

## By Email

28 April 2021

Dear Senior Executive Officers (SEO) of DFSA Authorised Firms

### Prompt notifications to the DFSA

In this “Dear SEO letter”, the DFSA reminds Authorised Firms about their responsibility to ensure that they notify the DFSA **immediately** when they become aware, or have reasonable grounds to believe, a material regulatory event has occurred or may be about to occur. See Rule 11.10.7 of the General Module of the DFSA Rulebook (**GEN**).

A material regulatory event may occur due to the actions, or inactions, of Authorised Firms, their Officers, employees, third party suppliers or Controllers. A notifiable event may also occur due to issues outside the direct control of Authorised Firms such as legislative changes or market movements.

Authorised Firms may be made aware of a material regulatory event through a whistleblowing event. We would like to highlight in particular the DFSA’ expectations in relation to whistleblowing events. When considering whether to notify the DFSA of a whistleblowing event, Authorised Firms should consider the significance and materiality of the matter, the origination of the event and the frequency with which it has occurred.

A whistleblowing event must be reviewed promptly and assessed for its veracity and regulatory impact, if any. An Authorised Firm must make a determination on whether the matter meets the criteria as set out in **GEN 11.10.7** and, if it does, it must notify the DFSA **immediately**. Authorised Firms should not delay the reporting of potential or crystallised material regulatory events pending the outcome of detailed investigations or the completion of any remediation action. Although a single whistleblowing event may not be material of itself, any repetitious whistleblowing should be considered in the accumulative and not in isolation.

### Core Principles for an Authorised Firm - No 4 Relations with regulators

Firms are reminded that they must keep the DFSA promptly informed of significant events or anything else of which the DFSA would reasonably expect to be notified. **GEN 4.2.10** refers. Whilst the DFSA recognises that an Authorised Firm must conduct a review of whistleblowing, and other, events to determine their significance, particular care should be taken to consider reporting to the DFSA any matter that relates to an Authorised Individual or a Client.

### Core Principles for an Authorised Individual: No. 4 - Relations with DFSA

Authorised Individuals are reminded that they must disclose appropriately any information of which the DFSA would reasonably be expected to be notified. **GEN 4.4.4** refers. Any Authorised Individual involved in reviewing and assessing a whistleblowing event needs to consider not only the reporting obligation of the Authorised Firm, but also his or her own obligations under this Core



Principle. Where there is a divergence of opinion on significance/criteria for reporting between the Authorised Individual and the Authorised Firm, the Authorised Individual is encouraged to approach the DFSA under his or her personal obligation.

Authorised Firms are reminded that general communications with the DFSA should be made using the Supervised Firm Contact Form, available via the DFSA ePortal. This includes any questions regarding the contents of this letter.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Justin Baldacchino', is written over a light blue horizontal line.

**Justin Baldacchino**  
**Managing Director, Supervision**

Copied to: Compliance Officers