

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



AIFC GLOSSARY

1. APPLICATION

The AIFC Glossary sets out interpretative provisions of words and expressions used in the following AIFC Financial Services Regulations and Rules:

- (a) AIFC Financial Services Framework Regulations (FSFR)
- (b) AIFC General Rules (GEN)
- (c) AIFC Authorised Market Institutions Rules (AMI)
- (d) AIFC Market Rules (MAR)
- (e) AIFC Recognition Rules (REC)
- (f) AIFC Conduct of Business Rules (COB)
- (g) AIFC Representative Office Rules (REP)
- (h) AIFC Fees Rules (FEES)
- (i) AIFC Anti-Money Laundering, Counter – Terrorist Financing and Sanctions Rules (AML)
- (j) AIFC Collective Investment Scheme Rules (CIS)
- (k) AIFC Auditor Rules (AUD)
- (l) AIFC Prudential Rules for Investment Firms (PRU(INV))
- (m) AIFC Prudential Rules for Insurance Intermediaries (PRU (INT))
- (n) AIFC Islamic Finance Rules (IFR)
- (o) AIFC Islamic Banking Business Prudential Rules (IBB)

2. INTERPRETATION

<u>Accepting Deposits</u>	<u>The Regulated Activity as defined in paragraph 17 of Schedule 1 of GEN.</u>
Acting as the Trustee of a Fund	The Regulated Activity as defined in paragraph 9 of Schedule 1 of GEN.
<u>AT1 capital</u>	<u>Additional Tier 1 Capital, as defined in BBR 4.16</u>
Admission to Clearing Rules	(In AMI) rules prepared by an Authorised Clearing House in accordance with AMI 4.1.
Admission to Trading Rules	(In AMI) rules prepared by an Authorised Investment Exchange in accordance with AMI 3.2.
Advising on Investments	The Regulated Activity as defined in paragraph 10 of Schedule 1 of GEN.
<u>Advising on a Credit Facility</u>	<u>The Regulated Activity as defined in paragraph 19 of Schedule 1 of GEN.</u>
AFSA	Astana Financial Services Authority
Affiliate	In relation to a Firm, any entity of which the Firm holds directly or indirectly or controls 10% or more but less than a majority of the voting power.
AIFC	Astana International Financial Centre
AIFC Court	The court specified under Article 13 of the Constitutional Law.
AIFC Operation	The PRU Investment Business of an Externally Regulated PRU Investment Firm that is (a) carried on through an establishment in the AIFC or (b) carried on through an establishment outside the AIFC but with customers who are resident in the AIFC.
AMI	The Authorised Market Institution Rules.
AML	The Anti-Money Laundering, Counter-Terrorist Financing and Sanctions Rules.
AML Return	A report in a prescribed format to be filed on an annual basis as described in AML 13.7.
Ancillary Service Provider	A Centre Participant which has been licensed by the AFSA to carry on one or more Ancillary Services.
Ancillary Service	An activity specified in Schedule 2 of GEN.

Annual Operating Expenditure	The amount determined as such in accordance with PRU(INV) 4.4.
Approved ECAI	An External Credit Assessment Institution in respect of which the AFSA has given approval for its ratings to be relied on by PRU Investment Firms in relation to PRU(INV) 4.
Approved Individual	An individual who is approved by the AFSA to carry out a Controlled Function.
Arranging Custody	The Regulated Activity as defined in paragraph 6 of Schedule 1 of GEN.
Arranging Deals in Investments	The Regulated Activity as defined in paragraph 11 of Schedule 1 of GEN.
<u>Arranging a Credit Facility</u>	The Regulated Activity as defined in paragraph 20 of Schedule 1 of GEN.
Assessed Professional Client	Has the meaning given in COB 2.5.1 and 2.5.6.
Associate	In respect of a Person 'A', any Person, including an affiliated company which is: (a) an Undertaking in the same Group as A; or (b) any other person whose business or domestic relationship with A or his Associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties.
Audit Personnel	An individual: (a) who is employed or appointed by an Auditor in connection with the Auditor's business in the AIFC, whether under a contract of service or for services or otherwise; or (b) whose services provided in the AIFC, under an arrangement between the Auditor and a third party, are placed at the disposal and under the control of the Auditor.
Audit Principal	A natural person who is appointed by an Auditor under AUD 2.1.3(g).
Auditor	Has the meaning given in AUD 1.
Authorised Clearing House	A Centre Participant which has been licensed by the AFSA to carry on the Market Activity of Operating a Clearing House.
Authorised Firm	A Centre Participant which has been licensed by the AFSA to carry on one or more Regulated Activities.

Authorised Investment Exchange	A Centre Participant which has been licensed by the AFSA to carry on the Market Activity of Operating an Investment Exchange.
Authorised Market Institution	A Centre Participant which has been licensed by the AFSA to carry on one or more Market Activities.
Authorised Person	Either an Authorised Firm or an Authorised Market Institution
Authorised Promoter	Has the meaning given in COB 3.3.1.
<u>Banking Business Firm</u>	Has the meaning given in AIFC BBR rules.
Bank	A Regulated Financial Institution that is authorised to accept deposits, as defined in BBR 1.5.
Base Capital Requirement	The meaning given in PRU(INV) 3.3(3).
Basel Requirements	The rules and guidance from time to time published by the Basel Committee on Banking Supervision.
Beneficial owner	<p>The beneficial owner, in relation to a customer, is a natural person:</p> <p>(a) who ultimately controls, directly or indirectly, a customer;</p> <p>(b) who, in relation to a customer which is a legal person or arrangement, exercises (whether directly or indirectly) ultimate effective control over the person or arrangement, or the management of such person or arrangement;</p> <p>(c) who ultimately owns or has an ownership interest in the customer, whether legally or beneficially, directly or indirectly;</p> <p>(d) on whose behalf or for whose benefit a transaction is being conducted; or</p> <p>(e) on whose instructions the signatories of an account, or any intermediaries instructing such signatories, are for the time being accustomed to act.</p> <p>A person not falling into (a) or (b) is not a beneficial owner by reason of (c) or (d) if, having regard to a risk-based assessment of the customer, the ownership interest is small and in the circumstances poses an insignificant (or no) risk of money laundering.</p> <p>In (a) to (e), a reference to a "customer" includes a customer account, customer assets, and the underlying legal person or arrangements which constitute or make up the customer, customer account, or customer assets.</p>
Board	In reference to a corporation, the board of directors of the corporation.

