



QATAR FINANCIAL CENTRE

**REGULATORY
AUTHORITY**

Individuals (Assessment, Training and Competency) (Consequential) and Miscellaneous Amendments Rules 2014

QFCRA Rules 2014–6

The Board of the Qatar Financial Centre Regulatory Authority makes the following rules, and gives the following guidance, under the *Financial Services Regulations*.

Dated 7 December 2014.

Abdulla Saoud Al-Thani
Chairman



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QFCRA Rules 2014–6

made under the

Financial Services Regulations

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Individuals (Assessment, Training and Competency)
(Consequential) and Miscellaneous
Amendments Rules 2014

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1 Name of rules

These rules are the *Individuals (Assessment, Training and Competency) (Consequential) and Miscellaneous Amendments Rules 2014*.

2 Commencement

These rules commence on 1 January 2015.

3 Repeal of Rules

The *Individuals Rules 2005* are repealed.

4 Rules amended

These rules amend the *Rules* in Schedules 1 and 2.

5 Explanatory notes

An explanatory note in these rules is not part of these rules.

Schedule 1 Consequential amendments

(see rule 4)

Part 1.1 Captive Insurance Business Rules 2011

[1.1] Rule 4.1.2, note 2

substitute

Note 2 For the rules on the assessment of individuals to exercise controlled functions and related matters, see INDI, Chapter 3 (Controlled functions), and Chapter 5 (Training and competency). Certain personnel-related decisions about individuals appointed or to be appointed to certain controlled functions must be made by or after consultation with an authorised firm's governing body—see INDI, rule 3.1.2, and CTRL, rule 2.2.6. In relation to controlled functions generally, see CTRL, Chapter 3.

Explanatory note

This amendment and the next amend CAPI consequent on the repeal and remaking of INDI.

[1.2] Glossary, definitions of *INAP* and *INDI*

substitute

INAP means the *Interpretation and Application Rules 2005*.

INDI means the *Individuals (Assessment, Training and Competency) Rules 2014*.

Part 1.2 Conduct of Business Rulebook

[1.3] Rule 2.2.1 (2)

substitute

- (2) The firm must not allow an individual to perform the customer-facing function in or from the QFC unless he or she is an employee of the

firm who has been assessed by the firm as meeting the requirements in INDI, rule 4.1.1.

Explanatory note

This amendment updates a rule dealing with the conduct of business (other than insurance mediation business) to refer to the appropriate provision of INDI.

[1.4] Rule 2.2.2 (2) (including the note)

substitute

- (2) The firm must not allow an individual to perform the customer-facing function in or from the QFC unless he or she is:
 - (a) an employee of the firm who has been assessed by the firm as meeting the requirements in INDI, rule 4.1.1; or
 - (b) an approved representative of the firm.

Explanatory note

This amendment updates a rule dealing with the conduct of insurance mediation business to refer to the appropriate provision of INDI.

[1.5] Rule 2.2.3 (1)

substitute

- (1) An individual is an ***approved representative*** of an authorised firm if:
 - (a) he or she is not an employee of the firm, but has been assessed by the firm as meeting the requirements in INDI, rule 4.1.1, to perform the customer-facing function;
 - (b) he or she is authorised under a contract (other than a contract of employment) with the firm to perform that function for the firm in or from the QFC; and
 - (c) the firm has agreed in the contract to accept responsibility for his or her every act or omission in performing (or purporting to perform) that function for the firm.

Explanatory note

This amendment updates a rule defining *approved representative* to refer to the appropriate provision of INDI.

[1.6] Rule 3.2.2 (1) (b) (i)

substitute

- (i) an approved individual, or an employee of the firm who has been assessed by it as meeting the requirements in INDI, rule 4.1.1, to perform the customer-facing function;

Explanatory note

This amendment and the next update a reference to a provision of INDI, and make a consequential amendment.

[1.7] Rule 3.2.2 (1) (b) (iv), note

omit

Part 1.3 General Rules 2005

[1.8] Schedule 3, section 5.3

omit

Explanatory note

This amendment and the next update references to the reporting and record-keeping requirements under INDI.

[1.9] Schedule 3, section 7

substitute

- 7 *INDI*
 - 7.1 **Record-keeping**
 - rule 1.1.6

Part 1.4 Governance and Controlled Functions Rules 2012

[1.10] Chapter 3, note 3

substitute

- 3 FSR, art 41 provides that a person must not perform a controlled function for an authorised firm unless he or she is approved by the Regulatory Authority as an approved individual. In relation to approval as an approved individual, see *INDI*, Chapter 3.

Explanatory note

This amendment updates a reference to a provision of INDI.

[1.11] Rule 3.1.1 (j) and (k) (including the note)

substitute

(j) the actuarial function.

Note There are 10 controlled functions and each of them is defined below in the order set out in this rule. Of these 10, 4 functions (compliance oversight, risk management, internal audit and actuarial functions) make up the *internal control functions*.

Explanatory note

This amendment removes a reference to the customer facing function as a controlled function.

[1.12] Rule 3.1.6

omit

rules 3.1.7 to 3.1.12

insert

rules 3.1.7 to 3.1.11

Explanatory note

This amendment removes a reference to the rule omitted by the next amendment.

[1.13] Rule 3.1.12

omit

Explanatory note

This amendment omits a rule defining the customer facing function as a controlled function.

[1.14] Rule 3.2.7

omit

Explanatory note

This amendment omits a rule dealing with the temporary performance of the customer facing function.

[1.15] After rule 3.2.8 (4) (before the guidance)

insert

- (5) In particular, the authority may give a direction under subrule (4) if the authority considers that:
- (a) the continued performance by the individual of both or all the functions:
 - (i) is no longer appropriate, having regard to the nature, scale and complexity of the firm's business;
 - (ii) has given rise, or is likely to give rise, to an internal or external conflict of interest; or
 - (iii) has compromised, or is likely to compromise, the independence, objectivity and effectiveness of the performance of any of the functions;
 - (b) the individual is performing any of the functions at below the standard at which a reasonable person having the necessary skills, knowledge and experience would be expected to perform that function;
 - (c) the combined performance of the functions by the individual has impaired, or is likely to impair, the firm's compliance with the requirements applicable to the conduct of its business in or from the QFC; or
 - (d) the firm's governing body:
 - (i) has failed to carry out the review required by subrule (2);
 - (ii) has failed to submit the report of such a review to the authority; or
 - (iii) has submitted a report that does not satisfy the authority that it is appropriate for the arrangement to continue.

Explanatory note

This amendment moves a provision formerly in INDI into CTRL, where it logically belongs.

[1.16] Glossary, definition of *customer facing function*

omit

Explanatory note

This amendment removes a superfluous definition.

Schedule 2 Other amendments

(see rule 4)

Part 2.1 Collective Investment Schemes Rules 2010

[2.1] Rule 4.2.1 (2) (a)

omit

corporation's *fitness and propriety*

insert

corporation's fitness and propriety (within the meaning given by FSR, article 29)

Explanatory note

This amendment inserts a definition in place of one in INAP formerly relied on.

