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## DECISION NOTICE

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**To:** Wael Abdelmohsen Abdellatif Mohamed Emara (**Mr Mohsen**)

**Address:**



**Date:** 20 April 2026

### ACTION

1. For the reasons set out in this Decision Notice (**Notice**), the Dubai Financial Services Authority (**DFSA**) has decided to impose on Mr Mohsen:
  - 1.1. a fine of USD139,722, pursuant to Article 90(2)(a) of the Regulatory Law 2004 (the **Fine**);
  - 1.2. a prohibition from holding office in, or being an employee of, any Authorised Person, DNFBP, Reporting Entity or Domestic Fund, pursuant to Article 90(2)(g) of the Regulatory Law 2004 (the **Prohibition**); and
  - 1.3. a restriction from performing any functions in connection with the provision of Financial Services in or from the DIFC, pursuant to Article 59(1) of the Regulatory Law 2004 (the **Restriction**).
2. Mr Mohsen has agreed to settle this matter. The DFSA has also considered representations made by Mr Mohsen as to his current financial circumstances, and the hardship which the imposition of the fine would cause to him. The DFSA has therefore:
  - 2.1 reduce the fine by a settlement discount of 30%, in accordance with the DFSA's usual practice; and
  - 2.2 decided to reduce the fine by a further 30% after considering Mr Mohsen's financial hardship representations.

Were it not for the settlement discount and the DFSA's consideration of Mr Mohsen's financial hardship, the DFSA would have imposed a fine of USD285,149 on Mr Mohsen.

3. This Notice is addressed to Mr Mohsen alone. Nothing in this Notice constitutes a determination that any person other than Mr Mohsen has breached any legal or regulatory rule, and the opinions expressed in this Notice are without prejudice to the position of any third party, or of the DFSA in relation to any third party.

## DEFINITIONS

4. Defined terms are identified in this Notice by the capitalisation of the initial letter of a word or of each word in a phrase, and are defined either in this Notice or in the DFSA Rulebook, Glossary Module. Some of the defined terms are also set out in Annex B. Unless the context otherwise requires, where capitalisation of the initial letter is not used, an expression has its natural meaning.

## EXECUTIVE SUMMARY

5. At all material times, Mr Mohsen:
  - 5.1. was employed as a reinsurance broker by a Firm authorised by the DFSA to carry on Insurance Intermediation and Insurance Management (the **Firm**);
  - 5.2. had one or two junior brokers reporting to him (the **Team**);
  - 5.3. reported to the Firm's Senior Executive Officer (**SEO**);
  - 5.4. was responsible for assisting cedant insurers (the **Clients**) place risks with reinsurance companies; and
  - 5.5. regularly communicated with Clients and reinsurers by telephone, in meetings or through emails. Mr Mohsen was generally included in all written communications with the Clients and the reinsurers in relation to placements.
6. The DFSA is taking this action as it considers that, between 6 February 2020 and 23 March 2023 (the **Relevant Period**), Mr Mohsen engaged in conduct that contravened Article 41B of the Regulatory Law 2004 – General prohibition against misconduct.

## FACTS AND MATTERS RELIED UPON

### Mr Mohsen

7. From 7 August 2014 until 30 May 2023, Mr Mohsen was employed as a reinsurance broker by the Firm. During the Relevant Period, his job title was "Divisional Director & Country Manager – MENA & Egypt" and, from 11 July 2022, "Managing Director – Reinsurance/MENA & Country Manager – MENA & Egypt".

8. Prior to joining the Firm, Mr Mohsen had worked in the insurance industry for about seventeen years including as:
  - 8.1. an underwriter in an insurance company for about ten years; and
  - 8.2. Executive Vice President of Sales and Marketing in another insurance company for seven years.
9. At the Firm, Mr Mohsen was the head of the Facultative Unit, and had one or two junior placement brokers reporting to him during the Relevant Period.
10. Mr Mohsen's role and responsibilities included assisting Clients in placing risks with reinsurers.
11. On 26 April 2023, Mr Mohsen's employment with the Firm was suspended.
12. On 30 May 2023, Mr Mohsen's employment with the Firm was terminated.

#### **The Firm's remuneration**

13. The Firm earned a brokerage commission (**Brokerage**) on each placement it made for the Clients. The Brokerage was negotiated with, and agreed to by, each reinsurer. However, it was deducted by the Firm from the premium received from the Client.
14. Mr Mohsen and his Team did not disclose the amount of the Brokerage to the Clients as explained in paragraph 18.8.2 below.

#### **Premium and deductions**

15. The following could properly be deducted from the premium paid by the Client<sup>1</sup>:
  - 15.1. a ceding discount to the Client on the placement, as agreed between the Firm and the Client;
  - 15.2. a "No Claim Bonus" (**NCB**) or a "Renewal Incentive Bonus" (**RIB**) to the Client, agreed by the reinsurer; and
  - 15.3. the reinsurance tax payable by the Client in its jurisdiction, which could be passed on to the reinsurer (the **Tax**).
16. The premium referred to above was net or gross as follows:
  - 16.1. gross premium: in this case, the premium paid by the Client to the reinsurer included the Brokerage and some or all of the deductions in paragraph 15 above, as applicable. For example, a gross premium of USD100,000 with a 10% ceding discount, a 5.8% Tax, and a 5% Brokerage meant that the:

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<sup>1</sup> Calculated as a percentage of the premium.

- 16.1.1. Client paid the Firm USD84,200 (i.e. USD100,000 minus 15.8% ceding discount and Tax);
- 16.1.2. Firm retained USD5,000 as Brokerage; and
- 16.1.3. Firm paid USD79,200 to the reinsurer; and
- 16.2. net premium: in this case, the premium paid by the Client to the reinsurer included only the Brokerage. For example, a net premium of USD100,000 with a Brokerage of 5% meant that the:
  - 16.2.1. Client paid the Firm USD100,000;
  - 16.2.2. Firm retained USD5,000 as the Brokerage; and
  - 16.2.3. Firm paid USD95,000 to the reinsurer.

### **The placement process**

- 17. The Firm had written Rules and Procedures setting out amongst other things, the process to be followed regarding placements.
- 18. Mr Mohsen and his Team followed the process set out below when assisting a Client in placing a risk with a reinsurer<sup>2</sup>:
  - 18.1. the Client instructed the Firm to place a certain risk (or a portion of it) with a reinsurer for a set premium on certain terms and conditions. On occasions, the Client did not set the premium and asked the Firm to obtain a quote from the reinsurance market;
  - 18.2. as explained by Mr Mohsen, Mr Mohsen and his Team contacted the reinsurer and provided the reinsurer "*with the **same** terms and conditions we received from our clients*" [emphasis added];
  - 18.3. if the reinsurer agreed to accept the risk (or part thereof), the reinsurer sent a confirmation to Mr Mohsen and his Team;
  - 18.4. Mr Mohsen and his Team informed the Client of the confirmation by the reinsurer. If the Client agreed, the Client provided the "binding" confirmation in writing to the Firm. From this date, the reinsurer covered the risk that it had agreed to accept;
  - 18.5. Mr Mohsen and his Team then prepared a draft reinsurance slip (the **Draft RI Slip**) and sent it to the reinsurer. The Draft RI Slip was sent to the reinsurer as a PDF document. The Draft RI Slip included:

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<sup>2</sup> Where a risk was placed with more than one reinsurer, each reinsurer underwrote a share of the risk.

