

Thank you for joining the DFSA Webinar: Thematic Review on High-Growth Firms

The webinar will begin shortly

DFSA Webinar: Thematic Review on High-Growth Firms

8 October 2025

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Agenda

1. Introductory Remarks

Chris Cameron

Director, Conduct Supervision

Dubai Financial Services Authority (DFSA)

2. Approach and Methodology

3. Key Themes and Findings

- a. Interactive Poll
- b. Case Studies
- c. Overall Findings

4. Q&A Session

5. Key Takeaways

6. On the Horizon and Closing Remarks

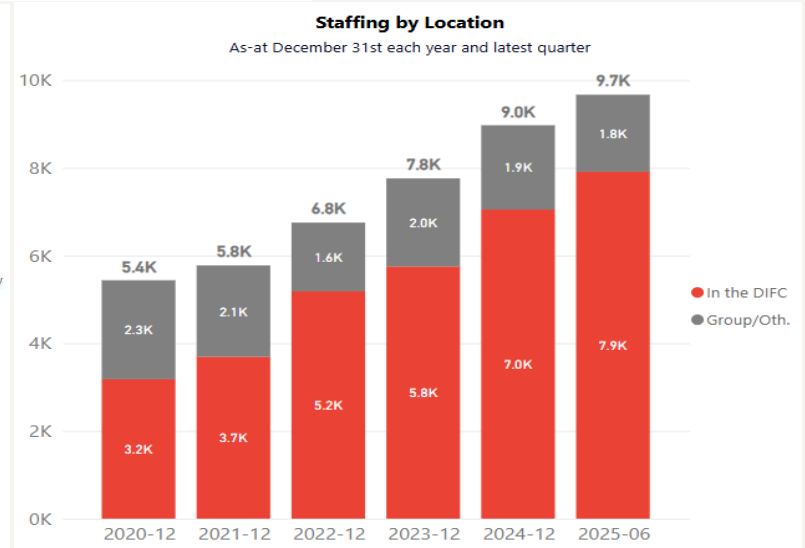
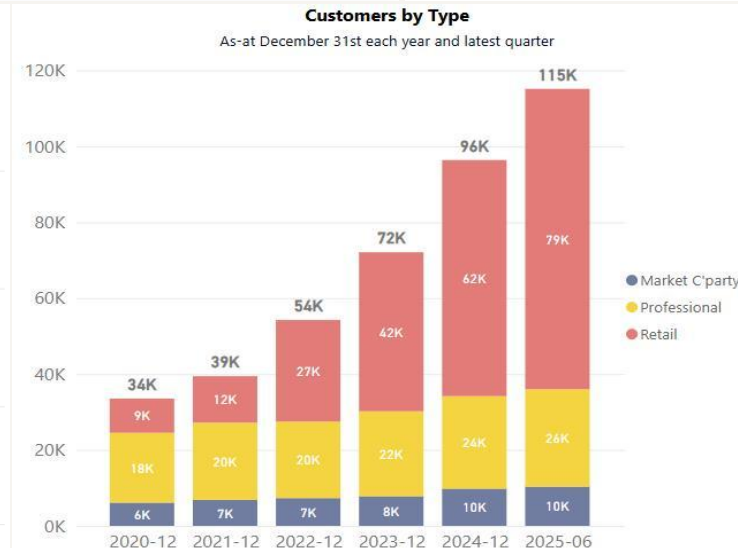
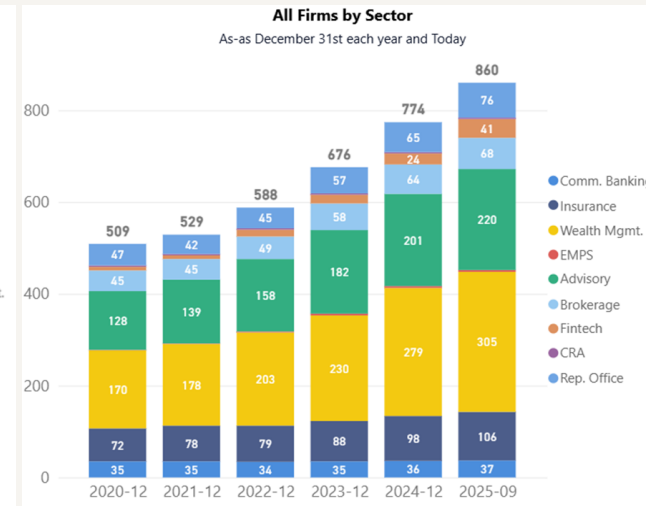
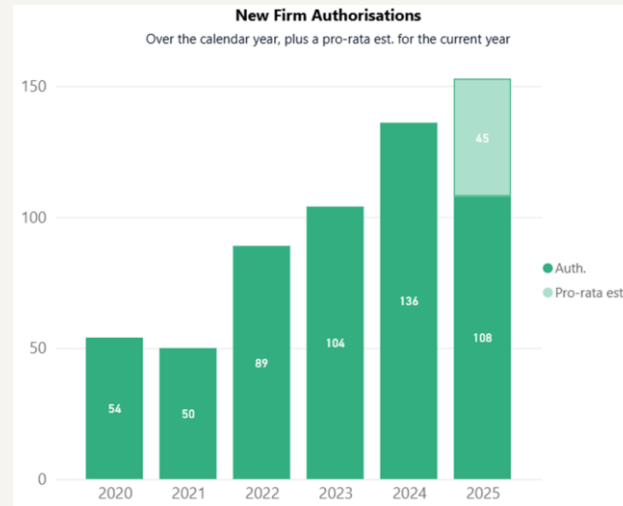
Introductory Remarks



