Section 3: Business Practice

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Chapter One: Introduction

Article (1) Preamble

This chapter aims to regulate the licensed body's practice of its financial activity and businesses.

Article (2) Scope of Application

The provisions of this chapter shall apply to every person practicing a financial activity or providing a financial service within the state, unless it is exempted according to its license from some provisions or texts.

Chapter Two: Conditions for Providing Financial Service to a Client

Article (1) Preamble

1. This chapter deals with the mechanism that each licensed body must adhere to before providing any financial service to the client or conducting any deal therewith, in order to ensure the provision of an appropriate level of protection consistent with the knowledge and experience of the client, the resources available thereto and the risks that it may be exposed to associated with providing a financial service, including:
   a) Meet the requirements of money laundering and terrorist financing.
   b) Client classification.
   c) Concluding an agreement with the client.
   d) Meeting the client's Suitability and Appropriateness standards.
2. The body licensed to conduct credit rating activity is exempt from clauses (A, B, and D).
3. The entity licensed for the activity of managing the profit sharing investment account shall be exempted from clauses (B, D). *

* Clause (3) of article (1) has been added pursuant to the decision of the Chairman of the Authority's Board of Directors Resolution No. (35/Chairman) of 2023 issued on 3/8/2023 enforced on 16/8/2023

Article (2): Meeting requirements of money laundering and financing of terrorist

The licensed body is obligated to meet the requirements of the Law of Anti-Money Laundering and Combating the Financing of Terrorism and Illicit Organizations and its implementing regulations.

Article (3) Classification of clients

1. The licensed body is obligated to classify the client into an ordinary investor, professional investor or counterparty, to document and archive the classification procedures, and prepare a classification record for each client that includes sufficient information about those procedures and supporting documents.
2. The client may not be classified into more than one category. As an exception, the professional investor or a counterparty may request to be classified as an ordinary investor.
3. The licensed body may rely in its classification of clients on the classification of a third party, whether from within or outside its financial group, provided that the third party is authorized by the Authority or the Central Bank of the UAE or a supervisory authority similar to the Authority, provided that the classification requirements are not less than the requirements applied by the Authority. In all cases, the licensed body shall be responsible for such classification.
4. Notify the client in case of failing to meet the conditions of the professional investor or counterparty as soon as it becomes aware thereof, and the procedures that must be taken by the client and the licensed body to remedy the situation.*
5. Obtaining an annual declaration from the client that its classification data has not been changed, and updating any of such data in the event that it changes for any reason at any time, provided that the classification is updated - in all cases - every three years while keeping all the declarations and updates.

* Clause (4) in Article (3) has been amended pursuant to Decision No. (09 /Chairman) of 2022, enforced on 1/4/2022.

Article (4) Ordinary Investor

Any natural or legal person who is not a Professional investor or counterparty.

Article (5) Professional Investor

First: Professional investor by nature:

1. International bodies and organizations whose members are states, central banks, or national monetary authorities.
2. Capital market institutions licensed by the Authority or a similar supervisory authority.
3. Financial institutions.
4. A regulated financial institution, a domestic or foreign investment fund, a regulated pension fund management company, or an organized pension fund.
5. Any body whose main activity is the investment in financial instruments, asset securitization, or financial transactions.
6. Any company whose shares are listed or accepted to being traded in any market of an IOSCO state member.
7. A Trustee of trust who has, during the past twelve months, assets of not less than AED 35 million.
8. The owner of a license according to the regulations of (same family office) with respect to only practicing its activities to perform its duties (such as same family office) and has assets of not less than AED 15 million.
9. Joint ventures or civil establishments that have or have had at any time during the past two years net assets of not less than AED 25 million and are calculated in the case of the joint venture without deducting the loans owed to any of the partners.
10. A large undertaking person who, on the date of his last financial statements, fulfills at least two of the following requirements:
    a) His total assets are not less than AED (75) million before deducting short and long-term liabilities.
    b) Annual net income of not less than AED (150) million.
    c) The sum of cash and investments in the balance sheet or the total of his authorized capital minus his paid-up capital is not less than AED (7) million.

Second: Professional investor (based on the service):

1. Practicing an activity involving the provision of credit facilities for commercial purposes for any of the following:

a) An undertaking person.
b) The controlling body of the undertaking person.
c) Any member of the group to which the undertaking person belongs.
d) Any joint investment venture that participates in the undertaking person.

2. A person who practices the service of arranging credit facilities and investment deals related to structuring, financing and companies.

Third: Professional investor (based upon assessment):

1. A natural person who owns net assets - excluding the value of his main residence - of not less than AED (4) million.
2. A natural person approved by the Authority or a similar supervisory authority, an employee at the licensed body, a regulated financial institution, or whoever has been employed by either of them during the past two years or has sufficient knowledge and experience in the field of investment and its risks in accordance with the suitability standards, or represented by a body licensed by the Authority in a manner that does not conflict with the terms of its license.
3. A natural person who has a joint account with a natural person representing a professional investor (based upon assessment) according to Clause (1) (the main account holder), provided that the following conditions are met:
   a) The (account participant) must be a member of the (main account holder) family, up to the second degree.
   b) The account is used to manage the investments of the main account holder and his subscribers.
   c) Written confirmation from the person subscribing to the account that investment decisions related to the joint account are made on his behalf by the main account holder.
4. Any establishment with a special purpose or a special legal form such as the trust and the institution founded only to facilitate the management of an investment portfolio of a natural person representing a professional investor (based upon assessment) in accordance with Clause (1).
5. **Undertaking person who meets the following conditions**:
   a) The total of his cash and investments in the balance sheet, or the total of his authorized capital minus the paid-up capital, is not less than AED (4) million.
   b) Has sufficient experience and understanding of the markets, financial products and related financial transactions and the risks associated therewith, in accordance with suitability standards.
6. **Undertaking person who has**:

a) A controlling natural person who owns the majority of shares in a company, is able to control the majority of voting rights therein, or has the power to appoint or remove the majority of its board of directors.
b) Holding or subsidiary company.
c) A joint venture partner.

Article (6) Counterparty

A body licensed by the Authority or a similar supervisory authority if it is a client of another licensed party, and the client is considered a counterparty if it is:

1. A Professional investor (by nature) according to Article (5/ First).
2. A professional investor (based upon assessment) if it is owned by a holding company that is a (professional investor by nature) in accordance with Article (5/First/8 and 12)

This definition applies with respect to the classification of clients. Otherwise, the counterparty is the counterparty for each trading order.

Article (7) Concluding an agreement with the client

1. The licensed body shall sign an agreement with the client written in Arabic or in both Arabic and English, provided that it includes, at a minimum, the information stipulated in Annex No. (1), all obligations and rights of the client, the financial services clearly provided thereto that do not in conflict with the law or any of the decisions issued in implementation thereof, or in violation of the financial activity authorized for the licensed body to perform, or related to services that are not licensed by the Authority, provided that it is signed by the legal representative of the licensed body or the authorized signatory.
2. The licensed body may rely on the agreement concluded with the client and signed with a third party outside the state according to the following conditions:
   a) The third party must be licensed by a supervisory authority similar to the Authority.
   b) The requirements, standards and conditions for providing the financial service to the client are not less than the conditions applied by the Authority in accordance with the provisions of this chapter and provided that the client agreement concluded with the third party includes evidence that the client has authorized the third party to represent him and deal on his behalf with other parties.

c) The Authority shall be provided with a copy of all documents and data validating the fulfilment of the client's financial service requirements and any documents or statements relating to the client upon request.
d) The licensed body continues to be responsible for any actions, procedures, or data from the third party.

3. Any amendment or change in the agreement signed with the client shall be made only by agreement of both parties. Any amendment or change made by either party without the written consent of the other party shall not be taken into consideration, excluding any amendments made at the request of the Authority in accordance with the legislation in force, provided that the client shall be notified of the amendments within a period not exceeding (30) days after the amendment is made.
4. The agreement concluded with the client that the trustee or the guardian undertook to conclude on behalf of the minor shall be terminated in the cases in which this is permissible once the minor completes the legal age, and the licensed body bears the responsibility to verify the same.
5. The agreement with the client that the trustee has entered shall be terminated in the cases in which this is permissible once the curatorship is completed according to a court judgment or decision. The trustee is obligated to notify the licensed body of the end of the curatorship immediately upon the issuance of such judgment or decision, and the licensed body shall be responsible for continuing the agreement as soon as it is notified or being aware thereof.
6. When the broker trades in the foreign market by way of normal trading or using pooled accounts, his agreement with the client must include the following:
   a) Determination of the method of trading that the client wishes to deal in (regular trading or using pooled accounts).
   b) The name of the foreign market in which the listed securities will be transacted.
   c) Evidence that the client has authorized the broker to take all necessary measures regarding these transactions.
   d) Evidence of the broker's guarantee of the client’s securities and cash amounts and the guarantee of fulfillment of its dues in the event that the foreign broker breaches its obligations or if it suffers any damage as a result of its actions or the actions of the foreign broker. The broker has the right to recourse to the foreign broker - on behalf of its client - with these dues.

The broker is excluded from such guarantee and is obligated only to follow up the complaint and take any measures to preserve the rights of the client if the client has a trustee who deals with delivery in exchange for payment.

Article (8): Meeting the client's Suitability and Appropriateness standards

First: Suitability standards:

The licensed body that makes a recommendation to the client or executes a client's order on a complex financial product is obligated to meet the client the following suitability standards - with the exception of the professional investor and counterparty:

1) **The extent of the client's experience, which is measured through the following:**
   a) Types of financial services, activities, or investments related to financial products, which the client is aware of.
   b) The nature, size and frequency of client transactions related to financial services, activities, or investments related to financial products.
   c) The educational level and the current and previous occupation.
2) **The client's financial position and financial solvency, which are measured through the following**:
   a) The source and amount of the client's regular income and expenses.
   b) The client's assets, properties and investments.
   c) The client's regular financial obligations.
   d) The extent of the client's ability to bear losses and risks, their types, and their maximum limit.
3) **The client's investment goals, which are measured through the following**:
   a) Investment options related to the client's preferred financial products.
   b) Investment goals or objectives related to financial products in terms of duration and value.

Second: Suitability Report:

The licensed body is obligated to prepare a suitability report for the client and include the following data therein:

1. Evidence of the client's knowledge of the necessity to provide the licensed body with up-to-date, accurate, correct, consistent information to ensure its accuracy and correctness, and his understanding of the questions directed to him.

2. Evidence that a correct and reliable assessment of the client's knowledge, experience, and ability to withstand risks and losses has been carried out.
3. Explanation of the mechanisms and tools used for assessment and their suitability.
4. A detailed explanation of the recommendation submitted to the client or the standards upon which the licensed body relied to consider the financial product that the client wishes to invest is complex, with an indication of the nature, characteristics and risks of that financial product.
5. A statement of the reason for the suitability or unsuitability of the recommendation or a complex financial product for the client, and a statement of how this will meet its objectives, with an indication of the client's position towards risks and his ability to bear those risks and losses.
6. Evidence of the periodic update and review of the client's suitability standards, the recommendation or the characteristics, conditions and risks of the complex financial product submitted to him on the basis of those standards and how to do so.

Third: Suitability Obligations:

When measuring a client's suitability, the licensed body is obligated to:

1. Take necessary actions, measures to ensure that the information received from the client is correct, complete and up-to-date and that the recommendation or complex financial product is appropriate and not inconsistent with the result of its suitability measurement.
2. Refrain from making any recommendation or execution on a complex financial product to the client in the event that it does not receive sufficient information therefrom to enable it to assess its suitability therefor, provided that the client is notified thereof.
3. Provide the client with sufficient information to evaluate the benefits, costs and risks of the financial product and indicate any potential risks that its interest may be exposed to.
4. Notify the client about the suitability or unsuitability of the investment or the complex financial product for him and the extent to which it meets the suitability standards while preserving such notice.
5. Execute the client's orders on its responsibility in the event of its insistence on investing or executing on a complex financial product after being notified of its unsuitability for it, provided that evidence of the client's insistence on the same is preserved.

6. Obtain an annual declaration from the client that its classification data has not been changed, and updating any of such data in the event that it changes for any reason at any time, provided that the classification is updated - in all cases - every three years while keeping all the declarations and updates.
7. Maintain suitability reports for clients, and providing the Authority with the same upon request.
8. Update internal procedures to ensure compliance with the requirements of suitability standards.

Fourth: Appropriateness Standards

The licensed body shall, if its role is limited to execution only - to an uncomplicated financial product - and without making a recommendation to the client to meet the Appropriateness Standards to the client - with the exception of the professional investor and counterparty – meet the following:

1. The client's knowledge of financial services, activities, or investments related to financial products.
2. The nature, size and frequency of client transactions related to services, financial activities, or investments related to financial products.
3. The educational level and current and previous occupation.
4. The appropriateness of the financial products in question for the client in light of the data obtained from him.
5. The extent of the appropriateness of the client's target financial markets to invest in in light of the data obtained from him.

Fifth: Appropriateness Report

The licensed body is obligated to prepare the appropriateness report for the client and include the following data therein:

1. Financial products or services to be implemented for the client.
2. The appropriateness evaluation result.
3. Indicating the reason for the appropriateness or inappropriateness of the execution for the client.

Sixth: Appropriateness Obligations

The licensed body shall, when measuring a client's appropriateness, follow the following:

1. Exercising due diligence to increase the client's level of understanding of the financial service, financial activity and financial product provided to him by providing him with the necessary information.
2. Notifying the client about the inappropriateness of the execution for him and the extent to which he meets the appropriateness standards while preserving such notice.

3. Refrain from executing for the client in the event that it does not receive sufficient information from him to enable it to evaluate appropriateness for him in accordance with the mentioned requirements, provided that the client is notified thereof.
4. Executing the client's orders on its responsibility in the event of its insistence on execution after being notified of the inappropriateness of the execution for him, provided that evidence of the client's insistence on that is preserved.
5. Obtaining an annual declaration from the client that its classification data has not been changed, and updating any of such data in the event that it changes for any reason at any time, provided that the classification is updated - in all cases - every three years while keeping all the declarations and updates.
6. Maintaining the appropriateness reports for clients, and providing the Authority with the same upon request.
7. Update internal procedures to ensure compliance with the requirements of appropriateness standards.

Seventh: Documenting and archiving the suitability and appropriateness procedures

The licensed body shall document and archive the suitability and appropriateness procedures in accordance with the procedures for organizing and keeping records and their updates for a period of (10) years.

Chapter Three: Client Money

Article (1) Meaning of the Client's Money

In this chapter, the client's money means the following:

1. **Cash amounts**: What the client deposits or delivers to the licensed body with the intention of investing or in exchange for the financial services provided to him or for any other reason in accordance with the provisions of this chapter.
2. **Financial Products:** Any financial product owned by the client.*
3. **Client guarantees**: the guarantee deposited by the client in accordance with the provisions of this chapter.

Article (2) Cash amounts

First: Receiving and recording cash amounts.

1. No licensed entity shall receive and keep any cash amounts directly or indirectly from the client except in the following cases:

A. If the cash amounts are in exchange for the financial services provided to the client or in return for a prescribed commission or fee owed thereby.
B. If the cash amounts are intended for investment, they shall be received only through a licensed body practicing safe custody activity, brokers, or the promoter if it is a bank or a branch of a foreign bank established within the state, provided that the client has a separate bank account in his name dedicated to investment or adheres to the account segregation procedures and prohibitions contained in this chapter and submits an accounts segregation report, which shall include, at a minimum, the data contained in Annex No. (6) if the clients' cash amounts are held in a bank account in the name of the licensed body (only for clients) *.
C. If the cash amounts are intended for settling general clearing clients' accounts. **

2. In all cases, the licensed body shall register and record any cash amounts received, deposited, transferred or withdrawn from the client in any form, directly or indirectly, in the client's accounting records, with a statement of the details of those cash amounts.
3. The licensed body shall separate the client's cash amounts from any other amounts of cash for another client and from any cash amounts pertaining thereto.
4. The licensed body - permitted according to its financial activity - may retain the client's cash amounts in a currency different from the received currency, and in such case the following must be adhered to:

* Term (Securities) in clause (2) in Article (1) has been amended to (Financial Products) pursuant to Decision No. (09 /Chairman) of 2022.

* Clause (1/B) of Article (2- Cash amounts/ First) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(12/Chairman) of 2025 inforce on date 14/6/2025.

* Clause (1/C) has been added to Article (2- Cash amounts/ First) pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(12/Chairman) of 2025 inforce on date 14/6/2025.

* Clause (1) of Article (2- Cash amounts/ First) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(23/Chairman) of 2023 inforce on date 15/4/2023.

a) Ensure on a daily basis that the amount of cash held in the different currency is at least equal to the amount in the original currency.
b) Pay off any shortfall in the amount retained by making up for any deficiency if necessary.
c) Calculate the currency using the spot currency rate at the close in the day before the calculation.

Second: Prohibitions related to clients' bank accounts.

The licensed body is prohibited from the following:

1. Depositing any cash amounts owned by the licensed body in the bank account (for the clients) except within the limits of the commission agreed upon in writing between both parties or the fee prescribed by the Authority or any of the capital market institutions.
2. Withdrawing, depositing, or transferring any cash amounts in the licensed body bank account (for the clients) or making any action regarding those amounts except for the following purposes:
   a) Based on client written and clearly dated directions.
   b) Based on what has been agreed upon in the agreement concluded with the client in relation to investments and the returns or obligations arising therefrom, provided that the same is written and recorded in the accounting records.
   c) Payment of commissions and fees for providing financial services due to the licensed body in accordance with the agreement concluded with the client.
   d) Payment of the fees, expenses and commissions prescribed for the Authority or any of the capital market institutions.
   e) In implementation of the decision of the Authority or any of the capital market institutions.
3. Obtaining any interest or returns on the funds deposited in its (clients') bank account, unless agreed upon in writing with the client.
4. Obtaining any credit facilities or bank loans guaranteed by the cash deposited in its (clients') bank account.

