
MARKETS LAW
DIFC LAW No.12 of 2004

Consolidated Version
(May 2010)

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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 16 September 2004 and was subsequently amended by:

- (a) Markets Law Amendment Law, DIFC Law No.1 of 2005 on 19 April 2005;
- (b) DIFC Laws Amendment Law, DIFC Law No.2 of 2005 on 19 April 2005;
- (c) DIFC Laws Amendment Law, DIFC Law No.2 of 2007 on 15 February 2007;
- (d) DIFC Laws Amendment Law, DIFC Law No.2 of 2008 on 14 September 2008; and
- (e) DIFC Laws Amendment Law DIFC Law No.1 of 2010 on 2 May 2010.

PART 1: GENERAL

1. Title

This Law may be cited as the “Markets Law 2004”.

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 the Law.

7. Administration of the Law

This Law and any legislation made under this Law is administered by the DFSA.

8. The powers of the DFSA to make Rules

(1) The DFSA Board of Directors 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 Board of Directors may make:

(a) Rules in relation to the licensing and supervision of Authorised Market Institutions;

(b) Rules in relation to the offer of Securities in or from the DIFC which will be known as the Offered Securities Rules;

- (c) Rules in relation to the maintenance of Official Lists of Securities which will be contained in the Offered Securities Rules;
 - (d) Rules in relation to the corporate governance and disclosure obligations of Reporting Entities which will be contained in the Offered Securities Rules;
 - (e) Rules in relation to takeovers, mergers and acquisitions of Reporting Entities which will collectively be known as the Takeover Rules;
 - (f) Rules for market participants in relation to market conduct which will be known as the Market Conduct Rules; and
 - (g) Guidance and general policy on Rules made for the purpose of this Law.
- (3) Where any legislation made for the purposes of this Law purports to be made in 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 Board of Directors shall publish draft Rules in the manner prescribed under Article 24 of the Regulatory Law 2004.

PART 2: SUPERVISION OF AUTHORISED MARKET INSTITUTIONS

9. 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 to comply with the Law or ensure the integrity of the DIFC, 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 transactions 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 an Authorised Market Institution;
 - (c) suspend transactions in Investments conducted on the market or through the facilities operated by an Authorised Market Institution;
 - (d) prohibit trading in Investments conducted on the market or through the facilities operated by an Authorised Market Institution;
 - (e) defer for a specified period the completion date of transactions conducted on the market or through the facilities operated by an Authorised Market Institution; or
 - (f) 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 9(1) and (2).

10. Staff liabilities at Authorised Market Institutions

- (1) 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 purported performance of its regulatory functions.
- (2) Article 10(1) does not apply if the act or omission is shown to have been in bad faith.

11. Default Rules at Authorised Market Institutions

- (1) The DFSA may require an Authorised Market Institution to have default rules as a condition of its Licence.
- (2) The DFSA Board of Directors may make Rules which prescribe provisions which shall be adopted as part of an Authorised Market Institution's default rules.

PART 3: OFFER OF SECURITIES

12. Application of this Part to Collective Investment Funds

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

13. Offer of Securities

- (1) A person is to be regarded as making an offer of Securities if he:
 - (a) makes an offer which, if accepted, would give rise to a contract for the issue of Securities by him or by another person with whom he has made arrangements for the issue of the Securities; or
 - (b) makes an offer or invitation in relation to an issue or a sale of Securities in circumstances prescribed by the Offered Securities Rules.
- (2) A person shall not make an offer of Securities in the DIFC unless the offer of Securities is made by way of an Exempt Offer or Prospectus offer in accordance with this Part and the Offered Securities Rules.
- (3) An offer of Securities is made in the DIFC if the offer:
 - (a) is directed at or received by a person (an “offeree”) in the DIFC at the time of the making; and
 - (b) is capable of acceptance by such an offeree;regardless of where any resulting issue or sale occurs.
- (4) A person shall not make an offer of Securities from the DIFC unless the offer of Securities is made in accordance with the Offered Securities Rules.
- (5) An offer of Securities is made from the DIFC if:
 - (a) the person making the offer is situated in the DIFC;
 - (b) the offer is directed at or received by a person (an “offeree”) situated, at the time of the making, outside of the DIFC; and
 - (c) the offer is capable of acceptance by such an offeree;regardless of where any resulting issue or sale occurs.

