detrimental to the legitimate interests of the Reporting Entity or the Listed Fund as is applicable; or
  - (b) disclose commercially sensitive material.
- (2) Where a Reporting Entity of a Listed Fund intends not to make the disclosure pursuant to (1), it must immediately file with the DFSA a confidential report which:
- (a) contains all the information which it seeks not to disclose and the reasons for non-disclosure; and
  - (b) is in the English language and, where any documents accompanying the report are not in the English language, an English translation of such documents.
- (3) The DFSA may:

- (a) specify the period during which disclosure of the information included in the confidential report need not be disclosed to the markets; and
  - (b) extend the period referred to in (a) upon application by the Reporting Entity.
- (4) Where a confidential report is filed with the DFSA under (2), the Reporting Entity need not comply with the requirements in Rule 6.5.1 during the period permitted by the DFSA pursuant to (3), unless or until one of the following occurs:
  - (a) the DFSA directs the Reporting Entity to comply with Rule 6.5.1;
  - (b) the Reporting Entity becomes aware that there is a material change of circumstances that renders the reason for non-disclosure of the information no longer valid; or
  - (c) the Reporting Entity becomes aware or has reasonable grounds to suspect that the relevant Inside Information has or may have come to the knowledge of any Person or Persons other than by way of selective disclosure made pursuant to Rule 6.5.3(4).
- (5) The procedures in Schedule 3 to the Regulatory Law apply to a decision of the DFSA under (3) or (4)(a).
- (6) If the DFSA decides to exercise its power under (3) or (4)(a), the Reporting Entity may refer the matter to the FMT for review.

**6.5.5** By filing a report under Rule 6.5.4, the Reporting Entity of a Listed Fund undertakes that the contents of the report and any accompanying documents are true, accurate and not misleading and contain all the information which the DFSA would reasonably expect to be made aware of in the circumstances of the case.

#### **Guidance**

1. Examples of circumstances under which a Reporting Entity of a Listed Fund might rely on the exception from disclosure in Rule 6.5.4 include where:
  - a. it would be a breach of law to disclose such information;
  - b. the information is a trade secret;
  - c. there are negotiations in course where the outcome or normal pattern of those negotiations would be likely to be affected by public disclosure;
  - d. the information is provisional and generated for internal management purposes prior to later public disclosure; or
  - e. there are impending developments that could be jeopardised by premature disclosure.
2. Rule 6.5.4 does not permit a Reporting Entity of a Listed Fund to delay public disclosure of the fact that it is in financial difficulty or of its worsening financial condition and is limited to the fact or substance of the negotiations to deal with such a situation. A Reporting Entity is also not permitted to delay disclosure of Inside Information on the basis that its position in subsequent negotiations to deal with the situation will be jeopardised by the disclosure of its financial condition.
3. Where the DFSA considers that the reliance of permitted exceptions under Rule 6.5.4 is not in the interests of actual or potential investors, market integrity or the DIFC, it may direct the

Reporting Entity of a Listed Fund to make either a holding announcement or full market disclosure. The DFSA may, in addition, require the Authorised Market Institution in which the Units are traded to suspend trading of the relevant Units.

### **Control of inside information**

- 6.5.6** A Reporting Entity of a Listed Fund must establish effective arrangements to deny access to Inside Information to Persons other than those who require it for the exercise of their functions within the Reporting Entity or the Listed Fund.
- 6.5.7** A Reporting Entity of a Listed Fund must establish and maintain adequate systems and controls to enable it to identify at all times any Person working for it under a contract of employment or otherwise, who has or may reasonably be likely to have access to Inside Information relating to the Reporting Entity or the Listed Fund as is applicable, whether on a regular or occasional basis.
- 6.5.8** A Reporting Entity of a Listed Fund must take the necessary measures to ensure that its Directors, Members of the Governing Body and Employees who have or may have access to Inside Information acknowledge the legal and regulatory duties entailed, and are aware of the sanctions attaching to the misuse or improper use or circulation of such information.
- 6.5.9** A Reporting Entity of a Listed Fund must nominate two individuals to be its main points of contact with the DFSA in relation to continuing disclosure and other obligations under this chapter.

## **6.6 Disclosure of interests by connected persons of listed funds**

### **Guidance**

Article 42 of the Law requires certain persons connected to a Reporting Entity to file with the DFSA and the Reporting Entity a report in accordance with the requirements prescribed in the Rules.

### **Definitions**

- 6.6.1** (1) For the purposes of Article 42(2) of the Law, a Person is hereby prescribed as a Connected Person of a Listed Fund if that Person:
  - (a) becomes a member of the Governing Body of the Listed Fund or an individual involved in the senior management of either the Reporting Entity of the Fund or a controller of the Reporting Entity of the Fund or the Trustee of the Fund; or
  - (b) owns or beneficially owns voting rights carrying more than 5% of the voting rights attaching to the Units of the Fund or of the Trustee of the Fund.
- (2) In (1), a Person is a controller of a Reporting Entity if that Person (the first person), either alone or with the Associates of that Person, controls the majority of the voting rights in, or the right to appoint or remove the majority of the Board of, the Reporting Entity or any Person who has similar control over the first person, including an ultimate controller of the first person.
- (3) For the purposes of determining whether a Person has control for the purposes of (1), any Securities held by that Person and his Associates,



including those in which that Person or Associate of the Person has a beneficial interest, are deemed as his Securities except where;

- (a) any such Securities are held by that Person on behalf of another Person who is not an Associate of that Person; or
- (b) the Person does not have control over the voting rights attaching to the Securities because some other Person manages those Securities on a discretionary basis.

### **Events that trigger a report**

**6.6.2** A Person who is a Connected Person of a Listed Fund pursuant to Rule 6.6.1, must file the report within 5 business days of:

- (a) becoming or ceasing to be a Director or a Person involved in the senior management of a controller of the Reporting Entity of the Fund or of the Trustee of the Fund;
- (b) acquiring or ceasing to hold either alone or with an Associate of the Person 5% of the voting rights attaching to the Units of the Fund or of the Trustee of the Fund or a controller of the Reporting Entity of the Fund or the Trustee of the Fund; or
- (c) an increase or decrease of at least 1% of the level of interest previously reported pursuant to (b).

### **Content of the report**

**6.6.3** A report filed by a Connected Person must contain the following information:

- (a) the name and address of the Connected Person;
- (b) the name and address of the Responsible Entity and its registered address;
- (c) the name and registered address of the Listed Fund;
- (d) the date on which the event giving rise to the obligation to file a report occurred;
- (e) the date on which the filing was made; and
- (f) the price, amount and class of Securities or other Investments as is relevant in relation to the transaction or other event and the previous and new level of interest held.

### **Market disclosure**

**6.6.4** Upon a Connected Person filing a report with the Reporting Entity, the Reporting Entity must, as soon as possible, disclosure of that report to the market.



## **6.7 Disclosure of material interests**

### **Guidance**

Article 43 of the Law requires Persons with a material interest in the Reporting Entity or Listed Fund to give a notice relating to that interest in accordance with the requirements prescribed in the Rules.

### **Application**

**6.7.1** This section applies to every member of the Governing Body of a Listed Fund.

### **Guidance**

In the case of a Listed Fund, the Reporting Entity is the Fund Manager. However, as the Governing Body of a Listed Fund may include other persons who exercise powers similar to those that are exercised by Directors of the Fund Manager, the obligations relating to disclosure of material interests extend, in the case of a Listed Fund, to members of its Governing Body.

### **Definition of a material interest**

**6.7.2** A member of the Governing Body of a Listed Fund has a material interest in the Listed Fund if that person has any interest arising through:

- (a) the direct or indirect ownership of, or beneficial ownership of, Units of the Listed Fund; or
- (b) any involvement in financial or commercial arrangement with or relating to the Listed Fund.

### **Content and procedures relating to the notice**

- 6.7.3** (1) A notice relating to a material interest must, subject only to (2), be given by a Person referred to in Rule 6.7.2, to the other members of the Governing Body within 5 business days of the material interest arising or changing;
- (2) A Person referred to in (1) need not give a notice relating to a material interest if the material interest is required to be included in a report that Person must provide by virtue of being a Connected Person under section 6.6 and the Person has complied with the requirement in that section.
- (3) A notice relating to a material interest must contain:
- (a) the name and address of the Person giving the notice;
  - (b) if the material interest relates to a Listed Fund, the name and registered address of the Listed Fund; and
  - (c) the details relating to the material interest, including the date on which the material interest arose or changed.

## **6.8 Other matters that require market disclosure**

**6.8.1** A Reporting Entity of a Listed Fund must disclose to the market the matters specified in App3.

## **6.9 Accounting periods and financial reports of listed funds**

**6.9.1** A Reporting Entity of a Listed Fund must, in order to comply with the requirements in this section, file with the DFSA the annual financial report and interim financial report and other statements in respect of the Listed Fund. Such reports and statements must be prepared, in the case of:

- (a) a Domestic Fund, in accordance with the requirements relating to the annual and interim reports under the Collective Investment Law 2010 and the CIR Rules; and
- (b) a Foreign Fund, in accordance with the applicable requirements in the jurisdiction in which the Fund is domiciled or established.

### **Guidance**

Under Rule 6.2.1, a Foreign Fund can be admitted to trading on an Authorised Market Institution if it is either a Designated Fund from a Recognised Jurisdictions or approved by the DFSA as a Fund subject to equivalent regulation. Accordingly, such Funds would be subject to financial and periodic reporting requirements that are similar to the financial reporting requirements applicable to Domestic Funds.

### **Market disclosure**

- 6.9.2** (1) A Reporting Entity of a Listed Fund must disclose to the market the following:
- (a) its annual financial report;
  - (b) its interim financial reports; and
  - (c) its preliminary financial results.
- (2) A Reporting Entity must make the market disclosure required in (1) within the following time periods:
- (a) in relation to its annual financial report, as soon as possible after the accounts have been approved, but no later than 120 days after the end of the financial period;
  - (b) in relation to its semi-annual financial report, as soon as possible and in any event no later than 60 days after the end of the period to which the report relates; and
  - (c) in relation to its preliminary financial results, as soon as possible but no later than 30 minutes before the market opens on the day after the approval of the Board.
- (3) A Reporting Entity of a Listed Fund must, where there is a change to its accounting reference date, disclose to the market:
- (a) the change to its accounting reference date as soon as possible; and
  - (b) a second interim report within six months of the old accounting reference date if the change of the accounting reference date extends the annual accounting period to more than 14 months.

- (4) A Reporting Entity of an Exchange Traded Fund (ETF) must:
- (a) disclose in its financial reports referred to in (1), the size of the tracking error at the end of the period under review; and
  - (b) include a statement in its annual report explaining:
    - (i) any divergence between the anticipated and realised tracking error for the relevant period; and
    - (ii) the annual tracking difference between the performance of the ETF, and the performance of the index or other benchmark referenced.

## **6.10 Manner of market disclosure**

**6.10.1** Where a Reporting Entity of a Listed Fund is required to make market disclosure of information pursuant to a provision in this chapter, such information must be disclosed to the market in accordance with the requirements in Section 4.7.

**6.10.2** A Reporting Entity of a Listed Fund must retain on its website all information that has been disclosed to the market for a period of one year following publication.

## **6.11 DFSA power to direct disclosure**

### **Guidance**

Article 50 of the Law gives the DFSA the power to direct a Reporting Entity to disclose specified information to the market or take such other steps as the DFSA considers appropriate where it is satisfied that it is in the interest of the DIFC to do so.

- 6.11.1** (1) The DFSA will, pursuant to its power under Article 50(1) of the Law, issue a written notice directing a Reporting Entity of a Listed Fund (a “direction notice”) to disclose specified information to the market and to take any other steps as the DFSA considers appropriate:
- (a) where it fails to comply with an obligation to disclose any information under the Law and the Rules;
  - (b) to correct or prevent a false market if the DFSA reasonably considers that there is or is likely to be a false market in the Units of the Listed Fund;
  - (c) where there is a rumour or media speculation in relation to the Reporting Entity or the Listed Fund that has not been confirmed or clarified by an announcement by the Reporting Entity made in accordance with Rule 6.5.1 and such rumour or media speculation is or is reasonably likely to have an impact upon the price of the Units; or
  - (d) where it is in the interests of:
    - (i) actual or potential investors;

- (ii) market integrity; or
  - (iii) the DIFC.
- (2) A Reporting Entity which receives a direction notice issued pursuant to (1) must comply with the terms of that notice.

## **7 SPONSORS AND COMPLIANCE ADVISERS**

### **7.1 Sponsors**

#### **Application**

**7.1.1** This section applies to:

- (a) a sponsor appointed pursuant to Rule 7.1.2; and
- (b) any Reporting Entity that is required by the DFSA to appoint a sponsor.

#### **Appointment of sponsors**

**7.1.2** (1) Pursuant to Article 49(1) of the Law, the DFSA may, where it considers it appropriate to do so, require a Person who makes or intends to make a Prospectus Offer to:

- (a) appoint a sponsor in respect of the Prospectus Offer; or
- (b) provide third party certification in respect of any specific matters relating to the Prospectus Offer.

(2) Where the DFSA requires a sponsor to be appointed pursuant to (1)(a), the DFSA must:

- (a) do so in sufficient time to enable the sponsor to comply with the requirements in this Part; and
- (b) require such appointment to be effective for the Offer Period or such other period as the DFSA determines as appropriate.

#### **Guidance**

1. The DFSA may require the appointment of a sponsor, or third party certification in respect of any matters relating to an Issuer, in appropriate cases. An example of circumstances in which the DFSA may require the appointment of a sponsor, or third party signoff, would be where an Issuer does not have a proven track record, such as a start-up.
2. The DFSA will generally not require a SME to appoint a sponsor, as to do so is likely to be disproportionate given the nature, scale and resources of a SME. Instead, the DFSA will usually require a SME to appoint a compliance adviser under Article 49(1) of the Law and Section 7.2, both when it applies for admission of its Shares to the List and on an ongoing basis once its Shares are admitted to the List.
3. Generally, the matters in relation to which the DFSA may require third party sign-off pursuant to Rule 7.1.2(1)(b) include matters relating to the adequacy of working capital and systems and controls in place for financial reporting by the Issuer. Such certification should be provided by a third party acceptable to the DFSA. To be acceptable to the DFSA, the third-party should be independent of the Issuer and have relevant expertise relating to the matters on which certification of compliance is to be provided.
4. In most cases the Person making a Prospectus Offer will be the Issuer of the Securities to which the Prospectus relates. However there may be situations where

the Person making a Prospectus Offer, that is the offeror, is not the Issuer of the relevant Securities.

5. In any event, the sponsor must make certain inquiries and assume certain obligations under the Rules. A sponsor should therefore be a Person familiar with the requirements of the Law and Rules and who has the necessary knowledge, experience, qualifications and resources to assist the Person making the Prospectus Offer to comply with the various requirements.
6. The DFSA's Policy Statement 1/2012 on Appointment of a Sponsor describes in greater detail the role and regulatory obligations of a sponsor and the kind of knowledge, experience, qualifications and resources the DFSA expects a sponsor to have. The Policy explains that although a sponsor has certain regulatory obligations of its own, as prescribed in this module, its principal role is to assist a Person making a Prospectus Offer to comply with its regulatory responsibilities relating to that offer. In the Policy Statement, the DFSA confirms that a Person making a Prospectus Offer does not, and cannot, avoid or diminish its regulatory obligations related to Offering Securities simply because it is required to have a sponsor. The regulatory obligations of the Person making the Prospectus Offer are not transferred to the sponsor but remain the responsibility of the Person making the offer.

### **Procedures relating to appointment of sponsors**

- 7.1.3** (1) A Person required to appoint a sponsor must, prior to appointing a sponsor:
- (a) take reasonable steps to ensure that the proposed sponsor has the required knowledge, experience, qualifications and resources to carry out its obligations under the Rules; and
  - (b) notify the DFSA of the proposed sponsor's name, its business address and an address in the DIFC for the service of documents.
- (2) If requested by the DFSA, a Person appointing a sponsor must provide the DFSA with information about the knowledge, experience, qualifications and resources of the appointed or proposed sponsor.
- 7.1.4** (1) A Person must take reasonable steps to ensure that the relevant sponsor and Employees of the sponsor are independent and have appropriately managed any conflict of interest that may arise.
- (2) A Person must notify the DFSA if it becomes aware, or has reason to believe, that the sponsor or relevant Employees of the sponsor are no longer independent or have a conflict of interest which has not been appropriately managed.
- 7.1.5** (1) Where, in the opinion of the DFSA, a sponsor appointed by a Person is not suitable, or where a sponsor has not been appointed or has resigned, the DFSA may direct the Person to replace or appoint a sponsor.
- (2) The procedures in Schedule 3 to the Regulatory Law apply to a decision of the DFSA under this Rule. The DFSA must give both the Person and, if in the DFSA's opinion a sponsor is not suitable, the sponsor an opportunity to make representations under the procedures in that Schedule.
- (3) If the DFSA decides to exercise its power under this Rule, the Person may refer the matter to the FMT for review.

### **Obligations of a sponsor**

**7.1.6** A sponsor appointed pursuant to Rule 7.1.2 must:

- (a) satisfy itself to the best of its knowledge and belief, having made due and careful enquiry that the Person who makes or intends to make a Prospectus Offer has satisfied all applicable conditions for offering Securities and other relevant requirements under the Law and the Rules;
- (b) provide to the DFSA any information or explanation known to it in such form and within such time limit as the DFSA may reasonably require for the purpose of verifying whether the Person making the Prospectus Offer complies or has complied, with the applicable requirements in the Law and the Rules; and
- (c) take other steps required in writing by the DFSA.

**7.1.7** Where a sponsor becomes aware of a failure by the Person making the Prospectus Offer to comply with its obligations under the Law and the Rules, the sponsor must without undue delay:

- (a) notify the Person making the Prospectus Offer of the failure and take reasonable steps to ensure it rectifies the failure within a reasonable time; and
- (b) if the Person making the Prospectus Offer does not or is unable to rectify the failure as soon as practicable notify the DFSA of that fact.

### **Duty of care of sponsors**

**7.1.8** A sponsor has a duty of care to the Person which has made its appointment.

### **Co-operation with sponsors**

**7.1.9** A Person who is required to appoint a sponsor in respect of a Prospectus Offer must take reasonable steps to ensure that it and its Employees:

- (a) provide such assistance as the sponsor reasonably requires to discharge its duties;
- (b) give the sponsor right of access at all reasonable times to relevant records and information;
- (c) do not interfere with the sponsor's ability to discharge its duties;
- (d) do not provide misleading or deceptive information to the sponsor; and
- (e) report to the sponsor any matter which may significantly affect the financial position of the Person issuing the Securities or the price or value of the Securities.

**7.1.10** A sponsor must notify the DFSA of any non co-operation by the Person making the Prospectus Offer or the Employees of that Person.

### **Termination of appointment**

**7.1.11** Where a Person who is required to appoint a sponsor dismisses the sponsor, the Person must advise the DFSA in writing without delay of the dismissal, giving details of any relevant facts and circumstances.

**7.1.12** Where a sponsor resigns, it must advise the DFSA in writing without delay of the resignation, giving details of any relevant facts and circumstances.

## **7.2 Compliance advisers**

### **Application**

**7.2.1** This section applies to a Person who is required by the DFSA to appoint a compliance adviser.

### **Guidance**

1. The requirement for the appointment of a compliance adviser is designed to ensure that the Person appointing that adviser is aware of and complies with its obligations under the Law and this module. A compliance adviser should therefore be a person familiar with the requirements of the Law and this module and should have the necessary knowledge, experience, qualifications and resources to assist a Person required to appoint such an adviser to comply with its regulatory obligations.
2. The DFSA's Policy Statement 2/2012 on Appointment of Compliance Adviser describes in greater detail the purpose of a compliance adviser and the circumstances in which the DFSA is likely to require a Reporting Entity to appoint a compliance adviser. The Policy also describes how a compliance adviser can assist a Reporting Entity to meet its obligations in the Law and this module generally, and specifically the continuing obligations prescribed in this section. The Policy explains that the compliance adviser does not take on any regulatory obligations or potential regulatory liability of its own under the Law or this module if it agrees to act as a compliance adviser to a Reporting Entity. The relationship between the Reporting Entity and compliance adviser is a contractual one similar to one with any other professional adviser. In the Policy Statement the DFSA confirms its view that the compliance adviser role is merely to advise and assist the Reporting Entity to comply with its continuing regulatory responsibilities, all of which remain the responsibility of the Reporting Entity.
3. The DFSA will also usually require a SME applying for admission of its Shares to the List to appoint a compliance adviser as a condition of that admission and its ongoing listing. The DFSA will expect the compliance adviser to have sufficient senior, competent staff and a proven track record of relevant corporate finance transaction experience to enable it to advise the SME properly about the listing process and its ongoing obligations as a Reporting Entity.

### **Appointment of a compliance adviser**

**7.2.2** The DFSA may, pursuant to Article 49(1) of the Law, require a Person to:

- (a) appoint a compliance adviser; or
- (b) replace a compliance adviser already appointed.

**7.2.3** (1) A Person required to appoint a compliance adviser must, prior to making the appointment:

- (a) take reasonable steps to ensure that the proposed compliance adviser has the required knowledge, experience, qualifications and resources to carry out its obligations under the Rules;



- (b) notify the DFSA of the proposed compliance adviser's name and business address; and
  - (c) take reasonable steps to ensure that the proposed compliance adviser and its relevant Employees are independent and that any conflicts of interest are appropriately managed.
- (2) If requested by the DFSA, a Person appointing a compliance adviser must provide the DFSA with such information as it may require including information regarding knowledge, experience, qualifications and resources of the compliance adviser.
- (3) A Person required to appoint a compliance adviser must notify the DFSA if it becomes aware, or has reason to believe, that the compliance adviser or its relevant Employees have a conflict of interest which has not been appropriately managed.

### **Compliance adviser appointed to assist a SME**

**7.2.3A** The DFSA may, by written notice, require a SME to appoint a compliance adviser to assist the SME in meeting its obligations under the Law and the Rules, both when it applies for admission of its Shares to the List and on an ongoing basis when its Shares have been admitted to the List.

