

Section (2): The financial activities and jobs approval

Chapter 1: Introduction

Article (1): Preamble

This section aims to regulate the provisions related to licensing categories and practicing financial activities as included therein, along with regulating approval of professional jobs in order to be able to practice any of those financial activities legally and appropriately, and some of the obligations related to the licensed body and the members of its board of directors, partners, senior management or employees thereof.

Article (2): Scope of application

- 1- The provisions of this section shall apply to any person who practices any of the financial activities or professional jobs specified in this section inside the state. Moreover, the same shall apply to the licensed body, its partners, members of its board of directors, senior management and employees thereof.
- 2- No financial activity may be practiced unless after obtaining a license and /or approval on practicing the financial activity from the Authority. Furthermore, no approved job shall be practiced unless after obtaining an approval from it. The Authority may issue a decision of cancellation of the license and / or the approval related to practicing any non-licensed or non-approved financial activity. That decision may include closing the headquarters where those activities are practiced. It may also cancel practicing any job tasks that are practiced without approval by the Authority. In all cases, it may enforce attachment against any money, documents, electronic or non-electronic data, programs, systems, devices, or any other electronic or non-electronic tools related to those practices and to enforce the suitable sanction against the violating party or referring him to the public prosecution.
- 3- Practicing financial activity or the professional job specified in this section is represented by any of the following:

- A- Performing or participating in any work or completing any transaction related to a financial activity or a professional job of other persons or for the purpose of achieving profit, except when a natural person performs this for his own account or for the account of his own company or institution, in the event that he is a guardian, trustee or custodian, or in the event that the bank or the foreign bank's branch invests the banking deposits of his clients under its banking activity and within the limits of its license by the Central Bank of the UAE.
- B- Any actions that shall result in announcement or showing by any means that reflects to the public that there is ability to practice a work or terminate any transactions or procedures related to a financial activity or professional job.

Chapter 2: Financial Activities & License categories

Article (1): Financial activities

The Authority shall be competent to license the following financial activities:

- 1- Trading broker.
- 2- Trading and clearing broker.
- 3- Trading broker in the international markets.
- 4- Trading broker of OTC derivatives, commodity contracts and currencies in the spot market.
- 5- Financial Products dealer *.
- 6- Financial Consultations.
- 7- Financial advisor (issuance manager).
- 8- Listing advisor.
- 9- Promotion.
- 10- Introducing.
- 11- General clearing.
- 12- Portfolios management*.
- 13- Management of investment funds' investments.
- 14- Administrative services of investment funds.
- 15- Safe Custody.
- 16- Registrar of private joint stock companies.
- 17- Issuer of covered warrants.
- 18- Deposit bank.
- 19- Deposit bank's agent.
- 20- Credit rating.

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- * Term (Securities Dealer) has been changed to (Financial Products Dealer) pursuant to Decision No. (09 /Chairman) of 2022.
 - * Term (Managing securities portfolios) has been changed to (portfolios Management) pursuant to Decision No. (09 /Chairman) of 2022 enforce on 1/4/2022.

- 21- Crowdfunding Platform Operator*.
- 22- Family Business Investment Management.*
- 23- Virtual assets broker.
- 24- 24. Custody of virtual assets.
- 25- Virtual assets platform operator.
- 26- Securities Market.
- 27- Central clearing.
- 28- Central Depository.
- 29- Commodities Market.
- 30- Clearing in the commodities market.
- 31- Commodity contracts brokerage*.
- 32- Managing a profit sharing investment account*

Second: The financial activities referred to in Clauses (25) to (31) are not subject to the provisions of the Regulations Manual of Financial Activities, except within the limits stipulated in the resolutions regulating the same issued by the Authority *.

Article (2): License categories

The financial activities license is divided into five categories as stated below and as detailed in Annex No. (1):

First category: Dealing in securities.

Second category: Dealing in investment.

Third category: Keeping, clearing and registration.

Fourth category: Credit rating agencies.

Fifth category: Arrangement and advice.

Sixth category: Crowdfunding Platform Operator*.

Seventh category: Virtual assets services providers*.

* A new Clause under No. (21) in Article (1) has been added pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(11/RM) of 2022 enforced on 15/6/2022.

* A new Clause under No. (22) in Article (1) has been added pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(2/RM) of 2023 issued on 16/1/2023 and enforce on 1/2/2023.

* Financial Activities from (23) to (31) in article (1) has been added pursuant to Decision No.(27 /Chairman) of 2023 issued on 3/5/2023 and inforce on 16/5/2023.

* A new activity (Managing a profit sharing investment account) has been added to Article (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.

* (Second) in article (1) (Financial Activities) has been added pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and inforce on 16/5/2023.

* (Sixth category) of the Article (2) has been added pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(11/RM) of 2022 enforced on 15/6/2022.

* (seven category) of the article (2) has been added pursuant to Decision No. (27 /Chairman) of 2023 issued on 3/5/2023 and inforce on 16/5/2023.

Chapter 3: Initial approval

Article (1): Request for initial approval

- 1- The license applicant shall file a request before the Authority in order to obtain the initial request. That request shall specify the license category and the financial activity that he desires to practice according to the form prepared by the Authority. It shall be accompanied by the documents and information that support the request and evidence confirming meeting the initial approval conditions.
- 2- Payment of the fee of the request of financial activity licensing as per decided by the Authority as this is a non-refundable fee.
- 3- The Authority shall issue its decision of approval or dismissal of the request within a period not exceeding (20) business days from the date of filing the request in accordance to its requirements, provided that, in the event of dismissal of the request, the Authority shall clarify the reasons behind dismissal*.
- 4- The Authority's initial approval shall not be deemed as license or approval on practicing the financial activity. Thus, it is not permitted to practice the financial activity unless after obtaining a license to do this. Every work or procedure related to practicing the financial activity based on such initial approval shall be invalid.
- 5- The license applicant shall meet the license conditions and requests within a period not exceeding (6) months from issuance of the initial approval. The Authority may extend such period for another one similar period only. In the event of not meeting the license conditions within that period, it shall be required to re-evaluate the initial approval request.

Article (2): Conditions for initial approval & Bases of valuation of license applicant

Upon examining the application for initial approval, the Authority may assess the license applicant according to the following conditions and bases*:

* Clause (3) in Article (1) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(2/RM) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.

* The beginning paragraph of the Article (2) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(2/RM) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.

- 1- **Financial eligibility:** Non-refrainment from payment of commercial debts even if this is not accompanied by bankruptcy declaration, rehabilitation in the event of bankruptcy declaration, establishing compliance with payment of banking loans for commercial purposes and the financial obligations resulting from a judicial decision or judgment, non-existence of returned cheques because of commercial works repeatedly and clarifying the extent of financial capability to meet the incidental and future obligations.
- 2- **Experience and efficiency:** Availability of the required experience, establishment of previous experience and clarifying the extent of being related to the required experience in the same field, along with clarifying the ability to practice the financial activity and managing risks effectively.
- 3- **Honesty and integrity:** Provision of valid and complete information and documents. Moreover, the relevant records shall not include any matters that may cause prejudice or damage to the safety or reputation of the Authority or the state. There shall not be judicial lawsuit, reports or investigations of the prosecution whether inside or outside the state concerning honesty and integrity. There shall not be a judgment or decision issued by courts or prosecutions on breach of honesty, fraud or deception.
- 4- **Compliance:** The extent of compliance with legislations whether the legislations related to practicing the financial activity or the relevant applicable legislations. Furthermore, the professional record issued by the Authority or any other supervisory or regulatory authority inside or outside the state shall not include any administrative sanctions. The name of the entity shall not be listed in the sanctions lists issued by the UN Organization and other foreign organizations particularly those who are concerned with encountering money laundering, terrorism financing and illegal organizations. Moreover, the licensed body, its partners or the members of its board of directors shall not commit any felony, misdemeanor or any violation related to the activities of the authority inside or outside the state, and not be subject to any administrative or criminal investigations inside or outside the state while the application is being filed or reviewed*.
- 5- **There shall not be dismissal or sanction of license cancellation** by other supervisory authorities or governmental institutions whether local or foreign. This shall be ensured by obtaining a copy of the professional record or by direct communication with those authorities.

* Clause (4) in Article (2) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(2/RM) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.

- 6- **Business Plan:** Submission of realistic and logical business plan for practicing the financial activity, showing the expected revenues and expenses for the first three years from practicing the activity, with an indication of the bases and assumptions that are relied upon in comparison with the same sector*.
- 7- **Availability of sufficient resources:** The financial allocation according to the business plan shall be sufficient to cover possible expenses and liabilities for at least the first year, along with providing the necessary allocation to meet the risks associated with financial activity conduct*.
- 8- **Appropriateness of the company, the members of the board of directors and the senior management - except the banks and the foreign bank's branches:** by meeting the efficiency and appropriateness standards specified in chapter 6 of this section, except the qualification and the professional license tests.
- 9- Any other relevant matters that the Authority deems appropriate.

Chapter 4: Licensing

Article (1) Application for Licensing

- 1- The license applicant shall file a request to the Authority as per the form prepared for this purpose by the Authority. It shall be accompanied by the documents and information that support the request and evidence confirming that it meets the conditions and requirements of licensing of the category and the financial activity that he desires to practice.
- 2- The Authority may request any clarification, information or additional documents.
- 3- The Authority shall issue its decision of approval or dismissal of the request within a period not exceeding (30) business days from the date of filing the request according to the required conditions, provided that the Authority provided that, in the event of dismissal of the request, shall clarify the reasons behind dismissal*.

* Clause (6) in Article (2) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(2/RM) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.

* Clause (7) in Article (2) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(2/RM) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.

* Clause (3) in Article (1) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(2/RM) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.

- 4- The Authority may attach to its approval the conditions or restrictions decided by it or dismiss the request despite meeting the conditions thereof that are mentioned in this section as per its evaluation of the public interest, provided that the Authority shall clarify the dismissal reasons.
- 5- The licensed body shall continuously meet all the conditions of licensing of the category and the financial activity.
- 6- Payment of the financial activity licensing fees that is decided by the Authority.

Article (2): Licensing conditions and requirements

1- Legal Form

The license applicant shall have one of the legal forms stipulated in the Commercial Companies Law, a foreign company's branch or a company in a financial free zone, unless the financial activity requires a specified legal form according to the Annex No. (1). This is provided that the commercial purpose of the license applicant shall be limited to practicing the financial activities except the bank and the branch of the foreign bank that is licensed by the Central Bank of the UAE.

2- Capital

The license applicant shall comply with meeting the paid capital that is specified under Annex No. (1). In the event of licensing more than one category, the higher capital shall be sufficient.