[2.2] Glossary, definition of **COND**

substitute

COND means the *Conduct of Business Rules 2007*.

Explanatory note

This amendment updates a reference to COND.

[2.3] Glossary, definition of **INDI**

omit

Explanatory note

This amendment omits an unnecessary definition.

Part 2.2 Conduct of Business Rulebook

[2.4] Chapter 1, heading

substitute

Chapter 1 General

Explanatory note

This amendment substitutes a new heading better describing the content of the chapter.

[2.5] Part 1.1

substitute

Part 1.1 Preliminary

1.1.1 Introduction

- (1) These rules are the *Conduct of Business Rules 2007* (or COND).
- (2) These rules set out the framework for regulating the conduct of business activities by authorised firms.

1.1.2 Commencement

These rules commence on 1 July 2007.

1.1.3 Effect of definitions, notes and examples

- (1) A definition in the glossary to these rules also applies to any instructions or document made under these rules.
- (2) A note in or to these rules is explanatory and is not part of these rules. However, examples and guidance are part of these rules.
- (3) An example is not exhaustive, and may extend, but does not limit, the meaning of these rules or the particular provision of these rules to which it relates.

Note Under FSR, article 17 (4), guidance is indicative of the view of the Regulatory Authority at the time and in the circumstances in which it was given.

Guidance—overview of these rules

- 1 Chapter 2 (Obligations of all authorised firms) and Chapter 3 (Financial promotions) contain the rules of widest application in these rules. The rules in these chapters apply to an authorised firm conducting any kind of regulated activity in or from the QFC.
- 2 Chapter 4 (Conduct of investment business) applies to an authorised firm conducting investment business in or from the QFC. *Investment business* covers 7 different regulated activities carried on in relation to the specified products contained in the term *relevant investment*. *Insurance mediation business* in relation to most kinds of long term insurance contracts is a subset of investment business and is, therefore, covered by Chapter 4 (see *Definition of relevant investment*, below).
- 3 Chapter 5 (Conduct of non-investment insurance mediation business) applies to an authorised firm conducting insurance mediation business in relation to non-investment insurance contracts in or from the QFC. Chapter 5 applies to insurance intermediaries and insurers marketing and selling their own contracts directly.
- 4 Chapter 6 (Conduct of insurance business) covers certain aspects of the way in which insurers conduct insurance business in or from the QFC, namely, effecting insurance contracts in execution-only transactions, cancellations by retail customers and claims handling.
- 5 Chapter 7 (Conduct of deposit taking business) deals with terms of business for deposit taking business.
- 6 Chapter 8 (Customer dispute resolution scheme) contains provisions about the customer dispute resolution scheme.

Categories of client

- 7 The following terms are used to describe different categories of client:
 - customer
 - commercial customer
 - business customer
 - retail customer.
 - market counterparty.
- 8 Each of the terms is defined in Division 1.2.A. The interrelated definitions of *client* and *customer* (and the various categories of client and customer) need to be understood when reading these rules.
- 9 The regulatory protections in these rules are built up in layers according to the vulnerability of the type of client in question. Chapters in these rules are generally arranged in the following way:
 - rules that authorised firms must follow when doing business with clients

- rules that authorised firms must follow when doing business with customers (that is, clients that are not market counterparties)
- rules that authorised firms must follow when doing business with retail customers (that is, customers that are not commercial customers or business customers).

Regulated activities

- 10 As far as possible, these rules apply directly to regulated activities (see FSR, article 23). As an authorised firm will be aware from the terms of its authorisation the regulated activities it is authorised to carry on, it will usually be apparent which areas of these rules apply to it. For example, a reference to *providing advice on investments* refers to the regulated activity of advising on investments.

Types of business

- 11 Chapters 2 and 3 apply to all types of business conducted by an authorised firm. By contrast, the application of Chapters 4, 5, 6 and 7 to an authorised firm depends on the types of business it conducts. These chapters apply only to the following types of business:
- Chapter 4—investment business
 - Chapter 5—non-investment insurance mediation business
 - Chapter 6—insurance business
 - Chapter 7—deposit taking business.
- 12 Under FSR, the business of an authorised firm consists of groups of regulated activities conducted in relation to certain specified products (see FSR, Schedule 3, Part 3). For example, *investment business* is defined (for these rules—see the glossary) as carrying on a range of regulated activities (including arranging deals, advising and dealing as principal or agent) in relation to a group of specified products collectively referred to as *relevant investments*. *Relevant investments* include the following products (but in relation to long term insurance contracts, see *Definition of relevant investment*, below):
- shares
 - debt instruments
 - warrants
 - securities receipts
 - units in a collective investment scheme
 - options
 - futures
 - contracts for differences

- long term insurance contracts
 - rights in investments relating to any of those products.
- 13 Two kinds of specified products, deposits and credit facilities, do not fall into any of the types of business dealt with in Chapters 4, 5 and 6. In carrying on business relating to deposits and credit facilities, an authorised firm is, therefore, subject to Chapter 2 (General obligations of all authorised firms) and Chapter 3 (Financial promotions), but not Chapters 4, 5 or 6. (Chapter 7 also has provisions about terms of business for deposit taking business.)
- 14 The relationship between the 3 types of business covered by Chapters 4, 5 and 6, regulated activities and specified products is illustrated in table 1. From the table, it can be seen that, for example, investment business (covered by Chapter 4) applies to the following regulated activities that are conducted in relation to relevant investments:
- dealing in investments
 - arranging deals in investments
 - providing custody services
 - arranging the provision of custody services
 - managing investments
 - advising on investments
 - operating collective investment schemes.
- 15 It can be seen that investment business (Chapter 4) does not apply to the other regulated activities at all and does not apply to a regulated activity that is conducted in relation to specified products that are not relevant investments.

Table 1 Types of business, regulated activities and specified products

Regulated activities	Types of business		
	investment business	non-investment insurance mediation business	insurance business
Deposit taking	—	—	—
Effecting contracts of insurance	—	—	all contracts of insurance
Carrying out contracts of insurance	—	—	all contracts of insurance

Regulated activities	Types of business		
	investment business	non-investment insurance mediation business	insurance business
Dealing in investments	all relevant investments	non-investment insurance contracts	—
Arranging deals in investments	all relevant investments	non-investment insurance contracts	—
Providing credit facilities	—	—	—
Arranging credit facilities	—	—	—
Providing custody services	all relevant investments	—	—
Arranging the provision of custody services	all relevant investments	—	—
Managing investments	all relevant investments	—	—
Advising on investments	all relevant investments	non-investment insurance contracts	—
Operating collective investment schemes	all relevant investments	—	—

16 In the table, a dash (‘—’) indicates that a type of business does not apply at all to the relevant regulated activity. For example, investment business does not apply to the regulated activity of deposit taking.