#### **Guidance**

Where a SME is required to appoint a compliance adviser on an ongoing basis under Rule 7.2.3A, it must ensure that the compliance adviser continues to perform that role unless the SME receives written notice from the DFSA that the requirement is withdrawn. The DFSA will generally not withdraw such a requirement unless the SME can demonstrate to the DFSA's satisfaction that:

- (a) the SME's Shares have been admitted to trading on an Authorised Market Institution for at least three years;
- (b) the ongoing obligations for trading on that Authorised Market Institution have been complied with during that period; and
- (c) the SME has sufficient resources in place to comply with its obligations under the Law and the Rules without the assistance of a compliance adviser.

### **Compliance adviser appointed to assist for a specified period**

- 7.2.4** (1) The DFSA may, by written notice, require a Reporting Entity to appoint a compliance adviser for a specified period to assist the Reporting Entity in meeting its continuing obligations under the Law and the Rules.
- (2) A Reporting Entity that is required to appoint a compliance adviser in accordance with the requirements in this section must ensure that a compliance adviser continues to fulfil the role of compliance adviser until such time as the DFSA advises the Reporting Entity in writing that a compliance adviser is no longer required.

### **Obligations of a reporting entity in relation to its compliance adviser**

**7.2.5** Where a Person required to appoint a compliance adviser is advised by its compliance adviser that it is failing or has failed to comply with its obligations under the Law and the Rules, the Person must without undue delay:

- (a) take reasonable steps to rectify the failure as soon as practicable; and
- (b) if the Person does not or is unable to rectify the failure as soon as practicable notify the DFSA of that fact.

**7.2.6** A Person required to appoint a compliance adviser must provide to the DFSA any information in such form and within such time as the DFSA may reasonably require regarding its compliance adviser or any advice the compliance adviser is providing, or has provided, to the Person regarding its continuing obligations under the Law and the Rules.

**7.2.7** A Person required to appoint a compliance adviser must take reasonable steps to ensure its compliance adviser cooperates in any investigation conducted by the DFSA including answering promptly and openly any questions addressed to the compliance adviser, promptly producing the originals or copies of any relevant documents and attending before any meeting or hearing at which the compliance adviser is requested to appear.

#### **Co-operation with compliance advisers**

**7.2.8** A Person required to appoint a compliance adviser must take reasonable steps to ensure that it and its Employees:

- (a) provide such assistance as the compliance adviser reasonably requires to discharge its duties;
- (b) give the compliance adviser right of access at all reasonable times to relevant records and information;
- (c) do not hinder or interfere with the compliance adviser's ability to discharge its duties;
- (d) do not withhold information that would assist the compliance adviser advising the Person of its duties;
- (e) do not provide misleading or deceptive information to the compliance adviser; and
- (f) report to the compliance adviser any matter which may significantly affect the financial position of the Person or the price or value of the Securities.

#### **Termination of compliance adviser**

**7.2.9** Where a Person dismisses its compliance adviser, the Person must advise the DFSA in writing without delay of the dismissal, giving details of all relevant facts and circumstances.

**7.2.10** Where a compliance adviser resigns, the Person must without delay advise the DFSA in writing of the resignation, giving details of all relevant facts and circumstances.

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## 8 SYSTEMS AND CONTROLS

### 8.1 Application

**8.1.1** This chapter applies to:

- (a) every Reporting Entity;
- (b) the Board or the Governing Body of a Reporting Entity.

#### **Adequacy of systems and controls**

- 8.1.2**
- (1) A Reporting Entity must have appropriate systems and controls to be able to demonstrate compliance with the requirements applicable to it including those set out in the Law and the Rules.
  - (2) The Board of the Reporting Entity, and in the case of a Reporting Entity of a Listed Fund, its Governing Body, must ensure that there are adequate systems and controls established and maintained on an on-going basis to meet the requirement in (1).
  - (3) Without limiting the generality of the requirement in (1), the systems and controls of a Reporting Entity must include:
    - (a) mechanisms to monitor compliance with the requirements relating to Corporate Governance, Connected Persons, Restricted Persons, Related Party Transactions, and control of Inside Information; and
    - (b) where any records are required to be maintained, maintenance of such records at least for a period of 6 years, unless a shorter period is prescribed.
  - (4) The DFSA may, where it considers appropriate to do so, require a Reporting Entity to produce third party confirmation on the adequacy of systems and controls established and maintained by a Reporting Entity.

## **9 THE LISTING RULES**

### **9.1 Application**

- 9.1.1** (1) This chapter applies to every:
- (a) Listed Entity; and
  - (b) Applicant for admission of Securities to the Official List of Securities.
- (2) In this chapter:
- (a) a “Listed Entity” means the Reporting Entity of Securities which are admitted to the Official List of Securities;
  - (b) “Applicant” means an applicant for admission of Securities to the Official List of Securities and includes, where the context requires, the Issuer; and
  - (c) a reference to Listed Securities is a reference to the Securities of the Issuer or, where the context requires, the Securities for which the Listed Entity is a Reporting Entity but not the Issuer.

#### **Guidance**

1. Listed Entities should note that some of the Listing Rules are Security-specific and many apply exclusively to Issuers of Shares.
2. The DFSA may waive or modify one or more requirements of this chapter for Issuers of non-debt or equity Securities where appropriate provided such waiver or modification would not unduly prejudice holders of the Issuer’s Securities.
3. The DFSA may waive or modify one or more requirements of this chapter for an Issuer of a secondary Listing if:
  - a. the Issuer is from a jurisdiction acceptable to the DFSA because the regulatory regime as it applies to listing is broadly equivalent to the DFSA’s regulatory regime;
  - b. adequate arrangements exist, or will exist, for co-operation between the DFSA and the Financial Services Regulator or other Person responsible for regulating the Exchange on which the Securities are listed on a primary listing basis or for regulating listed companies in the jurisdiction where the Securities are listed on a primary listing basis; and
  - c. holders of the Issuer’s Shares would not be unduly prejudiced by the waiver or modification.
4. The DFSA may also modify one or more requirements of this chapter for an Exempt Offeror who wishes to voluntarily comply with the Listing Rules in order to include its Securities on the Official List and thereby seek admission to trading on an AMI. Without such a modification an Exempt Offeror cannot have its Securities included in the Official List. This is because Article 29(6) of the Law requires that an AMI shall not permit trading of Securities on its facilities unless those Securities are admitted to, and not suspended from, an Official List of Securities.
5. The DFSA is aware that the timing of admittance to trading may not always coincide with the Listing application process. However, in practice, the DFSA will generally provide the

Applicant with a notice of admittance to the List on condition of a successful admittance to trading on an AMI within a specified period. This notice of admittance can be provided to the relevant AMI when seeking admission to trading on an AMI. At all relevant times the DFSA expects to be in contact with the relevant AMI on which the Securities are to be admitted to trading.

6. The DFSA will maintain the List on the DFSA website.
7. A Person who wishes to make a complaint about a Listed Entity should use the complaints portal on the DFSA website.

## **9.2 The Listing Principles**

### **Guidance**

1. The purpose of the Listing Principles is to ensure that Listed Entities pay due regard to the fundamental role played by them in maintaining market confidence and ensuring a fair and orderly market. The Listing Principles are designed to assist Listed Entities in identifying their obligations and responsibilities under the Listing Rules.
2. The Listing Principles apply in addition to the Corporate Governance Principles in Chapter 3 which apply to all Reporting Entities (other than Reporting Entities of Listed Funds).

### **Principle 1**

- 9.2.1** A Listed Entity must take reasonable steps to ensure that its senior management and any other relevant Employees understand and comply with their responsibilities and obligations under the Listing Rules.

### **Principle 2**

- 9.2.2** A Listed Entity must take reasonable steps to establish and maintain adequate policies, procedures, systems and controls to enable it to comply with its obligations under the Listing Rules.

### **Principle 3**

- 9.2.3** A Listed Entity must act with integrity towards holders and potential holders of its Listed Securities.

### **Principle 4**

- 9.2.4** A Listed Entity must communicate information to holders and potential holders of its Listed Securities in such a way as to avoid the creation or continuation of a false market in such Listed Securities.

### **Principle 5**

- 9.2.5** A Listed Entity must deal with the DFSA in an open and co-operative manner.

### **Principle 6**

- 9.2.6** A Listed Entity must ensure that it treats all holders of the same class of its Listed Securities equally in respect of the rights attaching to such Listed Securities.

## **9.3 General eligibility requirements**

### **Incorporation**

- 9.3.1** An Applicant must be duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment and be operating in conformity with its constitution.

### **Audited financial statements**

- 9.3.2** An Applicant must have published or filed audited accounts which:

- (a) for a SME, cover a prior period of at least one year or, if the SME has been in operation for more than one year, such longer period as it has been in operation, up to three years;
- (b) in any other case, cover a prior period of three years or such shorter period acceptable to the DFSA;
- (c) are consolidated for the Applicant and any of its subsidiary undertakings;
- (d) have been prepared in accordance with IFRS or other standards acceptable to the DFSA; and
- (e) have been audited and reported on by auditors in accordance with auditing standards of the International Auditing and Assurance Standards Board (IAASB) or other standards acceptable to the DFSA.

### **Guidance**

1. The DFSA may modify or waive Rule 9.3.2, if it is satisfied that it is desirable in the interests of investors and that investors have the necessary information available to arrive at an informed judgement about the Issuer and the Shares for which a Listing is sought.
2. The DFSA would accept a shorter period than three years for an applicant that is not a SME, depending on the nature of the Applicant's business and any other material considerations, for example, where the Issuer has been in operation for less than 3 years.

### **Working capital**

- 9.3.3** An Applicant seeking admission of Shares to the List must satisfy the DFSA that it and any Subsidiaries have sufficient working capital available for its present requirements or, if not, how it proposes to provide the additional working capital needed.

### **Guidance**

1. For the purposes of Rule 9.3.3, the DFSA considers "present requirements" to be a minimum period of 12 months from date of listing.
2. Rule 1.4 of Appendix 1.2.1 requires the Directors of an Issuer in its Prospectus to make a statement that it has sufficient working capital for its present requirements i.e. a "clean" working capital statement. If an Applicant is unable to make a clean working capital statement, the Applicant would need to make a statement that it does not have sufficient working capital and explain how additional working capital will be provided.

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**General suitability**

- 9.3.4** (1) An Applicant must demonstrate to the DFSA's satisfaction that it and its business are suitable for listing.
- (2) In satisfying itself that an Applicant and its business are suitable for listing, the DFSA will consider:
- (a) the Applicant's connection with its controlling shareholders or any other Person;
  - (b) whether in the DFSA's reasonable opinion the Applicant is ready and able to comply with its obligations under the Law and the Rules;
  - (c) any matter in relation to the Applicant, its business or Securities which may harm the integrity or the reputation of the DIFC capital markets or which may pose a risk to the DFSA's objectives described under Article 8 of the Regulatory Law 2004; and
  - (d) any other matters relevant to the Applicant's suitability.

**Guidance**

The DFSA would generally not admit to the List a cash shell.

**Management experience and expertise**

- 9.3.5** An Applicant must demonstrate to the DFSA's satisfaction that its Directors have appropriate experience and expertise in the business operations of the Applicant.

**Controlling shareholder**

- 9.3.6** (1) Subject to (2), to be admitted to the List, an Applicant which has one or more controlling shareholders must be able to demonstrate to the DFSA that it can operate its business independently of such controlling shareholder and any Associate thereof.
- (2) The requirement in (1) does not apply if an Applicant can demonstrate to the DFSA's satisfaction that holders of the Issuer's Shares would have no appreciable risk of prejudice by the involvement in the relevant business of a controlling shareholder.
- (3) For the purposes of this chapter, a controlling shareholder is any Person, or Persons acting jointly by agreement, whether formal or otherwise, who is:
- (a) entitled to exercise, or control the exercise of, 30% or more of the voting rights at a general meeting of the Applicant; or
  - (b) able to control the appointment of one or more Directors who are able to exercise a majority of the votes at Board meetings of the Applicant.

**Guidance**

The DFSA considers that for an Applicant to operate its business independently of a controlling shareholder all transactions and relationships between the Listed Entity and any controlling shareholder (or Associate) must be at arm's length and on a normal commercial terms.

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**Conflicts of interest**

- 9.3.7** (1) An Applicant must, subject to (2), ensure prior to listing that it has adequate systems and controls to eliminate or manage material conflicts of interest in its business prior to Listing.
- (2) The DFSA may accept a proposal from an Applicant to eliminate or manage conflicts of interest within a reasonable period after Listing if the Applicant can demonstrate to the DFSA's satisfaction that holders of the Issuer's Shares would not be unduly prejudiced by the arrangements.

**Guidance**

Examples of material conflicts of interest may include Related Party Transactions in Rule 3.5 and situations in which interested Persons:

- a. lend to or borrow from the Issuer or its Group;
- b. lease property to or from the Issuer or its Group; or
- c. have an interest in businesses that are competitors, suppliers or customers of the Issuer or its Group.

**Validity and transferability**

- 9.3.8** To be admitted to the List, an Applicant's Securities must:
- (a) be duly authorised according to the requirements of the Applicant's constitution;
  - (b) have any necessary statutory or other consents;
  - (c) be freely transferable; and
  - (d) in the case of Shares, be fully paid and free from any liens and from any restrictions on the right of transfer.

**Guidance**

The DFSA may, in exceptional circumstances, waive or modify Rule 9.3.8 where the Applicant has the power to disapprove the transfer of Shares, if the DFSA is satisfied that this power would not disturb the market in those Shares.

**Market capitalisation**

- 9.3.9** (1) An Applicant must ensure that the Securities which it seeks to list have an expected aggregate market value at the time of listing of at least:
- (a) \$250 million for Shares; and
  - (b) \$2 million for Debentures.
- (2) The requirement in (1)(a) does not apply to an Applicant that is a SME.

**Guidance**

The DFSA may modify the threshold specified in Rule 9.3.9(1)(a) by reducing the aggregate market value required in relation to a particular applicant, where it is satisfied that it is appropriate in the



circumstances to do so. When the DFSA reduces that threshold it may also make a corresponding modification to the definition of a SME in Rule 1.3.3.

### **Shares in public hands**

- 9.3.10** (1) If an application is made for the admission of a class of Shares, a sufficient number of Shares of that class must, no later than the time of admission, be distributed to the public.
- (2) For the purposes of Rule (1), a sufficient number of Shares will be taken to have been distributed to the public when 25 per cent of the Shares for which application for admission has been made are in public hands.
- (3) For the purposes of Rules (1) and (2), Shares are not held in public hands if they are held, directly or indirectly by:
- (a) a Director of the Applicant or of any of its Subsidiary Undertakings;
  - (b) a Person connected with a Director of the Applicant or any of its Subsidiary Undertakings;
  - (c) the trustees of an employee share scheme or pension fund established for the benefit of any Directors or employees of the Applicant and its Subsidiary Undertakings;
  - (d) any Person who under any agreement has a right to nominate a Person to the board of Directors of the Applicant; or
  - (e) any Person or Persons in the same group or Persons acting in concert who have an interest in 5% or more of the Shares of the relevant class.

### **Guidance**

The DFSA may waive or modify Rule 9.3.10(2) to accept a percentage lower than 25 per cent if it considers that the market will operate properly with a lower percentage in view of additional factors. Such additional factors might permit, for example, a lower percentage than 25% for a company with a large market capitalisation with a large number of Shares of the same class listed and where such Shares would nonetheless expect to have a wide distribution to the public and be liquid.

### **Lock-in for existing SME shareholders**

- 9.3.11** (1) A SME Applicant must ensure that all of its pre-listing shareholders have entered into a binding agreement not to dispose of any interest in its Securities for a period of 12 months from the date of admission of its Shares to the List.
- (2) The requirement in (1) does not apply to the disposal of any interest in Securities where the disposal:
- (a) is required pursuant to the order of a court of a competent jurisdiction;
  - (b) results from the death of a pre-listing shareholder; or
  - (c) is made in acceptance of a takeover offer for the SME, which is made after its Shares are listed and is open to all shareholders.

- (3) In (1) and (2), “pre-listing shareholder” means any Person who, immediately before the admission of the SME’s Shares to the List, holds a legal or beneficial interest, whether direct or indirect, in one or more Shares issued by that SME.

### **Whole class to be listed**

**9.3.12** An application for a class of Securities to be admitted to the List must:

- (a) if no Securities of that class are already admitted to the List, relate to all Securities of that class, issued or proposed to be issued; or
- (b) if Securities of that class are already admitted to the List, relate to all further Securities of that class, issued or proposed to be issued.

### **Settlement**

**9.3.13** To be admitted to the List:

- (a) an Applicant’s Securities must be eligible for electronic settlement; and
- (b) the arrangements for settlement and clearing of trading in such Securities must be acceptable to the DFSA.

### **Warrants**

- 9.3.14** (1) To be admitted to the List, the total of all issued Warrants to subscribe for Shares must not, subject to (2), exceed 20 per cent of the issued share capital of the Applicant as at the time of issue of the Warrants.
- (2) Any rights under an employee share scheme are excluded from the twenty per cent calculation in (1).

### **Depository receipts**

**9.3.15** A Listed Entity in respect of Certificates which are depository receipts must ensure that:

- (a) at the time of issue of such Certificates the payments received from the issue of the depository receipts are sufficient to meet the payments required for the issuance of the underlying Securities; and
- (b) the underlying Securities or any rights, monies or benefits related to the underlying Securities are not treated as assets or liabilities of the Issuer of the Certificates under the law, whether for the purposes of insolvency or otherwise.

## **9.4 Application for admission to the List**

### **Listing application**

**9.4.1** An Applicant must apply to the DFSA by:

- (a) submitting in final form the relevant documents in AFN.

- (b) paying the fee set out in the FER 2.9.1 at the time of submission of the completed application form;
- (c) submitting all additional documents, explanations and information as may be required by the DFSA, including the documents specified in Rules 9.4.4 and 9.4.5; and
- (d) submitting verification of any information in such manner as the DFSA may specify.

**9.4.2** All the documents in Rule 9.4.1 must be submitted to the DFSA at the DFSA's address.

#### **Guidance**

1. Before submitting the documents referred to in Rule 9.4.1, an Applicant should contact the DFSA to agree the date on which the DFSA will consider the application.
2. When considering an application for admission of Securities to the List, the DFSA may:
  - a. carry out any enquiries and request any further information which it considers appropriate, including consulting with other regulators or exchanges;
  - b. request that an Applicant answer questions and explain any matter the DFSA considers relevant to the application for listing;
  - c. take into account any information which it considers appropriate in relation to the application for listing;
  - d. request that any further information provided by the Applicant be verified in such manner as the DFSA may specify; and
  - e. impose any additional conditions on the Applicant as the DFSA considers appropriate.

**9.4.3** An admission of Securities to the List becomes effective only when the DFSA has published the admission by adding such Securities to the Official List of Securities on the DFSA website.

#### **Documents to be provided 48 hours in advance**

**9.4.4** The following documents must be submitted by the Applicant, in final form, to the DFSA by midday two clear business days before the DFSA is to consider the application:

- (a) a completed application form;
- (b) the Approved Prospectus, and if applicable, any Approved Supplementary Prospectus in respect of the Securities;
- (c) in respect of Securities which are Shares, written confirmation of the number of Shares to be allotted in the offer; and
- (d) if a Prospectus has not been produced, a copy of the announcement detailing the number and type of Securities that are subject to the application and the circumstances of their issue.

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**Guidance**

There are additional documents required if the Securities are held out as being in accordance with Shari'a; these are specified in the IFR module.

**Documents to be provided on the day**

**9.4.5** The following documents must be submitted, in final form, to the DFSA by the Applicant before 9 am on the day the DFSA is to consider the application:

- (a) a completed shareholder statement; and
- (b) a completed pricing statement, in the case of a placing, open offer or offer for subscription .

**9.4.6** An applicant must ensure that the documents required by Rule 9.4.5 are signed by, if appointed, its Sponsor or a duly authorised officer of the applicant.

**Documents to be kept**

**9.4.7** An Applicant must keep copies of the following documents for six years after the admission to the List:

- (a) any agreement to acquire any assets, business or Securities in consideration for or in relation to which the Listed Entity's Shares are being issued;
- (b) any letter, report, valuation, contract or other documents referred to in the Prospectus or other document issued in connection with those Securities;
- (c) the Applicant's constitution as at the date of admission;
- (d) the annual report and accounts of the Applicant and of any guarantor, for each of the periods which form part of the Applicant's financial record contained in the Prospectus;
- (e) any interim financial statements which were made up prior to the date of admission;
- (f) any temporary and definitive documents of title;
- (g) in the case of an application in respect of Securities issued pursuant to an employee's share scheme, the scheme document; and
- (h) copies of Board resolutions of the Applicant allotting or issuing the Shares.

**9.4.8** An Applicant must provide to the DFSA the documents set out in Rule 9.4.7, if requested to do so.

**Guidance**

Provided that all the documents required by Rules 9.4.4 and 9.4.5 are complete and received on time, the DFSA would generally expect to process an application for admittance to the List within two days, and in the case of non-equity Securities, one day.

**9.5 Determination of applications and references**

**Guidance****Determination of applications**

1. Under Article 33(1) of the Law, an Authorised Market Institution or the DFSA may only grant admission of Securities to an Official List of Securities maintained by it, in accordance with the requirements in the Law and the Rules made for the purposes of the Law.
2. Under Article 34(1)(b) and 34(2)(b) of the Law, the DFSA may impose conditions or restrictions in respect of the admission of Securities to the Official List of Securities, or vary or withdraw such conditions or restrictions.
3. Under Article 33(2) of the Law, an Authorised Market Institution or the DFSA, as is relevant, will notify the applicant in writing of its decision in relation to the application for admission of Securities to the Official List of Securities.
4. Where the DFSA grants admission of Securities to an Official List of Securities, it will include such Person in its Official List of Securities published on the DFSA website.

**References**

5. Under Article 34(7) of the Law, an Applicant may commence a reference to the FMT in relation to any decision by the DFSA to object or refuse an application for admission of Securities to the Official List of Securities, or to impose conditions or restriction on the admission of Securities to the Official List of Securities, or to vary such conditions or restrictions.
6. Under Article 29 of the Regulatory Law, a Person that commences a reference to the FMT must do so within 30 days of the relevant decision.
7. The form of submission that a reference must take is specified in the rules of procedure of the FMT.

## 9.6 Suspending, delisting and restoring a Listing

### Guidance

1. Under Article 35 of the Law, the DFSA may, suspend or delist, or require 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 where it is satisfied that there are circumstances that warrant such action or it is in the interests of the DIFC.