Chris Cameron

Director, Conduct Supervision
Dubai Financial Services Authority (DFSA)

Growth of the DIFC – broadening and deepening



Approach and Methodology

Approach and Methodology

Aim

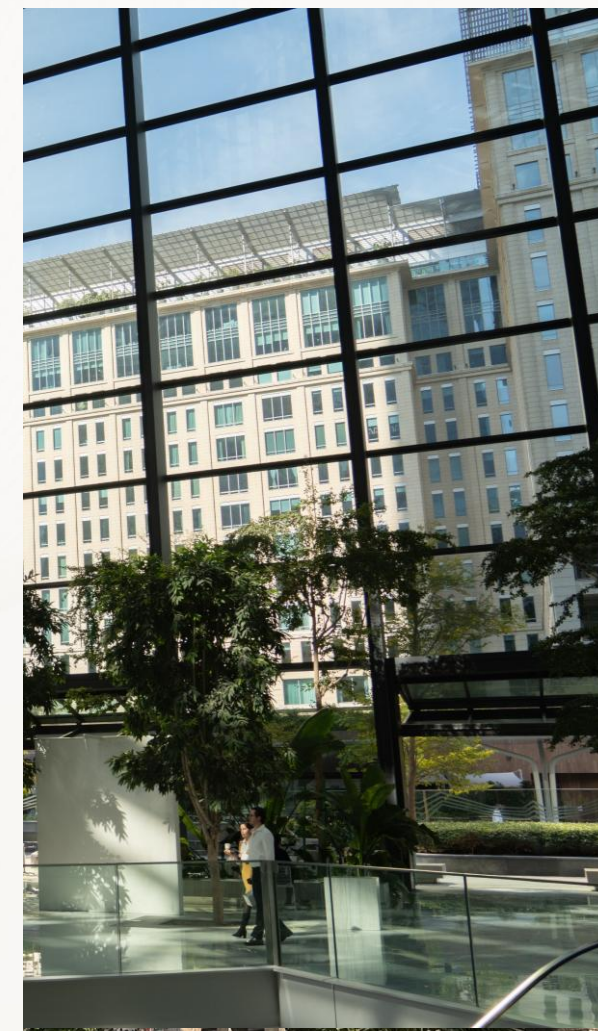
- Better understand drivers for growth and assist with risk-based, proportionate supervisory approach to support controlled and sustainable growth of Firms in DIFC.
- Assess a subset of High-Growth Firms to better understand risks and root causes and recommend actions.

Phase 1: Data Analysis

- Reliance on existing regulatory reporting to reduce burden and select cohort of High-Growth Firms.
- “High-Growth” = Firms with rapid growth in scale and/or complexity during 2021-2024 relative to peers and based on number of data points (inc. revenue, client numbers, staff numbers, client assets, AuM and trade data).

Phase 2: Desk-Based Reviews & On-site Visits/Calls

- Sample of 16 Firms selected for focused information requests and desk-based reviews, followed by on-site visits/calls. Further 9 Firms identified with more limited or specific areas of growth for calls to gain insight on growth plans.
- Consistent approach to desk-based reviews/onsite visits and calls to allow for appropriate comparisons and benchmarking.
- Good practice identified as well as areas for improvement.