Definition of *relevant investment*

17 Under FSR, Schedule 3, Part 3, relevant insurance contracts are either general insurance contracts or long term insurance contracts. General insurance contracts are divided into 18 categories, and long term insurance contracts into 7 categories. For these rules, only long term insurance contracts that contain an investment or savings component are treated as relevant investments. (In other Rules, *relevant investment* may be defined differently.)

- 18 Pure protection contracts other than long term care insurance contracts contain no investment or savings component and are, therefore, grouped with general insurance contracts in the defined term *non-investment insurance contracts*.
- 19 The approach taken in these rules is summarised in table 2. For these rules, only those long term insurance contracts included in the non-shaded parts in table 2 are treated as relevant investments in relation to conducting investment business and are called *life policies*.

Table 2 Treatment of contracts of insurance

Contracts of insurance		
General insurance contract	Long term insurance contract	
Consists of any of the 18 general insurance categories described in FSR, Schedule 3, Part 3, paragraph 10	Consists of any of the 7 long term insurance categories described in FSR, Schedule 3, Part 3, paragraph 10	
	<table border="1"> <tr> <td>pure protection contract</td> </tr> <tr> <td>long term care insurance contract</td> </tr> </table>	pure protection contract
pure protection contract		
long term care insurance contract		
non-investment insurance contract	long term insurance contract that is a relevant investment (a life policy)	

Explanatory note

This amendment inserts standard citation and glossary provisions into COND and restructures its existing Part 1.1, to allow for the insertion of a glossary.

[2.6] Rule 2.2.1 (4) (including the note)

substitute

- (4) The definition of *employee* in the glossary does not apply to this rule.

Note In this rule, *employee* has its ordinary (undefined) meaning.

Explanatory note

This amendment and the next 2 replace references to the INAP glossary with references to the glossary inserted by amendment [2.14].

[2.7] Rule 2.2.2 (4) (including the note)

substitute

- (4) The definition of *employee* in the glossary does not apply to this rule.

Note In this rule, *employee* has its ordinary (undefined) meaning.

[2.8] Rule 2.2.3 (4) (including the note)

substitute

- (4) The definition of *employee* in the glossary does not apply to this rule.

Note In this rule, *employee* has its ordinary (undefined) meaning.

[2.9] Rule 2.7.1 (2)

insert the following definition

contravention of a relevant requirement has the meaning given by FSR, articles 84 and 85.

Explanatory note

This amendment inserts a definition in place of one in INAP formerly relied on.

[2.10] Rule 3.1.1 (3), note

substitute

Note The definition of *customer* in the glossary includes a business customer, a commercial customer (in relation to insurance business and insurance mediation business) and a retail customer.

Explanatory note

This amendment updates a note to refer to the glossary instead of the definition in INAP.

[2.11] After rule 3.2.2 (1)

insert

- (1A) The definition of *employee* in the glossary does not apply to subrule (1) (b) (i).

Note In that subrule, *employee* has its ordinary (undefined) meaning.

Explanatory note

This amendment inserts a reference to the definition of *employee* in the glossary inserted by amendment [2.14].

[2.12] Rule 4.1.1 (1), note

substitute

Note Investment business in relation to a relevant investment does not include a long term insurance contract unless that contract is a life policy (see glossary, definitions of *investment business* and *relevant investment*).

Explanatory note

This amendment updates a reference to a definition.

[2.13] Rule 4.1.1 (2), note 1

substitute

Note 1 Under the definition of *business customer*, a collective investment scheme is a business customer—see the glossary.

Explanatory note

This amendment updates a reference to a definition.

[2.14] After Schedule 6

insert

Glossary

(see rule 1.1.3)

actuarial function has the meaning given by CTRL, rule 3.1.11.

advising on investments means the regulated activity described in FSR, Schedule 3, Part 2, paragraph 11.

approved individual means an individual approved under FSR, article 41, to perform 1 or more controlled functions.

approved representative has the meaning given by rule 2.2.3 (1).

approved representative contract has the meaning given by rule 2.2.3 (2).

approved website means a website that is approved under INAP, rule 3.1.2.

arranging credit facilities means the regulated activity described in FSR, Schedule 3, Part 2, paragraph 7.

arranging deals in investments means the regulated activity described in FSR, Schedule 3, Part 2, paragraph 5.

arranging the provision of custody services means the regulated activity described in FSR, Schedule 3, Part 2, paragraph 9.

associate of a person (*A*) means any of the following:

- (a) if *A* is a legal person—a legal person in the same group as *A*;
- (b) any other person whose business or domestic relationship with *A* might reasonably be expected to give rise to a community of interest between them that may involve a conflict of interest in dealing with third parties.

Note ***Legal person, group*** and ***person*** are defined in this glossary.

authorisation means an authorisation granted under FSR, Part 5.

authorised firm (or ***firm***) means a person that has an authorisation.

body corporate includes:

- (a) a company constituted under the Companies Regulations of the QFC;
- (b) a limited liability partnership constituted under the Limited Liability Partnership Regulations of the QFC; and
- (c) a legal person constituted under the law of a jurisdiction outside the QFC.

bundled brokerage arrangement means an arrangement under which an authorised firm, or an associate of an authorised firm, receives goods or services from a broker for which the firm does not pay a specific charge, on the understanding that commissions for transactions executed by the firm via that broker will compensate the broker for providing those goods or services.

business customer has the meaning given by rule 1.2.5.

business day means a day that is not a Friday, Saturday, or a public or bank holiday in Qatar.

carrying out contracts of insurance means the regulated activity described in FSR, Schedule 3, Part 2, paragraph 3 as Carrying out a Contract of Insurance.

charge includes any payment required from, or charge made to, an authorised firm's client in connection with investment business, whether levied by the firm or another person, and in particular includes a mark-up or mark-down.

Chinese wall means an arrangement that requires information held by a person in the course of carrying on a part of its business to be withheld from, or not to be used for, persons with or for whom it acts in the course of carrying on another part of its business.

client has the meaning given by rule 1.2.1.

cold call means a financial promotion made during a personal visit, telephone conversation or other interactive dialogue that:

- (a) was not initiated by the recipient; and
- (b) does not take place in response to an express request from the recipient.

COLL means the *Collective Investment Schemes Rules 2010*.

collective investment scheme has the meaning given by COLL, rule 1.2.1.

commercial customer has the meaning given by rule 1.2.4.

commission means any form of commission, including a benefit of any kind offered or given.

company means:

- (a) a company incorporated under the Companies Regulations of the QFC; or
- (b) a legal person incorporated under the law of a jurisdiction outside the QFC, the liability of each of member of which is limited to the amount of the member's capital contribution.

contingent liability transaction, in relation to an authorised firm and a client, means a transaction in a relevant investment 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 is to be completed or on the earlier closing out of the client's position.

contract for differences means the specified product described in FSR, Schedule 3, Part 3, paragraph 9.

contract of insurance means the specified product described in FSR, Schedule 3, Part 3, paragraph 10.

credit facility means the specified product described in FSR, Schedule 3, Part 3, paragraph 3.