3- Guarantee

The license applicant shall fulfil the guarantee if required by the Authority or any of the capital market institutions, provided that the guarantee shall in all cases meet the following conditions:

- 1) The guarantee shall be in the form of a bank guarantee letter or a cash amount or both of them jointly.
- 2) In the event that the guarantee is in the form of a bank guarantee letter, it shall be issued by one of the banks working in the state. It shall not be conditional and unrestricted and it shall be payable upon request – by the Authority and / or by any of the capital market institutions as the case may be – at any time. It shall also include the guarantee purposes in a clear form and the guarantee letter shall not be cancelled unless under approval of the entity that the guarantee was issued in favor of it and / or the Authority.

- 3) The guarantee shall be issued for the purposes of guaranteeing settlement of the transactions of the contracting entities and their clients and settlement of all transactions of the licensed body that are resulted from practicing its financial activity towards its clients or any of the capital market institutions or as execution of the Authority's decisions. The priority shall go to settlement of the capital market institutions' transactions, then to the clients' rights.
- 4) The entity for which the guarantee is issued and the Authority shall be entitled to fully or partially liquidate the guarantee at any time to guarantee settlement of the transactions in the market and to meet the obligations payable by the licensed body that resulted from practicing its financial activity towards its clients or any of the capital market institutions or as execution of the Authority's decisions.
- 5) The trading and clearing broker may increase the guarantee value as directly proportional to the increase of its business volume as decided by the market and / or the central clearing. He may also – under approval by the relevant market and / or the central clearing– mortgage all or some of the securities owned by him or deposited with the market and / or the deposit center as guarantee of the increase of his guarantee value. This is provided that the securities value shall be calculated at percentage of (50%) of their market value. Moreover, the market and / or the central clearing shall be authorized to sell those securities or part thereof at the market price to cover any claims or financial obligations that may arise out of failure to meet his obligations towards his clients or any of the capital market institutions or as execution of the Authority's decisions.

4- Approved jobs

The license applicant shall comply with employing the minimum limit of approved jobs as specified in chapter 6 of this section.

5- Requirements of capital market institutions

The license applicant shall comply with filing evidence proving that he has met the requirements of membership at the capital market institutions in the event that the financial activity requires membership at any of them.

6- Governance regulation

- 1) The license applicant shall provide a governance guide that shall include the following:

- A- The number of the members of the board of directors or the board of managers and the senior management, provided that it shall be formed of sufficient number of members who shall have knowledge, skill, and various experiences to perform their tasks effectively. This is provided that they shall meet the efficiency and appropriateness standards – except banks and the foreign banks' branches – that are specified in chapter 6 of this section except the qualification and the professional license tests.
 - B- Duties and responsibilities of the members of the board of directors clearly including application of governance and according to the nature and volume of works.
 - C- The commercial targets of the license applicant that are previously specified and the strategies for achieving such targets along with effective supervision on management thereof.
 - D- The framework according to the best standards and as suitable to the nature and volume of the financial activity and as sufficient to enhance sound and wise management and to protect the interests of clients and stakeholders.
- 2) The license applicant shall comply with obtaining an acknowledgment from the members of the board of directors or the board of managers and the senior management upon appointment, that they have knowledge and full awareness of the limits of their duties and responsibilities.
 - 3) The license applicant shall – in the event of practicing a financial activity involving the provision of Islamic financial activities or an Islamic financial product – include the following in the governance manual:
 - A. The mechanism for the formation of the Shaira supervisory committee and the appointment of its members in accordance with the applicable legislations.
 - B. The mechanism for disclosing conflicts of interest when Sharia supervisory committee members perform their tasks. *

7- Administration regulation

The license applicant shall provide a regulatory structure and a management work regulatory guide including the following:

- 1) The administrative hierarchy among the members of the senior management board and the main and approved jobs including specification of the persons responsible for works clearly.

* Paragraph 3 in Clause (6) of Article (2) 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.

- 2) The mechanism of separating between tasks and approved jobs in order to avoid conflict of interests. Specifying and clarifying the senior management's responsibility for managing the license applicant's daily works according to the commercial targets and strategies approved by the board of directors along with observing the employees' works and supervising them effectively.
- 3) Specifying the senior officer who represents the senior management and who bears responsibility for mistakes resulting from practicing the financial activity that are represented as follows:
 - A- Distribution of tasks and responsibilities among employees.
 - B- Supervising works and tasks and the extent of complying with them
 - C- Observing the work of the employees and workers of the licensed body and supervising them appropriately.

8- Employees regulation

The license applicant shall provide a guide for the required rules and regulations for ensuring that all its employees meet the efficiency and appropriateness standards mentioned in chapter 6 of this section whether concerning the employees employed with him or persons that it seeks their assistance for a limited term to perform specific tasks or natural persons with the outsourcer who performs tasks in it, provided that the evidence shall include the following:

- 1) The mechanism of revising and updating the rules and regulations related to the employees.
- 2) The mechanism of keeping the employees' data in a record that shall be continuously updated and certified on the website that shall include the tasks and responsibilities of every one of them and the date of practicing his tasks.
- 3) Keeping the employees' data with it for period of (10) years from the date of the last update thereof.

9-Behavior regulation

The license applicant shall provide the following:

- 1) (Professional code of ethics) that shall include detection of committing, participating in, or contributing to any behavior that may represent any of the following:
 - A- A financial crime under the applicable legislations.
 - B- Wrong practices and violations of the applicable legislations.
 - C- Practices or rumors that shall affect the reputation of the Authority or any of the capital market institutions.

- 2) (Regulatory rules guide) that shall include the procedures of regulating the trading of its clients at any of the entities providing it with the services.

10- Bonuses regulation

The license applicant shall provide evidence clarifying the mechanism of bonuses regulation according to the work goals, the strategies, the specified risk factors, the nature of jobs and roles and the results thereof and the long term interests according to the nature of the financial activity.

11- Bylaws & internal regulations

- 1) The license applicant shall provide the bylaws & internal regulations provided they shall include clarification of the mechanism of their periodical revision and update if necessary to ensure an effective management.
- 2) Without prejudice to clause (1), the license applicant shall include at least the following in his internal systems and controls manual if he conducts a financial activity involving the provision of Islamic financial activities or an Islamic financial product:
 - A. When specifying the purposes and strategies of the applicant's business, the board of directors is required to establish a framework to benefit from the experience and decisions of the Sharia supervisory committee.
 - B. The framework established by the board of directors' to enable the applicants employees responsible for managing the risks, including compliance and internal audit, to have easy access to the Sharia supervisory committee for matters relating to Sharia compliance provisions.
 - C. The framework established by the board of directors' to enable the members of the Sharia supervisory committee to have easy access to senior management and key persons responsible for the supervisory functions, in a way that ensures the effective performance of their roles
 - D. The framework established for providing assistance, data and documents required by the Sharia supervisory committee to perform its duties.
 - E. The framework established for allowing the Sharia supervisory committee the right to reasonably access the records and relevant information.
 - F. The framework established for non- interference in the duties and decisions of the Sharia supervisory committee.
 - G. The framework established for the prevention of providing misleading or incorrect information to the Sharia supervisory committee.
- 3) Without prejudice to clauses (1) and (2), the license applicant, who applies for licensing the activity of a profit sharing investment account manager, shall provide a policies & procedures manual that contains the following:

- A. The basis for which the profit sharing investment account shall be restricted or unrestricted .
- B. The basis for distribution of profits or shares to the profit sharing investment account.
- C. The basis for distributing expenses to the profit sharing investment account.
- D. The method used to control and segregate his own money from the restricted profit sharing investment account's money and from the unrestricted profit sharing investment account's money.
- E. The manner in which the money will be managed in all types of investment accounts or the portfolio.
- F. The methodology used in order to specify the priority of investment between his own money and the money of the unrestricted profit sharing investment account's customers.
- G. The manner in which provisions are applied and reserves against equity and assets.
- H. The method that will be followed for dealing with losses incurred due to misconduct or negligence. *

12- Technical systems*

The applicant shall comply with the following:

1. Provision of technical systems including technological and electronic programs required for financial activity. This must also include evidence of a mechanism for its continuous update including information on security and protection systems that confront and manage cyber risks.
2. The controls established by the Authority related to technological capabilities and the Virtual Assets Wallet in the event that any of them are used.
3. Providing a guide that includes the following:
 - a. Mechanism for confronting cyber risks and how to deal with and manage them, protect data and supervise software development and encryption whenever they exist.
 - b. Procedures for immediate reporting to the Authority and the relevant authorities concerned with cybersecurity in the State of any hack or breach of cyber security.

* New paragraphs (2&3) in Clause (11) of Article (2) have 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.

* (Technical systems) in Clause (12) of the Article (2) (Licensing conditions and requirements) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(27/RM) of 2023.

13- Risks management regulation

- 1) The license applicant shall submit a risks management guide that shall include the following:
 - A- Development and implementation of policies and procedures of managing risks encountering him or his clients so that the risks officer becomes able to provide advisory to the board of directors and senior management concerning those risks.
 - B- Clarify, evaluate, manage, observe and control risks along with counting and defining potential risks that may encounter him and the method of dealing with them if they exist. Moreover, control and report on them in order to be able to continue practicing his financial activity.
- 2) The license applicant shall acknowledge that he has knowledge and awareness of the risks and effects resulting therefrom out of his relation with any of his financial group and that he is aware of the rules followed by each of them.

14- Compliance regulation

- 1) The license applicant shall provide a compliance regulation guide that shall include the policies and procedures that clarify programs, mechanism, procedures, and periodicity of ensuring compliance with all relevant applicable legislations, namely:
 - A- The procedures and mechanisms required to enable the compliance officer to have access to sufficient resources in order to perform his task and work independently including the provision of sufficient number of qualified employees for working under his supervision.
 - B- The procedures and mechanisms that ensure that the compliance officer shall have access to all records and to the board of directors and the senior management without any restrictions.
 - C- The procedures of immediate reporting on compliance violations and the proposed mechanisms for rectifying them.
- 2) Without prejudice to clause (1), the license applicant shall, in the event of conducting a financial activity involving the provision of an Islamic financial service or an Islamic financial product, include policies and procedures related to Islamic Sharia requirements in the compliance regulation manual, provided that it shall include at least the following:
 - A. The mechanism of conducting the compliance function with the provisions of Islamic Sharia.
 - B. The mechanism of supervision by the Sharia supervisory committee and its provision of advice

- C. The mechanism of registering the Sharia legal rulings (Fatwa), the judgments, and the guidelines issued by the Sharia supervisory committee, and publishing and implementing them along with conducting internal Sharia revision.
- D. The mechanism of dealing with differences between opinions with the Sharia supervisory committee concerning compliance with the provisions of Islamic Sharia. *

* Paragraph (2) in Clause (14) of Article (2) 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.

15- Internal audit regulation

The license applicant shall provide a guide regulating the internal audit processes in order to observe the extent of appropriateness and efficiency of the rules, procedures and bylaws, provided that it shall include the following:

- 1) The procedures and mechanisms required to enable the internal auditor to act independently, not to interfere with his duties and obligations and not to merge his job with any other job.
- 2) The procedures followed to ensure that the internal auditor shall at all time have access to the relevant records and information and to produce photocopies thereon, moreover, if required, to resort to the board of directors, the senior officer or the relevant committee formed by its board of directors for this purpose.
- 3) The mechanism of informing the financial auditor immediately of any matter that may affect the financial position of the licensed body.
- 4) Documentation of the structure, responsibilities and procedures of the internal auditor position.

