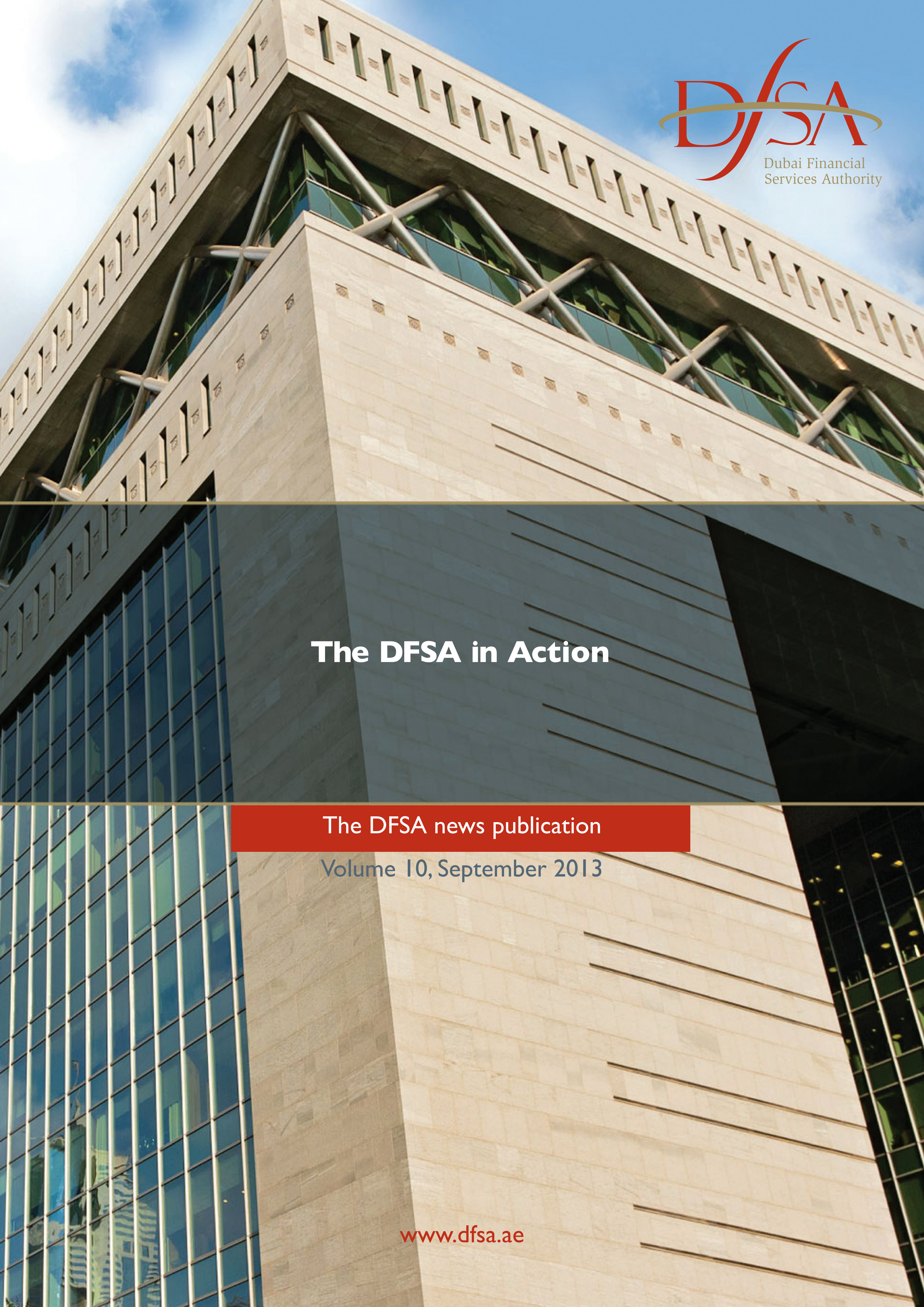

Dubai Financial Services Authority

The DFSA in Action

The DFSA news publication

Volume 10, September 2013

Welcome note

Welcome to the 10th edition of this publication, our bi-lingual round up of DFSA news and information.

When I took on the role of Chief Executive some 15 months ago I outlined some of my immediate and longer term priorities. I said that I wanted the DFSA to evolve further as a truly risk-based regulator. In my view, risk-based regulation means not only that regulatory and capital requirements are highest for Firms carrying greater risk, but also that the resources and attention of the regulator are focused that way. To some extent this involves a new way of working for the DFSA but I believe it will have benefit for our Firms and for the Centre. Pages 3 and 4 covers this in more detail.

