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**MARKETS LAW**  
**DIFC LAW No. 1 of 2012**

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Consolidated Version  
(January 2014)

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**LIST OF AMENDMENTS MADE TO THIS LAW SINCE ENACTMENT**

(This list does not form part of the Law)

**This Law was enacted and came into force on 7 June 2012 and was subsequently amended by:**

- (a) DIFC Laws Amendment Law, DIFC Law No. 2 of 2013 on 5 January 2014.

## **PART 1: GENERAL**

### **1. Title and Repeal**

- (1) This Markets Law 2012 repeals and replaces the Markets Law 2004 (“the Previous Law”) and may be cited as the “Markets Law 2012” (“this Law”).
- (2) Except where otherwise provided in this Law or the Rules, anything done or omitted to be done pursuant to or for the purposes of the Previous Law is deemed to be done or omitted to be done pursuant to or for the purposes of this Law.
- (3) Without limiting the generality of Article 1(2), and subject only to Article 1(4), such repeal shall not affect:
  - (a) any right, privilege, remedy, obligation or liability accrued to or incurred by any person; or
  - (b) any investigation or legal or administrative proceeding commenced or to be commenced in respect of any right, remedy, privilege, obligation or liability,  
  
under the Previous Law and any such investigation or legal or administrative proceeding may be instituted, continued or enforced, including any penalty, fine or forfeiture, under this Law.
- (4) Where there is no equivalent provision in this Law to a provision in the Previous Law, the relevant provision in the Previous Law is deemed to survive the repeal under this Article until such time as necessary for the purposes of any investigation or proceeding specified in Article 1(3)(b).
- (5) The DFSA may, by Rules, prescribe any transitional or saving provisions as appear to the DFSA necessary so as to give effect to, or to facilitate, the transition from the Previous Law to this Law.

### **2. Legislative Authority**

This Law is made by the Ruler of Dubai.

### **3. Application of the Law**

This Law applies in the jurisdiction of the Dubai International Financial Centre.

### **4. Date of enactment**

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

5. **Commencement**

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

6. **Interpretation**

The Schedule contains interpretative provisions and a list of defined terms used in this Law.

7. **Administration of the Law**

This Law, and the Rules made for the purposes of this Law, are administered by the DFSA.

8. **The DFSA powers to make Rules**

- (1) The DFSA may make Rules for the purposes of this Law pursuant to the power conferred upon it under Article 23 of the Regulatory Law 2004.
- (2) Without limiting the generality of Article 23 of the Regulatory Law 2004, the DFSA shall make the following Rules:
  - (a) in relation to the offer of Securities in or from the DIFC;
  - (b) in relation to the licensing and supervision of Authorised Market Institutions, including requirements and procedures in the event of default by members of an Authorised Market Institution;
  - (c) in relation to the maintenance of Official Lists of Securities;
  - (d) in relation to the governance of Reporting Entities including corporate governance and related party transactions;
  - (e) in relation to takeovers, mergers and acquisitions of Reporting Entities;
  - (f) for the prevention of market abuse, including any code of market conduct; and
  - (g) in relation to recognised persons.
- (3) Where any legislation made for the purposes of this Law purports to be made in the exercise of a particular power, it shall be taken also to be made in the exercise of all powers under which it may be made.
- (4) The DFSA shall publish draft Rules in the manner prescribed in Article 24 of the Regulatory Law 2004.

9. **The DFSA powers to waive or modify the Law**

- (1) The DFSA may where it considers it appropriate or desirable in the interests of the DIFC to do so:
  - (a) on the application of a person; or
  - (b) with the consent of a person;by means of a written notice provide that one or more provisions of this Law either:
  - (c) shall not apply in relation to such person; or
  - (d) shall apply to such person with such modifications as are set out in the written notice.
- (2) A written notice may be given subject to conditions.
- (3) A person to whom a condition specified in a written notice applies shall comply with the condition.
- (4) The DFSA shall take such steps as necessary to bring the notice referred to in Article 9(1) to the attention of:
  - (a) those likely to be affected by it; and
  - (b) others who may be likely to become subject to a similar notice.
- (5) The DFSA may:
  - (a) on its own initiative or on the application of the person to whom it applies, withdraw a written notice issued pursuant to Article 9(1); or
  - (b) on the application of, or with the consent of, the person to whom that notice applies, vary such a written notice.
- (6) The DFSA may make Rules in connection with the provision of a written notice under this Article, including Rules prescribing procedures for the making of applications and providing of consents.



## **PART 2: OFFER OF SECURITIES**

### **CHAPTER 1: APPLICATION**

#### **10. Application of this Part to Collective Investment Funds**

- (1) The provisions in Part 2 of this Law and the Rules made for the purpose of that Part shall not apply to a person in relation to making an Offer of a Unit, as defined in Article 19 of the Collective Investment Law 2010.
- (2) The provisions in Part 2 of this Law and the Rules made for the purpose of that Part shall apply to a person who has or intends to have Units admitted to trading on an Authorised Market Institution in the manner and circumstances specified in this Law and prescribed in the Rules.

### **CHAPTER 2: GENERAL PROHIBITIONS AND DEFINITIONS**

#### **11. General Prohibition**

- (1) A person shall not:
  - (a) make an Offer of Securities to the Public in or from the DIFC; or
  - (b) have Securities admitted to trading on an Authorised Market Institution, except as provided in this Law and the Rules made for the purposes of this Law.
- (2) Without limiting the generality of its powers, the DFSA may, by written notice:
  - (a) exclude the application of any requirements; or
  - (b) deem any Investment which is not a Security to be a Security for the purposes of this Law and the Rules,

subject to such terms and conditions as it may consider appropriate.

#### **12. Definition of an Offer of Securities to the Public**

An Offer of Securities to the Public means a communication to any person in any form or by any means, presenting information on the terms of the offer and the Securities offered, so as to enable an investor to decide to buy or subscribe to those Securities but excluding:

- (a) any communication in connection with the trading of Securities admitted to trading on an Authorised Market Institution;
- (b) any communication made for the purposes of complying with the on-going reporting requirements of the DFSA or an Authorised Market Institution; or

- (c) any other communication prescribed in the Rules as an Exempt Communication.

