

## **The DFSA in Action**

The DFSA news publication

Volume 8, September 2011

# Welcome note



Welcome to the September edition of the DFSA's external news publication. I do hope that this round-up of information and statistics is interesting and useful.

I want to begin my welcome note by congratulating HE Abdullah M Saleh on his appointment as Governor of the DIFC. HE Saleh has capably guided the DFSA as its Chairman since 2007, so he is well-versed in its operations, strategy and vision. We could not have asked for a more qualified person as Governor.

Next, I want to congratulate Mr Saeb Eigner on his appointment as Chairman of the DFSA. Mr Eigner has been a DFSA Board Member since 2004, and served as deputy Chairman during the period of Mr Saleh's chairmanship. Mr Eigner has proven his leadership during the transitional period as acting Chairman, and we look forward to working with him.

I am also pleased to announce that all of our existing Board Members have been reappointed, for a further three-year term, by His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, in his capacity as President of the DIFC. This expression of abiding confidence in our Board is particularly reassuring as the DFSA maintains its reputation as a regulator of international stature and the Centre continues to grow, even in the face of the financial downturn that much of the world is facing. Should you wish to view the DFSA Governance Model please visit our website.

This year, I have seen a real increase in applications for authorisation, mainly from financial institutions from India, Turkey, Europe and the GCC region. I envisage that we will complete the year with 20% more applications than we had in 2010. The areas of growth have been from trade finance, wealth management, reinsurance and wholesale broking. I have also seen a significant increase in capital market trading activities as investment banks upgrade their existing presence in the DIFC. I am confident that, despite the current climate of uncertainty, we shall continue to see momentum from these sectors in 2012.

At the beginning of this year, the DFSA identified four strategic themes to drive our work over the course of the next two years. **International Engagement** (our second strategic theme) has been one of my top priorities, and as such, I have attended and participated in numerous meetings in Europe, South Africa, India, Malaysia and the US, to ensure that we understand and take proper account of these evolving international standards, align ourselves and implement accordingly.

**Basel Committee for Banking Supervision (BCBS)** - The DFSA is an active member of a committee currently working on the revision of Basel Core Principles for effective banking supervision. Once the revised core principles are adopted, the DFSA will review them and ensure that the banking supervisory framework in the DIFC remains compliant. The DFSA also actively participates in the Basel Consultative Group, a sub-group of the BCBS.

**International Organisation of Securities Commissions (IOSCO)** - This year, we have provided several responses to IOSCO Papers, focusing on the regulation of nominee accounts in emerging markets, financial stability issues in emerging markets and the fourth annual Emerging Markets survey. We have also provided detailed feedback on the consultation draft of IOSCO's revised methodology, which allows securities regulators to measure their compliance with IOSCO's 38 Core Principles. Their finalisation will allow the DFSA to conduct our new self-assessment

of our regime against these new standards by the end of 2011.

**International Association of Insurance Supervisors (IAIS)** - The IAIS is also currently revising its Insurance Core Principles (ICPs), corresponding standards and guidance material. The October 2011 annual meeting is the target deadline for adopting the new material. The DFSA has directly participated in a number of the groups drafting the material and has provided extensive input to consultations on the material. The DFSA will review the finalised ICPs and associated material and will undertake a review of our Rulebook to identify areas of improvement.

In July, the IAIS published a concept paper relating to a Common Framework (ComFrame) for the Supervision of Internationally Active Insurance Groups (IAIG). A number of insurance entities in the DIFC are members of the IAIG. It is expected that ComFrame will help foster co-operation amongst supervisors and close regulatory gaps. ComFrame will be reviewed to ensure that the DFSA continues to meet its mission of administering world-class regulation.

The international standards agenda has been the dominant driver of the **thematic reviews** that we have conducted this year. Some of the key outcomes from two of those thematic reviews can be read in full on page 2, on **Corporate Governance and Anti-Money Laundering (AML)**. In February we embarked on a review of auditors' reports. These reports are specialist reports solely for the use of the DFSA covering matters such as prudential returns and regulatory capital reconciliations, client money etc., as opposed to the normal statutory auditor reports. The purpose of the review is to gather information on Registered Auditors' procedures when undertaking work for the issuance of these reports. **All Registered Auditors** will be reviewed and to date, we have completed the review of nine Registered Auditors. The DFSA intends to issue a final report detailing the outcome from this review covering deficiencies and best practices, in Q1 2012.

