

## **GENERAL RULEBOOK (GEN)**

\*In this attachment underlining indicates new text and striking through indicates deleted text.



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- 3.3.2 (1) An Authorised Person must establish and implement, taking due account of the nature, scale and complexity of its business and structure, adequate measures to ensure that:
- (a) the roles and responsibilities assigned to its Governing Body and the members of that body, senior management and Persons Undertaking Key Control Functions are clearly defined;
  - (b) there are clear reporting lines applicable to the individuals undertaking those functions; and
  - (c) the roles, responsibilities and reporting lines referred to in (a) and (b) are documented and communicated to all relevant Employees.
- (2) An Authorised Person must ensure that any Employee who will be delivering Regulated Activities to its Customers is clearly identified, together with his respective lines of accountability and supervision.
- (3) An Authorised Person which is conducting Investment Business or the Regulated Activities of Acting as the Administrator of a Collective Investment Fund or Providing Trust Services must ensure it makes ~~publicly~~ publicly available details of any Employee who delivers Regulated Activities to its Customers, by including such information:
- (a) in a register, maintained by the Authorised Person at its place of business and open for inspection during business hours; or
  - (b) on the website of the Authorised Person.

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3.3.12 An Authorised Person must document the monitoring and reporting processes and procedures as well as keep records of breaches of any of Regulations and Rules.

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- 3.3.32 (1) An Authorised Person must inform the Regulator about any material outsourcing arrangements.
- (2) An Authorised Person which has a material outsourcing arrangement must:
- (a) establish and maintain comprehensive outsourcing policies, contingency plans and outsourcing risk management programmes;
  - (b) enter into an appropriate and written outsourcing contract; and
  - (c) ensure that the outsourcing arrangements neither reduce its ability to fulfil its obligations to Customers and the Regulator, nor hinder supervision of the Authorised Person by the Regulator.

- (3) An Authorised Person must ensure that the terms of its outsourcing contract with each service provider under a material outsourcing arrangement require the service provider to:
- (a) provide for the provision of information under Rule 8.1 in relation to the Authorised Person and access to their business premises; and
  - (b) deal in an open and cooperative way with the Regulator.

#### Guidance

1. An Authorised Person's outsourcing arrangements should include consideration of:
  - a. applicable guiding principles for outsourcing in financial services issued by the Basel Committee on Banking Supervision, IOSCO or any other international body promulgating standards for outsourcing by Financial Institutions; or
  - b. any equivalent principles or regulations the Authorised Person is subject to in its home country jurisdiction.
2. An outsourcing arrangement would be considered to be material if it is a service of such importance that weakness or failure of that service would cast serious doubt on the Authorised Person's continuing ability to remain fit and proper or to comply with the Regulator's administered Regulations and Rules.
3. Rule 3.5 contains additional requirements that apply to an Authorised Person that receives services directly from a third party or a subcontractor of a third party which involve accessing the Authorised Person's IT Systems or Networks or accessing or processing its data.
4. AML 9.2 contains additional requirements that apply to an Authorised Person that outsources one or more elements of its Client Due Diligence to a service provider (including those within its Group).

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### 3.5 Cyber Risk Management

~~This Rule takes effect on 31 January 2026.~~

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- 5.5.2 The Approved Persons referred to in Rule 5.5.1(1)(a), (c) and (d) must be resident in the UAE.

#### Guidance

1. In appropriate circumstances, the Regulator may waive the requirement for a Compliance Officer or Money Laundering Reporting Officer to be resident in the UAE ~~In determining whether to grant a Waiver, the Regulator will consider a range of factors on a case by case basis focused on whether the Authorised Person can~~

~~demonstrate that it has appropriate compliance arrangements (see Rules 3.3.7 to 3.3.12). These factors may include, but are not limited to: the nature, scale and complexity of the activities of the Authorised Person; the ability of a remote officer to carry out his functions in differing time zones and a differing working week; the size, resourcing and capabilities of a remote compliance function; the ability of a remote officer to liaise and communicate readily with the Regulator; and the competency and capability of a remote officer and whether the remote officer is able effectively to undertake or supervise regular compliance monitoring and keep up to date with applicable Rules: for a limited period.~~

- ~~2- The Regulator will also take into account factors such as the relevant regulatory experience of the proposed Approved Person, and whether the applicant Authorised Person has previously been subject to financial services regulation.~~
- ~~3- An Authorised Person should also be aware of the residency requirement for an MLRO a Money Laundering Reporting Officer under AML 12.1.1(2).~~

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6.2.2 (1) Each Authorised Person and Recognised Body must, except as provided under (2) or Rule 6.2.3, prepare and maintain all financial statements in accordance with the International Financial Reporting Standards ("IFRS").