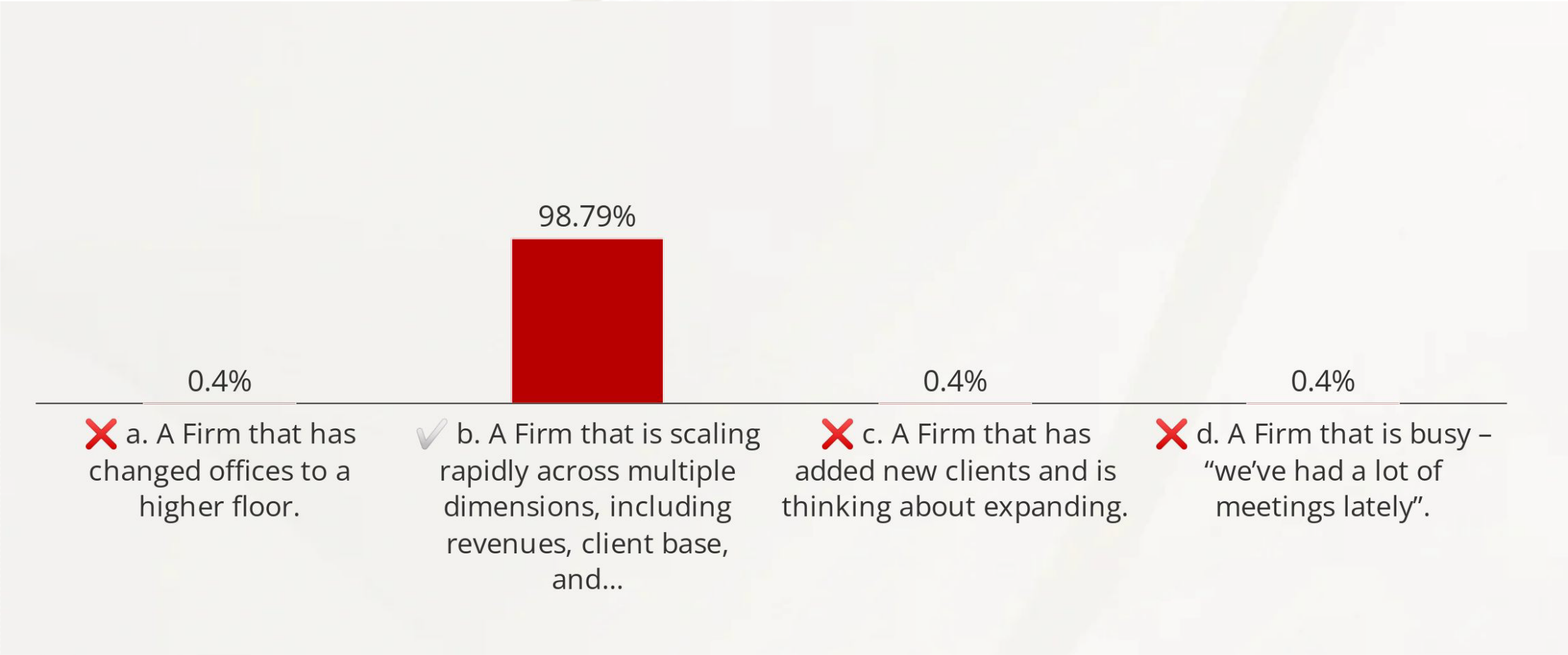


Key Themes and Findings

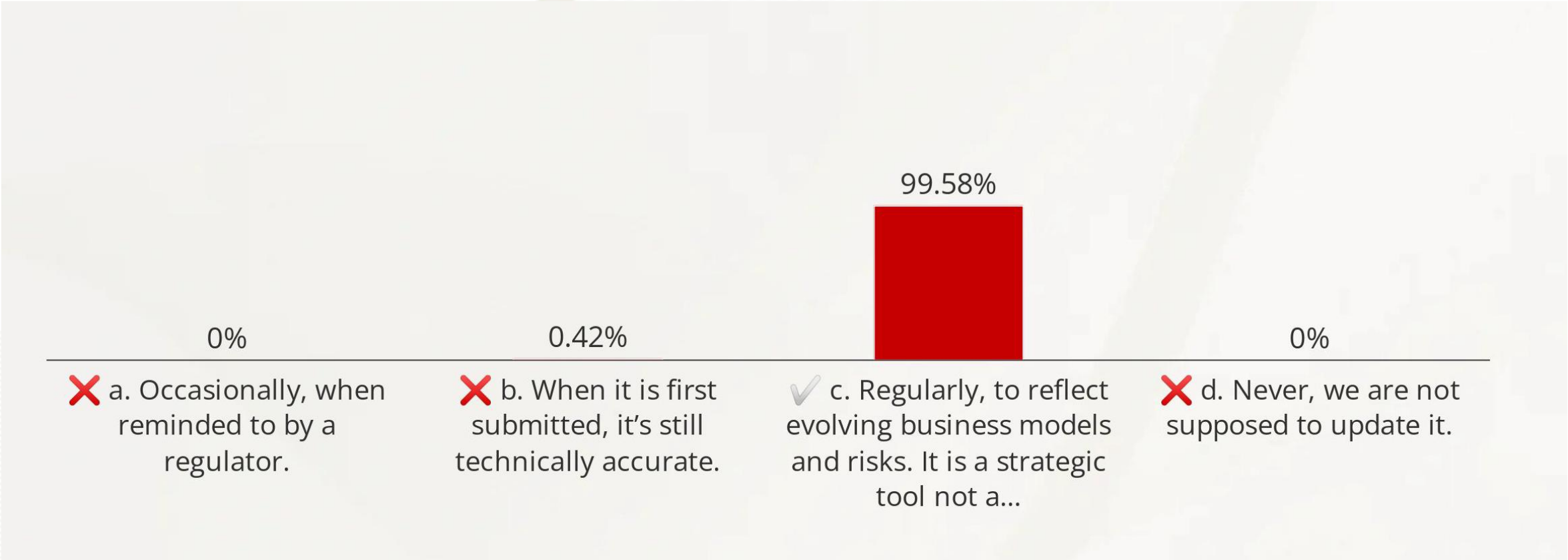
