



## AIFC ISLAMIC BANKING BUSINESS PRUDENTIAL RULES

**customer** means a person to whom an Islamic Bank provides (or intends or wishes to provide, or has provided) a service or product and includes a business customer of an Islamic Bank (within the meaning given in COND):

**exercise control:** an entity (**entity A**) exercises control over another (**entity B**) if:

- (a) entity A holds 10% or more of the shares of entity B, or is entitled to exercise or control the exercise of 10% or more of the voting power in entity B;
- (b) entity A holds 10% or more of the shares in a parent entity of entity B or is entitled to exercise or control the exercise of 10% or more of the voting power in a parent entity of entity B; or
- (c) entity A is able to exercise significant influence over the management of entity B or a parent entity of entity B because of entity A's shareholding or voting power, or by contractual or other arrangements.

**exposure** means the maximum loss that an Islamic Bank might suffer as a result of the default or failure of a counterparty, connected counterparties, issuer or connected issuers.

**External Credit Rating Agency (or ECRA)** means:

- (a) Moody's Investors Service;
- (b) Fitch Ratings;
- (c) Standard & Poor's;
- (d) a rating agency that is affiliated with one of the agencies mentioned in paragraphs (a) to (c);
- (e) Islamic International Rating Agency, B.S.C; and
- (f) any other agency approved by the AFSA.

**finance function** has the same meanings as in CTRL.

**financial communication**, by an Islamic Bank, means any communication (made through any medium including brochures, telephone calls and presentations) the purpose or effect of which is:

- (a) to promote or advertise an Islamic Bank's services or products; or
- (b) to invite or induce any person to enter into an agreement with any person in relation to those services or products.

**governing body** of an entity means its board of directors, committee of management or other governing body (whatever it is called).

**home jurisdiction**, for an entity, means the jurisdiction where the entity's authorisation or licence was granted

**internal audit function** has the same meaning as in CTRL.

**investment grade** means a rating of at least BBB- or equivalent.