

General Rulebook (GEN)

*In this Appendix, underlining indicates new text and strikethrough indicates deleted text, unless otherwise indicated.

1. INTRODUCTION

1.1 Application

1.1.1 This module ("GEN") applies to every Person to whom the Financial Services and Markets Regulations 2015 ("FSMR") or Market ~~Infrastructures~~ Rules ("MIRMKF") applies and to the same extent as those Regulations or Rules, except to the extent that a provision of GEN provides for a narrower application. This module does not apply to Remote Non-Abu Dhabi Global Market Recognised Bodies. ~~References to Recognised Bodies in this module shall be construed as references to those Recognised Bodies established in the ADGM.~~

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2. CORE PRINCIPLES

2.1 Principles for Authorised Persons – application

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2.1.3 (1)

(5) Principle 5 also applies to an Authorised Person with respect to the Activities carried on in or from any place outside the ADGM if and to the extent that the Activities have, or might reasonably be regarded as likely to have, a negative effect on confidence ~~in the financial markets operating~~ in the ADGM Financial System.

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2.2 The Principles for Authorised Persons

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Principle 5 - Market conduct

2.2.5 An Authorised Person must observe proper standards of conduct in the ADGM Financial System~~financial markets~~.

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2.4 The Principles for Approved Persons and Recognised Persons

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Principle 3 - Market conduct

2.4.3 Each Approved Person and Recognised Person must observe proper standards of conduct in the ADGM Financial System~~financial markets~~ in carrying out every Controlled Function or Recognised Function.

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4. GENERAL PROVISIONS

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4.4 Disclosure of regulatory status

4.4.1 Neither an Authorised Person nor a Recognised Body must misrepresent its status expressly or by implication.

~~4.4.2~~(1) Each Authorised Person and Recognised Body must take reasonable care to ensure that every key business Document which is made available to third parties in connection with the Authorised Person or Recognised Body carrying on a Regulated Activity, or activity set out under a Recognition Order, in or from the ADGM includes one of the disclosures under this Rule.

~~(12)~~ A key business Document includes letterhead whether issued by post, fax or electronic means, terms of business, Client Agreements, written promotional materials, business cards, Prospectuses and websites but does not include compliment slips, account statements or text messages.

~~(23)~~ The disclosure required under this Rule is: 'Regulated by the ADGM Financial Services Regulatory Authority'.

~~(34)~~ The Regulator's logo must not be reproduced without express written permission from the Regulator and in accordance with any conditions for use.

~~(45)~~ Rules 4.4.21(1) to (4) also apply to the operation and administration of an Official List of Securities by a Recognised Body.

4.5 Location of offices

4.5.1 (1) Where an Authorised Person, a Recognised Body or a Person who has submitted an application for authorisation to carry on one or more Regulated Activities, or activities set out under a Recognition Order, is a Body Corporate incorporated in the ADGM, its head office and registered office must be in the ADGM.

~~(12)~~ Where an Authorised Person, a Recognised Body or a Person who has submitted an application for authorisation to carry on one or more Regulated Activities, is a Partnership established under the Limited Liability Partnership Regulations 2015 or the Partnership Act 1890, its head office must be in the ADGM.

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4.7 Public records

Maintenance and publication

4.7.1 The records required to be maintained and published by the Regulator pursuant to section 196 of the FSMR shall be published and maintained in either or both of the following manners:

- (1a) by maintaining hard copy records which are made available for inspection at the premises of the Regulator during normal business hours; or
- (2b) by maintaining an electronic version of the records and making the information from those records available through the Regulator's website.

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5. AUTHORISATION AND THRESHOLD CONDITIONS

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5.2 Application for a Financial Services Permission

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Acting as a Trade Repository

5.2.4 The requirements in Appendix 2 must be met by an Authorised Person whose Financial Services Permission, or Recognised Body whose Recognition Order, includes a designation permitting the Authorised Person or Recognised Body to maintain a Trade Repository.

Guidance

1. Maintaining a Trade Repository is not a separate Regulated Activity but may be carried on by an Authorised Person or Recognised Body which has a Financial Services Permission, or Recognition Order with a designation permitting it to do so. An Authorised Person or Recognised Body maintaining a Trade Repository is subject to some specific requirements relating to that activity, which are set out in Appendix 2.
2. The functions of a Trade Repository promote increased transparency and integrity of information, particularly for centrally cleared OTC Derivatives. ~~Currently there are~~ Transaction reporting requirements in the ADGM exist under section 146 of the FSMR which require reporting to Trade Repositories. These requirements are yet to be triggered by the Regulator.
3. An Authorised Person or Recognised Body does not carry on the activities of a Trade Repository to the extent that it maintains records of transactions pursuant to the record keeping requirements applicable to that Authorised Person or

Recognised Body (such as those relating to transactions carried out on behalf of the Authorised Person's Clients, or transactions carried out on the facilities of a Recognised Body).