**Interactive Poll:
Please Scan the QR Code**



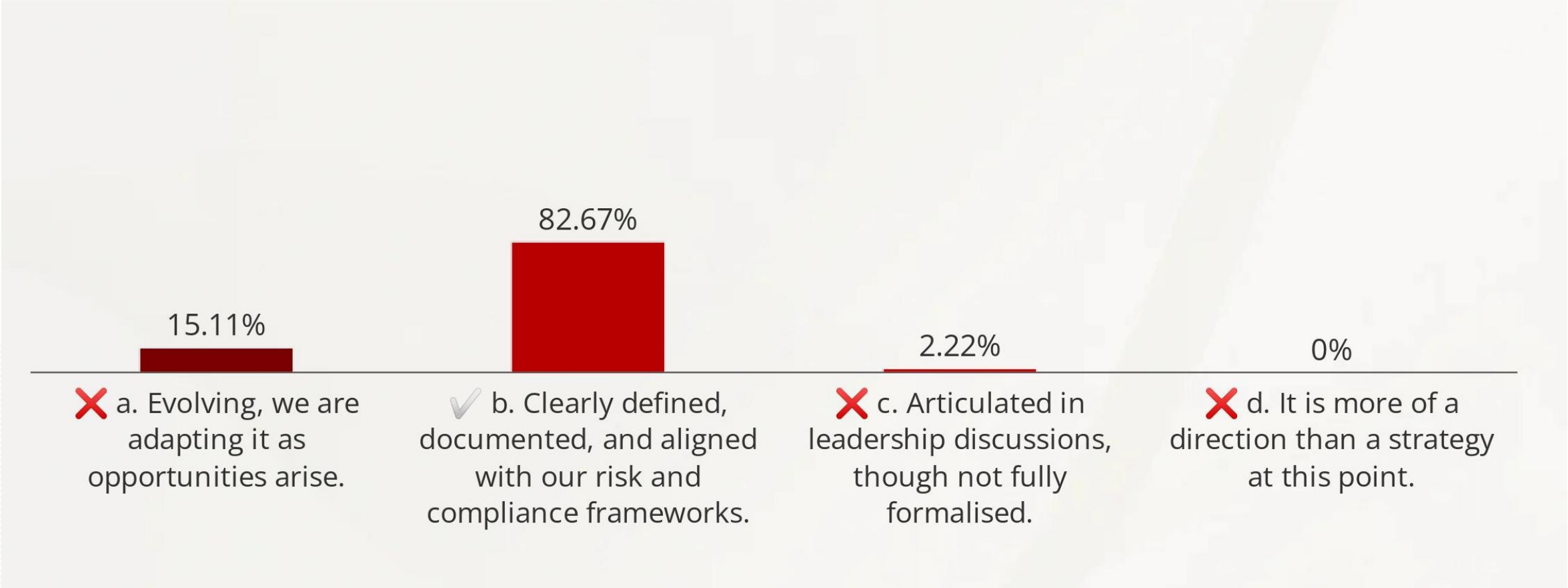
Q1. What defines a High-Growth Firm?



