Dubai Financial Services Authority

FORM 1

REGISTRAR OF COMPANIES

NOTICE OF ADMINISTRATIVE FINE PURSUANT TO ARTICLE 132 OF THE COMPANIES LAW (DIFC Law No. 2 of 2009) (Companies Law)

To: Mr Awadh Al Abd Ali Al Ameri
Principal
Middle East Auditing Office
Office 312, 3rd Floor
Saeed & Mohd Al Quzi Building
Omar Ibn Alkhataab Street
P.O. Box 119969
Dubai

By Hand

1. The notice is issued by the Dubai Financial Services Authority (DFSA) acting as the Registrar of Companies (ROC) of the Dubai International Financial Centre (DIFC). The DFSA is acting as the ROC pursuant to a delegation given to the DFSA by the DIFC Authority (DIFCA) on 15 February 2012.

2. The DFSA acting as the ROC considers that Middle East Auditing Office (MEA) has contravened Articles 107(2)(a) and (b) of the Companies Law.

3. The particulars of the facts giving rise to the contraventions are as follows:

Middle East Auditing Office

3.1 MEA is a licensed accounting firm in Dubai.

3.2 Oxford Auditing Accounts (Oxford) is a licensed accounting firm in Sharjah.

3.3 MEA and Oxford are both owned by Mr Awadh Al Abd Ali Al Ameri. Mr. Al Ameri holds a license with the UAE Ministry of Economy, Accounts Auditors Department. The professional licenses of MEA and Oxford in Dubai and Sharjah respectively are based upon this license.

3.4 Mr. Sajid Kabir (Mr Kabir) is employed by Oxford, but performs duties for both Oxford and MEA. Mr Kabir is responsible for the conduct of audits by both MEA and Oxford.

3.5 At all relevant times, MEA was not registered as an auditor under the Companies Law.

MEA Audit of the Financial Statements for the years ended 30 June 2011 and 30 June 2012

3.6 In July 2012, MEA was approached by MAS ClearSight Group Holding Limited (the DIFC Company), a company incorporated in the Dubai International Financial Centre (DIFC), to conduct an audit of the DIFC Company.

3.7 On 4 August 2012, Mr Kabir signed an engagement letter (the Engagement Letter) on behalf of MEA under which MEA was engaged to audit the Financial Statements of the DIFC Company for the years ended 30 June 2011 and 30 June 2012. The Engagement Letter confirmed that the audit would be carried out by MEA's associate firm Oxford, and would be handled by Mr Kabir.

3.8 From on or about 10 August 2012 to 28 August 2012, MEA conducted an audit of the DIFC Company's financial statements for the years ended 30 June 2011 and 2012.

3.9 On 28 August 2012, Mr Kabir signed MEA's Audit Report for the DIFC Company's financial statements for the years ended 30 June 2011 and 30 June 2012.

3.10 Accordingly, over the period from 4 August 2012 to 28 August 2012, MEA:

3.10.1 consented to be appointed as auditor of the DIFC Company with respect to the audit of the DIFC Company's financial statements for the years ended 30 June 2011 and 30 June 2012;

3.10.2 acted as the auditor of the DIFC Company, in conducting an audit of the DIFC Company's financial statements for the years ended 30 June 2011 and 30 June 2012; and

3.10.3 MEA was not registered as an auditor under the Companies Law.

3.11 Mr Kabir was at all times the person responsible for MEA's audit of the DIFC Company's financial statements. Over the period from 4 August 2012 to 28 August 2012, Mr Kabir understood that the DIFC Company was a DIFC company.

3.12 MEA received USD15,000 in fees as a result of its audit of the DIFC Company's financial statements for the years ended 30 June 2011 and 30 June 2012.

MEA Audit of the Financial Statements for the period ended 31 December 2011

3.13 On or around late September or early October 2012, the DIFC Company advised Mr Kabir that an auditor was required to be registered in the DIFC to audit DIFC Companies.

3.14 On or about 2 or 3 October 2012, the DIFC Company made a further request to Mr Kabir that MEA be appointed to conduct a further audit of the DIFC Company's financial statements.

3.15 On 4 October 2012, the DIFC Company sent a letter requesting that MEA conduct an audit of the DIFC Company's financial statements for the period ended 31 December 2011. The letter also advised that an auditor was required to be registered in the DIFC to audit DIFC Companies.

3.16 On or about 6 or 7 October 2012, Mr Kabir met with the DIFC Company. Mr Kabir agreed on behalf of MEA to be appointed to audit the DIFC Company's financial statements for the half year ending 31 December 2011. MEA did not produce a new engagement letter with respect to this audit, but relied upon the Engagement Letter and the DIFC Company's letter dated 4 October 2012.

3.17 On 17 October 2012, Mr Kabir signed MEA's Audit Report for the DIFC Company's financial statements for the half year ended 31 December 2011.

3.18 Accordingly, over the period from 4 October 2012 to 17 October 2012, MEA acted as the auditor of the DIFC Company in conducting an audit of the DIFC Company's financial statements for the half year ended 31 December 2011.