- 18.5.1. details of the risk, such as the type and location of the risk;
- 18.5.2. the sum insured;
- 18.5.3. the name of the Client;
- 18.5.4. the period of reinsurance;
- 18.5.5. the premium (the **premium**). On occasions, the Draft RI Slip did not include the premium and instead made reference to a premium worksheet attached at the end which set out the calculations for the premium (the **Premium Worksheet**). This was the case where the structure of the risk insured was such that the reinsurance cover included different risks with a different premium for each;
- 18.5.6. a page with the share of the risk that had been accepted by the reinsurer, expressed as a percentage;
- 18.5.7. a page setting out the Tax applicable to the placement, if any (the **Tax Page**); and
- 18.5.8. a page setting out the deductions, which included the Brokerage (the **Deductions Page**). This was usually the last page of the Draft RI Slip if there was no Premium Worksheet;
- 18.6. the reinsurer signed and stamped each page of the Draft RI Slip (the **Stamped RI Slip**) and sent it back to Mr Mohsen and his Team;
- 18.7. Mr Mohsen and his Team submitted the Stamped RI Slip and other documents to the Firm's processing team (the **Processing Team**);
- 18.8. the Processing Team booked the placement in the Firm's system and produced an "Evidence of Cover" (**EOC**), a debit note addressed to the Client, and a premium closing advice addressed to the reinsurer. The EOC was a PDF document which included:
  - 18.8.1. a cover letter addressed to the Client; and
  - 18.8.2. a copy of the Stamped RI Slip referred to in paragraph 18.4 above. However, this copy **excluded** the Tax Page and the Deductions Page so as not to disclose the Brokerage to the Client;
- 18.9. the Processing Team sent the EOC and the debit note to Mr Mohsen and his Team, who sent them to the Client; and

18.10. the Client paid the premium<sup>3</sup> to the Firm, which retained the Brokerage and paid the remaining to the reinsurer.

#### *Quote*

19. As mentioned in paragraph 18.1 above, on occasions, the Client did not set the premium itself<sup>4</sup> but instead asked the Firm to obtain a quote from the reinsurance market.
20. The Firm's Rules and Procedures provide that "*quotations or indications of support obtained from the market are to be presented to the client*" and "*[quotations] are to be checked and countersigned [...] before being sent*". The purpose of the check was to ensure the accuracy of the quotation in a number of areas, including the premium.
21. Once the Firm had obtained a quote from the reinsurer, the Firm shared the quote with the Client.
22. If the Client agreed to the quote, the Client provided the binding confirmation.

#### **The Altered Quotation (the Altered Quote)**

23. On 5 February 2020 at 19.28 hrs, a Client (**Client A**) sent an email to Mr Mohsen asking for assistance in reinsuring a risk. Client A's email contained a table setting out some details of the original insured and of the risk, including the period of cover, but it did not contain the premium. Client A asked the Firm for the premium "*to be less than USD 70,000*" and indicated a deadline of four days, including a weekend.
24. On 5 February 2020 at 21.42 hrs, Mr Mohsen sent an email to a reinsurer (**Reinsurer A**) with the same table he had received from Client A and asked Reinsurer A to provide a quote by the next day.
25. On 6 February 2020 at 14.56 hrs, Reinsurer A sent an email to Mr Mohsen attaching a Microsoft Word document with the quote (the **Quote**). The Quote included the:
  - 25.1. period of cover of 22 months;
  - 25.2. premium of USD18,000; and
  - 25.3. Brokerage of 25% (i.e. USD4,500).
26. On 6 February 2020 at 16.10 hrs, Mr Mohsen altered the Quote including by:
  - 26.1. removing all information about the identity of Reinsurer A;
  - 26.2. adding the name of Client A;

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<sup>3</sup> The premium to be paid by the Client is calculated by applying the share that the reinsurer(s) agreed to underwrite to the premium set for 100% of the risk, minus any deductions.

<sup>4</sup> This was for example where a project was being tendered and the Client did not have enough technical expertise to price a specific risk.

26.3. changing the premium from USD18,000 to USD65,000 and adding the word "Net" in front of "Premium"; and

26.4. deleting the row of the table which specified the Brokerage (the **Altered Quote**).

Mr Mohsen did so without the knowledge of Reinsurer A.

27. On 6 February 2020 at 16.10 hrs, Mr Mohsen sent an email to Client A attaching the Altered Quote as a PDF document and said:

*"Here you are our lead quote up to 100% supported by [Reinsurer A] as attached for your perusal".*

In the email, Mr Mohsen also referred to Reinsurer A's request to write 97% of the Risk and asked Client A to provide the binding confirmation.

28. On 6 February 2020 at 17.40 hrs, a member of Mr Mohsen's Team sent an email to Mr Mohsen attaching a Microsoft Word version of a Draft RI Slip (**First Draft RI Slip**). The First Draft RI Slip:

28.1. stated that the period of cover was from 1 September 2019 to 1 July 2021 (i.e. 22 months);

28.2. stated that the premium was USD18,000 (page 4);

28.3. did not specify the share of the risk (the relevant page was left blank); and

28.4. stated that the Brokerage was 25%.

29. On 9 February 2020 at 14.21 hrs, Client A responded to Mr Mohsen's email asking for a decrease in the premium from USD65,000 to USD45,000.

30. On 13 February 2020 at 11.28 hrs, Mr Mohsen sent an email to Reinsurer A attaching a PDF with the Draft RI Slip (the **Second Draft RI Slip**). The Second Draft RI Slip contained the same information as the First Draft RI Slip prepared by Mr Mohsen's Team member as explained in paragraph 28 above, except that:

30.1. the premium on page 4 was removed, and instead a reference to a Premium Worksheet was inserted; and

30.2. the Premium Worksheet was added at the end of the document but it:

30.2.1. showed the premium as USD18,000;

30.2.2. did not include the calculations referred to in paragraph 18.5.5 above; and

30.2.3. included a net premium due to Reinsurer A of USD13,500 (i.e. the premium of USD18,000 minus the 25% Brokerage amounting to USD4,500).

31. On 13 February 2020 at 11.59 hrs, Reinsurer A responded to Mr Mohsen's email in paragraph 30 above attaching the Stamped RI Slip (**First Stamped RI Slip**).

32. On 27 February 2020 at 19.21 hrs, Client A sent an email to Mr Mohsen confirming the binding at a premium of USD50,000 and placing 97% of the risk with Reinsurer A. On the same day, Mr Mohsen informed Reinsurer A by email of the binding confirmation provided by Client A.

33. On 1 March 2020 at 8.49 hrs, Reinsurer A responded to Mr Mohsen's email in paragraph 32 above saying:

*"We are pleased to bind cover our 97% of 100% share, with effect 1st September 2019 to 1st July 2021 at premium of USD 18,000/- (100%) with 25% RI commission."*

34. On 9 March 2020 at 17.23 hrs, Reinsurer A sent Mr Mohsen an email attaching a new copy of the Stamped RI Slip (**Second Stamped RI Slip**) which included a 97% share of the risk.