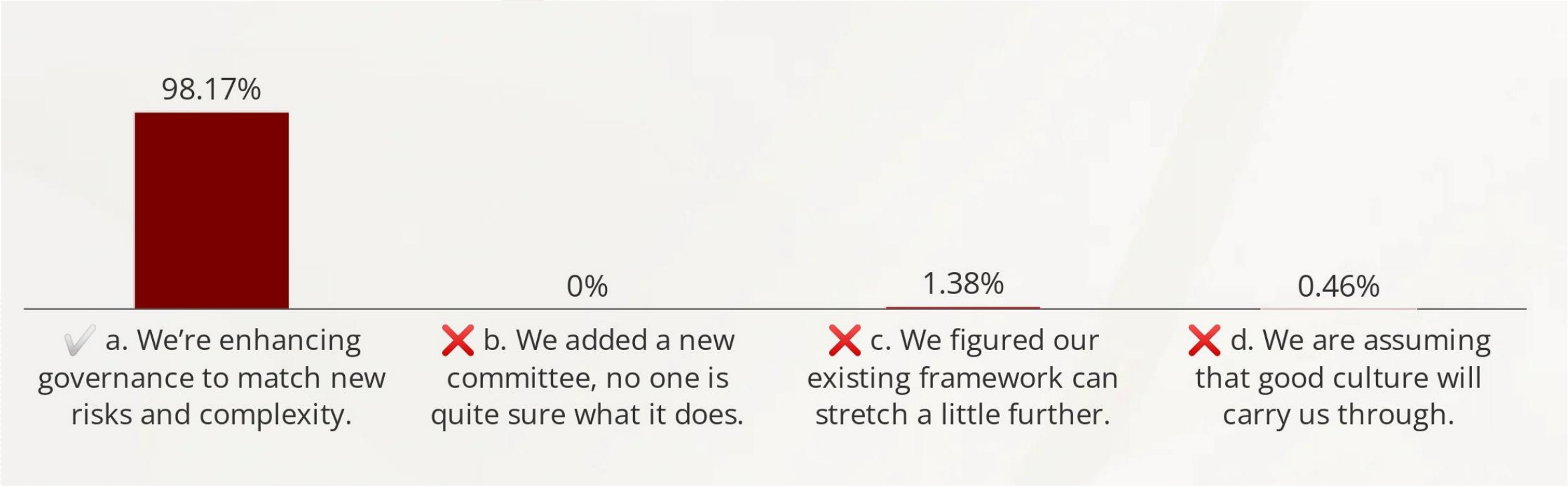
Q2. How often should you update your regulatory business plan to reflect your growth strategy?



Q3. How would you describe your current business strategy?

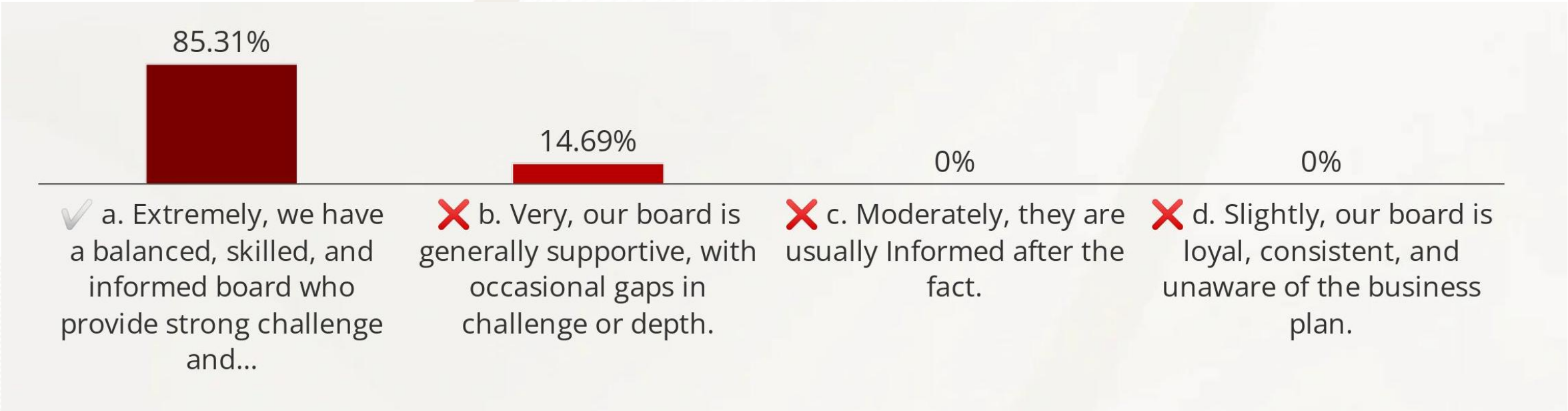


Q4. As your business evolves, how are you adapting your governance structures?