### 13. Exempt Offerors

- (1) The prohibition in Article 11(1) does not apply to any:
  - (a) Securities of an Exempt Offeror; or
  - (b) Securities which are unconditionally and irrevocably guaranteed by an Exempt Offeror.
- (2) For the purposes of Article 13(1), an Exempt Offeror is a recognised government or other person included in the list of Exempt Offerors maintained by the DFSA in the Rules.
- (3) The DFSA may, at its discretion and on its own initiative, include any person in the list of Exempt Offerors maintained by it in circumstances where the requirements prescribed by the DFSA in the Rules are met.

## CHAPTER 3: PROSPECTUS REQUIREMENT

### 14. Obligation to issue a Prospectus

- (1) A person shall not, subject to Article 14(3):
  - (a) make an Offer of Securities to the Public in or from the DIFC; or
  - (b) have Securities admitted to trading on an Authorised Market Institution, unless there is an Approved Prospectus in relation to the relevant Securities.
- (2) For the purposes of Article 14(1):
  - (a) a Prospectus is an Approved Prospectus if it is approved by the DFSA in accordance with the requirements prescribed in the Rules; and
  - (b) a reference to a Prospectus in the Law or the Rules is a reference to an Approved Prospectus, unless the context requires otherwise.
- (3) The requirement in Article 14(1) does not apply:
  - (a) to an Offer of Securities to the Public where that offer is an “Exempt Offer” as prescribed in the Rules; or
  - (b) to any Securities to be admitted to trading on an Authorised Market Institution if those Securities are “Exempt Securities” as prescribed in the Rules.

- (4) For the purposes of this Part and the Rules made for the purposes of this Part, unless the context requires otherwise:
  - (a) a reference to a Prospectus Offer is a reference to both the making of an Offer of Securities to the Public and to having Securities admitted to trading on an Authorised Market Institution;
  - (b) a reference to an “offeror” is a reference to the person making a Prospectus Offer; and
  - (c) a reference to a Prospectus in respect of a person who has or seeks to have Units of a Fund admitted to trading on an Authorised Market Institution is a reference:
    - (i) in the case of a Domestic Fund, to a Prospectus under the Collective Investment Law 2010 and the Collective Investment Rules; and
    - (ii) in the case of a Foreign Fund, to a Prospectus prepared in accordance with the requirements prescribed in the Rules.
- (5) A Prospectus includes a Supplementary Prospectus, except where otherwise provided in this Law or the Rules

## 15. **Prospectus content**

- (1) A Prospectus shall contain all the information which an investor would reasonably require and expect to find in a Prospectus for the purpose of making an informed assessment of:
  - (a) the assets and liabilities, financial position, profits and losses, and prospects of the issuer and any guarantor; and
  - (b) the nature of the Securities and the rights and liabilities attaching to those Securities.
- (2) Without limiting the generality of the obligation in Article 15(1), the DFSA may, by Rules, prescribe the information that must be included in a Prospectus.
- (3) The DFSA may, in prescribing the information to be included in a Prospectus, require specific content requirement for a Prospectus of a particular type of Securities.
- (4) The issuer or other person responsible for the issue of a Prospectus shall include in the Prospectus all the information required under Article 15(1) and (2) as it would be reasonable for him to have knowledge of, or acquire through reasonable enquiries.
- (5) The DFSA shall, by Rules, prescribe:

- (a) the circumstances in which a Prospectus may incorporate any material by reference; and
- (b) the persons liable for the content of a Prospectus.

**16. DFSA power to publish information**

Where a person making a Prospectus Offer fails to publish any information which that person is required to publish pursuant to this Law or the Rules made for the purposes of this Law, the DFSA may publish such information in the manner prescribed in the Rules.

**17. Use of foreign offer documents**

No person shall use any offer document produced in accordance with the legislation applicable in another jurisdiction for the purposes of making a Prospectus Offer except in the circumstances prescribed in the Rules.

**18. Obligation to issue a Supplementary Prospectus**

If at any time after the issue of a Prospectus there is a significant change in, or a material mistake or inaccuracy affecting any matter contained in the Prospectus or a significant new matter arises, the issuer or the person responsible for the issue of the Prospectus shall issue a Supplementary Prospectus which:

- (a) provides details of the change, mistake, inaccuracy or new matter; and
- (b) complies with the requirements in Article 15(1).

**19. Financial Promotions**

No person shall issue a Financial Promotion in respect of Securities which are the subject of a Prospectus Offer except in accordance with the requirements specified in the Rules.

**CHAPTER 4: MISLEADING AND DECEPTIVE STATEMENTS OR OMISSIONS**

**20. Prohibition against misleading and deceptive statements or omissions**

- (1) A person shall not make a Prospectus Offer if there is:
  - (a) a misleading or deceptive statement in:
    - (i) the Prospectus;
    - (ii) any application form that is attached to or accompanies the Prospectus; or

- (iii) any other communication that relates to the Prospectus Offer, or the application form;
  - (b) any material omission from the Prospectus, application form or any other document as required by this Law or the Rules; or
  - (c) a significant new matter or a significant change in circumstances that requires a Supplementary to be issued.
- (2) A person does not contravene the prohibition in Article 20(1) if that person can prove the circumstances or matters specified in Articles 21 or and 22.

**21. Defence of reasonable inquiries and reasonable belief**

A person does not commit a contravention of Article 20(1), if that person proves that he:

- (a) made all inquiries that were reasonable in the circumstances; and
- (b) after making such inquiries, believed on reasonable grounds that the Prospectus was not misleading or deceptive.

**22. Defence of reasonable reliance on information given by another person**

- (1) A person does not commit a contravention of Articles 20(1) if the person merely proves that he placed reasonable reliance on information given to him by:
  - (a) if the person is not a natural person, someone other than a member of the governing body, employee or agent of the person; or
  - (b) if the person is a natural person, someone other than an employee or agent of the natural person.
- (2) For the purposes of this Part, a person is not the agent of a person merely because he performs a particular professional or advisory function for the person.