### References

2. Under Article 35(4) of the Law, a Person may commence a reference to the FMT in relation to any decision by the DFSA to suspend or delist such Person's Securities from the Official List of Securities or to direct an Authorised Market Institution to suspend or delist the Person's Securities.
3. Under Article 29 of the Regulatory Law, a Person that commences a reference to the FMT must do so within 30 days of the relevant decision.
4. The form of submission that a reference must take is specified in the rules of procedures of the FMT.

## Suspending Securities from the Official List of Securities

### Guidance

Examples of circumstances that warrant the suspension by the DFSA of Securities from the Official List of Securities include:

1. the Listed Entity has failed to meet its continuing obligations for listing;
2. the Listed Entity has failed to publish financial information in accordance with the Markets Rules;
3. the Listed Entity is unable to assess accurately its financial position and inform the market accordingly;
4. there is insufficient publicly-available information in the market about a proposed transaction which involves the Listed Entity or the relevant Securities;
5. the Listed Entity's Securities have been suspended elsewhere;
6. the Listed Entity has appointed administrators or receivers, or is an Investment Trust or Fund and is winding up;
7. the relevant Securities are a securitised Derivative and any underlying instrument is suspended;
8. for a Derivative which carries a right to buy or subscribe for another Security, the Security over which the Derivative carries a right to buy or subscribe has been suspended; or
9. the DFSA considers it is in the interests of the DIFC, including the interests of investors, potential investors or the DIFC capital markets.

**9.6.1** A Listed Entity which has had the Listing of any of its Securities suspended must continue to comply with all relevant Listing Rules applicable to it.

**9.6.2** If the DFSA suspends the Listing of any Securities, it may impose such requirements on the procedure for lifting the suspension as it considers appropriate.

### **Suspension or delisting at the Listed Entity's request**

- 9.6.3** (1) If a Listed Entity wishes to have its Listed Securities suspended or delisted from the List, it must submit a request in writing to the DFSA and include:
- (a) the reasons for the request;
  - (b) the date and time on which the suspension or delisting is to take place; and
  - (c) any other information regarding the Securities or the circumstances of the suspension or delisting which the DFSA requires.
- (2) The DFSA may impose such conditions or requirements as it considers appropriate on the suspension or delisting in (1).

#### **Guidance**

1. A Listed Entity requesting delisting should submit such request in reasonable time for the DFSA to consider the request and satisfy the DFSA that a delisting would be appropriate.
2. Examples of other information which the DFSA may require pursuant to Rule 9.6.3(1)(c) include proof or shareholder resolution if required, evidence of any announcement, circular or other document which the Listed Entity is relying on as part of its request to suspend or delist its Listing.
3. A Listed Entity requesting cancellation of its listing should provide existing security holders with sufficient notice prior to the cancellation date in order to provide them with an opportunity to sell their Securities.
4. An example of the type of condition the DFSA may impose pursuant to Rule 9.6.3(2) is the imposition of a time limit for the suspension.

### **Restoration of a listing**

- 9.6.4** The DFSA may restore the listing of any Securities which have been suspended if it considers that:
- (a) the smooth operation of the market is no longer jeopardised; or
  - (b) where relevant, the suspension is no longer required to protect investors.

- 9.6.5** The DFSA may restore the listing of any Securities which have been suspended whether the restoration was requested by the relevant Listed Entity or at the DFSA's own initiative.

### **Delisting Securities from the Official List of Securities**

- 9.6.6** For the purposes of Article 35(1) of the Law, the circumstances which may warrant the delisting of Securities by the DFSA include, but are not limited to, where:
- (a) the Securities are no longer admitted to trading as required by these Rules and the Law;
  - (b) the Listed Entity no longer satisfies on or more of its continuing obligations for Listing;

- (c) the Securities have been suspended from the Official List for more than six months;
- (d) it is necessary because the Securities have been subject to a merger, takeover or reverse takeover;
- (e) the Listing is a secondary Listing and the Securities have been cancelled on their primary listing or are no longer admitted to trading for such primary listing;
- (f) it is in the interests of the DIFC, including the interests of investors, potential investors or the DIFC capital markets; or
- (g) the Securities have been redeemed or cease to exist for any other reason.

#### **Guidance**

In Rule 9.6.6(b), an example of a breach of the continuing obligations which may warrant a delisting by the DFSA would be where the percentage of shares in public hands falls below 25% or such lower percentage as the DFSA may permit. The DFSA may, however, allow a reasonable time to restore the percentage unless this is precluded by the need to maintain the smooth operation of the market or to protect investors.

## **9.7 Continuing obligations**

#### **Guidance**

A Listed Entity should consider its obligations under other chapters of the Markets Rules, in addition to the requirements in these rules.

#### **Information and facilities for shareholders**

- 9.7.1** (1) The Board of a Listed Entity must ensure that all the necessary information and facilities are available to its shareholders to enable them to exercise the rights attaching to their Securities on a well informed basis.
- (2) Without limiting the generality of the obligation in (1), the Board of a Listed Entity must ensure that the shareholders:
- (a) are provided with the necessary information relating to the matters to be determined at meetings to enable them to exercise their voting rights, including the proxy forms and notice of meetings; and
  - (b) have access to any relevant notices or circulars giving information in relation to the rights attaching to the Securities.

#### **Shares in public hands**

- 9.7.2** (1) A Listed Entity must ensure that a sufficient number of its Shares are distributed to the public at all times.
- (2) A Listed Entity which no longer complies with (1) must notify the DFSA as soon as possible after it first becomes aware of its non-compliance.



### **Guidance**

Rule 9.3.10(2) and (3) describe the circumstances which a firm must meet for a sufficient number of its Shares to be distributed to the public.

### **Admission to trading**

#### **Guidance**

Pursuant to Article 33(5) of the Law, to be admitted to the List a Listed Entity's Securities must be admitted to trading on an AMI.

#### **9.7.3 A Listed Entity must inform the DFSA in writing as soon as possible if it has:**

- (a) requested an AMI to admit new Securities of the same class to trading
- (b) requested the re-admittance any of its Listed Securities to trading following a trading suspension;
- (c) requested an AMI to delist or suspend trading of any of its Listed Securities; or
- (d) been informed by an AMI that trading of any of its Listed Securities will be delisted or suspended from trading.

### **Purchase of own Shares**

#### **Guidance**

In accordance with Article 64(1)(b) and 64(2)(g) of the Law, compliance with the Rules in this section may operate as a safe harbour from the Market Abuse provisions in Articles 54 and 58 of the Law. The Rules in this section are in addition to Rule 3.3.4.

- 9.7.4** (1) A Listed Entity must not purchase its own Shares without the prior written approval of the DFSA.
- (2) The DFSA may make its approval of a proposal by a Listed Entity to purchase its own Shares subject to conditions or restrictions.
- (3) A Listed Entity which proposes to purchase more than 15% of any class of its Shares must do so only by way of a tender offer to all shareholders of that class.
- (4) The procedures in Schedule 3 to the Regulatory Law apply to a decision of the DFSA under (1) not to approve a purchase of Shares and under (2) to approve a proposal subject to conditions or restrictions.
- (5) If the DFSA decides to exercise its power under (1) not to approve a purchase of Shares or under (2) to make its approval subject to conditions or restrictions, the Listed Entity may refer the matter to the FMT for review.

#### **Guidance**

1. A Listed Entity should provide the DFSA with at least 14 clear days in which to review a proposal for the purchase of its own Shares. The more complex a proposal, the more time that will be required by the DFSA to review and approve the proposal.
2. A Listed Entity which proposes to purchase up to 15 per cent of any class of its Shares may do so from specific investors or by way of a Share repurchase programme.

3. Conditions and restrictions which the DFSA may impose on a Listed Entity which proposes to purchase its own Shares include:
  - a. publication of the details of a Share repurchase programme including, where the dates and quantities of Shares to be purchased during the relevant period are fixed, disclosure of such dates and quantities; and
  - b. restrictions on the number of Shares which may be purchased in any given period.
  - c. in the case of a tender offer, limiting the top of the price range to be offered to sellers to a volume-weighted average price for a period preceding the commencement of the Share repurchase programme;
  - d. in the case of a tender offer, restricting any Director or his Associate from undertaking any Share transactions during the course of the Share repurchase programme;
  - e. unless a fixed schedule of Share buybacks had been published, restricting Share repurchases during any period when the Listed Entity has unpublished Inside Information;
  - f. publication of details of the mechanism that will be used to carry out the Share repurchase; and
  - g. if the repurchase will take place on the open market, a requirement to ensure that transactions are carried out at arms-length.

**9.7.5** (1) The decision by the Board of a Listed Entity to obtain prior approval from its shareholders for the Listed Entity to purchase its own securities must be announced to the market as soon as possible after such decision is made.

(2) The announcement in (1) must set out whether the proposal relates to:

- (a) specific purchases and if so, names of the Persons from whom the purchases are to be made; or
- (b) a general authorisation to make the purchases.

(3) A Listed Entity must notify the market as soon as possible of the outcome of the shareholders' meeting to decide the proposal in (1).

**9.7.6** (1) Any purchase of a Listed Entity's own Shares by or on behalf of the Listed Entity or any other member its Group must be disclosed to the market as soon as possible.

(2) The disclosure in (1) must include:

- (a) the date of purchase;
- (b) the number of Shares purchased;
- (c) where relevant, the highest and lowest purchase prices paid;
- (d) the number of Shares purchased for cancellation and the number of Shares purchased to be held as treasury Shares; and
- (e) where the Shares were purchased to be held as treasury Shares, a statement of:

- (i) the total number of treasury Shares of each class held by the Listed Entity following the purchase and non-cancellation of such Shares; and
  - (ii) the number of Shares of each class that the Listed Entity has outstanding less the total number of treasury Shares of each class held by the Listed Entity following the purchase and non-cancellation of such Shares.
- (3) In (2), “treasury Shares” means Shares which are:
  - (a) admitted to the Official List of Securities;
  - (b) held by the same company which issued the Shares; and
  - (c) purchased by the company in (b) using its distributable profits.

### **Other ongoing requirements**

#### **9.7.7** A Listed Entity must ensure that:

- (a) its business remains suitable for listing;
  - (b) it can operate its business independently of a controlling shareholder and any Associate; and
  - (c) it has adequate systems and controls to eliminate or manage material conflicts of interest in its business on an ongoing basis,
- at all times.

#### **Guidance**

1. Rule 9.3.4 describes the suitability criteria which the DFSA will consider when assessing whether a Listed Entity’s business is suitable for listing.
2. Rule 9.3.6(3) defines a controlling shareholder for the purposes of the Listing Rules.

### **Security specific disclosures**

#### **9.7.8** A Listed Entity must make the required market disclosures in accordance with App3 and section A6.1 and comply with the other continuous obligations in accordance with section A6.2.

#### **Guidance**

There are additional disclosure requirements applicable to Islamic Securities specified in the IFR module.

## **9.8 Provision of information to the DFSA**

#### **9.8.1** An Applicant or Listed Entity must provide to the DFSA as soon as possible:

- (a) any information and explanations which the DFSA may reasonably require to decide whether to grant an application for admission;

- (b) any information which the DFSA considers appropriate to protect investors or ensure the smooth operation of the market; and
- (c) any other information or explanation which the DFSA may reasonably require to verify whether the Listing Rules are being and have been complied with.

### **Disclosure requirements**

- 9.8.2** An Applicant or Listed Entity which is required by these Listing Rules to provide information to the DFSA must provide such information as soon as possible.
- 9.8.3** A Listed Entity must ensure that information required to be disclosed to the market under these Rules is disseminated to the market through one or more Regulatory Announcement Services.
- 9.8.4** A Listed Entity must take reasonable care to ensure that information required to be provided to the DFSA or disclosed to the market under these Rules is not misleading, false or deceptive and does not omit anything likely to affect the import of such information.

### **Notification of documents sent to shareholders**

- 9.8.5** If a Listed Entity provides any material document to the shareholders of its Listed Securities, it must disclose that it has done so as soon as possible by way of market disclosure in accordance with Rule 4.7.1.

#### **Guidance**

The DFSA would consider that a document has been made available to the public if, following the public disclosure, the document is available on the Listed Entity's website or on the website of the AMI on which its Securities are admitted to trading.

### **Contact details**

- 9.8.6** A Listed Entity must ensure that the DFSA is provided with up to date contact details of appropriate Persons nominated by it to act as the first point of contact with the DFSA in relation to the Listed Entity's compliance with the Markets Rules and the Markets Law, as applicable.

#### **Guidance**

The DFSA would expect a Listed Entity's contact in Rule 9.8.6 to be of sufficient seniority and influence within the company given the nature of the information which such Person would be dealing with and the importance of the role in maintaining the Listed Entity's compliance with the Markets Rules and Law.

## **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.

## **10 TRANSITIONAL RULES**

### **10.1 Application**

- 10.1.1** (1) Rule 10.1.2 applies to every Person to whom the Markets Law 2004 and any Rules made for the purposes of that law applied immediately prior to the Effective Date.
- (2) The Effective Date for the purposes of this Rule is the date on which the Law comes into force.

#### **Admission to trading on an authorised market institution**

- 10.1.2** For the purposes of Article 1(5) of the Law, a Person who had Securities admitted to an Official List of Securities on the Effective Date is not required to have such Securities admitted to trading on an Authorised Market Institution as required under Article 33(3) of the Law if such Securities are included in the list of Securities specified in Schedule A.

## SCHEDULE A

Securities exempt from the requirement in Article 33(3) of the Law pursuant to Rule 10.1.2.

Issuer	Security	ISIN
Cherating Capital Ltd	Debentures	XS0307506328
Dar Al Arkan International Sukuk Company	Debentures	XS0309559192
DEWA Funding Limited	Debentures	XSO368200639
DIB Sukuk Company Limited	Debentures	XS0292875977
DP World Limited Notes	Debentures	XS0308427581
DP World Sukuk Limited	Debentures	XS0307408152
Dubai Holdings Commercial Operations MTN Ltd	Debentures	USD Notes XS0285304126 EUR Notes XS0285303821 GBP Notes XS0285303748
Dubai Sukuk Centre Limited	Debentures	XS0305147851
Emirates Bank International - Tier 2	Debentures	Tier 2 - XS0272489187
Emirates Bank International - Tier 3	Debentures	Tier 3 - XS0285298054
GE Capital Sukuk Ltd.	Debentures	XS0469633852
IIG Funding Limited	Debentures	XS0303097157
JAFZ Sukuk Limited	Debentures	XS0332171700
Kuwait Financial Centre S.A.K (closed)	Debentures	XS0308124337
Paka Capital Limited	Debentures	XS0351348833
RAK Capital	Debentures	XS0366192952
Tamweel Funding Limited	Debentures	XS0337020274
Tamweel Sukuk Limited	Debentures	XS0378312630
TID Global Sukuk 1 Limited	Debentures	XS0265594647

## APP 1 CONTENT OF A PROSPECTUS

### A1.1 Registration statement

**A.1.1.1** This table forms part of Rule 2.5.1(3)(b).

- A.1.1.2** (1) The reference to an “issuer” in this App1 is a reference to the Person offering Securities under the Prospectus as specified in Rule 1.1.1 (2)(a) and (b).
- (2) An issuer must include the specified information in relation to the Securities identified with a “✓” in this table which are the subject of the relevant Prospectus.
- (3) If an asterisk is used when identifying a Security, the requirement to provide the item of information for that Security is qualified as specified in the relevant item.

								<b>A1.1.1</b>
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debentures	Warrants over Debentures	Shares	Certificates over Debentures	Structured Products
<b>1.</b>	<b>INFORMATION ABOUT THE ISSUER</b>							
<b>1.1</b>	<b>General information</b>	✓	✓	✓	✓	✓	✓	✓
	General information about the issuer including:							
	(a) the full legal name of the issuer;							
	(b) if different to the legal name, the full commercial name of the issuer;							
	(c) the legal form of the issuer;							



		<b>A1.1.1</b>						
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debt Securities	Warrants over Debt Securities	Certificates over Shares	Certificates over Debt Securities	Structured Products
	<p>(d) the country of incorporation of the issuer and its incorporation number;</p> <p>(e) if domiciled in a jurisdiction outside the country of incorporation, the legislation under which the issuer operates;</p> <p>(f) if registered in a place other than the country of incorporation, the place of registration of the issuer and its registration number;</p> <p>(g) the date of incorporation and registration and the length of time the issuer has remained incorporated or registered (or both) as is relevant. Where the issuer has a fixed life, this must be stated together with the end date; and</p> <p>(h) the address and telephone number of its registered office (and its principal place of business if different from its registered office); and</p> <p>(i) if the Securities are asset backed Securities, a statement whether the issuer has been established as a special purpose vehicle or entity for the purpose of issuing asset backed Securities.</p>							
<b>1.2</b>	<p><b>Investments</b></p> <p>Information about:</p> <p>(a) the issuer's principal investments for each financial year for the period covered by the historical financial information up to the date of the Registration Statement;</p> <p>(b) description, (including the amount) of the issuer's principal investments for the period referred to in (a); and</p>	✓	✓	*✓		✓		✓

		<b>A1.1.1</b>						
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debtentures	Warrants over Debtentures	Certificates over Shares	Certificates over Debtentures	Structured Products
	<p>(c) a description of the issuer's principal investments that are in progress, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external).</p> <p>*The information in 1.2 is not required to be included for Debtentures that have a denomination of US \$100,000 or more per Security.</p>							
<b>2. OPERATIONAL FINANCIAL OVERVIEW</b>								
<b>2.1</b>	<b>Actual and proposed business activities</b>							
	A detailed description of the actual and proposed principal operations of the issuer including:							
	(a) the history of the issuer;	✓	✓	✓	✓	✓	✓	✓
	(b) a description of the principal activities and business of the issuer;	✓	✓	✓	✓	✓	✓	✓
	(c) a description of important events in the development of the issuer's business;	✓	✓			✓		✓
	(d) a description of, and key factors relating to, the nature of the issuer's operations and its principal activities, specifying the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information;	✓	✓	✓	✓	✓	✓	✓
	(e) an indication of any significant new products and/or services that have been introduced by the issuer and, to the extent the development of new products or services has been publicly disclosed, the status of the development;	✓	✓	✓	✓	✓	✓	✓
	(f) a description of the principal markets in which the issuer operates, including a breakdown	✓	✓	*✓		✓		✓

		<b>A1.1.1</b>						
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debtentures	Warrants over Debtentures	Certificates over Shares	Debtentures over Certificates	Structured Products
	of total revenues by category of activity and geographic market for each financial year for the period covered by the historical financial information;							
	(g) details of any major customers, suppliers or other material dependencies of the issuer;	✓	✓	✓	✓	✓	✓	✓
	(h) if material to the issuer's business or profitability, a summary of the extent to which the issuer is dependent on any patents or licences, industrial, commercial or financial contracts or new manufacturing processes;	✓	✓	✓	✓	✓	✓	✓
	(i) the basis for any statement made by the issuer regarding its competitive position;	✓	✓	✓	✓	✓	✓	✓
	(j) where the information given under this item has been influenced by exceptional factors, statement about that fact; and	✓	✓			✓		✓
	(k) where the issuer belongs to a Group, relevant material information as specified above in relation to the Group's activities.  *The information in 2.1(f) is not required to be included for Debtentures that have a denomination of US \$100,000 or more per Security.	✓	✓			✓		✓
<b>2.2</b>	<b>Significant factors affecting income/operations</b>	✓	✓			✓		✓
	(a) Information regarding significant factors, including unusual or infrequent events or new developments, which are materially affecting or may likely to so affect the issuer's income from operations, indicating the extent to which income was so affected.							
	(b) Where the financial statements disclose material changes in net sales or revenues, a narrative discussion of the reasons for such changes.							

		<b>A1.1.1</b>						
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debentures	Warrants over Debentures	Shares	Certificates over Debentures	Structured Products
	(c) Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.							
<b>2.3</b>	<b>Risk factors</b>  Prominent disclosure of risk factors that are specific to the issuer and if relevant, its industry in a section headed "Risk Factors" containing information including: <ul style="list-style-type: none"> <li>(a) the material risks associated with investing in the issuer, and where applicable, any risks associated with the assets to be acquired using the proceeds of the offer;</li> <li>(b) the effect that the material risks may have on the issuer together with a discussion of how the risk could affect the business, operating results and financial condition of the issuer;</li> <li>(c) any steps proposed by the issuer to mitigate or manage the risks; and</li> <li>(d) general and specific risks relating to the industry and the jurisdiction in which the issuer operates.</li> </ul>	✓	✓	✓	✓	✓	✓	✓
<b>2.4</b>	<b>Production and sales trends</b>  (a) Information about the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Registration Statement.	✓	✓	✓	✓	✓	✓	✓
	(b) If: <ul style="list-style-type: none"> <li>(i) there has been no material adverse change relating to the information referred to in (a) since the date of its last published financial statements, a statement to that effect; and</li> </ul>			✓	✓		✓	✓

		<b>A1.1.1</b>						
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debtentures	Warrants over Debtentures	Shares over Certificates	Debtentures over Certificates	Structured Products
	(ii) the issuer is not in a position to make such a statement, details of the material adverse change.							
	(c) Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.  *The information in 2.4(c) is not required to be included for Debtentures that have a denomination of US \$100,000 or more per Security.	✓	✓	*✓		✓		✓
<b>3. CONSTITUTION AND ORGANISATIONAL STRUCTURE</b>								
<b>3.1</b>	<b>Constitution</b>  A summary of the provisions of the constitution of the issuer including:  (a) a description of the issuer's objectives and purpose and where they can be found in the constitution;	✓	✓	*✓		✓		✓

		<b>A1.1.1</b>						
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debt Securities	Warrants over Debt Securities	Certificates over Shares	Certificates over Debt Securities	Structured Products
	<p>(b) a summary of any provisions of the constitution with respect to its Directors and any Person involved in the senior management of the issuer including the members of the administrative, management and supervisory bodies;</p> <p>(c) a description of the rights, preferences and restrictions attaching to each class of the existing Securities;</p> <p>(d) a description of what action is necessary to change the rights of holders of the Securities, indicating where the conditions are more significant than is required by any law applicable to the issuer;<sup>1</sup></p> <p>(e) a description of the conditions governing the manner in which annual general meetings and extraordinary general meetings of holders of Securities are called including the conditions of admission to the meeting;</p> <p>(f) a brief description of any provision of the constitution that would have an effect of delaying, deferring or preventing a change in control of the issuer;</p> <p>(g) an indication whether there are any provisions in the constitution, governing the ownership threshold above which shareholder ownership must be disclosed;</p> <p>(h) a description of the conditions imposed by the constitution governing changes in the capital, where such conditions are more stringent than is required by law applicable to the issuer;<sup>2</sup></p>	✓	✓			✓		✓

<sup>1</sup> Applicable laws include any laws applicable to the issuer in the jurisdiction of its domicile or incorporation.