16- Business continuity & Disaster recovery regulation

The license applicant shall provide a guide regulating the business continuity plan to reduce potentiality of encountering any potential risks or threats and to limit their negative effects. The guide shall include a disaster recovery plan and a mechanism of forming the crisis management team in order to meet the obligations under the relevant applicable legislations, to maintain the reputation and rights of the clients and continuity of practicing the financial activity and to ensure efficiency of this.

17- Information confidentiality maintenance regulation

The license applicant shall provide a guide clarifying the mechanism of information confidentiality maintenance and protection and to ensure non-leakage or non-disclosure of them, except any of the following cases:

- 1) If disclosure thereof is required under applicable legislations in the state.
- 2) If the client agrees to disclose them.
- 3) If disclosure thereof is reasonably necessary to perform particular financial service for the client.
- 4) If the information is no longer confidential.
- 5) If the disclosure is made upon request of judicial or supervisory entities in the state such as the Authority or the capital market institutions.

18- Regulation of fraud, forgery and deception confrontation

The license applicant shall provide a guide clarifying the procedures of observing potential fraud, forgery and deception processes against the license applicant or against its client and to limit them and report on them.

19- Regulation of reporting violations and laws breaches

The license applicant shall provide a guide clarifying policies to encourage employees therein to inform the senior management and the Authority about any essential violations that may know while performing their job tasks (Whistleblowing), provided that these policies shall include a mechanism and bases for protecting the reporter (Whistleblower) and to ensure not causing prejudice to him and the policies that should be followed to deal with the reported violation as for keeping confidentiality of the reporter person and the body responsible for following up and dealing with the violation. Furthermore, informing the Authority of any violation of the relevant legislations applicable by any of the employees working with him and reporting on any violation or breach of the rules, regulations, technical rules or the used technique.

20- Complaints regulation

The license applicant shall provide a guidance clarifying the procedures and policies of dealing and investigation on the complaint filed by the client in order to deal with it justly, orderly and immediately. The guide shall include the following:

- 1) The mechanism of recording any complaint immediately after receiving it along with providing the complainant with contact details, name of the employee in charge, the procedures of complaints handling services, the durations and the mechanism of keeping all its details, documents, correspondences, along with the procedures taken concerning it according to the legal periods.
- 2) The mechanism of notifying the complainant periodically of the procedures taken to handle the complaint.
- 3) The mechanism of notifying the complainant under a letter dated on the date of the decision made in the complaint.
- 4) The other settlement mechanisms for handling any complaint that the complainant who filed it was not satisfied for the settlement thereof, and the mechanism of providing him with the suitable contact details upon request.
- 5) The mechanism of providing a copy of the complaints handling procedures for free to any client upon request.

- 6) The mechanism of ensuring that the employee to whom the complaint was referred did not participate in managing and providing the financial services concerning which the complaint was filed and ensuring that he is able to handle the complaint appropriately, justly and impartially.
- 7) The mechanism of ensuring that the employee to whom the complaint was referred has sufficient powers to settle the complaint or is able to communicate with the decision maker.
- 8) The mechanism of referring the complaint to another body in the event that it becomes apparent that it is fully or partially responsible for the complaint subject. It is necessary that this mechanism shall include the following procedures:
 - A- Notifying the complainant that the complaint will be referred to another body because of being responsible for it, under a dated letter.
 - B- In the event that the complainant agrees, the complaint shall be immediately referred along with notifying the complainant in writing of the complaint referral date, the person responsible for the complaint in the body to which the complaint was referred and the contact and communication details.
 - C- Continue handling any part of the complaint that was not referred.
 - D- In the event that the complaint refuses referral or does not respond within a period of not more than (10) business days, the complaint shall be considered within the limits of the available documents and information or it shall be returned to the complainant along with provision of evidence proving the same in order to file the complaint to the relevant or competent body.

21- Outsourcing regulation

The license applicant shall provide an outsourcing guide that shall include the mechanism of outsourcing some of his tasks to a specialized legal personality (the outsourced party) inside or outside the state as the case may be, taking into account to not to assign any approved job or any tasks related thereto unless as expressly allowed. The guide shall include the following:

First: General outsourcing provisions*:

- 1- Establishing the required procedures to exert due diligence effort in choosing the appropriate outsourced party.

- 2- Establishing the required procedures for effective supervision on outsourced jobs and tasks and to ensure that the outsourced party will maintain the outsourcing conditions along with effective handling of any failure by it, default or breach of relevant applicable legislations.
- 3- Establishing the procedures followed for outsourcing jobs or tasks along with ensuring that there are plans of emergency and management of outsourcing risks according to the Emergency Crisis and Disasters Management Authority.
- 4- Establishing procedures shall be set for ensuring that the outsourcing arrangements shall not affect meeting the obligations towards the clients and the Authority and shall not impede the supervision and control operations.
- 5- Ensuring that the outsourced party shall undertake to maintain confidentiality of data and information.
- 6- There shall not be outsourcing concerning all the main tasks of the license applicant entity to other party so that the entity shall remain without any essential tasks.
- 7- Entering into a written outsourcing contract with the outsourced party and providing the Authority with a copy thereof immediately after entering into the same and with any subsequent amendment or change. Moreover, the contract shall include a provision that grants the Authority the right to enter the headquarters of the outsourced party if required concerning the financial activity, to review the relevant documents and data and to take any of them.

* First (General outsourcing provisions) in Clause (21) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(23/RM) of 2023 in force on date 15/4/2023.

- 8- Providing the Authority with the required information and documents upon request and immediately.
- 9- Full cooperation and coordination with the Authority whether by the outsourced party or the licensed body.
- 10- The licensed entity shall bear the full responsibility for any failure in performing the tasks or responsibilities or any breach of the obligations or violation of the relevant applicable legislations.
- 11- Ensuring that the outsourced party has no outsourcing agreement terminated with any other licensed body for reasons related to breach of its obligations or violation by it of the applicable legislations in the year before the outsourcing.
- 12- Ensuring that the outsourced party obtained the Authority's approval according to its conditions in the event that it desires to provide its services for more than one licensed body.
- 13- Ensuring that the employee who undertakes the outsourcing tasks at the outsourced party:
 - A. Is accredited by the Authority.
 - B. Does not work for more than one licensed entity for the same category, with the exception of the employee who works within a financial group and in accordance with the terms set by the Authority.

Second: Additional provisions on outsourcing using (cloud computing):

The license applicant shall do the following upon using the cloud computing represented in providing or giving computer services and resources by the internet (such as server, databases, programs, networks, storage spaces, applications, etc):

- 1- Confirm his clear understanding of the risks arising out of (cloud computing).
- 2- Ensure that the servers of (cloud computing) of the outsourced party and all the servers and computer resources are inside the state.
- 3- Ensure that the outsourced party shall comply with non-reviewing the information and data and shall keep them confidential.
- 4- Ensure that the outsourced party will comply with providing an audit report from an (external auditor) on the data and information security annually, provided that the licensed body shall comply with sending a copy thereof to the Authority for its information and a copy for the capital market institutions - in the event that it is a member therein or at any of them – in order to revise the same.

- 5- Ensure that the outsourced party is able to keep and not lose or miss the data and information (zero data loss) and protect them from any violation for (10) years as for every piece of data or information, along with keeping backup copies of those data and information during that period.
- 6- Ensure that the outsourced party is able to meet any additional requirements specified by the capital market institutions if the licensed body is a member at any of them.
- 7- Provide an exit strategy plan to handle the cases of contracts termination with the outsourced party in order to ensure maintenance of all data and information and valid transfer thereof without being missed or infringed.

Third: Additional provisions on outsourcing of a party outside the state:

The license applicant shall comply with following in the event of outsourcing of a party working outside the state (cross border):

- 1- Not outsourcing any approved jobs, tasks or services to any abroad entity unless as expressly allowed, provided that the economic or legislative conditions of the state where that entity works shall not prevent the outsourced party from perfectly performing its obligations towards the licensed body.
- 2- Informing the Authority and the capital market institutions - in the event that the licensed body is a member therein or at any of them - if the supervisory authority, to which the outsourced party is subject, requests to review the data of the licensed body.

Fourth: If the outsourced party wishes to provide its services to more than one licensed body, it shall obtain the approval of the Authority in accordance with its conditions*.

22- Records regulation

The license applicant shall provide a guide clarifying the mechanisms and procedures of keeping all electronic and non-electronic records related to the licensed body, the required technical guides and regulations, the practice of works, the clients' transactions and data, the account opening agreements made with them, and everything related to practicing the works and practicing the financial activity. This is provided that those mechanisms and procedures shall enable it to recover any of those records or data from the archive within a period not exceeding (3) business days. The guide shall include the following:

- 1) The power of every job to review the records according to the competence, responsibilities and legal duties.
- 2) Clarification of the mechanism of keeping the records in a safe place for a period of not less than (10) years and keeping backup copies thereof for the same period and protecting them from being exposed to any damage reason.

Chapter 5: General obligations

Article (1): General Principles of licensed bodies

- 1- **Honesty and integrity**: There shall be integrity in performing the works in order to keep reputation, along with taking care of the clients' interests and giving priority to their interests, keeping their assets and funds and keeping confidentiality of the information and data related to them, and provision of valid, clear, fair and non-misleading information.
- 2- **Administration, control and regulation**: All required means shall be used to ensure effective administration. Furthermore, appropriate policies and regulations shall be adopted for risks management by the senior management along with sufficient regulations and rules to ensure practicing the financial activity according to the relevant applicable legislations.
- 3- **Resources sufficiency**: Sufficient resources shall be provided to manage the financial and administrative affairs required to practice the financial activity.
- 4- **Good behavior**: The applicable behavioral standards in any of the capital market institutions shall be complied with.
- 5- **Management of the conflict of interests**: The required procedures shall be taken to ensure limitation, management and detection of the clients' conflict of interests.
- 6- **Appropriateness**: Due diligence effort shall be exerted to ensure appropriateness of the recommendations, advices and discretionary decisions of the practiced financial activity in favor of the clients' interests.
- 7- **Good behavior in dealing with the Authority**: The dealing with the Authority shall be in an appropriate, transparent and cooperative behavior.

* **Fourth** has been added to Clause (21- Outsourcing regulation) pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(23/RM) of 2023 inforce on date 15/4/2023.

Article (2) Meeting the required conditions in the event of adding financial activity

The licensed body shall comply with the below conditions if it desires to add a financial activity:

1- If the financial activity is included in the same category:

- A-Filing an application for the Authority on the form prepared for this purpose, in order to obtain the Authority's consent.
- B- Taking into account the legal form required for practicing the financial activity according to Annex no. (1).
- C- Updating the licensing requirements mentioned in Chapter 4 of this Section, in accordance with the requirements of the financial activity that will be added.
- D- Payment of the financial activity fee as decided by the Authority.