Body Corporate	Any body corporate, including a limited liability partnership and a body corporate constituted under the law of a country or territory outside the AIFC.
Branch	A Centre Participant which is incorporated pursuant to the law of a jurisdiction other than the AIFC.
<u>Broker Dealer</u>	Has the meaning given in BBR 1.6.
Business Rules	Rules established and maintained by an Authorised Market Institution in accordance with AMI 2.5.1.
<u>Capital Conservation Buffer</u>	Has the meaning given in BBR 4.31
Capital Resources	In PRU(INV) has the meaning given in PRU(INV) 3.2. In PRU(INT) has the meaning given in PRU(INT) 3.1(1).
CDD	Customer Due Diligence, as described generally in AML 6
Central Counterparty	A legal person that interposes itself between the counterparties to the contracts traded on one or more financial markets, becoming the buyer to every seller and the seller to every buyer.
Central Securities Depository	A Person who holds Securities in uncertificated (dematerialised) form so as to act as a repository of ownership entitlements to such Securities to enable book entry transfer of such Securities for the purposes of settlement of transactions.
Centre Bodies	The bodies identified in Article 9 of the Constitutional Law.
Centre Participant	As defined in Article 1(5) of the Constitutional Law: “legal entities incorporated pursuant to the acting law of the Centre, and other legal entities accredited by the Centre”
Certificate	An instrument: (a) which confers on the holder contractual or property rights to or in respect of a Share, Debenture or Warrant held by a Person; and (b) the transfer of which may be effected by the holder without the consent of that other Person; but excludes rights under an Option.
CIS	The Collective Investment Scheme Rules.
Client	A Person to whom a Centre Participant provides, intends to provide or has provided a service in the course of carrying on a Regulated Activity, Market Activity or Ancillary Service.

Client Investment	An investment as defined in COB 8.3.1.
Client Investment Account	An account as defined in COB 8.3.4.
Client Investments Auditor's Report	The report specified in COB 8.3.14.
Client Investments Rule	The Rules contained in COB 8.3.
Client Money	<p>In COB 8, has the meaning given in Rule 8.2.1;</p> <p>In COB 11, Money of any currency that an Insurance Intermediary receives or holds for, or on behalf of, a Client in the course of, or in connection with, Insurance Intermediation, except Money which is:</p> <p>(a) due and payable by the Client to the Insurance Intermediary:</p> <p>(i) for its own account; or</p> <p>(ii) in its capacity as agent of an insurer where the Insurance Intermediary acts in accordance with COB 11.8.4;</p> <p>(b) otherwise received by the Insurance Intermediary under an arrangement made between an insurer and another Person that has authority to underwrite risks, settle claims, or handle refunds of premiums on behalf of that insurer outside the AIFC and where the Money relates to that business.</p>
Client Money Account	Has the meaning given in COB 8.2.4
Client Money Auditor's Report	The report specified in COB 8.2.19.
Client Money Distribution Rules	<p>In COB 8, the Rules contained in COB 8.2.16;</p> <p>In COB 11, the Rules contained in COB 11.8.14.</p>
Client Money Rules	The Rules contained in COB 8.2.
COB	The Conduct of Business Rules.
Code of Ethics for Professional Accountants	The code of ethics for accountants issued by the International Ethics Standard Board for Accountants (IESBA) of IFAC.
Collateral	An Investment which belongs to a Client has been paid for in full by the Client and which is held or controlled by the Authorised Firm under the terms of a deposit, pledge, charge or other security arrangement.

Company service provider	<p>A company service provider is a person, not captured by (a) to (e) of the definition of DNFBP that, by way of business, provides any of the following services to a customer:</p> <p>(a) acting as an agent of legal persons to form a company;</p> <p>(b) acting as, or arranging for another person to act as, a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons;</p> <p>(c) providing a registered office, business address, or accommodation, correspondence or administrative address for a company, a partnership, or any other legal person or arrangement; or</p> <p>(d) acting as, or arranging for another person to act as, a nominee shareholder for another person.</p>
Collective Investment Scheme	<p>As defined in section 92 of the Framework Regulations, which is, in summary, any arrangements with respect to property of any description, including money, the purpose or effect of which is to enable Persons taking part in the arrangements (whether by becoming owners of the property or any part of it or otherwise) to participate in or receive profits or income arising from the acquisition, holding, management or disposal of the property or sums paid out of such profits or income.</p>
Compliance Officer	<p>The individual performing the Controlled Function identified in GEN 2.2.5.</p>
Connected Person	<p>In relation to a Person (A), a Person which has or at any relevant time had the following relationship to A:</p> <p>(a) a member of A's Group;</p> <p>(b) a Controller of A;</p> <p>(c) a member of a partnership of which A is a member;</p> <p>(d) an Employee or former Employee of A;</p> <p>(e) if A is a Body Corporate:</p> <p>(i) an officer or manager of A or of a parent of A;</p> <p>(ii) an agent of A or of a parent of A;</p> <p>(f) if A is a Partnership is or has been a member, manager or agent of A; or</p> <p>(g) if A is an unincorporated association of persons which is not a Partnership, is or has been an officer, manager or agent of A.</p>
Constitution	<p>The Constitution of a Fund</p>
<u>Contingent Funding Plan</u>	<p><u>Has the meaning given in BBR 9.10</u></p>

