



ABU DHABI GLOBAL MARKET  
سوق أبوظبي العالمي

*CONSULTATION PAPER  
NO. 1 OF 2022*

**PROPOSALS FOR  
ENHANCEMENTS TO CAPITAL  
MARKETS AND VIRTUAL  
ASSETS IN ADGM**

**21 MARCH 2022**

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## Introduction

### *Why are we issuing this paper?*

1. The Financial Services Regulatory Authority (“FSRA”) of Abu Dhabi Global Market (“ADGM”) has issued this Consultation Paper to seek views on significant proposed enhancements to its capital markets regulatory framework. Amendments are proposed to the FSRA’s Financial Services and Markets Regulations (“FSMR”), as well as the Market (“MKT”), Market Infrastructure (“MIR”), General (“GEN”), Conduct of Business (“COBS”), Islamic Finance (“IFR”) and Fees (“FEES”) Rulebooks. The proposed amendments would also replace the existing Rules of Market Conduct (“RMC”) with a Code of Market Conduct (“CMC”). Specific enhancements to the FSRA’s Virtual Asset regulatory framework are also proposed.
2. In order to provide a better understanding of the impact of the proposed amendments, the FSRA has also published draft guidance relating to offers and listings by mining and petroleum entities, continuous disclosure and the regulation of spot commodities, as well as draft forms for use with the proposed amendments to MKT. An updated draft of the FSRA’s ‘Guidance – Regulation of Virtual Asset activities in ADGM’ is also published.
3. Capitalised terms which appear in this paper have the meanings attributed to them in the FSRA’s Glossary, unless otherwise defined herein.

### *Who should read this paper?*

4. This Consultation Paper should be of particular interest to:
  - Issuers, Listed Entities, Reporting Entities, Sponsors and Compliance Advisors;
  - Mining and Petroleum Reporting Entities;
  - Recognised Investment Exchanges and Recognised Clearing Houses (Recognised Bodies);
  - Remote Investment Exchanges (“RIEs”) and Remote Clearing Houses (Remote Bodies);
  - Multilateral Trading Facilities (“MTFs”) and Organised Trading Facilities (“OTFs”);
  - Remote Members;
  - Persons who undertake activities in relation to Specified Benchmarks;
  - Persons undertaking Regulated Activities in relation to Virtual Assets, including in relation to non-fungible tokens (“NFTs”);

- Authorised Persons and Recognised Bodies using the services of Price Reporting Agencies;
- Persons undertaking activities in relation to Spot Commodities or Emissions Instruments;
- Investors;
- Applicants considering undertaking any of the foregoing activities in ADGM; and
- Professional advisors to any of the foregoing persons or entities.

#### *How to provide comments?*

5. All comments should be made in writing and sent to the address or the email address specified below. If sending your comments by email, please use the Consultation Paper number in the subject line. If relevant, please identify the organisation you represent when providing your comments. The FSRA reserves the right to publish, including on its website, any comments you provide, unless you expressly request otherwise at the time of submitting those comments. Comments supported by reasoning and evidence will be given more weight by the FSRA.

#### *What happens next?*

6. The deadline for providing comments on the proposed framework is 20 May 2022. After receiving your comments, we shall consider whether any modifications are required to the proposals, and the Board of ADGM and the FSRA will then proceed to enact the proposals in their final form. You should not act on these proposals until final Regulations, Rules and guidance are issued by the FSRA. We shall issue a notice on our website when that happens.

#### *Comments to be addressed to:*

Consultation Paper No. 1 of 2022  
Abu Dhabi Global Market  
ADGM Square  
Al Maryah Island  
PO Box 111999  
Abu Dhabi, UAE  
Email: [consultation@adgm.com](mailto:consultation@adgm.com)

