



Mubasher Financial Services (DIFC) Limited

Counterparty Due Diligence Questionnaire

2021

1. Background of the Broker/Custodian/Clearing Member (Counterparty)

1.1	Name of the Company (Legal Name):	
1.2	Registered Office Address:	
1.3	Business Name (if different from legal name):	
1.4	Jurisdiction of the Company & Primary Regulator of the Company:	
1.5	License No. provided by the Regulator: (Enclose copy of the regulatory license)	
1.6	Date of Business Registration/ Incorporation:	
1.7	Business Registration No. / Incorporation No.:	
1.8	Legal Structure of the Company/Type of Business Entity: (E.g. Bank, Investment Business Firm, Fund/Asset Manager, Broker-Dealer, etc.)	
1.9	Shareholding Structure of the Company - [If listed please include the name of the exchange where listed]:	
1.10	Describe any changes to the legal or shareholding structure over the previous 12 months:	
1.11	Details of the Person completing Due Diligence Questionnaire:	
	▶ Salutation	
	▶ Full Name	
	▶ Office Address	
	▶ Email Address	

	▶ Telephone No	
	▶ Corporate Website	
1.12	Details of the Compliance Officer:	
	▶ Salutation	
	▶ Full Name	
	▶ Office Address	
	▶ Email Address	
	▶ Telephone No	
	▶ Fax No	

2. Financial Status

2.1	Has your company been assigned a credit rating by any of the international credit rating agencies?	YES/NO (Please strikethrough the option that is not applicable)																					
	If YES, please mention the latest credit rating																						
2.2	What is the Net Worth of your Company (as of the last quarter end/year-end) – If information is provided as of year-end any significant events after the year-end that could affect the Company's Net Worth:																						
2.3	What is the current ratio of the Company?																						
2.4	What is the Profit/Loss for the last 2 financial years?																						
	What is the Profit/Loss for the last quarter or last half year?																						
	If the Company has made losses, please provide the management actions initiated to recover the losses and projected profitability over the next financial year:																						
2.5	Do you have any Client Assets under Management? If so please provide details.																						
2.6	Details of Subsidiaries: <table border="1" data-bbox="250 1486 1442 1759"> <thead> <tr> <th data-bbox="250 1486 649 1549">Name of the subsidiary</th> <th data-bbox="649 1486 1047 1549">Percentage of shareholding as of last month-end</th> <th data-bbox="1047 1486 1442 1549">Subsidiary Profit/Loss as of the last Financial year-end</th> </tr> </thead> <tbody> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> </tbody> </table>		Name of the subsidiary	Percentage of shareholding as of last month-end	Subsidiary Profit/Loss as of the last Financial year-end																		
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2.7	In case you hold client cash or securities are these reflected as an item held under fiduciary capacity i.e. as an off-balance sheet item	YES/NO (Please strikethrough the option that is not applicable)
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Note:

Please provide a copy of the audited financial statements for the last financial year and copies of unaudited or audited account for the previous quarter/half year.

3. Risk Management

3.1	In brief state the overall risk management process for the brokerage operations:	
3.2	Who is responsible for risk management and risk manager oversight position?	
3.3	Please provide the applicable insolvency regime for your Company:	
3.4	What is the Companies Business Continuity Planning Process (Do you have an alternative sight in case the primary site is not available and what are the recovery timelines for dealing and operations)?	
3.5	Does the Company have an internal compliance policies and procedures for brokerage operations	YES/NO (Please strikethrough the option that is not applicable)
	If yes are these approved by the Board and how often are these reviewed and updated? <i>(Please provide copies of any such policies and procedures as also copy of annual compliance reports or a summary of the key compliance findings)</i>	
3.6	How does the Company ensure that client cash and securities (client assets) are segregated from your Companies own assets (proprietary cash and securities)? What provisions are in place as per your local regulations concerning segregation and safeguarding of Client cash and securities.	

3.7	Are client assets ever used to cover transactions related to other clients or the Broker/Custodian's own dealings	YES/NO (Please strikethrough the option that is not applicable)
3.8	What regulations are in place in your firm's jurisdiction in the event of a Bankruptcy?	

4. Data Protection

4.1	Please provide a brief of your Country specific Data Protection Laws and those applied by your Company concerning protection of personal information.:	
4.2	Please provide a copy of your Data Privacy Notice/Statement or reference to your website wherein such Data Privacy Notice/Statement is available.	
4.3	Does the company have a compliance monitoring program that covers Personal Data Protection?	YES/NO (Please strikethrough the option that is not applicable)
	If yes, Please Provide copy of such program or description related to Personal Data Protection controls implemented by your Company.	
4.4	Does the Company have a formal access authorization process based on 'least privilege' (employees are granted the least amount of access possible in order to perform their assigned duties)	YES/NO (Please strikethrough the option that is not applicable)
	If yes, are these access permissions granted based upon the legitimate business need of the user to access the information? Also Is there a review process for access entitlements ?	