14. Exempt Offers

- (1) A person who makes an Exempt Offer shall comply with any requirements relating to that Exempt Offer which are prescribed by the Offered Securities Rules.
- (2) Exempt Offers are offers of Securities:
 - (a) by recognised governments or other persons on the list of exempt offerors maintained by the DFSA in the Offered Securities Rules;
 - (b) made to and directed at Professional Investors;
 - (c) made in connection with a takeover offer; or
 - (d) as may be prescribed by the Offered Securities Rules.
- (3) An application to be included on the list of exempt offerors shall be made in accordance with the Offered Securities Rules.
- (4) An offer of Securities remains an Exempt Offer even if the offer of Securities falls in whole or part within more than one of the conditions in Article 14(2) as long as all of the offer of Securities falls within at least one of the conditions.
- (5) The DFSA may at any time by written notice impose conditions and restrictions on offerors making Exempt Offers of Securities in the DIFC under this Law.

15. Prospectus

- (1) No offer of Securities in the DIFC, other than an Exempt Offer, may take place under this Part unless:
 - (a) a Prospectus has been filed with the DFSA and published; and
 - (b) the offeror or issuer has appointed a sponsor or underwriter or both, if so required by the DFSA.
- (2) A Prospectus shall comply with the Offered Securities Rules and contain all information investors would reasonably require for the purpose of making an informed assessment of:
 - (a) the assets and liabilities, financial position, profits and losses, and prospects of the offeror or issuer or both; and
 - (b) the nature of the Securities and the rights attached to those Securities.
- (3) The DFSA may make Offered Securities Rules allowing offer documents produced in accordance with the legislation applicable in another jurisdiction to be taken to comply with the requirements of Article 15(2).

- (4) The offeror or person responsible for the content of the Prospectus shall include all information it would be reasonable for him to have knowledge of, or acquire through reasonable enquiries.
- (5) If at any time after the preparation of a Prospectus which has been filed and registered with the DFSA, there is a significant change affecting any matter contained in the Prospectus or a significant new matter arises, before the final close of the offer, the offeror or the person responsible for the Prospectus shall in accordance with the Offered Securities Rules file and register a Supplementary Prospectus which:
 - (a) provides details of the change or new matter;
 - (b) complies with the requirements of Articles 15(2); and
 - (c) complies with any information required by the Offered Securities Rules or the DFSA.
- (6) The DFSA may on the written application of the offeror or the person responsible for the content of the Prospectus or Supplementary Prospectus allow material to be incorporated by reference if such material has been recently sent to holders of the relevant Security or is generally available in the market.
- (7) Where the Offered Securities Rules require an offeror to publish the relevant information, the Offered Securities Rules may permit the DFSA to publish the relevant information in the event that the offeror fails to do so.
- (8) No advertisement or publicity may be issued in respect of a Prospectus or Supplementary Prospectus or the Securities offered in the Prospectus or Supplementary Prospectus, unless the information contained in the advertisement complies with the Offered Securities Rules.

16. Stop orders

- (1) If the DFSA is satisfied that an offer of Securities would contravene or has contravened this Law or the Offered Securities Rules, the DFSA may issue a stop order directing that no offers, issues, sales or transfers of the Securities may be made for such a period of time as it thinks appropriate.
- (2) Upon making a decision in relation to Article 16(1) the DFSA shall without undue delay inform the offeror in writing of its decision and where requested by the offeror the reasons for the decision.
- (3) The DFSA may only exercise its power to issue a stop order if it has given the relevant person a suitable opportunity to make representations in person and in writing to the DFSA in relation to the proposed stop order.

- (4) The requirements imposed on the DFSA in Article 16(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 16(4) the DFSA has issued a stop order directing that no offers, issues, sales or transfers of Securities may be made without providing a prior opportunity to make representations, the DFSA shall:
 - (a) provide the relevant offeror an opportunity to make representations in person and in writing to the DFSA within the period of 14 days, or such further period as may be agreed, from the date on which such direction was made; and
 - (b) provide a response to any such submission, and make any consequential direction, variation or withdrawal of the direction, 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 4: LISTINGS

17. Maintaining an Official List of Securities

- (1) Subject to (2), an Official List of Securities for an Authorised Market Institution may be maintained by either the Authorised Market Institution or the DFSA.
- (2) An Authorised Market Institution may maintain an Official List of Securities provided it has an endorsed Licence authorising it to maintain an Official List of Securities.
- (3) 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) it has refused to grant an endorsement to an Authorised Market Institution to maintain an Official List of Securities; or
 - (c) it has suspended or withdrawn an endorsement from an Authorised Market Institution to maintain an Official List of Securities.
- (4) An Authorised Market Institution when maintaining an Official List of Securities shall comply with the relevant requirements in the Law, its listing rules, the Offered Securities Rules and any other legislative requirement.
- (5) An Authorised Market Institution shall not permit trading of Investments on its facilities unless those Investments:
 - (a) are admitted to, and not suspended from, an Official List of Securities maintained by it or the DFSA; or
 - (b) meet the requirements set out in Rules made for the purpose of this Article.
- (6) The DFSA may make Rules prescribing 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.

