





BUSINESS PLAN 2017/2018

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DFSA



THE DFSA IS THE INDEPENDENT REGULATOR OF FINANCIAL SERVICES CONDUCTED IN OR FROM THE DIFC, A PURPOSE-BUILT FINANCIAL FREE ZONE IN DUBAI, UAE.

The DFSA's regulatory mandate includes 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 addition to regulating financial and ancillary services, the DFSA is responsible for supervising and enforcing Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF)

requirements applicable in the DIFC. The DFSA also exercises delegated enforcement powers under the DIFC Companies Law. These include powers to investigate the affairs of DIFC companies and partnerships where a material breach of DIFC Companies Law is suspected and to pursue enforcement remedies available to the Registrar of Companies (RoC).

DFSA VISION AND REGULATORY APPROACH



OUR VISION

To be an internationally respected regulator, leading the development of financial services through strong and fair regulation.

OUR MISSION

To develop, administer and enforce world-class regulation of financial services within the DIFC.

REGULATORY APPROACH

To be risk-based and to avoid unnecessary regulatory burden.

VALUES

To expect high standards of ethical conduct and integrity from the DFSA and its people.

To demonstrate professionalism, independence, efficiency, leadership and resolve in the discharge of our responsibilities.

To ensure administrative fairness, consultative process, accessibility, impartiality and accountability in the performance of our functions.

DFSA OBJECTIVES AND PRINCIPLES

THE DFSA HAS ESTABLISHED, AND STRIVES TO MAINTAIN, AN ENVIRONMENT THAT FOSTERS THE GUIDING PRINCIPLES OF INTEGRITY, TRANSPARENCY AND EFFICIENCY. IT HAS DONE SO BY EMBEDDING HIGH STANDARDS IN A CLEAR, SUCCINCT AND FLEXIBLE REGULATORY FRAMEWORK BASED ON INTERNATIONAL REGULATORY STANDARDS, AS RELEVANT TO A MODERN INTERNATIONAL FINANCIAL CENTRE.

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;
- 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.

In exercising its powers and performing its functions, the DFSA shall take into consideration the following guiding principles:

- Pursuing the objectives of the DIFC as set out under Dubai and Federal Law;
- Fostering the development of the DIFC as an internationally respected financial centre;
- Co-operating with and providing assistance to regulatory authorities in the United Arab Emirates (UAE) and other jurisdictions;
- Minimising the adverse effects of the activities of the DFSA on competition in the financial services industry;
- Using its resources in the most efficient way;
- Ensuring that the cost of regulation is proportionate to its benefit;
- Exercising its powers and performing its functions in a transparent manner; and
- Complying with relevant generally accepted principles of good governance.



STATEMENT BY THE CHAIRMAN



SAEB EIGNER

CHAIRMAN

I am pleased to present the sixth published DFSA Business Plan, which covers the years 2017 and 2018. The Dubai International Financial Centre (DIFC), of which we are the integrated financial services regulator, is now well into its second decade of operation. It has become an increasingly mature international financial centre, with a wide range of participants and activities, generating a volume of regulatory challenges comparable to that which exists in other global centres. The critical mass now established by the DIFC also creates a firm foundation for further growth, which we seek to facilitate.

This Business Plan sets out the contribution we intend to make to the continued delivery of the Vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates (UAE) and the Ruler of Dubai, for the creation of a truly world-class financial centre, contributing to the growth and development of Dubai and the UAE. We continue to be guided and encouraged in our efforts by His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, Deputy Ruler of Dubai and the President of the DIFC, and by His Excellency Essa Kazim, the Governor of the DIFC.

The work of the DFSA has expanded and has become more complex over the years as the Centre has evolved. We expect this to continue. In the early years, the bulk of the firms entering the Centre were from the established financial markets of Western Europe and North America. In more recent years, the pendulum has swung East, reflecting the increasing role being played in the world economy by the countries of South, East and South-East Asia. We now have under our supervision, in the DIFC, all major Chinese and Indian banks, as well as banks and financial institutions from other Asian countries, and we expect this trend to continue. We have also seen growth in the number of applicants from Gulf countries, which has led us to increase our engagement with our fellow regulators in this region.