35. On 11 March 2020 at 14.00 hrs, a member of Mr Mohsen's Team sent an email to Reinsurer A, copying in Mr Mohsen, and attached a premium closing advice addressed to Reinsurer A for USD13,095 (i.e. 97% of the net premium due to Reinsurer A of USD13,500 as stated in the Premium Worksheet – see paragraph 30.2 above).

36. On 11 March 2020 at 14.20 hrs, Mr Mohsen sent an email to Client A where he said:

*"Here you are the full documents of the closings for your perusal including the stamped debit note with the net premium of \$50K [...]".*

The email attached various documents, including:

36.1. a debit note addressed to Client A for USD48,500 (i.e. 97% of USD50,000); and

36.2. the EOC, which did not include the page with the Premium Worksheet or any information about the premium.

37. In engaging in the conduct as described in paragraphs 23 to 36 above, Mr Mohsen:

37.1. deliberately misled and deceived Client A because he:

37.1.1. altered Reinsurer's A Quote to increase the premium from USD18,000 to USD65,000;

- 37.1.2. sent the Altered Quote to Client A and led the Client to believe that it was the quote he had received from Reinsurer A;
    - 37.1.3. confirmed in an email to Client A that the net premium was USD50,000 as referred to in paragraph 36 above, when in fact the actual premium was USD18,000;
    - 37.1.4. concealed the actual premium from Client A by deleting the premium from the Second Draft Slip and causing the Premium Worksheet referred to in paragraph 30.2 above to be added. This meant that the actual premium would not appear in the EOC. Mr Mohsen knew that the Processing Team would remove the page with the Premium Worksheet from the EOC to be sent to Client A as it included details of the Brokerage; and
    - 37.1.5. sent the debit note for USD48,500 (i.e. 97% of USD50,000) to Client A; and
  - 37.2. deliberately misled and deceived Reinsurer A because he:
    - 37.2.1. deleted the premium from the Second Draft Slip and caused the Premium Worksheet referred to in paragraph 30.2 above to be added. This was done to remove the premium from the body of the document;
    - 37.2.2. caused the premium closing documents to be sent to Reinsurer A based on a premium of USD18,000 whereas in fact the actual premium charged by the Firm was USD50,000; and
    - 37.2.3. misrepresented to Reinsurer A that the 25% Brokerage for the placement was USD4,365. In fact, the Firm obtained USD35,405 from the placement, which is almost triple the amount received by Reinsurer A.
38. When interviewed by the DFSA about the Altered Quote, Mr Mohsen:
  - 38.1. was not able to provide a plausible explanation of why the Quote was altered;
  - 38.2. explained that the reason that the Premium Worksheet was added could have been because his Team used a previous slip that included a Premium Worksheet attached. As set out in paragraph 28 above, this was not the case because a member of Mr Mohsen's Team prepared a First Draft RI Slip where the premium was in the body of the Slip. The Premium Worksheet was added to the Second Draft Slip as set out in paragraph 30 above; and
  - 38.3. did not think his conduct in relation to the Altered Quote was wrong or misleading, and stated that:

*"[...] in the communication the client is already happy or he's the one who offered 70, and then 45, and then 50 [...]" and "I cannot see where is the issue here";*

*"But broker [...] they decrease the rate, they increase the rate, they do whatever they see this will bring them the business [...]"<sup>5</sup>;*

*"Also, no, for them, they [the client] need to get the cover, and they don't care about how much the premium or how much you generated [...]"*; and

*"[...] everything tallies with whatever the client offer, whatever the client request, whatever the reinsurer offered. That's it."*

#### *Endorsements to the Reinsurance Policy*

39. The period of cover of the risk was further extended through two endorsements, which resulted in an additional premium and Brokerage. Client A and Reinsurer A agreed to the endorsements in the same terms as those they understood to apply for the original reinsurance of the Risk, namely, Reinsurer A understood the premium to be USD18,000, and Client A understood it to be USD50,000. The premium and the Brokerage applicable to the endorsements were calculated on a pro-rata basis.
40. On 25 February 2021, Reinsurer A sent an email to Mr Mohsen's Team attaching **Endorsement 2**. Endorsement 2 included a reference to a premium of USD4,916. A member of Mr Mohsen's Team replied on the same day asking Reinsurer A to remove the reference to the premium in Endorsement 2, as that would be covered in the premium closing advice.
41. On 4 March 2021, Reinsurer A sent an email to Mr Mohsen attaching a revised Endorsement 2 without a reference to the premium. On the same day, Endorsement 2 was issued to extend the period of cover for six months. The net premium due to Reinsurer A for this endorsement was USD3,577. However, Client A was asked to pay USD13,247. The actual Brokerage earned by the Firm was USD9,670, i.e. almost triple the amount received by Reinsurer A.
42. On 23 August 2021, Reinsurer A sent an email attaching **Endorsement 3** to Mr Mohsen's Team. Endorsement 3 included a reference to a premium of USD1,612. A member of Mr Mohsen's Team replied on the same day asking Reinsurer A to remove the reference to the premium in Endorsement 3, as that would be covered in the premium closing advice.
43. On 26 August 2021, Endorsement 3 was issued to extend the period of cover for 60 days. The net premium due to Reinsurer A for this endorsement was USD1,173.

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<sup>5</sup> PHI-20240809, pages 91 and 92

However, Client A was asked to pay USD4,343. The actual Brokerage earned by the Firm was USD3,171, i.e. almost triple the amount received by Reinsurer A.

44. Mr Mohsen was included in all the email correspondence between the Firm, Client A and Reinsurer A in respect of Endorsement 2 and Endorsement 3.

#### *New Reinsurance Policy*

45. In February and March 2023, Mr Mohsen and his Team assisted Client A in extending the period of cover for the risk for six months. This was done through a new reinsurance policy with Reinsurer A as follows:

45.1. on 20 February 2023, Mr Mohsen sent an email to Client A asking it to confirm its request for a new policy for a period of cover of six months for a net premium of USD25,000. Client A responded with its confirmation of the binding on the same day;

45.2. on 28 February 2023, a member of Mr Mohsen's Team sent an email to Reinsurer A informing it of the binding and attaching the Draft RI Slip. The Draft RI Slip included a 25% Brokerage and a Premium Worksheet attached setting out a premium of USD9,000;

45.3. on 10 March 2023, Reinsurer A sent Mr Mohsen's Team an email attaching the Stamped RI Slip. However, Reinsurer A had edited the Stamped RI Slip to include a reference to the premium in the body of the Slip;

45.4. on 13 March 2023, a member of Mr Mohsen's Team sent an email to Mr Mohsen attaching the Stamped RI Slip provided by Reinsurer A and saying:

*"Hi Wael,*

*For the captioned risk, there is differential premium. [Reinsurer A] has struck off 'As per premium worksheet' under Premium and put their premium figures in the slip. Please advise how you would like to proceed.";*

45.5. shortly after, the member of Mr Mohsen's Team responded to Reinsurer A saying:

*"Please note that Premium is already available on page 20, therefore please don't add it again to page 6 and maintain the format as shared with you."*

45.6. on the same day, Reinsurer A sent a revised Stamped RI Slip without the reference to the premium in the body of the Slip; and

45.7. the net premium due to Reinsurer A for the new policy was USD6,750. However, the EOC sent to Client A did not include the Premium Worksheet with the

premium and Client A was asked to pay USD24,250. The actual Brokerage earned by the Firm was USD17,703, i.e. almost triple the amount received by Reinsurer A.