4.5	Does the Company have any services outsourced to a third party?	YES/NO (Please strikethrough the option that is not applicable)
	If yes, what are the Data Protection Obligations for such third parties?	
4.6	Did the Company have any Personal Data Security Breaches During the last 5 Years?	YES/NO (Please strikethrough the option that is not applicable)
	If yes, please provide more details.	
4.7	Please provide a copy of Policies and Procedures for Managing Personal Data or a brief description of the same.	

5. Legal & Compliance

5.1	Has the Company, its management, the advisor(s) or any of their respective principals ever been subject to any of the following ?
	(Please strikethrough the option that is not applicable)
	<div>▶ Expulsion</div> <div>YES/NO</div>
	<div>▶ Fine or Civil Monetary Penalty</div> <div>YES/NO</div>
	<div>▶ Censure, Denial, Suspension by any Regulatory Body</div> <div>YES/NO</div>
	<div>▶ Restriction or Revocation of membership or Registration by any Regulatory Body or Exchange</div> <div>YES/NO</div>
	<div>▶ Permanent or temporary injunction</div> <div>YES/NO</div>
	<div>▶ Cease and desist order</div> <div>YES/NO</div>
	<div>▶ Denial of trading privileges or other sanctions or disciplinary action through or as the result of an adverse determination</div> <div>YES/NO</div>
	<div>▶ Voluntary settlement or otherwise, in an action or proceeding brought by the government of any nation, state, province or municipality (whether foreign or domestic), any judicial body, department or agency thereof, or any regulatory or self-regulatory authority</div> <div>YES/NO</div>
5.2	Is the entity, its management, the advisor(s) or any of their respective principals or any affiliated entities currently involved in any of the aforementioned actions? <div>YES/NO</div> <div>(Please strikethrough the option that is not applicable)</div>
	If the answer to either question is "yes," supply details, including: the nature of the allegation, a detailed description of the current status of the proceedings and any resulting penalty (e.g., expired, paid, etc.), and any judgments, findings or dispositive rulings:
5.3	Any litigation (including arbitration and similar claims) brought at any time by any client or customer of the Company, its management, the advisor(s) or any of their respective principals? <div>YES/NO</div> <div>(Please strikethrough the option that is not applicable)</div>
	If the answer to either question is "yes," supply details, including: the nature of the matter under litigation, a detailed description of the current status of the proceedings and any resulting penalty (e.g., expired, paid, etc.), and any judgments, findings or dispositive rulings:

5.4		
	Describe if the Company is in default under any Agreements (including credit agreements):	YES/NO (Please strikethrough the option that is not applicable)
	If YES, explain the nature of default?	

6. Audit

6.1	Are the Companies brokerage operations subjected to internal audit evaluation?	YES/NO (Please strikethrough the option that is not applicable)
6.2	Are audit issues tracked and followed up for resolution?	YES/NO (Please strikethrough the option that is not applicable)
	(Please confirm that management has addressed all the key issues reported in the latest internal audit report)	
6.3	Do external auditors cover evaluation of adequacy and effectiveness of risk management and internal control:	YES/NO (Please strikethrough the option that is not applicable)
	(Please confirm that management has addressed the management letter points reported by the external auditors in the latest management letter)	
6.4	When was the last inspection of any regulatory body done on the Company and what was the outcome of such inspection:	

6.5	Was any fine imposed as a result of such inspection:	YES/NO (Please strikethrough the option that is not applicable)
6.6	Please provide your organization structure related to Internal Audit, Risk and Compliance. Also provide a brief profile of your staff in Internal Audit, Risk Management and Compliance functions	

7. Information Technology (Disaster Recover & Security)

7.1	Does your firm have an IT Disaster Recovery Plan, If so please provide the recovery time objectives of the core systems:	
7.2	Provide information of any professional services outsourced relating to IT security and systems, risk oversight, back and middle offices, etc:	
7.3	Who is responsible for maintaining the IT infrastructure	In-House/Outsourced (Please strikethrough the option that is not applicable)
7.4	What measures are implemented to ensure Data Security:	
7.5	Do you deploy tools to monitor / prevent data leakage (if so please explain)?	YES/NO (Please strikethrough the option that is not applicable)
7.6	Does the company have any IT Security Certification/s? (e.g. ISO 27001 or equivalent) if so please provide details of such certification/s.	YES/NO (Please strikethrough the option that is not applicable)
7.7	Does the Company have process and tools to monitor network and system access ? (if yes please provide a brief on such process and tools).	YES/NO (Please strikethrough the option that is not applicable)

7.8	Does the Company implement Cyber Security? (if so, please provide more details).	YES/NO (Please strikethrough the option that is not applicable)
7.9	Does the Company hold a Cyber Security Insurance? (if so, please provide details).	YES/NO (Please strikethrough the option that is not applicable)