The breadth of home countries from which firms come to the DIFC underlines the importance for the DFSA of international engagement, with fellow regulators in those countries, global standard-setting bodies, and regional supervisory groups. The truly international nature of the DIFC is also illustrated by the range of governments, international organisations and companies that have chosen to list their Sukuk on-exchange in the DIFC. This business has become truly global, with the DIFC

becoming the world's leading and largest venue for Sukuk listing.

Now, in common with regulators worldwide, the DFSA is addressing the opportunities and challenges posed by the development of financial technology or FinTech. We will approach this area carefully, in recognition of the momentum behind technological advances, and the fact that the full implications of the disruption that FinTech innovation could cause are not yet widely understood. But we will engage in this area in a facilitative and positive manner, taking a risk-based approach, as we do in all our regulatory and supervisory activities, in line with our Vision and Mission statements and our Regulatory Approach, which are set out in this document.

A key priority in our plan remains the development of a growing cadre of Emirati regulators, imbued with international standards and regulatory best practice. To this end, we will continue to develop our Tomorrow's Regulatory Leaders (TRL) Programme and supplement this with appropriate recruitment.

I am fortunate to be Chairman of an excellent international Board, which provides appropriate guidance and direction to our Chief Executive and his very able colleagues. As with all regulators, the people are what determine the quality and success of the organisation. I am confident that, with the team we have in place at the DFSA, we will continue to make a strong contribution to the success of the DIFC, and so play a part in the on-going achievements of Dubai and of the UAE.

I close in thanking everyone at the DFSA for their extraordinary hard work and diligence, and everyone within and beyond our DIFC borders who has supported us throughout 2016.



SAEB EIGNER

Chairman

STATEMENT BY THE CHIEF EXECUTIVE



IAN JOHNSTON

CHIEF EXECUTIVE

It is my pleasure to present the DFSA's Business Plan for the period 2017 to 2018, covering our core activities and strategic priorities. Our Business Plan is aligned with our statutory objectives and aims to ensure that we deliver the outcomes expected of us. The Business Plan for 2017/2018 follows an exceptionally strong period of growth for the DIFC. In 2016, 77 new Authorised Firms entered the DIFC, following a strong 2015 when 76 new Authorised Firms joined representing the busiest year since the financial crisis. The DFSA now regulates a total of 445 Authorised Firms and has regulatory oversight for 16 Registered Auditors and 117 Designated Non-Financial Businesses and Professions.

The on-going increase in size and maturity of the DIFC reflects our success in establishing a world-class regulatory regime and our capacity to respond to challenges as they emerge. However, as an organisation, we cannot become complacent. It is important that the DFSA's effectiveness and reputation is maintained and strengthened. The manner in which we seek to do so is a key focus of our Business Planning process. In developing our Business Plan, we consider the global and regional economic environment, international regulatory developments, trends among our regulated population, and the risk tolerance agreed by our Board. A number of key developments and trends include:

- Continued growth in the population of regulated firms and increases in the depth and complexity of activities undertaken within the DIFC. This was targeted in our previous Business Plan and will continue to be a focus for us over the coming two years. Growth in the depth and complexity of activity is expected to result in elevated levels of regulatory activity, such as authorisation, supervision and enforcement. With that in mind, it is important that we ensure that our internal systems and processes are designed to manage rising volumes and complexity without compromising on quality of regulatory outcomes.
- Macroeconomic conditions across the globe and across many emerging markets remain challenging, particularly as commodity prices such as oil remain at low levels. This will, of course, influence the business opportunities available to DIFC firms in the period ahead, both positively and negatively. For the DFSA, however, it is important that we monitor trends in credit and liquidity risks against such a backdrop, with this to become a key supervisory focus over the next two years.