2-If the financial activity is included in another category:

Obtaining a license from the Authority for that category by meeting the requirements mentioned in Chapters 3 and 4 of this Section and payment of the financial activity fee as decided by the Authority.

Article (3): Ensuring the employees' competence and appropriateness *

The licensed body shall comply with ensuring that all its employees are able to practice the tasks and that they, the partners, directors or board of directors and its senior management shall meet the competence and appropriateness standards issued by the Authority and mentioned in Chapter 6 of this Section.

Article (4): Change of employment position

The licensed body shall comply with immediately notifying the Authority in the following events:

- 1- Dismissal or resignation of any member of the board of directors - except the foreign banks and banks branches - or the board of managers, any of the senior management employee or any of the approved employees, or in the event that any of them stop practicing his work for any reason, along with clarifying the reasons behind this.
- 2- If any of the members of its board of directors or board of managers, any of its senior management employees or any of its employees who are related to practicing the financial activity, failed to meet any of the competence and appropriateness standards.

* Article (3) has been amended pursuant to Decision No. (09 /Chairman) of 2022.

- 3- Any change in the job description or job title, tasks, or contact data of its employees who are related to practicing the financial activity or any data related to personal identity.

Article (5) Tasks of approved employee

- 1- The licensed body may not appoint a non-approved person to perform the tasks of an approved employee.
- 2- As exception from clause (1) of this article, it is permitted to appoint a non-approved natural person to perform the tasks of an approved employee temporarily for a period not exceeding three separate or consecutive months in the same year in the event the absence of the approved employee for any reason, and after notifying the Authority and provision of the name, data and identity of the temporary employee.
- 3- The licensed body shall, in the event if vacancy of any approved job representing the minimum limit of the required jobs, appoint an alternative employee within a period of no more than three (3) months. This is provided that the approval requirements shall be met no later than (6) months from the appointment date.
- 4- The licensed body shall practice the same authority and powers towards the appointed non-approved employee according to the provisions of this article.

Article (6) Memorandum of association & ownership

First: The licensed body shall comply with the following:*

- 1- Obtain the Authority's consent before making any amendment to the memorandum of association and / or the articles of association except the public joint stock companies and the foreign company branches.
- 2- Refrain from being a partner or shareholder in another licensed body of the same category at a percentage exceeding (5%) of the company's capital.
- 3- Obtain the Authority's consent before being a partner or shareholder in another licensed body of another category or a partner or shareholder in another company licensed by a supervisory authority similar to the Authority, in accordance with the conditions set by the Authority.
- 4- Refrain - except banks - from being a partner or shareholder in another company that is not licensed by the Authority or by a supervisory authority similar to the Authority, at percentage exceeding (30%) of the capital of any company.
- 5- Obtain the Authority's consent before performing any merger process.

* (First) from article (6) has been amended pursuant to Decision No. (09 /Chairman) of 2022.

6- Its memorandum of association shall, if it conducts a financial activity involving provision of Islamic financial service or Islamic financial product, include a provision confirming that its entire business will be compliant with the provisions of Islamic Sharia *

Second: A partner in the licensed body may not be a partner in another licensed body of the same category at percentage exceeding (5%) of its capital, to be a shareholder in any of them at percentage exceeding (20%) of its capital, to be a manager or member of the board of director of any of them or the board of its managers, or to hold a position in its executive administration.

Article (7) Financial reports

First: The licensed body shall prepare financial reports as stated below and shall provide the Authority with them:

- 1- Progressive (quarterly) reports within (45) days from the end of the quarterly term as they shall be signed by the authorized signatory.
- 2- A financial annual report audited by the external accounts auditor within (three months) from the end of the financial year as it shall be signed by the authorized signatory.
- 3- Progressive (quarterly) reports within (45) days from the end of the quarterly term and an annual report within (three months) from the end of the financial year on the company's works as for practicing the financial activity including the profits and losses, on the form prepared by the Authority. Those reports shall be signed by the manager who is responsible for the category if the company is licensed for more than one financial activity or more than one category by the Authority or in the event that the licensed body is a local bank or a foreign bank branch or if its activity is limited to credit rating.
- 4- The local banks, the foreign banks branches and the entities practicing an activity that is limited to credit rating, shall be excluded from the reports required under paragraphs (1, 2) of this article.
- 5- Any financial statements of other reports required by the Authority.
- 6- Every company founded in the state and licensed by the Authority shall have a financial year specified in its articles of association, provided that the first financial year shall not be more (18) eighteen months and shall not

* Paragraph (6) in 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.

be less than (6) months as it shall start from the date of being registered in the commercial register before the competent authority. The Authority shall be notified of the end date specified for the first financial year.

7- The subsequent financial years shall be deemed as consecutive durations as each of them shall be of twelve years starting directly after end of the preceding financial year.

Second: Without prejudice to the first clause of this article, the licensed entity shall, include in the financial reports the role and power of the Sharia supervisory committee

Third: Without prejudice to the first and second clauses of this article, the entity licensed for conducting the activity of managing a profit sharing investment account, shall include the following in the financial reports:

- 1- Analysis of income generated by investment type as well as the manner in which they are financed by their clients.
- 2- The manner in which profits are distributed amongst equity holders and the profit sharing investment account .
- 3- The equity rights of the holders of the profit sharing investment account at the end of the report period.
- 4- The bases used to specify any reserve for equation of profits or the investment risks reserve.
- 5- The changes that took place in those reserves during the period of preparation of the reports.
- 6- Any discounts made by the licensed company from its portion in the income and any expenses borne by the licensed company on behalf of the holders of the profit sharing investment account as a contribution to increase the income of the holders of the profit sharing investment accounts, if that contribution is essential.
- 7- The identity of any person to whom any remaining balances from any profit equation reserve or investment risks reserve in the event of liquidation, are attributed*.

* The word (First) and paragraphs (second & third) have been added to Article (7) 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 (8) Accounting records

The licensed body shall comply with the following:

- 1- The international accounting standards.
- 2- The records shall be sufficient to show and explain the transactions, for example but not limited to:
 - A- They shall show its financial position on continuous basis.
 - B- They shall show and record the financial position at the end of the year.
 - C- They shall show the financial position and transactions of their financial position.
- 3- Keep the accounting records in a way that shall enable its board of directors to ensure preparation of the statements and financial reports according to the approved international accounting standards.
- 4- Provide accounting electronic system for managing the accounts of the first category licensed body and the accounts of its clients (Centralized Back Office System) according to Annex No. (2).

Article (9) External audit

The licensed body shall comply with the following:

- 1- Appoint an external auditor who has the required skills and resources and sufficient experience and who shall be approved and licensed by the relevant authorities, unless the licensed body is exempted from the condition of submitting financial reports.
- 2- Agree with the external auditor in writing on the audit conditions, form of the required report and the audit bases and standards according to the international accounting standards and bases.
- 3- Ensure that the external audit is able to practice his activity throughout the term of his appointment.
- 4- Notify the Authority immediately after the external audit is appointed or changed.

Article (10) Notifications

The licensed body shall immediately notify the Authority of the following:

- 1- Change of the main office or the headquarters of any branch related to practicing the financial activity, the addresses or the contact numbers (phone, mail, etc).
- 2- Close of the branch related to practicing the financial activity.
- 3- Any significant changes in the governance system and the bonuses strategy.
- 4- Invitation for meeting to consider the matter of making a decision of winding up or liquidation.
- 5- A decision made by any other supervisory authority on approval or dismissal of any license application or suspension, amendment or cancellation of the license.
- 6- A decision by any other supervisory authority on approval or dismissal of any request filed to approve an employee or suspension, amendment or cancellation of the approval.
- 7- If any other supervisory authority conducts investigation on its affairs or on the affairs of any of its employees or appoints investigators to investigate concerning its affairs as for practicing the financial activity.
- 8- If any disciplinary measure or penalties are imposed against it or against any of its employees by another supervisory authority.
- 9- If any administrative penalty is imposed by it against any of its approved employees as for practicing the tasks.
- 10- In the event of filing civil or penal lawsuit against it or against any of its approved employees if they are related to claims related to practicing the financial activity or the tasks or that include fraud, breach of trust or tax evasion.
- 11- Any incidents that took place or expected to take place and that shall have negative effect on its reputation or that shall cause to it or its clients serious financial consequences.
- 12- Any essential change in the capital sufficiency or the financial solvency.
- 13- If it has reasonable grounds for suspicion that any order or transaction represents manipulation in the market, provided that the notification shall include the following:
 - A- The sufficient details for the order or the transaction
 - B- The reasons behind the suspicion that the order or the transaction may represent manipulation in the market.

C- Not informing the client or any other person participating in the order or the transaction of any notification in this regard.

- 14- In the event that it becomes aware or has reasonable grounds concerning committing fraud and cheat as for practicing the financial activity as follows:
- 15- If there is suspicion that one of the approved employees committed a serious bad behavior related to his honesty and integrity.
- 16- Any other notifications that the licensed body deems important or any other notifications required by the Authority and in the time that it specifies.

Article (11) Appointment of independent expert

The Authority may appoint an independent expert at the expense of the licensed body in the cases that it deems necessary such as the cases of manipulation, fraud and cheat, provided that he shall prepare his report according to the conditions and form and within the period as specified by the Authority*.

Article (12) Term of license and renewal thereof

- 1- The license duration for the category is one year, starting from the issuance date with a maximum limit until the end of the fiscal year, and it is renewed annually within a month from the expiration date*.
- 2- As an exception from the provision in Item 1 of this article, the first license period or the additional activity's period, whether from the same category or another, until the end of the year following the first license year or the year of adding the financial activity, with the fee calculated on a pro rate based on this period*.
- 2- The Authority shall receive a license fee for every financial activity that the licensed body desires to practice within the category.
- 3- The financial activity's license shall be renewed upon renewal of the category license and after payment of the license renewal fee related to every licensed financial activity within the category.
- 4- It is not permissible to practice any financial activity within a particular category unless the license of the category and the financial activity is valid.

* Article (11) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(2/RM) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.

* Clause (1) in Article (12) has been Amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(41/RM) of 2023 issued on 06/11/2023 and inforce on 1/12/2023.

* Clause (2) in Article (12) has been Added pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(41/RM) of 2023 issued on 06/11/2023 and inforce on 1/12/2023.