**Islamic finance** remains an important focus of the DFSA and we continue to be active members of various committees and working groups of both the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and the Islamic Financial Services Board (IFSB). Currently, our four IFSB working groups are mandated with the task of establishing standards for liquidity risk management, stress testing, capital adequacy and Basel III implementation and risk management for Takaful undertakings. Of these, the working groups tasked with developing stress testing and liquidity risk management standards have progressed furthest and should be open for consultation in the near future. The other two working groups are in a much earlier stage of development, currently collating responses to the survey of accounting practices. We have seats on AAOIFI's Audit and Governance Standards Committee and its Accounting and Auditing Standards Board, and remain proactive with comments regarding changes proposed to Shari'a governance standards and the nuances of Islamic accounting.

In June, we met with the Audit Inspection Unit and Professional Oversight Board of the Financial Reporting Council UK. The aim of the meeting was to share information with respect to audit monitoring and supervision as well as a general discussion of the Public Company Accounting Oversight Board inspections and audit methodology software.

The DFSA remains active in communicating with **international regulators** including participation in various Supervisory Colleges. **Supervisory Colleges** have received new impetus as a result of the global financial crisis. We have actively worked to enhance the role of colleges in co-ordinating supervisory activities

and decisions, as well as enhancing the exchange of information between relevant authorities. Largely, this is achieved via our suite of bi-lateral MoUs and our membership of multi-lateral MoUs, but increasingly we are participating in formal Supervisory Colleges.

To this end, a DFSA Board Member, myself and several members of senior management visited **India** in June to meet with three Deputy Governors and the senior management of the Reserve Bank of India (RBI), the Chairman of the Securities and Exchange Board of India (SEBI) and an Indian-domiciled financial institution that has a strong presence in the DIFC. During this mission, the DFSA signed an MoU with the RBI. I am proud to announce that, at that time, it was only the second such agreement ever signed by RBI with another international regulator. The DFSA already has an operating MOU with SEBI. The RBI, SEBI and the DFSA each highlighted the importance of global co-operation and the long-term business and population links between India and the United Arab Emirates.

I want to conclude my note by bringing your attention to two key DFSA projects currently underway, which may impact you and your Firm: **Transfer of AML/CFT Responsibilities from DIFCA to the DFSA and Process Reviews for any future IMF FSAP Assessment.**

**Transfer of AML/CFT Responsibilities from DIFCA to the DFSA** - In June, we hosted an outreach session to discuss Consultation Paper 74, which introduces a new regulatory regime for Designated Non-Financial Businesses and Professions (DNFBPs). This proposes the transfer of responsibility for the Anti-Money Laundering/Counter Terrorism Financing CFT supervision of non-financial services Firms from the DIFC Authority (DIFCA) to the DFSA. Firms impacted with this proposal will include insolvency Firms, real estate developers and Single Family Offices, which have not previously been regulated by the DFSA and may only have limited experience in dealing with AML/CFT issues. To read more about these proposals, please go to page 2. We have also prepared a "Quick Guide" to explain the requirements of registration with the DFSA, appointing a Money Laundering Reporting Officer (MLRO) and complying with the new proposed DFSA Rules for DNFBPs. This can be viewed on the DFSA website and should you have any other questions, please give us a call.

**Process Reviews for any future IMF FSAP Assessment** - We are currently reviewing many of our supervisory processes to enhance efficiency, update documentation and ensure consistency of approach among supervisors. We are constantly looking for ideas and processes that we can implement to improve our delivery of services. Secondly, we are reviewing our prudential rules for banks and investment Firms. The revision of prudential rules, which includes the implementation of Basel III standards, is a significant piece of development work. In this initiative, the DFSA aims to enhance its prudential framework for all Authorised Firms, except the insurers, as well as rationalise the applicability of rules for different types of Firms. As part of this project, relevant standards and guidance issued by the Basel Committee will be reviewed and appropriately implemented. Among others, this initiative will address operational risk, group risk, internal capital adequacy assessments, transparency and disclosures, remuneration related issues as well as enhanced risk management systems and controls. These endeavours are good preparation for any future IMF World Bank assessment under the Financial Sector Assessment Programme.

I wish you a prosperous and successful final quarter and should you have any questions or need to speak to us, please do not hesitate to get in touch.