- The evolving world of FinTech, and how this can be accommodated within the DFSA's regulatory regime. We have been encouraged by the number of firms approaching us to discuss opportunities in the FinTech area. Some firms are considering activities that would, in the normal course of events, be regulated while others are carrying out activities that do not require regulation by the DFSA. The DFSA is very much 'open for business' when it comes to FinTech, and we will deal with each firm, proposition or idea and its unique circumstances, on a case-by-case basis. With this in mind, developing a regulatory environment that facilitates the development of FinTech, while maintaining appropriate safeguards, will be a regulatory priority.
- An increased focus on implementation of the new global regulatory standards as the significant policy changes seen post-crisis draw to an end. The focus on implementation heightens the importance of assessments of our adherence to global standards. This will drive us to make careful preparation for forthcoming reviews of the DIFC by bodies such as the IMF and Financial Action Task Force (FATF) and Middle East North Africa (MENA) FATF. The slowdown in further changes to global standards will support our existing commitment to reduce the pace of significant Rulebook changes, to ease the incremental burden of change on our regulated population.
- That Islamic finance continues to grow and remain a particular focus for us as part of the Dubai Islamic Economy Initiative. The total value of Sukuk listed on the Official List of the DFSA has reached USD 44 billion making the DIFC the world's leading centre for Sukuk listings. Issuers include major Dubai companies such as DP World Limited, and regional financial institutions such as Kuwait's Boubyan Bank and Arab Petroleum Investments Corporation. In addition, sovereign Sukuk issuances continue to rise, including from the Government of Sharjah and the Republic of Indonesia. Supra-national organisations, such as the Islamic Development Bank and the Islamic Corporation for the Development of the Private Sector have also listed Sukuk. The DFSA will continue to provide an effective framework for all types of Islamic finance activity, including for the listing of Sukuk on NASDAQ Dubai.

Based on the considerations described above, **Delivery**, **Sustainability** and **Engagement** remain our strategic themes for 2017 and 2018. These are briefly described below and explained more fully in the subsequent section of the Business Plan.

DELIVERY relates to executing our core function with professionalism and efficiency. In the context of the continued increase in the depth and breadth of activity in the Centre, we need to ensure that we continue to deliver world-class regulation in the DIFC, including effective enforcement. We will work closely with our DIFC partners, to ensure the process of opening for business in the DIFC is as smooth and streamlined as possible.

In terms of internal operational efficiencies, we will deliver creative process and IT solutions.

SUSTAINABILITY is about positively shaping our environment and our organisation for the long-term. This involves enhancing organisational robustness and resilience, including by refining and embedding clear, efficient and scalable regulatory and non-regulatory processes. We will continue our support of the Dubai Government strategy, including both for FinTech and the Islamic Economy Initiative. We remain strongly committed to developing the UAE National capability, through our training and leadership programmes. We will also continue to become more self-sufficient over time by recovering more of our costs from the firms we regulate.

ENGAGEMENT relates to thoughtfully and actively engaging with our key stakeholders. We will work closely with firms to promote understanding of our regulatory regime and continue to involve firms and other stakeholders in shaping the regime via our consultation process. Locally, we will continue to build upon the existing good foundations, so that there are strong and effective relationships with Dubai and UAE authorities. Relationships with other regulators - both in the UAE and internationally - will remain a key part of our work and, in particular, greater emphasis will be placed on regional engagement. Our targeted work with key global standard-setters will continue with a focus on retaining our existing strong standing.

Over the last two years, our engagement with the regulated community has strengthened, through our own efforts and those of stakeholder groups, such as the Compliance Officers Network Group. We have also seen the establishment of the DIFC Insurance Association as the first trade body in the Centre. These developments are important to us as a regulator. Regular and open dialogue with the regulated community is the best way to ensure that we keep up-to-date with industry developments and that regulated firms can understand our current thinking and concerns. I would encourage all of our stakeholders to maintain this productive dialogue. On our side, we will work to ensure that we remain as open and transparent as possible, and responsive to issues when they are raised with us.

In closing, I would like to thank my staff for their considerable efforts in shaping our Business Plan and giving effect to it day by day. I also express my gratitude to our Board and Chairman for their guidance and support and for their work in shaping our strategy.