17A. 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 as an Authorised Market Institution.

- (2) The DFSA may, in its absolute discretion, 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 22 and whether it complies with any other relevant requirement imposed by Law or Rules.
- (4) Upon refusing to grant an endorsement, the DFSA shall, without undue delay, inform the applicant in writing of such refusal and, if requested by the applicant, the reasons for such refusal.

17B. 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 17B(1) on its own initiative or at the request of an Authorised Market Institution.
- (3) Subject to Article 17B(4), the DFSA may only 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 17B(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 interests of the DIFC.
- (5) Where pursuant to Article 17B(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 fourteen 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 give any third party who has a direct interest in the matter an opportunity to make representations to the DFSA if the DFSA considers it desirable to do so.

17C. Admission to an Official List of Securities maintained by an Authorised Market Institution

- (1) This Article applies where an Authorised Market Institution maintains an Official List of Securities.
- (2) An Authorised Market Institution may grant admission of Securities to an Official List of Securities in accordance with its listing rules and where it is satisfied that the requirements of its listing rules, the Offered Securities Rules and any other requirements it or the DFSA has imposed are or will be complied with.
- (3) An Authorised Market Institution shall notify an applicant in writing of its decision in relation to the application for admission of Securities to an Official List of Securities.
- (4) The DFSA may, by written notice:
 - (a) object to the admission by an Authorised Market Institution of Securities to an Official List of Securities; or
 - (b) impose, vary or withdraw conditions or restrictions on the admission by an Authorised Market Institution of Securities to an Official List of Securities;

where it is in the interests of the DIFC to do so or 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 the Official List of Securities would be detrimental to the interests of persons using the facilities or otherwise dealing in the Securities;
 - (ii) the requirements of the listing rules have not been complied with;
 - (iii) any requirement imposed by the DFSA has not been complied with; or
 - (iv) the issuer of the Securities has failed to comply with any obligations to which he is or was subject to in relation to having a listed or traded Security in the DIFC or another jurisdiction.
- (5) Where the DFSA objects to the admission of Securities to an Official List of Securities in accordance with Article 17C(4)(a), the Authorised Market Institution shall not admit the Securities to the Official List of Securities.

- (6) Where the DFSA imposes conditions or restrictions on the admission by an Authorised Market Institution of Securities to an Official List of Securities in accordance with Article 17C(4)(b), the Authorised Market Institution shall not admit the Securities to the Official List of Securities unless it complies with the conditions and restrictions.
- (7) Where, pursuant to Article 17C(4), the DFSA has objected to the admission of a Security to an Official List of Securities or imposed a condition or restriction, the DFSA shall:
 - (a) provide the applicant and 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 allowed, from the date on which such written notice was provided; and
 - (b) provide a response to any such submission, and make any necessary consequential variation, withdrawal or amendment of the objection, condition or restriction without undue delay.
- (8) An Authorised Market Institution shall have, for the purposes of maintaining an Official List of Securities, listing rules that meet the requirements prescribed in Article 18.

17D. Admission to an Official List of Securities maintained by the DFSA

- (1) This Article applies where the DFSA maintains an Official List of Securities.
- (2) The DFSA may grant Securities admission to an Official List of Securities in accordance with the Law and the Offered Securities Rules and where the DFSA is satisfied that the requirements of the Offered Securities Rules and any other requirements it has imposed are and will be complied with.
- (3) The DFSA may impose, vary or withdraw conditions or restrictions on the admission of Securities to an Official List of Securities.
- (4) The DFSA shall notify the applicant in writing of its decision in relation to the admission of Securities to an Official List of Securities in accordance with the Offered Securities Rules.
- (5) The DFSA shall have, for the purposes of maintaining an Official List of Securities, listing rules contained in the Offered Securities Rules that meet the requirements prescribed in Article 18.