**23. Statements about future matters**

- (1) A person is taken to make a misleading or deceptive statement about a future matter whether by himself or through his agent, if he, at the time of making the statement or causing the statement to be made, did not have reasonable grounds for making the statement or causing the statement to be made.
- (2) The onus for proving that reasonable grounds existed for the purposes of Article 23(1) is on the person who made the statement or caused the statement to be made.

- (3) A person referred to in Article 23(2) may rely on the circumstances referred to in Article 21 or 22 in order to prove that he had reasonable grounds for making the statement relating to the future matter.

#### **24. Civil compensation**

- (1) Any person prescribed in Rules made by the DFSA as being liable for a Prospectus is liable to pay compensation to another person who has acquired Securities to which the Prospectus relates and who has suffered loss or damage arising from any untrue or misleading statement in the Prospectus or the omission from it of any material matter required to have been included in the Prospectus under the Law or Rules.
- (2) The DFSA may make Rules prescribing circumstances in which a person who would otherwise be liable under Article 24(1) will not be so liable.
- (3) Nothing in this Article affects the powers, rights or liabilities that any person may have apart from this Article including the power to institute proceedings under Article 94 of the Regulatory Law 2004.

#### **25. Stop orders**

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

- (b) provide a response to any such submission, and make any consequential direction, variation or withdrawal of the direction, without undue delay.
- (6) The Regulatory Appeals Committee has jurisdiction to hear and determine any appeal in relation to a decision to issue a stop order made under this Article.

## **PART 3: AUTHORISED MARKET INSTITUTIONS**

### **CHAPTER 1: SUPERVISION OF AUTHORISED MARKET INSTITUTION**

#### **26. Supervision of Authorised Market Institutions**

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



- (3) The Regulatory Appeals Committee has jurisdiction to hear and determine any appeal in relation to a decision to issue a direction under Article 26.

**27. Staff liabilities at Authorised Market Institutions**

Neither an Authorised Market Institution nor any director, officer, employee or agent of an Authorised Market Institution may be held liable for anything done or omitted to be done in the performance or discharge or purported performance or discharge of their respective duties and regulatory functions if the act or omission is shown to have been committed or omitted in good faith.

**28. Default Rules of Authorised Market Institutions**

- (1) The DFSA may require an Authorised Market Institution to have rules which set out procedures dealing with circumstances where a member is unable to meet its obligations in respect of contracts (“default rules”) as a condition of its Licence.
- (2) The DFSA may, by Rules, prescribe provisions which shall be adopted as part of an Authorised Market Institution’s default rules.

**CHAPTER 2: OFFICIAL LIST OF SECURITIES**

**29. Maintaining an Official List of Securities**

- (1) Subject to Article 29(2), an Official List of Securities for an Authorised Market Institution may be maintained by either the relevant Authorised Market Institution or the DFSA.
- (2) An Authorised Market Institution may maintain an Official List of Securities provided it has an endorsement on its Licence authorising it to maintain an Official List of Securities.
- (3) The DFSA may, at any time, transfer an Official List of Securities maintained by:
  - (a) the DFSA, to an Authorised Market Institution, provided the Authorised Market Institution has an endorsed Licence authorising it to maintain an Official List of Securities; and
  - (b) an Authorised Market Institution, to the DFSA in the circumstances described in Article 29(4)(a) or (c).

- (4) The DFSA may maintain an Official List of Securities where:
  - (a) the Authorised Market Institution does not wish to maintain an Official List of Securities;
  - (b) the DFSA has refused to grant an endorsement to an Authorised Market Institution to maintain an Official List of Securities; or
  - (c) the DFSA has suspended or withdrawn an endorsement on an Authorised Market Institution's Licence to maintain an Official List of Securities.
- (5) An Authorised Market Institution shall, when maintaining an Official List of Securities, comply with the relevant requirements in this Law, the Rules made for the purposes of this Law, its listing rules and any other applicable laws or requirements.
- (6) An Authorised Market Institution shall not permit trading of Securities on its facilities unless those Securities are admitted to, and not suspended from, an Official List of Securities maintained by the Authorised Market Institution or the DFSA except where otherwise prescribed in the Rules.
- (7) The DFSA may, by Rules, prescribe appropriate transitional arrangements when transferring an Official List of Securities from an Authorised Market Institution to the DFSA or from the DFSA to an Authorised Market Institution.

### **30. Application for an endorsement**

- (1) An application for an endorsement on a Licence authorising an Authorised Market Institution to maintain an Official List of Securities may be made to the DFSA by:
  - (a) the Authorised Market Institution; or
  - (b) an applicant for a Licence to operate an Authorised Market Institution.
- (2) The DFSA may grant or refuse to grant an application for an endorsement.
- (3) When granting or refusing to grant an endorsement, the DFSA shall consider whether an Authorised Market Institution has listing rules that meet the requirements in Article 32 and whether it complies with any other relevant requirements that are imposed by this Law or the Rules.
- (4) Upon refusing to grant an endorsement, the DFSA shall, without undue delay, inform the applicant in writing of such refusal and the reasons for such refusal.

### **31. Suspension or withdrawal of an endorsement**

- (1) The DFSA may at any time, by written notice, suspend or withdraw the endorsement on the Licence of an Authorised Market Institution to maintain an Official List of Securities.
- (2) The DFSA may act under Article 31(1) on its own initiative or at the request of an Authorised Market Institution.
- (3) The DFSA may, Subject to Article 31(4), suspend or withdraw the endorsement on a Licence on its own initiative if it has given the Authorised Market Institution a suitable opportunity to make representations in person and in writing to the DFSA in relation to the proposed changes.
- (4) The requirement imposed on the DFSA under Article 31(3) shall not apply in the case of a suspension of an endorsement on a Licence if the DFSA concludes that any delay likely to arise as a result of such requirement is prejudicial to the conduct of an orderly market or the interests of the DIFC.
- (5) Where pursuant to Article 31(4), the DFSA suspends an endorsement without providing a prior opportunity to make representations, the DFSA shall:
  - (a) provide the relevant Authorised Market Institution with an opportunity to make representations in person and in writing to the DFSA within a period of 14 days or such further period as may be allowed from the date on which the endorsement is suspended; and
  - (b) provide a response to any such submission and make any consequential direction without undue delay.
- (6) The DFSA may, unless Article 31(4) applies, give any third party who has a direct interest in the matter an opportunity to make representations to the DFSA.