IAN JOHNSTON

Chief Executive



STRATEGIC THEMES IN ACTION



THE SAME THREE STRATEGIC THEMES THAT WERE IDENTIFIED IN OUR 2015/2016 BUSINESS PLAN REMAIN RELEVANT AND WILL DRIVE OUR WORK OVER THE COURSE OF 2017 AND 2018. THESE THEMES HAVE GUIDED THE DEVELOPMENT OF MORE DETAILED PLANS FOR EACH AREA OF THE DFSA'S OPERATIONS. A SELECTION OF THE MOST SIGNIFICANT ACTIONS FROM THESE PLANS IS PROVIDED BELOW. THESE ACTIONS ARE ALIGNED WITH OUR RISK TOLERANCE AND FOLLOW FROM OUR UNDERSTANDING OF THE REGULATORY, ECONOMIC AND DIFC ENVIRONMENTS.

DELIVERY – EXECUTING CORE FUNCTIONS WITH PROFESSIONALISM AND EFFICIENCY

WE WILL DELIVER WORLD-CLASS REGULATION, INCLUDING EFFECTIVE ENFORCEMENT.

This covers much of our business-as-usual activities in fulfilment of our statutory objectives. We remain committed to delivering risk-based, strong, fair and efficient regulation. Enforcement action will be taken where this is relevant and appropriate, and an increased emphasis will be placed on individual accountability. Our decisions in this area will be guided by our evolving perception of risks and organisational risk tolerance.

WE WILL MAINTAIN A HIGH QUALITY OF REGULATION AS THE SCALE OF THE REGULATED ACTIVITIES IN THE DIFC INCREASES.

Our efforts to align resources better to supervisory risks, such as the introduction of team-based supervision for lower risk firms, will be developed further in the coming period. Across the organisation, we will seek continuous improvements to internal processes and IT systems, in support of operational excellence. Importantly, we will offer more opportunity for regulatory transactions and communications to take place online, which will lead to greater ease of doing business with us, for the regulated community, and greater efficiency in our own processes.

WORKING WITH OUR DIFC PARTNERS.

We will work with the other DIFC bodies so that the process for those firms coming to the Centre is as smooth and as streamlined as possible. We will look to ensure that relevant information only needs to be provided to one body within the Centre, and can then be shared between us, providing more of a ‘one-stop shop’ for new applicants.

FIRM SUPERVISORY FOCUS



THE DFSA WILL CONTINUE TO FOCUS ON THE FOLLOWING AS PART OF ITS RISK-BASED, SUPERVISORY APPROACH:

- Improving corporate governance practices;
- Watching closely for any remuneration-based incentives that might cause bad behaviours including unfair treatment or misleading of clients;
- Deficiencies in compliance functions;
- Failings in client on-boarding processes, particularly in the light of identified weaknesses in documentation of source of wealth and unexplained complex legal structures;
- Monitoring trends in credit and liquidity risks against the backdrop of macroeconomic conditions and political developments around the globe and in the region;
- Assessing the suitability of products and services to all types of clients, and the arrangements for properly safeguarding client assets;
- Looking closely at firms' reliance on group structures, specifically including the adequacy of any outsourced functions; and
- Ensuring that all types of firms are conducting their business within the bounds of applicable UAE and DIFC Laws and within the scope of their DFSA licence.

DFSA RULEBOOK REVIEWS



IMPLEMENTATION OF BASEL III

The DFSA has chosen, as part of its overall regulatory approach, to comply with international regulatory standards. As part of this commitment, the DFSA will review and amend the Rulebook to ensure compliance, where necessary, with Basel III standards regarding liquidity, capital and leverage. This includes implementation of the Basel III standard of the Net Stable Funding Ratio, a review of existing capital requirement rules, and changes to the provisions on the Leverage Ratio. The adoption of Basel standards is critical for the DFSA to ensure compliance with the Sound Principles for Effective Banking Supervision, the implementation of which is assessed under the IMF's Financial Sector Assessment Programme (FSAP).

RESOLUTION

The processes and powers available to deal with failed or failing firms and market infrastructures has been a key focus among standard-setters and regulators in the post-crisis period. The DFSA is currently in the process of reviewing resolution processes and powers with the relevant amendments to the Rulebook expected during the next Business Plan period. This work will involve considerations of the ability of supervisors to intervene to resolve failing firms, including facilitating transfers of business.