## Background

1. Since the launch of the FSRA's capital markets framework, the FSRA has enacted one significant set of markets-focused amendments in 2018 that focused on four key areas: Remote Bodies; Remote Members; Price Stabilisation; and real-time surveillance transaction reporting.
2. The current review of FSMR and its Rulebooks has been undertaken in a holistic and detailed manner for the purpose of further enhancing ADGM's markets regime.
3. The proposed amendments are wide ranging, impacting on Recognised Investment Exchanges, Recognised Clearing Houses, MTFs, OTFs, Remote Bodies, Members, investors, Offerors, Issuers, Listed Entities/Reporting Entities and their Sponsors. The impact on markets-related activities in ADGM is expected to be significant, across activities in the areas of Securities, Derivatives, Commodities, Benchmarks and Virtual Assets. New, bespoke requirements are proposed in relation to Benchmarks (Administrators and participants), position limits, Price Reporting Agencies, Spot Commodities, continuous disclosure and the Official List of Securities, including across capital structures, mining and petroleum companies, and asset-based admissions to the Official List. We have also reviewed the application and operation of Virtual Assets within our capital markets framework.
4. These significant changes, taken collectively, are intended to ensure that the capital markets ecosystem in ADGM remains aligned with leading global regulatory standards, and promotes it as market-leading in a number of areas, particularly in comparison to the capital markets regimes currently operating within the MENA region.
5. We now outline the most substantive proposals, and the location of the related draft amendments to FSMR and the Rulebooks related to those are detailed in Schedule A. There are a number of other, related although less substantive proposals that are not covered in the Consultation Paper and their location in FSMR and the Rulebooks is outlined in Schedule B, along with a list of proposals for miscellaneous amendments and the Rulebooks they pertain to.

## Substantive Proposals – Capital Markets

### *New Profit-Based and Asset-Based Listing Eligibility Tests*

6. MKT currently limits admission to the Official List to applicants with three or more years of audited financial statements, adequate working capital and a successful track record of earnings. The FSRA believes that the current listing requirements may hinder the listing of new, SME-type companies, as well as mining or petroleum companies that seek investment in order to commence exploration or production.
7. The proposed amendments would supplement the current listing requirements by adding the following tests.

- (i) Profits - US\$1,000,000 over the last 3 years, US\$500,000 of which was earned in the preceding 12 months.
  - (ii) Assets - requiring minimum net tangible assets of US\$3 million after taking into consideration costs of capital raising, or a market capitalisation of at least US\$10 million post capital raise.
8. While a track record of a minimum of three-years, demonstrable through audited financial statements, is still required, in specific cases an Issuer with a shorter track record may be admitted to the Official List, such as in the case of Issuers engaged in mining or petroleum exploration (see paragraphs 12 to 14 below), or where the Issuer is a 'start-up' type entity. The Issuer's requirement to possess at least 12 months working capital prior to admission remains unchanged. Admission to trading based upon profitability or assets is not unique to ADGM, but would provide greater access to capital markets for ventures in both their growth phase and as they become more established.

**Question 1:**

Do you agree with (i) the levels of profit proposed as requirements within the profits-based eligibility test; and (ii) the requirements for net tangible assets or market capitalisation proposed for the assets test?

*Restricted Securities*

9. In the circumstances where only the asset test is being met by an issuer, shares held by persons who can be considered as "insiders" would be considered Restricted Securities. Insiders and any third parties holding such shares would be required to execute and file a prescribed form of Restriction Agreement (Draft MKT Form 9-1 – Restriction Agreement) with the FSRA, pursuant to which Restricted Securities may not be traded for the duration of an applicable Restriction Period.

**Question 2:**

Do you agree with the requirements proposed relating to Restricted Securities?

*Added flexibility for capital structures and capital raising*

10. Amendments proposed for Chapter 9 of MKT are intended to attract companies in their growth phase by providing greater flexibility when raising capital by allowing:
- (i) listed companies to offer new shares to new investors, representing up to 20% of their existing share capital per year, without triggering the pre-emptive, anti-dilution rights of existing shareholders; and
  - (ii) the offer and listing of preference shares, convertible securities and shares with variable voting rights (subject to specified conflict of interest safeguards).

11. Having such flexibility is consistent with other start-up friendly jurisdictions such as the US, Singapore and Australia, and is aligned with the proposed asset- and profit-based listing eligibility requirements as well as the proposed mining and petroleum listing specific rules (see paragraphs 12 to 14 below).

**Question 3:**

Do you agree with (i) the ability to offer a limited number of additional shares to new investors on an annual basis without triggering existing shareholder's anti-dilution rights and (ii) the introduction of variable voting rights for holders of the same class of shares?