Another priority that I highlighted was a tighter focus within our organisation on our 'core business'. This has meant, for example, that we have reduced our representation on some peripheral international bodies and strengthened our involvement in the key international standard-setters such as the Basel Committee (BC), the International Organisation of Securities Commissions (IOSCO), the International Association of Insurance Supervisors (IAIS) and the Islamic Financial Services Board (IFSB). It has also meant that, within the DFSA, we have reorganised, to some extent, our staff so that they have more time to spend on their critical areas of operation. I hope that this will make us more efficient.

Finally, you will recall that I outlined a determination to slow the pace of regulatory change. This has happened. While there was some change to our Rulebook already in the pipeline, our focus is now to only initiate amendment to our Rules where it flows from our need to implement international standards, or where there is a demonstrable risk or benefit to be addressed.

88 MoUs

As an international centre, it is important that we are connected to the international regulatory community. A key mechanism for this connectivity is through a Memorandum of Understanding (MoU). Our MoUs allow us to share information with other local and international regulators. We have several multi-lateral MoUs (for example with IOSCO members) and a growing number of bi-lateral MoUs. One of the benefits of an MoU is that it often means our regulation is deemed to be equivalent to international standards. This has been the case most recently with the European Union (EU), where our recent signing with the European Securities and Markets Authority (ESMA) and other bodies meant that our regulation is recognised by Europe in terms of Credit Ratings Agencies, in respect of our audit supervision programme and also for regulation of alternative investment products (funds).

Islamic Economy

In January of this year, His Highness Sheikh Mohammed Bin Rashid Al Maktoum, UAE Vice President, Prime Minister and Ruler of Dubai, announced a strategy for Dubai to develop as a hub for Islamic economic activity. This includes the capacity to emerge further as a hub for Islamic finance. The Dubai International Financial Centre (DIFC) is well placed to assist with this vision. Our 'Sharia Systems' method of regulations that we have developed provides optimum flexibility for Firms seeking to offer products through an Islamic window or to operate as an Islamic institution. We have met with Dubai Government representatives and offered our expertise and support for the Islamic economy initiative. It is worth noting that the first half of 2013 saw a significant increase in the number of Sukuk listings on the DFSA's Official List of Securities. As at the end of July, there were 10 Sukuk listed with an aggregate market capitalisation of USD $7.15 billion, of which USD $3.5 billion was raised during the first half of 2013.

The DFSA's commitment to Islamic finance is represented by our involvement in the IFSB supported by a strong proportion of our staff having advance qualifications in Islamic finance.

Within this newsletter you will read of further activities of the DFSA. We will continue to work towards achieving our mandate of delivering world-standard regulation and supporting the DIFC to be a good place for Firms to do business while ensuring there is appropriate protection for investors and integrity in the markets we regulate.

Ian Johnston

Chief Executive

Contact details

Tel: **+971 4 362 1500** Fax: **+971 4 362 0801** Email: **info@dfsa.ae** Website: **www.dfsa.ae**
Level 13, The Gate, PO Box 75850, Dubai, UAE

In addition to company news and information available on the DFSA website, all publications can also be accessed from the DFSA Library. These include a full range of DFSA leaflets, all editions of The DFSA in Action, as well as our Business Plans and Annual Reports.

About the DFSA

The DFSA is the independent regulator of financial and ancillary services conducted in or from the DIFC a purpose-built financial free-zone in Dubai. The DFSA's regulatory mandate covers asset management, banking and credit services, securities, collective investment funds, custody and trust services, commodities futures trading, Islamic finance, insurance, an international equities exchange and an international commodities derivatives exchange.
In addition to regulating financial and ancillary services, the DFSA is responsible for supervising and enforcing Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) requirements applicable in the DIFC. The DFSA has also accepted a delegation of powers from the DIFC Registrar of Companies (RoC) to investigate the affairs of DIFC companies and partnerships.

In discharging its regulatory mandate, the DFSA has a statutory obligation to pursue the following objectives:-

- 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;
- to foster and maintain confidence in the financial services industry in the DIFC;
- to foster and maintain the financial stability of the financial services industry in the DIFC, including the reduction of systemic risk;
- 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 and monetary penalties;
- to protect direct and indirect users and prospective users of the financial services industry in the DIFC; and
- to promote public understanding of the regulation of the financial services industry in the DIFC.