### **32. Listing Rules Requirements**

- (1) The listing rules of an Authorised Market Institution shall contain such provisions as are prescribed in the Rules.
- (2) Subject to Article 32(3), the DFSA may, by written notice, direct an Authorised Market Institution to:
  - (a) make listing rules within a specified period; or
  - (b) amend specified listing rules in the manner and within the period prescribed.
- (3) The DFSA may only direct an Authorised Market Institution in accordance with Article 32(2) if it has first requested the Authorised Market Institution to make

or amend specified listing rules and the Authorised Market Institution has failed to comply with that requirement within the period specified by the DFSA in its request.

- (4) Where the DFSA maintains an Official List of Securities, it shall, by Rules, prescribe the relevant listing rules. Such listing rules shall include requirements relating to:
- (a) procedures for admission of Securities to its Official List of Securities including;
    - (i) requirements to be met before Securities may be granted admission to an Official List of Securities;
    - (ii) agreements in connection with admitting Securities to an Official List of Securities;
  - (b) enforcement of the agreements referred to in Article 32(4)(a)(ii);
  - (c) procedures for suspension and delisting of Securities from an Official List of Securities;
  - (d) the imposition on any person of obligations to observe specific standards of conduct or to perform, or refrain from performing, specified acts, reasonably imposed in connection with the admission of Securities to an Official List of Securities or continued admission of Securities to an Official List of Securities;
  - (e) penalties or sanctions which may be imposed by the DFSA for a breach of the listing rules;
  - (f) procedures or conditions which may be imposed, or circumstances which are required to exist, in relation to matters which are provided for in the listing rules;
  - (g) actual or potential conflicts of interest that have arisen or might arise when a person seeks to have Securities admitted to an Official List of Securities; and
  - (h) such other matters as are necessary or desirable for the proper operation of the listing rule process and the market.

**33. Admission of Securities to an Official List of Securities**

- (1) An Authorised Market Institution or the DFSA may grant admission of Securities to an Official List of Securities maintained by it only where it is satisfied that such admission is in accordance with the requirements in this Law and the Rules made for the purposes of that Law.
- (2) Where a person applies to have Securities admitted to an Official List of Securities maintained by an Authorised Market Institution or the DFSA, the Authorised Market Institution or the DFSA, as is relevant, shall notify the applicant in writing of its decision in relation to the application for admission of Securities to the Official List of Securities.
- (3) Where a person has any Securities included in an Official List of Securities, such Securities shall be admitted to trading on an Authorised Market Institution as soon as possible.
- (4) Where any Securities included in an Official List of Securities are not admitted to trading in accordance with the requirement in Article 33(3), such Securities shall be removed from the Official List of Securities.
- (5) A person shall not have any Securities admitted to an Official List of Securities unless those Securities are also admitted to trading on an Authorised Market Institution.
- (6) The DFSA may, by Rules, prescribe any circumstances in which Securities admitted to an Official List of Securities need not comply with the requirement in Article 33(3).

**34. Objections or refusal by the DFSA to an admission of Securities to an Official List of Securities**

- (1) Where an Authorised Market Institution maintains an Official List of Securities, the DFSA may, by written notice:
  - (a) object to the admission of Securities to such an Official List of Securities; or
  - (b) impose conditions or restrictions in respect of the admission of Securities to such an Official List of Securities, or vary or withdraw such conditions or restrictions,in the circumstances specified in Article 34(3).
- (2) Where the DFSA maintains an Official List of Securities, the DFSA may, by written notice:
  - (a) refuse an application for admission of Securities to such an Official List of Securities; or

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

in the circumstances specified in Article 34(3).

- (3) The DFSA may exercise its powers under Article 34(1) or (2) where:
  - (a) the DFSA reasonably considers, for a reason relating to the issuer of the Securities or to the Securities, that:
    - (i) granting the Securities admission to an Official List of Securities would be detrimental to the interests of persons dealing in the relevant Securities using the facilities of an Authorised Market Institution or otherwise;
    - (ii) any requirements in the listing rules as are applicable have not been or will not be complied with;
    - (iii) any requirement imposed by the DFSA has not been or will not be complied with; or
    - (iv) the issuer of the Securities has failed or will fail to comply with any obligations applying to it including those relating to having its Securities admitted to an Official List of Securities or listed or traded in another jurisdiction; or
  - (b) it is in the interests of the DIFC to do so.
- (4) Where the DFSA objects to the admission of Securities to an Official List of Securities pursuant to Article 34(1)(a), such Securities shall not be admitted by an Authorised Market Institution to its Official List of Securities.
- (5) Where the DFSA imposes conditions or restrictions on the admission of Securities to an Official List of Securities pursuant to Article 34(1)(b), such Securities shall not be admitted by an Authorised Market Institution to its Official List of Securities unless there is compliance with those conditions and restrictions.
- (6) Where the DFSA exercises its powers under Article 34(1) or (2), it shall:
  - (a) provide the applicant and where relevant the Authorised Market Institution an opportunity to make representations in person and in writing to the DFSA within a period of 14 days, or such further period as may be allowed, from the date on which such written notice was provided; and