<sup>2</sup> Applicable laws include any laws applicable to the issuer in the jurisdiction of its domicile or incorporation.

		<b>A1.1.1</b>						
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debt securities	Warrants over Debt securities	Shares	Certificates over Debt securities	Structured Products
	<p>(i) any arrangements by which a single investor or group of investors may exercise significant influence over the issuer; and</p> <p>(j) any other aspects of the constitution of the issuer which may be relevant to investors.</p> <p>*The information in 3.1(a) is not required to be included for Debt securities that have a denomination of US \$100,000 or more per Security.</p>							
<b>3.2</b>	<p><b>Directors<sup>3</sup> powers under the constitution</b></p> <p>A summary of the provisions of the constitution of the Issuer under which:</p> <p>(a) a Director has the power to vote on a proposal, arrangement, or contract in which he is materially interested;</p> <p>(b) a Director has the power, in the absence of an independent quorum, to vote on remuneration (including pension or other benefits) to themselves or any members of the Board;</p> <p>(c) a Directors can exercise borrowing powers and how such borrowing powers may be varied; and</p> <p>(d) the retirement or non-retirement of Directors is provided, including any age limit in respect of retirement.</p>	✓	✓			✓		✓

<sup>3</sup> In the case of a Limited Partnership, a reference to a Director should be read as a reference to a General Partner of the partnership.

<b>A1.1.1</b>							
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debentures	Warrants over Debentures	Shares over Certificates	Structured Products
<b>3.3.</b>	<b>Group Structure</b>						
	If the issuer is a member of a Group, information about the issuer's Group including:						
	(a) identity of all the members of the Group;	✓	✓	✓	✓	✓	✓
	(b) a brief description of the Group explaining the issuer's position within the Group;	✓	✓	✓	✓	✓	✓
	(c) the identity of the ultimate Holding Company of the issuer and where it is domiciled; and	✓	✓			✓	✓
	(d) a list of significant Subsidiaries of the issuer, including name, country of incorporation or domicile, proportion of ownership interest and, if different, proportion of voting power or other form of control held.	✓	✓			✓	✓
<b>4.</b>	<b>ASSETS</b>						
<b>4.1</b>	<b>Property, plant and equipment</b>	✓	✓			✓	✓
	Information about:						
	(a) existing material fixed assets, including any leased properties, and any major encumbrances in respect of such assets;						
	(b) planned acquisition of material fixed assets, including leased properties, and any major encumbrances in respect to those assets; and						
	(c) a description of any environmental issues that may affect the issuer's utilisation of the assets referred to in (a) and (b).						



		<b>A1.1.1</b>						
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debentures	Warrants over Debentures	Shares over Certificates	Debentures over Certificates	Structured Products
<b>4.2</b>	<b>Material contracts</b>  Information about material contracts of the issuer including:  (a) a summary of each material contract (to the extent not disclosed under 5.1), other than contracts entered into in the ordinary course of business, to which the issuer or any member of the Group is a party, for the two years immediately preceding publication of the Registration Statement; and  (b) a summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the Group which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of the Registration Statement.							
		✓	✓	✓	✓	✓	✓	✓
		✓	✓			✓		✓
<b>5.</b>	<b>CAPITAL</b>							
<b>5.1</b>	<b>Capital resources</b>  (a) Information about the capital resources of the issuer including:  (i) the short and long term capital resources;  (ii) an explanation of, the sources and amounts of, and a narrative description of, the cash flows;  (iii) the borrowing requirements and funding structure;  (iv) any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, its operations;	✓	✓			✓		✓

		<b>A1.1.1</b>						
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debtentures	Warrants over Debtentures	Shares over Certificates	Certificates over Debtentures	Structured Products
	<p>(b) Information regarding the anticipated sources of funds needed to fulfil commitments relating to:</p> <p>(i) any existing or planned material tangible fixed assets, including leased properties, and any major encumbrances thereon; and</p> <p>(ii) any principal future investments to which the Board or the senior management of the issuer have already made firm commitments.</p> <p>(c) Information relating to any undertakings in which the issuer holds a portion of its capital where such holding is likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.</p>							
<b>5.2</b>	<p><b>Certificates</b></p> <p>In the case of an issuer of Certificates, a summary of the issuer's responsibilities and obligations in respect of the Certificates including the obligations and responsibilities in making certain payments as and when payments on the underlying Securities are received and any material information about the issuer of the underlying Securities that may affect the issuer's ability to meet its obligations.</p>					✓	✓	
<b>5.3</b>	<p><b>Share capital</b></p> <p>The following information as of the date of the most recent balance sheet included in the historical financial information of the issuer:</p> <p>(a) The amount of issued share capital, and for each class of share capital:</p> <p>(i) the number of shares authorised;</p>	✓	✓	*✓		✓		✓

**A1.1.1**

<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>		Shares	Warrants over Shares	Debt over Shares	Warrants over Debt	Debt over Debt	Shares	Certificates over Shares	Debt over Debt	Certificates over Debt	Structured Products
	(ii) the number of shares, issued and fully paid, and issued but not fully paid;										
	(iii) the par value per share, or that the shares have no par value; and										
	(iv) a reconciliation of the number of shares outstanding at the beginning and end of the year. If more than 10% of capital has been paid for with assets other than cash within the period covered by the historical financial information, a statement to that effect.	✓	✓					✓			✓
(b)	If there are shares not representing capital, the number and main characteristics of such shares.										
(c)	The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by Subsidiaries of the issuer.										
(d)	The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.										
(e)	Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital.										
(f)	Historical information about the share capital highlighting any changes for the period covered by the historical financial information.										
*The information in 5.3(a) is not required to be included for Debentures that have a denomination of US \$100,000 or more per Security.											

<b>A1.1.1</b>							
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debt securities	Warrants over Debt securities	Certificates over Shares	Structured Products
<b>5.4</b>	<b>Options</b>  If any options or other rights granted in respect of Shares in the issuer to any Person, a summary of the total of any such options, along with an estimate of the number of Shares which would be created, if such rights were to be exercised.	✓	✓			✓	✓
<b>6.</b>	<b>MANAGEMENT OF THE ISSUER</b>						
<b>6.1</b>	<b>Details relating to directors and senior managers (“Key Persons”)</b>						
	(a) names, business addresses, functions and principal activities carried out by the following Persons (“Key Persons”), including outside that of the issuer where such functions are significant with respect to the activities of the issuer:  (i) the Directors of the issuer;  (ii) the Directors of the ultimate Holding Company of the issuer, if any;  (iii) the members of the senior management (senior managers) of the issuer and, if they are also Directors of the issuer, their respective responsibilities as Directors and as a member of the senior management of the issuer;  (iv) founding members, if the issuer has been established for fewer than five years; and  (v) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.	✓	✓	✓	✓	✓	✓
	(b) The nature of any family or business relationship between any of the Key Persons.	✓	✓			✓	✓

<sup>4</sup> A reference to a Director in the case of a Limited Partnership should be read as a reference to a General Partner of the partnership.

**A1.1.1**

<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>		Shares	Warrants over Shares	Debtentures	Warrants over Debtentures	Shares over Certificates	Debtentures over Certificates	Structured Products
(c)	Except for the category of Person in item (a)(iv) above, details of each of the Key Person's relevant management expertise and experience and the following information:  (i) the names of all companies and partnerships in which such Person has been a member of a Board or involved in the senior management of in the previous five years, indicating whether or not the Person still holds such position. It is not necessary to list all the Subsidiaries of an issuer of which the Person is also a member of the Board or involved in the senior management;  (ii) any convictions relating fraud or other financial crimes for at least the previous five years;  (iii) details of any bankruptcies, receiverships or liquidations of another entity with which a Person described in item (a)(iii) and (vi) was associated with for at least the previous five years when acting in a similar capacity;  (iv) details of any official public incrimination and/or sanctions of such a Person by statutory or regulatory authorities (including designated professional bodies) and whether such a Person has ever been disqualified by a court from acting as a Director or from acting in a senior management or conduct of the affairs of any issuer for at least the previous five years; and  (v) if there is no such information to be disclosed pursuant to (i) – (iv), a statement to that effect.	✓	✓			✓		✓
(d)	If there is a potential conflict of interests between the personal interests of any Key Person and that of the duties such Persons owed to the issuer or interests of the issuer, details of such conflict of interests and, if there are no such conflicts, a clear statement to that effect.	✓	✓	✓	✓	✓	✓	✓
(e)	Information about any arrangement or understanding with major shareholders, customers,	✓	✓			✓		✓

		<b>A1.1.1</b>						
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debt Securities	Warrants over Debt Securities	Shares over Certificates	Debt Securities over Certificates	Structured Products
	suppliers or others, pursuant to which any Key Person was selected as a Director or senior manager of the issuer.							
	(f) Details relating to any restrictions agreed by a Key Person on the disposal within a certain period of time of his holdings in the issuer's Securities.	✓	✓			✓		✓
<b>6.2</b>	<b>Other information relating to key persons</b>							
	(a) For the last completed financial year of the issuer, information relating to each Key Person about:							
	(i) the amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to such Persons by the issuer and its Subsidiaries for services in all capacities to the issuer and its Subsidiaries; and							
	(ii) the total amounts set aside or accrued by the issuer or its Subsidiaries to provide pension, retirement or similar benefits.							
	(b) For the last completed financial year of the issuer:							
	(i) the date of expiration of the current term of office, if applicable, and the period during which the Person has served in that office of each Key Person specified in (a)(i) – (iii);							
	(ii) information about any service contracts with a Key Person and the issuer or any of its Subsidiaries providing for benefits upon termination of employment, and if there are no such contracts, a statement to that effect;							

		<b>A1.1.1</b>						
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debt Securities	Warrants over Debt Securities	Certificates over Shares	Certificates over Debt Securities	Structured Products
	<p>(iii) information about the issuer's audit committee, nomination committee and remuneration committee, if any, including the names of committee members and a summary of the terms of reference under which the committee operates; and</p> <p>(iv) statements as to whether or not the issuer is complying with any corporate governance regime in its country of incorporation or domicile and if so whether or not such a regime is compatible with the corporate governance regime under the Law and the Rules.<sup>5</sup> In the event an issuer does not comply with a regime of corporate governance applicable in the country of its incorporation or domicile, a statement to that effect, together with an explanation regarding why the issuer does not comply with such a regime.</p> <p>*The information in 6.2(b)(iii) and (iv) is not required to be included for Debt Securities that have a denomination of US \$100,000 or more per Security.</p>	✓	✓	*✓		✓		✓
<b>6.3</b>	<p><b>Information about employees</b></p> <p>Information relating to the following:</p> <p>(a) either:</p> <p>(i) the number of Employees at the end of each period covered by the historical financial information; or</p>	✓	✓			✓		✓

<sup>5</sup> Reporting Entities in respect of Shares are subject to the Corporate Governance Principles in the Rules.

		<b>A1.1.1</b>						
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debt securities	Warrants over Debt securities	Shares	Certificates over Debt securities	Structured Products
	<p>(ii) the average for each financial year for the period covered by the historical financial information up to the date of the Registration Statement (and changes in such numbers, if material); <sup>6</sup> and</p> <p>(b) If the issuer employs a significant number of temporary Employees, the number of temporary Employees on average during the most recent financial year.</p>							
<b>7.</b>	<b>FINANCIAL INFORMATION ABOUT THE ISSUER</b>							
<b>7.1</b>	<b>Historical financial information about the issuer</b>	✓	✓			✓		
	<p>(a) Historical financial information covering the latest 3 financial years (or such shorter period that the issuer has been in operation) where such information in respect of each year is:</p> <p>(i) prepared in accordance with the International Financial Reporting Standards (IFRS) or any other standards acceptable to the DFSA;</p> <p>(ii) audited in accordance with the standards of the International Auditing and Assurance Standards Board (IAASB) or other standards acceptable to the DFSA;<sup>7</sup> and</p> <p>(iii) independently audited or reported on as to whether or not, for the purposes of the Registration Statement, it gives a true and fair view, in accordance with the applicable auditing standards referred to in (ii) above; and</p>							
	(b) Historical financial information covering the latest 2 financial years (or such shorter period			✓	✓		✓	✓

<sup>6</sup> A breakdown of the Employees by main category of activity and geographic location to the extent practicable and material

<sup>7</sup> With the last two years audited historical financial information being presented and prepared in a form consistent with that which will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.



<b>A1.1.1</b>							
<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>		Shares	Warrants over Shares	Debt securities	Warrants over Debt securities	Certificates over Shares	Structured Products
that the issuer has been in operation) where such information in respect of each year is:							
(i) prepared in accordance with the International Financial Reporting Standards (IFRS) or any other standards acceptable to the DFSA;							
(ii) audited in accordance with the standards of the International Auditing and Assurance Standards Board (IAASB) or other standards acceptable to the DFSA; <sup>8</sup> and							
(iii) independently audited or reported on as to whether or not, for the purposes of the Registration Statement, it gives a true and fair view, in accordance with the applicable auditing standards referred to in (ii) above; and							
(c)	In respect of the last year of audited financial information included, such information not being older than:	✓	✓	*✓	✓	✓	✓
(i) in the case of Debt securities that have a denomination of US \$100,000 or more per Debt security, 18 months from the date of the Registration Statement; or							
(ii) in any other case:							
(A) 18 months from the date of the Registration Statement if the issuer includes audited interim financial statements in the Registration Statement; or							
(B) 15 months from the date of the Registration Statement if the issuer includes unaudited interim financial statements in the Registration Statement.							

<sup>8</sup> With the last two years audited historical financial information being presented and prepared in a form consistent with that which will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.

**A1.1.1**

<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>		Shares	Warrants over Shares	Debtentures	Warrants over Debtentures	Shares	Certificates over Shares	Debtentures	Certificates over Debtentures	Structured Products
(d)	A statement that the historical financial information has been audited.									
(e)	If the audit reports on the historical financial information have been refused by the auditors or if they contain qualifications or disclaimers, reproduction of such refusal, qualifications or disclaimers in full and the reasons given.									
(f)	If any other information in the Registration Statement has been audited by the auditors, a statement to that effect.									
(g)	If any financial data in the Registration Statement is not extracted from the issuer's audited financial statements, statements as to the source of the data and that the data is unaudited.									
(h)	If since the date of the issuer's last audited financial statements quarterly or half yearly financial information has been published, such statements including:									
	(i) if the quarterly or half yearly financial information has been reviewed or audited, the audit or review report; or									
	(ii) if the quarterly or half yearly financial information is unaudited or has not been reviewed, a statement to that effect.									
(i)	If the Registration Statement is dated more than nine months after the end of the last audited financial year, interim financial information:									
	(i) covering at least the first six months of the financial year;									
	(ii) including comparative statements for the same period in the prior financial year (except that the requirement for comparative balance sheet information may be satisfied by presenting the years end balance sheet); and									

		<b>A1.1.1</b>						
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debtentures	Warrants over Debtentures	Certificates over Shares	Debtentures	Structured Products
	<p>(iii) if unaudited, a statement to that effect.</p> <p>(j) If the issuer prepares both own and consolidated annual financial statements, at least the consolidated annual financial statements.</p> <p>(k) A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or an appropriate negative statement.</p>							
	<p>(l) Any recent events particular to the issuer and which are to a material extent relevant to the evaluation of the issuer's solvency.</p> <p>*The information in 7.1(h) and 7.1(i) is not required to be included for Debtentures that have a denomination of US \$100,000 or more per Security.</p>			✓	✓		✓	
<b>7.2</b>	<p><b>Profit forecasts</b></p> <p>If an issuer chooses to include a profit forecast or a profit estimate in the Registration Statement:</p> <p>(a) information about the principal assumptions upon which the issuer has based its forecast or estimate:</p> <p>(i) in a manner readily understandable by investors and prepared on a basis comparable with the historical financial information; and</p> <p>(ii) showing a clear distinction between assumptions about factors which the Board or senior management of the issuer can influence and assumptions about factors which</p>	✓	✓	✓	✓	✓	✓	✓

		<b>A1.1.1</b>						
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debtentures	Warrants over Debtentures	Shares	Certificates over Debtentures	Structured Products
	are exclusively outside the influence of such Persons;							
	(b) a report prepared by independent accountants or auditors stating that in the opinion of the independent accountants or auditors, the forecast or estimate has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the issuer; and							
	(c) If a profit forecast in a Prospectus has been previously published, a statement setting out whether or not that forecast is still correct as at the time of the Registration Statement or if the forecast is no longer valid, an explanation of why that is the case.							
<b>8.</b>	<b>OTHER INFORMATION RELATING TO THE ISSUER</b>							
<b>8.1</b>	<b>Information about auditors</b>	✓	✓	✓	✓	✓	✓	✓
	(a) Information about the auditor including:							
	(i) the names, addresses and professional qualifications (including details of membership in any professional body) of the issuer's auditor for the period covered by the historical financial information; and							
	(ii) if the auditor has resigned, been removed or not been re-appointed during the period covered by the historical financial information, any details if material.							
<b>8.2</b>	<b>Connected persons</b>							
	(a) Information about Connected Persons including:	✓	✓			✓		✓
	(i) the name and address of any Connected Person as defined in Rule 4.3.2;							

**A1.1.1**

<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>		Shares	Warrants over Shares	Debt Securities	Warrants over Debt Securities	Shares	Certificates over Debt Securities	Structured Products
	(ii) how the Person falls into the definition of a Connected Person; and							
	(iv) whether any Connected Person has different voting rights to the issuer's major shareholders, or an appropriate negative statement;							
	(b) If there are no Connected Persons, a statement to that effect;	✓	✓			✓		✓
	(c) if a Connected Person is a controller, <sup>9</sup> information about that Person including:	✓	✓	✓	✓	✓	✓	✓
	(i) where relevant, the amount of the Controller's interest;							
	(ii) whether the issuer is directly or indirectly owned or controlled by such a Person and the measures in place to ensure that such control is not abused; and							
	(d) a description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	✓	✓	✓	✓	✓	✓	✓
<b>8.3</b>	<b>Related party transactions</b>	✓	✓			✓		
	Disclosure of any Related Party Transactions <sup>10</sup> during the period covered by the historical financial information and up to the date of the Registration Statement including:							
	(a) the name and address of the Related Party;							
	(b) how the Person falls within the definition of a Related Party;							

<sup>9</sup> See Rule 4.3.2(2) for the definition of a controller.

<sup>10</sup> See Rule 3.5.2

<b>A1.1.1</b>							
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debentures	Warrants over Debentures	Shares	Structured Products
	<p>(c) details of the Related Party Transaction, including:</p> <ul style="list-style-type: none"> <li>(i) the parties to the transaction;</li> <li>(ii) the date of the transaction;</li> <li>(iii) the value of the transaction;</li> <li>(iv) whether prior shareholder approval was obtained from a majority of shareholders;</li> <li>(v) if the transaction is not concluded in the ordinary course of business and on normal commercial terms no less favourable than that of an arm's length transaction with an unrelated party, an explanation of why the transaction was not concluded on such terms; and</li> <li>(vi) any future transactions involving the same or new Related Parties.</li> </ul>						
<b>8.4</b>	<p><b>Research and development</b></p> <p>Where material, a description of the issuer's research and development policies for each financial year for the period covered by the historical financial information, including the amount spent on issuer-sponsored research and development activities.</p>	✓	✓			✓	✓
<b>8.5</b>	<p><b>Legal and other proceedings against the issuer</b></p> <p>Information on any current or prior governmental, legal or arbitration proceedings or disputes (including any such proceedings which are pending or threatened of which the issuer is aware), which may have, or have had, covering at least the previous 12 months significant impact on the</p>	✓	✓	✓	✓	✓	✓

		<b>A1.1.1</b>						
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debentures	Warrants over Debentures	Certificates over Shares	Certificates over Debentures	Structured Products
	issuer and/or its Group's financial position or profitability, or if there were no such actions, a statement to that effect.							
<b>8.6</b>	<b>Other significant matters</b>  (a) An explanation of any significant matter that investors would reasonably require in relation to the issuer and the issuer's jurisdiction, provided in a manner which gives appropriate prominence depending on the nature of the matter concerned and its significance.  (b) If the Security is a Certificate, any information of the kind referred to in (a) relating to the issuer of the underlying Securities.	✓	✓	✓	✓	✓	✓	✓
<b>8.7</b>	<b>Concurrent offers by directors of the issuer</b> (a) If one or more members of the Board of Directors of the issuer are offering their Shares under the same Prospectus:  (i) the identity of each member making such offers;  (ii) the number of Shares each such Person is offering; and  (iii) the proportion of the holding of the member that those Shares represent.  (b) If no member of the Board is offering his Shares, a statement to that effect.	✓						
<b>9.</b>	<b>RESPONSIBILITY FOR THE CONTENT OF PROSPECTUS</b>							
<b>9.1</b>	<b>Responsibility Statement</b>  A Responsibility Statement that:	✓	✓	✓	✓	✓	✓	✓

		<b>A1.1.1</b>						
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debentures	Warrants over Debentures	Shares	Certificates over Debentures	Structured Products
	<p>(a) the Prospectus complies with the requirements in Part 2 of the Law and chapter 2 of the Rules;</p> <p>(b) sets out the details of the Persons responsible for the Prospectus pursuant to section 2.10, and in particular:</p> <p>(i) where a Person responsible is a natural person, indicates the name and function of that Person; and</p> <p>(ii) where a Person responsible is a Body Corporate or other legal person, indicates the name and registered office of that Person; and</p> <p>(c) includes a declaration, from each Person responsible for the Prospectus, or for certain parts of it, pursuant to section 2.10, that having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.</p>							
<b>9.2</b>	<p><b>Signing of the prospectus by directors of the issuer</b></p> <p>The date on which the Prospectus was signed by the Directors of the issuer.</p>	✓	✓	✓	✓	✓	✓	✓
<b>9.3</b>	<p><b>Expert opinions included in a prospectus</b></p> <p>(a) If any Expert's opinion, statement or report ("report") is included in the Prospectus:</p> <p>(i) the name, business address and professional qualifications of the Expert responsible for the report and the date on which the Expert report was made or produced;</p>	✓	✓	✓	✓	✓	✓	✓



		<b>A1.1.1</b>						
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debentures	Warrants over Debentures	Shares over Certificates	Debentures over Certificates	Structured Products
	(ii) Information relating to any material interests of the Expert in the issuer such as any benefit or fees paid to the Expert by the issuer or a related company, positions held or to be held by the Expert in the issuer or a related company, investments held or to be held by the Expert in the issuer or a related company, fees and commissions paid or to be paid to the Expert or Persons associated with the Expert; and	✓	✓			✓		✓
	(iii) if the report has been produced at the issuer's request, a statement to that effect and that the report is included, in the form and context in which it is included, with the consent of the Expert.	✓	✓	✓	✓	✓	✓	✓
	(b) Where information has been sourced from an Expert or other third party, the source of such information and confirmation by the issuer that the information has been accurately produced and that as far as the issuer is aware and is able to ascertain from the information published by that Expert or third party, that no facts have been omitted which would render the reproduced information inaccurate or misleading.	✓	✓	✓	✓	✓	✓	✓
<b>9.4</b>	<b>Special categories of companies</b> If the issuer is a special category of company, such as a property, mineral, or scientific research company, or a start up company (a company with less than 3 year track record), a report by an Expert on the assets or rights owned by the issuer prepared at a date which shall be no later than three months before the date of the Prospectus.	✓	✓			✓		✓
<b>10.</b>	<b>DOCUMENTS ON DISPLAY</b>							
<b>10.1</b>	<b>Documents for inspection</b>  A statement that the following documents, in original or copy form, where applicable, may be inspected:	✓	✓	✓	✓	✓	✓	✓

		<b>A1.1.1</b>						
	<b>CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT</b>	Shares	Warrants over Shares	Debt securities	Warrants over Debt securities	Certificates over Shares	Certificates over Debt securities	Structured Products
	(a) the constitution of the issuer; (b) the historical financial information of the issuer; and (c) any information produced by an expert at the issuer's request, any part of which is included or referred to in the Registration Statement.							
<b>10.2</b>	<b>Details</b>  The details of how the documents referred to in 10.1 may be inspected.	✓	✓	✓	✓	✓	✓	✓

## A1.2 Securities note

**A.1.2.1** This table forms part of Rule 2.5.1(3)(c).

- A.1.2.2** (1) The reference to an “issuer” in this App1 is a reference to the Person offering Securities under the Prospectus as specified in Rule 1.1.1 (2)(a) and (b).
- (2) An issuer must include the specified information in relation to the Securities identified with a “✓” in this table which are the subject of the relevant Prospectus.
- (3) If an asterisk is used when identifying a Security, the requirement to provide the item of information for that Security is qualified as specified in the relevant item.