46. As described in paragraphs 39 to 45 above, throughout 2021 and 2023 Mr Mohsen, either directly or through his Team, continued to deliberately mislead Client A and Reinsurer A in respect of the premium and the Brokerage earned by the Firm in respect of the placement of the risk with Reinsurer A. At all relevant times, Mr Mohsen:
  - 46.1. was often the one corresponding with Reinsurer A and Client A (see paragraphs 41 and 45.1 above), or was copied in all such correspondence;
  - 46.2. was the head of the Facultative Unit at the Firm and oversaw his Team, which consisted of one to two junior brokers; and
  - 46.3. instructed his Team to advise Reinsurer A to remove a reference to the premium from the body of the Stamped I Slip (see paragraphs 45.3 to 45.6 above) to conceal the premium from Client A.

#### **Misleading and deceptive conduct in respect of premiums and the Brokerage**

47. Mr Mohsen and his Team also:
  - 47.1. communicated different premiums to other Clients and reinsurers, stating a higher premium to the Client and a lower premium to the reinsurer, and causing the difference between the two to be earned by the Firm as additional Brokerage; and
  - 47.2. agreed with reinsurers on deductions from the premium paid by the Client, such as Tax, NCB and RIB, as explained in paragraph 15 above, but caused those deductions to be earned as additional Brokerage instead.

#### *Different premiums*

48. In relation to the conduct described in paragraph 47.1 above, Mr Mohsen concealed the difference in premiums payable by Clients by deleting the premium from the Stamped RI Slip and adding a Premium Worksheet to show the premium. Mr Mohsen knew that the Processing Team would remove the page with the Premium Worksheet from the EOC to be sent to Clients, as explained in paragraph 37.1.4 above.
49. Mr Mohsen and his Team did this in respect of 27 placements during the Relevant Period. By way of example:
  - 49.1. on 16 February 2020, Mr Mohsen sent an email to a Client (**Client B**) regarding renewing the reinsurance of a particular risk;

- 49.2. on 19 March 2020, Client B sent an email to Mr Mohsen setting out some of the terms and conditions of the renewal, and indicating an increase of the premium;
  - 49.3. on the same day, Mr Mohsen sent an email to Client B asking to "*confirm the final rate for this renewal*", to which Client B responded indicating that the premium:
    - 49.3.1. to one reinsurer (**Reinsurer B**) was 1.0865 per mil; and
    - 49.3.2. to another reinsurer was 1.26 per mil;
  - 49.4. on 22 March 2020, Mr Mohsen sent an email to Reinsurer B to renew the reinsurance of the risk. In his email, Mr Mohsen says:

*"Here you are the firm order as per the original terms received from the cedent" and "the client confirmed [...] improving the rate [...]"*.

Mr Mohsen attached a Draft RI Slip which included a Premium Worksheet specifying a gross premium of 0.98 per mil;
  - 49.5. on 23 March 2020, Reinsurer B responded to Mr Mohsen and offered to reinsure 1% share of the risk "*per the slip terms offered*", that is at a gross premium of 0.98 per mil;
  - 49.6. on 29 March 2020, Mr Mohsen confirmed to Client B that Reinsurer B had offered a 1% share at a "*net rate of 1.26 per mil*". A few minutes later, Client B responded to Mr Mohsen confirming the binding of the 1% share of the risk;
  - 49.7. following Client B's binding confirmation, Mr Mohsen sent Reinsurer B an updated Draft RI Slip "*which is showing higher net rate due to you*". The Premium Worksheet specified a net premium of 1 per mil. The Slip also included deductions of 30.8% of the premium; and
  - 49.8. on 30 April 2020, Mr Mohsen sent Client B the EOC, which had the Premium Worksheet removed.
50. In engaging in the conduct described in paragraph 49 above, Mr Mohsen deliberately misled and deceived:
- 50.1. Client B and Reinsurer B as to the premium of the placement; and
  - 50.2. Reinsurer B as to the Brokerage earned from such placement, as Mr Mohsen caused the Firm to earn the difference between 1.26 per mil and 1 per mil of the total sum insured to be earned by the Firm as Brokerage, in addition to the 30.8% of the premium.

51. During the Relevant Period, Mr Mohsen deliberately misled and deceived other Clients and reinsurers as to the premium in 26 other placements and the Brokerage earned by the Firm from such placements.

*Deductions earned as Brokerage*

52. In relation to the conduct in paragraph 47.2 above, Mr Mohsen was aware that the conduct was misleading and deceptive since, prior to the Relevant Period, the Firm's management had instructed him to not engage in such conduct. In May 2017, one of the Firm's then Licensed Directors sent an email to Mr Mohsen and others saying:

*"we cannot take applicable tax as brokerage . Wael, you have to obtain agreement of reinsurers to pay the 30.8% as commision [sic] and not partly tax."*

53. Mr Mohsen and his Team engaged in this conduct in respect of at least 32 placements during the Relevant Period. By way of example:

53.1. on 6 April 2020, Client B agreed with Mr Mohsen on placing a risk with a reinsurer (**Reinsurer C**) for a net premium (i.e. a premium without deductions other than Brokerage);

53.2. on 8 April 2020, Reinsurer C signed the Stamped RI Slip setting out total deductions to the premium of 27.8%. Email correspondence on 6 and 7 April 2020 between Mr Mohsen and Reinsurer C shows that the deductions included the Tax;

53.3. on 29 April 2020, Mr Mohsen's Team submitted a form to the Firm's Processing Team setting out the details of the placement with various reinsurers, including the deductions (the **Accounting Form**). The Accounting Form included Tax as a deduction from the premium paid by Client B in respect of the placement with another reinsurer, but not in respect of the placement with Reinsurer C. Instead, the Accounting Form showed the deductions of 27.8% entirely as Brokerage; and

53.4. on 30 April 2020, Mr Mohsen sent two debit notes to Client B for placing the risk with various reinsurers, including Reinsurer C. The debit notes did not deduct Tax from the premium to be paid by Client B in respect of the placement with Reinsurer C, causing the Firm to earn Tax as Brokerage for that placement.

54. In engaging in the conduct described in paragraph 53 above, Mr Mohsen deliberately misled and deceived Reinsurer C as to the nature of the deductions applied to the premium and the amount of Brokerage earned by the Firm.

55. During the Relevant Period, Mr Mohsen deliberately misled and deceived other reinsurers as to the nature of the deductions applied to premiums, and the amount of Brokerage earned by the Firm from at least 31 other placements.
56. At all material times, Mr Mohsen:
- 56.1. was the head of the Facultative Unit at the Firm and his Team members were junior brokers who reported to him;
  - 56.2. was included in all written correspondence with reinsurers in respect of those placements, and negotiated with reinsurers the terms of the placements, including the deductions;
  - 56.3. handled most of the communications with Clients, including sending the EOCs and debit notes; and
  - 56.4. was aware that the conduct referred to in paragraphs 53 to 55 above was misleading because it was contrary to the instructions he had received from the Firm's management in May 2017 not to engage in such conduct.