**Paul M Koster**  
Chief Executive

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In addition to company news and information available on the DFSA website, all publications can also be accessed from the DFSA Library. These include a full range of DFSA leaflets, all editions of The DFSA in Action, as well as our Business Plan and Annual Report.

# About the DFSA

The DFSA is the independent regulator of financial and ancillary services conducted in or from the Dubai International Financial Centre (DIFC). The DFSA's regulatory mandate covers asset management, banking and credit services, securities, collective investment funds, custody and trust services, commodities futures trading, Islamic finance, insurance, an international equities exchange and an international commodities derivatives exchange.

*In discharging its regulatory mandate, the DFSA has a statutory obligation to pursue the following objectives:-*

- to foster and maintain fairness, transparency and efficiency in the financial services industry (namely, the financial services and related activities carried on) in the DIFC;
- to foster and maintain confidence in the financial services industry in the DIFC;
- to foster and maintain the financial stability of the financial services industry in the DIFC, including the reduction of systemic risk;

- to prevent, detect and restrain conduct that causes or may cause damage to the reputation of the DIFC or the financial services industry in the DIFC, through appropriate means, including the imposition of sanctions and monetary penalties;
- to protect direct and indirect users and prospective users of the financial services industry in the DIFC; and
- to promote public understanding of the regulation of the financial services industry in the DIFC.

*The DFSA carries out its obligations by way of functional teams:-*

- The Policy and Legal Services Division is responsible for policy advice and formulation and is also responsible for developing and maintaining the DFSA Laws and Rules, for which the DFSA is responsible.
- The Supervision Division's primary responsibility is to assess, monitor and mitigate risk in Authorised Firms and

Ancillary Service Providers and Registered Auditors. The DFSA's Supervision Division conducts a thorough analysis of new licence applications to ensure proper screening and checks and balances in decision-making.

- The Markets Division is responsible for the licensing and ongoing supervision of exchanges and clearing houses based in the DIFC. It also recognises licensed entities seeking Recognition status, either to operate as exchanges in the DIFC as well as members of exchanges located in the DIFC. It also regulates the offers of securities in or from the DIFC and supervises Reporting Entities.
- The Enforcement Division enforces the Laws and Rules of the DIFC administered by DFSA. The Division also proactively tries to prevent misconduct through education and outreach programmes. Its overarching objective is to prevent, detect and restrain conduct that causes or may cause damage to the reputation of the DIFC.

## DFSA says goodbye to Errol Hoopmann and welcomes Michael Ridgeway



### Errol Hoopmann

joined the DFSA in 2003 and said his final farewell to his colleagues at the end of July 2011. Errol was General Counsel and Secretary to the Board. Prior to taking this position, Errol was Director, Legal Services with primary responsibility for managing legal service delivery in the DFSA, including advising and legislative drafting. He also held previous DFSA directorship roles in relation to enforcement and policy formulation.

Errol has returned to Brisbane, Australia to take a short career break before embarking on his next adventure, somewhere. The DFSA is sad to say goodbye to a 'long-timer' but wishes to acknowledge his hard work and dedication. All the best and Bon Voyage!



### Michael Ridgeway

joined the DFSA as General Counsel in June 2011. He previously worked in the US, where he was General Counsel for the Oklahoma Insurance Department. As part of that role, Michael was active in the National Association of Insurance Commissioners, including serving as Chair of the Federal and International Enforcement Co-ordination Working Group; Vice Chair of the Anti-Fraud Task Force and representative of the US in committee meetings of the International Association of Insurance Supervisors.

Michael holds a Juris Doctorate and a Bachelor of Arts degree in Public Administration. He is licensed in jurisdictions ranging from Native American tribal courts to the US Supreme Court.

# Supervision in action

## Project Work

The Supervision Division is currently undertaking three major pieces of project work. Firstly, a review of supervisory processes to enhance efficiency, update documentation and ensure consistency of approach among supervisors. So far 134 processes have been reviewed and 141 improvement opportunities have been identified, all of which will be implemented. Secondly, a review of our prudential rules for banks and investment Firms is underway to allow for the implementation of Basel III and other enhancements. Both of these work streams enable us to maintain our commitment to best international practice.