CTRL means the *Governance and Controlled Functions Rules 2012*.

customer has the meaning given by:

- (a) for insurance business and insurance mediation business in relation to non-investment insurance contracts—rule 1.2.3 (1); and
- (b) for any other business—rule 1.2.3 (2).

customer dispute resolution scheme means the scheme established under Chapter 8.

customer-facing function has the meaning given by INDI, rule 1.1.6.

customer order means:

- (a) an order to an authorised firm from a customer to execute a transaction as agent;
- (b) any other order to an authorised firm from a customer to execute a transaction in circumstances giving rise to duties similar to those arising on an order to execute a transaction as agent; or
- (c) a decision by an authorised firm in the exercise of discretion to execute a transaction with or for a customer.

day means a period of 24 hours starting at midnight.

dealing in investments means the regulated activity described in FSR, Schedule 3, Part 2, paragraph 4.

debt instrument means the specified product described in FSR, Schedule 3, Part 3, paragraph 2.

deposit means the specified product described in FSR, Schedule 3, Part 3, paragraph 11.

deposit taking means the regulated activity described in FSR, Schedule 3, Part 2, paragraph 1.

deposit taking business means the business of engaging in deposit taking.

derivative means a future, an option or a contract for differences.

document means a record of information in any form (including electronic form), and includes, for example:

- (a) anything in writing or on which there is writing;
- (b) anything on which there are figures, marks, numbers, perforations, symbols or anything else having a meaning for individuals qualified to interpret them;
- (c) a drawing, map, photograph or plan; and
- (d) any other item or matter (in whatever form) that is, or could reasonably be considered to be, a record of information.

effecting contracts of insurance means the regulated activity described in FSR, Schedule 3, Part 2, paragraph 2 as Effecting a Contract of Insurance.

eligible clearing house means a clearing house (through which transactions on a regulated exchange may be cleared) that meets the following requirements:

- (a) the clearing house is incorporated or otherwise established in a jurisdiction outside the QFC;
- (b) the Regulatory Authority has not, by notice published on an approved website, declared that this definition does not apply to the jurisdiction.

eligible exchange means a regulated exchange that meets the following requirements:

- (a) the exchange is incorporated or otherwise established in a jurisdiction outside the QFC;
- (b) the Regulatory Authority has not, by notice published on an approved website, declared that this definition does not apply to the jurisdiction.

employee means an individual:

- (a) who is employed or appointed by a person in connection with that person's business, whether under a contract of service or for services or otherwise; or
- (b) whose services are placed at the disposal of, and under the control of, that person under an arrangement between that person and a third party.

entity means any kind of entity, and includes, for example, any person.

execute a transaction includes:

- (a) to carry the transaction into effect or perform it; and
- (b) to instruct another person to execute it.

execution-only transaction means a transaction executed by an authorised firm on the specific instructions of a client if the firm did not give advice on relevant investments relating to the merits of the transaction.

exercise, in relation to a function, includes perform the function.

existing customer order means:

- (a) a customer order that is to be executed immediately; or
- (b) a customer order that is to be executed only on the fulfilment of a condition, after that condition has been fulfilled.

financial institution means a regulated or unregulated entity whose activities are primarily financial in nature.

financial instrument means a contract that gives rise to both a financial asset of an entity and a financial liability or equity instrument of another entity.

financial promotion means a communication made using any medium (for example, brochure, telephone call, the internet, email and presentation) if the purpose or effect of the communication is:

- (a) to promote or advertise:
 - (i) specified products; or

- (ii) a regulated activity (or an activity that would be a regulated activity if it was conducted in or from the QFC);
or
- (b) to invite or induce any person:
 - (i) to enter into an agreement with any person in relation to a specified product; or
 - (ii) to engage in a regulated activity (or an activity that would be a regulated activity if it was carried on in or from the QFC).

FSR means the *Financial Services Regulations*.

function includes authority, duty and power.

future means the specified product described in FSR, Schedule 3, Part 3, paragraph 8.

GENE means the *General Rules 2005*.

general insurance business means insurance business in relation to general insurance contracts.

general insurance contract means a contract of insurance that is a general insurance contract under FSR, Schedule 3, Part 3, paragraph 10.3.

group means the following:

- (a) a legal person (A);
- (b) any parent entity of A;
- (c) any subsidiary (direct or indirect) of A or of any parent entity of A.

Note **Legal person, parent entity** and **subsidiary** are defined in this glossary.

holding company: an entity is a holding company of another entity if the second entity is a subsidiary of the first entity.

IMEB means the *Insurance Mediation Business Rules 2011*.

INDI means the *Individuals (Assessment, Training and Competency) Rules 2014*.

initial disclosure document means a statement in writing containing the information required by rule 4.2.3 (Initial disclosure document—content).

inside information means:

- (a) information:
 - (i) that relates to particular securities, a particular issuer of securities, a particular class of securities or a particular class of issuers;
 - (ii) that is specific or precise;
 - (iii) that has not been made public;
 - (iv) that, if it were made public, would be likely to have a significant effect on the price of any securities; and
 - (v) that is obtained from a source closely connected to the issuer of the securities or 1 or more issuers of a class of securities; or
- (b) information that is inside information under Rules made under FSR, article 83 (Rules relating to Market Abuse).

instrument means:

- (a) in relation to a derivative—any investment, asset or thing on which the value of the derivative may be based; and
- (b) in any other case—any instrument of any kind, and includes, for example, any writing or other document.

insurance business means the business of conducting either or both of the following regulated activities:

- (a) effecting contracts of insurance;
- (b) carrying out contracts of insurance.

insurance mediation business means the business of conducting insurance mediation (within the meaning given by IMEB, rule 1.2.2).

insurer: except in rules 4.3.11 (3) (b) (ii) and 5.4.3 (q)), **insurer** (or **QFC insurer**) means an authorised firm with an authorisation to conduct insurance business.

Note In those 2 rules, *insurer* is expressed to include certain entities that are not authorised firms.

investment business means any of the following:

- (a) arranging deals in relevant investments (that is, the regulated activity of arranging deals in investments, if the specified product to which the activity relates is a relevant investment);

Note **Relevant investment** is defined in this glossary.