Contingent Liability Transaction	A Derivative under the terms of which the Client will or may be liable to make further payments (other than charges, and whether or not secured by margin) when the transaction falls to be completed or upon the earlier closing out of his position.
Contract for Differences	<p>(1) Subject to sub-paragraph (2), rights under—</p> <p>(a) a contract for differences; or</p> <p>(b) any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss by reference to fluctuations in—</p> <p>(i) the value or price of property of any description; or</p> <p>(ii) an index or other factor designated for that purpose in the contract.</p> <p>(2) There are excluded from sub-paragraph (1) —</p> <p>(a) rights under a contract if the parties intend that the profit is to be secured or the loss is to be avoided by one or more of the parties taking delivery of any property to which the contract relates;</p> <p>(b) rights under a contract under which money is received by way of deposit on terms that any interest or other return to be paid on the sum deposited will be calculated by reference to fluctuations in an index or other factor;</p> <p>(c) rights under a Contract of Insurance.</p>
Contravention	The conduct identified in section 119 of FSFR.
Controlled Function	A function of an Authorised Person that may only be carried out by an Approved Individual.
Controller	<p>A Person who, either alone or with any Associate:</p> <p>(a) holds 10% or more of the shares in either the Authorised Person or a Holding Company of that Authorised Person; or</p> <p>(b) is entitled to exercise, or controls the exercise of, 10% or more of the voting rights in either the Authorised Person or a Holding Company of that Authorised Person; or</p> <p>(c) is able to exercise significant influence over the management of the Authorised Person as a result of holding shares or being able to exercise voting rights in the Authorised Person or a Holding Company of that Authorised Person or having a current exercisable right to acquire such shares or voting rights.</p>
Corporate Governance Principles	The principles prescribed in MAR 2.2.
Contract of Insurance	Any contract of insurance or contract of reinsurance.

Credit Conversion Factor	In relation to an off-balance sheet exposure of a PRU Dealing Investment Firm.
<u>Credit Equivalent Amount</u>	Has the meaning given in BBR 5.11
<u>Credit Facility</u>	Any facility which includes any arrangement or agreement which extends monetary credit whether funded or unfunded to a Person including but not limited to any loan or syndicated loan, mortgage, overdraft, financial lease, letter of credit, financial guarantee, trade finance, transaction finance, project finance or asset finance.
<u>Credit provider</u>	Has the meaning given in BBR 1.7.
Credit Rating	An opinion regarding the creditworthiness of an entity, Security, debt or other financial obligation which is disseminated to the public or distributed to a Person by subscription and expressed using an established and defined ranking system regarding the creditworthiness of the rating subject.
Credit Risk Capital Requirement	The meaning given in PRU(INV) 3.3(4).
<u>Credit Risk Mitigation</u>	Has the meaning given in BBR 5.14
CTF	Counter-Terrorist Financing.
Customer	Unless otherwise indicated, a customer is: (a) A person where, in relation to a business relationship between the person and a Relevant Person, there is a firm intention or commitment by each party to enter into a contractual relationship or where there is a firm commitment by each party to enter into a transaction, in connection with a product or service provided by the Relevant Person; (b) A client of an Authorised Firm; (c) A member, prospective member, or an applicant for admission of securities to trading on an Authorised Market Institution; or (d) A person with whom a Relevant Person is otherwise establishing or has established a business relationship.
Dealing in Investments as Agent	The Regulated Activity as defined in paragraph 2 of Schedule 1 of GEN.
Dealing in Investments as Principal	The Regulated Activity as defined in paragraph 1 of Schedule 1 of GEN.

Debenture	<p>An instrument creating or acknowledging indebtedness, whether secured or not, but excludes:</p> <p>(a) an instrument creating or acknowledging indebtedness for, or for money borrowed to defray, the consideration payable under a contract for the supply of goods or services;</p> <p>(b) a cheque or other bill of exchange, a banker's draft or a letter of credit (but not a bill of exchange accepted by a banker);</p> <p>(c) a banknote, a statement showing a balance on a bank account, or a lease or other disposition of property; and</p> <p>(d) a Contract of Insurance.</p>
Decision Notice	A notice issued by the AFSA pursuant to paragraph 5 of schedule 1 of the Framework Regulations.
Deemed Professional Client	Has the meaning given in COB 2.4.1.
Default Rules	(In AMI) rules prepared by an Authorised Market Institution in accordance with AMI 3.5 or AMI 4.6.
Delivery Versus Payment Transaction (DVP)	A transaction in which the transfer of Investments and the payment of Money between the buyer and the seller are intended to occur simultaneously.
<u>Deposit</u>	<p><u>1. A Deposit means a sum of money paid on terms:</u></p> <p><u>(a) under which it will be repaid, with or without interest or a premium, and either on demand or at a time or in circumstances agreed by or on behalf of the Person making the payment and the Person receiving it; and</u></p> <p><u>(b) which is not referable to the provision of property (other than currency) or services or the giving of security.</u></p> <p><u>2. In (1) money is paid on terms which are referable to the provision of property or services or the giving of security if:</u></p> <p><u>(a) it is paid by way of advance or part payment under a contract for the sale, hire or other provision of property or services, and is repayable only in the event that the property or services are not in fact sold, hired or otherwise provided;</u></p> <p><u>(b) it is paid by way of security for the performance of a contract or by way of security in respect of loss which may result from the non-performance of a contract; or</u></p> <p><u>(c) without prejudice to (b), it is paid by way of security for the delivery up of property, whether in a particular state of repair or otherwise.</u></p> <p><u>Exclusions</u></p> <p><u>3. A sum is not a Deposit if it is paid:</u></p> <p><u>(a) by a Person in the course of carrying on a business consisting wholly or</u></p>