<b>A1.2.1</b>							
<b>CONTENTS OF PROSPECTUS – SECURITIES NOTE</b>						Structured Products	Certificates over Debentures
						Certificates over Shares	Warrants over Debentures
						Warrants over Shares	Debtentures
						Shares	Warrants over shares
<b>1</b>	<b>KEY INFORMATION</b>						
<b>1.1</b>	<b>Risk factors</b>						✓
	Prominent disclosure of risks factors material to the Securities being offered and/or admitted to trading in order for investors to assess the risks associated with investing in the Securities, which must be disclosed prominently in a separate section headed “Risk Factors” and include the following information:						✓
	(a) the nature of the risks involved in investing in the Securities:						✓
	(b) any material risks associated with investing in the issuer;						✓
	(c) any risks associated with the assets to be acquired using the proceeds of the offer;						✓

<b>A1.2.1</b>							
	<b>CONTENTS OF PROSPECTUS – SECURITIES NOTE</b>	Shares	Warrants over shares	Debtentures	Warrants over Debtentures	Certificates over Shares	Structured Products
	<p>(d) the effect that the material risks may have on the Issuer including how the risk could affect the business, operating results and financial condition of the Issuer;</p> <p>(e) any steps proposed by the Issuer to mitigate or manage the risks;</p> <p>(f) general and specific risks relating to the industry or jurisdiction in which the Issuer operates; and</p> <p>(g) any other material risks that are not included in the above.</p>						
<b>1.2</b>	<p><b>Reasons for the offer</b></p> <p>Reasons for the offer and, where applicable:</p> <p>(a) the estimated net amount of the proceeds broken into each principal intended use and presented by order of priority of such uses;</p> <p>(b) if the issuer is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, statement about the amount and sources of other funds needed; and</p>	✓	✓	*✓		✓	✓
	<p>(c) details with regard to the use of the proceeds, in particular when they are being used to acquire assets, other than in the ordinary course of business, to finance announced acquisitions of other businesses, or to discharge, reduce or retire indebtedness of the issuer.</p> <p>*The information in 1.2 (a) and (b) is not required to be included for Debtentures that have a denomination of US \$100,000 or more per Security.</p>	✓	✓			✓	✓

<b>A1.2.1</b>							
	<b>CONTENTS OF PROSPECTUS – SECURITIES NOTE</b>	Shares	Warrants over shares	Debentures	Warrants over Debentures	Certificates over Shares	Structured Products
<b>1.3</b>	<b>Financial condition</b>  To the extent not included in the Registration Statement, a description of the issuer's financial condition, changes in financial condition and results of operations for each year and interim period, for which historical information is required, including causes of any material changes from year to year in the financial information to the extent necessary for an understanding of the issuer's business as a whole.	✓	✓			✓	✓
<b>1.4</b>	<b>Working capital statement</b>  A statement by the Directors of the Issuer that in their opinion the working capital is sufficient for the Issuer's present requirements, or, if not how it proposes to provide the additional working capital needed.	✓	✓			✓	✓
<b>1.5</b>	<b>Creditworthiness of the issuer</b>  (a) Sufficient information to enable an investor to form an opinion concerning the creditworthiness of the issuer such as:  (i) earnings coverage ratio;  (ii) any relevant credit ratings; and  (iii) any other risk factors that may affect the Issuer's ability to fulfil its obligations under the Securities to investors.			✓	✓		✓
	(b) A statement of capitalization and indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness), including indirect and contingent indebtedness, as of a date no earlier than 90 days prior to the date of the Securities Note.	✓	✓			✓	✓

<b>A1.2.1</b>							
<b>CONTENTS OF PROSPECTUS – SECURITIES NOTE</b>		Shares	Warrants over shares	Debentures	Warrants over Debentures	Certificates over Shares	Structured Products
<b>1.6</b>	<b>Guarantees</b>	✓	✓	✓	✓	✓	✓
	(a) Information about any bank or other guarantees attaching to the Securities and intended to underwrite the issuer's obligations including the details relating to: <ul style="list-style-type: none"> <li>(i) any conditionality on the application of the guarantee in the event of any default under the terms of the Security; and</li> <li>(ii) any power of the guarantor to veto changes to the Security holders' rights.</li> </ul>						
	(b) Disclosure by the guarantor of the information about itself as if it were the issuer of the same type of Security that is the subject of the guarantee.						
<b>2</b>	<b>INFORMATION RELATING TO THE SECURITIES OFFERED/ADMITTED TO TRADING</b>						
<b>2.1</b>	<b>General information relating to Securities</b>						
	(a) A description of the type and class of the Securities being offered and/or admitted trading, including any identification number (ISIN) or code applicable to the Securities.	✓	✓	✓	✓	✓	✓
	(b) An indication whether the Securities are in certificated form or book-entry form and if it is the latter, the name and address of the entity maintaining the records.	✓	✓	✓	✓	✓	✓
	(c) A summary of any restrictions relating to transferability of the Securities, the arrangements for settlement of transfers and any limitations of those rights and procedures for the exercise of such rights, including those specified in 2.2 and 2.3.	✓	✓	✓	✓	✓	✓
	(d) Any legislation under which the Securities have been created.	✓	✓	✓	✓	✓	✓

		<b>A1.2.1</b>						
	<b>CONTENTS OF PROSPECTUS – SECURITIES NOTE</b>	Shares	Warrants over shares	Debentures	Warrants over Debentures	Certificates over Shares	Certificates over Debentures	Structured Products
	(e) The currency of the Securities issue.	✓	✓	✓	✓	✓	✓	✓
	(f) The ranking of the Securities being admitted to trading, including summaries of any clauses that are intended to affect ranking or subordinate the Security to any present or future liabilities of the issuer.			✓	✓		✓	
	(g) The maturity date and arrangements for the amortisation of the Debenture, including the repayment procedures. Where advance amortisation is contemplated, on the initiative of the issuer or of the holder, it must be described, stipulating amortisation terms and conditions.			✓	✓		✓	
	(h) Information regarding representation of Debenture holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of where investors may have access to the contracts relating to these forms of representation.			✓	✓		✓	
<b>2.2</b>	<b>Dividends</b>  Information relating to dividend rights including:  (a) a description of the Issuer's policy on dividend distributions and any restrictions thereon;  (b) the amount of the dividend per Security, or underlying Security if applicable, for each financial year for the period covered by the historical financial information, adjusted where the number of Securities, or underlying Securities if applicable, in the Issuer has changed, to make it comparable;  (c) fixed date(s) on which the dividend entitlement arises;	✓	✓			✓		✓

<b>A1.2.1</b>							
	<b>CONTENTS OF PROSPECTUS – SECURITIES NOTE</b>	Shares	Warrants over shares	Debentures	Warrants over Debentures	Certificates over Shares	Structured Products
	<p>(d) if relevant, time limit after which entitlement to dividend lapses and an indication of the Person in whose favour the lapse operates;</p> <p>(e) any dividend restrictions; and</p> <p>(f) the rate of dividend or method of its calculation, periodicity and cumulative or non-cumulative nature of payments.</p>						
<b>2.3</b>	<p><b>Interest Rate and Yield</b></p> <p>(a) Where there is a nominal rate of interest or rate of return and provisions relating to rate of interest or rate of return payable, information including:</p> <p>(i) the date from which rate of interest or rate of return becomes payable and the due dates for rate of interest or rate of return; and</p> <p>(ii) the time limit on the validity of claims to rate of interest or rate of return and repayment of principal.</p> <p>(b) Where the rate is not fixed, information including:</p> <p>(i) a description of the underlying on which it is based and of the method used to relate the two;</p> <p>(ii) a description of any market disruption or settlement disruption events that affect the underlying;</p> <p>(iii) adjustment rules with relation to events concerning the underlying; and</p>			✓	✓		✓



<b>A1.2.1</b>							
	<b>CONTENTS OF PROSPECTUS – SECURITIES NOTE</b>	Shares	Warrants over shares	Debentures	Warrants over Debentures	Certificates over Shares	Structured Products
	(iv) the name of the calculation agent.						
	(c) An indication of yield.						
<b>2.4</b>	<b>Other rights</b>						
	Information relating to other rights including:						
	(a) voting rights;	✓	✓			✓	✓
	(b) pre-emption rights in relation to offers for subscription of Securities of the same class;	✓	✓			✓	✓
	(c) right to share in the issuer's profits;	✓	✓			✓	✓
	(d) rights to share in any surplus in the event of liquidation of the Issuer;	✓	✓			✓	✓
	(e) redemption rights, if any; and	✓	✓	✓	✓	✓	✓
	(f) conversion rights, if any.	✓	✓			✓	✓
<b>3</b>	<b>TERMS AND CONDITIONS OF THE OFFER</b>						
<b>3.1</b>	<b>Terms and conditions of the offer</b>						
	The terms and conditions of the offer including:						
	(a) the number of Securities offered;	✓	✓	✓	✓	✓	✓

<b>A1.2.1</b>							
<b>CONTENTS OF PROSPECTUS – SECURITIES NOTE</b>		Shares	Warrants over shares	Debentures	Warrants over Debentures	Certificates over Shares	Structured Products
(b)	the price or price range of the Securities;	✓	✓	* ✓		✓	✓
(c)	the identity of the seller of the Securities where the Person making the Prospectus Offer is not the issuer;	✓	✓			✓	✓
(d)	the various categories of potential investors to which the Securities are offered. If the offer is being made simultaneously in two or more markets, and if a tranche has been or is being reserved for certain of these, indicate any such tranche and the category of investors for whom it is offered;	✓	✓	* ✓		✓	✓
(e)	a description of any material interests and conflict of interests relating the affairs of the issuer, detailing the Persons involved and the nature of such interests;	✓	✓	✓	✓	✓	✓
(f)	the Offer Period, including the opening and closing dates;	✓	✓	* ✓		✓	✓
(g)	the manner of allocation of Securities to applicants including the manner in which Securities are allotted in the event of over subscription;	✓	✓			✓	✓
(h)	proposed date for allotment of Securities;	✓	✓	✓	✓	✓	✓
(i)	where the Securities to be offered confer the right to subscribe for new Securities by existing holders of Securities in the issuer, details of such rights, including a statement of the maximum number of Securities which would be created if the rights were exercised in full;	✓	✓			✓	✓
(j)	the effect the issuance of the Securities will have on the capital structure of the Issuer;	✓	✓			✓	✓
(k)	particulars of any commissions or other fees to be paid by the issuer in relation to the offer;	✓	✓			✓	✓

<b>A1.2.1</b>							
<b>CONTENTS OF PROSPECTUS – SECURITIES NOTE</b>		Shares	Warrants over shares	Debentures	Warrants over Debentures	Certificates over Shares	Structured Products
(l)	all relevant details of the appointment of an underwriter on a firm commitment basis, including the nature of the obligations of the underwriter, quotas, plan of distribution, commission and, if a portion of the offer is not covered, a statement of the portion not covered;	✓	✓	*✓		✓	✓
(m)	all relevant details of the appointment of placing agents appointed on a 'without a firm commitment' basis or under a "best efforts" arrangement, including quotas and placing commission;	✓	✓	*✓		✓	✓
(n)	details of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment;	✓	✓			✓	✓
(o)	methods of payment for the Securities, particularly as regards the paying up of Securities which are not fully paid or are payable by instalments;	✓	✓	*✓		✓	✓
(p)	in the event of the offer not proceeding, the details of the procedure and means under which the money obtained from applicants will be returned;	✓	✓			✓	✓
(q)	process for notification to applicants of the amount of Securities allotted and indication whether dealing may begin before notification is made;	✓	✓	*✓		✓	✓
(r)	provided applicants are allowed to withdraw their subscription, an indication of the period during which an application may be withdrawn;	✓	✓			✓	✓
(s)	in the case of new Securities, a statement of the resolutions, authorisations and approvals by virtue of which the Securities have been or will be created and/or issued;	✓	✓	✓	✓	✓	✓

<b>A1.2.1</b>							
<b>CONTENTS OF PROSPECTUS – SECURITIES NOTE</b>		Shares	Warrants over shares	Debentures	Warrants over Debentures	Certificates over Shares	Structured Products
(t)	the details of any Convertible, including an indication of the conditions governing the procedures for conversion, exchange or subscription;	✓	✓			✓	✓
(u)	the procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised;	✓	✓	*✓		✓	✓
(v)	if advisors to the issuer are connected with the offer, a statement of the professional or other capacity in which such advisors have acted; and	✓	✓	✓	✓	✓	✓
(w)	the name and address of any paying agents and depository agents in each country.	✓	✓	✓	✓	✓	✓
*The information in 3.1(b),(d),(f),(l),(m),(o),(q), and (u) is not required to be included for Debentures that have a denomination of US \$100,000 or more per Security.							
<b>3.2</b>	<b>Plan of distribution and allotment</b>	✓	✓			✓	✓
(a)	Pre-allotment disclosure relating to:						
(i)	the division into tranches of the offer including institutional, retail and Issuer's employee tranches and any other tranches;						
(ii)	the conditions under which a claw-back right may be used, the maximum size of such claw-back and any applicable minimum percentages for individual tranches;						
(iii)	the allotment method or methods to be used for the retail and Issuer's employee tranche in the event of an over subscription of these tranches;						
(iv)	a description of any pre-determined preferential treatment to be accorded to certain classes of investors or certain affinity groups (including friends and family						

<b>A1.2.1</b>							
<b>CONTENTS OF PROSPECTUS – SECURITIES NOTE</b>		Shares	Warrants over shares	Debentures	Warrants over Debentures	Certificates over Shares	Structured Products
<p>programmes) in the allotment, the percentage of the offer reserved for such preferential treatment and the criteria for inclusion in such classes or groups;</p> <p>(v) whether the treatment of subscriptions or bids to subscribe in the allotment may be determined on the basis of which intermediary firm they are made through or by a target minimum individual allotment if any within the retail tranche;</p> <p>(vi) the conditions for the closing of the offer before the end of the Offer Period as well as the date on which the offer may be closed at the earliest; and</p> <p>(vii) whether or not multiple subscriptions are admitted, and where they are not, how any multiple subscriptions will be handled.</p> <p>(b) The details of any over-allotment option, including existence and size of the over-allotment option, the period in which the over-allotment option may be exercised and any conditions on exercising such option.</p>							
<b>3.3</b>	<p><b>Price stabilisation</b></p> <p>The information required to be disclosed to the market pursuant to the Price Stabilisation Module of the DFSA Rulebook.</p>	✓	✓	✓	✓	✓	✓
<b>4</b>	<b>OTHER INFORMATION</b>						
<b>4.1</b>	<p><b>Audit and source of information including use of expert reports</b></p> <p>(a) Where information has been included in the Securities Note which has been audited or reviewed by auditors and where auditors have produced a report, reproduction of the report or, with permission of the DFSA, a summary of the report.</p>	✓	✓	✓	✓	✓	✓

<b>A1.2.1</b>							
	<b>CONTENTS OF PROSPECTUS – SECURITIES NOTE</b>	Shares	Warrants over shares	Debentures	Warrants over Debentures	Certificates over Shares	Structured Products
	<p>(b) Where information has been sourced from a third party, details of the identify of the source of the information along with a confirmation that the information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.</p> <p>(c) Where a statement or report attributed to a Person as an Expert is included in the Securities Note:</p> <p>(i) the name, business address, qualifications and any material interest such a Person has in the Issuer; and</p> <p>(ii) if the report has been produced at the Issuer's request, a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of the Expert who has authorised the contents of that part of the Securities Note.</p>						
<b>4.2</b>	<p><b>Dilution</b></p> <p>Information relating to dilution including:</p> <p>(a) the amount and percentage of immediate dilution resulting from the offer; and</p> <p>(b) in the case of a offer to existing equity holders, the amount and percentage of immediate dilution if they do not subscribe to the new offer.</p>	✓	✓			✓	✓
<b>4.3</b>	<p><b>Takeovers</b></p> <p>Information relating to any Takeovers including:</p> <p>(a) the existence of any mandatory Takeover bids and/or squeeze-out, sellout, or poison pill</p>	✓	✓			✓	✓

<b>A1.2.1</b>							
	<b>CONTENTS OF PROSPECTUS – SECURITIES NOTE</b>	Shares	Warrants over shares	Debentures	Warrants over Debentures	Certificates over Shares	Structured Products
	requirements in relation to the Securities; and  (b) any public Takeover bids by third parties in respect of the Issuer's equity, which have occurred during the last financial year and the current financial year, including the price or exchange terms attaching to such offers and the outcome thereof.						
<b>4.4</b>	<b>Investments by controllers and any lock-up arrangements</b>  (a) Information, if available to the issuer, whether:  (i) Directors, controllers or the senior management of the issuer intends to subscribe to the offer; and  (ii) any other Person intends to subscribe for more than 5% cent of the offer.  (b) The details of any lock-up arrangements relating to Persons exercising senior management functions of the issuer, including the Persons subject to such lock-up and the procedures involved and the period of the lock up.  (c) Information about whether there is or could be a material disparity between the price of the Securities offered pursuant to the offer and the effective cash cost to Directors and the senior management of the issuer (Related Persons) of the Securities acquired by such Persons in transactions during the past year or which such Persons have the right to acquire, and if so, a comparison of the cost to the public and Related Persons in their acquisition of Securities.	✓	✓			✓	✓
<b>5</b>	<b>ADMISSION TO TRADING</b>						
<b>5.1</b>	<b>Details of admission to trading</b>	✓	✓	✓	✓	✓	✓

A1.2.1								
CONTENTS OF PROSPECTUS – SECURITIES NOTE		Shares	Warrants over shares	Debentures	Warrants over Debentures	Certificates over Shares	Certificates over Debentures	Structured Products
	(a) The proposed dates for:  (i) admission to an Official List of Securities; and  (ii) admission to trading on an Authorised Market Institution;  (iii) admission to listing or trading by a Financial Service Regulator or Regulated Exchange; and  (iv) any other such comparable event in respect of the Securities.							
	(b) The actual dates on which:  (i) the Securities were admitted to an Official List of Securities;  (ii) the Securities were admitted to trading on an Authorised Market Institution;  (iii) the Securities were listed or admitted to trading by a Financial Services Regulator or Regulated Exchange; and  (iv) any other such comparable event took place in respect of the Securities.	✓	✓	✓	✓	✓	✓	✓
	(c) An estimate of the total expenses related to the admission to trading			✓	✓		✓	
6 INFORMATION RELATING TO CERTAIN CLASSES OF SECURITIES								
6.1	Certificates and structured products					✓	✓	✓



<b>A1.2.1</b>							
<b>CONTENTS OF PROSPECTUS – SECURITIES NOTE</b>		Shares	Warrants over shares	Debentures	Warrants over Debentures	Certificates over Shares	Structured Products
Information about:							
(a) the legislation under which the Certificates or Structured Products and the underlying Securities or assets have been created and of the courts of competent jurisdiction in the event of litigation including details of the consequences in event of default occurring in respect of the underlying Securities;							
(b) in the case of Structured Products, a statement setting out the type of the underlying factors to which the Structured Product is referenced and details of where information on the underlying factor can be obtained;							
(c) whether it is possible to obtain a conversion of the Certificates or Structured Products into the underlying Securities or assets, and if so, the procedure for such conversion, and commission and costs involved with such a conversion;							
(d) the provisions relating to the rights attaching and benefits attaching to the underlying Securities, including:							
(i) any voting rights and the conditions on which the issuer of the Certificates or Structured Products may exercise the voting rights and measures envisaged to obtain the instructions of the Certificate or Structured Product holders; and							
(ii) any right to participate in profits and any liquidation surplus;							
(e) the names and addresses of the paying agents and trustees and fiscal agents in relation to the creation of the Certificate or Structured Product;							
(f) the amount of the commissions and costs to be borne by the Certificate or Structured							