3.19 Mr Kabir was at all times the person responsible for MEA's audit of the Financial Statements. Over the period from 4 October 2012 to 17 October 2012, Mr Kabir understood that the DIFC Company was a DIFC company and that an auditor was required to be registered in the DIFC to audit DIFC Companies.

3.20 MEA did not charge fees for its audit of the DIFC Company's financial statements for the half year ended 31 December 2011.

Contraventions of Article 107(2)(a) and (b) of the Companies law

3.21 Article 107(2) of the Companies Law provides that:

"A firm shall not:
(a) consent to be appointed as an auditor of a [DIFC] Company;
(b) act as an auditor of a [DIFC] Company; or
(c) prepare any report required by [the Companies Law] to be prepared as an auditor;
unless the firm has applied and been registered as an auditor under [the Companies Law]."

3.22 The particulars set out set out in paragraphs 3.6 to 3.12 above have satisfied the DFSA acting as the ROC that MEA has:

3.22.1 Contravened Article 107(2)(a) of the Companies Law by consenting to be appointed as an auditor of a DIFC Company; and

3.22.2 Contravened Article 107(2)(b) of the Companies Law by acting as an auditor of a DIFC Company,

with respect to its audit of the DIFC Company's financial statements for the years ended 30 June 2011 and 30 June 2012 (described in paragraphs 2.6 to 2.13 above).

3.23 The particulars set out in paragraphs 3.13 to 3.20 above have satisfied the DFSA acting as the ROC that MEA has contravened Article 107(2)(a) of the Companies Law by acting as an auditor of a DIFC Company with respect to its audit of the DIFC Company's financial statements for the half year ended 31 December 2011 (described in paragraphs 2.13 to 2.20 above).

4. The main purposes for the imposition of an administrative fine is to minimise or offset any benefit a person may obtain from non-compliance with the Companies Law, and to promote high standards of conduct and a culture of compliance by deterring Persons from committing contraventions. The maximum administrative fine that can be imposed under Schedule 2 of the Companies Law for this contravention is USD 20,000. Taking into account these purposes, the facts set out in paragraph 3 of this Notice and the general circumstances of this matter, the following fine is imposed:

4.1 For the contraventions set out above, the DFSA, acting as the ROC, imposes a fine on MEA in the amount of USD15,000.

5. This fine may be paid at any time before 5pm on 7 November 2013 by forwarding payment to:

The DIFC Registrar of Companies
C/- Dubai Financial Services Authority
Level 13, The Gate Building
DIFC
PO Box 75850, Dubai
UAE

6. Should you pay this fine prior to 5pm on 7 November 2013, then no proceedings will be commenced by the DFSA, acting as the ROC, against MEA in respect of the contraventions the subject of this notice.

7. If you object to the imposition of this fine, you may file a Notice of Objection by sending or delivering such a Notice in the form attached, to the following address:

The DIFC Registrar of Companies
C/- Dubai Financial Services Authority
Level 13, The Gate Building
DIFC
PO Box 75850, Dubai
UAE

8. The Notice of Objection must contain every matter you wish the DFSA acting as the ROC to take into account in determining whether to commence proceedings in the

Dubai Financial Services Authority

Court. The Notice of Objection must be received by the acting Registrar of Companies before 5pm on 7 November 2013. Should you file a Notice of Objection, the DFSA, acting as the ROC, will consider whether to commence proceedings against you for payment of the fine.

9. Should you neither pay the full amount of the fine, nor file a Notice of Objection before 5pm on **7 November 2013**, then the DFSA, acting as the ROC, must apply to the Court for payment of so much of the fine as remains unpaid, together with costs.

10. Should no Notice of Objection be filed in respect of the imposition of this fine, then the DFSA, acting as the ROC, may publish details of the matter to which this Notice of Administrative Fine relates.

S. J. Glynn

Stephen Glynn
Delegate of the DIFC Registrar of Companies

3 October 2013.

Date

Dubai Financial Services Authority

SCHEDULE

Relevant provisions of the Companies Law (DIFC Law No.2 of 2009) (Companies Law) and Companies Regulations

Relevant provisions of the Companies Law

107. Appointment and Removal of Auditors

(1) A Company shall appoint a firm of auditors who shall examine and report in accordance with this Law upon the accounts prepared pursuant to Article 103.

(2) A firm shall not:

(a) consent to be appointed as an auditor of a Company;

(b) act as an auditor of a Company; or

(c) prepare any report required by this Law to be prepared by an auditor;

unless the firm has applied and been registered as an auditor under this Law.

(3) The appointment of a firm as an auditor of a Company is taken to be an appointment of all persons who are partners of the firm and are registered as an auditor under this Part.

(4) A Company shall at each annual General Meeting appoint an auditor to hold office from the conclusion of that meeting to the conclusion of the next annual General Meeting.

(5) The Directors or Managers may, at any time before the first annual General Meeting, appoint an auditor who shall hold office to the conclusion of the first annual General Meeting.

(6) The Directors or Managers of a Company may fill any casual vacancy in the office of auditor on such terms as they see fit, who shall hold office to the conclusion of the next annual General Meeting.