#### **The alteration of the EOCs**

57. Mr Mohsen assisted Client B in placing risks with reinsurers. As explained in paragraph 18.8.2, the EOC provided by Mr Mohsen to Client B did not include the Deductions page so as not to disclose the Brokerage.
58. From May 2021, Client B asked Mr Mohsen to provide the page of the Stamped RI Slip containing the Brokerage (the **Request**) and *"for the purposes of full transparency, the reinsurance agreement /slip should disclose the total deduction including taxes, ceding commission and brokerage as well as signed and stamped by reinsurers"*. The Request was made several times.
59. According to Mr Mohsen, the aim of the Request was for Client B to obtain a ceding discount, or a larger ceding discount if Client B already had one. Any increase in the ceding discount would reduce the amount of the Brokerage.
60. During May and June 2021, Mr Mohsen did not comply with the Request. On 8 June 2021, he met with Client B's senior management to discuss the Request.
61. On 13 June 2021, Client B sent an email to Mr Mohsen saying:
- "As we are keen to maintain our strong business relationship has been built up over several years ago request your goodself [sic] to have urgent acceptance from your management to release full Reinsurance documentation showing us Total deduction and*

*/or your brokarge [sic] otherwise we are not in position to offer you any further renewal or new accounts till follow our instructions."*

62. On 14 June 2021, in an email to Mr Mohsen, Client B's senior management stated:

*"Thanks Wael unfortunately this is final decision and it is not possible to except [the Firm].*

*We are your client abd youd [sic] management should response postively [sic] to our internal instructions if not that is your descion [sic] accordingly we may approach your markets directly.*

*Thanks again and appreciate receiving your final descion [sic] as June renewal is due soon."*

Mr Mohsen did not raise the Request with the Firm's senior management.

63. Subsequently, in order to avoid disclosing the actual Brokerage earned by the Firm on placements, one of Mr Mohsen's Team members suggested altering the EOCs before providing them to Client B to show lower deductions and, as a result, a lower Brokerage<sup>6</sup> (the **Manipulated EOCs**). Mr Mohsen agreed to this suggestion.

64. From 12 July 2021 to 23 March 2023, Mr Mohsen provided to Client B Manipulated EOCs for 121 placements as follows:

64.1. the placement process described in paragraphs 18.1 to 18.8 above was followed;

64.2. the reinsurer sent Mr Mohsen and his Team the Stamped RI Slip (see paragraph 18.6 above);

64.3. the Processing Team sent an email to Mr Mohsen and his Team attaching a PDF document with the EOC and the closing documents (see paragraph 18.9 above);

64.4. the EOC contained a copy of the Stamped RI Slip which **excluded** the Tax Page and the Deductions Page (see paragraph 18.8.2 above);

64.5. a member of Mr Mohsen's Team (the **Employee**) forwarded that email to their personal email account. However, instead of attaching the EOC, the Employee's email attached the Manipulated EOC;

64.6. the Manipulated EOC:

64.6.1. included the Deductions Page of the Stamped RI Slip showing the total deductions, which included the Brokerage. However, the deductions shown were lower than those stated in the Stamped RI Slip provided by

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<sup>6</sup> Total deductions included Brokerage earned by the Firm and ceding discount to the Client, if any.

the reinsurer. On occasions, the Manipulated EOC also showed lower deductions by deleting the NCB, the RIB, and references to Tax, which were included in the Deductions Page of the Stamped RI Slip;

64.6.2. did not include the Tax Page;

64.6.3. contained metadata which showed that the Employee was the author of the document, and that the document had been modified shortly before the Employee had sent the email to their personal email account; and

64.6.4. on two occasions, included the Premium Worksheet with a different premium that was altered to show a higher premium to Client B;

64.7. the Employee sent the email attaching the Manipulated EOC from their personal email account to Mr Mohsen's personal email account;

64.8. Mr Mohsen sent the email attaching the Manipulated EOC from his personal email account to his email account at the Firm; and

64.9. Mr Mohsen sent a new email from his email account at the Firm to Client B attaching the Manipulated EOC.

65. When interviewed about the Manipulated EOCs, Mr Mohsen:

65.1. admitted to the conduct described in paragraph 64 above and said it was a "silly mistake";

65.2. explained that the conduct was a result of the Request, and that it was done only in respect of Client B. Mr Mohsen did not remember the number of placements for which he sent Manipulated EOCs to Client B;

65.3. stated that did not know how to edit PDFs and that he never manipulated the EOCs himself. Mr Mohsen asked the Employee to use their personal email account to send the Manipulated EOC to Mr Mohsen;

65.4. explained that he did not send Manipulated EOCs for all placements on behalf of Client B, but for those where he expected Client B to ask either for a larger ceding discount or for a ceding discount if there was none; and

65.5. failed to mention that he also sent to Client B Manipulated EOCs where deductions (Tax, NCB and RIB) had been deleted and the premium had been increased.

66. Mr Mohsen's conduct set out in paragraphs 57 to 65 above shows that, between 12 July 2021 and 23 March 2023, Mr Mohsen deliberately misled and deceived Client B as to

the amount of Brokerage earned by the Firm from 121 placements, and the deductions to the premium from some of those placements. Mr Mohsen:

- 66.1. agreed to the Employee's suggestion to manipulate the EOC to show lower deductions, and therefore a lower Brokerage;
- 66.2. asked the Employee to use their personal email account to send the Manipulated EOC to him;
- 66.3. sent the email from the Employee attaching the Manipulated EOC from his personal email account to his email account at the Firm; and
- 66.4. attached the Manipulated EOC to a new email which he sent to Client B.

## **CONTRAVENTIONS**

67. Having regard to the facts and matters set out in this Notice, the DFSA finds that Mr Mohsen committed the contraventions set out below.

### **Misleading and deceptive conduct**

68. Article 41B of the Regulatory Law 2004 states that a person must not, in or from the DIFC, engage in conduct in connection with a Financial Product or a Financial Service that is:
  - 68.1. misleading or deceptive or likely to mislead or deceive;
  - 68.2. fraudulent; or
  - 68.3. dishonest.
69. By reason of the facts set out in paragraphs 23 to 66, during the Relevant Period, Mr Mohsen contravened Article 41B of the Regulatory Law 2004 by engaging in conduct that was misleading and deceptive, or was likely to mislead or deceive. Mr Mohsen's conduct was deliberate as Mr Mohsen intended to conceal information from Clients and reinsurers including, but not limited to, Client A, Reinsurer A, Client B, Reinsurer B and Reinsurer C.

## **SANCTIONS**

70. In deciding whether to take the action set out in this Notice, the DFSA has taken into account the factors and considerations set out in sections 6-2 and 6-3 of the DFSA's Regulatory Policy and Process Sourcebook (**RPP**).
71. The DFSA considers the following factors to be of particular relevance in this matter:
  - 71.1. the DFSA's objectives, in particular 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 (Article 8(3)(d));

71.2. the deterrent effect of the action and the importance of deterring Mr Mohsen and others from committing further or similar contraventions; and

71.3. the seriousness of the contraventions, including their nature and the fact that they were deliberate and repeated over a significant period of time.

72. The DFSA has considered the sanctions and other options available to it and has concluded that imposing the Fine, the Prohibition and the Restriction on Mr Mohsen are the most appropriate action given the circumstances of this matter.