Persons Licensed by the Emirates Securities and Commodities Authority

5.2.5 A Person licensed by the Emirates Securities and Commodities Authority to trade on an U.A.E. exchange will not be granted a Financial Services Permission by the Regulator unless that Person has the prior approval of the Emirates Securities and Commodities Authority.

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7. COMPLAINTS HANDLING AND DISPUTE RESOLUTION

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7.2 Complaints handling procedures for Retail Clients

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Complaints involving other Authorised Persons or Recognised Bodies

7.2.9 If an Authorised Person considers that another Authorised Person or a Recognised Body is entirely or partly responsible for the subject matter of a Complaint, it may refer the Complaint, or the relevant part of it, to the other Authorised Person or Recognised Bodyies in accordance with Rule 7.2.10~~or under MIR.~~

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8. SUPERVISION

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8.2 Waivers

8.2.1 This Rule applies to every Authorised Person, Recognised Body, Foreign Fund Manager, Person making a Public Offer of Securities or Reporting Entity.

8.2.2 Throughout the Rulebook reference to the written notice under the FSMR will be referred to as a "Waiver".

8.2.3 If an Authorised Person, ~~or~~ Recognised Body, Foreign Fund Manager, Person making a Public Offer of Securities or Reporting Entity wishes to apply for a Waiver, it must apply in writing and the application must be delivered to the Regulator as outlined in Rule 8.2.4.

Guidance

Applications for a Waiver must be made in such form as the Regulator shall prescribe and the GPM sets out the Regulator's approach to considering a Waiver.

8.2.4 The application must contain:

- (a~~1~~) the name and Financial Services Permission / Recognition Order / FSRA identification number of the Authorised Person, ~~or~~ Recognised Body, Foreign Fund Manager, Person making a Public Offer of Securities or Reporting Entity;
- (b~~2~~) the Rule to which the application relates;
- (c~~3~~) a clear explanation of the Waiver that is being applied for and the reason why the Authorised Person, ~~or~~ Recognised Body, Foreign Fund Manager, Person making a Public Offer or Reporting Entity is requesting the Waiver;
- (d~~4~~) details of any other requirements; for example, if there is a specific period for which the Waiver is required;
- (e~~5~~) the reason, if any, why the Waiver should not be published or why it should be published without disclosing the identity of the Authorised Person, ~~or~~ Recognised Body, Foreign Fund Manager, Person making a Public Offer or Reporting Entity; and
- (f~~6~~) all relevant facts to support the application.

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8.8 Changes relating to control

- 8.8.1 (1) This Rule applies, subject to (2) and (3), to:
- (a) an Authorised Person or Recognised Body; or
 - (b) a Person who is, or is proposing to become, a Controller specified in Rule 8.8.2.
- (2) This Chapter does not apply to a Representative Office or a Person who is a Controller of such a Representative Office.
- (3) A Credit Rating Agency must comply with the requirements in this Rule as if it were a non-ADGM established company.

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8.10 Notifications

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Regulatory impact

8.10.6 Each Authorised Person and Recognised Body must advise the Regulator immediately if it becomes aware, or has reasonable grounds to believe, that any of the following matters may have occurred or may be about to occur:

- (a1) the Authorised Person or Recognised Body's failure to satisfy the fit and proper requirements;
- (b2) any matter which could have a significant adverse effect on the Authorised Person or Recognised Body's reputation;
- (c3) any matter in relation to the Authorised Person or Recognised Body which could result in serious adverse financial consequences to the ADGM Financial System ~~financial system~~ or to other Authorised Persons or Recognised Bodies;
- (d4) a significant breach of a Rule by the Authorised Person, Recognised Body or any of their Employees;
- (e5) a breach by the Authorised Person, Recognised Body or any of their Employees of any requirement imposed by any applicable law ~~by the Authorised Person, Recognised Body or any of their Employees;~~
- (f6) any proposed restructuring, merger, acquisition, reorganisation or business expansion which could have a significant impact on the Authorised Person or Recognised Body's risk profile or resources;
- (g7) any significant failure in the Authorised Person or Recognised Body's systems or controls, including a failure reported to the Authorised Person or Recognised Body by its auditor;
- (h8) any action that would result in a material change in the capital adequacy or solvency of the Authorised Person; or
- (i9) non-compliance with Rules due to an emergency outside the Authorised Person or Recognised Body's control and the steps being taken by the Authorised Person or Recognised Body.