- (b) dealing in relevant investments as principal (that is, the regulated activity of dealing in investments, as principal, if the specified product to which the activity relates is a relevant investment);
- (c) dealing in relevant investments (that is, the regulated activity of dealing in investments, if the specified product to which the activity relates is a relevant investment), if limited to dealing as agent;
- (d) advising on relevant investments (that is, the regulated activity of advising on investments, if the specified product to which the activity relates is a relevant investment);
- (e) managing investments;
- (f) providing custody services;
- (g) arranging the provision of custody services;
- (h) operating collective investment schemes.

investment manager means a person who, acting only on behalf of a client, manages relevant investments in an account or portfolio, either on a discretionary basis (under a discretionary management agreement) or on a non-discretionary basis (under a non-discretionary management agreement).

investment research means a publication (other than a personal recommendation) that contains:

- (a) the results of research into a relevant investment or its issuer;
- (b) analysis of factors likely to influence the future performance of a relevant investment or its issuer; or
- (c) advice or recommendations based on those results or analysis.

issuer means:

- (a) for a security other than a unit in a collective investment scheme—the person that issued, or is to issue, the security;
- (b) for a unit in a collective investment scheme—the operator of the scheme;
- (c) for an interest in a limited partnership—the partnership; and
- (d) for a certificate or other instrument that gives contractual or property rights (other than rights consisting of options) in relation to a share, debt instrument, government or public security (that is, a debt instrument issued by or on behalf of a jurisdiction, or a public, regional or local authority of a jurisdiction) or warrant—the person that issued, or is to issue, the security to which the instrument relates.

jurisdiction means any kind of legal jurisdiction, and includes, for example:

- (a) the State of Qatar;
- (b) a foreign country (whether or not an independent sovereign jurisdiction), or a state, province or other territory of a foreign country; and
- (c) the QFC or a similar jurisdiction.

legal person means an entity (other than an individual) on which the legal system of a jurisdiction confers rights and imposes duties, and includes, for example, any entity that can own, deal with or dispose of property.

life policy means a long term insurance contract (other than a reinsurance contract or a pure protection contract) and includes a long term care insurance contract.

long term care insurance contract means a long term insurance contract:

- (a) that satisfies the following conditions:
 - (i) it provides (or would at the policyholder's option provide) benefits for the policyholder in the event that the policyholder's mental or physical health deteriorates to the extent that he or she is incapacitated, is unable to live independently without assistance, and is not expected to recover to the extent that he or she could live independently without assistance;
 - (ii) those benefits are payable or provided for services, accommodation or goods that are necessary or desirable for the continuing care of the policyholder because of that incapacity;
 - (iii) those benefits can be paid periodically for all or part of the period during which the policyholder is unable to live independently without assistance; or
- (b) that is sold or held out as providing benefits for the policyholder as set out in paragraph (a).

long term insurance contract means a contract of insurance that is a long term insurance contract under FSR, Schedule 3, Part 3, paragraph 10.4.

managing investments means the regulated activity described in FSR, Schedule 3, Part 2, paragraph 10.

market counterparty has the meaning given by rule 1.2.7.

material interest, in relation to a transaction, means any interest of a material nature other than disclosable commission on the transaction.

month means calendar month—that is, a period beginning at the start of any day of one of the 12 named months of the year and ending:

- (a) at the end of the day before the corresponding day of the next named month; or
- (b) if there is no corresponding day—at the end of the last day of next named month.

Examples

- 1 The period beginning at the start of 5 July 2009 and ending at midnight on 4 August 2009 is a calendar month.
- 2 The period beginning at the start of 30 January 2009 and ending at midnight on 28 February 2009 is a calendar month.

In the second example, the calendar month ended on the last day of February because in 2009 February did not have a 29th day (because 2009 was not a leap year). If the period had begun at the start of 30 January 2012 (a leap year), the calendar month would have ended on 29 February 2012.

non-investment insurance contract means a contract of insurance that is a general insurance contract or a pure protection contract but is not a long term care insurance contract.

non-market-price transaction, for an authorised firm, means a transaction in which the dealing rate or price paid by the firm or a client differs materially from the prevailing market rate or price.

non-QFC intermediary of an authorised firm has the meaning given by rule 2.2.5 (1).

non-QFC intermediary contract has the meaning given by rule 2.2.5 (3).

operating collective investment schemes means the regulated activity described in FSR, Schedule 3, Part 2, paragraph 12 as Operating a Collective Investment Fund.

operator, of a collective investment scheme, has the meaning given by COLL, rule 1.2.8.

option means the specified product described in FSR, Schedule 3, Part 3, paragraph 7.

overseas regulator means a regulatory or governmental authority, body or agency in a jurisdiction outside the QFC (whether in the State or otherwise).

own account order means an order that relates to an own account transaction.

own account transaction means a transaction executed by an authorised firm for its own benefit or for the benefit of its associate.

packaged product means:

- (a) a life policy; or
- (b) a unit in a collective investment scheme.

parent entity, for a legal person (A), means any of the following:

- (a) a legal person that holds a majority of the voting power in A;
- (b) a legal person that is a member of A (whether direct or indirect, or though legal or beneficial entitlement) and alone, or together with 1 or more legal persons in the same group, holds a majority of the voting power in A;
- (c) a parent entity of any legal person that is a parent entity of A.

Note **Legal person** and **group** are defined in this glossary.

person means:

- (a) an individual (including an individual occupying an office or position from time to time); or
- (b) a legal person.

personal account transaction of an authorised firm means a transaction for the account of an employee or agent.

product disclosure document, for a packaged product produced by an authorised firm, means a statement in writing prepared by the firm for the product in accordance with Division 4.3.B (Packaged products—additional disclosure).

product provider means an authorised firm that is:

- (a) an insurer conducting long term insurance business; or
- (b) the operator of a collective investment scheme.

property means any estate or interest (whether present or future, vested or contingent, or tangible or intangible) in immovables or property of any other kind, and includes, for example:

- (a) money of any currency;
- (b) bonds, securities, shares, and other negotiable or non-negotiable instruments of any kind;
- (c) any right to interest, dividends, or other income, on or accruing from or generated by immovables or property of any other kind;
- (d) any other things in action;
- (e) any other charge, claim, demand, easement, encumbrance, lien, power, privilege, right, or title, recognised or protected by the law of any jurisdiction over, or in relation to, immovables or property of any other kind; and
- (f) any other documents evidencing title to, or to any interest in, immovables or property of any other kind.

Note **Jurisdiction** and **document** are defined in this glossary.

providing credit facilities means the regulated activity described in FSR, Schedule 3, Part 2, paragraph 6.

providing custody services means the regulated activity described in FSR, Schedule 3, Part 2, paragraph 8.

pure protection contract means a long term insurance contract that meets all of the following conditions:

- (a) the benefits under the contract are payable only on death or for incapacity due to injury, sickness or infirmity;
- (b) the contract has no surrender value, or the consideration consists of a single premium and the surrender value does not exceed that premium;
- (c) the contract makes no provision for its conversion or extension in a way that would result in it ceasing to comply with paragraph (a) or (b);
- (d) the contract is not a reinsurance contract.

QFC means Qatar Financial Centre.