The DFSA carries out its obligations by way of functional teams:-

- **The Policy and Legal Services Division** is responsible for policy advice and formulation, providing in-house regulatory legal advice and support to operating Divisions of the DFSA and managing the business of the Regulatory Policy and Rules and Waivers Committees. It is also responsible for developing and maintaining the Laws and Rules administered by the DFSA, and for consulting with the DIFCA and the Government of Dubai on other DIFC legislation. Legal Services also provides litigation management support and advice for the DFSA in its actions in the DIFC Courts, the Financial Market Tribunal and the Regulatory Appeals Committee.
- **The Supervision Division** is responsible for assessing, monitoring and mitigating risk in Authorised Firms including credit rating agencies, that are operating in or from the DIFC and registers and monitors the work of Auditors. In the DFSA's broader role of AML and CTF across the DIFC, the Division registers and monitors the activity of other entities such as law firms, accounting firms, and other Designated Non-Financial Businesses and Professions (DNFBPs)
- **The Markets Division** is responsible for the licensing and ongoing supervision of exchanges and clearing houses based in the DIFC. It also recognises exchanges, clearing houses and settlement facilities and members located outside the DIFC. It regulates the Offers of Securities in or from the DIFC and supervises Reporting Entities.
- **The Enforcement Division** enforces DIFC Laws and Rules administered by the DFSA. The Division takes action in circumstances where misconduct may cause damage to the financial services industry in the DIFC. Its overarching objective is to prevent, detect and restrain conduct that causes or may cause damage to the reputation of the Centre.
- **The Office of General Counsel** provides lead advice and counsel to the Board of Directors, its Committees and the Executive on legal matters affecting the DFSA, including governance, statutory obligations, reporting, complaints and liability exposures. The Office also oversees education, recordkeeping and updates regarding DFSA's ethics programme and conducts ongoing reviews of the Tomorrows Regulatory Leaders (TRL) Programme.
- **International Relations** leads and co-ordinates the DFSA's role in all international matters and co-operative bi-lateral and multi-lateral efforts with its regional and international counterparts, as well as the DFSA's engagement with the global financial standard-setters. The Board Secretariat manages and co-ordinates all corporate secretary functions for the Board and each of its committees.
- **The Corporate Affairs Division** deploys principles of excellence and knowledge management so as to position DFSA as a world-class organisation contributing to the local economy and facilitating international partnerships. It comprises the Projects and Planning Department, the Corporate Communications Department and the Business Excellence and Stakeholder Management functions.
- **The Corporate Services and Operations Division** provides the operational support and infrastructure to the DFSA comprising: Finance; IT and Office Administration.
- **The HR Division** is responsible for all aspects of employee resources at the DFSA, particularly for the ongoing recruitment and skills development of employees and their retention. A principal development activity is the recruitment and training of UAE Nationals for regulatory careers through the TRL Programme.

DFSA says goodbye to Jan Bladen and Gerald Santing

Jan Bladen

joined the DFSA in February 2005 as Chief Operating Officer, and was responsible for the provision of support services to the DFSA including Information Technology, Finance and Administration.

In June, Jan said farewell to the DFSA so as to pursue a new career path.

Gerald Santing

joined the DFSA in June 2010 as Managing Director, Markets, and was responsible for the regulation of NASDAQ Dubai and the Dubai Mercantile Exchange.

In August, Gerald returned to Holland to take a career break before embarking on a new chapter in his life. His passion is sailing and he fully intends on taking to the waves upon his return.

and welcomes Waleed Al Awadhi

Waleed Saeed Al Awadhi

joined the DFSA in March 2013 as Director, Corporate Affairs, responsible for Corporate Communications, Stakeholder Management and Projects and Planning.

Waleed is an experienced professional in Islamic banking and finance, local and international real estate investment and development and media. His expertise includes strategy formulation and execution, marketing and corporate communications, change management, project management and business development.

Prior to joining the DFSA, Waleed led the Marketing and Communication department at Abu Dhabi Media Company, was the Head of Priority Banking at Emirates Islamic Bank, held a dual position of Deputy Head of Retail Banking Group and Deputy Chief Marketing Officer at Dubai Bank and was the Global Director of Sales and Marketing at Sama Dubai.