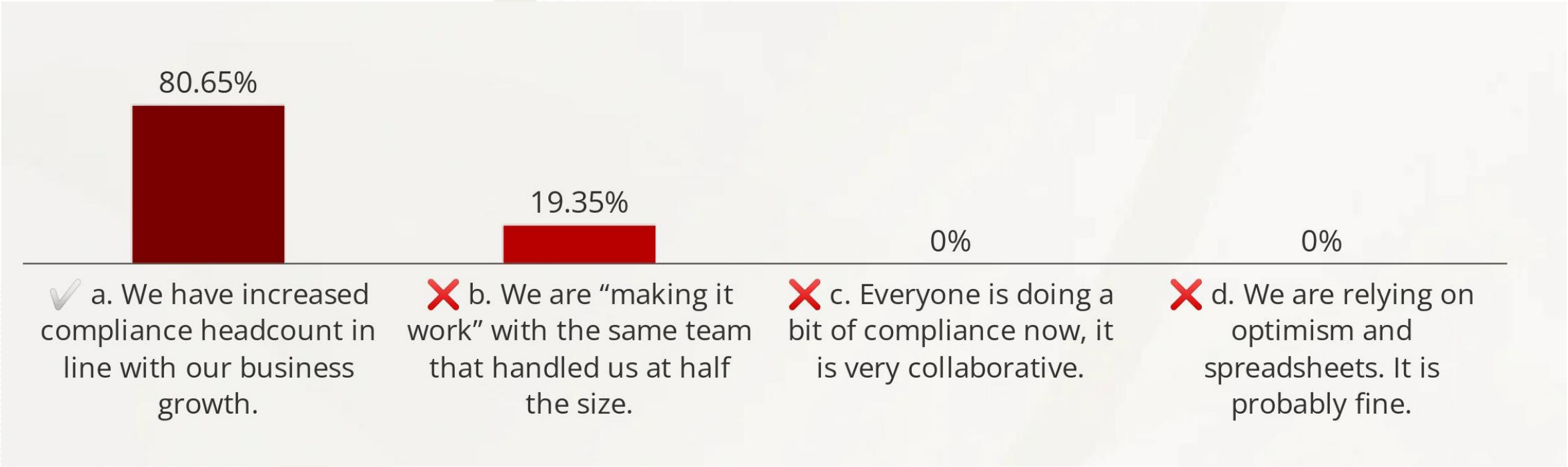




Q5. How prepared is your board to support growth and regulatory responsibilities?