### **Determination of Fine**

73. In determining the appropriate level of financial penalty to impose in this matter, the DFSA has taken into account the factors and considerations set out in sections 6-4 and 6-6 of the RPP as follows.

#### *Step 1 - Disgorgement*

74. There was no evidence to suggest that Mr Mohsen made a profit or avoided a loss, as a direct result of the contraventions. Accordingly, this step was not considered relevant.

#### *Step 2 – The Seriousness of the Contraventions*

75. The DFSA finds Mr Mohsen's contraventions to be particularly serious because:

75.1. Mr Mohsen failed to act with integrity;

75.2. the contraventions involved misleading and deceptive conduct, or conduct which was likely to mislead or deceive, in connection with a Financial Product or a Financial Service in or from the DIFC;

75.3. the contraventions occurred over the Relevant Period, a period of more than three years, and were repeated many times; and

75.4. the contraventions were deliberate because, as set out above:

75.4.1. Mr Mohsen intended to mislead Clients and reinsurers about the premium and the Brokerage earned by the Firm for the placements described above;

75.4.2. Mr Mohsen asked the Employee to use their and Mr Mohsen's personal email accounts to send the Manipulated EOCs, which reduced the risk that the conduct would be discovered;

75.4.3. Mr Mohsen had an interest in increasing, or not reducing, the Brokerage earned by the Firm. The Brokerage contributed to Mr Mohsen and his Team achieving their annual targets, which meant that they would receive bonuses;

75.4.4. Mr Mohsen sent to Reinsurer A a version of the Draft RI Slip which was different to the version prepared by a member of his Team. The version sent by Mr Mohsen removed the premium from the body of the Slip, and added a Premium Worksheet which included details of the Brokerage. Mr Mohsen knew that the Premium Worksheet would be removed by the Processing Team when preparing the EOC to be shared with Client A as it included the Brokerage. The Draft RI Slip was changed with the intention to conceal the premium from Client A;

75.4.5. Mr Mohsen's Team asked Reinsurer A to remove the premium from Endorsements 2 and 3, which would be shared with Client A, so as to continue to conceal the premium from Client A;

75.4.6. the same happened in respect of the new reinsurance policy for Client A. A member of Mr Mohsen's Team brought to Mr Mohsen's attention that Reinsurer A had included the premium in the body of the Stamped RI Slip, which would be part of the EOC ultimately sent to Client A. Reinsurer A was asked to remove the premium from the Stamped RI Slip so as to conceal the premium from Client A.

76. Taking the above factors into account, the DFSA considers that a financial penalty of USD285,149 appropriately reflects the seriousness of the contraventions. This figure is equivalent to 20% of USD1,425,744, which is representative of Mr Mohsen's relevant income from the Firm during the Relevant Period.

#### *Step 3 – Mitigating and aggravating factors*

77. In considering the appropriate level of financial penalty, the DFSA had regard to the factors set out in RPP paragraph 6-6-8.

78. However, the DFSA does not consider it appropriate to adjust the amount of the fine arrived at after Step 2.

79. Accordingly, the figure after Step 3 is USD285,149.

#### *Step 4 – Adjustment for deterrence*

80. Pursuant to RPP paragraph 6-6-9, if the DFSA considers that the level of the financial penalty which it has arrived at after Step 3 is insufficient to deter the firm who committed

the contravention, or others, from committing further or similar contraventions, then the DFSA may increase it. RPP paragraph 6-6-9 sets out the circumstances where the DFSA may do this.

81. The DFSA considers that the figure after Step 3 is sufficient for the purposes of deterring Mr Mohsen and others from committing further or similar contraventions. The DFSA therefore does not consider it appropriate to adjust the amount of the fine arrived at after Step 3 for the purposes of deterrence.

82. Accordingly, the figure after Step 4 is USD285,149.

#### *Step 5 – Settlement discount and financial hardship consideration*

83. Where the DFSA and the person on whom the financial penalty is to be imposed agree on the amount and other terms, RPP paragraph 6-6-10 provides that the amount of the financial penalty which might otherwise have been payable will be reduced to reflect the stage at which agreement is reached.

84. The DFSA and Mr Mohsen have reached agreement on the relevant facts and matters relied on and the amount of fine that would be imposed. Having regard to its usual practice and in recognition of the benefit of this agreement to the DFSA, the DFSA has applied a 30% discount to the level of fine which the DFSA would have otherwise imposed.

85. Mr Mohsen has also made submissions with supporting evidence concerning his financial situation. The DFSA has, therefore, decided to provide Mr Mohsen with some relief as to the amount of the fine imposed. The DFSA has decided to further reduce the fine by 30%.

86. DFSA's approach to considering serious financial hardship is set out in section 6-7 of RPP.

87. Accordingly, the figure after Step 5 is USD139,722.

#### *The Level of the Fine*

88. Given the factors and considerations set out in paragraphs 73 to 87 above and the circumstances of this matter, the DFSA has determined that it is proportionate and appropriate to impose on Mr Mohsen the Fine of USD139,722.

#### **The Prohibition**

89. The DFSA has also decided to prohibit Mr Mohsen from holding office in or being an employee of any Authorised Person, DNFBP, Reporting Entity or Domestic Fund in the

DIFC. Article 90(2)(g) of the Regulatory Law 2004 provides that the DFSA may impose such a prohibition when a person has contravened legislation administered by the DFSA.

90. When considering the imposition of the Prohibition, the DFSA has taken into consideration the other powers it has available to penalise Mr Mohsen for his misconduct, as well as the other powers to protect direct and indirect users and prospective users of the Financial Services industry in the DIFC. Noting the Restriction on Mr Mohsen and the potential overlap with the Prohibition, the DFSA considers that such further protection is required to address the risk Mr Mohsen presents to the Financial Services industry in the DIFC.
91. Accordingly, given the nature and seriousness of Mr Mohsen's contraventions, the DFSA considers it necessary and appropriate in the circumstances to impose the Prohibition on Mr Mohsen.

### **The Restriction**

92. The DFSA has decided that it is appropriate and proportionate in the circumstances to restrict Mr Mohsen from performing any function in connection with the provision of Financial Services in or from the DIFC.
93. The DFSA's policy in relation to its exercise of the restriction power under Article 59(1) of the Regulatory Law 2004 is set out in section 4-10 DFSA's Regulatory Policy and Process Sourcebook (RPP).
94. In determining whether to exercise its power under Article 59(1) of the Regulatory Law 2004, the DFSA may have regard to all relevant matters including, but not limited to, the criteria for assessing the fitness and propriety of Authorised Individuals as set out in GEN Chapter 7 and section 2-3 of RPP (see RPP 4-10-3).
95. Mr Mohsen:
- 95.1. deliberately engaged in conduct which misled and deceived several counterparties; and
  - 95.2. as set out in paragraph 38.3 above, when interviewed by the DFSA about the reinsurance transactions described in paragraphs 23 to 45 above, Mr Mohsen did not consider he had done anything wrong. This indicates that Mr Mohsen lacks a moral compass and impugns his integrity.
96. The DFSA therefore considers it appropriate to impose the Restriction because:

96.1. it believes on reasonable grounds that Mr Mohsen lacks integrity and is not a fit and proper person to perform any function in connection with the provision of Financial Services in or from the DIFC; and

96.2. it is necessary and proportionate to do so in support of the DFSA's objectives.