Our Remuneration Thematic Review - Findings

A Remuneration Thematic Review was launched in 2013 with a common a questionnaire sent to all Firms during mid-February. We received 221 responses, representing 81% of response rate at the time of the receipt of data which concluded at the end of March. We finalised the quantification of these responses April for the remuneration section and selected several Firms to conduct the on-site visits for the follow-up reviews. The sample sought to cover a broad range of Authorised Firms engaged in a spectrum of activities in the Centre. These visits concluded in June and we are in the process of combining both quantitative and qualitative data in order to determine if the remuneration practices in the Centre encourage mis-selling opportunities. To that end, our thematic review focused on both governance as well as control measures surrounding the remuneration practices deployed in the DIFC. We will issue an SEO Letter and provide detailed information to the regulated community regarding these practices in due course. A Report will also be published in order to highlight the key findings.

Risk-based supervision - changes in our approach

In September 2013, the DFSA made several enhancements to our approach to risk-based supervision in an effort to foster and maintain confidence in the financial services industry in the DIFC. We have gained considerable experience in both supervision and enforcement matters over the past several years of operation, including many valuable lessons learned through the financial crisis.

Our supervisory approach now incorporates certain enhancements to place greater emphasis and resource commitment on regulated entities that have the greatest potential to impact our supervisory objectives. Consistent with the view of financial sector standard-setters and best practices of regulators around the world, this heightened supervisory intensity will be focused on the most complex and systemically important entities operating in Centre.

Simultaneously, we will increase our focus on conduct-related issues across all regulated entities, but in a more efficient manner that keeps the cost of regulation proportionate to its benefit. This effort, also consistent with global best practices, will involve more thematic or horizontal reviews focusing on specific conduct-related topics, rather than focusing on specific entities.

Our New Risk-Based Supervision Approach

Our risk-based supervision approach starts with a macro-prudential view of the DIFC as a whole. We produce a comprehensive set of quarterly data that highlights demographics of all types of regulated entities. This data set provides an overview of the risk profile of regulated entities, including the aggregate financial position. Collecting this data in a timely and accurate manner is imperative to achieve this objective, which is the primary reason we have recently introduced automatic fees for late or inaccurate financial reports. Using this macro-data, we might increase assessment activity with respect to certain entities, or use thematic reviews to target certain products, services or practices across a set of Firms.

Our new risk-based supervision programme is concerned with a Firm's behaviour that affects both its overall financial condition and its interaction with individual customers and market counterparties. In order to accomplish this goal, we do not aim to prevent all failures. A 'zero failure' regime would place an excessive regulatory burden on Firms. Instead, we aim to reduce the probability of excessive risk taking or inappropriate conduct through increased supervision where it is both appropriate and likely to be effective.

Risk Determinants

The cornerstone of this new approach is the intersection of impact and probability of risk. Within each regulated sector, we first evaluate the impact of a Firm relative to other Firms. Then, we evaluate the probability of risk crystallisation for the individual Firm. We then combine the assessments of both impact and risk ratings and distinguish those institutions that may pose a higher threat to the achievement of our supervisory objectives. From this point, we determine the appropriate supervisory strategy and level of supervisory intensity required.

Impact Assessment

The impact rating is a descriptive and subjective assessment of the potential adverse consequences that could ensue from the failure of, or significant misconduct by, a regulated Firm or entity that is authorised, registered or recognised by the DFSA. The potential adverse consequences of failure and misconduct encompass not only the direct financial impact on the Firm's customers and stakeholders, but also the potential for damage to the reputation and objectives of the DFSA.

We do not have a single proxy for the impact rating. We consider a variety of factors such as: the amount of Firm revenue generated by activity in the Centre, the number of employees in the DIFC, the potential scale of damage to the Firm's customers based on the Firm's level of activity in the DIFC, whether the Firm holds deposits or any other form of client money, the potential for an individual Firm or entity's failure or misconduct to directly damage other Firms or entities, and the potential damage of failure or significant misconduct on the reputation and objectives of the DFSA.

Probability Risk Assessment

The probability ratings are a descriptive assessment of the likelihood or chance that an event will occur in four distinct categories: corporate governance and business model; financial and operational risks, conduct of business risk and financial crime risk. The DFSA performs its supervisory responsibilities by checking on the quality of corporate governance, internal controls and risk management of the institution and the institution's dealings with its customers and counterparties, with the aim of encouraging a system of sound management practices commensurate with the institution's type, scale and complexity of business activities, and their related risks.