18. Listing Rules Requirements

- (1) The listing rules of an Authorised Market Institution or the DFSA shall include rules in relation to:
 - (a) applications for admission to an Official List of Securities;

- (b) requirements to be met before Securities may be granted admission to an Official List of Securities;
 - (c) agreements in connection with admitting Securities to an Official List of Securities;
 - (d) the enforcement of those agreements in (c);
 - (e) the suspension and de-listing of Securities from an Official List of Securities;
 - (f) 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;
 - (g) penalties or sanctions which may be imposed by an Authorised Market Institution or the DFSA for a breach of the listing rules;
 - (h) 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;
 - (i) dealing with possible conflicts of interest that might arise when a person seeks to have Securities admitted to an Official List of Securities;
 - (j) such other matters as are necessary or desirable for the proper operation of the listing rules and process; and
 - (k) any other matters prescribed by the Rules made by the DFSA for the purpose of this Article.
- (2) Applications for the admission of Securities to an Official List of Securities shall be made by the issuer of the Securities, or by a third party on behalf of and with the consent of the issuer of the Securities.
- (3) An Authorised Market Institution shall only amend its listing rules in accordance with the Rules made by the DFSA for this purpose.
- (4) Subject to Article 18(5) 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.

- (5) The DFSA may only direct an Authorised Market Institution in accordance with Article 18(4) 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.

19. 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 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.
- (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 special circumstances that warrant such action or it is in the interests of the DIFC.
- (3) The DFSA shall provide the written notice under Article 19(2) without undue delay to the Reporting Entity and the Authorised Market Institution and where requested by the Reporting Entity or the Authorised Market Institution shall provide the reasons for the decision.
- (4) Subject to (5), the DFSA may only exercise its power under Article 19(1) and (2) if it has given the Reporting Entity and 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 19(4) shall not apply:
 - (a) in relation to the suspension by the DFSA of Securities from an Official List of Securities; or
 - (b) in the case of a direction 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.
- (6) Where pursuant to Article 19(5)(b) 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 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 any necessary consequential direction, variation or withdrawal of the direction, without undue delay.
- (7) The DFSA may by written notice withdraw a direction made under Article 19(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 4, 5 and 6 of this Law.

19A. 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 17A;
- (b) suspend or withdraw an endorsement under Article 17B;
- (c) object to the admission of Securities to an Official List of Securities under Article 17C;
- (d) impose, vary or withdraw a condition or restriction under Articles 17C and 17D;
- (e) refuse an application for admission to an Official List of Securities under Article 17D;
- (f) suspend or delist Securities from an Official List of Securities under Article 19;
or
- (g) direct an Authorised Market Institution to suspend or delist Securities admitted to an Official List of Securities under Article 19.”

PART 5: CORPORATE GOVERNANCE

20. Corporate governance

- (1) A Reporting Entity and its directors shall comply with the corporate governance principles set out in Article 21 together with the requirements of this Law and the Offered Securities Rules.
- (2) A Reporting Entity shall include in its annual report a statement on how it applies the corporate governance principles and the Rules relating to corporate governance referred to in Article 20(1).
- (3) A Reporting Entity must comply with, and observe, the spirit and the wording of the corporate governance principles.

21. Corporate governance principles

- (1) A Reporting Entity shall have a clear and appropriate division of responsibilities amongst and between senior management and the directors. The division should ensure there is clear guidance for the Reporting Entity and accountability of its directors to the Reporting Entity and its shareholders.
- (2) A director of a Reporting Entity shall exercise his powers and discharge his duties in good faith and act honestly and in the best interests of the Reporting Entity and its shareholders.
- (3) Controllers of a Reporting Entity shall exercise their rights of control in good faith and any abuse or oppression of minority shareholders of the Securities is unacceptable.
- (4) The directors of a Reporting Entity shall present a true, balanced and understandable assessment of the entity's position and prospects when making financial reports and relevant disclosures of material and other information to the market.
- (5) The directors of a Reporting Entity shall establish formal and transparent arrangements for considering how it should apply the financial reporting corporate governance principles and for maintaining an appropriate relationship with the Reporting Entity's auditors.

PART 6: DISCLOSURE

CHAPTER 1 - CONTINUOUS DISCLOSURE

22. Data Base

- (1) The DFSA shall establish and maintain an electronic data gathering, analysis and retrieval system (the “data base”) for the receipt and storage of information filed or disclosed under this Part and any rules made under this Part. The data base 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 22(1).