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

### 35. **Suspending and delisting Securities from an Official List of Securities**

- (1) The DFSA or an Authorised Market Institution may, in accordance with its listing rules, suspend or delist Securities from its Official List of Securities with immediate effect or from such date and time as may be specified where it is satisfied that there are circumstances that warrant such action or it is in the interests of the DIFC.
- (2) The DFSA may, by written notice, direct an Authorised Market Institution to suspend or delist Securities from an Official List of Securities with immediate effect or from such date and time as may be specified if it is satisfied there are circumstances that warrant such action or it is in the interests of the DIFC.
- (3) The DFSA shall provide the written notice under Article 35(2) to the Reporting Entity and where relevant the Authorised Market Institution and such notice shall include the reasons for the DFSA's decision.
- (4) Subject to Article 35(5), the DFSA may only exercise its power under Article 35(1) or (2) if it has given the Reporting Entity and where relevant the Authorised Market Institution a suitable opportunity to make representations in person and in writing in relation to the proposed suspension or delisting.
- (5) The requirements imposed on the DFSA in Article 35(4) shall not apply:
  - (a) in relation to:
    - (i) the suspension by the DFSA of Securities from an Official List of Securities; or
    - (ii) a direction given by the DFSA to an Authorised Market Institution to suspend Securities,  
  
where the DFSA concludes that any delay likely to arise as a result of such requirements is prejudicial to the interests of the DIFC, or
  - (b) to a suspension or delisting of Securities which is requested by Reporting entity.
- (6) Where pursuant to Article 35(5) the DFSA has:
  - (a) suspended a Security from an Official List of Securities; or
  - (b) directed an Authorised Market Institution to suspend Securities from an Official List of Securities;

without providing a prior opportunity to make representations, the DFSA shall:

- (i) provide the relevant Reporting Entity and where relevant the Authorised Market Institution an opportunity to make representations in person and in writing to the DFSA within the period of 14 days, or such further period as may be agreed, from the date on which such direction or suspension was made; and
  - (ii) provide a response to any such submission, and make, if necessary, any consequential direction, variation or withdrawal of the direction, without undue delay.
- (7) The DFSA may, by written notice, withdraw a direction made under Article 35(2) at any time.
- (8) Securities that are suspended from an Official List of Securities are still admitted to an Official List of Securities for the purposes of Parts 3 and 4 of this Law.
- (9) The DFSA may, by Rules, prescribe any additional requirements or procedures relating to the delisting or suspension of Securities from or restoration of Securities to an Official List of Securities.

### **36. Jurisdiction of the Regulatory Appeals Committee**

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

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



## CHAPTER 3 – RECOGNITION

### 37. Recognised Status

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

## **PART 4: OBLIGATIONS OF REPORTING ENTITIES**

### **CHAPTER 1: DEFINITIONS**

#### **38. Definition of a Reporting Entity**

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

- (i) the person previously had Securities admitted to an Official List of Securities but currently has no Securities admitted to an Official List of Securities;
    - (ii) the current holders of at least seventy five per cent of the Securities of the Reporting Entity or the Listed Fund, as is relevant, have agreed in writing that the person is no longer needed to be a Reporting Entity; and
    - (iii) the DFSA has confirmed in writing upon being notified of the grounds referred to in Article 38(3)(b)(i) and (ii) that the person need no longer be a Reporting Entity; or
  - (c) in the case of a person referred to in Article 38(1)(a),(b) or (c), if that person is declared by the DFSA pursuant to Article 38(4)(a)(ii) not to be a Reporting Entity.
- (4) The DFSA may, subject to Article 38(5), upon application of a person or on its own initiative:
- (a) declare in writing that a person is:
    - (i) a Reporting Entity; or
    - (ii) not a Reporting Entity; and
  - (b) impose such conditions or restrictions as it considers appropriate in respect of such a declaration.
- (5) The DFSA may only exercise its power under Article 38(4) on its own initiative if it has given a person a suitable opportunity to make representations in person and in writing in relation to the proposed declaration or imposition of conditions or restrictions.
- (6) The Regulatory Appeals Committee has jurisdiction over any decision made by the DFSA pursuant to Article 38(4).
- (7) The DFSA may, by Rules, prescribe requirements applicable to Reporting Entities including any circumstances in which such requirements may not apply to certain Reporting Entities.
- (8) The DFSA may, by Rules, extend the requirements applicable to a Reporting Entity to any person who intends to undertake any activity specified in Article 38(1)(a), (b) or (c) where it considers appropriate to do so.
- (9) A reference to a Reporting Entity in the Law and the Rules made for the purposes of the Law includes, except where otherwise provided or the context implies otherwise, a person intending to have Securities admitted to trading on an Authorised Market Institution.

## **CHAPTER 2: GOVERNANCE OF REPORTING ENTITIES**

### **39. Corporate governance**

- (1) A Reporting Entity shall 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.
- (2) For the purposes of the requirement in Article 39(1), the DFSA shall, by Rules, prescribe:
  - (a) corporate governance principles and standards that apply to a Reporting Entity, including any requirements applicable to its board of Directors and individual members, controllers, employees or any other person as appropriate;
  - (b) requirements relating to fair treatment of shareholders; and
  - (c) provisions to address conflicts of interests.
- (3) The DFSA may, by Rules, prescribe any circumstances in which such requirements do not apply to certain Reporting Entities.

## **CHAPTER 3 – MARKET DISCLOSURE**

### **40. Database**

- (1) The DFSA shall establish and maintain an electronic data gathering, analysis and retrieval system (the “database”) for the receipt and storage of information filed or disclosed under this Part and any Rules made under this Part. The database is for the purpose of making information available to the public except where such information is confidential as prescribed in the Rules.
- (2) The DFSA may delegate to any person all or part of any function in Article 40(1) where it is satisfied that there are appropriate safeguards to ensure integrity and safety of the information and any applicable data protection requirements.

### **41. Continuous disclosures**

- (1) A Reporting Entity shall, subject to Article 41(4), make disclosures to the market of information specified by the DFSA in the circumstances prescribed by the Rules.
- (2) Without limiting the generality of Article 41(1), the DFSA shall, by Rules, prescribe the type of information and the circumstances in which such information shall be disclosed including:
  - (a) financial information;

- (b) inside information as defined in Article 63(1)(a); and
  - (c) any other information or material change which occurs in relation to a Reporting Entity.
- (3) Where information is required to be disclosed pursuant to Article 41(1), the Reporting Entity shall:
  - (a) issue a release of information to the market disclosing the information; and
  - (b) file a report with the DFSA,in the manner prescribed by the Rules.
- (4) Where a Reporting Entity has failed to publish information required to be published pursuant to Article 41(1) and the Rules made for the purposes of this Article, the DFSA may publish such information in a manner considered appropriate by the DFSA.
- (5) The DFSA may, by Rules, prescribe the circumstances in which a Reporting Entity need not comply with the disclosure requirement in Article 41(1).