Article (13) Cancellation of the license or the financial activity

First: The licensed body shall, if it desires to cancel the license of a category or a financial activity within a category, file a written request to the Authority as that request shall include the following:

- 1- Reasons of the request.
- 2- Clarification of whether it has stopped or will stop practicing the financial activity along with clarifying the date thereof.
- 3- Declaration about the request in two daily newspapers issued in the state as one of them shall be in Arabic and the other shall be in English, within (3) business days from filing the request so that the clients manage to adjust their positions accordingly.
- 4- A report signed by the external accounts auditor stating that it has liquidated the clients' accounts whether they are cash or securities and that there are no existing obligations towards them.
- 5- A report signed by the legal advisory and accompanied by a certificate issued by judicial authorities clarifying the attitude of the main office and its branches (if any) as for the lawsuits filed by the clients against the licensed body or the lawsuits filed by the licensed body against its clients.
- 6- A discharge from the Authority, the capital market institutions in the state - if it is a member at any of them - and the financial free zones - if it is licensed by any of them - stating that there are no accounts or obligations that are not met.
- 7- Filing an undertaking by the licensed body stating continuous obligation to pay any subsequent obligation after cancellation of the license of the category or the financial activity according to the form prepared for this purpose by the Authority.

Second: The financial activity's guarantee - that is provided to the Authority or any of the capital market institutions - shall not be recovered unless after (3) months from the publication date of the license cancellation decision, after making sure that all the licensed body's transactions are settled concerning the financial activity practice and after making sure that there are no obligations payable by it to its clients, to any of the capital market institutions or to the Authority, or as implementation of its decisions.

Third: Payment of the license cancellation fee of every financial activity according to the fee decided by the Authority.

Fourth: Publication of the Authority's decision stating the cancellation of the license of the category or the financial activity immediately after issuance thereof in two daily newspapers issued in the state as one of them shall be in the Arabic language and the other shall be in the English language.

Fifth: Depositing a cash amount of AED 5000 for completion of the procedures of notification of cancellation of the license of the category and / or the financial activity. The guarantee shall be recoverable if the body complies with publishing the license cancellation decision within seven days from the date of receiving the cancellation decision.

Sixth: The Authority may request the licensed body to do the following before approving the license cancellation request:

- 1- Notify the contracting parties of the request of cancellation of the category or the financial activity license before (3) months at least from the date specified for cancellation, along with continuing **practicing** its works until those contracting parties enter into contracts with another alternative licensed body within that specified period.
- 2- Prove settlement of its obligations with the contracting parties according to the procedures specified by the Authority.
- 3- Transfer the records and data of the contracting parties or of the clients and their accounts and securities to another licensed body or to any one of the capital market institutions.

Seventh: The licensed body shall meet the required cancellation conditions within a period not exceeding (6) months from the date of filing the request to the Authority. The Authority may extend that period for another similar period for one time only.

Article (14) Voluntary liquidation

- 1- The Authority shall supervise the voluntary liquidation of the licensed body and it shall have the power to take any appropriate steps to ensure provision of suitable protection for the rights of the licensed body's clients.
- 2- **The licensed body shall comply with the following if it desires to carry out voluntary liquidation:**
 - A- Notify the Authority of the liquidation and the suggested date for the meeting of the board of directors, the general assembly or the creditors concerning the liquidation procedures.
 - B- Provide the Authority with any documents required by it as for the liquidation procedures.
 - C- Cooperate with the Authority before commencement of the liquidation procedures, to ensure completion of all obligations related to clients, returning their money and assets, settlement of their accounts with it and to ensure completion of all transactions, accounts and obligations related to practicing the financial activity with the Authority and the capital market institutions.

Article (15) Bankruptcy composition

- 1- The licensed body shall, in the event of requesting bankruptcy composition, notify the Authority thereof in writing within (10) business days from the request filing date. The Authority may submit its documents and pleadings in this regard to the court.
- 2- The Authority may request the court to appoint a supervisor to supervise the implementation of the bankruptcy composition.

Article (16) Bankruptcy procedures

- 1- The licensed body shall notify the Authority of its desire to file a request for opening the bankruptcy procedures within (15) business days before the date of filing the request to the court. The Authority may submit its documents and pleadings related thereto to the court.
- 2- The Authority may file the request for opening the bankruptcy procedures of the licensed body to the court accompanied by the required documents and evidence stating that the license body is indebted.
- 3- The Authority may request adjournment of declaration of bankruptcy for a period not exceeding one year, if it is potential that its financial position will be supported and if this is necessary for the interest of the national economy.
- 4- The Authority may request the court to appoint a supervisor to supervise the bankruptcy procedures.

Article (17) Sharia revisions *

First: The licensed entity shall, in the event of conducting a financial activity involving the provision of Islamic financial service or Islamic financial product, comply with the following:

- 1- Conducting an internal review to evaluate the extent of the compliance with the Sharia legal rulings (Fatwa), the judgments, and the guidelines issued by the Sharia supervisory committee.
- 2- Ensuring that all Sharia reviews are made by the Sharia supervisory committee as per AAOIFI GSIFI No 2.
- 3- Conducting internal review as per AAOIFI GSIFI No.3 Standard.
- 4- Conducting internal review of the principles of Islamic Sharia as much as possible as per AAOIFI GSIFI No.3 Standard.

* Article (17) (Sharia revisions) 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.

5- Assigning the Sharia supervisory committee to prepare an annual report as per AAOIFI GSIFI No.1 Standard and to submit a copy thereof to the Authority within (14) days from receiving it.

Second: The compliance officer of the licensed entity shall be responsible for ensuring its compliance with the requirements stated in the clause (First) of this article.

Chapter 6: Approval of natural persons

Article (1) Approved jobs

First: The jobs approved by the Authority are as follows:

- 1- Category manager or officer
- 2- Compliance officer
- 3- Risks management officer
- 4- Operations manager
- 5- Trading manager
- 6- Broker representative
- 7- Financial analyst
- 8- Senior financial analyst
- 9- Credit rating analyst
- 10- Credit rating analysis officer
- 11- Funds investment manager or portfolio manager
- 12- Investment operations manager
- 13- Promotion manager

Second: General provisions related to accredited jobs:**

- 1- The licensed entity shall provide the minimum required number of accredited employees in accordance with Appendix No. (1) of this section.
- 2- **If the licensed entity of a particular category conducts more than one financial activity within the same category** and every one of those financial activities require the same accredited job, it is permissible to appoint one accredited employee for all the financial activities conducted by the licensed entity as a minimum limit except the (broker representative) job.
- 3- **If the licensed entity has a license for more than one category** and every one of these categories requires the same main job, it is permissible to appoint one accredited employee for every main job for all licensed categories as a minimum limit except the (Head of officer) job.

* (Second) from Article (1) has been amended pursuant to Decision No. (09 /Chairman) of 2022.

* The (Second) in Article (1- Approved jobs) has been amended with its Title from (Combining of accredited jobs) to (General provisions related to accredited jobs) pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(23/RM) of 2023 inforce on date 15/4/2023.

- 4- **If the licensed entity obtained licenses for more than one category** and the financial activities of those categories require the same approved job, it is permissible to appoint one accredited employee for all financial activities of those categories.
- 5- The accredited employee shall be committed to fulfilling the requirements of the continuous professional development (CPD) program established by the Authority in accordance with its schedule.
- 6- The licensed entity may seek the assistance of an unaccredited employee to carry out the tasks of the accredited employee, provided that the following is adhered to:
 - a. Appointment of the minimum number of accredited personnel.
 - b. That the hired employee is currently working within its financial group.
 - c. The entity for which the hired employee works is supervised by the UAE Central Bank or a regulatory authority similar to the Authority.
 - d. The hired employee performs his duties in the entity for which he currently provides, the same duties and work
 - e. Immediately providing the Authority with information and documents related to the employee upon being requested to do so.
 - f. Suspending the employee from carrying out tasks related to the accredited jobs
 - g. Assuming full responsibility for any failure to perform duties or responsibilities, breach of obligations, or violation of relevant applicable legislations.

Third: The licensed body shall ensure that its employees who occupy any of the accredited positions mentioned in Clause (First) of this Article, and any of the accredited employees of the outsourcing entities provide an equivalency certificate for the university attended from the concerned authority in the State if it was issued by an educational institution outside the State* .

Article (2) Request for approval and renewal thereof

- 1- The applicant shall file an application with the Authority That application shall be accompanied by the supporting documents and information along with evidence confirming that the accreditation conditions are met* .
- 2- The Authority shall issue its decision of approval or dismissal of the request within a period not exceeding (15) business days from the date of filing the request in accordance to its requirements, provided that, in the event of dismissal of the request, the Authority shall clarify the reasons behind dismissal* .

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- * (Third) in Article (1- Approved jobs) has been added pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(23/RM) of 2023 inforce on date 15/4/2023.
 - * Clause (1) of Article (2) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(23/RM) of 2023 inforce on date 15/4/2023.
 - * Clause (2) of the Article(2) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(2/RM) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.

- 3- The Authority may attach to its approval the conditions or restrictions decided by it or dismiss the request despite meeting the conditions thereof that are mentioned in this section as per its evaluation of the public interest, provided that the Authority shall clarify the dismissal reasons.
- 4- The approved employee shall continuously meet all the approval requirements.
- 5- Payment of the accreditation fee is required upon approval from the authority* .
- 6- The accreditation period is one year, ending by the end of the fiscal year, and it shall be renewed annually within a maximum of one month from the expiration date.
- 7- As an exception from Clause (6) of this article, the First accreditation period extends until the end of the year following the first accreditation year. The applicable fee for renewal is calculated on a pro rata based on this period* .

Article (3) Approval conditions and evaluation bases

Upon reviewing the application for accreditation of any of the jobs specified in chapter 6 of this section, the Authority may assess the fit and properness of the applicant for approval through the following conditions and bases* :

- 1- **Full capacity**: By establishing that there is no one of capacity obstacles (shortage or lack of legal capacity) and non-declaration of bankruptcy unless he is rehabilitated.
- 2- **Experience and efficiency**: By establishing that the university qualification or the specialized professional certificates are appropriate and are related to the nature of the approved job tasks. Moreover, availability of practical experience that is suitable to the nature of the job tasks, passing the professional licensing tests specified by the Authority, and being acquainted with the legislations related to the work of the Authority and the capital market institutions and the professional field in general* .

* Clause (5) in Article (2) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(41/RM) of 2023 issued on 06/11/2023 and inforce on 1/12/2023.

* Clauses (6, 7) in Article (2) has been added pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(41/RM) of 2023 issued on 06/11/2023 and inforce on 1/12/2023.

* The beginning paragraph of the Article (3) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(2/RM) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.

* Clause (2) of Article (3) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(23/RM) of 2023 inforce on date 15/4/2023.