Third: Deposit of cash and bank accounts:

1. The licensed body - permitted to receive cash - is obligated to deposit the client’s cash amounts in a bank account (for the clients) in its name with a local bank or in a bank account in the name of the client designated for investment - as the case may be - within a period not exceeding the next day of receiving the cash amounts.
2. The bank account (for the clients) of the licensed body or the bank account in the name of the client that is designated for investment may be in a foreign bank if trading is in foreign securities.

3. In the event that a bank account is opened in its name (for the clients), the licensed body shall comply with the following:
    a) Indicate the necessity to open a bank account in its name in more than one local or foreign bank.
    b) Evaluate the risks of the local or foreign bank and the suitability of depositing clients' funds therein.
    c) Include in its account (for the clients) in the bank the cash amounts pertaining to clients only without any cash amounts related to it except within the limits of the commission agreed upon in writing between both parties or the fee prescribed by the Authority or any of the capital market institutions.
    d) Ensure that the bank does not implement any claim it has against licensed body on the bank account (for the clients) or the cash amounts therein except within the limits of the commission agreed upon in writing between both parties or the fee prescribed for it by the Authority or any of the capital market institutions.
4. The licensed body shall separate its own bank accounts from its (clients') bank accounts when showing the bank balances in its financial statements and the complementary notes.
5. The licensed body is obligated to provide the Authority with data on bank accounts that have been opened with any of the banks and with any changes that occur to those data as soon as they occur, provided that these data include in particular the following information:
    a) Its bank account numbers (for the clients), bank names, type of accounts and currency type.
    b) The licensed body’s account numbers (related to its own accounts as a licensed body), bank names, type of accounts, currency type.
    c) Persons authorized by the licensed body to open and / or close or dispose of the bank accounts of the licensed body and / or clients, and the limits of the powers granted to them in this regard.
6. The cash amounts deposited in the account of the licensed body (for the clients) as a trust and not property and are not subject to the procedures of mortgage, seizure, liquidation, bankruptcy, or any other legal procedures to which the licensed body is subject as a result of the obligations arising therefrom for any reason whatsoever.

Fourth: Auditing and matching

The licensed body is committed to the following:

1. Conducting a daily audit at the end of each business day of the accounting records of each client to calculate his balance of cash amounts.

2. Conducting daily matching between the total credit clients' balances with the total balances of the clients' bank accounts at the end of the previous business day, and verifying that the total balance in all clients' bank accounts is not less than the balances of their credit. In addition to providing the Authority with a report, on demand and on a monthly basis, signed by Operations Manager and Compliance Officer clarifying the outcome of that matching.
3. Settlement of clients' accounts no later than the end of the business day following the day on which the matching took place, by covering the shortage of cash amounts or withdrawing any surplus from the same during the same period.
4. Inform the Authority if it is unable to reconcile or settle accounts on the next day of such discovery.

Article (3) Financial Products*

First: Registration of the client's financial products*

1. The licensed body shall register the financial products owned by each client in his own account with it in his name and register the financial products owned by it in another separate account in its name.
2. The licensed body shall keep a documented record that includes each client's account of the financial products, and all the details, movements and balances of such account.

Second: Keeping the client's financial products*

1. The licensed body may open a private account in its name for the securities (for the clients) with a custodian as a master account including sub-accounts for clients showing the securities owned by each client or open an account for each client separately with a custodian. In all cases, if the custodian is within its financial group, it is required to obtain the client's written consent.
2. The client may keep the securities deposited with the depository center or the market with a custodian, and in this case, the licensed body must obtain the approval of the custodian regarding any dealings in the securities owned by the client in accordance with the Delivery Versus Payment (DVP) settlement system.

* Title of Article (3) has been amended pursuant to Decision No. (09 /Chairman) of 2022.
* (First) in article (3) has been amended pursuant to Decision No. (09 /Chairman) of 2022.
* Title of (Second) in article (3) has been amended pursuant to Decision No. (09 /Chairman) of 2022.

3. The licensed body shall keep the client's securities with a custodian if they are not deposited with the depository center or the market.
4. The licensed body is obligated to keep foreign securities for clients with a custodian, or a foreign custodian or a global custodian in an account in the name of the client or in an account in the name of the licensed body (for the clients), provided that the client's consent is obtained in writing if the account is in the name of the licensed body and the client is an ordinary investor, and that the legal and financial risks that the client may be exposed to as a result of registering these foreign securities in the name of the licensed body shall be clarified, and the client shall be notified in writing if it is a professional investor or a counterparty.*
5. Upon opening a securities or foreign securities account in its name (for the clients) with a custodian or a foreign custodian, or with a global custodian, the licensed body shall comply with the following:
   a) Indicate the necessity to open a securities and / or foreign securities account with more than one custodian, or foreign custodian, or global custodian.

   b) Evaluate the risks of the custodian or / and foreign custodian or / and global custodian and the extent of suability of keeping the securities and / or foreign securities owned by its clients.

   c) Obtaining a written confirmation from the custodian, or foreign custodian or global custodian with whom the securities and / or foreign securities account (for the clients) was opened, including the following:
      1) Confirmation that the licensed body's account (for the clients) includes securities and / or foreign securities owned by the clients and not any securities or foreign securities owned by the licensed body.
      2) The custodian's pledge that it will not implement any right or claim it has against the licensed body on the securities or foreign securities account (for the clients) or any of the securities or foreign securities therein.

         If the licensed body does not receive the written confirmation from the custodian within the twenty days following the opening of the account, it must withdraw all clients' securities and foreign securities and keep the same with another custodian*.

* Clause (4) from (Second) In Article (3) has been amended pursuant to Decision No. (09 /Chairman) of 2022.
* Clause (5) from (Second) In Article (3) has been amended pursuant to Decision No. (09 /Chairman) of 2022.

6. The securities and foreign securities deposited in the account of the licensed body (for the clients) with the custodian or / and the foreign custodian or / and the global custodian as a trust and not property of the licensed body, and are not subject to the procedures of mortgage, seizure, liquidation, bankruptcy, or any other legal procedures to which the licensed body is subject as a result of the obligations arising therefrom for any reason whatsoever. *

Third: Prohibitions related to client financial products: *

1. Transfer, assignment of ownership or sale of any financial products in the account of the licensed body (related to clients) or conducting any action regarding them except for the following purposes:
   a) Based on the client's written and clearly dated directions.
   b) Based on what has been agreed upon in the agreement concluded with the client in relation to investments and the returns or obligations arising therefrom, provided that the same is written and recorded in the accounting records.
   c) In implementation of the decision of the Authority or any of the capital market institutions.
2. Obtain any credit facilities or bank loans guaranteed by the financial products account (for the clients).

Fourth: Auditing and Reconciliation *

The licensed body is committed to the following:

1. Conduct a reconciliation every (7) working days at least for each client's financial products records with the statements of the depository center, custodians, and foreign custodians contracted with them to calculate the client's balance of financial products. Settlement of the reconciliation results in the records within (3) working days of the reconciliation procedure by correcting any error, whether an increase or decrease in the financial products owned by the client during the same period.
2. Inform the Authority if it is unable to reconcile or settle accounts on the next day of such discovery.

Fifth: Pledging, freezing or seizing the client's financial products *

* Clause (6) from (Second) In Article (3) has been amended pursuant to Decision No. (09 /Chairman) of 2022.
* (Third) In Article (3) has been amended pursuant to Decision No. (09 /Chairman) of 2022.
* (Fourth) In Article (3) has been amended pursuant to Decision No. (09 /Chairman) of 2022.
* (Fifth) In Article (3) has been amended pursuant to Decision No. (09 /Chairman) of 2022.

1. The licensed body shall not commit any act or behavior that would freeze the financial products of clients or prevent them from disposing thereof in any way, whether in the interest of the licensed body or in favor of any other party, except in accordance with a judicial judgment to seize the same, in accordance with the Law on Money Laundering, Combating the Financing of Terrorism and the Financing of Illicit Organizations, or according to the procedures followed by any of the capital market institutions, according to the Authority's Law, or any of the decisions issued in implementation thereof.
2. The financial products shall be mortgaged according to the procedures followed by the Depository Center, or / and the Market, or Foreign Market, or Foreign Depository Center.

Article (4) Client Guarantees

1. Upon obtaining a guarantee from the client, the licensed body shall comply with the following, according to the nature of its financial activity:
   a) The guarantee shall be either in the form of cash, local or foreign securities, or a bank letter of guarantee issued by a local bank or a foreign bank branch in the state, according to the decisions of the Authority or any of the capital market institutions.
   b) The guarantee received from the client shall be recorded in the client's record, indicating the details of the guarantee and its reasons, and separating those guarantees from any accounts of their own.
   c) Not to dispose of the guarantees deposited by the client except in accordance with the Authority's Law and the decisions issued in implementation thereof, or any of the decisions of the capital market institutions.
2. The guarantees deposited by the client with the licensed body shall be considered a trust in its possession and not property and shall not be subject to the procedures of mortgage, seizure, liquidation, bankruptcy or any other legal procedures to which the licensed body is subject as a result of its obligations for any reason whatsoever except in the event that the disposal and liquidation thereof is in the interest of the licensed body in accordance with the Authority's Law, the decisions issued in implementation thereof, or the decisions of any of the capital market institutions.
3. The Authority, the Capital Market Institutions and the licensed body, respectively, may fulfill the rights related to the guarantees deposited with the body licensed by the client.

Chapter Four: General Obligations

Article (1) Inactive Client Accounts

First: Term and Notices

The licensed body is committed to the following:

1. Transferring the client's account to an inactive account if a period of (3) Gregorian years - (36) thirty-six months has passed - without any transaction or updating of the data.
2. Notifying the client - according to the last known address to him - after the lapse of (3) years without carrying out any transactions through his account or updating the data completely and correctly of the need to update his data with the licensed body or deal with his account within (30) days from the date of notice.
3. Include in the client's notice the procedures and effects that will arise as a result of his failure to comply with what is required within the specified period, as described later.
4. Notify by one of the means agreed upon in the agreement concluded with the client, and in the event such notice is not possible by any of those means, the client may be notified by one of the available legal means.

Second: Procedures for not responding to the notice

The licensed body shall be bound within 2 working days after the expiration of the client's deadline, without an obligation by the client, to update his data or to deal in his account by the following procedures:

1. Classifying the client's account within the inactive accounts and refraining from conducting any dealings through such account.
2. Transferring the client's balances from securities to the market or the depository center. In this case, fees may be exempted from the transfer process according to the mechanism and procedures in force.
3. Maintaining balances from the client's cash amounts, with the obligation to provide them on an ongoing basis and not to prejudice the same except based on his instructions or the instructions of the Authority or the judicial authorities.
4. Providing the client - according to the last known address - with a final account statement, indicating that the licensed body has not sent any other account statement until it is reviewed to activate the account.

Third: The implications of considering the account inactive

1. If the client's account is classified as inactive accounts, the client may reactivate his account by reviewing the licensed body and making the necessary updates for the same.

2. In the event that the client does not wish to activate, he may review the licensed body to close the account or obtain his dues from cash amounts, and review the market or the depository center and the concerned custodian regarding his dues from securities, without prejudice to the right of the licensed body to close the account, taking into account the agreement concluded with the client.

Fourth: Accounts excluded from being transferred to inactive accounts

Clients' accounts in respect of which complaints are raised with the Authority, reports with the Public Prosecution, or cases with the courts are excluded from the inactive account procedures, until it is proven that the complaint, report or lawsuit has ended according to a notice from the authority or an order or judgment from the prosecution or the competent court, as the case may be.

Article (2) Conflict of Interest Management Arrangements

The licensed body is committed to the following:

1. Identify current and potential conflict of interest situations between it and its clients, and between any client and another, and work to limit and manage the same in a way that does not negatively affect the interests of the client while ensuring that all clients are treated fairly and without bias as a result of the conflict of interest.
2. Disclose the client's conflict of interest in writing, either in general or in relation to a specific transaction.
3. Refrain from any action that may lead to a conflict of interest when providing or implementing a financial service to a client in the event that it is unable to limit current or potential conflicts of interest.
4. Not allow the partners to exploit the licensed body’s funds in any way, whether by withdrawing, financing, transferring, or other actions that are not related to the activity of the licensed body.
5. Establish arrangements to limit conflicts of interest cases by taking the following measures:
   a) Spatially separation between departments or divisions that engage in different financial activities, and securing entrances to each of them by appropriate means of insurance to prevent the access of unauthorized people or their knowledge with any data or information.
   b) Organizational separation to ensure that none of the employees in a specific financial activity perform another job in any department or section that engages in a different financial activity subject to the Authority’s control, with the exception of jobs whose work for other departments or divisions does not constitute a conflict of interest.

c) Setting and applying technical precautions to ensure that employees in a specific financial activity do not enter the technical systems used to carry out other financial activities for which the licensed body is licensed, except in cases of inquiry or the issuance of specific reports, so that viewing their content does not lead to a conflict of interests or tasks.

Article (3) Separation of financial activities

The licensed body shall develop a guide to separate the financial activities licensed by the Authority and any other financial activity that it engages in, provided that the guide is updated whenever necessary. The same shall include the policy and procedures followed by it to separate activities and manage conflicts of interest, in particular the following:

1. Procedures to prevent the leakage of internal information between financial activities, including the complete separation in terms of spatial, organizational and technical aspects between the various financial activities.
2. Procedures for limiting and managing conflicts of interest between departments and organizational units within the same financial activity in a manner that ensures limiting the leakage or conflict of information, and determining the cases of communication and information permitted to be shared between employees in the same financial activity and / or in the licensed financial activities.
3. Documenting cases of communication between employees of various financial activities with a statement of the information that has been viewed by both parties, and ensuring that all employees adhere to the required documentation processes, and the compliance officer must verify that no employee is exploiting the internal information that was viewed during the permitted communication cases.
4. Instructions explaining the procedures to be followed by the employee in the event that he has access to internal information or data related to other financial activities practiced by the licensed body.
5. The procedures that the licensed body must follow to deal with the employee in the event that he viewed, exploited, or disclosed important internal information about the other financial activities that the licensed body conducts.

6. Taking into account that the approved incentive structure or system at the licensed body does not allow the employee to obtain incentives except based on his performance and his contribution to the completion of the tasks directly assigned to him, as well as not to disburse any incentives to employees depending on the result of performing another financial activity.
7. The commitment of the licensed body to refrain from any act that may lead to a conflict of interest or from providing or implementing a financial service to the client in the event that it is unable to limit and manage the conflict of interest and manage current or potential conflict of interest cases.

Article (4) Commission of the licensed body

1. The licensed body shall be entitled to a cash commission for the financial services provided by it to the client, provided that it is clarified in the agreement concluded with the client.
2. The licensed body may obtain additional commissions in exchange for additional or distinctive services or works that it provides to the client in addition to its tasks and within the limits of its licensed activity, which distinguishes each licensed body from another before investors and allows competition between the licensed bodies, provided that:
   a) The additional commission shall be agreed upon in writing.
   b) The same shall not be against an obligation or duty imposed on the licensed body to perform according to the law or the decisions issued in implementation thereof, or any of the decisions of the capital market institutions.
   c) The same shall not be in exchange for advertising or marketing services for the services of the licensed body.
3. The licensed body may reduce its commission, and the broker may reduce the commission value for executing trading orders due to him in accordance with the Authority's decisions.
4. The licensed body is obligated to disclose to the ordinary investor the details of any direct or indirect commission or interest that it will receive from him before recommending to him a financial product or executing any transaction or providing any financial service.
5. As an exception from the previous clause (4), the licensed body may not disclose to the ordinary investor the details of the commission unless the client requests so in the cases described below:
   a) Execution by the licensed body only.
   b) The client's certain aware of that commission.

c) The execution shall be based on the agreement concluded with the manager of the securities portfolio regarding his discretionary management of the client's portfolio.

Article (5) Motivating clients

1. It is prohibited for the licensed body and its employees to compel, motivate or delude the client, directly or indirectly, to provide incentives, commissions, benefits, gifts, donations or the like in its favor or in the interest of any of its employees, and it is prohibited to accept any of that in exchange for an obligation or duty of any of them towards the client or in return for providing services that are inconsistent with any of those obligations or duties, other than the following:
   a) The commission agreed upon in writing between both parties, as indicated in the previous article related to the commission.
   b) The fee prescribed by the Authority or any of the capital market institutions.
2. The licensed body is obligated to document and archive the procedures that prove its and employees' compliance with such commitment.

Article (6) Carrying out financial activity with due diligence

The licensed body and all its approved employees are obligated to do the following:

1. Exercise financial activity and provide financial service to the client with due diligence for their experience and competence by practicing tasks with accuracy, care and attention without any negligence and taking all reasonable measures in accordance with the surrounding circumstances, the experience gained and future expectations.
2. Carry out financial activity and job duties in accordance with the conditions and controls on which the license and approval was issued for the employees and taking into account the commercial norms and general principles of the licensed body and authorized employees mentioned in section Two and principles of justice and equality.
3. Achieve the interests of clients and not discriminating between them, and take into account that personal or third party interests are not preferred to those of clients.
4. Refrain from engaging in or cooperating with third parties to carry out any misleading, deceptive or fraudulent behavior.
5. Refrain from exploiting client data to achieve personal benefits or gains for either of them or for others.

6. Refrain from publishing any incorrect or misleading information.

Article (7) Best Execution Rate

1. The licensed body shall take into account the achievement of the (best execution rate) for the client and take into account the distribution to the brokers in the market in which it deals, and not take sides in a way that may achieve special gains for it or cause damages to the client rights, and that the implementation processes should not be aimed at increasing commissions, fees or expenses for them or for others.
2. The licensed body is not obligated to achieve (the best execution rate) in the following cases:
   a) If dealing with a counterparty.
   b) If it only handles execution for the client as per his instructions.