<b>A1.2.1</b>							
<b>CONTENTS OF PROSPECTUS – SECURITIES NOTE</b>		Shares	Warrants over shares	Debentures	Warrants over Debentures	Certificates over Shares	Structured Products
<p>Product holders in connection with the payment of coupons or other income and the creation of additional certificates;</p> <p>(g) the name and credit rating of the ultimate underwriter or obligor(s) against whom the Security holder faces credit risk in relation to the Certificate or Structured Product;</p> <p>(h) a description of the tax arrangements with regard to any taxes and charges to be borne by the Certificate or Structured Product holders and levied in the jurisdictions where the Certificates or Structured Products are issued;</p> <p>(i) a statement confirming that under the laws governing the issuer's activities the underlying Securities or assets would not form part of the Issuer's assets in the event of bankruptcy or insolvency of the issuer and that there is no credit risk to the Issuer attaching to the Certificates or Structured Products; and</p> <p>(j) the names of banks with which the main accounts relating to the underlying Securities or assets are held.</p>							
<b>7</b>	<b>ASSET BACKED SECURITIES</b>						
<b>7.1</b>	<p>If the Securities or the underlying Securities are asset backed, describe all the material attributes of the asset backed Securities, including:</p> <p>(a) information about the assets backing the Securities including:</p> <p>(i) where the assets are equity Securities that are admitted to trading on an exchange, a description of the Securities, a description of the market in which the Securities</p>	✓		✓		✓	✓

<b>A1.2.1</b>							
<b>CONTENTS OF PROSPECTUS – SECURITIES NOTE</b>		Shares	Warrants over shares	Debentures	Warrants over Debentures	Certificates over Shares	Structured Products
	<p>are traded and the frequency with which prices of the relevant Securities are published;</p> <p>(ii) where the assets contain a material proportion of equity Securities that are not traded on exchange, a description of the equity Securities including the type of information required to be disclosed in a Prospectus if the equity Securities were Shares;</p> <p>(iii) where the assets comprise obligations that are not traded on an exchange, a description of the principal terms and conditions of the obligations;</p> <p>(iv) where a material proportion of the assets are secured on or backed by real property, a valuation report relating to the property setting out both the valuation of the property and cash flow/income stream;</p> <p>(v) where the assets backing the Security are part of an actively managed pool of assets, the parameters within which investments can be made, details of the entity responsible for such management, terms of such entity's appointment, termination of appointment, and a description its relationship with any other parties to the issue of the Securities; and</p> <p>(vi) any rights to substitute the assets and a description of the manner in which and the type of assets which may be so substituted, and, if there is any capacity to substitute assets with a different class or quality of assets, a statement to that effect together with a description of the impact of such substitution;</p> <p>(b) information about the structure of the transaction and the rate of return including:</p> <p>(i) a description of the structure of the transaction;</p>						

<b>A1.2.1</b>							
<b>CONTENTS OF PROSPECTUS – SECURITIES NOTE</b>		Shares	Warrants over shares	Debentures	Warrants over Debentures	Certificates over Shares	Structured Products
<ul style="list-style-type: none"> <li>(ii) details of the entities participating in the issue and description of the functions to be performed by them;</li> <li>(iii) a description of the method and date of the sale, transfer, novation or assignment of the assets or of any rights and/or obligations in the assets to the issuer or, where applicable, the manner and time period in which the proceeds from the issue will be fully invested by the issuer;</li> <li>(iv) the rate of interest or stipulated yield and any premium;</li> <li>(v) the date of repayment of the principal capital and return on that capital;</li> <li>(vi) how the cash flow from the assets will meet the issuer's obligations to holders of the Securities and how payments are collected in respect of the assets; and</li> <li>(vii) where the return on, and or repayment of the Security is linked to the performance or credit of other assets which are not assets of the issuer, information as set out in paragraph (a) regarding the assets backing the Security, if necessary;</li> </ul>							
<ul style="list-style-type: none"> <li>(c) information about the obligors including:               <ul style="list-style-type: none"> <li>(i) where there is a large number of obligors, a general description of the obligors; and</li> <li>(ii) where there are only a small number of obligors, a description of each obligor;</li> </ul> </li> <li>(d) information about:               <ul style="list-style-type: none"> <li>(i) the terms and conditions for the issuance of any additional Securities or any restrictions on the issuance of additional Securities; and</li> </ul> </li> </ul>							

<b>A1.2.1</b>							
<b>CONTENTS OF PROSPECTUS – SECURITIES NOTE</b>						Structured Products	Certificates over Debentures
		Shares	Warrants over shares	Debentures	Warrants over Debentures	Certificates over Shares	
<p>(ii) where the issuer proposes to issue further Securities backed by the same assets, a prominent statement to that effect, and unless those further Securities are fungible with, or are subordinated to, those classes of existing debt, a description of how the holders of that class Securities will be informed;</p> <p>(e) the nature, order and priority of the entitlements of holders of the Securities;</p> <p>(f) details of arrangements or other matters that may impact repayment of the principal capital or return on that capital to the holders of the Securities, including:</p> <p>(i) a description of any relevant insurance policies relating to the assets backing the Securities;</p> <p>(ii) a global overview of the parties to the arrangement in the securitisation programme including information on the direct or indirect ownership of control between those parties;</p> <p>(iii) if a relationship exists that is material to the issue of the Securities between the Issuer, guarantor and the obligor and details of the principal terms of that relationship;</p> <p>(iv) if the assets backing the Securities include loans and credit agreements, the principal lending criteria and an indication of any loans which do not meet these criteria and any rights or obligations to make further advances;</p> <p>(v) an indication of significant representations and collaterals given to the issuer relating to the assets;</p>							

<b>A1.2.1</b>							
<b>CONTENTS OF PROSPECTUS – SECURITIES NOTE</b>		Shares	Warrants over shares	Debentures	Warrants over Debentures	Certificates over Shares	Structured Products
(vi) information on any credit enhancements, an indication of where material potential liquidity shortfalls may occur and the availability of any liquidity supports and indication of provisions designed to cover interest/principal shortfalls;  (vii) name and addresses and a brief description of any swap counterparties and other providers of other material forms of credit/liquidity enhancement;  (viii) details of any subordinated debt finance; and  (ix) an indication of any investment parameters for the investment of temporary liquidity surpluses and description of the parties responsible for such investment;  (g) statements by the issuer confirming that the assets backing the Security have characteristics that demonstrate capacity to produce funds to service any payments due and payable of the Securities; and  (h) a statement whether or not post issuance transaction information regarding the Securities to be admitted and the performance of the underlying assets will be reported. If it is to be reported, disclosure of where such information will be reported, where such information can be obtained, and the frequency with which such information will be reported.							

## APP 2 MARKET DISCLOSURE

**A.2.1.1** This table forms part of Rule 4.6.1.

**A.2.1.2** A Reporting Entity other than a Listed Fund must, on the occurrence of an event specified in column 1, make the required disclosure detailed in column 2, within the time specified in column 3, in respect of the Securities identified with a “✓” in column 4, of this Table.

See App3 for disclosure required for Listed Funds.

<b>A2.1.1</b>										
	<b>EVENT GIVING RISE TO DISCLOSURE OBLIGATION</b>	<b>DISCLOSURE REQUIRED</b>	<b>TIME OF DISCLOSURE</b>	Shares	Warrants / Options over Shares	Debentures	Warrants / Options over Debentures	Certificates over Shares	Certificates over Debentures	Structured Products
<b>1.</b>	<b>INSIDE INFORMATION</b>									
<b>1.1</b>	Inside Information as set out in section 4.2.	Market disclosure of the Inside Information, unless the disclosure exception under Rule 4.2.4 applies.	As soon as possible.	✓	✓	✓	✓	✓	✓	✓
<b>2.</b>	<b>GOVERNANCE OF THE REPORTING ENTITY</b>									
<b>2.1</b>	Compliance with the Corporate Governance Principles.	Market disclosure in the annual report of the matters set out in Rule 3.2.10.	In accordance with Rule 5.1.8(2)(a)	✓						

<b>A2.1.1</b>											
	<b>EVENT GIVING RISE TO DISCLOSURE OBLIGATION</b>	<b>DISCLOSURE REQUIRED</b>	<b>TIME OF DISCLOSURE</b>	Shares	Warrants / Options over Shares	Debentures	Warrants / Options over Debentures	Certificates over Shares	Debentures over	Certificates over	Structured Products
<b>2.2</b>	Any change to the Board of the Reporting Entity including:  (a) the appointment of a new Director;  (b) the resignation, retirement or removal of an existing Director; and  (c) changes to any important functions or executive responsibilities of a Director.	Market disclosure of:  (a) the effective date of the change (if it has been decided);  (b) whether the position is executive or non-executive;  (c) whether the position is considered to be independent; and  (d) the nature of any functions or responsibility of the position.	As soon as possible.	✓	✓			✓			
<b>2.3</b>	In the case of an appointment of a new Director.	Market disclosure of:  (a) all directorships past or present held by the Director in any other Body Corporate in the previous five years;  (b) the experience of the Director;  (c) details of the process by which the Director was selected;  (d) any unspent convictions relating to serious criminal offences;	Within 7 days of the appointment.	✓	✓			✓			



<b>A2.1.1</b>											
	<b>EVENT GIVING RISE TO DISCLOSURE OBLIGATION</b>	<b>DISCLOSURE REQUIRED</b>	<b>TIME OF DISCLOSURE</b>	Shares	Warrants / Options over Shares	Debentures	Warrants / Options over Debentures	Certificates over Shares	Debentures	Certificates over	Structured Products
		<p>(e) any bankruptcies or individual voluntary arrangements of the Director;</p> <p>(f) any compulsory liquidations, creditors voluntary liquidations, company voluntary arrangements, receivership or any composition or arrangement with creditors generally or any class of creditors of any Body Corporate where such an individual was the Director at the time of or within the 12 months preceding the occurrence of such events; and</p> <p>(g) any public criticism or disqualification of the individual by a governmental or regulatory authority and whether the individual has ever been disqualified by a court from acting as a Director of a Body Corporate or from acting in the management or conduct of the affairs of any Body Corporate or, if there are no such details to be disclosed, that fact.</p>									

<b>A2.1.1</b>										
	<b>EVENT GIVING RISE TO DISCLOSURE OBLIGATION</b>	<b>DISCLOSURE REQUIRED</b>	<b>TIME OF DISCLOSURE</b>	Shares	Warrants / Options over Shares	Debentures	Warrants / Options over Shares	Certificates over Shares	Debentures	Structured Products
<b>2.4</b>	Any event that requires shareholder approval as set out in Rule 3.3.8.	Market disclosure of:  (a) the nature, details, contents and effect of the relevant event;  (b) any material change affecting any matter contained in an earlier disclosure.	As soon as possible.	✓	✓			✓		
<b>2.5</b>	Any resolution passed by the Directors of the Reporting Entity other than a resolution concerning ordinary business of the Reporting Entity.	Market disclosure of the resolution.	As soon as possible.	✓	✓			✓		✓
<b>3. BUSINESS OF THE REPORTING ENTITY</b>										
<b>3.1</b>	Transactions undertaken which could result in:  (a) any significant investment (i.e. any investments equal to or greater than 5% of the value of the net assets of the Reporting Entity as per its most recent financial reports) or material change to such a significant investment outside the ordinary course of business of the Reporting Entity; or  (b) the incurring of any significant debt (being a	Market disclosure relating to:  (a) any decision to enter into such a transaction;  (b) any material change or new matter affecting any matter contained in an earlier disclosure; and  (c) a full description of the event, activity or transaction proposed or	As soon as possible.	✓	✓			✓		✓

<b>A2.1.1</b>										
	<b>EVENT GIVING RISE TO DISCLOSURE OBLIGATION</b>	<b>DISCLOSURE REQUIRED</b>	<b>TIME OF DISCLOSURE</b>	Shares	Shares over Warrants / Options	Debentures	Warrants / Options over Debentures	Certificates over Shares	Debentures over Certificates	Structured Products
	debt with an amount equal to or greater than 5% of the value of the net assets of the Reporting Entity as per its most recent financial reports) outside the usual and ordinary course of business of the Reporting Entity.	effected, as the case may be.								
<b>4. DISCLOSURES RELATING TO SECURITIES OF THE ISSUER</b>										
<b>4.1</b>	Any decision:  (a) to declare, recommend or pay any dividend or to make any other distribution on the Securities; or  (b) not to declare, recommend or pay any dividend which would otherwise have been expected to have been declared, recommended or paid in the normal course of events.	Market disclosure of the decision, including the rate and amount of and record date for the dividend or other distribution or the grounds for the decision in relation to non-payment.	As soon as possible and in any event within 5 days prior to the record date or the date of expected distribution.	✓	✓	✓	✓	✓	✓	✓
<b>4.2</b>	Admission to listing or trading of the same class of Securities on a Regulated Exchange.	Market disclosure of all the relevant details relating to the admission to listing or trading.	As soon as possible.	✓	✓	✓	✓	✓	✓	✓
<b>4.3</b>	Any other disclosure required to be made pursuant to the requirements in the Regulated Exchange arising from the listing or trading of the same class of Securities on that exchange where such disclosure is not made in the DIFC.	Market disclosure of the information required to be disclosed to the Regulated Exchange.	As soon as such disclosure is made on the Regulated Exchange.	✓	✓	✓	✓	✓	✓	✓

<b>A2.1.1</b>											
	<b>EVENT GIVING RISE TO DISCLOSURE OBLIGATION</b>	<b>DISCLOSURE REQUIRED</b>	<b>TIME OF DISCLOSURE</b>	Shares	Options over Shares	Warrants / Debentures	Warrants / Options over Debentures	Certificates over Shares	Certificates over Debentures	Structured Products	
<b>4.4</b>	Any change of custodian or depository in relation to Certificates representing shares and debentures.	Market disclosure of the new custodian or depository and any implication/effect of this change.	As soon as possible.					✓	✓		
<b>4.5</b>	The Listed Entity ceases to be a SME.	Market disclosure of the fact that the Listed Entity is no longer a SME, the reasons for that change and the effective date of the change.	As soon as possible.	✓							
<b>5. DISCLOSURE OF INTERESTS</b>											
<b>5.1</b>	The requirement to file a report of interests held by a Connected Person pursuant to Article 42(1).	Market disclosure of the information set out in Rule 4.3.4.	As soon as possible.	✓	✓	✓	✓	✓	✓		
<b>5.2</b>	The requirement to give a notice of a Director's material interests pursuant to Article 43 of the Law.	Market disclosure of the information set out in Rule 4.4.3 (3).	As soon as possible.	✓	✓	✓	✓	✓	✓		
<b>6. FINANCIAL INFORMATION ABOUT THE REPORTING ENTITY</b>											
<b>6.1</b>	The requirement to file an annual financial report pursuant to Article 44 of the Law.	Market disclosure of the report prepared in accordance with the requirements in Rule 5.1.4, 5.1.5 and 5.1.6.	In accordance with Rule 5.1.8(2)(a).	✓	✓	✓	✓	✓	✓		
<b>6.2</b>	The requirement to file a semi-annual financial report pursuant to Article 45(1)(a) of the Law.	Market disclosure of the report prepared in accordance with the relevant requirements set out in Rule 5.1.6.	In accordance with Rule 5.1.8(2)(b).	✓	✓			✓			
<b>6.3</b>	The requirement to file preliminary financial results pursuant to Article 45(1)(b) of the Law.	Market disclosure of the preliminary financial results.	In accordance with Rule 5.1.8(2)(c).	✓	✓			✓			

<b>A2.1.1</b>										
	<b>EVENT GIVING RISE TO DISCLOSURE OBLIGATION</b>	<b>DISCLOSURE REQUIRED</b>	<b>TIME OF DISCLOSURE</b>	Shares	Options over Shares	Warrants / Debentures	Warrants / Options over Debentures	Certificates over Shares	Certificates over Debentures	Structured Products
<b>6.4</b>	Any change to the accounting reference date.	Market disclosure of the previous and new accounting reference date, and reasons for the change.	As soon possible.	✓	✓	✓	✓	✓	✓	
<b>6.5</b>	Change of accounting date extending the annual accounting period to more than 14 months.	Market disclosure of a second semi-annual financial report.	Within 6 months of the old accounting reference date.	✓	✓	✓	✓	✓	✓	
<b>7. MATTERS RELATING TO THE CAPITAL OF THE REPORTING ENTITY</b>										
<b>7.1</b>	Any proposed new issue of Securities.	Market disclosure of the class, number and proposed date of issue and details of the changes to the share capital resulting from the new issue proposed.	As soon as possible after the decision is made.	✓	✓	✓	✓	✓	✓	
<b>7.2</b>	Results of the new issue.	Market disclosure of the results of the issue including:  (a) the class, number and the actual date of the issue;  (b) consideration received; and  (c) details of changes in the share capital.	As soon as possible.	✓	✓	✓	✓	✓	✓	
<b>8. INSOLVENCY/WINDING UP OF THE REPORTING ENTITY</b>										
<b>8.1</b>	In the case of a insolvency/winding up:  (a) the presentation of any winding-up petition,	Market disclosure of the:  (a) time and date of the presentation,	As soon as possible.	✓	✓	✓	✓	✓	✓	✓

A2.1.1											
	EVENT GIVING RISE TO DISCLOSURE OBLIGATION	DISCLOSURE REQUIRED	TIME OF DISCLOSURE	Shares	Warrants / Options over Shares	Debentures	Warrants / Options over Debentures	Certificates over Shares	Debentures	Certificates over Debentures	Structured Products
	<p>the making of any winding-up order or the appointment of an administrator, liquidator or the commencement of any proceedings under any applicable insolvency laws in respect of the Reporting Entity or any member of its Group; or</p> <p>(b) the passing of any resolution by the Reporting Entity or any member of its Group that it be wound up by way of members' or creditors' voluntary winding-up, or the occurrence of any event or termination of any period of time which would cause a winding-up.</p>	<p>details of the order, appointment, resolution or other event;</p> <p>(b) identity of the petitioner or other Person at whose instigation the event occurs;</p> <p>(c) court or tribunal responsible for making any order; or</p> <p>(d) administrator or liquidator appointed,</p> <p>as is relevant.</p>									

## **APP 3 MARKET DISCLOSURE RELATING TO LISTED FUNDS**

**A.3.1.1** This table forms part of Rule 6.8.1 and Rule 9.7.8.

**A.3.1.2** A Reporting Entity of a Listed Fund must, on the occurrence of an event specified in column 1, make the required disclosure detailed in column 2, within the time specified in column 3.

**Note:** Unless otherwise indicated, the disclosure required relates to the operation and matters relating to the Listed Fund. The Reporting Entity of a Listed Fund must construe the items specified in the event column in an appropriate manner to achieve the fundamental purpose of making the required disclosure of information relating to the Listed Fund.

<b>APP3</b>			
	<b>EVENT GIVING RISE TO DISCLOSURE</b>	<b>DISCLOSURE REQUIREMENT</b>	<b>TIME OF DISCLOSURE</b>
<b>1.</b>	<b>INSIDE INFORMATION</b>		
1.1	Inside Information as set out in Rule 6.5.1 relating to the Listed Fund.	Market disclosure of the Inside Information, unless the disclosure exception under Rule 6.5.4 applies.	As soon as possible.
<b>2.</b>	<b>GOVERNANCE OF THE LISTED FUND AND THE REPORTING ENTITY</b>		
2.1.	Any change to the Governing Body of the Listed Fund including: <ul style="list-style-type: none"> <li>(a) the appointment of a new Director, Partner or other member of the Governing Body;</li> <li>(b) the resignation, retirement or removal of any Person referred to in (a); and</li> <li>(c) changes to any important functions or executive responsibilities of a Person referred to in (a).</li> </ul>	Market disclosure of: <ul style="list-style-type: none"> <li>(a) the effective date of the change (if it has been decided);</li> <li>(b) whether the position is executive or non-executive;</li> <li>(c) whether the position is considered to be independent; and</li> <li>(d) the nature of any functions or responsibility of the position.</li> </ul>	As soon as possible.

	<b>EVENT GIVING RISE TO DISCLOSURE</b>	<b>DISCLOSURE REQUIREMENT</b>	<b>TIME OF DISCLOSURE</b>
2.2.	Information in respect of a new Director, Partner or other member of the Governing Body.	<p>Market disclosure of:</p> <ul style="list-style-type: none"> <li>(a) all directorships or partnerships past or present held by the Director, Partner or other member of the Governing Body in any other Body Corporate or Partnership in the previous five years;</li> <li>(b) the experience of the Persons referred to in (a);</li> <li>(c) details of the process by which the Person referred to in (a) was selected;</li> <li>(d) any unspent convictions relating to serious financial crimes;</li> <li>(e) any bankruptcies or individual voluntary arrangements;</li> <li>(f) any compulsory liquidations, creditors voluntary liquidations, company voluntary arrangements, receivership or any composition or arrangement with its creditors generally or any class of its creditors of any issuer where such an individual was a Director or Partner at the time of appointment or within the 12 months preceding such events; and</li> <li>(g) any public criticisms or disqualifications of the individual by governmental or regulatory authorities and whether the individual has ever been disqualified by a court from acting as a Director of a Body Corporate, General Partner of a partnership or from acting in the management or conduct of the affairs of any Body Corporate or Listed Fund, if there are no such details to be disclosed, a statement to that effect.</li> </ul>	Within 7 days.
2.3	Any event that requires Unitholder approval under the Collective Investment Law 2010 and CIR Rules	Market disclosure of:	As soon as possible.