*Offers and Listings by Mining and Petroleum Entities*

12. Mining and petroleum (MAP) entities are capital intensive and require funding throughout their exploration and production phases. The proposed amendments build upon ADGM's focus on commodities by including a MAP listing regime in an effort to attract regional and global MAP issuers.
13. Rules concerning disclosure by MAP entities are by their nature technical and reflect international best practices in leading jurisdictions for MAP companies, including Australia, Canada, South Africa, Norway, United Kingdom, United States, China, Singapore and Hong Kong. New MKT Chapters 11 (Mining Reporting Entities) and 12 (Petroleum Reporting Entities) will create a framework for the listing and trading of securities issued by those entities.
14. In order to assist with the review of the proposed amendments affecting MAP entities, the FSRA has appended to this paper draft guidance notes covering the disclosure of reserves and resources for both mining and petroleum entities, as well as draft MKT Forms 11-1 and 12-1 in regards to reserves and resources held by mining and petroleum entities, respectively.

**Question 4:**

Do you agree with the introduction of the MAPs offering, listing and disclosure framework for Mining Reporting Entities and Petroleum Reporting Entities? Are there are other factors that FSRA should consider for use within the MAPs regime at this point in time?

*Enhancements to the Continuous Disclosure framework*

15. The proposed amendments to Chapters 3 (Units) and 7 (Securities) of MKT contain enhancements to the Continuous Disclosure requirements intended to strengthen and clarify obligations concerning the disclosure of Inside Information. Specifically, the amendments clarify the process and grounds for non-disclosure of Inside Information by placing the burden for satisfaction of such requirements upon a Reporting Entity, consistent with the approach taken in other leading jurisdictions.

16. The proposed amendments will also provide the FSRA with a power to halt trading, at the request of a Reporting Entity. Such powers can be used to provide temporary relief to a Reporting Entity, enabling it to withhold Inside Information on permitted grounds, without breaching disclosure obligations. The operation of such power will be in conjunction with the suspension powers of the FSRA.

**Question 5:**

Do you agree with the amendments proposed to the Continuous Disclosure framework?

*Derivatives - Price and Position Limits*

17. The proposed amendments to MIR would create price and position limits for commodity derivative traders that are necessary to prevent excessive speculation or the associated unreasonable or unwarranted fluctuations in commodity derivative prices. RIEs, MTFs and OTFs would be required to ensure fair and orderly trading by imposing price limits, intended to avoid sharp price increases. Such limitations would be consistent with the FSRA's existing "fair and orderly" obligations contained in MIR Rule 3.3 and should not therefore place an unreasonable burden on existing market operators.
18. Market operators will be required to devise and establish position limits within their Business Rules obliging their members to report their positions to the market operator. From a governance perspective, market operators will be required to report periodically to the FSRA, as well as demonstrate effective internal monitoring systems and controls alongside measures that may be taken when a position limit has been exceeded.

**Question 6:**

Do you agree with the introduction of position limit requirements?

*Trading of Emissions Instruments*

19. It is proposed that the definitions of Specified Investments and Financial Instruments in FSMR be expanded to include emissions allowances, i.e. the right to emit certain pollutants that are traded through an emissions trading scheme, as an "Emissions Instrument". Notably, the FSRA's approach to defining an Emissions Instrument would allow for both the 'cap and trade' and 'carbon offsetting' types of schemes, with regulatory frameworks for both schemes expanding rapidly across global markets.

**Question 7:**

Do you agree with the amendments proposed to allow for the inclusion of Emissions Instruments within the regulatory framework of the FSRA?