FINTECH

We are 'open for business' when it comes to FinTech and are looking at how our regulatory regime can encourage its various strands. Given this, we will amend the regulatory regime so as to accommodate crowdfunding as a regulated activity. Specifically, we will review the viability of various types of crowdfunding platforms, such as loan-based and equity-based crowdfunding, and develop the appropriate regulatory framework for such platforms. This will involve a tailored approach to regulation, accounting for the unique structure of such entities, while also ensuring strict adherence to the DFSA's licensing, prudential and conduct requirements.

SUITABILITY AND LEVERAGED PRODUCTS

The DFSA has already started work to look at its Rules for the assessment of suitability, when advice is given to clients. As part of this work, we expect also to look at our Rules as they apply to the marketing of, and transactions in, leveraged products. This work will, particularly, focus on whether our regime is adequate to protect retail clients in this area.

SUSTAINABILITY – POSITIVELY SHAPE OUR ENVIRONMENT AND ORGANISATION FOR THE LONG-TERM

WE WILL ENHANCE ORGANISATIONAL ROBUSTNESS AND RESILIENCE.

We will continue to build clear, efficient and scalable regulatory and non-regulatory processes that will serve our organisation and regulated community for the long-term. We will continue our work on knowledge management systems to aid our ‘corporate memory.’ Current and future manpower needs of our organisation will be carefully assessed and consequential recruitment efforts and staff development programmes will be tailored to meet those needs.

WE WILL SUPPORT THE DUBAI GOVERNMENT STRATEGY AND DIFC DEVELOPMENT.

Efforts at aligning with the Dubai Government’s 2021 Strategy and the Islamic Economy Initiative in relation to financial services will continue. Similarly, we will maintain alignment with the DIFC’s strategy and engage in continued, productive dialogue with our counterparts in key DIFC bodies (i.e. DIFC Higher Board, Office of the Governor, DIFC Authority and DIFC Courts) in support of sustainable growth of the Centre.

OUR EFFORTS IN FINTECH REFLECT THE DUBAI GOVERNMENT’S IDENTIFICATION OF THE DIFC AS A FINTECH HUB.

We will work closely with the DIFC Authority and with other government departments and agencies to give effect to this strategy. While not all of the FinTech initiatives will be regulated, the DFSA will provide expertise and support where possible.

WE WILL CONTINUE TO BUILD UAE NATIONAL CAPABILITY.

This will be achieved in part through developing regulatory capacity via the TRL Programme. More senior capacity will be developed through the introduction of other initiatives including secondments to regulators in other jurisdictions and the introduction of a bespoke leadership programme. We will continue striving to improve Emirati representation throughout the organisation.

WE WILL CONTINUE IN OUR EFFORTS TO RESOLVE ISSUES RELATED TO JURISDICTIONAL UNCERTAINTY.

Resolving such issues is important in providing firms within the Centre with a more favourable business environment and maintaining, or increasing, the attractiveness of the UAE as a place for international firms to do business. To that end, we will continue to engage with other Dubai and UAE agencies to develop and enhance policies to address this.

BUILDING UAE NATIONAL CAPABILITY



The DFSA maintains a very strong commitment to the development of UAE National regulatory capability. For some time, UAE Nationals have been the largest single group of all nationalities among our staff (25%) and amongst regulatory staff (33%). Our two-year TRL Programme has made a large contribution in this regard. In 2016, we welcomed a new intake of five high quality graduates, from leading government universities across the UAE, into the TRL Programme.

Graduates from the TRL Programme are taking on greater responsibilities within the organisation. In support of the more senior roles being undertaken, and to facilitate career progression among more recent graduates, an externally-provided leadership qualification has been introduced and the first group of participants will complete their studies in 2017. This complements the existing, robust support for further studies in more technical matters. Further, opportunities for regional and international secondments are being pursued for UAE National staff, to support a broadening of regulatory experience. It is anticipated that the quality and scale of contributions from UAE Nationals will continue to rise over 2017 and 2018.