(2) If an Authorised Person is a Branch, it may use the financial statements that have been prepared for its head office in accordance with the recognised financial reporting standards that apply in the jurisdiction where the head office is located.

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## 6.6 Audit reports

6.6.1 Each Authorised Person and Recognised Body must, in writing, arrange for and ensure the submission of the following by its Auditor:

- (1) a Financial Statement Auditor's Report on the Authorised Person or Recognised Body's financial statements in accordance with the International Standards on Auditing following the performance of an audit;
- (2) a Regulatory Returns Auditor's Report in accordance with Rules 6.6.4 and 6.6.5 as relevant;
- (3) if the Authorised Person is permitted to control or hold Client Money or Relevant Money, a Client Money Auditor's Report in accordance with Rule 6.6.6;
- (4) if the Authorised Person is permitted to hold or control Client Investments or Provide Custody in or from ADGM, a Safe Custody Auditor's Report in respect of such business as applicable, in accordance with Rule 6.6.7;
- (5) if FUNDS is applicable, a Fund Auditor's Report in accordance with Rule 6.6.8; and
- (6) if the Authorised Person is a Public Listed Company, a Public Listed Company Auditor's Report in accordance with Rule 6.6.9.

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6.6.6 An Authorised Person must, in procuring the production of a Client Money Auditor's Report, ensure that an Auditor states, as at the date of which the Authorised Person's audited statement of financial position was prepared:

- (1) the amount of Client Money and Relevant Money an Authorised Person was holding and controlling in accordance with COBS Chapter 14; and
- (2) whether:
  - (a) the Authorised Person has maintained throughout the year systems and controls to enable it to comply with the relevant provisions of COBS Chapter 14;
  - (b) the Authorised Person's controls are such as to ensure that Client Money and Relevant Money is identifiable and secure at all times;
  - (c) any of the requirements in COBS Chapter 14 have not been met;
  - (d) Client Money or Relevant Money has been pooled in a single client Account or segregated in Client Accounts maintained for individual Clients in accordance with COBS Chapter 14;
  - (e) if applicable, the Authorised Person as holding and controlling the appropriate amount of Client Money and Relevant Money in accordance with COBS Chapter 14 as at the date on which the Authorised Person's audited statement of financial position was prepared;
  - (f) the Auditor has received all necessary information and explanations for the purposes of preparing the report to the Regulator; and
  - (g) if applicable, there have been any material discrepancies in the reconciliation of Client Money or Relevant Money.

### Guidance

Where an Authorised Person does not hold or control any Client Money or Relevant Money as at the date on which the Authorised Person's audited statement of financial position was prepared, the Regulator expects that a nil balance be stated to comply with Rule 6.6.6.

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## 8.6 Temporary cover

- 8.6.1 (1) An Authorised Person may, subject to (2), appoint an individual who is not an Approved Person as an alternate to carry out the functions of an Approved Person, where the following conditions are met:
- (a) the absence of the Approved Person is temporary or reasonably unforeseen;
  - (b) the functions are carried out for a maximum of ~~twelve~~ twenty-six weeks in any consecutive twelve months; and

- (c) the Authorised Person has assessed that the individual alternate has the relevant skills and experience to carry out these functions.
- (2) An Authorised Person may not appoint under (1) an individual alternate to carry out the Controlled Functions of a Licensed Director or Licensed Partner.
- (3) The Authorised Person must take reasonable steps to ensure that the individual alternate complies with all the Rules applicable to Approved Persons.
- (4) Where an individual alternate is appointed as to carry out the function of an Approved Person under this Rule, the Authorised Person must notify the Regulator in writing of the name and contact details of the individual appointed.
- 8.6.2 Where an individual alternate is appointed under this Rule, the Regulator may exercise any powers it would otherwise be entitled to exercise as if the individual alternate held Approved Person status.

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