23. Publication and reporting of continuous disclosures

- (1) A Reporting Entity shall make disclosures to the market in the circumstances prescribed by the Offered Securities Rules.
- (2) Without limiting the generality of Article 23(1), the Offered Securities Rules shall prescribe the circumstances in which the following types of information shall be disclosed:
 - (a) financial information;
 - (b) any material information which may have an effect on the market price or value of the Securities; and
 - (c) any material change which occurs in relation to a Reporting Entity.
- (3) Where the Offered Securities Rules require a Reporting Entity to publish information, the Offered Securities Rules may permit the DFSA to publish that information in the event that the Reporting Entity fails to do so.
- (4) Where information must be disclosed pursuant to Article 23(1), the Reporting Entity shall immediately:
 - (a) issue a release of information to the market disclosing the information in the manner prescribed by the Offered Securities Rules; and
 - (b) file a report with the DFSA in accordance with the Offered Securities Rules.

24. Disclosure exceptions

- (1) Where in the reasonable opinion of a Reporting Entity the disclosure required by the Offered Securities Rules made pursuant to Article 23 would:
 - (a) be unduly detrimental to the interests of the Reporting Entity; or
 - (b) disclose commercially sensitive material,

the Reporting Entity need not make the disclosure but shall immediately file with the DFSA a confidential report together with written reasons for non-disclosure.
- (2) The DFSA may direct disclosure of the information on such terms as it thinks fit.
- (3) Where a confidential report is filed with the DFSA under Article 24(1), the Reporting Entity need not comply with the requirement of Article 23 unless or until one of the following occurs:
 - (a) the DFSA directs the Reporting Entity to comply with Article 23;
 - (b) there is a material change of circumstances such that the reason for the confidential report is no longer valid;
 - (c) the Reporting Entity becomes aware, or there are reasonable grounds to suspect, that persons with knowledge of the material change have made use of that knowledge in dealing in Securities;
 - (d) 5 business days have expired after the filing of the report and an extension has not been provided by the DFSA; or
 - (e) the Reporting Entity acts in accordance with any direction of the DFSA.

CHAPTER 2 – DISCLOSURE OF INTERESTS

25. Disclosures by connected persons in relation to Investments

- (1) A person who, as the consequence of any event, becomes connected to and has a financial interest in a Reporting Entity shall file a report with the DFSA and the relevant Reporting Entity within 5 business days of the event disclosing any financial interests in Investments in or relating to the Reporting Entity.
- (2) A person connected to a Reporting Entity shall file a report with the DFSA and the relevant Reporting Entity within 5 business days of the event on the occurrence of any event as a result of which:
 - (a) he acquires or ceases to have a financial interest in Investments in or relating to the Reporting Entity; or
 - (b) the level of financial interest in Investments in or relating to the Reporting Entity in relation to which he has previously filed a report with the DFSA has changed by an amount or passed through a defined level as prescribed by the Offered Securities Rules; or
 - (c) he ceases to be connected to the Reporting Entity.
- (3) Reports filed in accordance with Articles 25(1) and (2) must be filed in the manner prescribed and contain the details required by the Offered Securities Rules.
- (4) Reports filed in accordance with Articles 25(1) and (2) and the information provided in the reports as required by the Offered Securities Rules shall be disclosed to the market by the Reporting Entity to which the relevant person is connected and, if considered appropriate, by the DFSA in accordance with the Offered Securities Rules.
- (5) In this Article:
 - (a) a person is “*connected*” to a Reporting Entity if the person:
 - (i) is a director or is involved in the senior management of the Reporting Entity or an Associate body corporate of the Reporting Entity;
 - (ii) owns or beneficially owns voting Securities carrying more than 5% of the votes attached to all voting Securities of the Reporting Entity or an Associate body corporate of the Reporting Entity; or
 - (iii) is a director of or is involved in the senior management of any person who owns or beneficially owns voting Securities

carrying more than 5% of the votes attached to all voting Securities of the Reporting Entity; and

- (b) a “*financial interest*” is a financial interest as prescribed in the Offered Securities Rules.

26. **Reporting of material interests**

- (1) A director of a Reporting Entity who has a material interest in a matter that relates to the affairs of the Reporting Entity shall within 5 business days of the material personal interest arising or changing give the other directors notice of the interest.

- (2) In this Article:

“*material interest*” includes interests:

- (a) arising through the direct or indirect ownership of Investments;
- (b) arising through the beneficial ownership of Investments; or
- (c) involving any financial arrangement.

CHAPTER 3 – DISCLOSURE DOCUMENTS

27. Annual report and financial statements

A Reporting Entity shall file with the DFSA an annual report and annual financial statements in accordance with the Offered Securities Rules and the statements shall be signed by at least two directors of the Reporting Entity.