QFC licensed firm means an entity that has been granted a licence (within the meaning given by FSR, article 110) by the Qatar Financial Centre Authority.

readily realisable investment means any of the following:

- (a) a debt instrument issued by or on behalf of a jurisdiction, or a public, regional or local authority of a jurisdiction, if the instrument is denominated in the jurisdiction's currency;
- (b) any other security that is admitted to official listing on, or regularly traded on or under the rules of, a regulated exchange;
- (c) a newly issued security that can reasonably be expected to fall within paragraph (b) when trading in it starts.

regulated activity means an activity that is a regulated activity under FSR.

Note See FSR, article 23 (1) and Schedule 3, Part 2.

regulated exchange means an exchange:

- (a) that is incorporated or otherwise established in a jurisdiction outside the QFC; and
- (b) that is regulated as an exchange by an overseas regulator in that jurisdiction.

regulated financial institution means a person that is not an authorised firm but is authorised in a jurisdiction other than the QFC to carry on a financial service by an overseas regulator.

Regulatory Authority means the Qatar Financial Centre Regulatory Authority.

regulatory system means the arrangements, in or under Regulations made under the QFC Law, article 9, or Rules, for regulating authorised firms.

related: a person (the *second person*) is related to another person (the *first person*) if:

- (a) the second person is a subsidiary, associate or holding company of the first person;

- (b) the second person is a subsidiary or associate of the holding company of the first person;
- (c) the second person is an individual who is a director or officer of the first person or of a person related to the first person because of paragraph (a) or (b);
- (d) the second person is the spouse or minor child of an individual mentioned in paragraph (c); or
- (e) the second person is a company that:
 - (i) is a subsidiary of the first person; or
 - (ii) is subject to significant influence by or from an individual mentioned in paragraph (c) or (d).

Note **Person, subsidiary, associate** and **holding company** are defined in this glossary.

relevant investment: investments of the following kinds, and rights in such investments, are relevant investments:

- (a) shares;
- (b) debt instruments;
- (c) warrants;
- (d) securities receipts;
- (e) units in collective investment schemes;
- (f) options;
- (g) futures;
- (h) contracts for differences;
- (j) life policies.

Note Each of those kinds of investment is defined in this glossary.

remuneration means remuneration in any form, including benefits of any kind.

research recommendation means research or other information:

- (a) that concerns:
 - (i) one or more relevant investments admitted to trading on regulated exchanges, or in relation to which an application for admission to trading has been made; or
 - (ii) issuers of such investments;
- (b) that is intended for distribution so that it is accessible, or is likely to become accessible, by a large number of persons, or for the public; and
- (c) that:
 - (i) explicitly or implicitly, recommends or suggests an investment strategy;
 - (ii) directly or indirectly, expresses a particular investment recommendation; or
 - (iii) expresses an opinion as to the present or future value or price of such investments;

but does not include:

- (d) an informal short-term investment personal recommendation expressed to clients of an authorised firm that originates from inside the firm's sales or trading department, and is not likely to become publicly available or available to a large number of persons; or
- (e) advice given by an authorised firm to a body corporate in the context of a takeover bid and disclosed only as a result of compliance with a legal or regulatory obligation.

retail customer has the meaning given by rule 1.2.6.

rights in investments means the specified product described in FSR, Schedule 3, Part 3, paragraph 12.

Rules means rules made by the Regulatory Authority under FSR, article 15 (1), and includes:

- (a) any standard, principle or code of practice made by the authority; and
- (b) any other instrument made or in force under any Rules.

securities receipt means the specified product described in FSR, Schedule 3, Part 3, paragraph 15.

security means any of the following:

- (a) a share;
- (b) a debt instrument;
- (c) a warrant;
- (d) a securities receipt;
- (e) a unit in a collective investment scheme.

senior manager of an authorised firm means an individual employed by the firm or a member of the firm's group who is responsible (either alone or with others) for management and supervision of 1 or more elements of the firm's business relating to regulated activities.

share means the specified product described in FSR, Schedule 3, Part 3, paragraph 1.

soft dollar agreement means an agreement, in any form, under which a person agrees to pay for the supply of goods or services that a third party provides to an authorised firm, in return for an agreed volume of business at an agreed commission rate.

specified product: the following are specified products:

- (a) shares;
- (b) debt instruments;
- (c) credit facilities;
- (d) warrants;
- (e) securities receipts;
- (f) units in collective investment schemes;

- (g) options;
- (h) futures;
- (i) contracts for differences;
- (j) contracts of insurance;
- (k) deposits;
- (l) rights in investments.

Note Each kind of specified product is defined in this glossary.

State means the State of Qatar.

stock lending means an arrangement between a person (the **borrower**) and another person (the **lender**) under which:

- (a) the lender transfers securities to the borrower otherwise than by way of sale; and
- (b) a requirement is imposed on the borrower to transfer back to the lender, otherwise than by way of sale, securities in the same quantity, with the same rights, and of the same type and nominal value, as the transferred securities (or, if agreed between the borrower and lender, assets into which the transferred securities have been transformed following a stock split, consolidation, conversion, merger, takeover, redemption or similar event).

structured capital at risk investment means an investment, other than a derivative, that provides an agreed level of income or growth over a specified investment period and has the following characteristics:

- (a) the customer is exposed to a range of outcomes in relation to the return of the initial capital invested;
- (b) the return of the initial capital invested at the end of the investment period is linked by a pre-set formula to the performance of:
 - (i) an index; or
 - (ii) a combination of indices; or
 - (iii) a basket of selected investments (typically from an index or indices); or

- (iv) another factor or combination of factors;
- (c) if the performance mentioned in paragraph (b) is within specified limits, the initial capital invested is returned, but, if not, the customer may lose some or all of the initial capital invested.

subsidiary: a legal person (**A**) is a subsidiary of another legal person (**B**) if B is a parent entity of A.

terms of business, of an authorised firm for a customer, means a statement in writing of the terms on which the firm will conduct investment business or deposit taking business with or for the customer.

unit in a collective investment scheme has the meaning given by COLL, rule 1.2.4.

Note This is the specified product described in FSR, Schedule 3, Part 3, paragraph 6 as a Unit in a Collective Investment Fund.

warrant means the specified product described in FSR, Schedule 3, Part 3, paragraph 4.

writing means any form of writing, and includes, for example, any way of representing or reproducing words, numbers, symbols or anything else in legible form (for example, by printing or photocopying).

Explanatory note

This amendment inserts a glossary into COND containing definitions, appropriate for those *Rules*, of terms presently defined in INAP.