- 3- **Honesty and integrity**: By providing valid and complete information and documents to the Authority. Moreover, the relevant records and the previous professional record shall not include anything that may result in prejudice or damage to the safety or reputation of the Authority or the state. There shall not be judicial lawsuits, reports or prosecution investigations whether inside or outside the state concerning honesty and integrity. There shall not be any judgment or decision issued by courts, prosecutions concerning the breach of trust, fraud or deception, along with non-failure in payment of any financial obligations. Furthermore, there shall not be returned cheques repeatedly.
- 4- **Compliance**: the extent of compliance with the legislations whether concerning the financial activity conduct or the applicable relevant legislations inside or outside the state. Moreover, the professional record issued by the Authority or by any other supervisory or regulatory entity inside or outside the state shall not include administrative sanctions. The name of the person shall not be listed in the sanctions lists issued by the UN organization and the other foreign organizations particularly those who are concerned with countering money laundering, terrorism financing and illegal organizations. Moreover, the person shall not commit any felony or misdemeanor or any violation related to the activities of the authority inside or outside the state, and not be subject to any administrative or criminal investigations inside or outside the state while the request is being filed or reviewed*.
- 5- **There shall not be dismissal or cancellation of the approval by other supervisory authorities** or governmental institutions whether local or foreign. This shall be ensured by obtaining a copy of the **professional** record or by direct communication with those authorities.

Article (4) General principles of approved jobs

- 1- **Honesty and integrity**: Refrain from participating in any activity that shall conflict with the interests of the company or the clients, that shall **affect** the work or regularity of the work of the capital market institutions, or that shall represent illegal or unacceptable work according to the professional standards or the company's instructions. Moreover, maintain confidentiality of the information and data related to the clients and professional tasks and practicing the jobs that are allowed to be practiced together after obtaining the Authority's approval and without conflict of interests and tasks.

- 2- **Skills, due diligence and care**: Practicing the works skillfully and exerting due diligence efforts and due effective care when performing the job.
- 3- **Good behavior**: The applicable professional behavioral standards in any of the capital market institutions shall be complied with when practicing the job.
- 4- **Dealing with the Authority**: The dealing with the Authority shall be in an appropriate, transparent and cooperative method such as notifying the Authority immediately of any essential information or significant and necessary data.
- 5- **Effective administrative**: Exerting due and reasonable efforts to ensure regulation, administration and control of the licensed body's works in an effective manner when practicing the administration tasks.
- 6- **Compliance**: Exerting due efforts to comply with the applicable legislations in the state.

Article (5) Requirements and tasks of approved jobs

1- Head of Category and manager*

A- Tasks:

The manager shall perform the tasks of management, general supervision and daily control of the licensed body and all the employees therein, along with the procedures and mechanisms of its performance of its activities. He shall also bear the manager responsibilities according to the applicable laws in the state.

As for the category officer, he shall perform the same tasks and responsibilities of the manager, but they shall be limited to the financial activities of the category for which he is responsible and the employees working in those financial activities.

B- Qualification and experience:

- 1- A university certificate along with experience for not less than (5) years in financial markets or in the relevant fields.
- 2- Or diploma certificate or less certificate along with experience for not less than (15) years in financial markets and / or in the relevant fields.

* Clause (4) in Article (3) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(2/RM) of 2023 issued on 16/1/2023 enforced on 1/2/2023.

* The Title (Category manager and officer) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(9/RM) of 2022 enforced on 1/4/2022.

C-Alternative qualification and experience:

Experience of not less than (5) years in financial markets or in the relevant fields and having any of the below alternative qualifications:

- 1) Certified Management Accountant (CMA)
- 2) Accredited Financial Analyst
- 3) Certified Investment Professional
- 4) Certified Treasury Professional
- 5) Chartered Financial Analyst
- 6) Master Financial Controller
- 7) Chartered Financial Consultant (ChFC)
- 8) Development Finance Analyst Certified Interior Auditor (CIA)
Chartered

D-Exceptions:

- 1) ...*
- 2) The manager may practice his tasks as a manager and as an officer of only one category.
- 3) In the event that the licensed body is an official establishment licensed by the Central Bank of the UAE, it shall be allowed to not appoint a manager and to only have a category officer for every category.
- 4) The manager shall be exempted from the professional licensing exams prescribed by the Authority, if he is appointed in the company of Investment management of investment funds, family business investment management, self-managed fund, or administrative services company for investment funds or any of the virtual assets services providers**.

* Items (1) in Clause (1/D) of the Article (5) has been deleted pursuant to Decision No. (09 /Chairman) .

* Items (4) in Clause (1/D) of the Article (5) has been added pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(2/RM) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.

* Items (4) in Clause (1/D) of the Article (5) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(27/RM) of 2023

2- Compliance officer:

A- Tasks:

He shall perform the tasks of following up the performance of the licensed body and its employees and the extent of their compliance with the applicable legislations in the state and the bylaws and the evidence of the work of the licensed body. He shall also perform the tasks of updating those bylaws and evidences and regulating them along with managing non-conflict of interests of the licensed body with its clients in order to ensure continuity of the financial activity practice in a legal valid manner. Moreover, he shall perform the tasks of follow up and supervision of the application of the procedures of encountering money laundering, terrorism financing and illegal organizations financing in accordance with the relevant legislations.

B- Qualification and experience:

- 1- A university certificate along with experience for not less than (5) years in financial markets or in the relevant fields.
- 2- Or diploma certificate or less certificate along with experience for not less than (10) years in financial markets or in the relevant fields.

C- Alternative qualification and experience:*

Experience of not less than (5) years in financial markets or in the relevant fields along with any of the below alternative qualifications:

- 1) Master Financial.
- 2) ICA Certificate in Compliance.
- 3) ICA International Advanced Certificate in Regulatory Compliance.
- 4) ICA Advanced Certificate in Legal Compliance.
- 5) ICA Certificate in Regulatory.
- 6) ICA International Advanced Certificate in Anti Money Laundering.
- 7) ICA Advanced Certificate in Practical Customer Due Diligence.
- 8) ICA Advanced Certificate in Managing Fraud.
- 9) ICA Advanced Certificate in Managing Sanctions Risk.
- 10) ICA Specialist Certificate in Financial Crime Risk in Global Banking and Markets.
- 11) ICA Specialist Certificate in Money Laundering Risk in New Technology.
- 12) Certified Anti-Money Laundering Specialist (ACAMS).

* Paragraph (C) in Clause (2) of the Article (5) has been amended pursuant to Decision No. (09 /Chairman) of 2022.

D- Exceptions:

- 1) The compliance officer of the foreign banks and banks branches licensed by the Central Bank of the UAE may be one of the compliance officers of the bank*.
- 2) It is permissible to combine the job of the compliance officer and the job of the risk management officer in the activity of investment management of the investment funds, family business investment management activity, self-managed fund, or administrative services activity for investment funds* .
- 3) The head of compliance shall be exempted from the professional licensing exams prescribed by the Authority, if he is appointed in the company of Investment management of investment funds, family business investment management, self-managed fund, or administrative services company for investment funds or any of the virtual assets services providers* * .
- 4) It shall be permissible to outsource the Head of Compliance job after obtaining the Authority's consent* .

* Item (1) in Clause (2/D) of the Article (5) has been amended pursuant to Decision No. (09 /Chairman) of 2022.

* Items (2) in Clause (2/D) of the Article (5) has been added pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(2/RM) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.

* Items (3) in Clause (2/D) of the Article (5) has been added pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(2/RM) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.

* Items (3) in Clause (2/D) of the Article (5) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(27/RM) of 2023 issued on 03/5/2023 and inforce on 16/05/2023.

* Item (4) in Clause (2/D) of the Article (5) has been added pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(23/RM) of 2023 inforce on date 15/4/2023.

3- Risks management officer

A- Tasks:

He shall perform the tasks of specifying and evaluating potential risks as for the licensed body that may arise out of the operational factors therein. Moreover, he shall make suitable decisions for handling them if they arise along with observing them, reporting thereon, working to avoid them, and reviewing and updating the risks management guide according to the financial activity of the licensed body, its purposes and risks.

B- Qualification and experience:

- 1- A university certificate along with experience for not less than (5) years in financial markets or in the relevant fields.
- 2- Or diploma certificate or less certificate along with experience for not less than (10) years in financial markets or in the relevant fields.

C- Alternative qualification and experience:

Experience of not less than (5) years in financial markets or in the relevant fields along with any of the below alternative qualifications:

1. Master Financial Risk Manager (FRM)
2. Master Financial Controller
3. Certified Internal Auditor (CIA)
4. Chartered Development Finance Analyst
5. Certified Management Accountant (CMA)
6. ICA Specialist Certificate in Conduct Risk.

D- Exceptions:

- 1- The risks management officer of the foreign banks and banks branches licensed by the Central Bank of the UAE may be one of the risks management officers of the bank.*
- 2- It shall be permissible to outsource the risks management job after obtaining the Authority's consent.
- 3- It is permissible to combine the job of the head of compliance and the job of the head of risk management in the activity of investment management of the investment funds management activity, family business investment management activity, self-fund, or administrative services activity for investment funds*.

* Item (1) in Clause (3/D) of the Article (5) has been amended pursuant to Decision No. (09 /Chairman) of 2022 Amending the Regulations Rulebook of the Financial Activities Approved by the Chairman of the Authority's Board of Directors' Decision No. (13/Chairman) of 2021

* Items (3) in Clause (3/D) of the Article (5) has been added pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(2/RM) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.

- 4- The head of compliance shall be exempted from the professional licensing exams prescribed by the Authority, if he is appointed in the company of Investment management of investment funds, family business investment management, self-fund, or administrative services company for investment funds or any of the virtual assets services providers* * .

4- Operations manager

A- Tasks

He shall perform the tasks related to financial procedures, accounting restrictions and daily settlements of the licensed body's clients. He shall also perform the tasks of reviewing the clients' contracts and ensuring their validity and the validity of their contents along with coordination with the compliance officer in this regard in order to ensure that the licensed body shall meet its obligations.

B- Qualification and experience:

- 1- A university certificate along with experience for not less than (5) years in financial markets or in the relevant fields.
- 2- Or diploma certificate or less certificate along with experience for not less than (10) years in financial markets or in the relevant fields.

C-Alternative qualification and experience:

Experience of not less than (5) years in financial markets or in the relevant fields and having any of the below alternative qualifications:

1. Certified Management Accountant (CMA).
2. Certified Public Accountant (CPA).

D- Exceptions* :

The operations manager shall be exempted from the professional licensing exams as prescribed by the Authority if he is appointed by any of the virtual assets services providers.

5-Trading manager

A- Tasks

He shall perform the tasks of supervising the trading operations conducted by the broker representative.

B- Qualification and experience:

- 1- A university certificate along with experience for not less than (5) years in financial markets or in the relevant fields.
- 2- Or diploma certificate or less certificate along with experience for not less than (10) years in financial markets or in the relevant fields.

C-Alternative qualification and experience:

-
- * Items (4) in Clause (3/D) of the Article (5) has been added pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(2/RM) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.
 - * Items (4) in Clause (3/D) of the Article (5) has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(27/RM) of 2023 inforce on 16/05/2023.
 - * Clause (D) to (trading manager) has been added pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(27/RM) of 2023.

Experience of not less than (5) years in financial markets or in the relevant fields along with any of the below alternative qualifications:

1. Certified Investment Professional
2. Certified Treasury Professional

D- Exceptions

1. The trading manager may perform the tasks of the broker representative.
2. It shall be permissible not to appoint a broker in the event that the licensed body's clients use an online trading mechanism (online trading).