Article (8) Marketing of Financial Services

1. The licensed body may market its financial services, provided that the marketing material shall include the following:*

   a) Clear name of the licensed body, its legal status, and the license or approval it obtained.
   b) A clear statement of the financial services it is licensed or approved to provide.
   c) A clear statement in case the marketing material is intended for the professional investor or counterpart only.
2. The licensed body is obligated to guarantee the following:
   a) The compliance of the marketing material with the Authority's law, the decisions issued in implementation thereof, and any other legislation in force in the state.
   b) Communicating the information in a clear, fair and correct manner and not including the marketing material any data that may be deceptive, fraudulent or misleading.
   c) Not to distribute the marketing material intended for the professional investor or counterparty to an ordinary investor.
   d) Not to publish or disclose any future expectations based on past performance or any other assumptions.
3. Upon agreement with specialized persons to advertise and market its financial services on its behalf, the licensed body shall comply with the following:

* Beginning of clause (1) in Article (8) has been amended pursuant to Decision No. (09 /Chairman) of 2022.

a) The agreement with any of them shall not include limitation of its responsibility for the marketing material, its content and the mechanism of marketing the same, as it is responsible for that in accordance with the provisions of this section.
b) Ensure that whoever conducts marketing on its behalf adheres to all of its above-mentioned obligations.
c) Ensure that financial services are not marketed on its behalf in an offensive or dishonorable way to the body, Authority, or third party.
d) The commission or fee shall be for the effort that the person exerts on its behalf in marketing financial services.
e) Ensuring that the marketing entity and its employees are committed to ensuring that the marketing material is directed at the public via various means that address them, such as radio, television, websites, newspapers, and magazines.
f) Ensuring that the marketing entity and its employees are committed to ensuring that the marketing material is not directed to any specific person(s) in any way, whether through communication via telephone, mail, text messages, or otherwise*.

4. The licensed body is obligated to document and archive the marketing material, whether submitted by it or on its behalf.
5. Without prejudice to the controls regulating marketing via telephone calls in accordance with the legislations applicable in the State, the licensed entity may market its business by educating its customers about its business, tasks, and services provided to them. The entity and any of its employees are prohibited from giving lectures or seminars to the public and investors regarding awareness of the Authority's resolutions related to financial activities and their interpretation*.
6. The licensed entity shall, in the event of conducting a financial activity involving the provision of Islamic financial service or Islamic financial product, disclose the Sharia supervisory committee that reviewed the marketed financial products or services. *

Article (9) Trading of High Management and Staff at the Licensed Body

1- The partners, members of the board of directors of the licensed entity and its director or board of directors and its staff shall refrain from trading or executing any trading orders for their account or for the account of their spouses, ascendants, or descendants up to the second degree, or for the account of any of spouses of those or minor children, or in any capacity except in accordance with the following*:

a- Ensuring that these orders do not conflict with job duties.
b- Obtaining compliance officer approval to prevent conflicts and exploitation of client orders.
c- Market member brokers shall obtain the written approval of the market if the security is listed on the market.

2- In the event that the execution of the trading orders for any of the aforementioned is by same licensed body, then the licensed body must comply with the following:
   a- Clearly defining the account of each of them and distinguishing it from the accounts of other clients.
   b- Maintaining a record containing trading orders and their details and related approval or rejection and the reasons for the same.

3- In the event that the compliance officer rejects to execute a trading order for any of those mentioned in Clause (1) of this article with it, then it is not permissible for any of them to execute it with any other licensed body as long as the rejection is justified.

4- None of the staff of the licensed body may trade in certain securities if the licensed body, in accordance with its license, provides financial consultancy related to the securities, their source, or related securities or their source, until this is published and made available to all clients of the licensed body.

Article (10) Omnibus Accounts*

First: The licensed entity may have an Omnibus Account for its clients, in which it is dealt, in its own name and for the account of its clients, in accordance with the provisions of this Decision and in accordance with the regulations issued by the Market or the Depository Center and approved by the Authority, as the case may be.

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* sub-clauses (e), (f) has been added to Clause (3) of Article (8) pursuant to Decision No. (09 /Chairman) of 2025 issued on 14/04/2025 and inforce on 30/4/2025.

* Clause (5) of Article (8) has been amended pursuant to Decision No. (09 /Chairman) of 2025 issued on 14/04/2025 and inforce on 30/4/2025.

* Clause (6) of Article (8) has been added pursuant to the decision of the Chairman of the Authority's Board of Directors Resolution No. (35/Chairman) of 2023 issued on 3/8/2023 inforce on 16/8/2023

* Clause (1) of Article (9) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(23/Chairman) of 2023 inforce on date 15/4/2023.

* Article (10) has been added to Chapter (4) pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(16/Chairman) of 2023 inforce from issued on 13/03/2023.

Second: The omnibus account shall be considered an account owned by clients according to the ownership register with the licensing entity, and the following follows. It shall lead to the following:

1. The omnibus account shall not be subject to attachment, liquidation or bankruptcy procedures imposed on the licensed entity.
2. Any legal attachment, liquidation or bankruptcy procedures imposed upon the client shall be limited to what the client beneficially owns in the omnibus account as per the ownership register. without placing a attachment sign on the omnibus account.

Third: The issuer may request the Market to disclose any details of clients (beneficiaries) in the omnibus account and verify their ownership.

Fourth: With regard to the omnibus account, the licensed entity shall comply with the following:

1. Each client (beneficiary) shall have his own account with it.

2. Refraining from imposing any obligation on the omnibus account or disposing thereof except in accordance with the agreement concluded with the client and in a manner that does not conflict with the applicable legislations.

3. The agreement concluded with the client, shall include the following information:

a. The nature of the legal relationship between the licensed entity and its clients, as it is a commission agent.

b. The concept of the omnibus account, and the risks that the client may be exposed to as a result.

c. The client's express consent to authorize and disclose in his name regarding the trades made for his account to the Authority, the Market and the judicial authorities.

d. The mechanism for the licensed entity to attend the general assembly meetings and vote on behalf of the client, in a manner that does not contradict the provisions of this Decision.

e. The mechanism of disposing of the financial product profits.

f. Rights and obligations of both the client and the licensed entity in a manner that does not contradict the applicable legislations.

4. Executing margin trading operations for the client in the omnibus account within the limits of his ownership assigned in that account without prejudice to the ownership of any other client

5. Refraining from investing its own funds in the omnibus account, and complete separation between its transactions and its own funds, and the omnibus account’s transactions and funds.

6. Providing procedures and mechanisms that enable the client (the beneficiary) to exercise his rights related to the financial product.
7. Providing written standards and policies regarding the combined orders and how to distribute them to the beneficiary clients according to the orders and ownerships of each of them, provided that they are applied in a fair, regular and continuous manner.
8. Providing an updated register clarifying the details of each client's ownership and identity.
9. Restricting trading orders immediately if they are partially executed as follows:
    a) Determining each client's ownership immediately upon implementation, and ensuring that what is assigned to it is done in a fair and standardized manner.
    b) Not favoring one client over the other, or preferring the private account of the licensed party over the clients in the omnibus account.
    c) Determining the ownership of each client according to the instructions of the trading order issued by him and according to the precedence of their receipt.
10. Documenting, archiving and preserving all matters related to the combined trading orders and distributing them to clients, including the date, time, identity of the client, details of the financial product and the amounts of each client with the same mechanism and duration related to the regular trading orders.

Fifth: The licensed entity shall comply with the following regarding the meetings of the general assembly:

1. Notifying the beneficiary client of the date and agenda of the general assembly meetings to indicate his desire to attend or vote, or to authorize the licensed entity or others to do so.
2. Agreeing with the client on the mechanism for voting on additional items to the agenda of the general assembly and the authority of the licensed entity to do so.
3. Voting on behalf of clients, if authorized to do so, by distributing and dividing the votes in the general assembly according to their instructions, provided that the voting does not exceed votes owned by the clients in the omnibus account and that the clients' instructions are kept for a period of not less than ten (10) years.

Sixth: In the event that any emergency matter occurs to the licensed entity, such as bankruptcy, attachment, liquidation, or others, that hinders its continuity in performing its obligations related to the omnibus account, then it shall, on the working day following the realization of the emergency matter, do what is described below without charging the client any expenses or fees:

1. Notifying clients (beneficiaries) in the omnibus account.
2. Transferring the registration of the financial product in the omnibus account to the account of each client (beneficiary) according to the customers' ownership register with it, or to an omnibus account in the name of another licensed entity, or any other method approved by the Market or the Depository Center.
3. Notifying the Authority and the Market and providing them with the procedures taken.

Chapter Five: Practicing Financial Activity

Article (1) Brokers

Brokers shall be obliged to the following:

First: Receiving the client trading orders

1- Receiving duly the client trading order before executing it.
2- Failure to execute any client trading order in the event that the broker becomes aware, knows, or in any way that the client's eligibility is lacked or lost.
3- Fulfill the minimum trading order data issued by the client in accordance with Appendix No. 4
4- Refraining from acting in violation of the trading order issued by the client.
5- Documenting and archiving trading orders registered by telephone in accordance with Appendix No. (5) or received in writing or through the Internet, fax, e-mail, or any other electronic means or keeping them for a period of not less than 10 years. In all cases, the broker shall be burdened to prove these orders with a copy of them (according to the record-keeping mechanism established by the Authority.
6- Refraining from receiving or keeping any trading orders signed on blank from any client.
7- Refraining from receiving any trading orders from third parties relating to the client on his behalf, except in the following cases:
   a- A third party outside the country, provided that the conditions set forth in the article (2/7) of the Second Chapter of this Section are fulfilled and that the client agreement with the third party includes evidence of the client authorization for the third party to issue the trading order on its behalf.
   b- A third party licensed by the Authority to deal on behalf of the client.
   c- Any person to whom the client has granted an executed power of attorney at the market in accordance with its procedures, or a legal power of attorney attested from inside or outside the State in accordance with the procedures followed by the official authorities and within the limits of such power of attorney. Provided that the power of attorney includes, in all cases, the limits and powers of the attorney to the client account at cash amounts and the financial products owned by it, and the manner of disposing of each of them

clearly and explicitly.*

d- A financing entity licensed by the Central Bank of the United Arab Emirates, provided that the following is met*:

(1) There is a valid financing agreement between the financing entity and the client to finance the purchase of financial products, or secured against financial products owned by the client. *

(2) The broker is provided with a dated and signed notice from the financing entity and the client, including the information shown below:

A. Name of the financing entity and name of the client.

B. The effective date and expiry date of the financing agreement.

C. The financing entity's clear authorization to dispose of the client's account, including issuing orders to sell the client's financial products.

D. The client's explicit consent not to revoke any of the authorizations referred to in paragraph (c) of this clause except through the financing entity by a notification addressed to the broker, revoking any of these authorizations or by acquittal of the client of any liabilities

E. The client's explicit consent that the broker will not implement his orders if they violate the financing entity's orders and those financial products will not be transferred to another broker except with the financing entity's approval, and in accordance with the same procedures specified in this clause.

Second: *

Third: Executing trading orders

1- Executing trading order in accordance with the trading order issued by the client.

2- Executing trading orders in a timely manner, once the order is issued by the client.

3- Executing trading orders related to the broker private accounts - if he has approval to do so from the market or the Authority, as the case may be - and the trading orders of its clients in a fair manner and in accordance with priority and precedence of their receipt.

* Paragraph (c) from (First/7) in Article (1) has been amended pursuant to Decision No. (09 /Chairman) of 2022.

* Paragraph (d) from (First/7) in Article (1) has been added pursuant to Decision No. (09 /Chairman) of 2025 issued on 14/04/2025 and inforce on 30/4/2025.

* Paragraph (d/1) from (First/7) in Article (1) has been amended pursuant to Decision No. (13 /Chairman) of 2026 issued on 02/06/202 and inforce on 13/06/2026.

* (Second) of Article (1) has been deleted pursuant to Decision No. (16 /Chairman) of 2023.

4- Prove that the executed trading orders were valid at the time of their execution.
5- Fulfilling all obligations arising from the execution of the trading orders that were brokered to be concluded on the dates specified for the same.
6- Not to combine its capacity as a broker with that of the attorney in the contract that it brokers in its conclusion.
7- Refraining from executing excessive trading orders
8- Refraining from executing any trading orders outside the trading session, unless the applicable legislation so permits.
9- Refraining from executing clients trading orders except through actual execution in the market or foreign market, or through alternative trading platforms for non-exchange traded derivatives contracts and currencies in the spot market.
10- Refraining from executing any trading orders in its name and for its own account in the market or foreign market unless he has a license to do so or has the approval of the market to trade in its name and for its own account in accordance with the regulations issued by the market and approved by the Authority.
11- Refraining from exploiting clients' data, transactions and trading orders to achieve benefits or gains for the broker, its employees, or others, and to maintain their confidentiality.

12- Refraining from using the username and password - granted by the market to the approved employee -to execute orders by any other employee or by others.
13- Commitment when trading on margin to register with the Authority and to the procedures and rules for margin trading issued by the market and approved by the Authority, and/or to the rules of the foreign market in the event of margin trading in a foreign market, and the rules of non-exchange traded derivative contracts and currencies in the spot market is excluded from this clause.
14- Refraining from executing margin trading operations in favor of one or more clients participating in a single combined account.
15- In addition to the above execution obligations, the non-exchange traded derivative contracts and currencies broker in the spot market shall be bound to the following:
    a- Ensure that the client deposits the Tier margin in its account for trading non-exchange traded derivative contracts according to the specified percentages and obtains its written approval to keep that margin until the client position is closed, before entering any trading order.

b- Performing the daily settlement (mark to market) for non-exchange traded derivative contracts

c- Obtaining an undertaking from the client to immediately replenish the non-exchange traded derivative contracts trading account when the value of the Tier margin decreases to maintenance margin.

d- Margin controls in force in markets where non-exchange traded derivative contracts or currencies are listed, if any.

e- Issuing a list specifying the level of tier margin percentage and the required maintenance margin at each level of risk in each derivative contract that contains various included assets or each type of currency.

f- Notify the client when updating the tier margin list and commit not to apply it retroactively to any previous trading orders that have not been completed and closed.

g- Recording and saving data and details of non-regulated derivative contracts or currencies and their trading orders in the market or depository center according to their procedures.

Fourth: Notification of the execution of trading orders

1- Notifying the client according to the agreed means of the completion of the trading order on the same day in which the execution was made in accordance with Appendix No. (2). The client may object to any transaction immediately upon being notified thereof.

2- Notifying the custodian in writing or according to the agreed means of trading orders executed on the client account, as soon as they are executed according to the delivery versus payment (DVP) procedures.

3- Providing the client with a statement of account (quarterly) within (45) days from the end of the quarter period - if there is a movement on the account during that period - and an annual statement of account within (three months) from the end of the fiscal year without prejudice to the client right to request providing him with a statement of account, A detailed statement of account or a statement of its stocks of securities at any time, provided that the notification in all cases includes the data contained in the appendix no. (3) as a minimum, with the exception of the professional investor and counterpart, unless otherwise agreed upon.

4- Notifying the client immediately when the percentage of ownership in the account (trading non-exchange traded derivatives and currencies in the spot market) decreases to the maintenance margin, so that the client will cover the shortage in its account according to the period agreed upon with the licensed body, and the licensed body may close the client position if it breaches its commitment.

Fifth: Settlement of trading orders

1- The broker shall be obligated to settle its obligations with the market or the central clearing and the depository center according to the procedures in force or according to the foreign market system if trading is in foreign markets, and it also shall be obligated to settle his obligations with the general clearing in accordance with the agreement concluded between them if it is a trading broker.
2- Not to pay any cash amounts to clients with debit balances, and not to pay any amounts that exceed the client credit balance, unless it is for the purposes of margin trading.
3- Not to add balance to client' accounts by means of cheques, except after the actual collection of those cheques.
4- Verifying the client ability to pay the value of financial products purchases before the settlement date. In the event that financial products purchase and sale transactions are executed in the same trading session, a cash balance must be available in the client account that covers the purchase value. The clearing between the financial products purchasing and selling operations is not entertained in the same trading session.*
5- The broker shall sell the securities that are the subject of the purchase order that has been executed - in the event that the client does not commit to paying its price during the two days of settlement - within a period not exceeding one working day from the date of the settlement according to the following procedures:
   a- Sale after obtaining the approval of the market.
   b- Selling at the market price.
   c- The client shall bear the loss arising from the sale.
   d- The broker shall bear the loss arising from the sale if he does not comply with the above procedures.
   e- In all cases, depositing any profits arising from the sale of securities in accordance with the above procedures according to the mechanism determined by the market.
6- With the exception of the previous (5) clause, clients' operations are settled according to the settlement system on the o the delivery versus payment (DVP)

* Clause (4) In (Fifth) from Article (1) has been amended pursuant to Decision No. (09 /Chairman) of 2022.

7- The trading broker shall be obligated to enter into an agreement with the body licensed to conduct the general clearing activity to clear and settle its rights and obligations with the Central Clearing and Depository Center. The agreement shall include the mechanism for dealing between them, the rights and obligations of each party, work procedures, and the method of dividing the commission between them. It shall also include confirmation of the trading broker commitment to anti-money laundering procedures and customer due diligence measures, and its ability to provide customer due diligence information upon request from the General Clearing. The broker shall also provide the Authority, the Central Clearing and Depository Center, with a copy of the agreement upon signing. *

Sixth: Subscribing on behalf of the client*

The trading broker and trading and clearing broker may subscribe on behalf of their clients inside the State, and the trading broker in the international markets may subscribe on behalf of its client outside the State, provided that each of them is obligated to sign an agreement with its client in Arabic or in both Arabic and English that includes all terms, conditions and limits of subscription, as an exception to this, the agreement may be signed in English only with a foreign client acting on behalf of their clients and wishing to subscribe on their behalf*.