8. Dealing Room Operations

8.1	Please mention the structure of the company's dealing room?																																							
8.2	<p>Which of the following additional services do you offer to Mubasher Financial Services (DIFC) Ltd</p> <table border="1"> <thead> <tr> <th data-bbox="261 579 1062 611">Service</th> <th data-bbox="1066 579 1494 611">Markets</th> </tr> </thead> <tbody> <tr><td data-bbox="261 611 1062 642">▶ Corporate action research</td><td data-bbox="1066 611 1494 642">Yes/No</td></tr> <tr><td data-bbox="261 642 1062 674">▶ Index changes, projections, research</td><td data-bbox="1066 642 1494 674">Yes/No</td></tr> <tr><td data-bbox="261 674 1062 705">▶ Equity market reports</td><td data-bbox="1066 674 1494 705">Yes/No</td></tr> <tr><td data-bbox="261 705 1062 737">▶ Microcap and thinly traded securities research</td><td data-bbox="1066 705 1494 737">Yes/No</td></tr> <tr><td data-bbox="261 737 1062 768">▶ Fundamental macro research</td><td data-bbox="1066 737 1494 768">Yes/No</td></tr> <tr><td data-bbox="261 768 1062 800">▶ Quantitative/factor research</td><td data-bbox="1066 768 1494 800">Yes/No</td></tr> <tr><td data-bbox="261 800 1062 831">▶ Stock trade ideas</td><td data-bbox="1066 800 1494 831">Yes/No</td></tr> <tr><td data-bbox="261 831 1062 863">▶ Derivative valuation models</td><td data-bbox="1066 831 1494 863">Yes/No</td></tr> <tr><td data-bbox="261 863 1062 894">▶ Risk models</td><td data-bbox="1066 863 1494 894">Yes/No</td></tr> <tr><td data-bbox="261 894 1062 926">▶ Private placements</td><td data-bbox="1066 894 1494 926">Yes/No</td></tr> </tbody> </table> <p>Which of the following instruments/market are offered by the trading desk?</p> <table border="1"> <tbody> <tr><td data-bbox="261 1020 1062 1052">▶ Bonds/Sukuks</td><td data-bbox="1066 1020 1494 1052">Yes/No</td></tr> <tr><td data-bbox="261 1052 1062 1083">▶ Equities</td><td data-bbox="1066 1052 1494 1083">Yes/No</td></tr> <tr><td data-bbox="261 1083 1062 1115">▶ Commodities</td><td data-bbox="1066 1083 1494 1115">Yes/No</td></tr> <tr><td data-bbox="261 1115 1062 1146">▶ GCC</td><td data-bbox="1066 1115 1494 1146">Yes/No</td></tr> <tr><td data-bbox="261 1146 1062 1178">▶ MENA</td><td data-bbox="1066 1146 1494 1178">Yes/No</td></tr> <tr><td data-bbox="261 1178 1062 1209">▶ US</td><td data-bbox="1066 1178 1494 1209">Yes/No</td></tr> <tr><td data-bbox="261 1209 1062 1241">▶ Europe</td><td data-bbox="1066 1209 1494 1241">Yes/No</td></tr> <tr><td data-bbox="261 1241 1062 1272">▶ Other (please specify)</td><td data-bbox="1066 1241 1494 1272">Yes/No</td></tr> </tbody> </table>		Service	Markets	▶ Corporate action research	Yes/No	▶ Index changes, projections, research	Yes/No	▶ Equity market reports	Yes/No	▶ Microcap and thinly traded securities research	Yes/No	▶ Fundamental macro research	Yes/No	▶ Quantitative/factor research	Yes/No	▶ Stock trade ideas	Yes/No	▶ Derivative valuation models	Yes/No	▶ Risk models	Yes/No	▶ Private placements	Yes/No	▶ Bonds/Sukuks	Yes/No	▶ Equities	Yes/No	▶ Commodities	Yes/No	▶ GCC	Yes/No	▶ MENA	Yes/No	▶ US	Yes/No	▶ Europe	Yes/No	▶ Other (please specify)	Yes/No
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8.3	Do you have documented policies and procedure that covers the entire trade cycle? If YES, please provide a copy.	YES/NO <small>(Please strikethrough the option that is not applicable)</small>																																						
8.4	What measures are in place to deter unauthorized trading:																																							

8.5	Do you have a Best Execution policy in place?	YES/NO (Please strikethrough the option that is not applicable)
	If yes, how is it implemented:	
8.6	Are phone calls recorded:	YES/NO (Please strikethrough the option that is not applicable)
	If yes, for how long do you keep these recordings:	
8.7	Please describe the process/ system by which you send the client's orders to the relevant markets:	

9. Custody Services:

9.1	Have your firm appointed a custodian in order to handle Mubasher client cash and assets:	YES/NO (Please strikethrough the option that is not applicable)
9.2	What due diligence procedures do you perform upon appointment of custodians and do you regularly assess the custodians financial standing and operations capability:	

10. Insurance:

10.1	Does the firm subscribe to any error and omission insurance/ employee fidelity insurance? If so, to what extent:
10.2	List any other relevant insurance the Company subscribes to and the total amount of Insurance coverage undertaken by the Company:

11.1	Please provide a copy of the organizational chart for the brokerage and custody operations:																																																		
11.2	Please provide brief biographies of senior management;																																																		
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11.3	List any significant staff departures (partner in the management company or director-level employee (or higher) with more than five years of history with the Firm in the previous year:																																																		