

GENERAL RULEBOOK (GEN)

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



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4.4 Disclosure of regulatory status

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

- (1) Each Authorised Person and Recognised Body must take reasonable care to ensure that every key business Document which is made available to third parties in connection with the Authorised Person or Recognised Body carrying on a Regulated Activity, or activity set out under a Recognition Order, in or from ADGM includes one of the disclosures under this Rule.
- (2) A key business Document includes letterhead whether issued by post, fax or electronic means, terms of business, Client Agreements, written promotional materials, business cards, Prospectuses and websites but does not include compliment slips, account statements or text messages.
- (3) The disclosure required under this Rule is: 'Regulated by the ADGM Financial Services Regulatory Authority'.
- (4) The Regulator's logo must not be reproduced without express written permission from the Regulator and in accordance with any conditions for use.
- (5) ~~Rules 4.4.1(1) to (4) also apply to the operation and administration of an Official List of Securities by a Recognised Body.~~

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5.2.7 In order to become authorised to carry on one or more Regulated Activities, the applicant must demonstrate to the satisfaction of the Regulator that it:

- (1) has adequate and appropriate resources, including financial resources;
- (2) is fit and proper;
- (3) is capable of being effectively supervised; and
- (4) has adequate compliance arrangements, including policies and procedures, that will enable it to comply with all the applicable legal requirements, including the Rules.

Guidance

The requirements set out above summarise the 'Threshold Condition Rules' and represent the minimum requirements an Authorised Person must meet to become authorised and on an on-going basis for the purposes of sections 7(2) and 28 of FMSR.

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Providing Information to the Regulator

5.2.12 In assessing an application for a Financial Services Permission, the Regulator may:

- (1) make any enquiries which it considers appropriate, including enquiries independent of the applicant;
- (2) require the applicant to provide additional information;
- (3) require the applicant to provide information on how it intends to ensure compliance with a particular Rule;
- (4) require any information provided by the applicant to be verified in any way that the Regulator specifies; and
- (5) take into account any information which it considers relevant in determining whether the applicant will ensure compliance with requirements imposed by the Regulator in the exercise of its functions.

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6.4.1 Each Authorised Person and Recognised Body must:

- (1) appoint an Auditor;
- (2) notify the Regulator of the appointment of an Auditor in such form as the Regulator shall prescribe; and
- (3) prior to the appointment of the Auditor, take reasonable steps to ensure that the Auditor has the required skills, resources and experience to audit the business of the Authorised Person or Recognised Body for which the auditor has been appointed.

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6.6.7 An Authorised Person must, in procuring the production of a Safe Custody Auditor's Report by its Auditor, ensure that the Auditor states, as at the date on which the Authorised Person's audited statement of financial position was prepared:

- (1) the extent to which the Authorised Person was holding and controlling Client Investments, Arranging Custody or Providing Custody; and
- (2) whether:
 - (a) the Authorised Person has, throughout the year, maintained systems and controls to enable it to comply with the Safe Custody Rules in COBS Chapter 15;
 - (b) the Safe Custody Investments-Assets are registered, recorded or held in accordance with the Safe Custody Rules;

- (c) there have been any material discrepancies in the reconciliation of Safe Custody Investments Assets;
- (d) the Auditor has received all necessary information and explanations for the purposes of preparing this report to the Regulator; and
- (e) any of the requirements of the Safe Custody Provisions have not been met.

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