Implementation of Basel III is another project underway that is subject to appropriate planning disciplines with a designated Project Board established to monitor progress. In undertaking this work, the team is keen to ensure that implementation is appropriate for our context as well as in line with international standards. To this end, continuing dialogue in the Basel Consultative Group will be important.

The Division is also actively working on producing generic guidance to supplement the four core components of the DFSA's Risk Matrix, namely: Systems and Controls, Corporate Governance, Prudential/Financial matters and Conduct of Business. This review will be completed in 2012 and will assist us in ensuring consistency and evidential collation.

## Thematic Reviews

### Corporate Governance Theme Review

The review revealed that a number of domestic Firms were managed more like a "branch" when part of a larger group. Of concern was the number of those domestic Firms which revealed that while a Board may have been appointed, there was room for improvement in the performance of those Boards in meeting their obligations and duties.

### AML Theme Review

As a result of the current unrest in the MENA region, due diligence and monitoring of Politically Exposed Persons (PEPs) is even more critical especially in respect of Money

Laundering matters and UN Sanctions adherence. Accordingly, many standard-setting bodies (including the Financial Action Task Force (FATF)) are redefining the meaning of a PEP and the ongoing supervision process requirements. Our thematic review on PEPs and how DIFC-based Firms deal with such individuals has commenced. In June, the Supervision Division commenced the first part of this project, the PEP Questionnaire project; the latest stream of work in the DFSA's enhanced supervisory approach. The Questionnaire comprised 37 questions focusing on four main areas including the identification of PEPs; enhanced due diligence on PEPs, ongoing PEP requirements and feedback on a recent FATF Consultation Paper on PEPs. The Questionnaire was issued to all Authorised Firms and Ancillary Service Providers in the DIFC. We have received a total of 289 responses to date and we have begun analysing the responses. The preliminary findings of the Questionnaire have been encouraging, with the large majority of Firms showing recognition of the risks posed by PEPs and incorporating systems and controls into their policies and procedures. We were further encouraged with the candour of responses relating to the FATF Review of Standards regarding the approach to Domestic and Foreign PEPs. The next phase of this project will include onsite reviews of a sample of Firms to test their PEP systems and controls, and obtain a better understanding of the practical challenges associated with PEPs. Having reviewed and compiled the results of the Questionnaire and onsite reviews, the DFSA expects to communicate the findings to Firms via its regular communication with Senior Executive Officers and a DFSA Outreach session. Importantly the DFSA will also submit the findings of this project to FATF for its consideration.

### Designated Non-Financial Businesses and Professions (DNFBPs)

There are a number of proposals:

1. Implementation of a registration process enabling DNFBPs to notify the DFSA when it commences or ceases to be a DNFBP. The DFSA requires a DNFBP to establish and maintain effective systems and controls to obtain and make use of relevant

resolutions and sanctions issued by the United Nations Security Council.

2. Requiring a DNFBP to make use of appropriate findings, guidance, recommendations made by the DFSA, Central Bank of the UAE, UAE Government, UAE enforcement agencies or other government related departments in the UAE in relation to AML/CTF.
3. A lighter-touch regime will be applied for Single Family Offices than other DNFBPs. However, a Single Family Office will have to inform the DFSA if prevented from complying with AML/CFT rules or UAE Federal Law on AML/CFT, must nominate an MLRO, and must nominate a successor MLRO, within 28 days of cessation of employment of the previous MLRO.

The advantages of these proposed changes are threefold. First, the concentration on AML/ CFT supervision will improve consistency of application of AML/CFT Laws and policy. Secondly, the DIFC will benefit from the DFSA's existing expertise in AML/ CFT matters. Finally, all DIFC entities will have a single point of contact for AML/ CFT matters. When the new Rules come into effect, the DFSA will host further outreach sessions and launch training programmes for DNFBPs and Senior Financial Officers focusing on their new AML/ CFT responsibilities. It is expected that in Q1 of 2012 a series of education and outreach programmes will be scheduled as well as the implementation of a DNFBP registration programme.

### SEO Letters

Further to letters to SEOs issued in January and March concerning regional unrest and the subsequent United Nations Security Council Resolutions 1970 and 1973 concerning Libya ("Libyan Sanctions"), the DFSA contacted all SEOs of Authorised Firms and Ancillary Service Providers requesting confirmations in respect of the Libyan Sanctions. The DFSA received almost 300 responses. Only 9 of these Firms and Ancillary Service Providers had links to persons or entities listed in the Libyan Sanctions but none were holding assets. The

majority of these were reinsurers where the ultimate beneficiary was a person or entity on the list. All of these Firms were asked to monitor the situation and advise the DFSA should the situation change; for example, claims being made or policies being cancelled.

