

Appendix 10

In this appendix underlining indicates new text and striking through indicates deleted text.



The DFSA Rulebook

Authorised Market Institutions

(AMI)

5. GENERAL LICENSING REQUIREMENTS APPLICABLE TO ALL AUTHORISED MARKET INSTITUTIONS

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5.11 Promotion and maintenance of standards

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Prevention of Market Abuse, money laundering and financial crime

- 5.11.2** (1) Without limiting the generality of Rule 5.11.1, an Authorised Market Institution must:
- (a) operate appropriate measures to identify, deter and prevent Market Abuse, money laundering and financial crime on and through the Authorised Market Institution's facilities; and
 - (b) report promptly to the DFSA any Market Abuse, money laundering and financial crime, as required.
- (2) For the purposes of (1)(a), an Authorised Market Institution must:
- (a) include in its Business Rules a regime to prevent Market Abuse, money laundering and financial crime that meets the requirements in (3), which is applicable to its Members; and
 - (b) implement adequate measures to ensure that its Members comply with that regime.
- (3) The regime referred to in (2)(a) must, at a minimum, include rules and procedures in relation to:
- (a) compliance arrangements to prevent Market Abuse, money laundering and financial crime;
 - (~~e~~b) transaction monitoring;
 - (~~e~~c) risk assessment; and
 - (~~e~~d) training.

Guidance

1. Abusive, improper and fraudulent purposes include:
 - a. trades intended to create a false appearance of trading activity;
 - b. trades which one party does not intend to close out or settle;
 - c. conduct which is likely to result in disorderly trading in the market; and

- d. any contravention of the provisions in Part 6: Prevention of Market Abuse in the Markets Law.
- 2. An Authorised Market Institution must have an effective surveillance system in place for:
 - a. the coordinated surveillance of all activity on or through its facilities and activity in related Investments conducted elsewhere; and
 - b. communicating information about Market ~~Misconduct~~Abuse and financial crime to the DFSA or appropriate regulatory authorities.

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9 SUPERVISION OF AUTHORISED MARKET INSTITUTIONS

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9.10 Investigations and disciplinary action

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Criminal offences and civil prohibition

9.10.4 Where an Authorised Market Institution has information tending to suggest that any person has:

- (a) been carrying on Financial Services in the DIFC in contravention of the general prohibition;
- (b) engaged in Market ~~Misconduct~~Abuse; or
- (c) engaged in financial crime or money laundering;

it must immediately give the DFSA notice of that event, along with full details of that information in writing. In regard to (c) the AMI must immediately inform the appropriate authorities in the U.A.E.

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