6- Broker representative

A- Tasks:

He shall perform the tasks of receiving and listing purchase and sale orders for implementing them in the market by the online trading system of the market.

B- Qualification and experience:

- 1- A university certificate along with experience for not less than (2) years in financial markets or in the relevant fields.
- 2- Or diploma certificate or less certificate along with experience for not less than (5) years in financial markets or in the relevant fields.

C- Exceptions:

It shall be permissible not to appoint a broker representative in the event that the licensed body's clients use an online trading mechanism (online trading).

7- Financial analyst

A- Tasks:

He shall perform the tasks and works of financial analysis.

B- Qualification and experience:

- 1- A university certificate along with experience for not less than (3) years whether in financial analysis or in the relevant fields.
- 2- Or diploma certificate or less certificate along with experience for not less than (8) years in financial analysis or in the relevant fields.

C- Alternative qualification and experience:

Experience for not less than (3) years in financial analysis or in the relevant fields along with any of the below alternative qualifications:

1. Accredited Financial Analyst
2. Certified Investment Professional

3. Certificate in Quantitative Finance

4. Chartered Financial Analyst

D- Exceptions:

The financial analyst shall be exempted from the professional licensing exams prescribed by the Authority, if he is appointed in the company of Investment management of investment funds, family business investment management or self-managed fund*.

8- Senior financial analyst

A- Tasks:

He shall perform the tasks and works of supervising the financial analysis operations.

B- Qualification and experience:

- 1- A university certificate along with experience for not less than (5) years in financial analysis, financial services and consultations in financial markets field or in the relevant fields.
- 2- Or diploma certificate or less certificate along with experience for not less than (10) years in financial analysis, financial services and consultations in financial markets field or in the relevant fields.

* Items (D) in Clause (7) of the Article (5) has been added pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(2/RM) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.

C- Alternative qualification and experience:

Experience for not less than (5) years in financial analysis, financial services and consultations in financial markets field, along with any of the below alternative qualifications:

1. Accredited Financial Analyst
2. Certified Investment Professional
3. Certificate in Quantitative Finance
4. Chartered Financial Analyst
5. Certified International Investment Analyst

9- Credit rating analyst

A- Tasks:

He shall perform the tasks and work of analysis related to credit rating.

B- Qualification and experience:

- 1- A university certificate along with experience for not less than (3) years in credit rating or in the relevant fields.
- 2- Or diploma certificate or less certificate along with experience for not less than (8) years in credit analysis or in the relevant fields.

C- Alternative qualification and experience:

Experience for not less than (3) years in credit rating or in the relevant fields along with any of the below alternative qualifications:

1. Accredited Financial Analyst
2. Certificate in Quantitative Finance
3. Chartered Financial Analyst

D- Exceptions:

The licensed body may, if it is a foreign company's branch, outsource a credit rating analysis job after obtaining the body's consent, provided that the outsourcing shall be limited to the mother company.

10- Credit rating analysis officer

A- Tasks:

He shall perform the tasks of supervising the analysis works related to credit rating.

B- Qualifications and experience:

- 1- A university certificate along with experience for not less than (5) years in credit rating, financial services and consultations in financial markets field or in the relevant fields.

- 2- Or diploma certificate or less certificate along with experience for not less than (10) years in credit rating, financial services and consultations in financial markets field or in the relevant fields.

C- Alternative qualification and experience:

Experience for not less than (5) years in credit rating, financial services and consultations in financial markets field, or in the relevant fields along with any of the below alternative qualifications:

1. Accredited Financial Analyst
2. Certificate in Quantitative Finance
3. Chartered Financial Analyst

D- Exceptions:

The licensed body may, if it is a foreign company's branch, outsource a credit rating analysis officer job after obtaining the body's consent, provided that the outsourcing shall be limited to the mother company.

11- Funds investment manager, portfolio manager, or profit sharing investment manager *

A- Tasks:

He shall perform the tasks of managing the clients' portfolios, the tasks of managing the investment fund's investments, or the tasks of managing the profit sharing investment account. *

B- Qualification and experience:

- 1- A university certificate along with experience for not less than (4) years in the field of assets management.
- 2- Or diploma certificate or less certificate along with experience for not less than (8) years in the field of assets management.

C- Alternative qualification and experience:

Experience for not less than (4) years in the field of assets management along with any of the below alternative qualifications:

1. Accredited Financial Analyst
2. Certificate in Financial Planner
3. Certified Investment Professional

4. Certified Treasury Professional
5. Chartered Alternative Investment Analyst
6. Certificate in Quantitative Finance
7. Certified International Investment Analyst
8. Chartered Financial Analyst
9. Fellow Chartered Financial Practitioner
10. Master Financial Planner

-
- * The statement of (or profit sharing investment manager) has been added in the tittle of clause (11) of article (5) 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.
 - * The statement of (or the tasks of managing the profit sharing investment account) has been added to paragraph (A) in clause (11) of article (5) to 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.

11. Registered Financial Planner
12. Chartered Financial Consultant (ChFC)
13. Certified International Investment Analyst

D- Exceptions:

The fund's investment manager shall be exempted from the professional licensing exams prescribed by the Authority, if he is appointed in the company of Investment management of investment funds, family business investment management, or self-managed fund.*

12- Investment operations manager

A-Tasks:

He shall perform the tasks of the works of back offices of investment funds or securities portfolios along with the works related thereto such as evaluation of the funds unit or the securities portfolios as for keeping books records, keeping documents, carrying out financial settlements, following up orders implementation and their financial, paper, and documentary settlement. Moreover, keeping the record of the investment funds units owners, preparation of financial statements, periodical financial reports and other reports sent to investors, the Authority and the relevant authorities, evaluation of the assets and obligations of the investment fund and securities portfolios, thus, calculation of the value of the fund unit, the securities portfolios and the detailed works related thereto.

B- Qualification and experience:

- 1- A university certificate along with experience for not less than (4) years in financial analysis or in the field of financial markets or investment.
- 2- Or diploma certificate or less certificate along with experience for not less than (8) years in the field of assets management.

C- Alternative qualification and experience:

Experience for not less than (4) years in the field of assets management along with any of the below alternative qualifications:

1. Certified Management Accountant (CMA)
2. Certificated Public Accountant (CPA)

D- Exceptions:

The investment operations manager shall be exempted from the professional licensing exams prescribed by the Authority, if he is appointed in the company of Investment management of investment funds, family business investment management, self-managed fund, administrative services company for investment funds.*

13- Promotion manager

A- Tasks:

He shall perform the tasks of financial products promotion, collection of required information and data, and evaluation of the clients' capability and tendency to afford risks (Risk Profile) along with the detailed works related thereto.

B- Qualification and experience:

- 1- A university certificate along with experience for not less than (3) years in financial analysis or in the field of financial markets, investment, wealth management or financial planning.
- 2- Or diploma certificate or less certificate along with experience for not less than (7) years in financial analysis or in the field of financial markets, investment, wealth management or financial planning.

C- Alternative qualification and experience:

Experience for not less than (3) years in financial analysis or in the field of financial markets, investment, wealth management or financial planning along with any of the below alternative qualifications:

1. Accredited Financial Analyst
2. Certified Investment Professional
3. Certificate in Quantitative Finance
4. Chartered Financial Analyst
5. Certified International Investment Analyst
6. Master Financial Risk Manager (FRM)
7. ICA Specialist Certificate in Conduct Risk

* Items (D) in Clause (11) of the Article (5) has been added pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(2/RM) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.

* Items (D) in Clause (12) of the Article (5) has been added pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(2/RM) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.

Annex No. (1) License categories and requirements

First Category (Dealing in Securities)				
Legal form of license	Capital requirement	Key positions for licensing the Category	Financial activities within the Category	Accredited jobs for each financial activity
A legal person incorporated within The State, or a branch of a foreign company in accordance with the Commercial Companies Law, or a company incorporated in a free zone in The State (provided that the law establishing that free zone permits this) ¹ .	The paid-up capital is not less than AED 30 million.	1.a Head or a Manager of the Category . 2.a Head of Compliance. 3.a Head of Risk Management	Trading and clearing broker.	Trading manager. Operations manager. Broker representative.
			Global markets trading broker.	
			Unregulated Derivatives & Spot Forex Trading Broker	
			Trading broker.	Broker representative.
			Securities dealer.	Trading manager.

¹ The (Legal form) in First category has been amended pursuant The Chairman of the Authority's Board of Directors' Resolution No. (18/R.M.) of 2022.

Second Category (Dealing in Investment)				
Legal form	Main positions	Minimum capital for each financial activity²	Financial activities within the category	Accredited jobs for each financial activity
<ul style="list-style-type: none"> • A legal person incorporated within the state, or a branch of a foreign company according to the Commercial Companies Act, or a company incorporated in a free zone within the state (provided that the law establishing that free zone permits this). • In the case of conducting more than one financial activity, the required capital is the sum of the minimum limits of the financial activities³. • The company conducting family business investment management activity is required to be wholly owned (100%) by one or more of the family members - according to the concept determined by the Authority - whether it is a natural person and/or, a legal person wholly owned at (100%). The company's owners' wealth should not be less than 25 million dirhams⁴. • The activity of managing the Profit Sharing Investment Account shall be limited to a legal person established within the State and wholly owned by the Federal Government, any local government, governmental institutions or bodies or companies wholly owned by any of them and shall operate in accordance with the provisions of the Islamic Sharia only.⁵ 	1) Manager or Head of Category 2) Head of Compliance. 3) Head of Risk Management. 4) Investment Operations Manager	The paid-up capital is not less than (1) million dirhams.	Investment fund management. Family business Investment Management (Family office) ⁷	1. Fund's Investment Manager or Portfolio Manager. 2. Financial Analyst ⁶ .
		The paid-up capital is not less than (3) million dirhams.	Portfolios Management. ⁸	1. Fund's Investment Manager or Portfolio Manager. 2. Senior Financial Analyst. 3. Financial Analyst.
		The paid-up capital is not less than (1) million dirhams.	Fund Administration	-----
		AED 35 million	Managing a profit-sharing investment account.	1. Profit Sharing Investment Manager. 2. Senior Financial Analyst.

2 (Capital requirements for category) in second category has been amended to (Minimum capital for each financial activity) pursuant The Chairman of the Authority's Board of Directors' Resolution No. (18/R.M.) of 2022.

3 The legal form of the second category, paragraph (2) has been amended pursuant The Chairman of the Authority's Board of Directors' Resolution No. (18/R.M.) of 2022 enforced in 29/7/2022.

4 The legal form of the second category, paragraph (3) has been added pursuant The Chairman of the Authority's Board of Directors' Resolution No. (2/R.M.) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.

5 The new financial Activity (Managing a profit-sharing investment account) has been added to second category 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.

6 (Senior Financial Analyst) in second category has been cancelled pursuant The Chairman of the Authority's Board of Directors' Resolution No. (2/R.M.) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.