Article (2) Financial Products Dealer*

First: Financial products dealer shall be obligated to do the following:

1- Purchase and sell the financial products listed on the market and / or foreign market inside or outside the trading session according to the procedures of the market and /or depository center and / or foreign market and / or foreign depository center and purchase and sell the virtual assets according procedures of Virtual Assets Platform Operator or according procedures of Licensed foreign Platform outside country*.

2- Purchase and sell financial products from the investor outside the trading session through the market and/or depository center and / or foreign market and/or foreign depository center in case the financial products are not listed but registered with the market and / or depository center and / or foreign market and/or foreign depository center.

* Clause (7) In (Fifth) from Article (1) has been amended pursuant to Decision No. (12 /Chairman) of 2025 inforce on 14/6/2025.

* (Sixth) has been added to Article (1) pursuant to Decision No. (09 /Chairman) of 2022.

* The exception in last paragraph of (Sixth) has been added pursuant to Decision No. (04 /Chairman) of 2024, and enforced on 11/1/2024.

3- Take the necessary measures to transfer the financial products ownership to the investor account after executing the sale order if the financial products are not registered with the market or depository center and / or foreign market and/or foreign depository center according to its agreement with the investor.
4- Disclose to the investor of the commission and/or margin of price increase or decrease on the real purchase price.
5- Retrain from executing any sale order for a financial product for the ordinary investor at a price higher than the market price at the time being or at a price higher than the last closing price of such financial product. With the exception of same, execution may be made on the basis of the best price if the market price of the financial product and the last closing price are not available.
6- Keep data related to the date and time of the buying and selling price, the number and type of the financial product and /or virtual assets subject to the trading process, and the related disclosures*.

Second: The Financial Product Buying Price:

1- The buying price must be higher than the market price or the last closing price of the financial product.
2- The buying price must be lower than the market price or the last closing price of the financial product if the investor is a professional or a counterparty.

Article (3) Financial Consultations

First: The Public Financial Consultation Company obligations

Establishing appropriate procedures and controls to ensure that the financial consultation issued to the client is correct, impartial, and includes the necessary disclosures, with documenting and archiving all such disclosures and all that is presented to or notified to the client.

Second: Obligations when preparing and publishing the analysis report, financial planning, or financial recommendation

1- Determining the names and addresses of the persons participating in preparing the report.

* Term (Securities Dealer) has been changed to (Financial Products Dealer) pursuant to Decision No. (09 /Chairman) of 2022.
* Clause (1) of the Article (2/First) has been amended pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and enforced on 16/5/2023.
* Clause (6) of the Article (2/First) has been amended pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and enforced on 16/5/2023.

2- Determining the date of preparation of the report and the period of coverage.
3- Determining the relationship of the licensed body with all the authorities concerned with the report.
4- Indicating that the recommendation contained in the report is a technical opinion without guaranteeing the results.
5- Avoiding exaggerating words, promises, dazzling, deceit, deceit, misleading, or manipulation with emotions.
6- Using terms such as forecasts, estimates, or assumptions when preparing the report.
7- Using the words (buy), (sell) or (keeping) in the financial recommendation report.
8- Determining the estimation and evaluation mechanism used and the assumptions and comparisons that have been relied upon
9- Determining the source of the information and data on which it relied.
10- Primarily identifying the types of target clients.
11- Preparing a table or chart showing the target prices that were included in the previous analysis reports - for at least a previous year, if any - for the same financial product and/or virtual asset, subject of the analysis report, compared to the actual prices on the expected date of achieving the target prices mentioned in these reports.[* *]
12- Distinguishing between facts and opinion or estimates.
13- Taking the necessary steps to enable the client to be aware of the nature of the risks associated with implementing the recommendations related to the financial recommendation report.
14- Indicating clearly that the report should not be relied upon by the ordinary investor in the event that the financial recommendation is intended for the professional investor or the counterparty only.
15- Approval of the report from the higher management or its delegate.

Third: Disclosure obligations to the client[*]

1- Disclosure of any financial interest or material interest of the licensed body, the financial analyst, or his spouse or minor children related to the financial products, subject of financial consultation and/or virtual assets[*].
2- Disclosure of any relationship that links the licensed body, the financial analyst, his spouse or his minor children with the issuer of the financial product and/or virtual asset, subject of the financial consultation, or obtaining any compensation therefrom[*].

* Clause (11) from (second) of the Article (3) has been amended pursuant to Decision No. (09 /Chairman) of 2022.

3- Disclosure of what the licensed body or any of its financial group owns at a percentage of (1%) or more, or what the financial analyst owns, or his spouse or minor children, in the issuer of the financial product and/or virtual asset, subject of financial consultation*.
4- Disclosure of any arrangements or bonuses that may constitute a conflict of interest and are likely to affect and weaken the quality of financial consultation, in whole or in part.
5- Disclosure of any services rendered to the issuer of the financial product, subject of financial consultation, during the 12 (twelve months) period preceding the provision of consultation or any services expected to be rendered to the issuer of the financial product and/or virtual asset within the period of (3) three months following the provision of financial consultation*.
6- Disclosure of the relationship - if any - with the market maker of the financial product, subject of the financial consultation.
7- of any material contribution made by the issuer of the financial product and/or virtual asset in the licensed body*.

Fourth: Prohibitions on the licensed body and its financial analysts*

1- Possessing the financial product and/or virtual asset, subject of the financial consultation, during cooling off period*.
2- Trading in the financial product and/or virtual asset, subject of financial consultation, during a period of (15) fifteen days before the issuance of the financial consultation and a period of (5) five days after the issuance of the financial consultation or issuing any additional financial consultation that includes an amendment or change in the

* Clause (11) from (second) of the article (3) has been amended pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and enforced on 16/5/2023.
* (Third) in Article (3) has been amended pursuant to Decision No. (09 /Chairman) of 2022.
* Clause (1) from (Third) of the article (3) has been amended pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and enforced on 16/5/2023.
* Clause (2) from (Third) of the article (3) has been amended pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and enforced on 16/5/2023.
* Clause (3) from (Third) of the article (3) has been amended pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and enforced on 16/5/2023.
* Clause (5) from (Third) of the article (3) has been amended pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and enforced on 16/5/2023.
* Clause (7) from (Third) of the article (3) has been amended pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and enforced on 16/5/2023.
* (Fourth) in Article (3) has been amended pursuant to Decision No. (09 /Chairman) of 2022.
* Clause (1) from (Fourth) of the article (3) has been amended pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and enforced on 16/5/2023.

recommendation or target price, unless its possession thereof is before starting the financial consultation*.

3- Trading in the financial product and/or virtual asset, subject of financial consultation, in violation of the recommendations contained in the financial consultation for a period of no less than (30) thirty days from the date of issuance of the financial consultation report*.

4- Publishing or submitting any report related to the financial product and/or virtual asset in the event that it is was a principal financial consultant or a participant with the issuer of the financial product or appearing before the public regarding the financial product and/or virtual asset, subject to the offering, by any means during the cooling off period*.

5- Providing or publishing financial consultation, or disclosing or declaring it by any usual or electronic means about any financial product and/or virtual asset in the event that it or any of its board members, its director, financial analysts or its staffs receive (directly or indirectly) a material or moral consideration in a manner regardless of its form or type, from the issuer of the financial product and/or virtual asset or any party related to it *.

6- Including in the report any incorrect or misleading information or data.

7- Providing advice to the client that contradicts or conflicts with the recommendations of the report issued thereby, unless it discloses the reasons for this conflict before providing advice to the client.

8- Exercising any kind of material or moral pressure (directly or indirectly) on the financial analyst while performing its work duties to influence its neutral technical opinion regarding the issuer of financial product or the financial product and/or virtual asset, subject of financial consultation*.

9- Giving specific prices for a certain financial product if the company is under incorporation.

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* Clause (2) from (Fourth) of the article (3) has been amended pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and enforced on 16/5/2023.

* Clause (3) from (Fourth) of the article (3) has been amended pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and enforced on 16/5/2023.

* Clause (4) from (Fourth) of the article (3) has been amended pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and enforced on 16/5/2023.

* Clause (5) from (Fourth) of the article (3) has been amended pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and enforced on 16/5/2023.

* Clause (8) from (Fourth) of the article (3) has been amended pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and enforced on 16/5/2023.

10- Agreement with the issuer of the financial product and/or virtual asset or any other parties with the intent to influence the prices of the financial products or their financial position contrary to the truth*.

11- The prohibition contained in clauses (1, 2, 3) applies to everyone who participated contained in clauses (1, 2, 3) applies to everyone who participated in preparing, reviewing, or approving financial consultation, their spouses and relatives up to the first degree, and all those who have knowledge of the content of financial consultation as to the members of the board of directors and the executive management of the licensed company and the managers and those working in it and their relatives up to the first degree, and the prohibition does not apply in the following cases:

a- If the possession is before starting the financial consultation.

b- If there is an essential and unexpected change in the financial position of any of the persons subject to the prohibition, after obtaining the written approval from the compliance officer.

c- If any of the persons subject to the prohibition has shareholding to an investment fund trading in the financial product, subject of financial consultation, provided that the ownership percentage of any of them does not exceed (1%) of the total assets of this fund and that the percentage of investments of this fund in this financial product does not exceed a total of (20%) of Fund assets.

d- If important events or essential information arise that lead to a change in the subject of financial consultation, after obtaining the written approval from the compliance officer.

Fifth: Permissibility of dealing through (Social Trading)*:

The licensed entity may establish a forum or a social platform for its clients to give their comments and observations related to financial products and/or virtual assets*, provided that it adheres to the following:

1. Allow only its clients to enter and participate in the forum or social platform.
2. Develop a mechanism through which the platform user's identity, data and capacity can be clearly known.
3. Not to allow any of the clients participating in the platform, whether publicly or privately, to give any opinions, analyses, studies, financial advice, financial planning, recommendations or assessments related to the sale, purchase or hold of financial products and/or virtual assets*.
4. Disclose to the client on an ongoing basis and in simple language about all the risks arising from the use of this platform.

5. Provide regulatory tools and mechanisms that prevent any of the clients participating in the social platform from deviating from its objective or dealing with unrelated topics such as politics, religion, or others, or any topics that deviate from the objective of the forum or related to what is prohibited by law.
6. Notify the Authority immediately in the event of any breach or defect, with indicating the procedures that the licensed entity has undertaken or will take in this regard. In all cases, the final responsibility rests with the licensed entity.
7. Provide a facility that enables the Authority to perform its oversight role by reviewing the platform, its content, and what is being discussed through it, whether in general or private, at any time.
8. Keep records related to the platform and what is discussed through it, using the same keeping mechanism established by the Authority.
9. All applicable legislations in the State and the Authority's legislations in the event of placing any advertisements on the platform.

Article (4) The Financial Advisor (Issuance Manager)

First: the obligations of financial consultant

1- Managing and organizing the offering process by managing the issuance and marketing of securities, providing financial consultation related to that, and ensuring that the subscription prospectus includes the information necessary to enable investors to know the costs, benefits and risks of investment, and that it does not omit key information.
2- Covering the remaining securities that have not been subscribed for, once agreed upon.
3- Acting as the primary communication link between the parties to the offering process, the Authority and the market in which the security is to be listed.

* Clause (10) from (Fourth) of the article (3) has been amended pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and enforced on 16/5/2023.
* Fifth, has been added to Article (3) Financial Consultation, pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(23/Chairman) of 2023 inforce on date 15/4/2023.
* First Paragraph from (Fifth) of the article (3) has been amended pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and enforced on 16/5/2023.
* Clause (3) from (Fifth) of the article (3) has been amended pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and enforced on 16/5/2023.

4- Ensuring that the issuer fulfills all the requirements for offering securities and subscribing for them in accordance with the instructions issued by the Authority*.
5- Providing the subscription prospectus by electronic and printed means, and ensuring that it continues to exist with the recipients of the subscription during the subscription period.
6- Supporting the issuer in the processes of issuance, public offering and subscription.
7- Obtaining the Authority approval of the advertisements and promotional campaigns that the issuer wishes to carry out during the public offering and subscription period, and documenting and archiving the advertising materials submitted through its or on its behalf.
8- Providing the Authority with a report after the subscription closes on the results of the subscription, in accordance with the requirements of the Authority.
9- Notifying the subscribers and the recipients of the subscription of the allocation.
10- Preparing the subscribers register according to the market requirements and coordinating with it to finalize the procedures for listing the issuer securities*.
11- Providing the Authority with a daily report explaining the position of subscription and coverage.
12- Coordinating with the Authority and the Market and notify them of any essential or significant changes or developments.
13- Providing the Authority, within two days from the date of the approval of the prospectus, with a soft copy of the approved subscription prospectus for the purpose of publishing it on its website, along with providing a soft copy of the subscription prospectus on the issuer website and the recipients of the subscription.
14- Any other duties or responsibilities required by the public offering and subscription process in accordance with the contract concluded with the issuer.

* Clause (4) in Article (4/first) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(23/Chairman) of 2023 inforce on date 15/4/2023.
* Clause (10) in Article (4/first) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(23/Chairman) of 2023 inforce on date 15/4/2023.

15- Ensuring the competence and suitability of other financial consultants to perform the duties of managing and organizing the offering and/or covering the remainder of it in the event that it arranges with other financial consultants licensed by the Authority or by a regulatory authority similar to the Authority*.

Second: Obligations of the financial consultant upon subscription with the book building process

1- Inviting a number of professional investors to hold a series of meetings to present a report on the issuer business and activities.
2- Surveying the opinions of professional investors and registering them in the register of orders of subscription to the offered shares regarding their initial perceptions of the value of the shares to be offered for subscription by the issuer.
3- Cooperating with the issuer in studying and analyzing the opinions of professional investors in order to decide on the details of the planned offering and the price range of the shares subject of offering.
4- Cooperating with the issuer to prepare an initial subscription prospectus specifying the price range of the shares and submit it to the Authority to obtain its approval in preparation for the announcement of the offering, with the exception of the announcement period - (5) working days before the subscription at the company's headquarters and the and the recipients of the subscription and (15) days in the event of the company capital.
5- Make offers to investors about the shares to be offered by the issuer
6- Carrying out explanatory and educational campaigns for investors to familiarize them with the share book building system.
7- Cooperating with the issuer to determine the share price in the final subscription prospectus, after analyzing the register data for the subscription orders for the offered shares, whether the individual investors subscription was received at the same time as the professional investors subscription was received or in two phases and in accordance with the allocation mechanism disclosed in the subscription prospectus.

* Clause (15) in Article (4/first) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(23/Chairman) of 2023 inforce on date 15/4/2023.

Third: Obligations of the financial Consultant related to the subscription obligation - taking into account the Companies Law -:

1- Refraining from performing any duties that affect the price of shares - covered by it - in the market, such as investment and speculation.
2- Refraining from buying the shares of the issuer whose shares he covered as long as it is still the owner of the covered shares
3- Maintaining the stability of the share price in the market in accordance with the controls set by the market after the approval of the Authority.
4- Commitment to the provisions of the issuer's articles of association and the required disclosures before and after listing.

Article (5) The Listing Consultant

The listing Consultant shall be obligated to the following:

1- Providing advice and Consultation to the issuer and verifying that it fulfills the requirements for listing and continues to adhere to those requirements.
2- Providing the Authority and the concerned market, upon submitting the application for listing, with a notification indicating that the issuing company has fulfilled the listing requirements in accordance with the form prepared same by the market.
3- Verifying that the issuer has sufficient working capital for a period of (12) months following the date of the Authority approval of the subscription prospectus, based on a feasibility study.
4- Verifying that the issuer has put in place all the necessary procedures to make all the disclosures required by it on time in accordance with the law, the companies law, the decisions issued under them, the listing rules, and the market decisions and instructions.
5- Verifying that the issuer has put in place all the necessary regulations that allow its board of directors to be aware of the current and future financial position of the company and that allow the board of directors to take the necessary decisions on this basis.
6- Cooperating with the issuer to comply with all the disclosures required by it in accordance with the law, decisions issued in implementation thereof, and market decisions.
7- Cooperating with and taking the necessary decisions with the issuer to allow its board of directors to be aware of the current and future financial position of the company on this basis.
8- Notifying the issuer immediately upon becoming aware of any violation of the law, decisions issued in implementation thereof, or market decisions, so that the issuer can correct the situation.

9- Notifying the Authority of any corrective measures taken by the exporter in the event of a violation of the law or the companies law or any of the decisions issued in implementation thereof, and cases of non-cooperation of the issuer with the listing consultation.

Article (6) Promoting Financial Products

First: The tasks and duties described below are exempted from obtaining a license to promote*:

The following shall not be subject to the provisions of promotion:

1- The broker when trading for its clients in the foreign markets and the broker for trading non-exchange traded derivatives and currencies in the spot market.
2- Financial products listed on the market.
3- Financial products promoted to the professional investor and the counterparty, excluding foreign funds units*.
4- Securities, commodities contracts or derivatives issued by the federal government or local governments, governmental institutions and authorities, or companies wholly owned by any of them
5- Reverse promotion, at the initiative of an investor inside the state to request the offer or purchase of any foreign securities specified by entity outside the state without this being based on promotion by the foreign source, its promoters or distributors, provided that this is proven by the concerned authority*.
6- Promotion between the company and its financial group, related parties, or parties related to investment funds or the group linked between them.
7- The Broker defined in accordance with the regulations for listing and trading of commodities and commodities contracts.
8- The issuer, foreign issuer or financial consultant according to the system for offering and issuing shares of public joint-stock companies, with the exception of the general obligations of the promoter.
9- Promotion of financial products to the Federal government, the local governments, the Federal and local governmental corporations or Authorities, or the companies that are wholly owned by any of them. *

Second: General Obligations of the Promoter

1- Refraining from promoting any financial products except in accordance with these provisions.

* The beginning of Paragraph (First) in Article (6) has been amended pursuant to Decision No. (02/Chairman) of 2023, issued on 16/1/2023 and enforced on 1/2/2023.