<b>APP3</b>			
	<b>EVENT GIVING RISE TO DISCLOSURE</b>	<b>DISCLOSURE REQUIREMENT</b>	<b>TIME OF DISCLOSURE</b>
		(a) the nature, details, contents and effect of the relevant event; and (b) any material change affecting any matter contained in an earlier disclosure.	
2.4	Any resolution adopted by the Listed Fund other than a resolution concerning ordinary business of the Listed Fund.	Market disclosure of the resolution.	As soon as possible.
<b>3. BUSINESS OF THE LISTED FUND</b>			
3.1	Transactions undertaken which could result in: (a) any significant investment (being any investments equal to or greater than 5 per cent of the net asset value of the fund) or material change to a significant investment outside the stated investment strategy of the Listed Fund; or (b) the incurring of any significant debt outside the usual and ordinary course of business of the Listed Fund (being debt with an amount equal to or greater than 5 per cent of the net asset value of the fund) taking into account the stated investment strategy.	Market disclosure relating to: (a) any decision to enter into such a transaction; (b) any material change or new matter affecting any matter contained in an earlier disclosure; and (c) a full description of the event, activity or transaction proposed or effected as the case may be.	Without delay.
<b>4. DISCLOSURE RELATING TO UNITS OF THE LISTED FUND</b>			

	<b>EVENT GIVING RISE TO DISCLOSURE</b>	<b>DISCLOSURE REQUIREMENT</b>	<b>TIME OF DISCLOSURE</b>
4.1	<p>Any decision:</p> <ul style="list-style-type: none"> <li>(a) to declare, recommend or pay any dividend not previously disclosed;</li> <li>(b) to make any other distribution on the Units; or</li> <li>(c) not to declare, recommend or pay any dividend which would otherwise have been expected to have been declared, recommended or paid in the normal course of events.</li> </ul>	Market disclosure of the decision, including the rate and amount of and record date for the dividend or other distribution or the grounds for the decision in relation to non-payment.	As soon as possible and in any event no later than 5 days prior to the record date or the date of expected distribution.
4.2	<p>Any decision made in regard to:</p> <ul style="list-style-type: none"> <li>(a) any change in the general character or nature of the Listed Fund;</li> <li>(b) any change in the redemption of all or any of the Units of the Listed Fund;</li> <li>(c) any change to its published investment policies or objectives, investment restrictions or borrowing restrictions;</li> <li>(d) any change in the way in which net asset value or issue and redemption prices are calculated, or in the frequency of calculation of the net asset value;</li> <li>(e) any change in the manner in which the management fees payable by the Listed</li> </ul>	Market disclosure of the decision and all relevant details relating to the decision.	As soon as possible.

	<b>EVENT GIVING RISE TO DISCLOSURE</b>	<b>DISCLOSURE REQUIREMENT</b>	<b>TIME OF DISCLOSURE</b>
	<p>Fund are calculated;</p> <p>(f) any changes in the trustee, custodian or prime broker(s), Investment Manager, Advisor, Fund Administrator or auditor;</p> <p>(g) any changes in the control of the trustee, custodian or prime broker(s), Investment Manager or Advisor;</p> <p>(h) any change in the tax status of the Listed Fund;</p> <p>(i) any suspension in the calculation of net asset value or of redemptions; or</p> <p>(j) details of any repurchase, drawing or redemption by the Listed Fund or any of its subsidiaries of the Listed Fund's Listed Securities, unless the purchases are made pursuant to the requirements in the Listing Rules on purchase of own Shares.</p>		
4.3	Admission to listing or trading of the same class of Units on a Regulated Exchange.	Market disclosure of all the relevant details relating to the admission to listing or trading.	As soon as possible.
4.4	Any other disclosure required to be made pursuant to the requirements in the Regulated Exchange arising from the listing or trading of the same class of Units on that exchange where such disclosure is not made in the DIFC.	Market disclosure of the information required to be disclosed to the Regulated Exchange.	As soon as such disclosure is made on the Regulated Exchange.

	<b>EVENT GIVING RISE TO DISCLOSURE</b>	<b>DISCLOSURE REQUIREMENT</b>	<b>TIME OF DISCLOSURE</b>
4.5	Any change of the Trustee, custodian or depositary in relation to the Listed Fund.	Market disclosure of the details relating to the new Trustee, custodian or depositary and any implication/effect of this change.	As soon as possible.
4.6	Proposed and new issues of Units.	Market disclosure of the class, number, date of issue, and consideration received for the issue of the Units and details of changes in the capital.	As soon as possible.
<b>5. DISCLOSURE OF INTERESTS</b>			
5.1	The requirement to file a report of interests held by a Connected Person pursuant to Article 42(1).	Market disclosure of the information set out in Rule 6.6.3.	As soon as possible.
5.2	The requirement to give a notice of a Director's material interests pursuant to Article 43 of the Law.	Market disclosure of the information set out in Rule 6.7.3(3).	As soon as possible.
<b>6. FINANCIAL INFORMATION RELATING TO THE LISTED FUND</b>			
6.1	The preparation and approval of the financial reports.	Market disclosure of the annual and interim financial report prepared in accordance with the requirement in Rule 5.1.2 (which requires the preparation of such financial reports relating to Listed Funds in accordance with the requirements in the Collective Investment Law 2010 and the CIR Rules in the case of a Listed Fund which is a Domestic Fund and in the case of a Foreign Fund, in accordance with the applicable financial reporting requirements in the jurisdiction of incorporation or domicile of the Foreign Fund.	In the case of a Domestic Fund in accordance with CIR 9.4.2 and in the case of a Foreign Fund the earlier of the period allowed under CIR 9.4.2 or the period for filing under the home jurisdiction requirements.
6.2	Any change to the accounting reference date.	Market disclosure of the previous and new accounting reference date, and reasons for the change.	As soon as possible.

	<b>EVENT GIVING RISE TO DISCLOSURE</b>	<b>DISCLOSURE REQUIREMENT</b>	<b>TIME OF DISCLOSURE</b>
<b>7. MATTERS RELATING TO THE CAPITAL OF THE LISTED FUND</b>			
7.1	Any proposed new issue of Units.	Market disclosure of the class, number and proposed date of the proposed issue.	As soon as possible after the decision is made.
7.2	Results of the new issue.	Market disclosure of the results of the issue including total consideration received.	As soon as possible.
<b>8. TRANSFER SCHEME/WINDING UP OF THE LISTED FUND</b>			
8.1	<p>In the case of a transfer scheme or winding up of a Listed Fund:</p> <p>(a) the passing of any resolution by the Listed Fund or any members of the Listed Fund that it be wound up by way of members' or creditors' voluntary winding-up, or the occurrence of any event or termination of any period of time which would cause termination or winding-up of the Fund; and</p> <p>(b) either:</p> <p>(i) the presentation of the relevant applications made pursuant to the requirements in Part 8 of the CIR Rules in the case of a Domestic Fund; or</p> <p>(ii) the applications made pursuant to the relevant legislation applicable in the</p>	<p>Market disclosure of the:</p> <p>(a) time and date of the presentation, details of the order, appointment, resolution or other event;</p> <p>(b) identity of the petitioner or other person at whose instigation the event occurs;</p> <p>(c) the court or tribunal responsible for making any order; or</p> <p>(d) any administrator or liquidator appointed.</p>	As soon as possible.

	<b>EVENT GIVING RISE TO DISCLOSURE</b>	<b>DISCLOSURE REQUIREMENT</b>	<b>TIME OF DISCLOSURE</b>
	home jurisdiction of the Listed Fund in the case of a Foreign Fund.		
<b>9. OTHER DISCLOSURES RELATING TO THE LISTED FUND</b>			
9.1	A change to the legal structure of the Listed Fund (unless it is required to be disclosed under 2.3 or 2.4).	Market Disclosure of any proposed change	As soon as possible.
9.2	A change in fees (including management fees by whatever named called) or charges imposed on holders of Units.	Market Disclosure of any change in the fee structure of a Listed Fund.	As soon as possible.
9.3	A change in the investment management of the Listed Fund.	Market Disclosure of any proposed change in the investment management of the Listed Fund.	As soon as possible.
9.4	Any closure of the Listed Fund's register of security holders.	Market disclosure of the closure.	At least fourteen (14) days before the closure.
9.5	Any meeting of holders of Securities.	Market disclosure of notice.	At the same time as such notice is sent to the holders of Securities.
9.6	The final timetable for any proposed action affecting the rights of existing holders of its Listed Securities.	Market disclosure.	As soon as possible after finalisation of the timetable with the DFSA.

	<b>EVENT GIVING RISE TO DISCLOSURE</b>	<b>DISCLOSURE REQUIREMENT</b>	<b>TIME OF DISCLOSURE</b>
9.7	Changes to rights attaching to Listed Securities or other Securities into which they convert.	Market disclosure of: <ul style="list-style-type: none"> <li>(a) the class of Securities to which the changes apply;</li> <li>(b) the date on which the changes become effective;</li> <li>(c) confirmation that consent of the holders of the Securities (and any other holders of relevant Securities) has been obtained and the date that such consent was obtained; and</li> <li>(d) a summary of the changes.</li> </ul>	As soon as possible.
<b>10. DISCLOSURE RELATING TO EXCHANGE TRADED FUNDS</b>			
10.1	Any changes relating to the type of ETF and associated risks.	Market disclosure.	As soon as possible.
10.2	Any changes relating to the ETF's cost structure.	Market disclosure.	At the same time as the proposed change is notified to investors in the ETF.
10.3	Any changes relating to tracking error.	Market disclosure.	As soon as possible.

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## **APP4 CORPORATE GOVERNANCE BEST PRACTICE STANDARDS**

### **General**

1. This Appendix sets out, by way of Guidance, best practice standards relevant to each of the Corporate Governance Principles (the “Principles”) set out in section 3.2. While the Principles have the status of Rules that apply to a Reporting Entity, the standards in this document are best practice standards that may be adopted by a Reporting Entity to achieve compliance with the Principles.
2. A Reporting Entity to which the Principles apply is required under Rule 3.2.10 to state in its annual report whether the best practice standards have been adopted. In circumstances where a Reporting Entity has not fully adopted or only partially adopted the best practice standards, it needs to explain in its annual report why the standards were not fully adopted or adopted only partially and what actions, if any, it has taken to achieve compliance with the Principles.
3. Article 39(1) of the Law provides that a Reporting Entity must have a corporate governance framework which is adequate to promote prudent and sound management of the Reporting Entity in the long-term interest of the Reporting Entity and its shareholders. Accordingly, in providing its explanation in the annual report as noted in paragraph 2., a Reporting Entity should aim to illustrate how its actual practices achieve compliance with the outcomes intended by Article 39(1) of the Law and the Principles, and thereby contribute to prudent and sound management of the Reporting Entity.
4. The annual report required under Rule 3.2.10 must include a statement by the Board of Directors (the “Board”), stating whether or not, in its opinion, the corporate governance framework of the Reporting Entity is effective in achieving the outcome required by Article 39(1) and promoting compliance with the Principles, with supporting information and assumptions, and qualifications if necessary. As the Principles are the core of the corporate governance framework, the way in which they are applied should be the central question for the Board as it determines how the Reporting Entity conducts its affairs under its directorship in accordance with the letter and spirit of the applicable requirements including the Principles and the standards.
5. The “comply or explain” approach reflected in the standards recognises that there is more than one way to comply with the Principles to achieve sound and prudent governance of the Reporting Entity. It also gives the Reporting Entity the flexibility to tailor its governance practices to achieve effective outcomes taking into account the nature, size and complexity of its business. For example, a Reporting Entity may have a small Board to reflect the small and less complex nature of its business, as opposed to a larger and more complex business which requires a larger Board. It may not be possible to have a large number of committees of the small Board to undertake the functions of committees discussed in this Appendix. In such cases, the Board as a whole may undertake all these functions, or alternatively, combine the roles of committees as appropriate.
6. Where the standards set out in this Appendix are not adopted due to particular circumstances of the Reporting Entity, the reasons for deviating from the standards should be explained clearly and carefully in the Reporting Entity’s annual report, thereby providing shareholders’ the opportunity to make well informed decisions with regard to their voting and the exercise of their rights.
7. The standards in this Appendix are not exhaustive and hence a Reporting Entity may implement any additional measures as required in order for it to comply with the Principles and contribute to sound and prudent governance of the entity.
8. For the purposes of this Appendix “Senior Management” includes any individual who either alone or jointly has ultimate responsibility for the day to day management,



supervision and control of one or more (or all) parts of a Reporting Entity's business. Consistently with this, the Board should adopt a definition of "senior management" that includes the first layer of management below the Board.

### **Principle 1 – Board of directors**

#### **Rule 3.2.3**

"Every Reporting Entity must have an effective Board of Directors ("the Board") which is collectively accountable for ensuring that the Reporting Entity's business is managed prudently and soundly."

9. The role of the Board of Directors ("Board") is to provide leadership of the Reporting Entity within a framework of prudent and effective controls which enable risks to which the Reporting Entity is exposed to be identified, assessed and effectively managed.
10. The Board should set the Reporting Entity's business and strategic objectives and risk parameters, ensure that the necessary financial and human resources are in place for the Reporting Entity to meet those objectives, and review management performance in achieving those objectives and outcomes. For this purpose, the Board should:
  - a. determine the nature and extent of the significant risks it is willing to take in achieving the relevant strategic objectives; and
  - b. set the Reporting Entity's values and standards and ensure that its obligations to its stakeholders are clearly understood and met.
11. The Board should meet sufficiently regularly to discharge its duties effectively. There should be a formal schedule of matters specifically reserved for its decision.
12. The mandate, composition and working procedures of the Board should be well defined.
13. The annual report of the Reporting Entity should include a statement of how the Board operates and it should also set out the number of meetings of the Board.

### **Principle 2 – Division of responsibilities**

#### **Rule 3.2.4**

"The Board must ensure that there is a clear division between the Board's responsibility for setting the strategic aims and undertaking the oversight of the Reporting Entity and the Senior Management's responsibility for managing the Reporting Entity's business in accordance with the strategic aims and risk parameters set by the Board."

#### **Board and Senior Management**

14. The division of responsibilities between the Board and the Senior Management of the Reporting Entity should be clearly established, set out in writing, and agreed to by the Board. In assigning duties, the Board should ensure that no one individual has unfettered powers in making decisions. It should also ensure that there is a clear segregation of the functions of:
  - a. the oversight of the management by the Board; and
  - b. the management of the Reporting Entity's business by the Senior Management in accordance with the strategic aims and risk parameters set by the Board.
15. Board members may include individuals undertaking Senior Management functions. For example, the chief executive of a Reporting Entity may also be a Board member. Where this is the case, the Board should ensure that when assessing the performance of the Senior Management, the independence and objectivity of that process is achieved through

appropriate mechanisms, such as the assignment of such a task to a non-executive Director of the Board or a committee comprising a majority of non-executive Directors.

#### **Chairman and chief executive**

16. In order to ensure that the Board's function of providing effective oversight of the management of the Reporting Entity is not compromised, it is important that the role of the chairman of the Board and the role of the chief executive of the Reporting Entity should not be held by the same individual.
17. However, if the Board decides that the chief executive should also hold the position of the chairman of the Board, there should be effective measures to ensure that the Board is able to properly discharge its function of providing effective oversight of the management of the business of the Reporting Entity by its Senior Management. For example, the performance assessment of the chief executive and other members of the Senior Management should be undertaken by a non-executive Director of the Board (such as the senior independent Director) or a committee comprising a majority of non-executive Directors who report to the Board directly on their assessment, and also, prior approval by shareholders of the appointment of the chief executive as chairman of the Board.
18. Except where the positions of the chairman of the board and the chief executive are held by the same person, the division of responsibilities between the chairman and chief executive should be clearly established, set out in writing and agreed to by the Board.
19. The chairman should be responsible for providing leadership of the Board, ensuring its effectiveness in all aspects of the Board's role and setting its agenda.
20. Except where the positions of the chairman of the Board and the chief executive are held by the same individual, the chairman of the Board should meet the independence criteria set out in paragraph 31.
21. The annual report of the Reporting Entity should:
  - a. identify the chairman, the deputy chairman (where there is one) and the chief executive; and
  - b. include a high level statement of which types of decisions are to be taken by the Board and which are to be delegated to the Senior Management.

### **Principle 3 – Board composition and resources**

#### **Rule 3.2.5**

“The Board and its committees must have an appropriate balance of skills, experience, independence and knowledge of the Reporting Entity's business, and adequate resources, including access to expertise as required and timely and comprehensive information relating to the affairs of the Reporting Entity.”

#### **Balance of skills and independence**

22. A major consideration that underpins the effectiveness of the Board is the availability at the Board level of the relevant skills, expertise and resources as are necessary to discharge the Board functions, taking due account of the nature, scale and complexity of the business of the Reporting Entity.
23. It may well be that no single Director has all the knowledge, skills and expertise needed by a Board to discharge its functions. The Board should have an appropriate number and mix of individuals to ensure that there is an overall adequate level of knowledge, skills and expertise commensurate with the nature, scale and complexity of the business of the Reporting Entity.

24. In order to ensure that the Board is equipped with the necessary skills, expertise and resources appropriate to the business of the Reporting Entity, there should be a formal, rigorous and transparent procedure for the appointment of Directors to the Board. Appointments to the Board should be made on merit and against objective criteria, with due regard to the benefits of diversity on the Board. Care should be taken to ensure that appointees have enough time available to devote to the job. This is particularly important in the case of chairmanships.
25. All Directors should be submitted for re-appointment at regular intervals, subject to continued satisfactory performance. The Board should ensure planned and progressive refreshing of the Board to ensure the on-going effectiveness of the Board, particularly the objectivity of the decision making by the Board and maintaining the skills and expertise as relevant to the Reporting Entity's business.
26. All Directors should be subject to election by shareholders at the first annual general meeting after their appointment, and to re-election thereafter at intervals of no more than three years. The Board should satisfy itself that there is adequate succession planning in respect of Board membership and the Senior Management, so as to ensure an orderly and smooth change-over of positions whilst maintaining an appropriate balance of skills and experience within the Reporting Entity and on the Board.

#### **Chairman**

27. For the appointment of a chairman, there should be a job specification, and an objective assessment against the relevant criteria including an assessment of the time commitment expected, recognising the need for availability in the event of crises. Generally, the nomination committee should undertake this function. A chairman's other significant commitments should be disclosed to the Board before appointment and included in the annual report. Changes to such commitments should be reported to the Board as they arise, and their impact explained in the next annual report.
28. The chairman should ensure that new Directors receive an appropriate induction on joining the Board. The chairman should ensure that the Directors continually update their skills and their knowledge and familiarity with the Reporting Entity required in fulfilling their role both on the Board and its committees. All Directors should have appropriate knowledge of the Reporting Entity and should be provided with adequate access to its operations and staff to carry out their respective responsibilities.
29. The Reporting Entity should provide the necessary resources for developing and updating its Directors' knowledge and capabilities. The chairman should regularly review and agree with each Director their training and development needs.

#### **Executive and non-executive directors**

30. The Board should include a balance of executive and non-executive Directors (including independent non-executive Directors). No individual or small group of individuals should be able to dominate the Board's decision making. At least one third of the Board should comprise non-executive Directors, of which at least two non-executive Directors should be independent.
31. The Board should consider a non-executive Director to be "independent" if that Director meets, upon an assessment, objective criteria of independence set by the Board. Such independence criteria should encompass independence in character and judgement of the individual by having no commercial or other relationships or circumstances which are likely to affect or could appear to impair his judgement in a manner other than in the best interests of the Reporting Entity. In making the assessment of independence against such criteria, the Board should consider matters such as whether the person:
  - a. has already served as a member of the Board for a significant period;

- b. has been an Employee of the Reporting Entity or a member of the Group within the last five years;
  - c. has or has had, within the last three years, a material business relationship with the Reporting Entity, either directly or as a partner, shareholder, Director or senior Employee of another body that has such a relationship with the Reporting Entity;
  - d. receives or has received, in the last three years additional remuneration or payments from the Reporting Entity apart from a Director's fee, or participates in the Reporting Entity's share option, or a performance-related pay scheme, or is a member of the Reporting Entity's pension scheme;
  - e. is or has been a Director, partner or employee of a firm which is the Reporting Entity's external auditor;
  - f. has close family ties with any of the Reporting Entity's advisors, Directors or senior Employees;
  - g. holds cross Directorships or has significant links with other Directors through involvement in other companies or bodies; or
  - h. represents a significant shareholder.
32. The terms and conditions of appointment of non-executive Directors should be made available for inspection by any person at the Reporting Entity's registered office during normal business hours. The letter of appointment should set out the expected time commitment. Non-executive Directors should undertake that they will have sufficient time to meet what is expected of them. Their other significant commitments should be disclosed to the Board before appointment, with a broad indication of the time involved. The Board should be informed of subsequent changes.
33. The annual report of the Reporting Entity should identify each non-executive Director it considers to be independent, the senior independent Director, and the chairman and members of each of the Board committees. It should also state the relevant skills and expertise which each Director brings to the Board and set out the number of meetings of each of the committees and individual attendance by Directors.
34. As part of their role as members of the Board, non-executive Directors should constructively challenge and help develop proposals on business objectives and strategy for achieving those objectives. Non-executive Directors should scrutinise the performance of Senior Management against agreed goals and objectives and monitor the reporting of their performance.

#### **Nomination committee**

35. The Board should establish and maintain a nomination committee to lead the process for appointments and make recommendations to the Board relating to the appointment of Board members and the Senior Management. A majority of members of the nomination committee should be independent non-executive Directors. The chairman of the nomination committee should be an independent non-executive Director.
36. The mandate, composition and working procedures of the nomination committee should be well defined. The nomination committee should make available on the website of the Reporting Entity its written terms of reference explaining its role and the authority delegated to it by the Board.
37. The nomination committee should evaluate the balance of skills, knowledge, independence and experience on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.

38. A separate section of the annual report of the Reporting Entity should describe the work of the nomination committee, including the process it has used in relation to Board appointments. An explanation should be given if neither an external consultancy nor an open advertising process has been used in the appointment of the chairman or a non-executive Director of the Board.

#### **Secretary of the reporting entity**

39. The responsibilities of the Reporting Entity's secretary should clearly include, under the direction of the chairman, ensuring good information flows within the Board and its committees and between Senior Management and non-executive Directors, as well as facilitating induction and assisting with professional development of Board members as required. The secretary should also be responsible for ensuring that Board procedures are fully complied with, and advising the Board through the chairman on all governance matters.
40. Both the appointment and removal of the secretary of the Reporting Entity should be a matter for the Board as a whole.