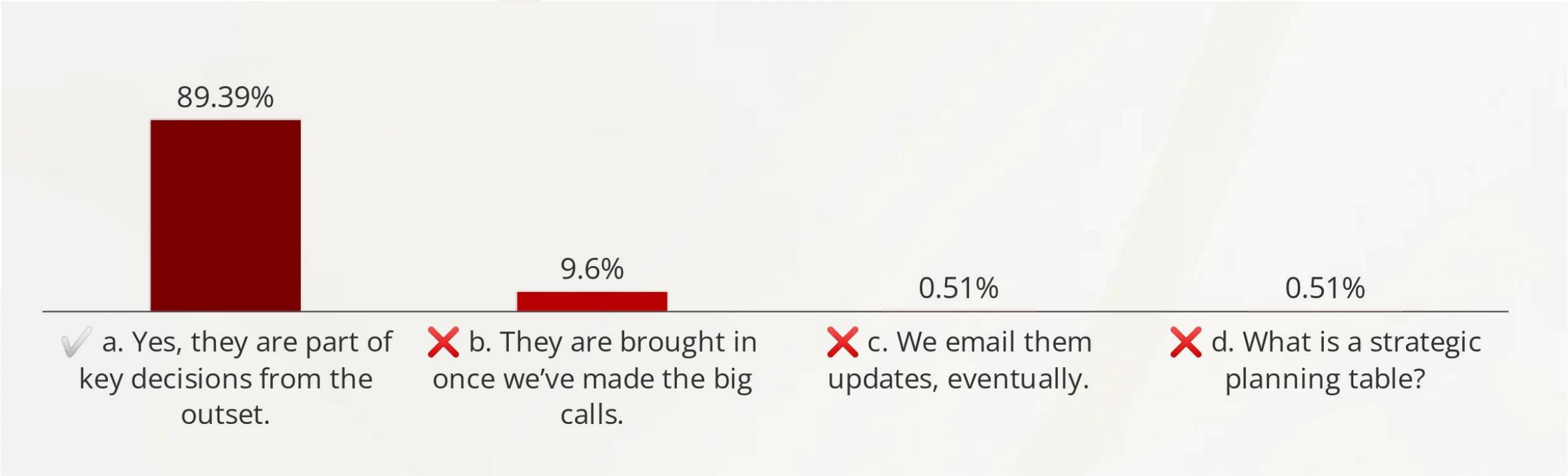


Q6. As your firm expands, what best describes your compliance resourcing strategy?

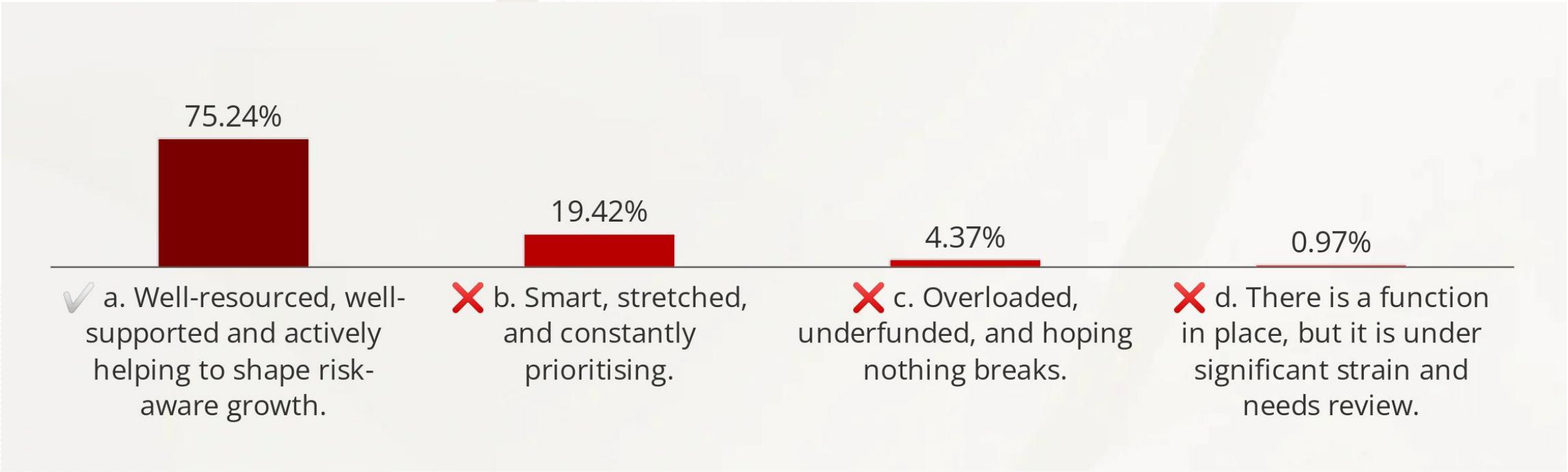




Q7. Does your compliance and risk management have a seat at the strategic planning table?



Q8. Which of the following best captures your current compliance team?





Case Studies

Case Study 1



Bullish & Co., an advisory firm, has struggled to gain traction since being authorised in 2022. The Firm is planning to expand the business by launching a Collective Investment Fund, start dealing as agent and principal and adding crypto tokens – all within the next six months.

The proposal was discussed at the Firm's Board meeting. The minutes noted the additional projected revenues of \$5m in Y1, \$10m in Y2 and \$15m in Y3. The Board of Directors approved senior management's proposal and requested for immediate implementation.

The Firm's one person compliance team is already stretched. The Compliance Officer was excluded from the strategy meetings and her repeated calls for additional specialist staff including with experience to oversee complex products like crypto were ignored.

The Compliance Officer's recommendation was rejected on the basis that the Firm's current staffing levels were sufficient to carry out the new activities. Senior management's view was that they would look to hire additional staff in Y3 once the additional revenues had started to be realised.

Q: What is the key risk and the possible ending here?