28. Interim financial statements

- (1) A Reporting Entity shall file with the DFSA:
 - (a) semi-annual financial statements; and
 - (b) such other financial statements as are required by the Offered Securities Rules.
- (2) The statements produced and filed in accordance with Article 28(1) shall be signed by at least two directors of the Reporting Entity.

29. Auditor's report

- (1) Each annual financial statement referred to in Article 27 shall be accompanied by a report of the auditor of the Reporting Entity in accordance with the Offered Securities Rules.
- (2) The reports produced in accordance with Article 29(1) shall state whether in the auditor's opinion the financial statements required by Article 27 represent a true and fair view of the state and affairs of the Reporting Entity.

30. 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 financial statement filed under Article 27 or 28 available to the holder.

CHAPTER 4 – PROXY SOLICITATION

31. Proxy solicitation

A Reporting Entity shall, for each meeting at which holders of its Securities are eligible to exercise their voting rights attached to voting Securities, give each shareholder the right and means to vote by proxy in accordance with the Offered Securities Rules.

CHAPTER 5 –DISCLOSURE REQUIREMENTS

32. Certain requirements

- (1) The DFSA may make directions by written notice in relation to this Part on such terms and conditions as the DFSA thinks fit.
- (2) The Regulatory Appeals Committee has jurisdiction to hear and determine any appeal of a direction made under this Article.
- (3) The DFSA may make Offered Securities Rules requiring a Reporting Entity to appoint a sponsor.
- (4) The DFSA may make Offered Securities Rules enabling such requirements referred to in this Part to be varied in cases where an offer of Securities is made by an offeror:
 - (a) which at the time of the offer of Securities in or from the DIFC, has made an offer of Securities in a jurisdiction other than the DIFC; and
 - (b) that jurisdiction has substantially the same disclosure requirements as provided in this Law and the Offered Securities Rules.

PART 7: TAKEOVERS

33. 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 a Takeover takes place 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.

34. 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.

35. 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 8: PREVENTION OF MARKET MISCONDUCT

CHAPTER 1 - MARKET MISCONDUCT

36. Fraud and market manipulation

A person shall not, in the DIFC or elsewhere, 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 misleading appearance of trading activity in, or an artificial price for, Investments; or
- (b) perpetrates a fraud on any person.

37. Misleading or untrue statements

A person shall not, in the DIFC or elsewhere, make a statement that the person knows or reasonably ought to know, at the time and in light of the circumstances under which it is made:

- (a) is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement not misleading; and
- (b) significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of Investments.

38. Misleading or deceptive conduct

A person shall not, in the DIFC or elsewhere, engage in conduct in relation to Investments that is misleading or deceptive or is likely to mislead or deceive.

39. Misleading or deceptive statements

(1) A person shall not make an offer of Securities under a Prospectus or Supplementary Prospectus if there is:

- (a) a misleading or deceptive statement in:
 - (i) the Prospectus or Supplementary Prospectus;
 - (ii) any application form that accompanies the Prospectus or Supplementary Prospectus; or
 - (iii) any other document that relates to the offer, or the application form;

- (b) an omission from the Prospectus, Supplementary Prospectus, application form or any other document as required by this Law or the Offered Securities Rules; or
 - (c) a new circumstance that under the Law or the Offered Securities Rules requires a Supplementary Prospectus to be filed.
- (2) A person shall not in or from the DIFC make a misleading or deceptive statement in any document issued by him or on his behalf in connection with an Exempt Offer, whether in the DIFC or elsewhere.

40. Statements about future matters

- (1) A person is taken to make a misleading statement about a future matter, whether by himself or his agent, if at the time of making the statement he did not have reasonable grounds for making the statement or causing it to be made.
- (2) The onus for proving that reasonable grounds existed for the purposes of Article 40(1) is on the person who made the statement.

41. Inducing persons to deal

- (1) 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.

42. 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 of a Reporting Entity, or in a related investment, on the basis of inside information.
- (2) In this Article “*Investment*” does not include commodity derivatives.”

43. 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.

44. **Application of provisions**

Articles 36 to 43 of this Part do not apply to conduct which occurs outside the jurisdiction unless the conduct affects the DIFC markets or users of the DIFC markets.

45. **Definitions for this Part**

(1) In this Part, in relation to Investments, or related investments, “inside information” means:

(a) information of a precise nature which:

(i) is not generally available;

(ii) relates, directly or indirectly, to one or more Reporting Entities 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.