[2.15] Part 1.2, Chapters 2 to 8 and Schedules 1 to 6 (with exceptions)

<i>Omit each instance of</i>	<i>Insert</i>
<i>advising on investments</i>	advising on investments
<i>approved representative</i> (except in rule 2.2.3 (1))	approved representative
<i>approved representative contract</i> (except in rule 2.2.3 (2))	approved representative contract
<i>associate</i>	associate

<i>Omit each instance of</i>	<i>Insert</i>
<i>associates</i>	associates
<i>authorised firm</i>	authorised firm
<i>authorised firms</i>	authorised firms
<i>authorised firm's</i> (except in rule 4.3.14 (1) (d))	authorised firm's
<i>body corporate</i>	body corporate
<i>bundled brokerage arrangement</i>	bundled brokerage arrangement
<i>bundled brokerage arrangements</i>	bundled brokerage arrangements
<i>business customer</i> (except in rule 1.2.5 (1) and rule 4.1.1 (2), note 1)	business customer
<i>business day</i>	business day
<i>business days</i>	business days
<i>charges</i>	charges
<i>Chinese wall</i>	Chinese wall
<i>Chinese walls</i>	Chinese walls
<i>client</i> (except in rule 1.2.1)	client
<i>clients</i>	clients
<i>cold call</i>	cold call
<i>collective investment scheme</i>	collective investment scheme
<i>commercial customer</i> (except in rule 1.2.4 (1))	commercial customer
<i>commission</i>	commission
<i>commissions</i>	commissions
<i>COND</i> (except in rules 2.3.1 and 2.3.3)	these rules
<i>contingent liability transaction</i>	contingent liability transaction
<i>contract of insurance</i>	contract of insurance
<i>customer</i> (except in rule 1.2.3 and rule 3.1.1 (3), note)	customer
<i>customer's</i>	customer's
<i>customers</i>	customers
<i>customer dispute resolution</i>	customer dispute resolution
<i>customer dispute resolution scheme</i>	customer dispute resolution scheme

<i>Omit each instance of</i>	<i>Insert</i>
<i>customer order</i>	customer order
<i>customer orders</i>	customer orders
<i>deposit taking business</i>	deposit-taking business
<i>derivative</i>	derivative
<i>derivatives</i>	derivatives
<i>eligible exchange</i>	eligible exchange
<i>employee</i> (except in rules 2.2.1 (4), 2.2.2 (4) and 2.2.3 (4))	employee
<i>employee's</i>	employee's
<i>employees</i>	employees
<i>execute</i>	execute
<i>executed</i>	executed
<i>executes</i>	executes
<i>executing</i>	executing
<i>execution</i>	execution
<i>execution-only transaction</i>	execution-only transaction
<i>execution-only transactions</i>	execution-only transactions
<i>existing customer order</i>	existing customer order
<i>existing customer orders</i>	existing customer orders
<i>financial promotion</i>	financial promotion
<i>GENE</i>	GENE
<i>general insurance business</i>	general insurance business
<i>general insurance contract</i>	general insurance contract
<i>general insurance contracts</i>	general insurance contracts
<i>group</i> (except in rule 5.6.3)	group
<i>group's</i>	group's
<i>initial disclosure document</i>	initial disclosure document
<i>insurance business</i>	insurance business
<i>insurance mediation business</i>	insurance mediation business
<i>insurer</i> (except in rule 4.3.11 (3) (b) (ii) (A) and rule 5.4.3 (q))	insurer
<i>investment analysts</i>	investment analysts

<i>Omit each instance of</i>	<i>Insert</i>
<i>investment business</i> (except in rule 4.1.1 (1), note)	investment business
<i>investment manager</i>	investment manager
<i>investment research</i>	investment research
<i>issuer</i> (except in rule S4.3 (2) (a))	issuer
<i>issuers</i>	issuers
<i>jurisdiction</i> (except in rule 4.3.29)	jurisdiction
<i>life policy</i>	life policy
<i>life policies</i>	life policies
<i>market counterparty</i> (except in rule 1.2.7)	market counterparty
<i>material interest</i>	material interest
<i>material interests</i>	material interests
<i>month</i>	month
<i>monthly</i>	monthly
<i>months</i>	months
<i>non-investment contract of insurance</i>	non-investment insurance contract
<i>non-investment contracts of insurance</i>	non-investment insurance contracts
<i>non-investment insurance contract</i>	non-investment insurance contract
<i>non-investment insurance contracts</i>	non-investment insurance contracts
<i>non-market-price transaction</i>	non-market-price transaction
<i>non-QFC intermediary</i> (except in rule 2.2.2 (3), note, and rule 2.2.5 (1))	non-QFC intermediary
<i>non-QFC intermediary contract</i> (except in rule 2.2.5 (2))	non-QFC intermediary contract
<i>operator</i>	operator
<i>option</i>	option
<i>own account order</i>	own account order
<i>own account orders</i>	own account orders
<i>packaged product</i>	packaged product
<i>packaged products</i>	packaged products
<i>person</i>	person

<i>Omit each instance of</i>	<i>Insert</i>
<i>person's</i>	person's
<i>persons</i>	persons
<i>personal account transaction</i>	personal account transaction
<i>personal account transactions</i>	personal account transactions
<i>product disclosure document</i>	product disclosure document
<i>product provider</i>	product provider
<i>product provider's</i>	product provider's
<i>product providers</i>	product providers
<i>pure protection contract</i>	pure protection contract
<i>QFC</i>	QFC
<i>QFC licensed firm</i>	QFC licensed firm
<i>regulated activity</i>	regulated activity
<i>regulated activities</i>	regulated activities
<i>regulated financial institution</i>	regulated financial institution
<i>Regulatory Authority</i>	Regulatory Authority
<i>regulatory system</i>	regulatory system
<i>related</i>	related
<i>relevant investment (except in rule 4.1.1 (1), note)</i>	relevant investment
<i>relevant investments</i>	relevant investments
<i>remuneration</i>	remuneration
<i>research recommendation</i>	research recommendation
<i>research recommendations</i>	research recommendations
<i>retail customer (except in rule 1.2.6)</i>	retail customer
<i>retail customer's</i>	retail customer's
<i>retail customers</i>	retail customers
<i>security</i>	security
<i>securities</i>	securities
<i>senior manager</i>	senior manager
<i>shares</i>	shares
<i>soft dollar agreement</i>	soft dollar agreement
<i>soft dollar agreements</i>	soft dollar agreements
<i>specified product</i>	specified product
<i>State</i>	State

<i>Omit each instance of</i>	<i>Insert</i>
<i>structured capital at risk investment</i>	structured capital at risk investment
<i>terms of business</i>	terms of business
<i>unit</i>	unit
<i>units</i>	units

Explanatory note

These amendment and those in the following table replace some words in italics with roman (reflecting the fact that a number of terms for which the definitions in INAP were formerly relied on are now defined in COND itself) and make other minor amendments.