ENGAGEMENT - WE WILL UNDERTAKE THOUGHTFUL AND ACTIVE ENGAGEMENT WITH KEY STAKEHOLDERS

WE WILL REMAIN ACTIVELY ENGAGED WITH OUR REGULATED COMMUNITY AND KEY 'HOME' REGULATORS.

Our commitment to undertaking regulation in a consistent, transparent and risk-based manner is unchanged. In refining and improving our regime, we will continue to consult the regulated community over proposed changes and take account of feedback provided when finalising proposals. The programme of outreach sessions to promote an understanding of our regulatory regime and improve practices will continue, and we encourage active participation in this forum. On a day-to-day basis, honest and open dialogue with DFSA staff is encouraged, and we will seek to be timely and thoughtful in our communications.

Growth in the volume and complexity of activity in and from the DIFC necessitates, in many cases, strong relationships with 'home' regulators. This includes supranational regulatory bodies, such as those in the European Union (e.g. the Single Supervisory Mechanism, the European Securities and Markets Authority) which have a growing significance for our regulated population. We remain focused on ensuring sound relations with regulators in jurisdictions from which we have a substantial number of branches and subsidiaries, and those which we anticipate will have increased regulatory importance. In building these relationships, we strive to be responsive and co-operative in dealing with regulatory matters.

WE LOOK TO DEEPEN RELATIONSHIPS WITH MENA AND GCC REGION REGULATORS AND ENGAGE MORE ACTIVELY WITH REGULATORS IN OTHER PARTS OF AFRICA.

As the DIFC has evolved, the need for us to strengthen relationships in the immediate and broader region has grown. We seek to build on existing good relations to ensure sound regulatory outcomes. We will pursue representation in regional financial fora to ensure that we are making an appropriate contribution. Further, the DFSA will engage more actively with relevant African regulators as Dubai's role as a trade hub between Asia and Africa prompts greater interest both in existing DIFC firms wishing to operate in Africa, and in African firms wishing to establish themselves in the DIFC.

WE WILL CONTINUE TO BUILD UPON EXISTING STRONG, PRODUCTIVE RELATIONS WITH DUBAI AND UAE AUTHORITIES.

Regulatory co-operation with the Central Bank of the UAE, the Emirates Securities and Commodities Authority, and the Insurance Authority of the UAE, remains of great importance. This enables us to contribute meaningfully to a stable, efficient and modern financial services system in the UAE. We will also continue to work with the Financial Services Regulatory Authority of the recently-established Abu Dhabi Global Market. We will remain engaged with other Dubai and federal government authorities in support of our statutory objectives. In particular, we will provide appropriate support for the Dubai Government's strategy for the financial services sector and the Islamic Economy Initiative, as it relates to Shari'a-compliant finance.

WE WILL SEEK TO MAINTAIN OUR STANDING WITH KEY GLOBAL STANDARD-SETTERS.

Efforts will be on-going to make robust technical contributions to leading global standard-setting bodies (see next page). Contributions will target topics and considerations which are pertinent to the DIFC, including Islamic finance. The achievement of favourable outcomes in the anticipated FSAP and FATF assessments would also assist efforts to maintain the credibility established in these standard-setting bodies.

ENGAGEMENT WITH GLOBAL STANDARD-SETTERS AND REGULATORS

POST-CRISIS STANDARD-SETTING AND CURRENT AGENDA

The post-crisis work of the main international standard-setters, driven by the G20 governments and overseen by the Financial Stability Board, is continuing and is expected to be largely complete for the banking sector by the end of 2016. Work on shadow banking, on the systemic importance of non-bank and non-insurance firms, and on capital standards and resolution for the insurance industry, all continue.

The focus is now largely on implementation, at least for G20 jurisdictions. This includes the FSAP, the Basel Committee on Banking Supervision's Regulatory Capital Assessment Programme (RCAP) and thematic and peer review processes of the International Association of Insurance Supervisors (IAIS), International Organisation of Securities Commission (IOSCO) and Islamic Financial Services Board (IFSB). These trends will feed through into the DFSA's Business Plan over the period ahead, with a focus on ensuring compliance with international standards, rather than the implementation of new international standards.