#### Outreach Training

Bryan Stirewalt, Managing Director,

Supervision presented at an Anti-Money Laundering Suspicious Cases Unit (AMLSCU) workshop in Abu Dhabi in March. The workshop was open to all DIFCs Authorised Firms and Ancillary Service Providers and over 150 people attended.

In March, the Supervision and Enforcement Divisions held an outreach session for

Compliance Officers and MLROs. Again, over 150 people attended. The AMLSCU presented the process of Suspicious Transactions Report lodgment.

In June, the Supervision Division held an outreach session for 40 advisors to help explain the DFSA's approach to licensing applications.

## Regional Audit Conference - "Professional Scepticism: raising the bar!"

After a successful launch last year, the Regional Audit Conference, now in its second year, will be held in the Meydan Grandstand, Dubai on the 22nd and 23rd of November 2011.

Held under the theme "Professional Scepticism: raising the bar!" the Regional Audit Conference 2011 will be a key platform to enable the professional development of Auditors in the GCC region.

The application of an appropriate degree of professional scepticism is a crucial skill for

Auditors. Unless Auditors are prepared to challenge management's assertions they will not act as a deterrent to fraud nor be able to confirm, with confidence, that a company's financial statements give a true and fair view.

Over 150 participants from Saudi Arabia, Qatar, Bahrain, Oman, Kuwait and the UAE attended the Regional Audit Conference 2010.

The benefits of the Regional Audit Conference 2011 are:

- Key local, regional and international speakers;
- Three focused workshops;
- Real-time Arabic translation;
- Credits for CPD hours; and
- Opportunity to network with regional participants from the region.

For more information regarding attendance please call Louissa Ward on Tel: +971 4 362 1624 or e-mail: lward@dfsa.ae

## Two sides to every story...

Robert Maynard Hutchins the notable American educator and staunch defender of freedom of the press once wrote that:

"Education is a kind of continuing dialogue, and a dialogue assumes different points of view."

Being able to consider any situation from different angles is a valuable part of an individual's development and a valuable skill for financial services regulators.

It was with this in mind that the DFSA sent three TRL Associates into DIFC Authorised Firms this year to encourage them to see the Firm's perspective and get a sense of the business drivers and challenges each Firm is subject to.

Special thanks this year to the Firms who successfully hosted our graduate trainees for a period of four months involving them in operational work and providing them with the mentoring support for the duration of the placement. The TRL Associates were able to gain valuable industry experience and insights and also make new friends in a diverse range of Firms including NASDAQ Dubai, The Bank of New York Mellon (BNY Mellon) and HSBC Private Bank.



From left to right: HSBC Private Bank - Sweta Achan (Manager, Business Support), Roger Winfield (Deputy Chief Executive Officer); DFSA - Ali Baalawi (TRL Associate), Noora Al Redha (TRL Associate); BNY Mellon - Kerri Glynn (Head of Human Resources).

# Corporate Services and Operations in action

The first half of the year, as expected, was an extremely busy time for the teams in Corporate Service and Operations. This page highlights some of the key operational developments and corporate service successes that have contributed to a resource intensive period.

There are five Departments that comprise the Corporate Services and Operations Division, they are: Corporate Communications; Projects and Risk Management; Information Technology (IT); Office Administration and Finance. Collectively, they provide the backbone of the DFSA and provide all infrastructure requirements and corporate services to the other Divisions.

Overall, the DFSA has had 31 external and internal audit reviews since inception in 2005, of which 30 have been on Corporate Services and Operations. All 30 audits (including external audit of financial figures) have received clean audit opinions.

## Corporate Communications:

- In July, the DFSA became an organisation that is able to fully communicate with its stakeholders in Arabic. This milestone was achieved by completing the translation of the DFSA website, the final element being the Complaints section. We are now able to reach a far wider audience by ensuring that the website is multi-lingual and this initiative becomes an important aspect in establishing dialogue with the broader market.
- Media engagement and management is now conducted on a global scale and in several languages. As the organisation has matured so has the level of media engagement, internationally.
- The Department's scope of work has grown exponentially each year, and in 2011 the team is able to offer translation services, strategic communications planning to key regulatory initiatives and other non-regulatory projects, corporate design and government liaison services.