	<p><u>to a significant extent of lending money;</u></p> <p><u>(b) by one company to another at a time when both are members of the same Group;</u></p> <p><u>(c) by an Authorised Firm authorised to carry on the Regulated Activity of Accepting Deposits;</u></p> <p><u>(d) by a Person who is a close relative of the Person receiving it or who is a director, manager or Controller of that Person</u></p> <p><u>4. A sum is not a Deposit if it is received:</u></p> <p><u>(a) by a lawyer acting in his professional capacity;</u></p> <p><u>(b) by an accountant acting in his professional capacity;</u></p> <p><u>(c) by an Authorised Firm or an Authorised Market Institution authorised to carry on any one or more of the Regulated Activities defined in Schedule 1 of the GEN Rules, except Accepting Deposits, in the course of or for the purpose of any such Regulated Activity disregarding any applicable exclusions; or</u></p> <p><u>by a Person as consideration for the issue by him of a Debenture.</u></p>
Derivative	An Option, a Future or a Contract for Differences.
Designated Functions	Any of the functions specified in GEN 2.3.
Designated Individual	An individual who is appointed by an Authorised Person to carry out a Designated Function
Direct Electronic Access	Any arrangement, such as the use of the Member's trading code, through which a Member or the clients of that Member are able to transmit electronically orders relating to Securities directly to the facility provided by the Authorised Market Institution and includes arrangements which involve the use by a Person of the infrastructure of the Member or participant or client or any connecting system provided by the Member or participant or client, to transmit the orders and arrangements where such an infrastructure is not used by a Person.
Direct Electronic Access Rules	(In AMI) the rules prepared by an Authorised Market Institution in accordance with AMI 2.7.
Director	A Person, by whatever name called, who is: <p>(a) appointed to the position of a director; or</p> <p>(b) appointed to the position of an alternate director, and is acting in that capacity; or</p> <p>(c) not validly appointed as a director but is acting in the position of a director (i.e. a de-facto director).</p>
Distribution Event	A distribution event is:

	<p>(a) the appointment of a liquidator, receiver or administrator, or trustee in bankruptcy, over the Authorised Firm or its Nominee Company;</p> <p>(b) the appointment of a liquidator, receiver or administrator, or trustee in bankruptcy, over a Third-Party Account Provider of the Authorised Firm or its Nominee Company; or</p> <p>(c) the coming into force of a direction by the AFSA in respect of all Client Assets held by the Authorised Firm.</p>
DNFBP	<p>Designated Non-Financial Business and Profession.</p> <p>The following class of persons whose business or profession is carried on in or from the AIFC constitute DNFBPs:</p> <p>(a) A real estate developer or agency which carries out transactions with a customer involving the buying or selling of real property;</p> <p>(b) A dealer in precious metals or precious stones;</p> <p>(c) A dealer in any saleable item of a price equal to or greater than USD 15,000;</p> <p>(d) A law firm, notary firm, or other independent legal business;</p> <p>(e) An accounting firm, audit firm, or insolvency firm; or</p> <p>(f) A company service provider.</p> <p>A person who is an Authorised Person or a Registered Auditor is not a DNFBP.</p>
Domestic Fund	A Collective Investment Scheme registered under CIS Rules that is established or domiciled in the AIFC.
Domestic Fund Manager	A Fund Manager located in the AIFC.
<u>ECRA</u>	External Credit Rating Agency
EDD	Enhanced Due Diligence, as described in AML 7.1.1.
Eligible Custodian	A custodian of a Fund's property appointed in accordance with CIS.
Employee	As defined in the Employment Regulations, an individual who works or will work in the service of another person under an express or implied contract of hire under which the other person has the right to control the details of work performance. The other person is the Employee's Employer.
Employee Share Scheme	<p>A scheme or arrangement for encouraging or facilitating the holding of Shares or Debentures in a Company by or for the benefit of:</p> <p>(a) the bona fide Employees or former Employees of the Company, the Company's subsidiary or Holding Company or a subsidiary of the Company's Holding Company; or</p>

	(b) the wives, husbands, widows, widowers or minor children or minor step-children of the individuals referred to in (a).
Exempt Fund	A Collective Investment Scheme identified in CIS 2.2(a).
Exempt Offeror	The Persons identified in MAR 1.2.1.
Exempt Securities	The Securities listed in MAR 1.2.2.
Externally Regulated PRU Investment Firm	A Person who is specified as such in a direction made by the AFSA under PRU(INV) 1.3(9).
Family Member	In relation to an individual: (a) his spouse; (b) his child, step-child, parent, step-parent, brother, sister, step-brother, or step-sister; or (c) a spouse of any individual within (b).
FATF	Financial Action Task Force, as described in AML 1.4(a).
FATF Recommendations	The publication entitled the "International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation" as published and amended from time to time by FATF.
Financial Institution	A regulated or unregulated entity, whose activities are primarily financial in nature.
Finance Officer	The individual performing the Controlled Function specified in GEN 2.2.4.
Financial Crime	Any kind of conduct relating to money or to financial services or markets that would amount to criminal conduct under Kazakh law (whether or not such conduct takes place in the Republic of Kazakhstan), including any offence involving: (a) fraud or dishonesty; or (b) misconduct in, or misuse of information relating to, a financial market; or (c) handling the proceeds of crime; or (d) the financing of terrorism.
Financial Group	The Persons determined in accordance with PRU(INV) 5.2(2).
Financial Product	A Contract of Insurance or Investment.
Financial Promotion	Any communication (made via any medium including brochures, telephone calls and presentations) the purpose or effect of which is:

	<p>(a) to promote or advertise (i) Investments or (ii) any Regulated Activity; or</p> <p>(b) to invite or induce any Person (i) to enter into an agreement with any Person in relation to a Financial Product or (ii) to engage in any Regulated Activity.</p>
Financial Service	A Regulated Activity or a Market Activity.
Financial Services Regulator	A regulator of Financial Services established in a jurisdiction other than the AIFC.
Foreign Fund	A Collective Investment Scheme registered under CIS that is not established or domiciled in the AIFC.
Foreign Fund Manager	A Fund Manager not located in the AIFC.
Framework Regulations	The Financial Services Framework Regulations.
Fund	Collective Investment Scheme is an arrangement which amounts to a Fund formed under section 92 of FSFR and CIS Rules.
Fund Property	The property held for or within a Fund.
Fund Manager	A Person responsible for the management of the property held for or within a Fund and (or) who operates the Fund.
Future	<p>An instrument comprising rights under a contract:</p> <p>(a) for the sale of a commodity or property of any other description under which delivery is to be made at a future date and at a price agreed on when the contract is made, and that contract:</p> <p>(i) is made or traded on a regulated exchange;</p> <p>(ii) is made or traded on terms that are similar to those made or traded on a regulated exchange; or</p> <p>(iii) would, on reasonable grounds, be regarded as made for investment and not for commercial purposes; or</p> <p>(b) where the value of the contract is ultimately determined by reference, wholly or in part, to fluctuations in:</p> <p>(i) the value or price of property of any description; or</p> <p>(ii) an index, interest rate, any combination of these, exchange rate or other factor designated for that purpose in the contract; and</p> <p>which is wholly settled by cash or set-off between the parties but excludes:</p> <p>(iii) rights under a contract where one or more of the parties takes delivery of any property to which the contract relates;</p>