*Spot Commodities*

20. Financial service regulators in leading jurisdictions have not commenced regulating the trading of spot commodities at this point in time, despite the view within IOSCO and elsewhere that such activities should be considered for regulation. The FSRA, aware of exchanges and participants that would welcome regulation of the activities they undertake in relation to spot commodities, is proposing to introduce a new regulatory framework regulating spot commodity trading, in a manner similar to the approach applied by the FSRA when it introduced a framework for the regulation of activities involving Virtual Assets.
21. While the introduction of a novel regulatory framework is not without potential risk, ADGM is developing as a commodities trading hub, which would be enhanced with the proposed MKT amendments concerning mining and petroleum entities and new regulatory requirements concerning benchmarking activities (see above, and below). It is hoped that such a framework may both attract trading venues and develop new markets in commodities such as carbon, hydrogen and ammonia, in addition to those for precious metals.
22. The regulatory framework would address potential risks by:
- only allowing ‘Accepted Spot Commodities’ which possess certain market and sustainability characteristics to be traded;
  - compelling appropriate standards for responsible and sustainable sourcing of commodities;
  - imposing storage and delivery/settlement standards, including in circumstances where storage is outside ADGM;
  - requiring operators of an auction platform to do so in an orderly manner, with periodic price discovery; and
  - requiring the use of mechanisms to address contract performance issues, including disputes concerning title, delivery and underperformance.
23. The proposed fee structure for Spot Commodity Activities would be aligned with the fees associated with Virtual Asset activities.

**Question 8:**

Do you agree with the introduction of a regulatory framework that would enable the FSRA to regulate spot commodity trading?

**Question 9:**

Are there other factors to be considered when considering which commodities should be considered as Accepted Spot Commodities?

*Specified Benchmarks*

24. Section 7 of FSMR specifically empowers the FSRA to impose rules regulating the setting of Specified Benchmarks recognized by the FSRA, and where “Providing Information in Relation to a Specified Benchmark” and “Administering a Specified Benchmark” are two distinct Regulated Activities. While the manipulation of a Benchmark is considered market abuse under FSMR, the absence of RIEs and MTFs in ADGM until recently has meant that no Rules had been included in the Rulebooks covering them, for firms that could contribute to their calculation and their administration.
25. It is proposed that Chapter 21 be added to COBS that would impose general requirements concerning governance, systems and controls and record-keeping for benchmark administrators, aligned with comparable jurisdictions. The amendments also describe the factors the FSRA will consider when designating a Benchmark as a Specified Benchmark, a list of which would be maintained and published by the FSRA.

**Question 10:**

Do you agree with the proposed requirements concerning governance, systems and controls and record keeping for Benchmark Administrators?

*Changes supporting Sustainable Finance*

26. Whilst the FSRA supports developments to further raise the profile of Environmental, Social and Governance (ESG) considerations, and more specifically enhancements in the area of sustainable finance, the FSRA is not proposing to introduce detailed regulations at this time. Rather, the FSRA proposes introducing reporting and disclosure requirements consistent with leading jurisdictions, while monitoring developments in this area.
27. Specifically, the proposed amendments would have three areas of impact:
- ESG-related disclosure obligations for Listings and Offers are proposed for MKT;
  - ESG-related sourcing standards within the Spot Commodities framework; (see paragraph 24 above); and
  - the expansion of the definition of Specified Investments and Financial Instruments in FSMR to include Emissions Instruments (see paragraph 19 above).

**Question 11:**

Do you agree with the amendments proposed relating to sustainable finance?

*Exemptions for Controllers/Group Members of a Recognised Body*

28. Paragraph 83, Schedule 1 of FSMR currently exempts ADGM firms from FSRA regulation when undertaking dealing activities (whether as principal or agent) in circumstances where:

- (a) *the person carries on such activities as a member of a Recognised Body or Remote Body;*
- (b) *the person carries on such activities for his own account or for another Body Corporate which is in the same Group as the person;*
- (c) *the person restricts such activities to transactions on or with that Recognised Body or Remote Body involving or relating only to Commodity Derivatives;*
- (d) *the main business of the person is dealing in relation to Commodity Derivatives; and*
- (e) *the person is not part of a Group whose main business is the provision of financial services.*

29. While the current exemption is aligned with other jurisdictions, it is the FSRA's view that the exemption should be further narrowed to only be available where the person or a Group of which it is part is not a Controller of a Recognised Body. This should preserve the FSRA's supervisory perimeter necessary to maintain confidence in the market.

**Question 12:**

Do you agree with the amendments proposed to further narrow the exemption relating to Controllers of a Recognised Body?