DFSA ENGAGEMENT WITH GLOBAL STANDARD-SETTERS

The DFSA continues to make significant contributions to global standard-setters, particularly in relation to the size of our organisation. Currently, we are actively engaged with BCBS, the IAIS and the IOSCO, the IFSB and the International Accounting Standards Board. Our intensive engagement with standard-setters has been important both in terms of establishing the credibility of the DIFC but, also, working to ensure that standards take account of the requirements of our jurisdiction. We are committed to retaining our good standing with these bodies through thoughtful, targeted contributions to standards development and through appropriate implementation.

DFSA 2017/2018 BUSINESS PLAN SUMMARY			
<p>VISION MISSION REGULATORY APPROACH</p>		<ul style="list-style-type: none"> • TO BE AN INTERNATIONALLY RESPECTED REGULATOR, LEADING THE DEVELOPMENT OF FINANCIAL SERVICES THROUGH STRONG AND FAIR REGULATION. • TO DEVELOP, ADMINISTER AND ENFORCE WORLD-CLASS REGULATION OF FINANCIAL SERVICES WITHIN THE DIFC. • TO BE RISK-BASED AND TO AVOID UNNECESSARY REGULATORY BURDEN. 	
STRATEGIC THEMES IN ACTION			
<p>DELIVERY - EXECUTE CORE FUNCTIONS WITH PROFESSIONALISM AND EFFICIENCY</p>	<p>DELIVER WORLD-CLASS REGULATION AND EFFECTIVE ENFORCEMENT</p>	<ul style="list-style-type: none"> • UNDERTAKE THOROUGH PREPARATIONS FOR, AND FOLLOW-UP TO, THE FSAP AND FATF ASSESSMENTS AND PROVIDE ANY REQUESTED SUPPORT TO OTHER UAE AUTHORITIES. • FOCUS ON PROPORTIONATE, DIFC-APPROPRIATE IMPLEMENTATION OF INTERNATIONAL STANDARDS. • PURSUE RULEBOOK SIMPLIFICATION, WHERE POSSIBLE. • TAKE RELEVANT AND APPROPRIATE ENFORCEMENT ACTION. 	
	<p>BE MORE AGILE THROUGH EARLY WARNING SYSTEMS AND INNOVATION</p>	<ul style="list-style-type: none"> • REFINE EXISTING WARNING SYSTEMS TO ENSURE RESPONSIVENESS TO EMERGING RISKS. • EXPLORE INDICATORS FOR IDENTIFYING SYSTEM-WIDE MISCONDUCT. 	
	<p>MAINTAIN QUALITY AS DIFC SCALE INCREASES</p>	<ul style="list-style-type: none"> • PURSUE EFFICIENCIES WITHOUT COMPRISING ON QUALITY (E.G. REFINEMENTS TO RISK-BASED REGULATION). • DELIVER CREATIVE PROCESS AND IT SOLUTIONS AS PART OF MAINTAINING OPERATING EXCELLENCE. 	
<p>SUSTAINABILITY - POSITIVELY SHAPE OUR ENVIRONMENT AND ORGANISATION FOR THE LONG-TERM</p>	<p>ENHANCE ORGANISATIONAL ROBUSTNESS AND RESILIENCE</p>	<ul style="list-style-type: none"> • BUILD CLEAR, EFFICIENT AND SCALABLE REGULATORY AND NON-REGULATORY PROCESSES. • DEVELOP BETTER KNOWLEDGE MANAGEMENT SYSTEMS, MATCH RECRUITMENT AND DEVELOPMENT TO MANPOWER NEEDS. 	
	<p>SUPPORT DUBAI GOVERNMENT STRATEGY AND DIFC DEVELOPMENT</p>	<ul style="list-style-type: none"> • CONTINUE ALIGNMENT WITH DIFC AND DUBAI GOVERNMENT STRATEGY (INCLUDING ISLAMIC ECONOMY INITIATIVE). • CONTINUE DIALOGUE WITH DIFC BODIES TO SUPPORT SUSTAINABLE GROWTH OF THE CENTRE. 	