	(iv) a contract under which money is received by way of deposit or an acknowledgement of a debt on terms that any return to be paid on the sum deposited or received will be calculated by reference to an index, interest rate, exchange rate or any combination of these or other factors; or (v) a Contract of Insurance.
GEN	The General Rules.
General Prohibition	The prohibition in section 24 of the Framework Regulations.
Governing Body	The board of directors, partners, committee of management or other governing body of an Undertaking.
Group	Means a group of entities which includes an entity (the 'first entity') and: (a) any parent of the first entity; and (b) any subsidiaries (direct or indirect) of the parent or parents in (a) or the first entity.
Holding Company	(As defined in the Companies Regulations) a holding Body Corporate that is a Company.
<u>ICAAP</u>	Internal Capital Adequacy Assessment Process, as defined in Pillar II of the Basel framework for banking supervision
IFAC	The International Federation of Accountants.
IFR	The Islamic Finance Rules.
<u>Individual Capital Requirement</u>	Has the meaning given in BBR 11.3
Inside Information	Information of a precise nature which: (a) has not been made public; and (b) relates directly or indirectly, to one or more Issuers or to one or more Securities; and (c) would, if it were made public, be likely to have a significant effect on the prices of those Securities or on the price of related derivative Securities
Insider Dealing	(a) The use, by a Person who possesses Inside information, of that information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, Securities to which that information relates; or (b) the use of Inside Information by cancelling or amending an order concerning a Security to which the information relates where the order

	<p>was placed before the Person concerned possessed the Inside Information; or</p> <p>(c) the use of recommendations or inducements to engage in Insider Dealing, where the Person using the recommendation or inducement knows or ought to know that it is based on Inside Information.</p>
Insurance Intermediary	An Authorised Firm whose Licence authorises it to carry on the Regulated Activity of Insurance Intermediation.
Insurance Intermediary Audit Report	The report specified in COB 11.8.15.
Insurance Intermediation	The Regulated Activity as defined in paragraph 15 of Schedule 1 of GEN.
International Standards on Auditing	The international standards on auditing issued by the International Auditing and Assurance Standards Board (IAASB) of IFAC.
International Standards on Quality Control	The international standards on quality control issued by the International Auditing and Assurance Standards Board (IAASB) of IFAC.
Investment	A Security, Unit or a Derivative and a right or interest in the relevant Security, Unit or Derivative.
Investment Business	<p>The business of:</p> <p>(a) Dealing in Investments as Principal;</p> <p>(b) Dealing in Investments as Agent;</p> <p>(c) Managing Investments;</p> <p>(d) Managing a Collective Investment Scheme;</p> <p>(e) Providing Custody;</p> <p>(f) Arranging Custody;</p> <p>(g) Acting as the Trustee of a Fund;</p> <p>(h) Advising on Investments;</p> <p>(i) Arranging Deals in Investments;</p> <p>(j) Managing a Restricted Profit Sharing Investment Account; or</p> <p>(k) Operating an Exchange.</p>
Investment Research	Research or other information recommending or suggesting an investment strategy, explicitly or implicitly, concerning one or several Investments or the issuers of Investments, including any opinion as to the present or future value or price of such Investments, intended for

	<p>distribution channels or for the public, and in relation to which the following conditions are met:</p> <p>(a) it is labelled or described as investment research or in similar terms, or is otherwise presented as an objective or independent explanation of the matters contained in the recommendation; and</p> <p>(b) if the recommendation in question were to be made by an Authorised Firm to a Client, it would not constitute Advising on Investments.</p>
Investment Service	<p>The service of:</p> <p>(a) Dealing in Investments as Principal;</p> <p>(b) Dealing in Investments as Agent;</p> <p>(c) Managing Investments;</p> <p>(d) Advising on Investments; or</p> <p>(e) reception and transmission of orders in relation to Investments.</p>
IRRBB	Interest Rate Risk in the Banking Book
Islamic Finance Business	Any part of the financial business of an Authorised Person which is carried out in accordance with Shari'a.
Issuer	In relation to any Security, the Person by whom it is or is to be issued.
Key Business Document	<p>(In REP) includes:</p> <p>(a) letterhead communications issued by post, fax or electronic means including email;</p> <p>(b) written promotional materials;</p> <p>(c) business cards; and</p> <p>(d) websites,</p> <p>but does not include compliment slips, or text messages.</p>
Leverage Ratio	Has the meaning given in BBR 4.37
Licence	A licence granted by the AFSA under Part 3 of the Framework Regulations.
Liquid Assets	The amount determined as such in accordance with PRU(INV) 4.3.
Liquidity Coverage Ratio (LCR)	Has the meaning given in BBR 9.16
Listing Rules	(In AMI) the rules prepared by an Authorised Investment Exchange in accordance with AMI 3.6.
Major Acquisition	As defined in Rule 6.4.2 of GEN

Managing a Collective Investment Scheme	The Regulated Activity as defined in paragraph 4 of Schedule 1 of GEN.
Managing Investments	The Regulated Activity as defined in paragraph 3 of Schedule 1 of GEN.
Managing a Restricted Profit Sharing Investment Account	The Regulated Activity as defined in paragraph 12 of Schedule 1 of GEN.
Mandate	An arrangement under which a Client gives an Authorised Firm the ability to control the Client's assets or liabilities, including having over an account held with a third party in the Client's own name.
MAR	The AIFC Market Rules.
Market Abuse	As defined in MAR 5.1: (a) unlawful disclosure of Inside Information; and (b) engaging or attempting to engage in Insider Dealing; and (c) recommending that another Person engage in Insider Dealing; and (d) inducing another Person to engage in Insider Dealing; and (e) engaging or attempting to engage in Market Manipulation; but not: (a) disclosure of Inside Information made in the course of a Market Sounding; and (b) the behaviour described in MAR 5.3.4 to 5.3.6; and (c) accepted market practices established under MAR 5.4.4.
Market Activity	An activity specified of Schedule 3 of the Framework Regulations, subject to any rules made by the AFSA adding to, removing, or otherwise modifying the activities so specified.
Market Contract	(a) A contract entered into by an Authorised Investment Exchange or Authorised Clearing House with Members to settle their transactions; and (b) a contract entered into by a Member of an Authorised Investment Exchange with a Person other than that Authorised Investment Exchange made on, or subject to the rules of, the Authorised Investment Exchange; and (c) a contract entered into by a Recognised Non-AIFC Member of an Authorised Investment Exchange with a person other than that