* Clause (3) from (First) in Article (6) has been amended pursuant to Decision No. (02/Chairman) of 2023, issued on 16/1/2023 and enforced on 1/2/2023.

2- The tasks shall be limited to attracting investors through an invitation to buy or subscribe in financial products, and defining the issuer or foreign issuer and the means of communicating with it without engaging in any other tasks or carrying out any financial services or activities unless it is licensed to do so
3- Dealing with the issuer or foreign issuer on behalf of the client and according to his instructions and without taking any decision by the promoter.
4- Refraining from owning any of the financial products - promoted - on behalf of clients or receiving money or issuer, directly or indirectly from them, unless the promoter is a bank or a branch of a foreign bank licensed in the state.
5- Using easy, clear, honest, correct, not misleading promotional means, and in a language that the investor understands without using any means of fraud or deception.
6- Refraining from publishing, promoting or using any data or information that is incorrect or misleading about financial products, the issuer, foreign issuer, or the market in which it is listed - if any -.
7- Refraining from providing any financial consultations or financial analysis related to the financial product transferred to the promotion unless it is not licensed for the same.
8- Notifying the clients about the possibility effect of the exchange rate on the value of promoted foreign securities.
9- Notifying the clients that the previous performance of the promoted financial products is not necessarily an indication or evidence on the future performance.
10- Withdrawing the promotional material immediately upon awareness of violation by its issuer of any legislative provisions, procedures, or regulatory conditions, or awareness of the possibility of any damage to investors.
11- Enabling clients to review the essential disclosures and information, approved financial reports and statements, and all their data on time.

[*] Clause (5) from (First) in Article (6) has been amended pursuant to Decision No. (02/Chairman) of 2023, issued on 16/1/2023 and enforced on 1/2/2023.

* Clause (9) of article (6/First) has been added pursuant to the decision of the Chairman of the Authority's Board of Directors Resolution No. (35/Chairman) of 2023 issued on 3/8/2023 enforced on 16/8/2023

12- Disclosing - through the mechanisms and means specified in the promotional material - about the prices of the promoted financial products, and any risks or essential information related to them Abreast, and about the sources that have been resorted to when preparing comparisons, provided that they are valid, modern and reliable sources, and do not include any predictions on the future prices or selection of information or exclusion of any important or essential information.

13- In the event of contracting with the issuer or foreign issuer, the following conditions shall be taken into account.

a- statement of the type and number of financial products that will be promoted

b- The agreement concluded between both parties shall not violate any legislation in force in the country, and it shall include a statement of the rights, duties and responsibilities of each party, the mechanism for terminating or expiring or amending the agreement, and the means of communication between both parties.

c- Not to contract with an issuer or foreign issuer with which a promotional agreement had been previously was terminated for reasons related to its breach of its obligations or its violation of the legislation in force in the country.

d- Providing the Authority with a copy of the agreement, and any subsequent change, amendment or termination thereof.

14- Refraining from promoting the shares of the foreign issuer that are to be offered for public subscription in the country except after the approval by the Authority of the offer is issued.

15- Registering any financial product not listed in the market or foreign market with the Authority before its promotion by the legal representative of the issuer or foreign issuer and after paying the registration fees, and the Authority may within (10) days approve or reject the application, provided that that the registration application includes a statement of the type and number of financial products to be promoted within the country, the disclosure of the promoter relationship with the promoted financial products or their source within (12) months prior to the promotion, and a copy of the promotional material in a clear language that the investor understands.

16- Obtaining the approval of the Authority before promotion of the unlisted financial product if it is registered with the Authority, and the Authority may within (5) days approve or reject the application.

17- Notifying the Authority before promoting any financial product listed on a foreign market, provided that the counterpart supervisory authority has no objection to the promotion.
18- The bank and the branch of a foreign bank licensed in the country shall be excluded from the provisions of the clauses (15, 16 and 17) provided that maintaining a register that includes the data of the promoted financial product and everything related to promotions, and providing the Authority with any of them upon request.
19- As an exception from the clauses (15, 16, 17 and 18), The Promoter is obligated to submit an application to the Authority on the form designated for the same before promoting any units of local or foreign funds which are unlisted on the market. The Authority may approve or reject the application within (15) days from the date of submitting the application, provided that the investment fund is licensed or registered with the Authority*.
20- Demonstrating the proposed mechanisms and means of promoting financial products.
21- Stopping any promotional process if the Authority so requests, based on the requirements of the public interest.
22- Complying with legislations applicable in the State related to the controls regulating marketing via telephone calls*.

Third: The Promoter's Obligations Relating to the Information provided to its client upon Promotion:

1- The promoter's name, data, address and means of communication with it.
2- The type of financial products to be promoted, the place of their issuance, the number of what is issued out of them, the currency of issuance and all the information related to them.
3- A statement of whether or the promoted financial products are listed or not, and a statement of the markets in which they are listed.
4- The data contained in the subscription prospectus or the offering document, and any amendments thereto
5- The minimum limit for subscription or purchase and any prohibitions or restrictions on the investor, its trading or subscriptions.
6- The mechanism of profits distribution, redemption or maturity dates.
7- Determine the type of investor (ordinary or professional investor or counterparty).
8- The investment risks associated with the financial products to be promoted.

9- A statement showing the major shareholders of the issuer or the foreign issuer who owns 10% or more.
10- Means of communication with the parties concerned with the subscription, sale and purchase of promoted financial products.
11- Determining the Sharia Supervisory Board that approved the conformity of the financial products promoted to Islamic Sharia
12- Mechanisms and means of disclosure of the data and information required in accordance with the provisions of this resolution.
13- Documenting and archiving the financial products, recommendations and consultations provided to the client.

Fourth: The promoter's additional obligations when promoting foreign fund units within the state:

1- The promotion of the foreign fund units in the state should be restricted to the private offering to the professional investor and/or counterparty[*].
2- Verify the provision of all mechanisms that enable the foreign fund that promotes its units to fulfill all of the fund tasks and obligations towards the unit holders promoted in the Country, in accordance with the offering document.
3- Maintaining a record of the foreign fund units distributed through it, provided that it includes all data related to unit owners, including:
   a- **For individuals**: the names of unit owners, their addresses, their ID or passports numbers, and the number of units for each individual.
   b- **For companies**: company names, head office address, commercial registry numbers, and the number of units for each company.
   c- The date on which the name of the licensed body or the company was listed in the registry and any other data related to unit owners.
4- Ensuring that the investor in the foreign fund obtains a copy of the offering document for the fund's units before the investor subscribes for the units of the foreign fund[*].
5- Ensuring the availability of a daily price for the fund unit - or as stipulated in the offering document - or the unit quota of the fund of net assets, with an obligation to provide the appropriate means to enable the investor in the country to have access to it.

[*] Clause (19) from (Second) in Article (6) has been amended pursuant to Decision No. (02/Chairman) of 2023, issued on 16/1/2023 and enforced on 1/2/2023.
[*] Clause (22) from (Second) in Article (6) has been added pursuant to Decision No. (09 /Chairman) of 2025 issued on 14/04/2025 and inforce on 30/4/2025.
[*] Clause (1) from (Fourth) in Article (6) has been amended pursuant to Decision No. (02/Chairman) of 2023, issued on 16/1/2023 and enforced on 1/2/2023.
[*] Clause (4) from (Fourth) in Article (6) has been amended pursuant to Decision No. (02/Chairman) of 2023, issued on 16/1/2023 and enforced on 1/2/2023.

6- Delivering its subscribing clients the evidence of their subscription to the fund, the units that have been allocated and/or purchased for them, and the document guaranteeing the exercise of all their ownership rights for those units.
7- Ensuring that the foreign fund distributes profits to unit owners and/or returns the units to their owners according to the announced price and in accordance with the document of foreign fund offering.
8- Offering and distributing foreign fund units within the state is considered promotion for them, and the same provisions for promoting foreign fund units shall apply thereto[*].

Article (7) Introducing Financial Services

First: Exclusions:

The following shall be excluded from obtaining a license by introduction:

1- Introduction between the company and its financial group, or the related parties or parties related to investment funds, or the group associated between them.
2- Introduction carried out by the financial consulting and financial analysis company, or the introduction of the legal consultant if this constitutes part of the consultation, provided that the client shall be disclosed of any commissions that are being received from by the introduced authorities, as well as disclosing to both parties to the introduction about the relationship that binds it to each party.

Second: the obligations of the introducer

1- Introducing the client to financial services related to financial activities for the purpose of dealing in financial products.
2- Refraining in any way from being a contracting party to provide the introduced financial service.
3- Disclosing to both parties to the introduction about the relationship that binds it to each party.
4- Ensuring that the entity providing the financial service has obtained a license from the Authority or from a regulatory authority similar to the Authority to provide the service being introduced, and that it meets the fitness and propriety standards when introducing it to the customer.[*]

[*] Clause (8) from (Fourth) in Article (6) has been added pursuant to Decision No. (02/Chairman) of 2023, issued on 16/1/2023 and enforced on 1/2/2023.

[*] Clause (4) from (second) in Article (7) has been amended pursuant to Decision No. (09 /Chairman) of 2025 issued on 14/04/2025 and inforce on 30/4/2025.

5- Refraining from any action that would mislead or mislead the client or provide it with incorrect data
6- Providing the client with all the data and details of the financial service and the service provider.
7- Ensuring that the financial services it introduces are distinct, value-added, and have competitive contractual terms.
8- Assisting the client in completing the financial service application form and contracting with the licensed body subject of introduction.
9- Keeping all records related to the above procedures.
10- Complying with legislations applicable in the State related to the controls regulating marketing via telephone calls*

Third: Obligations of the entity providing the financial service*:

1. Ensuring that the introducer is licensed by the Authority before dealing with it.
2. Entering into a legal agreement with the introducer to specify the roles of each party and the commission the introducer receives, and keeping a copy of those contracts.

Article (8) General Clearing

The licensed body shall be obligated to do the following to practice public clearing activity:

1- Conclude an agreement with the body licensed to clear and settle its rights and obligations with the Central Clearing and Depository Center. The agreement shall include the mechanism for dealing between them, the rights and obligations of each party, work procedures, and the method of distributing the commission between them. It shall also include confirmation of the licensed body commitment to anti-money laundering procedures and customer due diligence measures, and its ability to provide customer due diligence information upon request from the General Clearing.*
2- Commitment to the decisions of the market or the central clearing and the depository center related to the clearing and settlement activities.

* Clause (10) from (second) in Article (7) has been added pursuant to Decision No. (09 /Chairman) of 2025 issued on 14/04/2025 and inforce on 30/4/2025.
* Third in Article (7) has been added pursuant to Decision No. (09 /Chairman) of 2025 issued on 14/04/2025 and inforce on 30/4/2025.
* Clause (1) in Article (8) has been amended pursuant to Decision No. (12 /Chairman) of 2025 inforce on 14/6/2025.

3- Allocate a separate account for each contracted licensed body, and implement a mechanism that ensures the segregation of the contracted body's accounts from the accounts of any other contracted body. *

Article (9) Portfolios Management*

First: The licensed body shall comply with the following to practice the activity of portfolios management*:

1- Achieving the client agreed investment goals.
2- Constituting an investment committee by a decision of the company board of directors to undertake planning for implementing the investment policy for managing investment, following up on the actual performance and monitoring it, and periodically reviewing the controls and procedures necessary to practice the activity at least twice annually.
3- Managing the clients investment portfolio according to an agreement with them based on the discretion of the portfolio manager without the client interference (Discretionary) or based on a decision made by the client itself (Non-Discretionary).
4- Disclosure to the client of data and information related to his investment evaluation in line with the client classification and its investment goals.
5- Taking into account the provision of liquidity which commensurate with the nature of investment that its managing to face the risks and obligations associated therewith.
6- Providing the client with a monthly statement of account, unless the agreement concluded between them provides for a shorter period of time, provided that the statement of account includes, as a minimum, the data mentioned in Appendix No. (3)
7- Refraining from investing the funds of the investment portfolios it manages in the investment funds it manages - if it is licensed to manage the fund investments - unless with the prior consent of the owner of the investment portfolio.

* Clause (3) in Article (8) has been amended pursuant to Decision No. (12 /Chairman) of 2025 inforce on 14/6/2025.
* Title of Article (9) has been amended pursuant to Decision No. (09 /Chairman) of 2022.
* The word (First), has been added to the first paragraph of Article (9) pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(23/Chairman) of 2023 inforce on date 15/4/2023.

8- Doing everything possible to study the financial position of the companies and assets in which it invests the client funds, which it manages, and to diversify these investments to reduce the investment risks that it may be exposed to in accordance with the investment policy, and not to use these funds to influence the prices of financial products in the market.
9- Receiving orders from the clients according to the procedures mentioned in (First) of Article (1) of Fifth Chapter, if the portfolio is managed based on the client's decisions (Non-Discretionary).
10- *.
11- Refraining from executing margin trading orders in the clients combined account.
12- Procedures set out in (Third 1, 2, 3) upon executing its clients orders based on the client decisions (Non-Discretionary).
13- Procedures set out in (Third 7, 11) of Article (1) of the Fifth Chapter.
14- Notifying the client of the trading that took place in its account in accordance with the procedures mentioned in (Fourth) of Article (1) of the Fifth Chapter.
15- Evaluating Assets, and calculating unit net asset value, and distributing or retaining profits.

Second: Dealing through the copy trading system*:

The licensed entity may provide an electronic mechanism that enables it to copy previous trading of one or more of its professional clients or the counterparty and present it for the benefit of a service requester (clients of the licensed entity) for use, provided that the following is adhered to:

1. That the portfolio be managed on a discretionary basis
2. That the client be a professional investor or counterparty.
3. The client must receive full regular disclosures provided to him in a simple language format as well as receive regular information related to any ongoing risks.
4. The trading copied from (the professional investor or the counterparty) represent real trading according to its previous trading.
5. Concluding an agreement with (the professional investor or counterparty) that includes, at a minimum, the following data:
    a. The written consent of the client (the professional investor or counterparty) to copy his trading and publish them on the used system for other clients for use purposes.

b. Determining the period or the time limit agreed upon during which the trading of (the professional investor or counterparty) will be copied, and the period specified for reviewing them.
c. Determining the data of (the professional investor or the counterparty) that he wishes to publish to the rest of the clients, without prejudice to the basic information that is supposed to be published to the clients requesting the service.
d. Demonstrating the agreed consideration for copying and publishing trading of (the professional investor or counterparty).
e. Determining the mechanism for terminating the agreement, and any fines for breaching any of the obligations contained therein or the desire to deviate from them, and prevent publication.

6. Refraining from publishing any information related to (the professional investor or counterparty) that has not been agreed to be published unless it is one of the basic information that is supposed to be published, and the licensed entity bears the responsibility for that.
7. Compensating the service applicant client in the event of any defect, negligence or failure in the used electronic system.
8. Providing a facility that enables the Authority to view the copying mechanism and copied trading at any time.
9. Notifying the Authority immediately in the event of any breach or defect in the copying mechanism, along with an indication of the procedures that the licensed entity has taken or will take in this regard. In all cases, the final responsibility rests with the licensed entity.
10. Ensuring that all records are maintained and kept in a secure place

Article (10) Managing of Investment Funds Investments*

First: The body licensed to practice the activity of investment management of investment funds, in addition to the obligations set out in the investment funds system, shall comply with the following:

* Clause (10) of Article (9) has been deleted, pursuant to Decision No. (16/Chairman) of 2023.
* Second has been added to Article (9) pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(23/Chairman) of 2023 inforce on date 15/4/2023.
* Article (10) has been amended pursuant to Decision No. (02/Chairman) of 2023, issued on 16/1/2023 and enforced on 1/2/2023.

1- Undertaking the tasks of establishing the local fund, managing its investments, and all the necessary supervisory, control and operational tasks in accordance with its offering document and in compliance with the legislations in force.
2- Constituting an investment committee by a decision of the authorized director or the board of directors- if any- provided that its membership shall include, at a minimum, each of (the category officer, the fund's investment manager, and the compliance officer), and the committee shall undertake planning for implementing the investment strategy for managing funds' investments, following up on the actual performance and monitoring it, and periodically reviewing the controls and procedures necessary to conduct the activity and the committee shall submit a report on the performance and activity of the fund to the issuer of its constitution decision every three months.
3- Contracting on behalf of the fund with all fund service providers licensed by the Authority or the concerned authorities in the state, coordinating and cooperating with them, and providing them with all data related to the performance of their duties towards the fund effectively.
4- Ensuring that the fund assets are kept separate from its funds and assets and from the assets of any other fund it manages or the investment portfolios it manages if it is licensed to do so.
5- Studying the financial position of the companies and the assets in which it invests the funds money in.
6- Refraining from investing the Fund's money in financial products issued by entities in which the related party of the local fund owns 30% or more of its capital.
7- Refraining from investing the Fund money in any assets assuming the Fund any responsibility or guarantee of any obligation or indebtedness toward any person, whether direct, indirect or conditional, with the exception of the obligations and indebtedness arising from the Fund's normal investment operations.
8- Refraining from using the fund money to purchase an asset that leads to the fund having unlimited liabilities.
9- Refraining from investing the funds of the investment portfolios it manages in the investment funds it manages - if they are licensed to portfolios management - except with a prior consent of the investment portfolio owner.