**42. Disclosures by connected persons**

- (1) A person who becomes a connected person of a Reporting Entity shall file with the DFSA and the relevant Reporting Entity a report that meets the requirements prescribed in the Rules made for the purposes of this Article.
- (2) The DFSA shall, by Rules, prescribe:
  - (a) when a person is regarded as a “connected person” of a Reporting Entity;
  - (b) events that trigger the requirement to file the report referred to in Article 42(1) (“the report”);
  - (b) the content and the manner of filing of the report;
  - (c) when a person is, or is not, a connected person of a Reporting Entity or a Listed Fund; and
  - (d) any other matter that is necessary or incidental for the purpose of giving effect to the requirements relating to the report.

**43. Disclosure of material interests**

- (1) A person who has a material interest in or relating to a Reporting Entity or a Listed Fund shall give a notice relating to that interest (“notice”) in the manner and form prescribed by the Rules.
- (2) For the purposes of Article 43(1), the DFSA shall, by Rules, prescribe:
  - (a) what constitutes a “material interest”;
  - (b) persons required to give the notice;
  - (c) persons to whom the notice is required to be given, including any circumstances in which such a notice is not required;
  - (d) the content and the manner of giving the notice; and
  - (e) any other matter that is necessary or incidental for the purpose of giving effect to the requirements relating to the notice.

**CHAPTER 5 – FINANCIAL REPORTS**

**44. Annual financial report**

A Reporting Entity shall prepare and file with the DFSA an annual financial report in accordance with the requirements prescribed in the Rules.

**45. Interim financial report**

- (1) A Reporting Entity shall, subject to Article 45(2), prepare and file with the DFSA:
  - (a) a semi-annual financial report ; and
  - (b) any other financial statements required by the DFSA.
- (2) The DFSA may, by Rules, prescribe the circumstances in which a Reporting Entity:
  - (a) is not required to file a semi-annual financial report; or
  - (b) is required to file any other financial statements pursuant to Article 45(1)(b).

**46. Auditor's report**

- (1) Each annual financial report referred to in Article 44 shall be accompanied by a report of the auditor of the Reporting Entity in accordance with the requirements prescribed in the Rules.
- (2) The report produced in accordance with Article 46(1) shall state whether in the auditor's opinion the financial statements required by Article 44 represent a true and fair view of the financial position of the Reporting Entity.

**47. Supply of financial statements**

Upon a request from a holder of its Securities, a Reporting Entity shall, within 14 days of the request, make a copy of the financial report filed under Article 44 or 45 available to the holder.

**48. Public Listed Companies**

A Reporting Entity which is a Public Listed Company must appoint a Registered Auditor to be its auditor.

**CHAPTER 6 – SPONSORS AND COMPLIANCE ADVISERS**

**49. Appointment of Sponsors or Compliance Advisers**

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

## CHAPTER 7 – MISCELLANEOUS

### 50. DFSA powers

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



## **PART 5: TAKEOVERS**

### **51. Purpose of this Part**

The purpose of this Part, and of Takeover Rules made for the purpose of this Part, is to:

- (a) ensure that where a Takeover takes place, it does so in an efficient, competitive, fair and informed market;
- (b) ensure that shareholders are treated fairly and shareholders of the same class are treated the same; and
- (c) provide an orderly framework within which a Takeover is conducted.

### **52. Takeover Rules**

The DFSA shall make Rules known as the Takeover Rules prescribing the procedures for and obligations of persons in respect of a Takeover of a Reporting Entity.

### **53. Takeover Principles**

- (1) The DFSA shall make Takeover Rules prescribing a set of Takeover principles relating to, but not limited to:
  - (a) treatment of shareholders and of classes of shareholders in a Takeover;
  - (b) adequacy of time and of information provided to shareholders to enable proper consideration of a Takeover bid;
  - (c) avoidance of the creation of false markets; and
  - (d) avoidance of oppression of minorities.
- (2) A person who is involved in a Takeover of a Reporting Entity shall comply with and observe the spirit and the wording of the Takeover principles.

## **PART 6: PREVENTION OF MARKET ABUSE**

### **CHAPTER 1 - MARKET ABUSE**

#### **54. Fraud and market manipulation**

A person shall not, in the DIFC or elsewhere, by any means, directly or indirectly, engage or participate in any act, practice or course of conduct relating to Investments that the person knows or reasonably ought to know:

- (a) results in or contributes to, or may result in or contribute to, a false or misleading impression as to the supply of, demand for or price of one or more Investments;
- (b) creates or is likely to create an artificial price for one or more Investments; or
- (c) perpetrates a fraud on any person.

#### **55. False or misleading statements**

A person shall not, in the DIFC or elsewhere, disseminate information by any means which gives, or is likely to give, a false or misleading impression as to one or more Investments when such person knows or could reasonably be expected to know that the information is false or misleading.

#### **56. Use of fictitious devices and other forms of deception**

A person shall not, in the DIFC or elsewhere, engage in any activity or conduct in relation to Investments, which consists of effecting transactions or orders to trade which employ fictitious devices or any other form of deception or contrivance.

#### **57. False or Misleading conduct and distortion**

A person shall not, in the DIFC or elsewhere, engage in any activity or conduct in relation to Investments, which does not fall under Articles 54, 55 or 56, that:

- (a) gives a false or misleading impression as to the supply of, or demand for, or as to the price of one or more Investments; or
- (b) would distort, or would be likely to distort, the market for one or more Investments; and
- (c) is likely to be regarded by market participants as a failure on the part of the person concerned to observe the standard of behaviour reasonably expected of a person in his position in relation to the market.

58. **Insider dealing**

- (1) A person who is an insider shall not, in the DIFC or elsewhere, directly or indirectly, deal, or attempt to deal, in an Investment, or in a related investment, on the basis of inside information.
- (2) In this Article “*Investment*” does not include “commodity derivatives.”