	<p>Authorised Investment Exchange made on, or subject to the rules of, the Authorised Investment Exchange; and</p> <p>(d) a contract entered into by an Authorised Investment Exchange, in its capacity as such, with a Member, an Authorised Clearing House, or another Authorised Investment Exchange for the purpose of enabling the rights and liabilities of that Member, Authorised Clearing House, or Authorised Investment Exchange under a transaction to be settled; and</p> <p>(e) a contract entered into by an Authorised Investment Exchange with a Member, an Authorised Clearing House, or another Authorised Investment Exchange for the purpose of providing Central Counterparty clearing services to that Member, Authorised Clearing House, or Authorised Investment Exchange.</p>
Market Counterparty	A Client that meets the requirements for a Market Counterparty in COB 2.7.
Market Counterparty Business	<p>The following activities carried on by an Authorised Firm with or for a Market Counterparty:</p> <p>(a) Dealing in Investments as Principal;</p> <p>(b) Dealing in Investments as Agent; or</p> <p>(c) receiving and transmitting Client orders.</p>
Market Making Agreement	(In AMI) a written agreement between an Authorised Investment Exchange and a Member pursuing a Market Making Strategy by using its facilities.
Market Making Strategy	In relation to an Investment, a strategy by which a Person holds himself out as able and willing to enter into transactions of sale and purchase in Investments of that description at prices determined by him generally and continuously rather than in respect of each particular transaction.
Market Manipulation	The activities set in MAR 5.4.2 and the conduct set out in MAR 5.4.3.
Market Risk Capital Requirement	the meaning given in PRU(INV) 3.3(5).
Market Sounding	The conduct set out in MAR 5.5.1.
Marketing Material	(in REP) Includes any material communicated to a Person in the course of marketing financial services or financial products or making introductions or referrals.
Member	A Person who is entitled, under an arrangement or agreement between him and an Authorised Market Institution, to use that institution's facilities.

Membership Rules	(In AMI) the membership rules of an Authorised Market Institution prepared in accordance with AMI 2.6.3.
Minimum Capital Requirement	In PRU(INV), the meaning given in PRU(INV) 3.3(2). In PRU(INT), the meaning given in PRU(INT) 3.2.
Money	Any form of money, including cheques and other payable orders.
Money Laundering Reporting Officer	The individual performing the Designated Function identified at GEN 2.3.4.
MLRO	Money-Laundering Reporting Officer, as described in AML 13.1
<u>Net Stable Funding Ratio (NSFR)</u>	<u>Has the meaning given in BBR 9.19</u>
Nominee Company	A company incorporated in the AIFC whose business consists solely of acting as a holder of Client Assets where such assets are held by the Nominee Company as agent of an Authorised Firm.
Non-AIFC Member Recognition Requirements	The requirements for recognition of Recognised Non-AIFC Members set out in section 91 of the Framework Regulations.
Non-Exempt Fund	(In CIS) A Collective Investment Scheme that is registered as a Non-Exempt Fund.
Non-PRU(INV) Investment Business	Activities defined as such in PRU(INV) 1.3(7).
Offer	(1) In relation to Securities other than Units, an Offer of Securities. (2) In relation to Units, an offer of Units.
Offer of Securities	A communication to any Person in any form or by any means, presenting information on the terms of the offer and the Securities offered, so as to enable an investor to decide whether or not to buy or subscribe to those Securities but excluding: (a) any communication in connection with the trading of Securities admitted to trading on an Authorised Investment Exchange; or (b) any communication made for the purposes of complying with the on-going reporting requirements of the AFSA or an Authorised Market Institution; or (c) any other communication prescribed in the Rules by the AFSA.
Offering Materials	The offering materials or particulars of a Fund.

Official List	The Official List of Securities maintained by the AFSA or the relevant Authorised Investment Exchange pursuant to section 64 of the Framework Regulations.
Operating a Clearing House	The Market Activity as defined in paragraph 2 of Schedule 3 of the Framework Regulations.
Operating a Representative Office	The Regulated Activity as defined in paragraph 16 of Schedule 1 of GEN.
Operating an Exchange	The Market Activity as defined in paragraph 1 of Schedule 3 of the Framework Regulations.
<u>Operational Risk</u>	<u>Operational Risk is defined as the risk of incurring losses due to inadequate or failed internal systems, processes, and people, or from external events.</u>
Operational Risk Capital Requirement	the meaning given in PRU(INV) 3.3(6).
Option	An instrument that confers on the holder, upon exercise, rights of the kind referred to in any of the following: (a) a right to acquire or dispose of: (i) a Security (other than a Warrant) or contractually based investment; (ii) currency of any country or territory; (iii) a commodity of any kind; (b) a right to receive a cash settlement, the value of which is determined by reference to: (i) the value or price of an index, interest rate or exchange rate; or (ii) any other rate or variable; or (c) a right to acquire or dispose of another Option under (a) or (b).
Partner	In relation to an Undertaking which is a Partnership, a Person occupying the position of a partner, by whatever name called.
Partnership	Any partnership, including a partnership constituted under the law of a jurisdiction other than the AIFC, but not including a Limited Liability Partnership.
PEP	Politically Exposed Person. A PEP is a natural person (including a family member or known associate) who is or has been entrusted with a prominent public function, including but not limited to: a head of state or of government, senior politician, member of a legislative or constitutional assembly, senior government official, senior judicial official, senior military officer, ambassador, senior person in an international organisation, senior executive of a state-owned entity, a