[2.16] Further minor amendments

<i>Provision</i>	<i>omit</i>	<i>insert</i>
rule 1.2.7 (c)	<i>entity</i>	entity
rule 1.2.7 (d)	<i>eligible clearing house</i>	eligible clearing house
rule 1.2.7 (g)	<i>jurisdictions</i>	jurisdictions
rule 2.2.4	<i>customer facing function</i>	customer-facing function
rule 2.3.2 (4) (a)	<i>client's</i>	client's
rule 2.3.3 (7), guidance	<i>Authorised firms</i>	Authorised firms
rule 2.3.3 (7), guidance	<i>underlying customer</i>	underlying customer
rule 2.5.2 (2)	<i>deals in investments</i>	deals in investments
rule 2.7.1 (1)	<i>relevant requirement</i>	relevant requirement
rule 2.7.1 (1)	<i>Court</i>	Civil and Commercial Court of the QFC
rule 2.71. (1), note	<i>FSR,</i>	FSR,
rule 3.2.2 (1) (c)	<i>the FSR,</i>	FSR,
rule 3.2.2 (2) (b)	<i>non-QFC intermediary</i>	non-QFC intermediary
rule 3.3.8 (b)	<i>cold calls</i>	cold calls
rule 4.1.1 (2)	<i>operating collective investment schemes</i>	operating collective investment schemes
rule 4.2.9 (1) (a)	<i>initial disclosure documents</i>	initial disclosure documents
rule 4.3.8 (2)	<i>readily realisable investments</i>	readily realisable investments
rule 4.3.11, guidance 2	<i>overseas regulator,</i>	overseas regulator,

<i>Provision</i>	<i>omit</i>	<i>insert</i>
rule 4.3.14 (1) (e)	<i>packaged product's</i>	packaged product's
rule 4.3.18 (6), definition of <i>approved actuary</i>	<i>actuarial function</i>	actuarial function
rule 4.3.20 (5), definition of <i>approved actuary</i>	<i>actuarial function</i>	actuarial function
rule 4.3.25 (4) (b)	<i>debt instruments</i>	debt instruments
rule 4.5.5 (3) (c)	<i>inside information</i>	inside information
rule 4.5.9 (4)	<i>own account transaction</i>	own account transaction
rule 4.5.12 (b)	<i>business customers or market counterparties</i>	business customers or market counterparties
rule 4.5.13 (2) (e)	<i>business customer</i>	business customer
rule 4.5.14 (1)	<i>existing customer orders</i>	existing customer orders
rule 4.5.16, heading	non-market price transaction	non-market-price transactions
rule 4.5.16 (1)	<i>non-market price transaction</i>	non-market-price transaction
rule 5.2.3 (d)	<i>parent entity</i>	parent entity
rule 5.2.7, guidance	<i>general insurance contracts</i>	general insurance contracts
rule 6.3.3 (1)	<i>long term care insurance contract,</i>	long term care insurance contract,
rule S1.14	<i>stock lending</i>	stock lending
rule S1.19	<i>underwrite or sub-underwrite</i>	underwrite or sub-underwrite
rule S2.2 (d)	<i>futures</i>	futures
rule S2.3 (c) (i)	<i>operator's</i>	operator's
rule S2.3 (d)	<i>historic price</i>	historic price
rule S3.15 (a)	<i>the share, future,</i>	the share, future,
rule S5.1, table, item 2	<i>counterparty</i>	counterparty

Part 2.3 General Rules 2005

[2.17] Glossary, definition of *fitness and propriety*

substitute

fitness and propriety, of an authorised firm or applicant, has the same meaning as in FSR, article 29.

Explanatory note

This amendment updates a definition.

Part 2.4 Insurance Mediation Business Rules 2011

[2.18] Rule 2.2.3 (2) (h) and (i)

substitute

(h) investments in, and loans to, affiliates and related persons.

Explanatory note

This amendment and the next update the provisions regarding assets that cannot be taken into account when calculating the net asset value of an authorised firm.

[2.19] Rule 2.2.3 (4)

insert the following definition

related person: a person (the *second person*) is related to another person (the *first person*) if:

- (a) the first person 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 first person 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).

[2.20] Glossary, definition of **COND**

substitute

COND means the *Conduct of Business Rules 2007*.

Explanatory note

This amendment updates a reference to COND.

[2.21] Glossary

insert the following definitions

approved representative has the meaning given by COND, rule 2.2.3 (1).

non-QFC intermediary has the meaning given by COND, rule 2.2.5 (1).

relevant investments: investments of the following kinds (in each case, within the meaning given in FSR, Schedule 3, Part 3), and rights in such investments, are relevant investments:

- (a) shares;
- (b) debt instruments;
- (c) warrants;
- (d) securities receipts;
- (e) units in collective investment funds;
- (f) options;
- (g) futures;
- (h) contracts for differences;
- (i) life policies.

Explanatory note

This amendment inserts definitions, appropriate for these rules, of terms presently defined in INAP.

[2.22] Minor amendments—the whole of the Rules

<i>Omit</i>	insert
<i>approved representative</i>	approved representative
<i>approved representatives</i>	approved representatives

<i>non-QFC intermediary</i>	non-QFC intermediary
<i>non-QFC intermediaries</i>	non-QFC intermediaries
<i>relevant investment</i>	relevant investment
<i>relevant investments</i>	relevant investments

Explanatory note

These amendments remove unnecessary italics.

Part 2.5 Interpretation and Application Rules 2005

[2.23] Glossary, definition of **COND**

substitute

COND means the *Conduct of Business Rules 2007*.

Explanatory note

This amendment updates a reference to COND.

[2.24] Glossary

omit the following definitions

approved representative

approved representative contract

Bundled Brokerage Arrangement

Chinese Wall

cold call

contingent liability transaction

customer dispute resolution scheme

customer facing function

Customer Order

eligible clearing house

execution-only transaction

Existing Customer Order

financial promotion

Fitness and Propriety
initial disclosure document
Inside Information
Non-Investment Insurance Contract
non-QFC intermediary
non-QFC intermediary contract
Own Account Order
Own Account Transaction
packaged product
Personal Account Transaction
product disclosure document
product provider
relevant investment
Research Recommendation
Soft Dollar Agreement
stock lending
structured capital at risk investment

Explanatory note

This amendment removes:

- a number of definitions for terms used only in COND, now defined in the glossary to COND
- definitions of other terms used in both COND and IMEB but nowhere else (and now defined in the glossaries to those *Rules*)
- the definition of *relevant investment*, the definition of which is different for each of the *Rules* (BANK, COND, IMEB, INDI and INMA) in which it occurs, and which is now separately defined in each of those *Rules*.

Part 2.6 Private Placement Schemes Rules 2010

[2.25] Glossary, definition of *COND*

substitute

COND means the *Conduct of Business Rules 2007*.

Explanatory note

This amendment updates a reference to COND.

[2.26] Glossary, definition of *GENE*

substitute

GENE means the *General Rules 2005*.

Explanatory note

This amendment updates a reference to GENE.

[2.27] Glossary, definition of *INAP*

substitute

INAP means the *Interpretation and Application Rules 2005*.

Explanatory note

This amendment updates a reference to INAP.

[2.28] Glossary, definition of *INDI*

omit

Explanatory note

This amendment removes an unnecessary definition.

[2.29] Glossary, definition of *unit*

substitute

unit in a scheme has the meaning given by rule 1.2.4.

Explanatory note

This amendment makes a minor correction to a definition.