## Projects and Risk Management:

- The DFSA has developed its own project management methodology and a track record of delivering projects to scope and within budgetary and time constraints over the last five years.
- The DFSA maintains its documented processes and policies incorporating key controls across its business Divisions and reviews and updates operational policies,



Front row from left to right: Meena Nair (Office Manager); Jan Bladen (Chief Operating Officer); Angharad Irving-Jones (Head of Corporate Communications); Tony De Cristofano (Head of IT).

Back row from left to right: Sameer Sheth (Head of Finance) and David Haswell (Head of Projects and Risk Management).

processes and controls through the cycle of continuous improvement.

- The Department maintains an effective internal audit function delivering a risk-based audit programme.
- IT:**
- In January, the IT Department was subjected to various external and internal security penetration tests. All tests resulted in clean audit reports.
  - In the first half of 2011, the IT Department successfully completed 7 projects and initiatives that significantly contributed to the overall systems design, development and transformation of the DFSA business Divisions and have 23 projects to complete before year end.

## Office Administration:

- The DFSA's Annual Asset verification process was successfully carried out ensuring that all 1014 assets located both on the premises and in the offsite storage facility were recorded and all reports submitted were verified during the Internal Audit.
- In the last six months, the Department has improved the quality and updated the functionality of the office environment.

## Finance:

- Finance has grown from inception to being a fully-fledged Department today responsible for budgeting, MIS reporting, fee invoicing, maintaining books of accounts, preparing financial statements, receivables and payables management, cash and bank management, payroll processing, procurement of goods and services, maintaining the fixed assets register and office multi-cover insurance.
- The Finance Department has received clean audit opinions from the External auditors within three weeks from the closure of the financial year for the past 6 years.
- In April 2011, the Finance Department received a clean audit opinion from the Internal auditors for the Authority Matrix Compliance (review of Management's adherence to approval process protocols as defined by the Audit and Risk Committee) review carried out by them for the year 2010.
- The Finance department won the "Distinguished Department of the Year", DIFC Governor's award, in 2009. The Dubai Quality Group evaluated 15 nominations in this category and chose DFSA's Finance team as the winner.

# DFSA activity overview

1 January 2011 – 1 September 2011

## Licensed entities as at 1 September 2011

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## New Firms authorised

First Capital of Switzerland Investment Bank Limited	05 Jan 2011
Samsung Fire & Marine Insurance Co Limited	13 Jan 2011
BGC Brokers LP	20 Jan 2011
Royal Investment Bank Limited	24 Jan 2011
Sun Life Financial Distributors (Bermuda) Limited	16 Feb 2011
I2BF Capital Management Limited	06 Mar 2011
Indus Valley Capital (UAE) Limited	17 Mar 2011
United Investment Bank Limited	28 Mar 2011
Now Health International Limited	29 Mar 2011
Quantum Investment Bank Limited	06 Apr 2011
Union Bancaire Privée (Middle East) Limited	14 Apr 2011
IL&FS Global Financial Services (ME) Limited	18 Apr 2011
HETCO Advisory Services UK Limited d/b/a HETCO Dubai	19 Apr 2011
GR Risk Partners Limited	19 Apr 2011
Macquarie Bank Limited	11 May 2011
MFS International (UK) Limited	16 May 2011
Global Star PCC Limited	22 May 2011
Invest AD MEA Limited	26 May 2011
ACWA Power Reinsurance Co Limited	06 Jun 2011
Silk Invest Limited	06 Jun 2011
Euroclear Bank SA/NV	14 Jun 2011
Sun Global Investments Limited	16 Jun 2011
Australia and New Zealand Banking Group Limited	22 Jun 2011
Elara Capital PLC	29 Jun 2011
Paladin Capital (Middle East) Limited	14 Jul 2011
Argo Re (DIFC) Limited	18 Jul 2011
IS Investments Gulf Limited	25 Jul 2011
Dar Al Mal Limited	28 Jul 2011
Sharekhan Investment Services Limited	16 Aug 2011
Allfunds Bank, SA	25 Aug 2011