Key Risk: Rapid expansion without skilled staff or sufficient compliance resource or systems and controls for the new higher risk activities (funds, principal trading and crypto).

Possible Ending: the DFSA will need to work closely with the Firm to strengthen its governance, adopt a phased approach to introducing the new business initiatives, hire specialist product-savvy staff ahead of implementation and enhance its Compliance resourcing, systems and controls to match the nature, scale and complexity of the new business.

Case Study 2

Growlio & Co. is planning to expand its business, moving from an advisory and arranging business model to dealing in investments as agent and dealing in investments as principal (on a matched principal basis only). The Firm is also looking to set up a new entity in the region. The Firm has taken the following steps:

1. Undertaken a full review of its Regulatory Business Plan ahead of implementing any expansion plans, including revising its financial and staffing projections (as appropriate);
2. Reached out to the DFSA at an early stage and prior to executing their growth plans to discuss submitting a variation of licence.

Q: Are the above steps sufficient?

No. While it is positive that the Firm has conducted a detailed review of its strategy and business plan and is seeking to maintain open communication channels with the DFSA, the Firm should also ensure it has the right governance and risk/compliance oversight arrangements in place. This would include revising its Compliance Monitoring Programme and enhancing its MI to account for the new business initiatives.



Let's Take a Short Break



Overall Findings

High-Growth Framework



Good Practice

-  Firms engaging with us on growth plans at an early stage.
-  Incremental approach to expanding service offerings and launching of new products/services.
-  Enhancing governance and oversight arrangements to support expansion and ensure it is managed appropriately.
-  Proactively investing in key resources ahead of implementing growth initiatives.

Areas for Improvement

-  Compliance resourcing not keeping pace with growth and nature, scale and complexity of business.
-  Board discussions lacking sufficient challenge on proposed business strategy and growth plans, including associated risks.
-  Lack of management information (MI) to monitor impact of new growth areas on business.
-  Few Firms commissioned work by Compliance or Internal Audit on execution of growth plans and impact on/risks to business.

Your Questions, Answered



1. What is the **DFSA's role** and ambition in helping and developing High-Growth Firms?

2. What **key indicators** would signal that a firm is growing too fast?

3. How does the DFSA expect High-Growth Firms to strengthen **governance** frameworks to keep pace with rapid expansion?

4. Does the DFSA plan to provide some benchmarks for the number of **Compliance/AML resources** for different businesses?

5. Is there a specific frequency by which firms in growth mode should be conducting **Compliance resourcing** assessments?

6. As relates to **outsourcing**, are there expectations on firms carrying out a fitness and propriety assessment before selecting an outsourced provider?

7. What is the expectation around the frequency of updating the **Regulatory Business Plan** to encompass changes in products and services?

8. How should **notifications** to the DFSA on business expansions or acquisitions (in line with Principle 10 and GEN 11.10.7) be made?

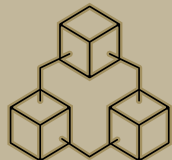
Key Takeaways

Key takeaways

- Firms should be seeking to achieve **controlled** and **sustainable** growth. **Culture** and **incentives** play a key role here.
- Importance of having a clear **strategy** and **risk appetite** which has been through appropriate **governance**.
- Encourage **early notification/engagement** with DFSA on business expansions or acquisitions and any associated impacts or risks (Principle 10/GEN 11.10.7).
- **Proactive** approach is required, including to planning, resourcing and identification and mitigation of risks.
- Adequate **compliance resourcing** is key (aligned to nature/scale/complexity) and should be reassessed as firm grows. Systems and controls must also keep pace with rate of growth.
- Need to **measure success** once plans implemented – with appropriate MI, 3LOD reviews.

On the Horizon and Closing Remarks





CP 168: Regulation of Crypto Tokens

Refining our regulatory approach to achieve balance in fostering innovation and protecting investors

Published on

1 October 2025

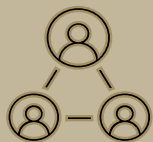
Access CP 168 at: www.dfsa.ae

Key Proposals

1. Suitability assessments
2. Conduct Requirements
3. Collective Investment Funds

Welcome feedback by:

31 October 2025



Conflicts of Interest Thematic Review

Focus Areas

- Process of identifying and managing COI
- Appropriateness of COI disclosures

Report and Outreach:

Q1 2026



DFSA Annual Supervision Outreach 2025

(19 November TBC – invites to be issued shortly)

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www.linkedin.com/company/dfsa/

dfsacorpcomms@dfsa.ae