	<p>senior political party official, or an individual who has been entrusted with similar functions such as a director or a deputy director; at an international, national, or regional level.</p> <p>This definition does not include middle-ranking or more junior individuals in the above categories.</p>
Person	A Person includes any natural person, Body Corporate or body unincorporated, including a legal person, company, Partnership, unincorporated association, government or state.
Personal Transaction	<p>A transaction in an Investment executed for or on behalf of a natural person, where at least one of the following criteria are met:</p> <p>(1) that person is acting outside the scope of the activities he carried out in that capacity;</p> <p>(2) the transaction is carried out for the account of any of the following persons:</p> <p>(a) the natural person;</p> <p>(b) the spouse or civil partner of the natural person or any partner of that natural person considered by national law as equivalent to a spouse;</p> <p>(c) a dependent child or stepchild of that natural person;</p> <p>(d) any other relative of that natural person who has shared the same household as that person for at least one year on the date of the personal transaction concerned;</p> <p>(e) any person with whom he has close links;</p> <p>(f) a person whose relationship with that natural person is such that the natural person has a direct or indirect material interest in the outcome of the trade, other than a fee or commission for the execution of the transaction.</p>
Policyholder	Includes a potential policyholder.
Preliminary Notice	A notice issued by the AFSA pursuant to paragraph 4 of schedule 1 of the Framework Regulations.
Principal Representative	An individual designated by a Representative Office in accordance with REP.
Private Placement	<p>An Offer made to a Person who is likely to be interested in the Offer having regard to:</p> <p>(a) previous contact between the Person making the Offer and that Person;</p> <p>(b) a professional or other connection between the Person making the Offer and that Person; or</p>

	(c) statements or actions by that Person that indicate that he is interested in Offers of that kind.
Privileged Communication	A communication attracting a privilege arising from the provision of professional legal advice and any other privilege applicable at law, but which does not include a general duty of confidentiality.
Professional Client	A Client that is either a Deemed Professional Client or an Assessed Professional Client.
Profit Sharing Investment Account	An account or portfolio in relation to property of any kind, including the currency of any country or territory, held for or within the account or portfolio, which: (a) is managed under the term of an agreement whereby: (i) the investor agrees to share any profit with the manager of the account or portfolio in accordance with a predetermined specified percentage or ratio; and (ii) the investor agrees that he alone will bear any losses in the absence of negligence or breach of contract on the part of the manager; and (b) is held out as being managed in accordance with Shari'ah.
Prospectus	A document referred to in MAR 1.3.
Prospectus Summary	The document referred to in MAR 1.4.
Providing Accountancy Services	The Ancillary Service as defined in paragraph 3 of Schedule 2 of GEN.
Providing Audit Services	The Ancillary Service as defined in paragraph 2 of Schedule 2 of GEN.
Providing Consultancy Services	The Ancillary Service as defined in paragraph 4 of Schedule 2 of GEN.
<u>Providing Credit</u>	<u>The Regulated Activity as defined in paragraph 18 of Schedule 1 of GEN.</u>
Providing Custody	The Regulated Activity as defined in paragraph 5 of Schedule 1 of GEN.
Providing Fund Administration	The Regulated Activity as defined in paragraph 8 of Schedule 1 of GEN.
Providing Legal Services	The Ancillary Service as defined in paragraph 1 of Schedule 2 of GEN.
<u>Providing Money Services</u>	<u>A Regulated Activity defined in Schedule 1 of the AFSA GEN</u>

Providing Trust Services	The Regulated Activity as defined in paragraph 7 of Schedule 1 of GEN.
PRU Dealing Investment Firm	A Person defined as such in PRU(INV) 1.3(3).
PRU Intermediary Investment Firm	A Person defined as such in PRU(INV) 1.3(4).
PRU Investment Firm	A Person defined as such in PRU(INV) 1.3(2).
PRU Investment Business	Activities defined as such in PRU(INV) 1.3(5).
RBA	Risk-Based Approach, as described in AML 4.1.1.
Real Property	Any form of direct interest in real estate.
REC	The Recognition Rules.
Recognised Jurisdiction	A jurisdiction which has been recognised by the AFSA.
Recognised Non-AIFC Clearing House	A Person declared by the AFSA to be a Recognised Non-AIFC Clearing House under section 89 of the Framework Regulations.
Recognised Non-AIFC Investment Exchange	A Person declared by the AFSA to be a Recognised Non-AIFC Investment Exchange under section 89 of the Framework Regulations.
Recognised Non-AIFC Market Institutions	Either a Recognised Non-AIFC Clearing House or a Recognised Non-AIFC Investment Exchange.
Recognised Non-AIFC Member	A Person declared by the AFSA to be a Recognised Non-AIFC Member under section 91 of the Framework Regulations.
Recognition Requirements	The requirements specified in section 89(3) of the Framework Regulations in relation to the declaration by the AFSA of a Person to be either Recognised Non-AIFC Investment Exchange or Recognised Non-AIFC Clearing House.
Registered Auditor	An auditor or audit firm registered, licensed, or otherwise regulated by any competent authority worldwide.
Registrar of Companies	The registrar of companies appointed pursuant to the AIFC Companies Regulations.

Registration Document	In relation to a Prospectus structured as multiple documents, the document referred to in MAR 1.3.1(a)(ii).
Regulated Activity	An activity specified of Schedule 1 of GEN.
Regulated Exchange	An exchange regulated by a financial services regulator.
Regulated Financial Institution	A Person who does not hold a Licence but who is authorised in a jurisdiction other than the AIFC to carry on any financial service by another Financial Services Regulator.
Regulation	A regulation enacted under Article 4(3) of the Constitutional Law.
Regulatory Objectives	The objectives of the AFSA identified in section 7(3) of the Framework Regulations.
Related Party	In MAR has the meaning given in MAR 2.5.2(a).
Related Party Transaction	In MAR has the meaning given in MAR 2.5.2(b).
Related Person	A Person (the second Person) is a Related Person of that Firm if: (a) the Firm and the second Person are members of the same Group; (b) the second Person is an individual who is a director or officer of the Firm or of another member of the same Group; (c) the second Person is the spouse or minor child of an individual mentioned in paragraph (b); or (d) the second Person is a company that is subject to significant influence by or from an individual mentioned in paragraph (b) or (c).
Relevant Person	In AML has the meaning given in AML 1.2(a).
REP	The Representative Office Rules.
Reporting Entity	A Person who: (a) has Securities admitted to an Official List of Securities; or (b) is declared by the AFSA to be a Reporting Entity.
Retail Client	A Client that is not classified as a Professional Client or Market Counterparty.
Risk-Weight	In relation to an asset or an off-balance sheet exposure of a PRU Dealing Investment Firm.
<u>RWAs</u>	Risk Weighted Assets - Has the meaning given in BBR 4.7.