*Code of Market Conduct*

30. The current Rules of Market Conduct (RMC) considers behaviours that are to be taken into consideration when determining whether conduct constitutes Market Abuse. The FSRA has formed the view that RMC as it currently stands should be seen more as a code of market conduct, and thus is suggesting that the RMC be renamed as such, i.e. as the "Code of Market Conduct" (CMC) and the text therein amended accordingly.
31. The FSRA is also proposing to expand the CMC to address Insider Dealing in relation to Commodity Derivatives, Accepted Virtual Assets and Accepted Spot Commodities.

## Proposals for Virtual Assets and Non-Fungible Tokens

### Virtual Assets

32. Since the successful introduction and take-up of a regulatory framework governing Virtual Assets in 2018, and the growing ecosystem that supports activities in that area, the FSRA has not made any substantive revisions to it. The FSRA continues to engage with its market participants and other relevant stakeholders in the Virtual Assets industry, and considers that the introduction of two amendments at this time is justified in order to complement our current, comprehensive framework.
33. Firstly, by introducing requirements in relation to the use of public keys that would require an Authorised Person utilising Virtual Assets to maintain controls relating to the sharing and reuse of public keys, consistent with the current treatment of private keys. Secondly, by moving the content of COBS Rule 17.6.2 relating to the disclosure of risks associated with Virtual Assets to the FSRA's standalone Guidance on Virtual Assets in order to focus the attention of the authorised entity on those risks that are most relevant to it, rather than prescribing what the disclosure must contain.

### Non-Fungible Tokens

34. The FSRA recognises the growing relevance of NFT markets within the wider markets for digital assets. NFTs, being akin to intellectual property rights over unique creations, may not themselves constitute Specified Investments or Financial Instruments. While the FSRA is not proposing to establish a formal regulatory framework for NFTs at this point in time, the FSRA is open to NFT activities (where such NFTs do not relate to Specified Investments and would then otherwise see them caught by FSRA's existing regulatory framework) being undertaken within ADGM in certain circumstances, such as when an MTF wishes to operate a market for the trading in such NFTs. Such activities may only be undertaken by regulated and active MTFs/Virtual Asset Custodians, where both of those activities are conducted within ADGM.
35. ADGM firms, whether conducting Regulated Activities or not, should also be aware that transactions in NFTs may also trigger the requirement to comply with the ADGM's Anti-Money Laundering and Sanctions Rules (AML) Rules, including, but not limited to the requirement to register with the FSRA as a Designated Non-Financial Business or Profession (DNFBP).
36. The FSRA will continue to monitor market developments and ensure that ADGM continues to play a thought leadership role, both regionally and globally. The FSRA proposes to include key amendments into its "Guidance – Virtual Asset Activities in ADGM" (see Attachment 5).

**Question 13:**

Do you agree with the amendments proposed for Virtual Assets and NFTs?

**Question 14:**

For (non-Specified Investment type) NFT activities that might be undertaken within ADGM:

- (i) What types of NFTs should be permitted to trade upon MTFs?
- (ii) What trading/auction mechanisms might be envisaged?
- (iii) How would it be best to integrate third-party NFT registries?
- (iv) How would custody of the NFTs be best achieved within ADGM?

*Proposed Amendments – FSMR, Rulebooks, supporting Guidance and Forms*

37. The detailed, draft legislative amendments to FSMR are set out in Annexure A and those for the Rulebooks as follows, with Schedules A and B providing the specific location therein of the proposed amendments related to each topic.

- Annexure A: Financial Services and Markets Regulations 2015 (FSMR)
- Appendix 1: General Rulebook (GEN)
- Appendix 2: Market Rulebook (MKT)
- Appendix 3: Conduct of Business Rulebook (COBS)
- Appendix 4: Market Infrastructure Rulebook (MIR)
- Appendix 5: Fees Rulebook (FEES)
- Appendix 6: Islamic Financial Rulebook (IFR)
- Appendix 7: Glossary (GLO)
- Appendix 8: Rules of Market Conduct (RMC)

38. For completeness, the FSRA is also publishing draft guidance in a number of areas along with the draft forms that are referred to in the proposed MKT amendments.