59. **Providing inside information**

- (1) An insider shall not, other than in the necessary course of business, disclose inside information to another person.
- (2) An insider shall not procure another person to deal in the Investments or related investments in which the insider has inside information.
- (3) In this Article:

“*procure*” includes:

where a person induces or encourages another person by direct or indirect means.

60. **Inducing persons to deal**

A person shall not, in the DIFC or elsewhere, induce another person to deal in Investments:

- (a) by making or publishing a statement, promise or forecast if the person knows, or is reckless as to whether, the statement is misleading, false or deceptive;
- (b) by a concealment of material facts; or
- (c) by recording or storing information that the person knows to be false or misleading in a material respect or may be materially misleading.

61. **Misuse of information**

A person shall not, in the DIFC or elsewhere, engage in any activity or conduct in relation to Investments, which does not fall under Articles 58, 59 or 60:

- (a) by using information which is not generally available to market participants which, if available to a market participant, would be, or would be likely to be, regarded by him as relevant when deciding the terms on which transactions in Investments should be effected; and
- (b) is likely to be regarded by market participants as a failure on the part of the person concerned to observe the standard of behaviour reasonably expected of a person in his position in relation to the market.

62. **Application of provisions**

Articles 54 to 61 do not apply to conduct which occurs outside the DIFC unless the conduct affects the DIFC markets or users of the DIFC markets.

63. **Definitions for this Part**

(1) In this Part, in relation to Investments, or related investments,

- (a) “inside information” means information 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; and
- (b) “insider” means a person who has inside information:
  - (i) as a result of his membership of the board of Directors, or the Governing Body of the relevant Reporting Entity;
  - (ii) as a result of his holding in the capital of the relevant Reporting Entity;
  - (iii) as a result of having access to the information through the exercise of his employment, profession or duties;
  - (iv) as a result of his criminal activities; or
  - (v) which he has obtained by other means and which he knows, or could reasonably be expected to know, is inside information.

(2) In Article 63(1)(a) information is 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.

- (3) In Article 63(1)(a)(iii), information would be likely to have a significant effect on price if and only if it is information of the kind which a reasonable investor would be likely to use as part of the basis of his investment decisions.
- (4) For the purposes of Article 63(1)(a), information about a person's pending orders in relation to an Investment or related investment is also inside information.
- (5) In Article 63(1)(a)(i), information which can be obtained by research or analysis conducted by, or on behalf of, users of a market is to be regarded, for the purposes of this Part, as being generally available to them.
- (6) In this Part, in relation to an Investment (the "First Investment"), a "related investment" means another Investment whose price or value depends, in whole or in part, on the price or value of the First Investment.

## **CHAPTER 2 – DEFENCES**

### **64. Defences for market manipulation, insider dealing and providing inside information**

- (1) A person shall not be found to have contravened Article 54 if the person establishes that the conduct or practice the person engaged in was carried out in the performance of:
  - (a) permitted price stabilisation; or
  - (b) a purchase of the person's own shares,in accordance with the Rules.
- (2) A person shall not be found to have contravened Article 58 if:
  - (a) the person establishes that he reasonably believed that the inside information had been disclosed to the market in accordance with this Law or the Rules;
  - (b) the dealing occurred in the legitimate performance of an underwriting agreement for the Investments or related investments in question;
  - (c) the dealing occurred in the legitimate performance of its functions as a liquidator or receiver;
  - (d) the dealing is undertaken solely in the course of the legitimate performance of his functions as a market maker;
  - (e) the person executes an unsolicited client order in Investments or related investments while in possession of inside information without

contravening Article 59 or otherwise advising or encouraging the client in relation to the transaction;

- (f) the dealing is undertaken legitimately and solely in the context of that person's public takeover bid for the purpose of gaining control of that Reporting Entity or proposing a merger with that Reporting Entity; or
- (g) the sole purpose of the Reporting Entity acquiring its own shares was to satisfy a legitimate reduction of share capital or to redeem Securities in accordance with the Rules.

(3) A person shall not be found to have contravened Article 59 if:

- (a) the person establishes that the information was disclosed by him in accordance with any requirement of the law or a court order; or
- (b) the person establishes that he reasonably believed that the inside information had been disclosed to the market in accordance with this Law or the Rules.

**65. Chinese wall arrangements**

A person does not contravene Article 58 by dealing in Investments or related investments if:

- (a) it had in operation at that time an effective information barrier which could reasonably be expected to ensure that the inside information was not communicated to the person or persons who made the decision to deal and that no advice with respect to the transaction or agreement was given to that person or any of those persons by an insider; and
- (b) the information was not communicated and no such advice was given.

## **PART 7: CONTRAVENTIONS AND PROCEEDINGS**

### **66. Contraventions**

A person who:

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

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

### **67. Declaration of contravention**

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

### **68. Orders in the interests of the DIFC**

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

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



69. **Certificate of contravention**

A certificate signed by the Registrar of the Court or a member of the Financial Markets Tribunal which states that the Court or Financial Markets Tribunal on a specified day made a finding that a specified person has committed a contravention of a specified provision of the Law or of the Rules or of any other legislation administered by the DFSA or made a specified finding of fact is, in any other proceedings before the Court or Financial Markets Tribunal, where relevant:

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

## **PART 8: FINANCIAL MARKETS TRIBUNAL**

### **70. Jurisdiction of the Financial Markets Tribunal**

- (1) The Financial Markets Tribunal has additional jurisdiction as set out in Article 70(2).
- (2) The Financial Markets Tribunal has jurisdiction to hear and determine proceedings relating to:
  - (a) an issue arising out of supervision relating to an Authorised Market Institution other than a direction under Article 26(2);
  - (b) an issue arising out of offers of Securities arising under this Law;
  - (c) an issue arising out of a takeover, takeover offer, merger or acquisition of shares; or
  - (d) any matter that may be prescribed by law or the Rules for the purpose of this Article.
- (3) A proceeding brought under Article 70(2) shall be referred to as a “regulatory proceeding” for the purposes of this Part.
- (4) A regulatory proceeding under this Part does not include an appeal of a DFSA decision.
- (5) A regulatory proceeding under this Part may be brought by the DFSA or by another person with the consent of the DFSA.
- (6) Subject to Article 70(7), an appeal from a determination from the Financial Markets Tribunal may be made to the Court pursuant to Article 32(5) of the Regulatory Law 2004.
- (7) An appeal lies to the Court on a point of law from a determination by the Financial Markets Tribunal of an appeal to the Tribunal prescribed by Rules made by the DFSA for the purposes of this Article.

