



**AIFC FINANCIAL SERVICES FRAMEWORK REGULATIONS
AMENDMENT REGULATIONS**

AIFC REGULATIONS NO. 19 of 2018



AIFC FINANCIAL SERVICES FRAMEWORK REGULATIONS AMENDMENT REGULATIONS

1. The *AIFC Financial Services Framework Regulations 2017* are amended as follows.
2. In section 39 (Exemption for Authorised Market Institutions), after subsection (2) insert –
 - “(3) An Authorised Private E-currency Trading Facility is exempt from the General Prohibition in respect of any Regulated Activity:
 - (a) which is carried on as a part of the Authorised Private E-currency Trading Facility's business as a private E-currency trading facility; or
 - (b) which is carried on for the purposes of, or in connection with, the provision by the Authorised Private E-currency Trading Facility of services designed to facilitate the provision of clearing services by another Person.”
3. Adopt section 55 (Persons eligible for Membership) in new edition as follows–

“55. Persons eligible for Membership

 - (1) Subject to such further admission criteria as the AFSA may prescribe by Rules, an Authorised Market Institution may only admit as a Member:
 - (a) an Authorised Firm; or
 - (b) a Recognised Non-AIFC Member;
 - (2) An Authorised Person engaged in the activity of Operating a Private E-currency Business may only admit as a Member a Person who satisfies admission criteria set out in its Membership Rules and which is either:
 - (a) an Authorised Firm;
 - (b) a Recognised Non-AIFC Member; or
 - (c) a body corporate or an individual (natural person) that carries on the activity solely as principal.”
4. In section 57 (AFSA power to impose requirements on an Authorised Market Institution), after paragraph (c) insert –

“; or

 - (d) excluding the application of any requirements for engaging in the activity of Operating a Private E-currency Business imposed by the Rules; or
 - (e) imposing on an Authorised Person engaged in the activity of Operating a Private E-currency Business any additional requirements that the AFSA considers appropriate.”
5. In section 58 (AFSA power to give directions to an Authorised Market Institution) –
 - (a) in paragraph (c) after entries “suspend transactions in Securities” insert “or Private E-currencies”, and
 - (b) in paragraph (d) after entries “prohibit trading in Securities” insert “or Private E-currencies”



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6. In Schedule 3: Market Activities after section 2 insert –

“3. Operating a Private E-currency Trading Facility

Operating a Private E-currency Trading Facility means operating a facility which functions regularly and brings together multiple parties (whether as principal or agent) with a view to the entering into of contracts:

- (a) to buy, sell or exchange Private E-currencies for a Fiat currency; and/or
- (b) to exchange one Private E-currency for another Private E-currency;

in its Facility, in accordance with its non-discretionary rules.”