Risk-Weighted Assets Amount	The amount calculated in respect of a PRU Dealing Investment Firm as identified in guidance to PRU(INV) 3.3(4).
Rule	A rule made by the AFSA under Article 4(3) of the Constitutional Law.
SAR	Suspicious Activity Report. A report in a prescribed format regarding suspicious activity or suspicious transactions made to the AFSA.
SDD	Simplified Due Diligence, as described in AML 8.1.1.
Security	(a) a Share; (b) a Debenture; (c) a Warrant; (d) a Certificate; or (e) a Structured Product.
Securities Note	In relation to a Prospectus structured as multiple documents, the document referred to in MAR 1.3.1(a)(iii).
Securities Settlement System	A system operated by a Person which enables Investments held in accounts to be transferred and settled by book entry according to a set of laws and predetermined multilateral rules to provide legal certainty.
Segregated Client	A Client whose assets or Money is required to be held in compliance with either COB 8.2, COB 8.3 or COB 11.8.
Senior Executive Officer	The individual performing the Controlled Function specified in GEN 2.2.2.
Senior Manager	The individual performing the Designated Function specified in GEN 2.3.2.
Share	A share or stock in the share capital of any Body Corporate or any unincorporated body
Shell Bank	A bank that has no physical presence in the country in which it is incorporated or licensed and which is not affiliated with a regulated financial group that is subject to effective consolidated supervision. In this definition, <i>physical presence</i> in a jurisdiction is a presence involving meaningful decision-making and management and not merely the presence of a local agent or low level staff.
Skilled Person	A Person appointed to make a report required by the AFSA under section 97 of the Framework Regulations.
Source(s) of Funds	The origin of the customer's funds which relate to a transaction or service and includes how such funds are connected to a customer's source of wealth.

Source(s) of Wealth	How the customer's global wealth or net worth is or was acquired or accumulated.
Structured Product	<p>An instrument comprising rights under a contract where:</p> <p>(a) the gain or loss of each party to the contract is ultimately determined by reference to the fluctuations in the value or price of property of any description, an index, interest rate, exchange rate or a combination of any of these as specified for that purpose in the contract (“the underlying factor”) and is not leveraged upon such fluctuations;</p> <p>(b) the gain or loss of each party is wholly settled by cash or setoff between the parties;</p> <p>(c) each party is not exposed to any contingent liabilities to any other counterparty; and</p> <p>(d) there is readily available public information in relation to the underlying factor;</p> <p>but excludes any rights under an instrument:</p> <p>(e) where one or more of the parties takes delivery of any property to which the contract relates;</p> <p>(f) which is a Debenture; or</p> <p>(g) which is a Contract of Insurance.</p>
Subsidiary	<p>In accordance with paragraph 1 of Schedule 1 of the Companies Regulations, a Body Corporate (the first Body Corporate) is a Subsidiary of another Body Corporate (the second Body Corporate) if:</p> <p>(a) the second Body Corporate:</p> <p>(i) holds a majority of the voting rights in the first Body Corporate; or</p> <p>(ii) is a shareholder of the first Body Corporate and has the right to appoint or remove a majority of the board of Directors or managers of the first Body Corporate; or</p> <p>(iii) is a shareholder of the first Body Corporate and controls alone, under an agreement with other shareholders, a majority of the voting rights in the first Body Corporate; or</p> <p>(b) the first Body Corporate is a subsidiary of another Body Corporate that is itself a subsidiary of the second Body Corporate, which is its Holding Company.</p>
Supplementary Prospectus	An updated or replacement Prospectus produced in accordance with in section 73 of the Framework Regulations.
Takeover	A takeover or merger transaction however effected, including schemes of arrangements which have similar commercial effect to takeovers and mergers, partial bids, bid by a parent company for shares in its subsidiary and (where appropriate) share repurchases by general bid.

Takeover Offer	A public offer (other than by the offeree company itself) made to the holders of the Securities of a company to acquire all or some of those Securities, whether mandatory or voluntary, which follows or has as its objective the acquisition of control of the offeree company.
Takeover Principles	Principles prescribed by the AFSA pursuant to section 88(1)(b) of the Framework Regulations.
Takeover Rules	Rules prescribed by the AFSA pursuant to section 88(1)(a) of the Framework Regulations.
Third Party Account Provider	In relation to a Client Money Account or a Client Investment Account, means an Authorised Firm or Regulated Financial Institution (including a bank, custodian, intermediate broker, settlement agent, clearing house, exchange and/or "over the counter" counterparty) that is a separate legal entity from the Authorised Firm that is required under COB to establish the Client Money Account or Client Investment Account.
<u>Tier 1 capital</u>	Has the meaning given in BBR 4.13
<u>Tier 2 capital</u>	Has the meaning given in BBR 4.18
<u>Trading Book</u>	Has the meaning given in BBR 6.2
Transaction	Any transaction undertaken by an Authorised Firm in the course of carrying on a Financial Service in or from the AIFC.
Undertaking	(a) a Body Corporate; or (b) Partnership; or (c) an unincorporated association carrying on a trade or business, with or without a view to profit.
Unit	A unit in or a share representing the rights or interests of a Unitholder in a Fund.
Unitholder	A Person who participates in a Fund.
UNSCR	United Nations Security Council Resolutions, as referenced in AML 12.1.
Unsolicited Real Time Financial Promotion	Has the meaning given in COB 3.4.2.
Valuer	A valuer of a Fund's property appointed in accordance with CIS.
Warrant	an instrument that confers on the holder a right entitling the holder to acquire an unissued Share or Debenture