## **PROCEDURAL MATTERS**

### **Settlement Decision Maker**

97. The decision which gave rise to the obligation to give this Notice was made by the Settlement Decision Maker on behalf of the DFSA.

### **Manner and time for payment**

98. The Fine must be paid by Mr Mohsen by no later than 28 days from the date of this Notice.

### **If the Fine is not paid**

99. If any or all of the Fine is outstanding after the due date, the DFSA may seek to recover the outstanding amount as a debt owed by Mr Mohsen and due to the DFSA.

### **Evidence and other material considered**

100. Annex A sets out extracts from some statutory and regulatory provisions and guidance relevant to this Notice.

### **Right of review of the decision by the FMT**

101. Pursuant to Article 90(5) of the Regulatory Law 2004, Mr Mohsen has the right to refer this matter to the FMT for review. However, in deciding to settle this matter and in agreeing to the action set out in this Decision Notice, Mr Mohsen has agreed that he will not refer this matter to the FMT.

### **Publicity**

102. Under Article 116(2) of the Regulatory Law 2004, the DFSA may publish, in such form and manner as it regards appropriate, information and statements relating to decisions of the DFSA and of the Court, censures, and any other matters which the DFSA considers relevant to the conduct of affairs in the DIFC.

103. In accordance with Article 116(2) of the Regulatory Law 2004, the DFSA intends to publicise the action taken in this Decision Notice and the reasons for that action. This may include publishing this Decision Notice itself, in whole or in part.

104. The DFSA will notify Mr Mohsen of the date on which the DFSA intends to publish information about this Decision Notice.

**DFSA contacts**

105. For more information concerning this matter generally, please contact the Administrator to the DMC on +971 4 362 1500 or by email at [DMC@dfsa.ae](mailto:DMC@dfsa.ae).

Signed



CHRISTIAN CAMERON.

As a Settlement Decision Maker for and on behalf of the DFSA

## ANNEX A – RELEVANT STATUTORY AND REGULATORY PROVISIONS

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### 1. Relevant Legislation

#### Regulatory Law - DIFC Law No. 1 of 2004

#### 8 The Powers, Functions and Objectives of the DFSA

- (1) The DFSA has such functions and powers as are conferred, or expressed to be conferred, on it:
  - (a) by or under the Law; and
  - (b) by or under any other law made by the Ruler.
- (2) The DFSA has power to do whatever it deems necessary for or in connection with, or reasonably incidental to, performing its functions and exercising its powers conferred in accordance with (1).
- (3) In performing its functions and exercising its powers, the DFSA shall pursue the following objectives:
  - (a) 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;
  - (b) to foster and maintain confidence in the financial services industry in the DIFC;
  - (c) to foster and maintain the financial stability of the financial services industry in the DIFC, including the reduction of systemic risk;
  - (d) 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;

...

#### 41B. General prohibition against misconduct

- (1) A person must not, in or from the DIFC, engage in conduct in connection with a Financial Product or a Financial Service that is:
  - (a) misleading or deceptive or likely to mislead or deceive;
  - (b) fraudulent; or
  - (c) dishonest.
- (2) The DFSA shall make Rules prescribing what constitutes a Financial Product for the purposes of Article 41B(1).

- (3) Nothing in this Article limits the scope or application of any other provision in legislation administered by the DFSA.

#### **59. Restricting persons from performing functions in the DIFC**

- (1) If the DFSA believes on reasonable grounds that a person is not a fit and proper person to perform any functions in connection with the provision of Financial Services in or from the DIFC, it may restrict the person from performing all or any such functions.
- (2) A restriction under this Article may relate to a function whether or not it is a Licensed Function.
- (3) The DFSA may vary or withdraw a restriction imposed under this Article.
- (4) A person who performs a function in breach of a restriction under this Article commits a contravention.
- (5) The procedures in Schedule 3 apply to a decision of the DFSA under Article 59(1).
- (6) If the DFSA decides to exercise its power under Article 59(1), the person may refer the matter to the FMT for review.

#### **90 Sanctions and directions**

- (1) Where the DFSA considers that a person has contravened a provision of any legislation administered by the DFSA, other than in relation to Article 32, the DFSA may exercise one or more of the powers in Article 90(2) in respect of that person.
- (2) For the purposes of Article 90(1) the DFSA may:
  - (a) fine the person such amount as it considers appropriate in respect of the contravention;
  - (b) censure the person in respect of the contravention;
  - (c) make a direction requiring the person to effect restitution or compensate any other person in respect of the contravention within such period and on such terms as the DFSA may direct;
  - (d) make a direction requiring the person to account for, in such form and on such terms as the DFSA may direct, such amounts as the DFSA determines to be profits or unjust enrichment arising from the contravention;
  - (e) make a direction requiring the person to cease and desist from such activity constituting or connected to the contravention as the DFSA may stipulate;

- (f) make a direction requiring the person to do an act or thing to remedy the contravention or matters arising from the contravention; or
  - (g) make a direction prohibiting the person from holding office in or being an employee of any Authorised Person, DNFBP, Reporting Entity or Domestic Fund.
- (3) Nothing in this Article prevents the DFSA from exercising any other power that it may exercise under this Law or any other legislation administered by the DFSA.
- (4) The procedures in Schedule 3 apply to a decision of the DFSA under this Article.
- (5) If the DFSA decides to exercise its power under this Article in relation to a person, the person may refer the matter to the FMT for review.

...

#### **116 Publication by the DFSA**

- (1) The DFSA shall make available to the public without undue delay after their making or issuing:
- (a) Rules made by the DFSA Board of Directors;
  - (b) Guidance in the form of:
    - (i) guidance made and issued by the Chief Executive under the Law; and
    - (ii) a standard or code of practice issued by the DFSA Board of Directors which has not been incorporated into the Rules.
- (2) The DFSA may publish in such form and manner as it regards appropriate information and statements relating to decisions of the DFSA, the FMT and the Court, sanctions, and any other matters which the DFSA considers relevant to the conduct of affairs in the DIFC.
- (3) Publications made under this Article may be provided with or without charge as the DFSA Board of Directors may determine.

#### **2. Relevant DFSA Rulebook Provisions**

##### **DFSA Rulebook, General Module (GEN) [VER47/01-20 to VER58/01-23]**

#### **2 FINANCIAL SERVICES**

...

#### **2.19 Insurance intermediation**

- 2.19.1 (1)** In Rule 2.2.2, Insurance Intermediation means:
- (a) advising on a Contract of Insurance;
  - (b) acting as agent for another Person in relation to the buying or selling of a Contract of Insurance for that other Person;
  - (c) making arrangements with a view to another Person, whether as principal or agent, buying a Contract of Insurance; or
  - (d) operating an Insurance Aggregation Site.
- (2) In (1)(a), 'advising' means giving advice to a Person in his capacity as a Policyholder, or in his capacity as agent for a Policyholder on the merits of his entering into a Contract of Insurance whether as principal or agent.
- (3) In (2), 'advice' includes a statement, opinion or report:
- (a) where the intention is to influence a Person, in making a decision, to select a Contract of Insurance or insurance cover; or
  - (b) which could reasonably be regarded as being intended to have such influence.
- (4) The arrangements in (1)(c) include arrangements which do not bring about the transaction.
- (5) The arrangements in (1)(c) do not include the mere provision of information about:
- (a) a Contract of Insurance, insurer, insurance intermediary or insurance manager to a Policyholder; or
  - (b) a Policyholder to an insurer, insurance intermediary or insurance manager, if the Person providing that information does not take any further steps to assist in concluding the Contract of Insurance:

...