7 The new financial Activity (Family business Investment Management) has been added to second category pursuant The Chairman of the Authority's Board of Directors' Resolution No. (2/R.M.) of 2023 issued on 16/1/2023 and inforce on 1/2/2023.

8 (Managing securities portfolios) in second category has been amended to (portfolios Management) pursuant to Decision No. (09 /Chairman) of 2022 inforce on 1/4/2022.

Third category (Custody, Clearing and Recording)

Legal form	Capital requirements	Main positions	Financial activities within the category	Accredited jobs for each financial activity
<ul style="list-style-type: none"> • A joint stock company established in The State or in a free zone in The State (provided that the law establishing that free zone permits this) operating in the field of securities, a bank or a branch of a foreign bank licensed by the UAE Central Bank⁹. • The legal form of the general clearing activity may be trading and clearing broker or a foreign general clearing company licensed at its country of incorporation to practice the general clearing activity, provided that it is subject to a regulatory authority similar to the Authority, and has obtained the approval of the relevant authority in accordance with the Commercial Companies Law.¹⁰ • The activity of the Depository Bank or Depository Bank Agent is limited to the form of a bank or branch of a foreign bank licensed by the UAE Central Bank. • Any of the capital market institutions may practice the activity of a registrar of private joint-stock companies. 	<p align="center">The paid-up capital is not less than AED 50 million</p>	<ol style="list-style-type: none"> 1. a Head or a Manager of the Category. 2. A Head of Compliance. 3. A Head of Risk Management Officer. 4. Operations Manager, (not applicable for the Registrar of Private Joint-Stock Companies). 	Custody	-----
			General clearing	-----
			Issuer of Covered Warrants	-----
			Depository Bank of Depository Receipts	-----
			Depository Bank Agent of Depository Receipt	-----
			Registrar of the private joint stock companies	-----

9 First paragraph in (legal form) of the Third category has been amended pursuant The Chairman of the Authority's Board of Directors' Resolution No. (18/R.M.) of 2022.

10 Second paragraph in (legal form) of the Third category has been amended pursuant to Decision No. (09/Chairman) of 2022 inforce on 1/4/2022.

Fourth Category (Credit Rating Agencies)

Legal form	Capital requirements	Main functions of the Category License
<ul style="list-style-type: none"> • A legal person incorporated within The State, or a branch of a foreign company incorporated within The State in accordance with the Commercial Companies Law, or a company incorporated in a free zone within The State (provided that the law establishing that free zone permits this) ¹¹. • A body licensed to operate in one of the financial free zones in The State, provided that it adheres to the following: <ol style="list-style-type: none"> 1. Provisions of the Companies Law related to the conduct of business by financial free zone companies within The State.¹² 2. Carry out the activity through its headquarters in the financial free zone or within The State. 3. Submit proof of agreement with the regulatory authority in the financial free zone on the following: <ol style="list-style-type: none"> a) The implementation of the legislations issued by the Authority when practicing credit rating activity in The State. b) Restricting the jurisdiction related to any dispute that arises based on the license issued thereto by the Authority to the courts of The State, excluding the courts of the Financial Free Zone, provided that its agreements with its clients shall include clauses to this effect. c) The approval of the regulatory authority in the Financial Free Zone to enable the Authority to carry out its regulatory and supervisory role without any restriction or condition on the company's business related to the license issued thereto by the Authority. • The credit rating analyst and the head of credit rating analysis official may be accredited by the Authority, or approved/ registered by another regulatory authority similar to the Authority. 	<p>The paid-up capital is not less than AED 5 million</p>	<ol style="list-style-type: none"> 1. A head or A Manager of Category. 2. A head of Compliance. 3. Credit rating analyst. 4. Head of Credit Rating analysis official.

¹¹ First paragraph in (legal form) of the Fourth category has been amended pursuant The Chairman of the Authority's Board of Directors' Resolution No. (18/R.M.) of 2022 inforce on 29/7/2022.

¹² Clause (1) in second paragraph in (legal form) of the Fourth category has been amended pursuant to Decision No. (09/Chairman) of 2022.

Fifth Category (Arranging and Advice)

Legal form	Capital requirements ¹³	Main positions of the Category License ¹⁴	Financial activities within the category	Approved jobs for each financial activity
<ul style="list-style-type: none"> • A legal person incorporated within The State, or a branch of a foreign company incorporated within the state in accordance with the Commercial Companies Law, or a company incorporated in a free zone within the state (provided that the law establishing that free zone permits this)¹⁵. 	The paid-up capital is not less than AED 500,000 ¹⁶ .	1. A Head or a Manager of Category. 2. A head of Compliance.	Financial Consulting	Financial Analyst
			Financial Adviser (Issuance Manager) ¹⁷	1. Financial Analyst. 2. Head of Risk Management
			Listing adviser	Financial Analyst
			Introducing	-----
			Promotion	Promotion Manager

13 (Capital requirements) of the Fifth category has been amended pursuant The Chairman of the Authority’s Board of Directors’ Resolution No. (2/R.M.) of 2022.

14 (Main positions of the Category License) of the Fifth category has been amended pursuant The Chairman of the Authority’s Board of Directors’ Resolution No. (18/R.M.) of 2022.

15 (The Legal form) of the Fifth category has been amended pursuant The Chairman of the Authority’s Board of Directors’ Resolution No. (2/R.M.) of 2022 and with Resolution No. (18/R.M) of 2022.

16 (Capital requirements) of the Fifth category has been amended pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(23/RM) of 2023 inforce on date 15/4/2023.

17 (Approved jobs for Financial Adviser) of the Fifth category has been amended pursuant The Chairman of the Authority’s Board of Directors’ Resolution No. (18/R.M.) of 2022.

Sixth category (The Crowdfunding Platform Operator)¹⁸

Legal form of category license	Category license capital	Main functions of the category license	Notes
<ul style="list-style-type: none"> • A market licensed by the Authority. • A company established within the State, a foreign company or branch of a foreign company according to applicable law. • A company established in a free zone (provided that the law establishing that free zone permits this) 	<p>The paid capital is not less than one (1) million dirhams.</p>	<ol style="list-style-type: none"> 1. Category Manager or Official. 2. Compliance Officer. 3. Risk Management Officer. 4. Operations Manager. 	<p>The crowdfunding platform operator shall be subject to all provisions contained in the Rulebook of the financial activities, in a manner that does not conflict with any of the provisions contained in Cabinet Resolution No. (36) of 2022 Regulating Activity of the Crowdfunding Platform Operator.</p>

¹⁸ Sixth category The Crowdfunding Platform Operator has been added pursuant The Chairman of the Authority's Board of Directors' Resolution No. (11/R.M.) of 2022 enforced on 15/6/2022.

Seventh category (Virtual Assets Services Providers)¹⁹

Legal form of category licensees	Main functions of the category	Minimum capital for each financial activity	Financial activities within the category	Accredited jobs for each financial activity
A legal person incorporated within the state, or a branch of a foreign company according to the Commercial Companies Law; or a foreign bank branch licensed by UAE Central Bank, or a company incorporated in a free zone within the state (provided that the law establishing that free zone permits this).		2 million dirhams.	Virtual assets broker	-----
		(4) million dirhams in addition to the equivalent of operating expenses for 6 months.	Custody of Virtual assets	-----

19. Seventh category (Virtual Assets Services Providers) has been added pursuant The Chairman of the Authority’s Board of Directors’ Resolution No. (27/R.M.) of 2023.

	<ol style="list-style-type: none"> 1. Head of Category or Manager. 2. Head of Compliance. 3. Head of Risk Management. 4. Operations Manager. 5. IT Officer. 6. Information Security Officer. <p style="text-align: center;">(Positions specified in Clauses (5, 6) don't require accreditation from the Authority)</p>	<p>(1) million dirhams in addition to the equivalent of operating expenses for a period of (6) months in the event of only practicing the activity of the virtual assets platform operator without practicing any other activities related to the virtual assets services providers.</p> <p style="text-align: center;">or</p> <p>(5) million dirhams in addition to the equivalent of operating expenses for a period of (6) months in the event of practicing the activity of the virtual assets platform providers, in addition to any of the other activities of the virtual assets service providers.</p>	<p>Virtual asset platform operator</p>	<p>Financial Manager</p> <p style="text-align: center;">(The position of the financial manager doesn't require accreditation from the Authority)</p>
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Annex No. (2) Accounting System Controls

First: The licensed body for the first category shall be obligated to provide an electronic accounting system for managing the accounts of the licensed body and the accounts of its clients (Unified Centralized Back Office System), provided that it meets - at a minimum - the following technical conditions:

1. A password and separate powers that suit the functional tasks of each user of the system.
2. The Archive Audit Trail Log feature for the following:
 - a) Entries movements of and financial movements.
 - b) Powers movements.
 - c) Traffic monitoring of entry and exit processes from the system.
3. The feature of separating tasks between setting the entry and posting.
4. The feature of setting time of the server device for the back office system according to the local time of the country.
5. A mechanism for maintaining backup copies of the back office system on a daily basis (Incremental Backup) and on a monthly basis (Full Backup) on storage media away from the back office system server for a period of (10) years.
6. The feature of creating an automatic serial number (Auto Generated Number) when registering the entry – non-adjustable - including the date and local time automatically, provided that they are modified in exceptional cases.
7. The feature of printing reports that include the entries whose date or time has been modified, indicating the automatic date and time of those entries.
8. **The ability to print daily reports and convert the same into (PDF) and (Excel) format, in particular the following reports:**
 - a) A statement of the client's securities balances.
 - b) The client's account statement including all the movements that take place on his account with the company in terms of buying, selling, receiving, disbursing, registering, transferring ownership and other movements.
 - c) The multi-level trial balance.
 - d) Analytical data for the items of the trial balance, in particular bank statements of accounts, and a statement of debit and credit balances for clients.
 - e) A statement of the clients' zero balances.
 - f) Cheque movement statement (collected, canceled, bounced).

- g) A statement of the terms of receivables related to clients in compliance with the minimum requirements of the Authority in the form of (Excel Sheet as per SCA template).
- h) Financial position.
- i) Income statement.

9. The possibility of implementing the requirements described below - at a minimum -:

- a) Posting the entries at the end of the day, and preventing the amendment of the entries after posting the same.
- b) Show the commission separately in the client's account statement.
- c) Uploading the data of transactions executed in the markets in real time to the accounting system, in order to control clients' cash and paper balances through real-time settlement by linking the accounting system to the Client Order Management System (OMS).

Second: The licensed body that uses the accounting system is obligated to:

1. Keeping an updated copy of the User Manual for the used accounting system.
2. Providing continuous technical support for the accounting system to ensure that all technical problems that may occur are addressed.
3. Notifying the Authority immediately in the event of any sudden malfunctions in the accounting system, indicating the expected period its continuation, and providing the Authority with a technical report from the system manufacturer, stating the reasons for the malfunction.
4. Notifying the Authority in the event of a change in the accounting system used therein, with an explanation of the reasons for the same.