(7) Subject to Paragraph 6, the Company in a General Meeting may fix the auditor's remuneration.

(8) The Company shall not appoint an auditor under this Article unless:

(a) the auditor has, prior to the appointment, consented in writing to the Company; and

(b) the Company is not, on reasonable inquiry, aware of any matter which should preclude the auditor from giving his consent under Sub-Paragraph (a).

(9) An auditor shall not consent to an appointment as an auditor of a Company if:

(a) the auditor has, or may reasonably be perceived to have, a conflict of interest;

(b) the auditor does not have, or may reasonably be perceived not to have, a requisite degree of independence from the Company; or

(c) the auditor or any associate of the auditor in a firm or business undertaking has acted as an auditor of the Company within such earlier period or frequency as prescribed in the Regulations.

(10) A Company may by Resolution at any time remove an auditor notwithstanding anything in any agreement between it and the auditor.

(11) The Court may, on application made by the Registrar, order the removal of an auditor from a Company.

(12) Nothing in this Article is to be taken as depriving an auditor removed under it of compensation or damages payable to the auditor in respect of the termination of appointment as auditor.

Article 132. Administrative imposition of fines

(1) The Board of Directors of the DIFCA shall prescribe in Regulations procedures in relation to the imposition and recovery of fines under this Article.

(2) Where the Registrar considers that a person has contravened a provision of the Law referred to in Schedule 2 and in relation to which a fine is stipulated in that Schedule, it may impose by written notice given to the person a fine, in respect of the contravention, of such amount as it considers appropriate but not exceeding the amount of the maximum fine specified in Schedule 2 in respect of each contravention.

(3) If, within the period specified in the notice:

(a) the person pays the prescribed fine to the Registrar, then no proceedings may be commenced by the Registrar against the person in respect of the relevant contravention; or

(b) the person takes such action as is prescribed in the Regulations to object to the imposition of the fine or has not paid the prescribed fine to the Registrar, then the Registrar may apply to the Court for, and the Court may so order, the payment of the fine or so much of the fine as is not paid and make any further order as the Court sees fit for recovery of the fine.

(4) A certificate that purports to be signed by the Registrar and states that a written notice was given to a person pursuant to Paragraph (2) imposing a fine on the basis of specific facts is:

(a) conclusive evidence of the giving of the notice to the person; and

(b) prima facie evidence of the facts contained in the notice;

in any proceedings commenced under Paragraph (3).

Dubai Financial
Services Authority

Relevant provisions of the Companies Regulations

Chapter 11 Imposition of fines

11.1 Notice of administrative fines

11.1.1 Where the Registrar considers that a person has committed a contravention of any provision referred to in Schedule 2 of the Law in relation to which a fine is stipulated in that Schedule, and decides to impose a fine pursuant to Article 132 of the Law, the Registrar will give the person a written notice in accordance with form 1 in App3:

(a) alleging that the person has committed the contravention and giving particulars of the facts alleged by the Registrar to constitute a contravention;

(b) setting out the fine imposed by the Registrar in respect of the contravention;

(c) specifying the period during which the fine may be paid; and

(d) providing an address for filing a Notice of Objection.

11.1.2 Where a fine is imposed under Article 132 of the Law on a person and the person pays the fine within the period specified, no proceedings may be commenced by the Registrar in respect of the relevant contravention, but the Registrar may take action in relation to any continuing obligation that remains outstanding.

11.1.3 Where a fine is imposed under Article 132 of the Law and the person files a Notice of Objection with the Registrar within the period specified, the Registrar may not recover the fine as a debt due, but may commence proceedings in the Court for payment of the fine.

11.1.4 A Notice of Objection must be in accordance with form 2 of App3 and must set out every matter which the person believes ought to be taken into account by the Registrar in determining whether to commence proceedings in Court for payment of the fine.

11.1.5 If at the end of the period for payment specified in the notice imposing the fine, the person has not paid the full amount of the fine and has not filed a Notice of Objection, the Registrar may apply to the Court for payment of the fine, or so much of the fine as is not paid, and any further orders the Court sees fit for recovery of the fine.

11.1.6 The Registrar may withdraw a notice imposing a fine whenever he considers it appropriate.

FORM 2

NOTICE OF OBJECTION

To: The DIFC Registrar of Companies
C/- Dubai Financial Services Authority
PO Box 75850
Dubai
United Arab Emirates

1. I refer to the Notice of Administrative Fine, the details of which are as follows:

   {Date of Notice of Administrative Fine}

   {Person to whom such Notice was addressed}

   {Date for lodgment of Notice of Objection as stated in Notice of Administrative Fine}

2. I object to the imposition of the fine or so much of the fine that relates to *{the details of aspects disputed}*.

3. {If the Person to whom Notice of Administrative Fine is addressed is not a natural Person: I hold the position of *{position}* within {*Person to whom Notice of Administrative Fine is addressed*} and I am authorised on its behalf to file this Notice of Objection.

4. In determining whether to {*commence proceedings in the Court*} I believe that the DIFC Registrar of Companies ought to take into account the following matters:

   {*detailed statement of relevant matters*}

....	....
Name:	Date