

## BY EMAIL

8 March 2020

To the Senior Executive Officers (SEO) of DFSA Authorised Firms; Managing Partners of Registered Auditors; Money Laundering Reporting Officers of DNFBPs; and Principal Representatives of Representative Offices.

### RE: Operational Resilience Measures

Dear SEO, Managing Partner, Principal Representative, and Money Laundering Reporting Officer:

This year has seen a number of operational risk events, which require all of us to consider measures to take in light of any potential business disruption. We want to remind Authorised Firms, Registered Auditors, DNFBPs, and Representative Offices (**Firms**) to keep the DFSA regularly informed of any material impact to their operations, staff, customers and financial condition. This includes circumstances where a Firm has invoked any crisis management or business continuity plan (**BCP**) and/or disaster recovery plan (**DR**).

### Information on COVID-19

Firms have access to numerous official and private sector sources of information on COVID-19, health and hygiene measures, as well as tools for business continuity planning. With so much information available, both credible and speculative, we would like to remind Firms of the need to reference credible sources of information.

The World Health Organisation (**WHO**) is the directing and coordinating authority on international health within the United Nations system and works worldwide to promote health. WHO publishes information on recommended planning and mitigation measures as well as current developments and threat levels. Updated information on COVID-19 is available via WHO at <https://www.who.int/emergencies/diseases/novel-coronavirus-2019>

For Dubai and the UAE, the Dubai Health Authority (DHA) and Ministry of Health and Prevention (Mohap) have relevant information on their websites:

<https://www.dha.gov.ae/Pages/encorona.aspx>

<https://www.mohap.gov.ae/en/Pages/default.aspx>

### Planning Considerations

All Firms are encouraged to assess the impact a major event could have on critical operations and ensure the efficacy of their crisis management and continuity plans in the context of the current risk environment. Additionally, all Firms should assess contingency funding plans for situations where business continuity arrangements are invoked.

In assessing the effectiveness of business continuity plans, examples of matters Firms should consider include:

- a. The impact invoking a BCP has on the Firm's ability to maintain effective customer protections and regulatory compliance.
- b. The duration of disruption the Firm is prepared to manage and what measures the Firm would take in the event the disruption exceeds that period.
- c. The amount of time that has passed since the crisis management and business continuity plans were last tested and whether testing was sufficient to account for the current risk environment.
- d. Third party vendor dependencies and the efficacy of each vendor's crisis management and business continuity plans, and how invoking such plans may impact on the Firm.
- e. The Firm's transportation, telecommunications and utilities dependencies and how critical operations may be impacted by a disruption to these services.
- f. The staffing impacts of widespread health crisis, including a sustained reduction in staffing and staff dispersal to remote locations.
- g. Employee travel plans over the near term and the impact they may have on business continuity in the event of a disruption to international travel.
- h. Unexpected disruptions that may impact work from home procedures. For example, more than one working member of a household may be required to simultaneously work from home; schools and extra-curricular programmes may be cancelled leaving staff to manage childcare without domestic childcare support, etc.
- i. The impact that extended employee absenteeism may have on the company's business continuity and the physical and technical protection and security of its information systems and data centers. Firms should also ensure their business continuity and cyber resilience plans are aligned.

The DFSA expects that a Firm will invoke its BCP in the event of unforeseen material disruptions, and it will continue to operate under the BCP only for a period of time necessary to restore normal operations. **In the event that a Firm invokes its BCP, it is expected to notify the DFSA and where appropriate, notify other relevant regulatory agencies or government bodies.** Notification to the DFSA should include:

1. when and why the BCP was invoked;
2. whether any offices have been closed;
3. the number of ill or absent staff;
4. the impact on critical functions, if any;
5. the location(s) from where operations will continue to be conducted;



6. how long the Firm expects to operate under the BCP and/or the factors that impact on the duration of the BCP;
7. the financial impact, if any; and
8. whether operating under the BCP results, or may result, in the Firm breaching regulatory rules and/or laws imposed by the DIFC, DFSA, UAE local and federal authorities, or any other relevant regulator or government body.

If you have any questions in relation to this letter, please contact us using the DFSA [Supervised Firm Contact Form](#) found on the DFSA Website.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'Bryan Stirewalt', is written over a light blue horizontal line.

**Bryan Stirewalt**  
Chief Executive