



AMENDMENTS No. 4 AIFC MARKET RULES

Approval Date: 24 June 2019

Commencement Date: 24 June 2019



In this document, a blue font and underlining indicates new text and strikethrough indicates deleted text, unless otherwise indicated.

Guidance: Purpose and application of MAR

The purpose of the rules and guidance set out in MAR is to provide the necessary detail in relation to:

- a. the manner in which Securities may be offered for sale;
- b. the conditions for admission of Securities to trading;
- c. Exempt Offerors and Exempt Securities;
- d. the content of a Prospectus;
- e. the approval and publication of a Prospectus;
- f. Prospectus Liability;
- g. Corporate Governance Principles;
- h. Obligations of Reporting Entities including:
 - i. the obligation to prepare financial statements; and
 - ii. the obligation to appoint a sponsor or compliance adviser if required by the AFSA;
- i. Market Abuse; ~~and~~
- j. Market Disclosure; and
- k. the conditions for admission of Units to trading and the application of the Market Abuse and Market Disclosure Rules to Listed Funds, Units of Listed Funds, and Fund Managers of Listed Funds.

The application of the Rules in MAR is stated in respect of each Rule or apparent from the context. However, by way of summary:

- MAR 1 (Offer of Securities) is applicable to all persons who may seek to have Securities admitted to trading or to offer Securities by way of placement and to all persons who may be liable for the contents of a Prospectus (as identified in MAR 1.9.1).
- MAR 2 (Governance of Reporting Entities) applies to Reporting Entities other than a Reporting Entity that is a Listed Fund or a Fund Manager of a Listed Fund (in its capacity as such).
- MAR 3 (Financial Reports) applies to Reporting Entities other than a Reporting Entity that is a Listed Fund or a Fund Manager of a Listed Fund (in its capacity as such).
- MAR 4 (Sponsors and Compliance Advisers) applies to Reporting Entities (other than a Reporting Entity that is a Listed Fund or a Fund Manager of a Listed Fund (in their capacity as such)) and any person who intends to have Securities admitted to an Official List of Securities or admitted to trading on an Authorised Investment Exchange, as well as to sponsors and compliance advisers appointed by them.



- MAR 5 (Market Abuse) applies to all persons without limitation.
- MAR 6 (Market Disclosure) applies to Reporting Entities.
- [MAR 7 \(Listed Funds\) is applicable to all persons who may seek to have Units admitted to trading and applies to Listed Funds, Units of Listed Funds, and Fund Managers of Listed Funds.](#)

2 GOVERNANCE OF REPORTING ENTITIES

2.1. Application

Guidance: Definition of Reporting Entity

Section 81 of the Framework Regulations provides:

A Person is a Reporting Entity if the Person

- (a) has Securities [or Units](#) admitted to an Official List ~~of Securities~~; ~~or~~
- (b) is the Fund Manager of a Listed Fund; ~~or~~
- (~~b~~c) is declared by the AFSA to be a Reporting Entity.

[This section 2 of the MAR will not apply to a Reporting Entity that is a Listed Fund or the Fund Manager of Listed Fund \(in its capacity as such\), and the CIS and the Business Rules prescribe the governance requirements for Listed Funds.](#)

Under AMI 3.2.3 and 3.6.6 a Person who seeks to have Securities admitted to trading on an Authorised Investment Exchange and the Issuer of Securities admitted to an Official List maintained by an Authorised Investment Exchange must give enforceable undertakings to the AFSA to submit unconditionally to the jurisdiction of the AFSA in relation to any matters which arise out of or which relate to its use of the facilities of the Authorised Market Institution, including but not limited to requirements in MAR relating to Reporting Entities.

...

3 FINANCIAL REPORTS

Guidance: Financial reporting requirements for Listed Funds

[This section 3 of the MAR will not apply to a Reporting Entity that is a Listed Fund or the Fund Manager of Listed Fund \(in its capacity as such\), and the CIS and the Business Rules prescribe the financial reporting requirements for Listed Funds.](#)

...



4 SPONSORS AND COMPLIANCE ADVISERS

4.1 Sponsors

4.1.1 Appointment of sponsors

Where the AFSA chooses to exercise the power under section 85 of the Framework Regulations to require a Reporting Entity or a Person that intends to have Securities admitted to an Official List ~~of Securities~~ or admitted to trading on an Authorised Investment Exchange to appoint an Authorised Firm or Ancillary Services Provider to act as a sponsor, the AFSA will notify the relevant Person in writing.

...

7 LISTED FUNDS

7.1.1 Application

This part applies to:

- (a) a Listed Fund; and
- (b) a Fund Manager of a Listed Fund.

7.1.2 Conditions for admission of Units to trading

An Authorised Investment Exchange may not admit Units to trading unless:

- (a) the Units have been admitted to the Official List maintained by the Authorised Investment Exchange in accordance with section 66 of the Framework Regulations; and
- (b) in relation to Units of Listed Funds other than Overseas Listed Funds:
 - (i) the Fund is a Non-Exempt Fund registered under the AIFC Collective Investment Scheme Rules;
 - (ii) there are Offering Materials in relation to the relevant Units and the Authorised Investment Exchange has satisfied itself that such Offering Materials satisfies the requirements in AIFC Collective Investment Scheme Rules.

Guidance: Listing Exempt Funds

Exempt Funds may be admitted to the Official List, but not to trading, as they can only be offered on a private placement basis to certain investors.

7.1.3 Application of MAR to Listed Funds

The following parts of MAR shall generally apply to Listed Funds, with all necessary modifications (such that references to "Security" or "Securities" shall be read as references to "Unit in a Listed Fund" or "Units in a Listed Fund", respectively; references to the "Issuer" shall be read as references to the "Listed Fund"; and references to "Reporting Entity" shall be a reference to "the Listed Fund and its Fund Manager" (except the second reference to "Reporting Entity" in Rule 6.1.1 shall be a reference to the "Listed Fund" only):



(a) MAR 5 (Market Abuse);

(b) MAR 6 (Market Disclosure).

The following parts of MAR shall not apply to Listed Funds, or a Reporting Entity that is the Fund Manager of Listed Fund (in its capacity as such):

(c) MAR 1 (Offer of Securities);

(d) MAR 2 (Governance of Reporting Entities);

(e) MAR 3 (Financial Reports); and

(f) MAR 4 (Sponsors and Compliance Advisors).

7.1.4 Disclosure of Financial Reports and Valuation

The Fund Manager of a Listed Fund (other than an Overseas Listed Fund) must disclose to the market any interim and annual reports and any valuations that the Listed Fund is required to prepare and disclose to Unitholders under CIS 10 promptly on their being available.