10- Applying precautionary policies and procedures to assess and monitor the risks associated with the Fund investments, develop a plan to deal with the same, and conduct an assessment test for the risks associated with the Fund at least once a year.
11- Applying appropriate policies and procedures to prevent or limit wrong practices that are expected to affect the Fund business and activity.
12- Managing Risks and conflict of interests between it, investment funds and investment portfolios it manages - if it conducts the activity of managing portfolios - as well as between investment portfolios and investment funds it manages and between each investment fund and another.
13- Assuming liability toward the unit holders for the losses of the Fund managed by it resulting from its fraud or willful default.
14- Refraining from collecting subscription or redemption fees for the units of the investment fund it establishes if most of the fund investments are linked to other investment funds established thereby.
15- Refrain from receiving any fees or commissions for outsourcing any financial services to others.
16- Paying outsourcing fees and expenses from its own resources.
17- Paying any costs associated with the promotion of investment units from its own resources.
18- Employees' salaries should not be linked to the performance of the investment fund, with the exception of incentives and bonuses.
19- The fees of managing investment of the investment fund shall be in proportion to the investment fund nature, operations and the proceeds expected from the same and shall be determined and revised in accordance with its procedures, provided that they are specified, clear and disclosed in the offering document.
20- Disclosing all the charges and fees it receives and any financial services it provides, and the details and percentages of expenses, charges and annual fees to the fund average net asset value within the fund reports.
21- Disclosing to unit holders of all investment fund information and immediate disclosure, within periodic reports, in a complete, clear, correct and non-misleading manner of information or material changes that would affect the investment fund in accordance with the method stipulated in the offering document.

22- Notifying the Authority immediately in the event of any violation of any investment restrictions arising from any actions related to its duties or the duties of any of the service providers, or arising from any circumstances beyond its control, explaining the effects of this on the Fund assets and the rights of unit holders, and developing a plan for corrective measures to be implemented at the earliest opportunity with an indication of their effects.

23- Provide the Authority with an annual report on the complaints and observations received from unit holders and fund service providers, including actions taken to resolve such complaints and avoid their recurrence in the future.

Second: The licensed body, to practice the activity of investment management of investment funds, may:

1- Conduct the tasks of administrative services and promote the fund units established by it without obtaining a license, provided that it adheres to the provisions of conducting the tasks of these activities.

2- [*].

Article (10/bis) Family business Investment Management[*]

In addition to the obligations stipulated in the decision regulating investment funds, the licensed body shall comply with the following:

1- Assuming the tasks of establishing the family fund only, managing its investments, and all the necessary supervisory, control and operational tasks in accordance with its offering document and in accordance with the applicable legislation.

2- Ensuring that the Fund assets are kept separate from its funds and assets.

3- The same obligations and provisions related to the investment management activity of investment funds, with the permissibility of non-compliance with the following clauses (2, 6, 7, 12, 14, 16, 18, 19) if this is stipulated in the family fund offering document.

Article (11) Administrative Services of Investment Funds

The licensed body shall comply with the following to practice the activity of administrative services shall investment funds:

1- Managing and maintaining the register of unit owners, issuing and recovering units, and distributing or maintaining profits.

2- Evaluating and pricing assets, and calculating the unit net asset value

[*] Clause (2) in (second) of Article (10) has been deleted pursuant to Decision No. (09 /Chairman) of 2025 issued on 14/04/2025 and inforce on 30/4/2025.

* Article (10/bis) has been added pursuant to Decision No. (02/Chairman) of 2023, issued on 16/1/2023 and enforced on 1/2/2023.

3- Selling and redeeming the investment fund units at the declared price of the units net assets value in accordance with the mechanism specified in the offering document based on the approval of the Investment Funds Investment Management Company.
4- Settling Fund obligations contracts with the contracting authorities.
5- Providing internal accounting services to Investment Fund.
6- *.
7- Providing information, delivering reports to unit owners, and answering to their inquiries.
8- Disclosing to the Authority any essential errors in the process of evaluating the net asset value of the fund to which it provides its services.
9- Refraining from receiving any amounts or funds from investors on behalf of the investment fund.
10- Signing a contract with the fund founders regarding the provision of administrative services to the investment fund explaining in particular all the information shown below: *
   a) All data related to the fund and administrative services company, and the means of communication with them.
   b) A detailed statement of all the tasks and responsibilities that the administrator will perform, in a manner not inconsistent with the provisions of this resolution or resolutions issued by the Authority.
   c) Types and details of the reports that will be provided to the fund.
   d) A detailed statement of the rights and obligations of each of the fund and the administrator.
   e) A statement of all the fees and charges payable by the fund for providing management services and the basis for their calculation and the payment dates.
   f) A statement of the proposed mechanism for disputes resolution and the conditions for terminating or revoking the contract in a manner not inconsistent with the applicable legislation.
   g) Procedures for tasks handover to another administrator, and how to transfer the necessary books and records without affecting the proper functioning of the fund.
11- Keeping electronic register of the unit holders and updating it immediately and continuously to reflect the change in data and information, keeping it in a mean that is easy to access, while keeping a backup copy thereof and making it available to the Authority and the unit holders immediately upon request and free of charge, provided that it includes at least the following main data: *

a- Unit holder name, nationality, address, contact numbers, identification number and passport or commercial register, and any other available means of identification.

b- The registration date of the unit holder, and detailed data of all purchasing and selling transactions, that took place on the units, and the balance of the units owned by the investor.

c- Recording any rights or restrictions on the investment units - if any - owned by each investor.

12- Availability of a detailed statement to unit holders includes their transactions and the balance of their investment units upon request and free of charge*.

13- With respect to the Exchange traded fund (ETF) and the Qualified Commodities Traded Fund, the following shall be adhered to: *

a- Calculating the daily evaluation of the net asset value of the unit at the end of the day, as well as the indicative value of the unit during the day, according to the bases, timeliness, and rules specified in the offering document, while adhering to the rules set by the relevant market in this regard.

b- Periodic notification to the market, related parties and the liquidity provider of the indicative value of the net asset value of the fund during trading, according to the mechanism specified and disclosed in the offering document.

Article (12) Custody, and Custody of virtual assets*

First: The custodian and custodian of virtual assets shall perform one or more of the following obligations in accordance with the agreement concluded with his client, each according to his licensed activity: *

* Clause (6) of Article (11) has been deleted pursuant to Decision No. (02/Chairman) of 2023, issued on 16/1/2023 and enforced on 1/2/2023.

* Clause (10) of Article (11) has been amended pursuant to Decision No. (02/Chairman) of 2023, issued on 16/1/2023 and enforced on 1/2/2023.

* Clause (11) of Article (11) has been added pursuant to Decision No. (02/Chairman) of 2023, issued on 16/1/2023 and enforced on 1/2/2023.

* Clause (12) of Article (11) has been added pursuant to Decision No. (02/Chairman) of 2023, issued on 16/1/2023 and enforced on 1/2/2023.

* Clause (13) of Article (11) has been added pursuant to Decision No. (02/Chairman) of 2023, issued on 16/1/2023 and enforced on 1/2/2023.

* Title of Article (12) has been amended pursuant to Decision No. (27/Chairman) of 2023.

*(First) of Article (12) has been amended pursuant to Decision No. (27/Chairman) of 2023

1- Safekeeping financial products of the client, or maintaining the encryption keys of virtual assets.
2- Safekeeping the cash funds of the client.
3- Exercising the rights related to financial products, including receiving interest or dividends, the right to subscribe, or the right to attend meetings of the general assemblies and voting therein on behalf of the client based on his instructions.
4- Recording or freezing mortgages related to financial products or virtual assets, based on the client request.
5- Submitting a request to transfer ownership of financial products within the cases excluded from trading on behalf of the client.
6- Transfer of virtual assets from one address and account to another address and account on behalf of the client.

Second: The custodian, and custodian of virtual assets shall comply with the following: *

1- Opening an account for each client that includes all the documents and transactions that took place on his account.
2- Executing the instructions issued to him by his client in a manner that achieves the client investment goals.
3- Not to dispose of the financial products, virtual assets, or cash amounts kept with him except in accordance with the provisions of the law or the resolutions issued in implementation thereof and the terms of the agreement concluded with the client.
4- Accepting the transfer of financial products from the broker (the seller), and transferring the financial products to the broker (the purchaser) on behalf of the client in accordance with the procedures of the market and/or the depository.
5- Transferring cash amounts to the broker (the seller), and accepting the transfer of cash amounts from the broker (purchaser) on behalf of the client.
6- Notifying the client of all decisions and actions taken by the issuers of financial products and virtual assets related to the rights associated with his financial products and virtual assets according to the agreed-upon means of communication as soon as possible and taking into account the interest of the client.
7- Notifying the client of all transactions and transfers that took place on his account within (24) hours, according to the notification method agreed upon between them.

*(Second) of Article (12) has been amended pursuant to Decision No. (27/Chairman) of 2023

8- Notifying the client of at least a detailed monthly statement of account showing all trades and transfers that took place in his account, with a statement of his current balance of financial products and/or cash amounts.
9- Transferring financial products and/or cash amounts from the client's account to another custodian at the client request.
10- Recording, freezing or seizing mortgages related to financial products or virtual assets based on the instructions of any of the capital market institutions or the operator of the virtual assets platform - according to the purview - or the Authority, or at the request of the competent official authorities.
11- Ensuring that no person employed with him enjoying the rights to operate the cryptographic keys will delegate his duties relating to virtual assets or transactions related to the funds held for the benefit of clients.
12- What is stated in Appendix No. (7) regarding the virtual asset portfolio.

Third: Practicing general clearing Tasks for its clients:

The custodian may - in exception from Article (8) of fifth Chapter of this section – if it is a local bank or a branch of a foreign bank - practice the general clearing activity to settle the obligations of (its clients) only in accordance with the market procedures and controls approved by the Authority, provided that he notifies the Authority once he performs such tasks and once he stops performing them.

Article (13) Custodian of Private Joint Stock Companies Register

The registrar shall be obligated to:

1- Record the dispositions related to the shares of the shareholders of the private joint-stock company, including ownership and related rights, and any restrictions on those rights in the company shareholders shares register, provided that none of these dispositions is contrary to the law and decisions issued in implementation thereof and the companies law or in violation of the articles of association of company, and it is not permissible to urge with any disposition against the company or others except from the date of its recording in this register.
2- The restrictions mentioned in the Companies Law regarding the transfer of shares ownership.
3- Refrain from recording any disposition made to the shares in the cases specified in the Companies Law.

4- Carry out the necessary technical measures to ensure the integrity of the company shares register and it contains all the dispositions that have been made to the shares, including the provision of a system for keeping the instructions of the shareholders.
5- Grant a certificate or a statement of the number of shares or the movement made thereto during a certain period and any disposition related to them to any shareholder registered in the shares register who so desire - or their legal representatives - and upon a request in writing.
6- The permanent and continuous verification of non-infringement of the ownership percentages stipulated in the Companies Law and the company memorandum of association or articles of association.
7- Notifying the Authority of the fees specified for keeping the shares register, fees for recording disposals therein, and any amendments that may occur thereon, along with providing the Authority with a copy of the contract within a week from the date of contracting with the private joint-stock company*.
8- Transfer of ownership of the shares of the private joint-stock company without any fee in the first year from the date of receiving the register.
9- Paying a fee to the Authority at (20%) of the value of the fees specified for keeping the shares register and fees for recording disposals therein within (15) days of the date specified by the Authority, provided that a delay fine of (5%) of the value of the amount due to the Authority is imposed per each delay day and not exceeding the total amount due to the Authority*.

Article (14) Covered Warrants Issuer

The Warrants issuer shall comply with the following:

1- Conditions for issuance, listing, trading in and settlement of warrants
2- Appointing a market maker for the covered warrants that it has issued, and it may perform the duties of a market maker if it is licensed to do so.
3- Submit a monthly report to the Authority that includes the total volume of issuance of covered warrants, the number of warrants purchased or sold during the month, and the purchase or sale price rate.
4- Refraining from issuing any covered warrants except after the approval of the Authority on that issuance and in accordance with the form designated for the same.
5- Disclosing to the Authority and the Market immediately any essential developments or any decisions that may affect the price of the covered warrants, or its ability to fulfill its obligations, or any amendments made to the process of calculating the price of the warrants.

6- Notifying the Authority when it requests the listing of the warrants covered by the market, or its request to cancel their listing at the end of the period specified therefor, or the event that the market suspends trading on those warrants or on the assets, subject of the warrants.

Article (15) Depository Bank

First: Depository Bank General Obligations:

1- The issuance and cancellation of deposit certificates according to the rate of transfer based on the request of the owner of foreign securities, or the owner of deposit certificates, as the case may be, and coordination with the custodian to amend the data resulting from the issuance or cancellation.
2- Providing the owners of deposit certificates with copies of all invitations and prospectus issued to the owners of foreign securities corresponding to those certificates.
3- Distributing the cash returns of foreign securities corresponding to the certificates of deposit in the currency in which the certificates of deposit are issued, taking into account the exchange rate on date of distribution.
4- Appointing a custodian licensed in the country in which the foreign issuer was established, to preserve the foreign securities corresponding to the deposit certificates on its behalf.
5- Signing a deposit agreement with the foreign issuer that includes all the data and information required by the Authority and providing the Authority, the Market and/or the Depository center with a copy thereof.
6- Coordination and communication with the foreign issuer and the market and/or the depository center or the foreign market regarding all rights related to the foreign securities corresponding to the deposit certificates, whether in the case of subscribing to the capital increase of or when distributing of returns in cash or in kind, or when dividing or joining to the nominal value and other operations that are approved for owners of foreign securities corresponding to deposit certificates
7- Coordination with the foreign issuer regarding the voting system in his general assemblies, and voting on behalf of the owners of the deposit certificates according to their instructions.

* Clause (7) in Article (13) has been amended pursuant to Decision No. (02/Chairman) of 2023, issued on 16/1/2023 and enforced on 1/2/2023.
* Clause (9) in Article (13) has been added pursuant to Decision No. (02/Chairman) of 2023, issued on 16/1/2023 and enforced on 1/2/2023.

8- Notifying the owners of deposit certificates of all the data related to the subscription subscribing to the capital increase of or when distributing of returns in cash or in kind, or when dividing or joining to the nominal value by any of the appropriate means, including electronic means of communication, provided that the deposit agreement includes specifying these means.

9- Providing the market with all essential information and disclosures related to the foreign issuer in conjunction with any disclosure issued by or related to the foreign issuer or its securities in the country of incorporation or any other country.

10- Immediately providing the Authority and the Market and/or depository center with the data, information and documents it requires regarding deposit certificates, the rights of their owners, or other data that may affect the circulation of those certificates or the foreign securities that correspond thereto.

Second: Obligations of the depositary bank related to the agreement concluded with the foreign issuer:

The depository bank shall sign a deposit agreement with the foreign issuer, which includes all the data and information required by the Authority, in particular the following:

1. The tasks of the depository bank are to issue certificates of deposit as the foreign issuer agent and to deposit foreign securities that correspond to them with a custodian licensed in the State in which the foreign issuer was established.
2. The tasks of the Depository Bank are to keep the register of owners of certificates of deposit, and the registry of foreign securities corresponding to the certificates of deposit.
3. Verifying that certificates of deposit represent the ownership rights of foreign securities' owners and that its registered certificate owners are the legal owners of certificates of deposit.
4. Tasks, functions and conditions for appointing a custodian appointed by a depository bank to keep foreign securities for its account on behalf of the certificate holders.
5. Method of issuing and registering certificates of deposit by the depository bank upon receiving foreign securities.
6. Rights of the owners of deposit certificates to transfer, trade or mortgage them, and the manner of doing so.

7. Rights of owners of deposit certificates to deliver them for the purpose of their cancellation in exchange for receiving foreign securities corresponding to those canceled certificates, provided that any fees or taxes specified in the deposit agreement are paid.
8. Rights of the owners of deposit certificates to receive any cash distributions on foreign securities corresponding to certificates of deposit, except in cases that are explicitly specified in the deposit agreement, provided that the deposit agreement contains separately rights and procedures related to cash distributions, shares distributions, private subscriptions, and any distributions related to foreign securities corresponding to certificates of deposit, and the distribution of cash returns of securities in the currency of certificates of deposit and taking into account the exchange rate on the date of distribution.
9. The mechanism of practicing the voting rights inherent in the foreign securities corresponding to the certificates of deposit, the mechanism of notifying the owners of those certificates of the general assembly meetings of those securities, and the voting mechanism according to their instructions.
10. The procedures that the depository bank will follow based on the instructions of the foreign issuer in the delivery of invitations, reports, voting forms, and any correspondence related to the shareholders of the foreign issuer to the owners of the deposit certificates, and in providing copies of these correspondences for reviewing by the owners of deposit certificates in the head office of the depository bank and the custodian, as well as the procedures that the depository bank will follow to provide reports of the foreign issuer for owners of certificates of deposit.
11. Obligations of the certificate owners, including any fees that certificate owners may incur as a result.
12. A clear statement of the taxes, fees and expenses that owners of deposit certificates will bear.
13. Procedures for replacing or terminating the services of the depository bank and / or the custodian with the approval of the foreign issuer, including notifying the owners of deposit certificates in advance of any possible resignation, replacement or termination of the services of any of the depository bank or custodian, and not making any substantial changes to the rights and duties of certificate owners without obtaining their prior consent in this regard.
14. Procedures for amending or terminating the depository agreement.

Article (16) Depository Bank Agent

The agent of the depositary bank shall sign an agreement with the depository bank and provide the Authority, the Market and / or the Depository Center with a copy thereof, provided that it contains all the data and information required by the Authority, in particular the following:

1. Obligations and responsibilities of the depositary bank agent.
2. The obligations of the depository bank in a manner that does not conflict with the provisions of this section and the regulations, decisions and controls issued by the Authority.
3. Determining the role of the depository bank agent in the required disclosures in accordance with the applicable laws, regulations and decisions.
4. A statement of the procedures, tasks and how to practice the activity.
5. Procedures for amending or terminating the depository agency agreement.

Article (17) Credit rating

First: Exceptions

The following are excluded from the credit rating provisions:

1. The credit rating, whose subject is one of the federal or local government authorities, companies wholly owned by any of them or any of their financial products based on the request of any of those authorities.
2. The credit rating of the rated authority or any of its financial products based on its request, for its internal use, whether for its structure, risk management or evaluation of its financial position, or for its internal commercial purposes or evaluating any of the contracting parties with the condition that it is not published, advertised, or sent by any means to others, unless for mandatory disclosure purposes to the regulatory authorities to which it is subject.
3. The credit rating issued to any person at his request and exclusively presented to the party that request it and not intended for public disclosure, publication or distribution.