Attachment	Document
<b>Draft Guidance</b>	
<b>1</b>	Disclosure Requirements for Mining Reporting Entities
<b>2</b>	Disclosure Requirements for Petroleum Reporting Entities

<b>Attachment</b>	<b>Document</b>
<b>3</b>	Continuous Disclosure
<b>4</b>	Regulation of Spot Commodity Activities in ADGM
<b>5</b>	Regulation of Virtual Asset Activities in ADGM
<b>Draft MKT Forms</b>	
<b>6</b>	9-1- Restriction Agreement
<b>7</b>	10-1 - Reporting Entities – Quarterly Cash Report
<b>8</b>	11-1 – Mining Reporting Entities – Summary of Reserves and Resources
<b>9</b>	12-1 - Petroleum Reporting Entities – Summary of Reserves and Resources

**Question 15:**

Do you agree with the proposed amendments, as set out in the Annexure, the Appendices and the Attachments?

**Question 16:**

Do you have any other comments to make in relation to this Consultation Paper?

## Schedule A: Substantive Proposals outlined in this Consultation Paper

Primary focus	Area	Proposed Amendments to Rulebook(s)
MKT	New Asset-based and Profits-based Listing Eligibility Tests	MKT 2.3.9, 2.3.15 and 2.3.16
	Capital Structures/Capital Raising Functionality – Listed Entities <ul style="list-style-type: none"> <li>- Elimination of mandatory pre-emption rights</li> <li>- Variable and preferential rights</li> <li>- Issues of new Securities following admission to the Official List</li> <li>- Preference Securities</li> <li>- Weighted Voting Rights</li> </ul>	MKT 9.3.1, 9.3.3, 9.3.5, 9.3.9 to 9.3.13, 9.3.14 to 9.3.17, 9.7 and 4.4.1(10)
	Mining and Petroleum Companies (MAPs) – Offers and Listings	New MKT Chapters 11 and Chapter 12, and GLO <ul style="list-style-type: none"> <li>- Guidance – Disclosure Requirements for Mining Reporting Entities; and</li> <li>- Guidance – Disclosure Requirements for Petroleum Reporting Entities; and</li> </ul>

Primary focus	Area	Proposed Amendments to Rulebook(s)
		- MKT Forms 10-1 and 11-1.
	Restricted Securities	MKT 9.6, 2.3.10(4), 2.3.16(6) and (7) and APP 7 - MKT Form 9-1.
	Enhancements to the Continuous Disclosure Framework	MKT 7.1, 7.2, 7.5, 7.7, 7.8 and 3.5 - Guidance – Continuous Disclosure
MIR	Derivatives – Price and Position Limits	MIR 3.3.5 to 3.3.15, and MIR 5.4.1 Item 63
FMSR	Emissions Instruments	FMSR Sections 258 and 99B of Schedule 1
	Exceptions for Controllers/Group Members of a Recognised Body	FMSR Section 83 of Schedule 1
COBS	Spot Commodities Framework	COBS Chapter 22, FEES 3.17, MIR 3.4, and FMSR Sections 5A, Par 8, 149(3), 258 and 43 of Schedule 1, and GLO
	Specified Benchmarks	COBS Chapter 21, FEES 3.16, FMSR Sections 196(1)(l) and 258
	Virtual Assets	COBS 17.5(b), 17.6.2, 17.7.2 and 17.7.4, Guidance – Virtual Asset Activities in ADGM

Primary focus	Area	Proposed Amendments to Rulebook(s)
	NFTs	Guidance – Virtual Asset Activities in ADGM (paragraphs 167-170)
Others	Changes supporting Sustainable Finance	MKT 11.11 (and MKT Form 11-1), 12.14 (and MKT Form 12-1), APP1 A1.1 – Item 8, APP 2 Item 3.2, COBS Chapter 21 and FSMR Section 258
	Code of Market Conduct	Across CMC (former RMC), CMC 5-6(3), also covering Insider Dealing in relation to Commodity Derivatives, Accepted Virtual Assets, Accepted Spot Commodities.