#### **Information and support**

41. All Directors should have access to accurate, timely and clear information relating to the business and affairs of the Reporting Entity to enable them to discharge their duties, taking due account of the roles undertaken by such members. The chairman is responsible for ensuring that the Directors receive such information. Senior Management has an obligation to provide such information, but Directors should seek clarification or amplification where necessary. All Directors should also have access to the advice and services of the secretary of the Reporting Entity, as he is responsible to the Board for ensuring compliance with the Board procedures.
42. The Board should ensure that Directors, especially non-executive Directors, have access to independent professional advice at the Reporting Entity's expense where necessary to enable them to discharge their respective roles and responsibilities. Committees of the Board should also be provided with sufficient resources including information to carry out their role and responsibilities effectively.

#### **Performance evaluation**

43. The Board should undertake a formal and rigorous evaluation of its own performance and that of its committees and individual Directors at least annually.
44. The chairman of the Board should act on the results of the performance evaluation by recognising the strengths and addressing the weaknesses of the Board and making any changes to the composition of the Board as required.
45. The Board should state in the annual report how performance evaluation of the Board, its committees and its individual Directors has been conducted.

## **Principle 4 – Risk management and internal control systems**

### **Rule 3.2.6**

**“The Board must ensure that the Reporting Entity has an adequate, effective, well-defined and well-integrated risk management, internal control and compliance framework.”**

46. The Board should, at least annually, conduct a review of the effectiveness of the Reporting Entity’s risk management, internal control and compliance framework (“systems and controls”) and should report to the shareholders that it has done so. The review should cover all aspects of material controls, including management, financial, operational and compliance controls and risk management systems. The Board may satisfy this requirement by instructing an external auditor to undertake the review and report to it on its outcome. They should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and effective.
47. The Board should establish formal and transparent arrangements for considering how it should apply the financial reporting and internal control systems, and for maintaining an appropriate relationship with its auditors.
48. The Board should establish policies and procedures for the identification and oversight and management of material business risks and disclose a summary of those policies and procedures in its annual report. The Board should also ensure that Senior Management implements the requisite risk management and internal control systems to manage material risks.

### **Audit committee**

49. The Board should establish and maintain an audit committee to monitor and review the Reporting Entity’s internal audit function and other internal controls. The main roles and responsibilities of the audit committee should be set out in written terms of reference, be available on the website of the Reporting Entity and include at least the following:
  - a. monitoring the integrity of the financial statements of the Reporting Entity and any formal announcements relating to the Reporting Entity’s financial performance and reviewing significant financial reporting judgements contained in them;
  - b. reviewing the Reporting Entity’s internal financial controls and, unless expressly addressed by a separate risk committee of the Board or the Board itself, internal controls and risk management systems;
  - c. monitoring and reviewing the effectiveness of the Reporting Entity’s internal audit function;
  - d. making recommendations to the Board in respect of the appointment, re-appointment, removal and terms of engagement, including remuneration, of the external auditor;
  - e. reviewing and monitoring the external auditor’s independence and objectivity and the effectiveness of the audit process;
  - f. developing and implementing policy on the engagement of the external auditor to supply non -audit services; and
  - g. reviewing the adequacy of arrangements by which staff of the Reporting Entity may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters to ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.

50. The Board should appoint at least two independent non-executive Directors to the audit committee. At least one of the independent non-executive Directors appointed to the audit committee should have recent and relevant financial expertise. The chair of the audit committee should be an independent non-executive Director.
51. A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The annual report should also explain to shareholders how, if the auditor provides non-audit services, auditor objectivity and independence is safeguarded.

### **Principle 5 – Shareholder rights and effective dialogue**

#### **Rule 3.2.7**

“The Board must ensure that the rights of shareholders are properly safeguarded through appropriate measures that enable the shareholders to exercise their rights effectively, promote effective dialogue with shareholders and other key stakeholders as appropriate, and prevent any abuse or oppression of minority shareholders.”

52. The Board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place. Such dialogue should be based on the mutual understanding of objectives and provision of adequate information relating to the Reporting Entity including financial information, and how the business and affairs of the Reporting Entity are carried out.
53. The Board should hold a general meeting of shareholders at least annually.
54. The Board should use the annual general meeting to communicate with shareholders on important aspects of the Reporting Entity’s business and affairs and encourage their participation. Shareholders should have the opportunity to ask questions of the Board, to place items on the agenda of general meetings and to propose resolutions.
55. At any general meeting, the Reporting Entity should propose a separate resolution on each substantial separate issue, and should in particular propose a resolution at the annual general meeting relating to the report and accounts. For each resolution, proxy appointment forms should provide shareholders with the option to direct their proxy to vote either for or against the resolution or to withhold their vote.
56. The chairman should arrange for the chairs of the audit, remuneration, and nomination committees to be available to answer questions at the annual general meeting and for all Directors to attend either in person or by electronic means.
57. Whilst recognising that most shareholder contact is with the chief executive and finance Director, the chairman and other Directors, including non-executive Directors, as appropriate should maintain sufficient contact with major shareholders to understand their issues and concerns. The Board should keep in touch with shareholder opinion using means which are most practical and efficient taking into account the nature, scale and complexity of its operations and the nature of its shareholder base. The Board should use its website as a forum for the posting of information such as new strategies, calendar for important meetings and other events.
58. The chairman should ensure that the views of shareholders are communicated to the Board as a whole. In addition, the chairman should discuss governance and strategy of the Reporting Entity at least with its major shareholders. Non-executive Directors should be offered the opportunity to attend meetings with major shareholders and should expect to attend such meetings especially if requested by major shareholders.
59. The Board should ensure that no steps are taken which may prevent shareholders consulting with other shareholders on issues concerning their basic shareholder rights,



subject to exceptions to prevent abuse. Similarly, the Board should also protect minority shareholders from any oppressive or abusive action by controlling or major shareholders.

### **Other stakeholders**

60. While shareholders of the Reporting Entity form the major stakeholder group of the Reporting Entity, the Board should also ensure that there are adequate channels of communication with its other key stakeholders as appropriate to the nature, scale and complexity of its business operations, and the environment in which it operates. Such stakeholders may include employees, creditors and business customers of the Reporting Entity. The Board should make an assessment of the level of information that should generally be made available to the public, or to any particular group of stakeholders, relating to the affairs of the company, and how best to make use of its website or any other channels of communication as appropriate to disseminate relevant information.

## **Principle 6 –Position and prospects**

### **Rule 3.2.8**

“The Board must ensure that the Reporting Entity’s financial and other reports present an accurate, balanced and understandable assessment of the Reporting Entity’s financial position and prospects by ensuring that there are effective internal risk control and reporting requirements.”

61. The Board’s responsibility to present a true, balanced and understandable assessment of its financial position and prospects should extend to interim and other price-sensitive public reports and reports to regulators as well as to information required to be presented by law.
62. The Directors should explain in the annual financial report their responsibility for preparing that report and accounts, and there should be a statement by the auditor about their reporting responsibilities.
63. The Directors should include in the annual report an explanation of the basis on which the Reporting Entity generates or preserves value over the longer term (the business model) and the strategy for delivering the objectives of the Reporting Entity.
64. The Directors should report in annual and half yearly financial statements that the business is a going concern, with supporting assumptions or qualifications as necessary.

## **Principle 7 – Remuneration**

### **Rule 3.2.9**

“The Board must ensure that the Reporting Entity has remuneration structures and strategies that are well aligned with the long-term interests of the entity.”

### **Directors’ remuneration**

65. Levels of remuneration of Directors should be sufficient to attract and retain Directors of appropriate quality, taking into account the nature, scale and complexity of the business of the Reporting Entity, and to provide effective direction and leadership to the Reporting Entity in managing its business and affairs successfully. In doing so, the Reporting Entity should avoid paying more than is necessary for this purpose.
66. The performance-related elements of remuneration should form an appropriate proportion of the total remuneration package of executive Directors and should be designed to promote the long term interests and viability of the Reporting Entity, to align their interests with those of shareholders and other key stakeholders and to give these Directors appropriate incentives to perform at the highest levels.



67. Levels of remuneration for non-executive Directors should reflect the time commitment and responsibilities of their respective roles and the objectivity of judgement in their decision making required by them. In considering whether to grant share options to non-executive Directors, a Reporting Entity should consider whether the granting of the share options will impair the objectivity or independence of the non-executive Directors' decision making.
68. Generally, where non-executive Directors' remuneration include share options, rights resulting from the exercise of share options should be subject to appropriate retention and vesting periods, generally until at least one year after the non-executive Director leaves the Board.
69. There should be a formal and transparent procedure for developing policies on executive remuneration and for fixing remuneration packages of individual Directors. No Director should decide his own remuneration, and ideally, all Directors' remuneration should be subject to recommendations of the remuneration committee if one exists, and otherwise upon the advice of an external consultant.

#### **Remuneration committee**

70. The Board should establish and maintain a remuneration committee to assess the remuneration of Directors (including the chairman). The remuneration committee should comprise at least three members, with a majority of those members being independent non-executive Directors. The chair of the committee should be an independent non-executive Director. In addition, the chairman of the Board may also be a member but not the chair of the committee.
71. The remuneration committee should have delegated responsibility for setting remuneration for all executive Directors and the chairman. The committee should also recommend and monitor the level and structure of remuneration for the Senior Management and other key control functionaries such as the risk or compliance officers and auditors, to ensure that the independence and objectivity of the decision making by such control functionaries is not compromised or impaired by their remuneration structure. An important consideration that should be taken into account in setting remuneration of key control functionaries of the Reporting Entity is that their remuneration is not substantially linked to the profits generated by business or trading units whose activities are subject to monitoring and oversight by those functionaries.
72. The mandate, composition and working procedures of the remuneration committee should be well defined. The remuneration committee should make available on the website of the Reporting Entity its written terms of reference explaining its role and the authority delegated to it by the Board.
73. The remuneration committee should also be responsible for appointing any external consultants in respect of executive Directors' remuneration. Where external consultants are appointed, a statement should be made available of whether they have any other connection with the Reporting Entity.
74. The Board itself, or where required by the articles of association or other constituent documents, the shareholders, should determine the remuneration of the non-executive Directors.
75. The annual report of the Reporting Entity should contain sufficient information relating to the overall remuneration policy and strategy of the Reporting Entity to demonstrate that the remuneration, particularly of the executive Directors and Senior Management to properly link rewards to corporate and individual performance and outcomes, and to ensure that any performance-based remuneration granted is structured in such a way so as to not induce inappropriate risk taking by such individuals.

## **APP 5 LIST OF EXEMPT OFFERORS**

### **A5.1 List of exempt offerors**

#### **A5.1.1** The following entities are Exempt Offerors:

- (a) Properly constituted governments, government agencies, central banks or other national monetary authorities of the following countries or jurisdictions:
  - (i) Organisation for Economic Co-operation and Development (OECD) member countries;
  - (ii) member countries of the Gulf Co-operation Council (GCC); or
  - (iii) the Emirate of Dubai.
- (b) The International Monetary Fund, the World Bank, the International Finance Corporation and the Islamic Development Bank.
- (c) A Special Purpose Vehicle used by an entity referred to in (a) or (b) to issue Securities.
- (d) Any other country, jurisdiction or supranational organisation, or any Special Purpose Vehicle used by a country, jurisdiction or supranational organisation to issue Securities, that may be approved as an Exempt Offeror by the DFSA for the purpose of that offer.

## APP 6 CONTINUING OBLIGATIONS – SECURITY SPECIFIC DISCLOSURES

### A6.1 Continuing obligations – Market disclosures for listed entities

**A.6.1.1** This table forms part of Rule 9.7.8.

**A.6.1.2** A Listed Entity must, on the occurrence of an event specified in column 1, make the required disclosure detailed in column 2, within the time specified in column 3, in respect of the Securities identified with a “✓” in column 4, of this Table.

	A6.1.1									
	EVENT GIVING RISE TO DISCLOSURE OBLIGATION	DISCLOSURE REQUIRED	TIME OF DISCLOSURE	Structured Products	Shares	Warrants over Shares	Warrants over Debentures	Debentures	Certificates	
									Shares	Debentures
GENERAL										
1.	Any closure of the Listed Entity’s register of security holders.	Market disclosure of the closure.	At least fourteen (14) days before the closure	✓	✓	✓	✓		✓	✓
2.	Any meeting of holders of Securities.	Market disclosure of notice	At the same time as such notice is sent to the holders of Securities.	✓	✓	✓	✓		✓	✓
3.	The final timetable for any proposed action affecting the rights of existing holders of its Listed Securities.	Market disclosure	As soon as possible after finalisation of the timetable with the DFSA	✓	✓	✓	✓	✓	✓	✓ 11
4.	All proposed drawings to effect partial redemptions, and, in the case of registered Debentures or Structured Products, the date	Market disclosure	In advance and as soon as possible	✓			✓	✓		✓

<sup>11</sup> To the extent applicable to Debentures or, in the case of Certificates, the underlying Debentures

<b>A6.1.1</b>										
	<b>EVENT GIVING RISE TO DISCLOSURE OBLIGATION</b>	<b>DISCLOSURE REQUIRED</b>	<b>TIME OF DISCLOSURE</b>	Structured Products	Shares	Warrants over Shares	Warrants over Debentures	Debentures	Certificates	
									Shares	Debentures
	on which it is proposed to close the books for the purpose of making a drawing.									
5.	Changes to rights attaching to Listed Securities or other Securities into which they convert.	Market disclosure of: (a) the class of Securities to which the changes apply; (b) the date on which the changes become effective; (c) confirmation that consent of the holders of the Securities (and any other holders of relevant Securities) has been obtained and the date that such consent was obtained); and (d) a summary of the changes.	As soon as possible	✓	✓	✓	✓	✓	✓	✓

<b>A6.1.1</b>										
	<b>EVENT GIVING RISE TO DISCLOSURE OBLIGATION</b>	<b>DISCLOSURE REQUIRED</b>	<b>TIME OF DISCLOSURE</b>	Structured Products	Shares	Warrants over Shares	Warrants over Debentures	Debentures	Certificates	
									Shares	Debentures
6.	Any decision made in regard to:	Market disclosure	As soon as possible							
	(a) any change in the structure of the Listed Securities;			✓						
	(b) any change in the index to which any Listed Securities are linked (including any changes in the constituent elements of the index or basket of Securities or the way in which the index is calculated or in the frequency of calculation of the index or the entity that is responsible for calculating and disseminating information with respect to the index);			✓						
	(c) any changes in the trustee or custodian (where relevant);			✓			✓	✓		✓
	(d) any change in the status of the product for taxation purposes;			✓						
	(e) any suspension in the calculation of the index to which any Listed Securities are linked;			✓						
	(f) any change in the trust deed or other document constituting the Listed Securities;			✓			✓	✓		✓

<b>A6.1.1</b>										
	<b>EVENT GIVING RISE TO DISCLOSURE OBLIGATION</b>	<b>DISCLOSURE REQUIRED</b>	<b>TIME OF DISCLOSURE</b>	Structured Products	Shares	Warrants over Shares	Warrants over Debentures	Debentures	Certificates	
									Shares	Debentures
	(g) Any change in the paying agent;			✓			✓	✓		✓
	(h) All proposed creations, or draw down issuances to effect partial redemptions including the outstanding amount of the Listed Securities which are listed after any such creation, redemption or drawdown has been made;			✓			✓	✓		✓
	(i) the date on which it is proposed to close the books for the purposes of making drawdown, in the case of registered Structured Products; and			✓						
	(j) Any purchase, redemption (including predetermined and scheduled redemptions) or cancellation by the Listed Entity, or any member of the Listed Entity's group of its listed Structured Products after such purchase, redemption or cancellation.			✓			✓	✓		✓

## A6.2 Other continuing obligations for listed entities

**A.6.2.1** This table forms part of Rule 9.7.8.

**A.6.2.2** A Listed Entity must, on the occurrence of an event specified in column 1, undertake the requirements detailed in column 2, within the time specified in column 3, in respect of the Securities identified with a “✓” in column 4, of this Table.

A6.2.1											
	EVENT	REQUIREMENTS	TIME	Structured Products	Shares	Warrants over Shares	Warrants over Debentures	Debentures	Certificates		Units
									Shares	Debentures	
GENERAL											
1.	Issue of further Debentures backed by the same asset, unless those further Debentures rank pari passu with or are subordinated to any class of Debentures which are already Listed.	Prior approval of the existing holders of the existing class of Debentures must be obtained.	At all times				✓	✓		✓	
2.	Proxy forms in the case of equity Securities.	The proxy form sent out must make provision for two-way voting on all resolutions intended to be proposed at the meeting.	At the same time as the sending of the notice convening the meeting		✓	✓	✓		✓		✓
3.	Paying agency for Debentures and Structured Products.	The Listed Entity's paying agent must provide facilities for obtaining	At all times until the date on which no such Securities are	✓			✓	✓		✓	

<sup>12</sup> To the extent applicable to Debentures or, in the case of Certificates, the underlying Debentures

<b>A6.2.1</b>											
	<b>EVENT</b>	<b>REQUIREMENTS</b>	<b>TIME</b>	Structured Products	Shares	Warrants over Shares	Warrants over Debentures	Debentures	Certificates		Units
									Shares	Debentures	
		new Securities, to replace those Securities which have been damaged, lost or stolen or destroyed and for all other purposes provided for in the terms and conditions of the Securities.	outstanding.								
<b>REGISTRATION</b>											
4.	Maintenance of the register	If the Listed Entity does not maintain its own register, the Listed Entity must make appropriate arrangements with its registrar to ensure compliance with any relevant continuing obligations in this Appendix.	At all times	✓	✓	✓	✓	✓	✓	✓	✓
5.	Receipt of properly executed transfer documents or a request to split documents evidencing Securities.	The Listed Entity shall ensure that transfers are registered within seven (7) business days of receipt of the documents evidencing the Securities by the registrar.	At all times	✓	✓	✓	✓	✓	✓	✓	✓



	A6.2.1										
	EVENT	REQUIREMENTS	TIME	Structured Products	Shares	Warrants over Shares	Warrants over Debentures	Debentures	Certificates		Units
									Shares	Debentures	
		Unless the Securities have been issued in dematerialised form, the Listed Entity or its registrar shall issue definitive documents arising out of a registration of transfers or the splitting of documents evidencing the Securities within seven (7) business days of receiving properly executed transfer documents or the date of expiration of any right of renunciation (as appropriate).									
6.	Issue of documents evidencing Securities	Unless the Securities have been issued in dematerialised form, the Listed Entity shall ensure that every Person whose name is entered as a holder in the register shall be entitled without charge to receive one document evidencing the Securities for all his	At all times.	✓	✓	✓	✓	✓	✓	✓	✓

	<b>A6.2.1</b>										
	<b>EVENT</b>	<b>REQUIREMENTS</b>	<b>TIME</b>	Structured Products	Shares	Warrants over Shares	Warrants over Debentures	Debentures	Certificates		Units
									Shares	Debentures	
		holdings and the Listed Entity shall permit a holder to have his holdings evidenced by as many documents as the holder requires (and in the sizes requested), subject to a maximum charge of \$10 per document issued after the first.									
7.	Registration of transfers or other documents relating to or affecting the title to any Securities, splitting documents evidencing Securities, issuing documents evidencing Securities or marking or noting such documents.	Subject to 6 above, the Listed Entity and its registrar shall not charge investors any fee for the registration.	At all times	✓	✓	✓	✓	✓	✓	✓	✓
8.	Any announcement of the timetable for any proposed action affecting the rights of existing holders of its Listed Securities. The DFSA may request amendments to the timetable, if considered necessary for the purpose of maintaining an orderly market.	Notify the DFSA	At least 24 hours in advance of proposed publication	✓	✓	✓	✓	✓	✓	✓	✓
9.	Any proposed amendments to a timetable, including amendment to the publication details of an	Notify the DFSA	Immediate	✓	✓	✓	✓	✓	✓	✓	✓

<b>A6.2.1</b>											
	<b>EVENT</b>	<b>REQUIREMENTS</b>	<b>TIME</b>	Structured Products	Shares	Warrants over Shares	Warrants over Debentures	Debentures	Certificates		Units
									Shares	Debentures	
	announcement.										
10.	All proposed drawings to effect partial redemptions, and, in the case of registered Debentures or Structured Products, the date on which it is proposed to close the books for the purpose of making a drawing.	The DFSA must be informed of the outstanding amount of the Securities which are Listed after any such drawing has been made, for publication by the DFSA	In advance As soon as possible	✓				✓		✓	
11.	Any proposed decision with regard to:  (a) any alteration of the Listed Entity's constitution and, in the case of Debentures and Structured Products, any change in the trust deed or other document securing or constituting the Securities;  (b) any change in the domicile of incorporation or other establishment of the Listed Entity;  (c) any change in the rights attaching to any class of Securities which are Listed (including, in the case of Debentures, any change in the rate of interest carried and, in the case of Structured Products, any	Notify the DFSA	In advance	✓	✓	✓	✓	✓	✓	✓	✓

A6.2.1											
	EVENT	REQUIREMENTS	TIME	Structured Products	Shares	Warrants over Shares	Warrants over Debentures	Debentures	Certificates		Units
									Shares	Debentures	
	<p>change in the way the value of the Securities is calculated) and any change in the rights attaching to any Securities into which any Securities which are Listed are convertible or exchangeable (including, in the case of Structured Products, any changes in any index to which the Securities are linked);</p> <p>(d) any change in the Listed Entity's ongoing contact;</p> <p>(e) any change in the Listed Entity's secretary, auditors, registered address, transfer agent or registrar;</p> <p>(f) in the case of Debentures or Structured Products, any change in the trustee or custodian;</p> <p>(g) in the case of convertible Securities, any change in the Listed Entity of the convertible;</p> <p>(h) in the case of Structured</p>										

<b>A6.2.1</b>											
	<b>EVENT</b>	<b>REQUIREMENTS</b>	<b>TIME</b>	Structured Products	Shares	Warrants over Shares	Warrants over Debentures	Debentures	Certificates		Units
									Shares	Debentures	
	Products, any change in the paying agent; and  (i) in the case of depositary receipts, any change in the depositary.										
12.	In respect of Securities which carry rights of conversion or exchange into or subscription for the Securities of another company, or are guaranteed by another company.	The Listed Entity must ensure that adequate information is at all times available about the other company and about any changes in the rights attaching to the Securities to which such rights of conversion, exchange or subscription relate. This must include the availability of the audited annual accounts of the other company together with any interim financial statements and any other information necessary for a realistic valuation of such Securities to be made.	As soon as possible		✓	✓	✓	✓	✓	✓	