

## **Cabinet Resolution No. (113) of 2022 on Publication of Violations Related to Legislation of the SCA and Licensed Markets**

**The Cabinet,**

- Having reviewed the constitution;
- Federal Law No. (1) of 1972 concerning the Competences of Ministries and the Powers of Ministers, as amended;
- Federal Law No. (4) of 2000 concerning the Emirates Securities and Commodities Authority and Market, as amended;
- Federal Decree-Law No. (32) of 2021 concerning the Commercial Companies;
- Cabinet Resolution No. (13) of 2000 concerning the Terms of References of the Securities and Commodities Authority, as amended;
- And based on the Proposal of the Chairman of the Board of Directors of the Securities and Commodities Authority and the Approval thereof by the Cabinet,

**Resolves as follows:**

### **Article (1)**

#### **Definitions**

Upon applying the provisions of this Resolution, the following words and expressions shall bear the following meanings assigned thereto respectively, unless the context requires otherwise:

<b>State</b>	:	The United Arab Emirates
<b>Authority</b>	:	Securities and Commodities Authority
<b>Board</b>	:	Board of Directors of the Authority
<b>Market</b>	:	The securities or commodities market licensed in the State in accordance with the provisions of Federal Law No. (4) of 2000 concerning the Emirates Securities and Commodities Authority and Market, referred to hereinabove.
<b>Person</b>	:	The natural or legal person committing the violation.

## **Article (2)**

### **Objectives of the Resolution**

This resolution aims to

1. Develop the regulatory frameworks for publishing the violations;
2. Protect the Market and investors;
3. Prevent those violating the Authority's legislation from inflicting harm on the investment environment in the State; and
4. Raise investment awareness, protect investors, and ensure proper market dealing foundations.

## **Article (3)**

### **Scope of Application**

The provisions of this resolution shall apply to the violations committed by companies having securities listed on the Market, and their Board members and managers, Market dealers and the Authority-licensed entities, in breach of Federal Law No. (4) of 2000 concerning the Emirates Securities and Commodities Authority and Market referred to hereinabove, Federal-Decree Law No. (32) of 2021 concerning Commercial Companies referred to hereinabove, the other legislation, regulations, resolutions, instructions guidelines, circulars and/or rules in force in the Securities and Commodities Authority and the markets licensed by it.

## **Article (4)**

### **Publication Approval Validity**

1. The Board or any entity or body authorized by it may publish the violations if they meet the conditions stipulated in Article (5) of this resolution, provided that the publication decision is approved by the Chairman of the Board or whomsoever he authorizes.
2. Having obtained the approval of the Board, the Board of Directors of the market concerned may publish the violations committed in breach of the operational and executive rules applicable by it, the names of their perpetrators, and the administrative penalty imposed in respect thereof, provided that the resolution of the Board of

Directors of the market concerned is approved by its chairman.

## **Article (5)**

### **Controls for Publishing the Violations**

The following controls shall be observed upon publishing the violation:

1. The administrative penalty applicable to the violation shall be any of the following penalties:
  - a. financial fine exceeding (50) fifty thousand dirhams;
  - b. Temporary suspension of business;
  - c. Temporary suspension of trading;
  - d. Revocation of license or Delicensing of the entities licensed by the Authority;
  - e. Suspending or revoking the accreditation of employees of entities licensed by the Authority;
  - f. Suspension or cancellation of the securities listed on the market.
2. The expiration of the time limit prescribed for appealing the resolution imposing the administrative penalty without appealing it, or upon the issuance of a resolution to dismiss the appeal in accordance with the legislation regulating the work of the Authority;
3. After completing the procedures of referring the person to the Public Prosecution in the cases in which the Authority decides referral to the Public Prosecution.

## **Article (6)**

### **Content of Publication**

1. The publication stipulated in Article (7) of this resolution shall specify the violation committed, the violator, the nature of the administrative penalty imposed thereon, and the date of the penalty decision.
2. Notwithstanding Clause (1) of this Article, the publication may only include a description of the violation committed and the consequential administrative penalty without mentioning the name of the violator in any of the following cases:
  - a. If the violator is referred to the Public Prosecution;

- b. If the violation is committed for the first time, unless the penalty resulting from the violation is revocation of the license, or where the violation would affect the stability and safety of transactions that are subject to the regulation, control and supervision of the Authority, in accordance with the Board's opinion;
- c. Any other case on which a resolution is issued by the Board for the sake of the public interest.

## **Article (7)**

### **Publication Mechanism**

1. The publication shall be carried out through the website of the Authority and the market concerned, in addition to any of the following means:
  - a. A daily newspaper published and distributed in the State;
  - b. The social media platforms;
  - c. Financial Markets' website;
  - d. Any other method approved by the Board;
2. The violation shall be published on the websites of both the Authority and the relevant market for a period of not less than (30) thirty days starting from the date of publication, and such a period may be extended in the event that the violation is not corrected or in accordance with the nature and seriousness of the violation committed, provided that a resolution of extension is issued by the Board or whomsoever it delegates or the Board of Directors of the Market concerned.

## **Article (8)**

### **Publication Suspension or Cancellation**

The Board or whomsoever it delegates may suspend or cancel the resolution to publish the violation for public interest considerations.

## **Article (9)**

### **Publication of Investigations**

The Board or whomsoever it delegates may, in cases it deems appropriate, publish a notice or press releases at the start of the investigation in certain serious violations or whenever required by the public interest.

## **Article (10)**

### **Repeal**

Any provision that contradicts the provisions of this Resolution shall be repealed.

## **Article (11)**

### **Publication and Entry into Force**

This Resolution shall be published in the Official Gazette and shall enter into force as of the day following the date of its publication.

**Mohammed bin Rashid Al-Maktoum**  
**Prime Minister**

**Issued on 13 Jumada Al-Awwal 1444 (AH)**  
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