We assess probability across four major components: Corporate Governance, Strategy and Business Models; Financial and Operational Risks and Soundness; Conduct of Business Risks to Clients and Markets; and Financial Crimes Risks (Anti-Money laundering, terrorist financing, sanctions, fraud, etc.). Each of these areas had several sub-components as well. For example, the corporate governance, strategy and business model section discusses the group organisational structure, the quality of senior management, the risk management framework, the audit framework, the compliance management framework etc.

Risk Tolerance

The DFSA also has in place inter-departmental challenges and measures to assure that our supervisory activities are proportionate to a Firm's potential to affect the achievement of our supervisory objectives. Our Board of Directors sets out organisational risk tolerance and we have integrated these into our supervision processes and practices, and into our allocation of resources for risk-based supervision.

Relationship Managers

The largest, single change to our supervisory approach is the re-allocation of Relationship Managers to only a subset of regulated entities. From this point forward, we will generally only allocate a Relationship Manager to Firms with higher levels of impact or probability of risk. This means that the majority of regulated entities will no longer have a dedicated Relationship Manager but will now be managed by a team of Relationship Managers instead. We know that many Firms have expressed a high degree of satisfaction with their ability to call a person in the DFSA, ask a question and receive a response. For those Firms who currently have a dedicated Relationship Manager, this Relationship Manager will continue to be the Firm's main point of contact with the DFSA. This includes any notifications, changes or queries.

The Firms that will now be managed by a team of Relationship Managers, they will be advised separately and individually of this change.

To compensate for this change, we will devote more resources to host various outreach activities and we intent on improving the functionality and user friendliness of our website. Significant time and effort has already been given to update our "Regulatory Policy and Procedures Manual", which includes guidance about our processes, procedures and expectations.This manual is available on our website under: www.dfsa.ae/legalframework/legislation/DFSAsourcebookmodules.

For those Firms without a dedicated Relationship Manager, we remain committed to providing the same quality and level of service. The creation of a "Supervised Firm Contact Form" (Contact Form) has been produced and is available on the DFSA website only to regulated entities (including regulated or registered entities) and to provide a mechanism to securely and efficiently communicate with us. This Contact Form is to be used for any questions or queries you have for us and for the lodgment of any required forms. The Contact Form also allows for the attachment of any related supporting documents. Once received, all Contact Forms will be acknowledged and an appropriate staff member will be allocated to each enquiry. The DFSA has put in place service standards to ensure that all queries are responded to in a timely manner.

In addition, we have also published, on our website, a set of Frequently Asked Questions (FAQs). These FAQs include the most commonly asked questions from our regulated entities ranging from general "where can I find?" queries to more specific supervisory processes or reporting requirement queries. We will update the FAQs on a regular basis and we encourage all regulated entities to visit and revisit this resource frequently.

Please note: Entities without a dedicated Relationship Manager will still be subject to on-site reviews and thematic surveillance reviews. These reviews will be planned on a judgmental sample basis, and might be conducted at any time.

Organisational Structure Changes

Given the changes mentioned above, we have made certain organisational changes to the Supervision Division this year. From inception, the Supervision Division was organised around categories of Firms. We will now orient our teams around categories of risk. The Supervision Division will have six major functional areas: Prudential Risk; Client Conduct Risk; Market Conduct Risk; Thematic Supervision; Authorisations; and Infrastructure. Each of these teams will be looking horizontally, across all Firms, rather than vertically through a narrow set of Firms. In essence, we have formed a "twin peaks" regulator inside a unified structure.

The Prudential Risk team will be monitoring the financial stability of all Authorised Firms, system-wide. This team has designed the financial reporting forms and has the subject matter expertise for commercial banking activities and (re) insurance activities. The Market Conduct Risk team will be monitoring investment banking and brokerage activities and trading room systems and controls, in general. The Client Conduct Risk team will be monitoring the wealth management and funds activities, and pay closer attention to suitability, transparency and fairness initiatives across all types of Firms.

The Thematic Supervision team will now comprise a team of Relationship Managers responsible for those Firms that no longer have a dedicated Relationship Manager. This team will also be handling our efforts to combat money laundering and terrorist financing, which remains one of our highest areas of assessment focus. We will be conducting thematic reviews each year on topics that we consider a new or growing risk. This team will also handle thematic surveillance initiatives, Registered Auditors (RAs), CRAs and Designated Non-Financial Businesses and Professions (DNFBPs).