## Schedule B: Other Proposals not outlined in this Consultation Paper

Primary focus	Area	Proposed Amendments to Rulebook(s)	Policy Intent
MKT	Financial Reporting of Reporting Entities	MKT 2.3.2 (Guidance), MKT 2.3.3 (Guidance), MKT 3.9, MKT 10.1.1, MKT 10.1.3A (1), MKT 10.1.3B (1), MKT 10.1.7(2)(c) and MKT 10.1.8(2)(c).  - MKT Form 10-1	<ul style="list-style-type: none"> <li>Preliminary financial statements</li> <li>Working capital</li> <li>Quarterly cash flow reporting</li> </ul>
	Sponsors & Compliance Advisers – Clarification of Responsibilities	MKT 5.1.1(2), 5.1.2, 5.1.3, 5.1.5, 5.1.6, 5.1.7, 5.1.9 and Section 83 of FSMR	Sponsor appointment for Issuer seeking Securities to be admitted to Official List
	Offers of Retail Debentures and Sukuk	MKT 4.3, MKT 4.5 and MKT 4.14	Clarification of how to make such an Offer.
MIR	Recognition Requirements – Rules v Guidance	MIR 1.1.2, 2.1.3, 2.1.4, 2.2.1, 2.4.1, 2.4.2, 2.5.1-7, 2.6.3-5, 2.7.2, 2.8.5, 2.8.11, 2.9.3, 2.10.2, 2.11.7-8, 2.12.3-8, 2.13.4-7, 2.14.5, 3.3.2-3, 3.7.5, 3.9.5, 4.3.3, 4.7.12-13, 4.7.27-28, 4.7.30-31, 4.9.3-4, 4.10.2 and 4.11.3	MIR significantly updated to reflect Rules versus Guidance.

Primary focus	Area	Proposed Amendments to Rulebook(s)	Policy Intent
	Key Individuals	MIR 2.3.2 to 2.3.14, and FSMR sections 126, 126A and 258	Appointment of Key Individuals
	Use of Price Reporting Agencies	MIR 3.11, 3.9.1(i), COBS 8.2.1(j) and 20.4.4	Due diligence on a PRA prior to admitting to trading a Financial Instrument that references an underlying benchmark or index provided by PRA, and periodic review
FMSR	Recognition Orders – Imposition of Requirements by FSRA	FSMR Part 12, Sections 32 to 35, and 238.	Aligning certain FSRA powers (relating to conditions) when granting Recognition Orders to those of Authorised Persons.
COBS	MTFs/OTFs – Pre and Post Trade Transparency	COBS 8.2.1(g) and (h), 8.3	Align MTF/OTF transaction reporting to MIR requirements.
Miscellaneous	MKT	Across MKT, including MKT 2.2.7, 2.2.8 and 4.7.1(4)	Listing Criteria, Offers from 3rd party jurisdictions, Reporting Entity versus Listed Entity terminology, Offers in ADGM, Offers of Securities
	MIR	Across MIR, including 1.1.4, 1.1.7, 2.3.1, 2.4.7, 2.9.1, 3.2.2, 3.5.7, 3.6.7(b), 3.8, 3.9.1, 4.1.3, 4.1.4, 4.1.6, 5.1.2, 5.4.1, (11 and 13), 6.1.3, 6.7, 7.2.2(a), 8.2.1(j), 8.2.3(b)	Recognition Requirements, rulebooks, Governing Bodies, financial statements, Market Abuse v Financial Crime, operational expenses, pre-trade reporting, UTC, digital settlement facilities, admission to trading, CCP/CCS, trade repositories, notification requirements, Direction

Primary focus	Area	Proposed Amendments to Rulebook(s)	Policy Intent
			on Controllers, MTFs as Remote Bodies, Remote Member Requirements, including ADGM Branches.
	FSMR	Across FSMR, including sections 75(2), 92(1), 96, 97, 149 and 258	Financial reporting of Reporting Entities, OTFs and Market Abuse, obligation to report orders and transactions
	COBS	Across COBS, including 8.2.1, 8.5.1, 8.6.1, and 17.1.3(b).	OTFs, settlement.
	GEN	Across GEN, including 4.1.1(2), 5.2.8(1), 6.3.5(1), 6.6.3(1), 6.6.4, 8.2.	Waivers & modifications, financial resources, financial year, audited financial statements.
	IFR	Across IFR, including 1.1.1(b), 1.1.1(c), Chapter 7.	Application to Recognised Bodies, Offers.