## **2.20 Insurance management**

- 2.20.1 (1)** In Rule 2.2.2, Insurance Management means:
- (a) performing underwriting or administration functions for or on behalf of an insurer, for the purposes of that insurer effecting or carrying out a Contract of Insurance as principal;
  - (b) advising on a Contract of Insurance for which the Person performs, or is proposing to perform, underwriting functions referred to in (a); or

- (c) arranging reinsurance for and on behalf of an insurer for whom it is underwriting.
- (2) In (1):
- (a) “administration” includes, without limitation, one or more of the following activities:
    - (i) processing applications for, and endorsements on, Contracts of Insurance;
    - (ii) collecting and processing premiums;
    - (iii) negotiating terms of settlement of claims; or
    - (iv) settling claims;
  - (b) “advising” has the same meaning as in Rule 2.19.1(2) and (3); and
  - (c) “underwriting” includes, without limitation, one or more of the following activities:
    - (i) assessing underwriting risks;
    - (ii) negotiating and settling terms of Contracts of Insurance including exclusions;
    - (iii) negotiating and settling premiums;
    - (iv) negotiating commissions; or
    - (v) countersigning, stamping and issuing Contracts of Insurance.
- (3) In this Rule, a reference to an “insurer” is a reference to:
- (a) an Insurer; or
  - (b) a Non-DIFC insurer.

### **3.4 Other Relevant Regulatory Provisions**

The DFSA’s policy in relation to its approach to enforcement is set out in Chapter 5 of the DFSA’s Regulatory Policy and Process Rulebook (RPP) (February 2020 Edition).

Chapter 6 of RPP sets out the DFSA’s approach to imposing a penalty, which includes a financial penalty, and the matters the DFSA will take into account when determining a penalty.

## ANNEX B – DEFINITIONS

Accounting Form	The form submitted by Mr Mohsen's Team to the Firm's Processing Team on 29 April 2020 setting out the details of a placement.
Altered Quote	The Quote that Mr Mohsen altered to change the premium.
Brokerage	Brokerage commission earned, or purported to be earned, by the Firm. The Brokerage was deducted by the Firm from the premium received from the Client, but it was negotiated with, and agreed by, the reinsurer(s).
Clients	The insurers (cedants) which the Firm assisted in placing risks with reinsurers.
Client A	The Client to whom Mr Mohsen and his Team sent the Altered Quote.
Client B	The Client referred to in paragraph 49 who was misled by Mr Mohsen as to the premium, and to whom Mr Mohsen sent Manipulated EOCs.
Deductions Page	The page of the Draft RI Slip and the Stamped RI Slip setting out the deductions from the premium, which included the Brokerage, the ceding discount, NCB and RIB, if applicable.
DFSA	The Dubai Financial Services Authority.
Draft RI Slip	A Draft Reinsurance Slip setting out set out the terms of the reinsurance contract and sent by Mr Mohsen and his Team to reinsurers.
Employee	The member of Mr Mohsen's Team who manipulated the EOCs to send to Client B at a given time. Two members of Mr Mohsen's Team were the Employee at different times.
EOC	Evidence of Cover
Evidence of Cover	A PDF document addressed to the Client and produced by the Processing Team that included a cover letter addressed to the Client, and a copy of the Stamped RI Slip without the Tax Page and the Deductions Page.
Fine	A fine of USD139,722 imposed on Mr Mohsen by the DFSA.
Firm	A Firm authorised by the DFSA to carry on Insurance Intermediation and Insurance Management in or from the

	DIFC, of which Mr Mohsen was an employee during the Relevant Period.
First Draft RI Slip	The Draft RI Slip sent by a member of the Team to Mr Mohsen on 6 February 2020 which included the premium of USD18,000 on page 4 of the Slip.
First Stamped RI Slip	The first Stamped RI Slip sent by Reinsurer A to Mr Mohsen on 13 February 2020.
GLO	The Glossary Module of the DFSA Rulebook.
Manipulated EOC	The Evidence of Cover manipulated to show lower deductions and therefore a lower Brokerage.
Mr Mohsen's Team	A team composed by two junior brokers reporting to Mr Mohsen at any given time during the Relevant Period.
NCB	No Claim Bonus
premium	Depending on the context: <ul style="list-style-type: none"> <li>• the premium for the reinsurance of 100% of the risk; or</li> <li>• the premium for the reinsurance of a share of the risk.</li> </ul>
Premium Worksheet	A page attached at the end of some of the Draft RI Slips and the Stamped RI Slips setting out the calculations for the premium. A Premium Worksheet was used where the structure of the risk insured was such that the reinsurance cover included different risks with a different premium each.
Processing Team	A team at the Firm in charge of booking the placements in the system and producing the EOC, the debit note, and the premium closing advice(s). During the Relevant Period, some members of Mr Mohsen's Team performed that role at times.
Prohibition	A prohibition imposed by the DFSA on Mr Mohsen from holding office in, or being an employee of, any Authorised Person, DNFBP, Reporting Entity or Domestic Fund.
Quote	The quote received by Mr Mohsen and his Team from Reinsurer A on 6 February 2020.
Reinsurer A	The reinsurer that provided the Quote on 6 February 2020 that was altered by Mr Mohsen on the same day.

Reinsurer B	The reinsurer referred to in paragraph 49 who was misled by Mr Mohsen as to the premium and the Brokerage.
Reinsurer C	The reinsurer referred to in paragraph 53 who was misled by Mr Mohsen as to the nature of the deductions and the Brokerage earned.
Relevant Period	From 6 February 2020 until 23 March 2023, when Mr Mohsen sent the last Manipulated EOC.
Request	The Request made in May 2021 by Client B to Mr Mohsen and the Firm to include in the EOC the Deduction Page.
Restriction	A restriction imposed by the DFSA on Mr Mohsen from performing any functions in connection with the provision of Financial Services in or from the DIFC.
RIB	Renewal Incentive Bonus
RPP	The DFSA's Regulatory Policy and Process Sourcebook.
Second Draft RI Slip	A second Draft RI Slip sent to Reinsurer A on 13 February 2020 at which included some changes to the First Draft RI Slip prepared by a member of Mr Mohsen's Team, in particular the premium was taken out of the body of the Slip and a Premium Worksheet was attached at the end of the Slip.
Second Stamped RI Slip	A second Stamped RI Slip sent by Reinsurer A to Mr Mohsen on 9 March 2020 which included a 97% share of the Risk.
SEO	Senior Executive Officer.
Stamped RI Slip	The Draft RI Slip signed and stamped by the reinsurer(s) on each of its pages, and sent by the reinsurer(s) to Mr Mohsen and his Team.
Tax	The reinsurance tax payable by the Client in its jurisdiction, if applicable, which could be passed on to the reinsurer and be deducted from the premium. For Client B, the Tax was 5.8% of the premium.
Tax Page	The page of the Draft RI Slip and the Stamped RI Slip setting out the Tax applicable to the placement, if any.
USD	United States Dollar.