(2) In (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 (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) In (1)(a) information about a person’s pending orders in relation to an Investment or related investment is also inside information.

- (5) In (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 “insider” means a person who has inside information:
- (a) as a result of his membership of the administrative, management or supervisory bodies of a relevant Reporting Entity;
 - (b) as a result of his holding in the capital of the relevant Reporting Entity;
 - (c) as a result of having access to the information through the exercise of his employment, profession or duties;
 - (d) as a result of his criminal activities; or
 - (e) which he has obtained by other means and which he knows, or could reasonably be expected to know, is inside information.
- (7) 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

46. Reasonable inquiries and reasonable belief

A person does not commit a contravention of Articles 38 or 39, if that person proves that he:

- (a) made all inquiries that were reasonable in the circumstances; and
- (b) after doing so, believed on reasonable grounds that the statement or omission was not misleading or deceptive.

47. Reasonable reliance on information given by another person

(1) A person does not commit a contravention of Articles 38 or 39, if the person 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 individual.

(2) For the purposes of this Part, a person is not the agent of a person or a natural person because he performs a particular professional or advisory function for the person or natural person.

48. Defences for market manipulation, insider dealing and providing inside information

(1) A person shall not be found to have contravened Article 36 if the person establishes that the conduct or practice the person engaged in was in the performance of, and in accordance with, the price stabilisation requirements as prescribed in the Rules.

(2) A person shall not be found to have contravened Article 42 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 43 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 43 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.

49. **Chinese wall arrangements**

A person does not contravene Article 42 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.

50. [Deleted]

CHAPTER 3 - CIVIL COMPENSATION

51. Compensation

- (1) Any person prescribed in Rules made by the DFSA as being responsible 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 51(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.

PART 9: CONTRAVENTIONS AND PROCEEDINGS

52. 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;
- (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.

53. Declaration of contravention

Without in any way limiting the orders the Court or the Financial Markets Tribunal may make under Article 54 of this Law or any other legislation administered by the DFSA, 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.

54. Orders in the interests of the DIFC

- (1) Without limiting the powers of the Court or the Financial Markets Tribunal, either 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 Offered Securities Rules, Takeover Rules or Market Conduct 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 listing companies 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 Prospectus, 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 market participant described in the order; or
 - (iii) be amended by a market participant to the extent that amendment is practicable.
 - (n) an order that a person pay a fine; or
 - (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.
- (2) The Court or Financial Markets Tribunal may on the application of the DFSA, make interim and ex parte orders specified in Article 54(1) (a), (b), (c), (d), (e), (f), (m) and (o).
- (3) An order under Article 54(1) and (2) may be subject to such terms and conditions as the Court or the Financial Markets Tribunal may impose.

55. **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 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 10: FINANCIAL MARKETS TRIBUNAL

56. Jurisdiction of the Financial Markets Tribunal

- (1) Without in any way limiting the jurisdiction of the Financial Markets Tribunal conferred upon it by any other DIFC Law, the Financial Markets Tribunal has additional jurisdiction as set out in Article 56(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 9(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 56(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 56 (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.

57. Powers to hear and determine matters

- (1) For the purposes of any proceeding before it, the Financial Markets Tribunal shall be constituted as provided in Article 31 of the Regulatory Law 2004.
- (2) The Financial Markets Tribunal may, for the purposes of any proceedings commenced under this Law, on its own motion or that of any party to the proceedings:

- (a) receive and consider any material by way of oral evidence, written statements or documents, even if such material may not be admissible in evidence in civil or criminal proceedings in a court of law;
 - (b) by notice in writing require a person to attend before it at any sitting and to give evidence and produce any item, record or document in his possession or control relating to the subject matter of the proceedings;
 - (c) administer oaths or affirmations;
 - (d) examine or cause to be examined on oath or otherwise a person attending before it and require the person to answer truthfully any question which the Financial Markets Tribunal considers appropriate for the purposes of the proceedings;
 - (e) order a witness to provide evidence in a truthful manner for the purposes of the proceedings by sworn statement;
 - (f) order a person not to publish or otherwise disclose any material disclosed by any person to the Financial Markets Tribunal;
 - (g) stay the proceedings on such grounds and on such terms and conditions as it considers appropriate having regard to the interests of justice; and
 - (h) exercise such other powers or make such other orders as the Financial Markets Tribunal considers necessary for or ancillary to the conduct of the proceedings or the performance of its function.
- (3) 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 54 of this Law:
- (a) an order requiring the respondent to comply with the Law;
 - (b) an order requiring the respondent to comply with the Offered Securities Rules or the Takeover Rules;
 - (c) an order in relation to the control or acquisition of Investments in or relating to a Reporting Entity;
 - (d) an order in relation to the rights of shareholders or minority shareholders in a Reporting Entity;
 - (e) an order requiring the respondent to do any act or thing; or
 - (f) any consequential orders as the Financial Markets Tribunal sees fit following a finding or the making of a declaration.