	<p>BUILD UAE NATIONAL CAPABILITY</p>	<ul style="list-style-type: none"> • CONTINUE TO BUILD REGULATORY CAPACITY VIA THE TRL PROGRAMME AND OTHER INITIATIVES (E.G. INTERNATIONAL SECONDMENTS). • STRIVE TO IMPROVE UAE NATIONAL REPRESENTATION THROUGHOUT THE DFSA. 	
	<p>PROGRESS RESOLVING JURISDICTIONAL UNCERTAINTY</p>	<ul style="list-style-type: none"> • MAINTAIN EFFORTS TO RESOLVE ON-GOING BOUNDARY ISSUES SO THAT THE CENTRE CAN CONTINUE TO GROW. 	
<p>ENGAGEMENT - THOUGHTFUL AND ACTIVE ENGAGEMENT WITH KEY STAKEHOLDERS</p>	<p>REGULATED FIRMS AND KEY HOME REGULATORS</p>	<ul style="list-style-type: none"> • UNDERTAKE REGULATION IN A CONSISTENT, TRANSPARENT AND RISK-BASED MANNER. • CONTINUE OUTREACH ACTIVITIES TO PROMOTE UNDERSTANDING OF THE REGULATORY REGIME. • MAINTAIN SOUND RELATIONSHIPS WITH REGULATORS IN KEY JURISDICTIONS AND DEVELOP RELATIONSHIPS IN JURISDICTIONS ANTICIPATED TO HAVE INCREASED IMPORTANCE. 	
	<p>OTHER REGULATORS</p>	<ul style="list-style-type: none"> • CONTINUE EMPHASIS ON MENA/GCC REGULATORS AND REPRESENTATION ON REGIONAL FORA. ENGAGE MORE ACTIVELY WITH REGULATORS IN AFRICA. 	
	<p>DUBAI AND UAE AUTHORITIES</p>	<ul style="list-style-type: none"> • CONTINUE BUILDING RELATIONS WITH DUBAI AND UAE BODIES. 	
	<p>GLOBAL STANDARD-SETTERS</p>	<ul style="list-style-type: none"> • RETAIN OUR STANDING AMONG KEY GLOBAL STANDARD-SETTERS. 	
REGULATORY PRIORITIES			
<p>FINANCIAL CRIME</p> <ul style="list-style-type: none"> • BE VIGILANT IN ADDRESSING ALL FINANCIAL CRIME ISSUES. • STRENGTHEN EXISTING LINKS WITH RELEVANT LOCAL AND FEDERAL BODIES TO MITIGATE FINANCIAL CRIME RISKS. 	<p>CONDUCT</p> <ul style="list-style-type: none"> • CONTINUE TO EMPHASISE CONDUCT RISK (GENERALLY MORE PROMINENT THAN PRUDENTIAL) WHILE PROVIDING APPROPRIATE PRUDENTIAL ATTENTION TO FIRMS EXPECTED TO HAVE RAPID BALANCE SHEET GROWTH. 	<p>STANDARDS ALIGNMENT</p> <ul style="list-style-type: none"> • DEMONSTRATE EFFECTIVE IMPLEMENTATION OF INTERNATIONAL REGULATORY STANDARDS VIA THE FSAP AND FATF PROCESS. • IN RELEVANT AREAS, CONTINUE TO ALIGN WITH EU STANDARDS. UPHOLD COMMITMENT TO SIMPLIFY THE RULEBOOK. 	<p>FINTECH</p> <ul style="list-style-type: none"> • TAKE STEPS TO UNDERSTAND THE RISKS AND OPPORTUNITIES POSED BY FINTECH. • DEVELOP AN APPROPRIATE REGULATORY RESPONSE.



PROGRESS AGAINST THE BUSINESS PLAN

Each year, the DFSA publishes an Annual Report, which highlights the DFSA's activities and achievements over the past year. The Annual Report is, in essence, a progress report against the Business Plan.

In addition to the Annual Report, 'The DFSA in Action' - an annual publication - reports on regulatory and non-regulatory developments and other DFSA activities.

The DFSA publishes updates, notifications and media releases on its website on an on-going basis. DFSA publications are ordinarily available in both English and Arabic.

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