Second: Obligations related to the quality and integrity of the rating process

The credit rating agency and / or its employees are obligated to:

1. Conclude an agreement with the party wishing to obtain a credit rating for it or its financial products, which is dated and signed between the two parties and explaining all the obligations and conditions between them, especially the conditions related to the confidentiality of data and information between them.

2. Using rating categories, models and basic assumptions, and follow specific, accurate, organized, and high quality classification methodologies that can be verified, periodically reviewed, conduct back testing, update them according to market and economic changes, and disclose them on an ongoing basis.
3. Adopt and implement appropriate measures and standards to ensure that categories, models, assumptions and methodologies are used objectively.
4. A statement of credit rating forms that are compatible with the principles of Islamic Sharia.
5. Put the grades indicating the rating, along with the definition and statement of each symbol, number or letter in the rating scale used to denote the rating category and the segments of each of its categories, and disclose them continuously.
6. Enable its employees concerned with credit rating to access the necessary information.
7. Refrain from preparing the credit rating if the data, information or sources relied on are insufficient or unclear to prepare the assessment or the agency is unable to determine an objective credit rating.
8. Refrain from issuing a credit rating report in the event that the structured products are new or complex unless the rating agency has sufficient information and experience to prepare the report.
9. Refrain from rating in the event of any conflict of interest cases between the rating agency or any of the parties related to it and the rating agency or any of the parties related to it.
10. Notify the compliance officer of any breaches or violations of the credit rating preparation controls.
11. Document all steps related to the preparation of the credit rating report in order to enable to carry out the procedures of the necessary periodic review process and internal auditing and supervision to ensure that all the rules and procedures for preparing the report are followed, and that it is not issued under the effect of any conflict of interest.
12. Notify the rated entity of the relevant information and data that would affect the preparation of a new credit rating, review or update of a previous credit rating, and the rated entity may review that information and data and provide the rating agency with any notes related to it during the period specified by the rating agency or during the agreed upon period.

Third: Obligations related to independence and avoidance of conflicts of interest

The credit rating agency and / or its employees are obligated to:

1. Prepare the credit rating independently and without being affected by any factors or relationship between the rating agency and the rated entity or any of the parties related to it.
2. Refrain from accepting any cash or in-kind gifts and ensure the quality and independence of the credit rating process and that it is free from any influence or restrictions.
3. Refrain from providing any advisory services, recommendations or proposals to the rated entity or any of the parties related to it.
4. Refrain from granting any guarantees, assurances or indications, directly or indirectly, regarding the result of the credit rating.
5. Refrain, as well as the refrainment of any of the parties related to it, which have a direct role in the credit rating process, from owning the financial product under rating, with the exception of owning units of investment funds.
6. Establish policies and procedures to reduce the possibility of any conflict of interest, and a mechanism for managing any conflict of interest.
7. The non-interference of its employees - participating in the preparation of the credit rating report - or their participation in determining the fees, charges or commissions of the rating processes.
8. Review the rating report that was prepared, supervised, reviewed or audited by any of its employees if that employee joined the work for the rated entity.

Fourth: Obligations related to transparency and disclosure

The credit rating agency is obligated to:

1. Disclose to the public about the initial ratings, subsequent changes to them, the rating categories, its methodologies and forms and any changes that occur to them, in order to enable the rating users to evaluate accurately.
2. Disclose in writing, clearly and accurately, any actual or potential conflict of interest that may affect the credit rating while ensuring its exclusion or management. However, it is permissible not to disclose the conflict of interest if this represents internal information. In this case, the Authority shall be immediately notified of this and sufficient measures must be taken to limit and manage conflicts of interest.
3. Disclose to the Authority about any fees, commissions or fees that are being charged from the rated entity, and the name of the rated entity if the fees paid from it exceed (5%) of the annual revenues to the rating agency.

4. Explain the means and mechanisms of disclosure related to the credit rating reports issued by it and the required information and reports on the scheduled dates.
5. Disclose the percentages of the ratings that have been reduced or upgraded annually, in addition to a cumulative disclosure every three years and ten years, which represents the transition rates from rating to another.
6. Disclose the default rates under its different rating categories to the public at least once annually, with a distinction between geographical areas and business sectors of the rated entities and indicate whether the default rates of these categories have changed over time.
7. Provide the Authority with the following reports:
    a. A report every (6) months on historical information on default rates under the different rating categories, along with a distinction between the main geographical areas of the issuers, and whether these rates have changed over time.
    b. An annual report, which includes a list of the largest (20) customers in terms of their contribution to the revenue of the rating agency and the names of customers, whose contribution to the rate of growth of the agency's revenues in the previous fiscal year exceeded the rate of growth of its total revenues in that year by more than one and a half times, provided that the contribution of each of them is more than a quarter of a percent of the agency's total revenues in that year. This paragraph shall apply to foreign agencies' revenues obtained from practicing credit rating activity in the State.
8. Submit a transparency report to the Authority annually, including the following:
    a. A description of the extent of the rating agency's compliance with the issued law and the decisions in implementation thereof, detailed information about its legal structure, and a description of its internal control mechanisms to ensure the quality of rating reports.
    b. Distribution statistics of the rating agency's employees and rating analysts regarding new ratings, review of existing ratings, evaluation's methodologies and forms, and members of senior management.
    c. Details of its record keeping policy.
    d. Results of the annual internal audit of the compliance officer.

e. Financial information about the revenues resulting from the credit rating activity and other activities along with details of them being mentioned. As for the foreign rating agency, the revenues must be based on its revenues obtained from the rating activities and other activities that it carries out in the State.
f. A statement on the rating governance that includes the details of the administrative or supervisory committee, the structure of the executive committee and its powers. As for a foreign rating agency, the information must be specific to the administrative structure of its branch, the main cadre and the lines of administrative hierarchy of its structure and staff.

9. Disclose any information required to be published and disclosed to the public in both Arabic and English on its website, provided that it is available for an appropriate period.

Fifth: Obligations related to the data of the credit rating report

The credit rating agency and / or its employees are obligated to:

1. Prepare the credit rating report in an easy, clear, honest and not misleading manner, in a way that ensures that it is not misunderstood, and in a language that the investor understands, without using any fraudulent means or wrong information, and in a way that reflects the available information that has been analyzed and the mechanisms and methodologies of that analysis.
2. Include the following in the credit rating report:
   a. The name of the rating agency.
   b. The name and position of the employee who prepares the report, supervises its preparation and is responsible for approval of its issuance.
   c. The subject of the credit rating, whether it is related to the rated entity or the financial product, the rating category, its methodologies, forms and assumptions, the procedures and sources that were used when preparing the report, any restrictions on that rating, and an indication of its risks.
   d. Determine the type of beneficiary from the credit rating report (customer, specific customers, or the public) or on its own initiative.
   e. A statement of whether the credit rating is related to a newly issued financial product, whether it is the first time that the rating agency has granted a rating to that product, and whether the rating lacks historical information.
   f. Credit rating risk, and expected losses in the event of default.

g. Information related to pledges or guarantees and enforcement mechanisms available to investors if the credit rating relates to asset-secured financial products.
h. The date on which the credit rating report was first issued, and its last update date.
i. A statement of whether the credit rating was issued at the request of the rated entity or without its request; and in this case the means of obtaining the information related to the rated entity or the financial product must be disclosed.

3. Review the credit rating report before its issuance, and review any update that occurs to it, provided that such review is made by another competent employee who has not previously prepared or reviewed the report.
4. Publish the credit rating report to the public upon its issuance.

Sixth: Obligations subsequent to the issuance of the credit rating report

After issuing the credit rating report, the credit rating agency and / or its employees are obligated to:

1. Periodically and continuously review the credit rating report issued by it (whether the initial or subsequent ratings) or upon knowledge of any information that may affect it throughout the review period.
2. With except from Clause (1), the credit rating report is not subject to review if it is indicated in it that it is not subject to review.
3. Monitor any changes in market or macroeconomic conditions that may affect the credit rating issued by it through its procedures and arrangements for this.
4. Notify the Authority and disclose to the public about any significant change or update in the rating categories, forms, assumptions, methodologies, or rating grades, indicate the impact of that change on the rating, and review the credit ratings affected by the change within a period not exceeding (6) months from its date.
5. Clearly disclose to the public of the date on which the credit rating was updated, and its effective date if it is changed, as well as the date on which it is withdrawn or suspended, and the reasons for that.
6. Publish and update any data related to actual or potential conflict of interests, or substantial amendments to its systems, resources or procedures.

Article (18) Management of the profit sharing investment account *

First: General provisions:

1. The licensed banks in the State that conduct the activity of managing the profit sharing investment account shall be subject to the legislations applicable by the UAE's Central Bank.
2. The provisions of omnibus accounts shall not apply to profit sharing investment accounts.
3. The provisions of Chapter 3 of this Section shall not apply to the manager of a profit sharing investment account.
4. The outsourcing provisions stated in Chapter 4 of Section 2 of this resolution shall not apply to the manager of a profit sharing investment account.

Second: The profit sharing investment account manager shall comply with the following:

1. Creating an internal record clarifying the contributions of every client separately.
2. Refraining from using the client's money in a manner that is contrary to the agreement entered into between them.
3. Investing the client's money as per the agreement entered into between them and without prejudice to the provisions of Islamic Sharia.
4. Specifying the type of client account and determining whether it is Restricted or unrestricted.
5. Specifying the profit sharing rate.
6. Disclosing the following to the client:
    A. The profit sharing rate.
    B. **That he shall solely bear** – within the limits of his contribution – any losses resulting from the management of his investment in the profit sharing investment account, unless those losses are the result of negligence, default, or violation of the agreement on the part of the **profit sharing investment account manager**.

* A new Article has been added as Article (18) (Management of the profit sharing investment account) pursuant to the decision of the Chairman of the Authority's Board of Directors Resolution No. (35/Chairman) of 2023 issued on 3/8/2023 enforced on 16/8/2023

C. Details about the members of the Sharia supervisory committee at the beginning of the relationship, at any time, and upon request.

D. The details, method, and the number of Sharia revisions at any time upon request.

Third: The profit sharing investment account manager may outsource any of his tasks to another entity provided that this entity shall be licensed by the Authority or a supervisory authority that is similar to the Authority for conducting the activity of managing portfolios or managing the investments of investment funds.

Appendix No. (1) Minimum terms of the client agreement

First: In the case of the ordinary investor, the licensed body is obligated to include the following basic information in the agreement concluded with the client:

1- The name and address of the licensed body, the name and address of the client and his data, according to his passport and identity card, if he is an individual or according to its commercial license if it is an establishment or a company.

2- Explaining that the body is licensed and subject to the Authority supervision, along with indicating the type of the licensed class and the financial activities that are permitted to practice.

3- The name and data of the persons mandated or authorized to deal on behalf of the client, and the details of the delegation or the power of attorney and its limits, the name and data of the person authorized to manage the account if the client is a company.

4- Explaining the means of communication with the client to receive orders and the means of notifying him of the required information, statements and reports.

5- Clearly determining the client relationship with the licensed body that contracts with him or with any of the members of its board of directors or any of its financial group

6- Determining the client relationship with any of the capital market institutions or any of the companies listed in the market or any of the other licensed companies or members of the board of directors of any of them.

7- The effective date of the agreement between the two parties, the mechanism and conditions for its amendment or termination.

8- Details of the financial service that he will provide to the client.

9- Details related to any financial product related to providing a financial service.

10- Explaining the client classification.

11- Explaining the client objectives and its investment policy.

12- Explaining the presence or absence of any restrictions that limit the effective provision of its financial services and in the event of any restrictions, a statement of how it affects the financial service provided to the client.

13- Details of the commissions and fees payable by the client in return for providing financial service thereto and the basis of this commission.

14- The procedures that the client shall take to file a complaint against the licensed body or any of the employees thereof.
15- The licensed body’s obligations and rights, and the client’s obligations and rights, in clear and detailed form.
16- How to resolve disputes between the two parties, provided that the interpretation of the disputes related to the financial services provided in accordance with the law and the decisions issued pursuant thereto, and a explaining whether the parties will resort to the judiciary for consideration of their dispute or arbitration, with a clear statement of the terms of arbitration and the party that will consider the same.
17- Stating the bank account number of the client that the cash dividends of its shares profits shall be transferred thereto and for executing any financial services for the client.

Second: In the case of a professional investor and counterparty, the basic information is the information referred to in the first clause, with the exception of items (4 and 6).

Third: The licensed body shall be obligated, in order to practice the activity of managing securities portfolios, to include the following additional information in the agreement concluded with the client:
1- Initial value of the client's securities portfolio.
2- Elements of the initial formation of the client's securities portfolio.
3- In the event that the portfolio is managed on a discretionary basis, the extent of the restrictions imposed on the management power shall be explained, on a discretionary basis, including the value of any single investment, the percentage of the portfolio that may be represented by any single investment, any specific type of investment, or there are no such restrictions.
4-Explaining whether the licensed body will undertake margin trading on behalf of the client or conduct any transaction of lending and borrowing securities on his behalf and the related obligations.

Fourth: The manager of the profit sharing investment account shall include the following additional information in the agreement entered into with the client: *

1- The basic information referred to in First except (4, 5, 6, 11) of this Annex.
2- The client's acceptance on the profit sharing according to a specified rate.
3- The client's acceptance to solely bear the losses unless they are resulted from negligence, default, or violation of the agreement by the manager of the profit sharing investment account.
4- The mechanism of managing and investing the client's money including the details of his strategy concerning the diversification of the account.
5- Clarification of the means of communication with the client and the means used to notify him of the information, statements, and periodic reports.
6- The basis of profits distribution between him and the client.
7- Confirmation of the client's investment objectives including the details of any restrictions requested by the client as per the agreement.
8- Summary of the policies and procedures of the evaluation of the assets or the portfolio/ the account.
9- Summary of the policies and procedures of the money transfer from and to the profit equation reserve or the investment risks reserve account, if possible.
10- Details of the early withdrawal, recovery, or other exit arrangements and any costs incurred by the client as a result of this.
11- The procedures of segregating his money from the client's money and the procedures of segregating the client's money from the claims of the creditors of the manager of the profit sharing investment account.

* Paragraph (Fourth) has been added in Appendix No.1 pursuant to the decision of the Chairman of the Authority's Board of Directors Resolution No. (35/Chairman) of 2023 issued on 3/8/2023 enforced on 16/8/2023

12- Details about whether the money in the profit sharing investment account will be mixed with the money of another profit sharing investment account.

13- Details about the entity subject of the outsourcing to perform the tasks of managing the profit sharing investment account including:

A. The name of the outsourced entity.

B. The regulatory status- of the outsourced entity.

C. Details of the outsourcing.

Appendix No. (2) The content of the notification confirming the execution of the trading order

The licensed body is obligated to include in notification of the client of the completion of the execution of the trading order, the following data as minimum:

1- Name and address of the licensed body.
2- Whether the licensed body has executed the trading order on behalf of the client after being licensed or approved to do so.
3- The name of the employee who carried out the execution of the trading order.
4- The name of the client and its account number with the company.
5- The name, number and type of the security or currency subject of the trading order.
6- An indication of the type of trading order, purchase or sell.
7- The date and time of executing the trading order.
8- The purchase or sell price of the security for which the trading order was executed.
9- An indication of whether the trading order was executed on the basis of execution only or on a discretionary basis.
10- The commission owed to the licensed body related to the execution of the trading order and any increase, decrease or tax and any due fees.
11- The total payable amount and the due date thereof.
12- The amount or basis of any joint commission with another licensed body.
13- Description of the contract and the quantity, and specifying if the order is open or closed, and any due amount or applicable dates related to the delivery or expiry date of the period and is related to the order in the event that the execution of the trading order related to derivative contracts or currencies in the spot market.

Appendix No. (3) Data of the client account statement

First: The licensed body is obligated to include the following data as a minimum in the client's account statement:

1- A statement of the name, number and type of the security or currencies that the client owns.
2- The total value of securities or currencies that the client owns in its account.
3- The volume and value of executed trading orders in the client's account, their details, dates and timing of their execution.
4- Details of margin payments and guarantees, and the market value of those guarantees at the date of preparing the statement.
5- Cash in and out of the client's account, and the total cash available in its account.
6- The commission owed by the client to the licensed body and any prescribed fees.

Second: The licensed body is obligated to include the following data as a minimum in the client's account statement, in the event of trading in non-exchange traded derivatives and currencies in the spot market, as well as the data shown in clause first :

1- Details of open contracts and currencies, expiry dates of closed contracts and currencies.
2- Profits or losses realized for the client before deducting or adding any commissions that shall be paid upon closing of each transaction opened in the account at the end of the account period.
3- Profits or losses realized for the client after deducting or adding any commissions in respect of each transaction made during the account period to close the client's transaction.

Third: The manager of the profit sharing investment account shall include at least the following data in the client's account statement: *

1- Details of investment performance.
2- Details of the profit distribution between him and the client.

* A new paragraph (Third) has been added in Appendix No.3 pursuant to the decision of the Chairman of the Authority's Board of Directors Resolution No. (35/Chairman) of 2023 issued on 3/8/2023 enforced on 16/8/2023

3- Details of the changes made to the investment strategies that affect the client, if possible.

Appendix No. (4) Data of the trading order

The licensed body is obligated to include the following data as a minimum in the trading order:

First: Receiving trading orders from the client or from the licensed body to take the decision on behalf of the client on a discretionary basis:

1- The name and legal capacity of the issuer of the trading order, and the account number with the licensed body.
2- The basic data of the trading order, such as the date and time, the name and type of the security or currency, its number, the price and the period of validity, and whether it is a sale or purchase, and if the orders are in writing, then they shall be signed by the client or its representative.
3- Conditions and instructions included in the trading order.
4- The identity of the employee who received the trading order and / or who executed the same.