## New Ancillary Service Providers registered

The Di Francia Firm (Dubai) Limited	25 Jul 2011
Tricor Praesidium Limited	16 Aug 2011

## New Auditors registered

Mazars Chartered Accountants	10 May 2011
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## Licence upgrades and variation of scope

ICICI Bank Limited	24 Jan 2011
JPMorgan Chase NV	09 Mar 2011
Standard Chartered Bank	15 Mar 2011

Kuwait Turkish Participation Bank (Dubai) Limited	29 Mar 2011
International General Insurance Company (Dubai) Limited	18 May 2011
Arabian Capital Investment & Financial Company (Dubai) Limited	22 May 2011
FFA (Dubai) Limited	21 Jun 2011
Marsh Management Services (Dubai) Limited	27 Jun 2011
Morgan Stanley & Co. International PLC	25 Jul 2011
Swiss Life Private Placement (Middle East) Limited	10 Aug 2011
Credit Agricole Corporate and Investment Bank	15 Aug 2011
Barclays Bank PLC	23 Aug 2011

## NASDAQ Dubai recognised member status awarded

Wafa Financial Services LLC	04 Jan 2011
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## DME recognised member status awarded

Wolverine Holdings, LP	21 Mar 2011
JP Morgan Securities LLC	01 June 2011

## DME voluntary withdrawn

Optiver US, LLC	09 Jan 2011
Zone Energy Group Inc	25 Jan 2011
MBF Clearing Corporation	15 Feb 2011
Wolverine Trading, LLC	21 Mar 2011
Casa Trading Ltd	26 Apr 2011
Triland USA Inc	26 Apr 2011
JP Morgan Clearing Corporation	08 May 2011
Orion Brokers DMCC	26 May 2011
Arctos Capital, LLC	26 May 2011
JP Morgan Futures Inc	01 Jun 2011

## Local and international co-operation

- **International Regulators:** The DFSA entered into three important agreements with three international regulators from Switzerland, India and the Cayman Islands. In each case, the relevant MoU binds the DFSA and its counterpart regulator to information sharing and co-operation in the supervision of financial institutions.

The Swiss Financial Market Supervisory Authority (FINMA): The DFSA entered into an MoU with FINMA (27 July 2011).

The Reserve Bank of India (RBI): The DFSA entered into an MoU with RBI (16 June 2011).

Cayman Islands Monetary Authority (CIMA): The DFSA entered into an MoU with the CIMA (5 April 2011).

- **Local Regulator:** The DFSA entered into a significant and important agreement with a local regulator from the UAE.  
UAE Insurance Authority (IA): The DFSA entered into an MoU with IA (27 April 2011).

## Consultation papers

- Consultation Paper No. 77 - Proposals Relating to Corporate Governance and Remuneration Standards Applicable to Authorised Persons, issued on 15 June 2011, closed on 14 August 2011.

- Consultation Paper No. 76 - Proposed Changes to the Markets Law Regime - Part 2, issued 15 June 2011, closed on 4 August 2011.
- Consultation Paper No. 75 - Proposed Changes to the Markets Law Regime, issued on 20 April 2011, closed on 8 July 2011.
- Consultation Paper No. 74 - Anti-Money Laundering Supervision in the DIFC and Enhancements to the Regulatory Law 2004, issued 24 April 2011, closed on 21 May 2011.

#### Rulebook amendments

- On 28 April 2011 the DFSA:
  1. repealed and replaced the following modules of the DFSA Rulebook:
    - Glossary (GLO) module of the DFSA Rulebook (General Rules Instrument No. 73 of 2011);
    - Islamic Finance Rules (IFR) module (Islamic Finance Rules (IFR) Instrument No. 75 of 2011);
    - Representative Office (REP) module (Representative Office (REP) Instrument No. 76 of 2011); and
    - Prudential - Investment, Insurance Intermediation and Banking (PIB) module (Prudential - Investment, Insurance Intermediation and Banking (PIB) Instrument No. 77 of 2011).
  2. amended and removed guidance (Guidance Instrument No. 8 of 2011) from the following modules of the DFSA Rulebook:
    - Authorised Market Institutions (AMI);
    - Anti-Money Laundering (AML);
    - Ancillary Service Providers (ASP);
    - Recognition (REC);
    - Takeover Rules (TKO); and
    - Prudential - Insurance Business (PIN).
  3. repealed without replacement the following modules of the DFSA Rulebook:
    - Authorisation Module (AUT) (General Rules Instrument No. 73 of 2011); and
    - Supervision Module (SUP) (General Rules Instrument No. 73 of 2011).
  4. introduced the new Regulatory Policy and Process module of the DFSA Sourcebook (Guidance Instrument No. 8 of 2011).