### **71. Powers to hear and determine matters**

- (1) The Financial Markets Tribunal shall be constituted, operate and exercise powers as prescribed under Articles 31 to 35 of the Regulatory Law 2004.
- (2) At the conclusion of any proceedings, under this Law, the Financial Markets Tribunal may make a finding or declaration of unacceptable circumstances or a contravention of the Law or Rules, and may make one or more of the following orders, in addition to any orders it may make under Article 34 of the Regulatory Law 2004 or Article 67 of this Law:

- (a) an order requiring the respondent to comply with this Law or the Rules;
- (b) an order in relation to the control or acquisition of Investments in or relating to a Reporting Entity;
- (c) an order in relation to the rights of shareholders or minority shareholders in a Reporting Entity;
- (d) an order requiring the respondent to do any act or thing; or
- (e) any consequential orders as the Financial Markets Tribunal sees fit following a finding or the making of a declaration.

## **PART 9: MISCELLANEOUS**

### **72. Fees**

The DFSA may make Rules providing for the payment of fees to the DFSA as provided for in Article 16 of the Regulatory Law 2004.

### **73. Filing of material with the DFSA**

The DFSA may by means of Rules:

- (a) require the filing of certain material;
- (b) prescribe the manner in which such material shall be filed;
- (c) prescribe which material, or parts of the material, shall be made available for viewing by the public during the normal business hours of the DFSA;
- (d) permit or require the use of an electronic or computer-based system for the filing, delivery or deposit of, documents or information required under or governed by the Law and Rules; and
- (e) prescribe the circumstances in which persons shall be deemed to have signed or certified documents on an electronic or computer-based system for any purpose under the Law.

## **SCHEDULE**

### **INTERPRETATION**

#### **1. Rules of interpretation**

- (1) In this Law, a reference to:
  - (a) a statutory provision includes a reference to the statutory provision as amended or re-enacted from time to time;
  - (b) a person includes any natural person, body corporate or body unincorporate, including a company, partnership, unincorporated association, government or state;
  - (c) an obligation to publish or cause to be published a particular document shall, unless expressly provided otherwise in the Law, include publishing or causing to be published in printed or electronic form;
  - (d) a day means, except where otherwise stated, a calendar day. If an obligation falls on a calendar day which is either a Friday or Saturday or an official state holiday in the DIFC, the obligation shall take place on the next calendar day which is a business day;
  - (e) a calendar year shall mean a year of the Gregorian calendar;
  - (f) the singular includes the plural; and
  - (g) the masculine gender includes the feminine.
- (2) The headings in this Law shall not affect its interpretation.

#### **2. Legislation in the DIFC**

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

- (a) Federal Law is law made by the federal government of the United Arab Emirates;
- (b) Dubai Law is law made by the Ruler, as applicable in the Emirate of Dubai;
- (c) DIFC Law is law made by the Ruler (including, by way of example, this Law), as applicable in the DIFC;
- (d) this Law is The Markets Law, DIFC Law No.[ ] of 2012 made by the Ruler;
- (e) the Rules are legislation made by the DFSA for the purpose of this Law and are binding in nature;

- (f) Guidance is indicative and non-binding and may comprise (i) guidance made and issued by the Chief Executive as notations to the Rules; and (ii) any standard or code of practice issued by the DFSA which has not been incorporated into the Rules; and
- (g) references to “legislation administered by the DFSA” are references to DIFC Law and Rules conferring functions and powers on the DFSA.

### 3. **Defined Terms**

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

<b>Term</b>	<b>Definition</b>
Authorised Firm	has the meaning given in Article 3 of Schedule 1 of the Regulatory Law 2004.
Authorised Market Institution	has the meaning given in Article 3 of Schedule 1 of the Regulatory Law 2004.
Chief Executive	has the meaning given in Article 3 of Schedule 1 of the Regulatory Law 2004.
Court	The DIFC Court as established under Dubai Law.
DFSA	The Dubai Financial Services Authority.
DFSA Board of Directors	the governing body of the DFSA established under Chapter 2 of Part 2 of the Regulatory Law 2004.
DIFC	the Dubai International Financial Centre.
DIFC Law	has the meaning given in Article 2(c) of Schedule 1 to the Regulatory Law 2004.
Exempt Offer	has the meaning prescribed in the Rules made under this Law.
Exempt Offeror	a person specified in Article 13(2) of this Law and any person prescribed in the Rules made for the purposes of that Article.
Financial Markets Tribunal	the Financial Markets Tribunal established pursuant to Article 31 of the Regulatory Law 2004.
Investments	has the meaning prescribed in the Rules made under the Regulatory Law 2004.

Law	the Markets Law 2012.
Licence	a licence granted by the DFSA under Chapter 2 of Part 3 of the Regulatory Law 2004.
Official List of Securities	a list of Securities maintained by an Authorised Market Institution or the DFSA in accordance with this Law and the Rules made for the purposes of this Law.
Public Listed Company	Has the meaning given in Article 3, Schedule 1 of the Regulatory Law 2004.
Regulatory Appeals Committee	has the meaning given in Article 3 of Schedule 1 of the Regulatory Law 2004.
Reporting Entity	Has the meaning given to that term in Article 38 of this Law.
Registered Auditor	An auditor registered by the DFSA in accordance with Part 8 of the Regulatory Law 2004.
Ruler	the ruler of the Emirate of Dubai.
Rules	has the meaning given in Article 2 of Schedule 1 of the Regulatory Law 2004.
Securities	has the meaning prescribed in the Rules made under the Regulatory Law 2004.
Takeover	takeover and merger transactions however effected, including schemes of arrangements which have similar commercial effect to takeovers and mergers, partial bids, bid by a parent company for shares in its subsidiary and (where appropriate) share repurchases by general bid.