Appendix No. (5) Technical Controls and Requirements for the Telephone Recording System

1- It impermissible to listen to telephone calls recorded with the licensed body except by the Director General or the Compliance Officer or whomever authorized by both of them under a special authorization for this and for a specified period.

2- Receiving and recording orders issued by telephone by the licensed entity's clients shall be made through the telephone call recording system.[1]

3- The licensed entity is obligated to provide a telephone recording system that meets the following characteristics: [2]

A. Recording of all telephone calls.

B. [3]

C. Storing the date and time of the recorded phone calls.

D. Setting the timing of the server device assigned to the telephone recording according to the local time of the state.

E. Refraining from modifying the timing or date of incoming calls from clients of the licensed body.

F. Refraining from deleting recorded calls or any part thereof or deleting any related information.

G. Maintaining backup copies of the telephone record system on a daily basis (Incremental Backup), and on a monthly basis, (Full Backup) on storage media out of the telephone recording server device for a period of not less than (10) years.

H. It has technical solutions capable of preventing modification of calls, including, but not limited to, encryption or placing a regular and recorded sound next to the main sound (the background bell), which is repeated every period not exceeding five seconds.

I. Issuing a notification, before providing the service, that the call is recorded.

[1] Clause (2) of Appendix No. (5) has been amended pursuant to Decision No. (06 /Chairman) of 2024 issued on 27/02/2024 and enforced on 28/02/2024.

[2] Clause (3) of Appendix No. (5) has been amended pursuant to Decision No. (06 /Chairman) of 2024 issued on 27/02/2024 and enforced on 28/02/2024.

[3] Clause (3/B) of Appendix No. (5) has been Deleted pursuant to Decision No. (06 /Chairman) of 2024 issued on 27/02/2024 and enforced on 28/02/2024.

J. Showing recorded calls in different ways, for example, but not limited to, through the caller's number, the recipient's line number, (Number Channel), or the date and time the call was received.

K. Facilitating listening to calls for authorized entities in accordance with the legislations applicable in the State.

L. [4]

M. Maintaining tracking records of all movements on the system, with a minimum of logging on, listening, and modifying authorities and any modifications that occur to the system.[5]

4- The licensed body shall notify the Authority immediately upon the occurrence of any sudden malfunctions in the telephone record system indicating the expected period for the continuation of the malfunction, provided that a technical report from the system manufacturer shall be attached containing the reasons for the malfunction and the time required to repair the same. [6]

[4] Clause (3/L) of Appendix No. (5) has been Deleted pursuant to Decision No. (06 /Chairman) of 2024 issued on 27/02/2024 and enforced on 28/02/2024.

[5] Clause (3/M) of Appendix No. (5) has been Added pursuant to Decision No. (06 /Chairman) of 2024 issued on 27/02/2024 and enforced on 28/02/2024.

[6] Clause (3) of Appendix No. (5) has been amended to be clause (4) pursuant to Decision No. (06 /Chairman) of 2024 issued on 27/02/2024 and enforced on 28/02/2024.

Appendix No. (6) Accounts segregation report		
Statement	**AED**	**AED**
Total credit balances of the clients on / /20 .	X X	
Add:		
1- Net trades executed in (T-1 & T) that were not settled - in the event that the purchase value is greater than the sale value, including commissions. *	X X	
2- Decrease in total debit balances of clients between the end of two days (T-2 & T) **	X X	
Less:		
1- Net trades executed in (T-1 & T) that were not settled - in the event that the sale value is greater than the purchase value, including commissions. *	X X	
2- Increase in total debit balances of clients between the end of two days (T-2 & T) **	X X	
Credit balances due to clients (1) **		**#VALUE!**
Cash balances of the clients in the treasury and banks on / /20		
Balances of clients in the company treasury	X X	
Book balance of account No. ..... in a bank of	X X	
……	X X	
Bank account balance of..... "Abu Dhabi Market Settlement" {ineffective in the trades that haven't been settled with the market}	X X	
Bank account balance of..... "Dubai Market Settlement" {ineffective in the trades that haven't been settled with the market}	X X	
Cheque under collection {Provided that it is shown on the account statement of the client, are not postponed for payment, and are actually deposited for collection in one of the banks of the client's funds}	X X	
Total balances of the client (2) ***		**0 00**

* (T): Means the last trading day of the month.

* (T-1): Means the trading day preceding (T).
** (T-2): Means the trading day preceding (T-1).
*** Take into account the conformity of (1) with (2), and in the event of a difference, reasons shall be clarified
! VALUEH#: The difference

_____	_____
Operation Manager	Compliance Officer

* Appendix No. (7) Virtual Assets Wallets

Regulatory Requirements
Firstly: To follow the requirements under the "Guidelines for Financial Institutions adopting Enabling Technologies" which was issued by Central Bank of the UAE (CBUAE), together with the Securities and Commodities Authority (SCA), the Dubai Financial Services Authority (DFSA) of the Dubai International Financial Centre and the Financial Services Regulatory Authority (FSRA) of Abu Dhabi Global Market. **Secondly**: Must adhere to the following rules:
1- Virtual Asset Wallets
To provide procedures describing the creation, management and controls of Virtual Asset wallets, Careful maintenance and development of systems and architecture (e.g., code version control, implementation of updates, issue resolution, and regular internal and third party testing); including: A. Walletsetup/configuration/deployment/testing/deletion/backup and recovery. B. wallet access privilege management. C. wallet user management. D. wallet rules and limit determination, review and update. E. wallet audit and oversight.
2- Private keys
To provide procedures describing the creation, management and controls of private keys, including: A. Private key generation; B. Private key exchange; C. Private key storage; D. Private key backup; E. Private key destruction; and F. Private key access management.
3- Origin and destination of Virtual Asset funds
To provide clear systems and controls to mitigate the risk of misuse of Virtual Assets, setting out how: A. The origin of Virtual Assets is determined, in case of an incoming transaction B. The destination of Virtual Assets is determined, in case of an outgoing transaction.

* Appendix No. (7) has been added pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and enforced on 16/5/2023.

4- Security

A security plan to be in place describing the security arrangements Security measures and procedures for the safe storage and transmission of data; relating to:

A. The privacy of sensitive data
B. Networks and system
C. Cloud based services
D. Physical facilities
E. Documents, and document storage.

5- Risk management

A risk management plan to be in place containing a detailed analysis of likely risks with both high and low impact, as well as mitigation strategies. The risk management plan must cover, but is not limited to:

A. Operational risks
B. Technology risks, including 'hacking' related risks.
C. Market risk for each accepted Virtual Asset.
D. Risk of Financial Crime.

6- Safe Guarding processes and systems testing

1. Once it has been licensed by the SCA, the Safe Guarding processes and systems in place must be tested on a scheduled recurrent basis with evidence of such tests and findings thereof being appropriately documented. The processes and systems should be tested for technical, operational and security vulnerabilities including but not limited to functional, penetration and stress testing. Such findings must be made available to the SCA for inspection, upon request.

   The schedule for system testing must be included in its protocols to be submitted to the SCA at the time of application.The outcome of the testing should be well structured and documented and signed off by the responsible (technology-focused) executives of the Authorized Person.
2. The recurrent testing schedule must mandatorily take into consideration procedural risks as well as high impact financial risks and may also extend to:

A. Penetration testing and vulnerability scans.

B. Wallet integrity audits.

C. Key and seed generation procedures.

D. Completed transaction audit to ensure compliance with protocols.

E. Suspicious transaction handling

F. Migration of storage devices (cold to hot storage and vice versa).

G. Proof of reserves audits.

3. Systems testing must be undertaken in line with the industry's best standards and practices and may be conducted by the licensee, independent third parties or both. The participation of external parties will be highly relevant in defining risks and tests which may have been overlooked by the licensee.

7- Use of Automation

1. The applicant may have recourse to the use of automation in relation to its functions. The proposed automation of its functions will have to be disclosed in its procedures submitted at the time of application along with appropriate justifications.
2. For any use of automation to perform core and other operational functions relating to the safe Guarding of Virtual Assets, the ORMP (Operational Risk Management Program) is to be duly updated to provide for scenarios to be followed in the event that the automation fails.

8- Third party outsourcing

For general SCA requirements on outsourcing for all activities, please refer to the SCA new role book Decision No. (13/Chairman) of 2021. However, the below requirements are strictly related to the Virtual Wallet:

1. Authorized Persons may use third party services for their systems. However, when doing so, an Authorized Person retains full responsibility from a regulatory perspective for any issues that may result from the outsourcing including the failure of any third party to meet its obligations. The SCA requires that certain core systems (for example, the matching engine of an MTF using Virtual Assets) are maintained by the Authorized Person itself and will not generally permit these to be outsourced.
2. In its assessment of a potential third party service provider, an Authorized Person must satisfy itself that the service provider maintains robust processes and procedures regarding the relevant service (including, for example, in relation to the testing and security required in this section on Technology Governance).

3. In all circumstances, including in relation to business activities that are outsourced, an Authorized Person is expected to maintain a strong understanding of the third party service being provided and, for critical services, have redundancy measures in place where appropriate.
4. Public and private cloud service providers should be subject to thorough screening. A set of well-defined and documented access management procedures should be in place. All service level agreements should be reviewed annually for serviceability and security of the systems and related operations as per the IT policies of the Authorized Person. A 'clear roles and responsibilities matrix' should be in place to delineate operations of a service provider from those of an Authorized Person. Physical access to systems should be limited to the relevant personnel and access should be monitored by the Authorized Person on an ongoing basis.
5. Authorized Persons are required to retain and be in the position to retrieve the data held on a cloud platform for such duration as they are required to under the SCA record keeping purposes, and submit the data held on a cloud platform to the SCA, as and when directed to do so, with immediate effect.
6. Authorized Persons who employ cloud based data storage services for the purpose of recording personal data must also take into consideration SCA data protection regulations. Consideration must be given to the jurisdiction within which the cloud storage service provider is located, or alternatively other arrangements which may facilitate compliance with applicable data protection requirements.

9- Management of personnel and decision making

1. Authorized Persons should implement processes and procedures concerning decision making and access to sensitive information and security systems.
2. A clear audit log of decision making should be kept. Staff with decision-making responsibilities should have the adequate expertise, particularly from a technological standpoint, to make such decisions.
3. Protective measures should be implemented to restrict access to critical and/or sensitive data to key personnel only. This includes both digital and physical access. Authorized Persons should have processes and procedures to track and monitor access to all network resources. Logging mechanisms and the ability to track user activities are critical in preventing, detecting, or minimizing the impact of a data compromise. The maintenance of logs allows thorough tracking, alerting, and analysis when issues occur.

10- Cryptographic Keys and wallet storage
1. The ability to send and receive Virtual Assets by recording new transactions on a distributed ledger is usually dependent on cryptographic keys – a public key and one or more private keys. The public key allows other users on a distributed ledger to send Virtual Assets to an address associated with that public key. The private key(s) provides full control of the Virtual Assets associated with the public key. As such, Authorized Persons need to have robust procedures and protective measures to ensure the secure offline generation, storage, backup and destruction of both public and private keys for their own wallet operations and where they offer wallet services to Clients. 2. Whether private keys are held on network attached devices or devices that are offline, Authorized Persons must have policies and procedures to ensure that they are not compromised by malicious actors.
11- Password protection and encryption
1. Authorized Persons should consider the use of multi-signature wallets (e.g., where multiple private keys are associated with a given public key and a subset of these private keys, sometimes held by different parties, are required to authorize transactions). Where a multi-signature solution is not feasible due to the underlying structure of the Virtual Asset, a similar mechanism or procedure should be in place (e.g., a multi-user authentication prior to enacting on-chain changes to the Virtual Asset holdings). 2. Authorized Persons should have clear policies and procedures that detail procedures for recovery in the event that a Client loses access credentials. These policies and procedures should also cover the recovery or re-generation of lost private keys (e.g., using a seed phrase if applicable). Authorized Persons must have policies and procedures in place that set out actions and responsibilities in the event of a breach of private and public keys, as well as Client user access credentials.

12- Origin and destination of Virtual Asset funds

1. Virtual Asset transactions between public addresses take place on public DLT. Although it is normally possible to identify the public addresses of the parties to a transaction, it is often very difficult to establish the owner (whether natural or legal) of these addresses. This makes Virtual Assets attractive to money launderers, terrorist financers and other criminals.
2. An Authorized Person must have clear policies and procedures, consistent with the AML Rules applicable to it, to identify the source of funds and to ensure its compliance with SCA AML Guidelines. These policies and procedures should cover due diligence on the deposits and withdrawals by legal persons that represent further multiple deposit-holders or withdrawal recipients of the Virtual Assets. For such deposits and withdrawals, Authorized Persons should be able to assess the ultimate beneficiaries' wallet addresses and their source or destination of funds as appropriate.
3. It is crucial that Authorized Persons perform due diligence on their Clients before opening an account so that wallet addresses can be identified as belonging to a specific user. If a transaction is detected that originates from or is sent to a "tainted" wallet address belonging to a known user, that user should be reported. Authorized Persons should maintain lists of tainted wallet addresses and, if not in possession of their own services, utilize third party services to help identify such addresses.
4. Currently, there are technology solutions developed in-house and available from third party service providers which enable the tracking of Virtual Assets through multiple transactions to more accurately identify the source and destination of these Virtual Assets. It is expected that Authorized Persons may need to consider the use of such solutions and other systems to adequately meet their anti-money laundering, financial crime and know-your-customer obligations under the Virtual Asset Framework.

13- Security measures and procedures

1. Authorized Persons should have measures and procedures in place which comply with network security industry best practices (e.g., the implementation of firewalls, strong passwords, password management procedures, multifactor authentication and encryption of data in transit and at rest).
2. Updates and patches to all systems, particularly security systems, should be performed as soon as safely feasible after such updates and patches have been released, whether these systems have been developed internally or developed by a third-party.
3. An Authorized Person's IT infrastructures (particularly for MTFs using Virtual Assets and Virtual Asset Custodians) are expected to provide strong layered security and seek the elimination of "single points of failure". IT infrastructure security policies are required to be maintained, describing in particular how strong layered security is provided and how "single points of failure" are eliminated. This includes, but should not be limited to, systems and procedures to limit the access of a single user to the use of private and confidential information of Clients

4. IT infrastructures should be strong enough to resist, without significant loss to Clients, a number of scenarios, including but not limited to: accidental destruction or breach of data, collusion or leakage of information by employees/former employees, successful hack of a cryptographic and hardware security module or server, or access by hackers of any single set of encryption/decryption keys that could result in a complete system breach.
5. Authorized Persons should have in place policies and procedures that address information security for all personnel. The security policy should set the security tone for the whole entity and inform personnel what is expected of them. All personnel should be aware of the sensitivity of data and their responsibilities for protecting it. To mitigate "key person risk", Authorized Persons are to ensure that there is no single individual that holds privileged or sensitive information that is critical to the operation of the Authorized Person.
6. The strong encryption of data, both at rest and in transit, should be included in the security policy. In particular, encryption and decryption of Virtual Asset private keys should utilize strong encryption protocols and algorithms that have broad acceptance with cyber security professionals. Critical cryptographic functions such as encryption, decryption, generation of private keys, and the use of Virtual signatures should only be performed within cryptographic modules complying with the highest, and internationally recognized, applicable security standards.
7. All security incidents and breaches should be logged and documented in detail as soon as practicable and the resolution and implementation details should subsequently be added to the log.
8. The use of open source software should be governed by clear, well documented and transparent rules and procedures governing the software's stability, security and fitness for purpose. Any open source software, whether it is a compiled distribution or code, should be thoroughly tested for security and operational vulnerabilities. This testing should be signed off by the responsible executives of the Authorized Person before being used for the processing or storing of operational and Client information.
9. All APIs that are internal or external facing should be secured by strict access management procedures and systems, including encryption of the information (e.g., SSL certificates). All API access activity should be logged and scanned for security breaches on an ongoing basis.
10. All access management and credential changes (for employees, third-party service providers and Clients) should be governed and monitored by strict and well documented rules and procedures. This should include, but not be limited to, enforcing strong passwords and the monitoring of IP geo-location, use of VPN, TOR or unencrypted web connections.

14- Justification for approval/rejection of a transaction by a signatory
1. The applicant will have to demonstrate that as part of its protocols, each signatory will be required to document the rationale to approve or reject a transaction in relation to a Virtual Asset under safe guarding. The rationale under which a transaction may be approved or rejected by a signatory, the evidence to be kept on record as well as the time frame to validate or reject the transaction, may be contractually agreed between the client, the custodian and the signatories. Any transaction approval/rejection and supporting justifications must be properly logged and made available to the SCA for inspection upon request. 2. The applicant will also be required to maintain a detailed log for any change in the chain of access to a Virtual Asset. 3. Records of transaction approval/rejection and supporting justifications as well as any change in the change of access to a Virtual Asset, may also be made available, upon request, for review by the owner of the Virtual Asset subject to the transaction.
15- Detection of suspicious or fraudulent transactions
The applicant must have a documented system for detection of suspicious or fraudulent transactions as well as the procedure for reviewing suspicious transactions with clear actions to be implemented based on the findings of the review, in line with the requirements of the relevant enactments.
16- Valuation of the Virtual Asset under safe guarding and evidence thereof:
In the event that the current market value is amongst the underpinning reasons for a transaction involving a Virtual Asset being kept in safe guarding, prior to the transaction, the protocols of the applicant must provide for disclosure, to the client and signatories, of the source of the valuation and the methodology used for such valuation. This valuation methodology will have to be in accordance with the industry best standards and practices for the calculation of the real-time valuation of Virtual Assets at the time of transaction.

Terms Used

Multi- Signature	The requirement for a minimum of number of signatures (M) out of the total number of available signatures (N) for a wallet in order for a transaction to be initiated. Also referred to as "multi-sig" or M-of-N transacting method.
Signatory	An individual providing one of the signatures in an M-of-N multi-signature transacting method.