PART 11: MISCELLANEOUS

58. Waivers and Modification of the Law and Rules

- (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 the 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 must comply with the condition. In the event of failure to comply with a condition, the DFSA may, without limiting any other powers that the DFSA may have, apply to the Court for an order, including an order that the person must comply with the condition in a specified way.
- (4) Unless the DFSA is satisfied that it is inappropriate or unnecessary to do so, it must publish a written notice in such a way as it considers appropriate for bringing the notice 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; or
 - (b) on the application of, or with the consent of, the person to whom it applies, vary a written notice.
- (6) The DFSA Board of Directors may, pursuant to the power granted in Article 23 of the Regulatory Law 2004, 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.

- (7) This Article does not affect the application of Article 25 of the Regulatory Law 2004 in relation to the waiver and modification of Rules made for the purpose of this Law.

59. 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.

60. 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 the 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 unincorporated, 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) 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 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; and
 - (f) the masculine gender includes the feminine.
- (2) The headings in the Law shall not affect its interpretation.

2. Legislation in the DIFC

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

- (a) Federal Law is law made by the federal government of the United Arab Emirates;
- (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, the Law), as applicable in the DIFC;
- (d) the Law is The Markets Law, DIFC Law No.12 of 2004 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 Board of Directors 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:

Term	Definition
Associate	has the meaning given in Article 3 of Schedule 1 of the Regulatory Law 2004.
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.
Chairman of the DFSA	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.
director	a director or equivalent member of an entity’s governing body.
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 of Schedule 1 to the Regulatory Law 2004.
Exempt Offers	an offer of Securities in or from the DIFC which is an Exempt Offer in accordance this Law and the Offered Securities Rules.
Financial Markets Tribunal	the Financial Markets Tribunal established pursuant to Article 31 of the Regulatory Law

Term	Definition
	2004.
Investments	has the meaning prescribed in the Rules made under the Regulatory Law 2004.
Law	the Markets Law 2004.
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 Rules made for this purpose.
person	has the meaning given in Article 1 of Schedule 1 to the Regulatory Law 2004.
President	has the meaning given in Article 3 of Schedule 1 of the Regulatory Law 2004.
Professional Investors	persons whose ordinary activities involve them in acquiring, holding, managing or disposing of Investments and any other persons prescribed by the Offered Securities Rules.
Prospectus	a document containing such information as prescribed by the Offered Securities Rules.
Regulatory Appeals Committee	has the meaning given in Article 3 of Schedule 1 of the Regulatory Law 2004.
Reporting Entity	<p>(1) Subject to (2), a person is a Reporting Entity if:</p> <p>(a) the person has or had Securities admitted to an Official List of Securities at any time;</p> <p>(b) the person has filed a prospectus with the DFSA under Article 15;</p> <p>(c) the person merges with or acquires a Reporting Entity; or</p> <p>(d) the person is declared in writing to be a Reporting Entity by the DFSA.</p> <p>(2) A person is not a Reporting Entity if:</p> <p>(a) the person is a properly constituted government, a government agency, a central bank or other type of national monetary authority of a country or</p>

Term	Definition
	<p>jurisdiction, a supra-national organisation whose members are either countries, central banks or national monetary authorities, a public authority or a state investment body; or</p> <p>(b) (i) the person previously had Securities admitted to an Official List of Securities;</p> <p>(ii) the person currently has no Securities admitted to an Official List of Securities; and</p> <p>(iii) the current holders of at least 75% of voting rights in the Reporting Entity have agreed in writing that the person is no longer a Reporting Entity; or</p> <p>(a) the DFSA so determines.</p>
Ruler	the ruler of the Emirate of Dubai.
Rules	has the meaning given in Article 2 of Schedule 1 of the Regulatory Law 2004.
Schedule	a schedule to the Law.
Securities	has the meaning prescribed in the Rules made under the Regulatory Law 2004.
Supplementary Prospectus	a document containing such information as prescribed by the Offered Securities Rules.
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.