#### Law amendment

- His Highness Sheikh Mohammed Bin Rashid Al Maktoum, in his capacity as Ruler of Dubai, on 31 March 2011 enacted the Regulatory Law Amendment Law, DIFC Law No. 1 of 2011 which came into force on 28th April 2011.

#### Forms amendments

- 28 April 2011 - the following DFSA forms were amended:
  - AUT NOTES - Applying for Authorisation - Notes for Applicants;
  - Form AUT- CON Applications and notifications concerning a change in control;
  - Form AUT - IND 1 Application for Authorisation - Authorised Individual status;
  - Form AUT - IND 2 Application to extend or vary Authorised Individual status;
  - Form AUT - IND 3 Application to withdraw Authorised Individual status or Principal Representative Status;
  - Form ASPI - Ancillary Service Provider Application for registration;
  - Form SUP1 - Reporting return coversheet;
  - Form SUP2 - Application for a waiver;
  - Form SUP 3 - Application for approval for a Cell of a Protected Cell Company – insurance;

- Form SUP4 - Applying to vary a Licence;
- Form SUP6 - Applying to withdraw a Licence;
- Form CIR - Notification of the marketing and selling of Funds;
- Form AMI1 - Reporting Return Coversheet; and
- Form AMI2 - Application for a Waiver.

#### Waiver Notices

- 66 Waiver notices issued since 1 January 2011 to 1 September 2011.

#### SEO letters

- SEO Letter on UNSCR 1970 (2011) (2 March 2011).
- SEO Letter on MENA Region PEPs (27 January 2011).

#### Media releases

- DFSA Renews Ties With Swiss Counterpart (27 July 2011).
- DFSA Strengthens Ties with the Reserve Bank of India (16 June 2011)
- DFSA Takes Action on Failures in E\*TRADE's Anti-Money Laundering Systems and Controls (1 May 2011).
- DFSA Signs MoU With UAE Insurance Authority (27 April 2011).
- DFSA Introduces New Regime for Financial Services Marketing (17 April 2011).
- DFSA Strengthens Ties With its Cayman Islands Counterpart (5 April 2011).
- DFSA Board Extends Chief Executive's Contract to 2013 (4 April 2011).
- DFSA Launches Web Pages on "How To Avoid Being Scammed" (23 March 2011).
- DFSA Censures Saxo Bank for Client Take-On and AML Systems and Controls Failings (20 March 2011).

#### Publications

- DFSA Published a Quick Guide to Anti-Money Laundering and Combating the Financing of Terrorism Changes for Non-Financial Businesses and Professionals (3 July 2011).
- DFSA Published its 2010 Annual Report in Arabic (3 April 2011).
- DFSA Published its 2010 Annual Report in English (28 February 2011).
- DFSA Published its 2011/2012 Business Plan in Arabic (7 February 2011).
- DFSA Published its 2011/2012 Business Plan in English (24 January 2011).
- DFSA Published The DFSA in Action, Volume 7, in English and Arabic (11 January 2011).

#### Consumer alert

- Consumer Alert on False, Misleading and Deceptive Statements, issued 24 July 2011.
- Consumer Alert on Advance Fee Frauds Misusing the DIFC's Name, issued 6 July 2011.

#### Events, outreach and other announcements

- Paul M Koster, DFSA Chief Executive, Welcome Address on "Future of Globalisation in Banking" FICCI-IBA Conference, in Mumbai (25 August 2011).
- Paul Koster, DFSA Chief Executive, Speech on "Financial Markets in the UAE and MENA Region" at the IIF, Chief Risk Officer Forum, in Dubai (4 May 2011.)
- Paul Koster; Keynote Address at the Standard Chartered Forum on "International Regulatory Changes: A view from the Region", in Dubai (5 April 2011).
- Paul M Koster, DFSA Chief Executive, Speech on "Reshaping the Supervisory role in the Financial Sector: The case of Holland", at the SCA Annual Conference, in Abu Dhabi (January 25 2011).