

Visit the DFSA website at [www.dfsa.ae](http://www.dfsa.ae) for:

- Information on the Recognition process
- Copies of application forms
- Full text of the Laws and Rules
- More news about the DFSA

### General Enquiries

- via telephone +971 (0)4 362 1500
- via e-mail [info@dfsa.ae](mailto:info@dfsa.ae)

### About the DFSA

The DFSA is the sole independent regulator of all financial and ancillary services conducted through the DIFC, a purpose-built financial free zone in Dubai. The regulatory mandate of the DFSA covers asset management, banking, securities, commodities futures trading, Islamic finance, insurance, an international equities exchange and an international commodities derivatives exchange.

The DFSA has produced this document to provide you with an overview of the process for applying for recognition. It should be read in conjunction with the DFSA Rulebook and any other relevant legislation. The information does not constitute legal advice nor does the DFSA give any express or implied warranty or assume any legal liability for the accuracy or completeness of the information herein.

Leaflet 7



## Risk-based regulation

The DFSA is committed to a risk-based regulatory approach and to avoid unnecessary regulatory burden.

## What is a Recognised Body?

A Recognised Body is an exchange, clearing house or settlement facility that operates in or from the Dubai International Financial Centre (DIFC) without having a physical presence in the DIFC. A Recognised Body will already operate in a jurisdiction located outside the DIFC.

Article 41(1) of the Regulatory Law 2004 prohibits Financial Services from being carried out in or from the DIFC. Acquiring status as a Recognised Body from the DFSA exempts an exchange, clearing house or settlement facility from this prohibition and enables it to conduct certain financial services in the DIFC.

Entities that have received Recognised Body status include the New York Mercantile Exchange Inc (NYMEX), Commodity Exchange Inc (COMEX), ICE Futures, Eurex Frankfurt AG and Chicago Mercantile Exchange Inc (CME).

## Applying for Recognised Body Status

An exchange, clearing house or settlement facility outside the DIFC seeking status as a Recognised Body, must:

- Be licensed or otherwise authorised to operate an exchange, clearing house or settlement facility in a jurisdiction acceptable to the DFSA;

- Not be an Authorised Firm or Authorised Market Institution (AMI), or an applicant to be one of these; and
- Operate to a standard which would satisfy the Licensing Requirements for AMIs.

An application form, Form REC2, is located in Chapter 9 of the AFN Module of the DFSA Sourcebook, available on the DFSA website.

## Fees

A Recognised Body must pay an application fee of \$10,000. There is currently no periodic fee payable.

## Supervision as a Recognised Body

A Recognised Body is required to deal with the DFSA and their home Financial Services Regulator/s in an open and co-operative manner. This includes keeping the DFSA promptly informed of significant events, as well as submitting a copy of annual reports and accounts.

The DFSA relies upon the home Financial Services Regulator to act as the primary regulator of the Recognised Body. The focus of the DFSA's interest will be on activities carried on in the DIFC or activities which have an impact on the DIFC.

## Getting Help

- **DFSAs Rulebook:** The DFSA website contains more information about the DFSA Rulebook. Applicable modules include: Recognition (REC) - Part 1, Authorised Market Institutions (AMI) - Chapter 7, General Module (GEN), Application Forms and Notices Module (AFN) and Fees Module (FER).
- **Enquiries:** You can direct your questions about the Recognition process to our Markets Division.

## Tips for applicants

1. Read the relevant module of the DFSA Rulebook before you begin your application.
2. Check you are submitting the correct application form.
3. Be as comprehensive as possible. If the DFSA needs to request further information, any delay in providing it will have an impact on the time it takes to process your application. Although processing time varies on a case-by-case basis, the DFSA endeavours to process all applications in a timely manner.
4. Review your application, particularly when using consultants or legal advisers - you are the one who knows your business best. You are also responsible for any information contained in the application.
5. Submit all your documents at once - your signed application and all the requested attachments.
6. Where an application fee is applicable, ensure you have paid this.
7. Nominate a contact person within your firm to be responsible for managing the application process and to assist the DFSA with any enquiries.