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Action against an Authorised Person ~~or Recognised Body~~

8.10.9 Each Authorised Person ~~and Recognised Body~~ must notify the Regulator immediately if:

- (a~~1~~) civil proceedings are brought against the Authorised Person ~~or Recognised Body~~ and the amount of the claim is significant in relation to the Authorised Person's ~~or Recognised Body's~~ financial resources or its reputation; or
- (b~~2~~) the Authorised Person ~~or Recognised Body~~ is prosecuted for, or convicted of, any offence involving fraud or dishonesty, or any penalties are imposed on it for tax evasion.

Winding-Up, bankruptcy and insolvency

8.10.10 Each Authorised Person ~~or Recognised Body~~ must notify the Regulator immediately on:

- (a~~1~~) the calling of a meeting to consider a resolution for Winding-Up the Authorised Person ~~or Recognised Body~~;
- (b~~2~~) an application to dissolve the Authorised Person ~~or Recognised Body~~ or to strike it from the register maintained by the Registration Bureau, or a comparable register in another jurisdiction;
- (c~~3~~) the presentation of a petition for the Winding-Up of the Authorised Person ~~or Recognised Body~~;
- (d~~4~~) the making of, or any proposals for the making of, a composition or arrangement with creditors of the Authorised Person ~~or Recognised Body~~; or
- (e~~5~~) the application of any person against the Authorised Person ~~or Recognised Body~~ for the commencement of any insolvency proceedings, appointment of any receiver, administrator or provisional liquidator under the law of any country, territory or jurisdiction outside the ADGM.

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8.11 Provision of notifications and reports

8.11.1 (1) Unless a Rule states otherwise, each Authorised Person ~~and Recognised Body~~ must ensure that each notification or report it provides to the Regulator is:

- (a) in writing and contains the Authorised Person's ~~or Recognised Body's~~ name and Financial Services Permission number; and
- (b) addressed for the attention of the department relevant to Authorised Persons ~~or Recognised Bodies~~ and delivered to the Regulator by:
 - (i) post to the current address of the Regulator;

- (ii) hand delivery to the current address of the Regulator;
- (iii) electronic mail to an address provided by the Regulator; or
- (iv) fax to a fax number provided by the Regulator.

(2) In (1)(b) confirmation of receipt must be obtained.

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8.13 Imposing Restrictions on an Authorised Person or Recognised Body's business or on an Authorised Person or Recognised Body's dealing with property

8.13.1 The Regulator has the power to impose a prohibition or requirement on an Authorised Person or Recognised Body in relation to its business or in relation to its dealing with property in circumstances where:

- (~~a~~1) there is a reasonable likelihood that it will Contravene a requirement of any Regulations or Rules;
- (~~b~~2) it has contravened a relevant requirement and there is a reasonable likelihood that the Contravention will continue or be repeated;
- (~~c~~3) there is loss, risk of loss, or other adverse effect on its Customers;
- (~~d~~4) an investigation is being carried out in relation to an act or omission by it that constitutes or may constitute a Contravention of any applicable Regulation or Rule;
- (~~e~~5) an enforcement action has commenced against it for a Contravention of any applicable Regulation or Rule;
- (~~f~~6) civil proceedings have commenced against it;
- (~~g~~7) it or any of its Employees may be or has been engaged in Market Abuse;
- (~~h~~8) it is subject to a merger;
- (~~i~~9) a meeting has been called to consider a resolution for its Winding-Up;
- (~~j~~10) an application has been made for the commencement of any insolvency proceedings or the appointment of any receiver, administrator or provisional liquidator under the law of any country, territory or jurisdiction outside the ADGM for it;
- (~~k~~11) there is a notification to dissolve it or strike it from the register maintained by the Registration Bureau, or a comparable register in another jurisdiction;

- (12) there is information to suggest that it is involved in Financial Crime; or
- (13) the Regulator considers that this prohibition or requirement is necessary to ensure Customers, Authorised Persons, Recognised Bodies, or the ADGM Financial System ~~financial system~~, are not adversely affected.

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