Most people are familiar with the critical role played by our Authorisation team. In the new organisational structure, the Authorisation team will have more input and interaction with the subject matter experts on the other risk teams, particularly with the more complex applications. This ensures that we continuously learn from previous decisions and risk areas in this process. The Infrastructure team will be monitoring our management information systems, enhancing our quality control functions and maintaining our internal supervisory policies and practices.

Communication with Stakeholders

As well as being risk-focused, the DFSA's approach to supervision also relies on open communication with the senior management team of each regulated entity, as senior management plays the central role in maintaining adequate risk oversight of the institution's business activities. We take our objective to promote public understanding of the regulation of the financial services industry in the DIFC seriously.

Starting in 2014, we will host outreach sessions on issues related to: 1) prudential risks; 2) conduct risks and 3) financial crime risks. In addition, we will continue our outreach sessions to include more specific sectors, such as auditors and CRAs. By targeted recruiting, by the DFSA, for distinct business models, routine inter-departmental discussions of issues and problem areas, as well as professional development training sessions for our Relationship Managers, our teams will be able to approach senior management more easily and challenge critical assumptions with more confidence.

Our Audit Monitoring Report - Key Findings

In May, the DFSA released its Audit Monitoring Report (Report), in which detailed key findings of our audit inspections from January 2008 to December 2012 were highlighted. This was the first public report issued on our monitoring programme of RAs in the DIFC. The Report identified a number of areas where auditors need to focus their attention and make further improvements to ensure audit quality.

During that five year period, we conducted 33 on-site assessments of auditors which included assessing 56 Audit Principals and reviewing 106 audit engagement files.

Our audit monitoring programme aims to promote high-quality audits of the financial statements of financial institutions, domestic funds, DIFC exchanges and their publicly listed entities. Our regulation and supervision is risk-based and involves both desk-based surveillance and intensive on-site verification to assess whether auditors meet our requirements and applicable international standards. Overall, we observed improvements in the conduct of audit work over the five year period. Our on-site audit inspections commenced in 2008 with all registered and appointed auditors being seen at least twice during that five year period.

Such public reports seek to provide useful information for the inspected auditors while others can use this information to self-assess the quality of their audit work. This Report sends a strong message that we are committed to high standard of audit quality in the DIFC.

We have established, and strive to maintain, an environment that fosters the guiding principles of integrity, transparency and efficiency. This Report reflects DFSA's commitment to transparency. The Report was well received within the regional and international regulators and was appreciated by the audit community.

Moreover, the European Commission announced its decision to grant the DFSA's audit monitoring system 'equivalent status' with EU member states. We intend on issuing a similar report on a yearly basis from now on.

Enforcement in Action

The Enforcement Division (Enforcement) has experienced its busiest half year, in 2013, since inception of the Centre nearly 10 years ago. This increase, in enforcement activity, can be attributed to the growth of economic activity in, and the maturity of, the DIFC and the acceptance, by the DFSA, of a delegation from the DIFC RoC to conduct investigations into the more serious contraventions of the Companies Law, which was formerly administered by the RoC.

There are no clear trends emerging in the type of conduct that we investigate and we investigate all conduct that contravenes the Laws and Rules we administer. We act proactively, through our supervision programmes, to try to prevent misconduct by constantly reviewing the governance, risk management and compliance arrangements and systems and controls, of the Firms we regulate. We need to be vigilant to ensure that DIFC-based Firms must know the people with whom they are doing business. Firms must carry out customer due diligence to ensure they are not executing transactions, on behalf of clients, that could facilitate money laundering and/or terrorist financing.

Currently, there are a range of conduct that we are scrutinising including, failures in governance, systems and controls, and client take on processes.

Corporate Governance Thematic Review

Following acceptance of the RoC delegation in 2012, Enforcement, in conjunction with the Supervision Division of the DFSA, is conducting a Corporate Governance Thematic Review (the Review) to assess the corporate governance frameworks of Authorised Firms in the DIFC. This is the first review of this type and we will report on the findings of the Review in the first quarter of 2014.

Consumer Scams

In addition to its core functions, Enforcement has detected an increasing number of scams which are misusing the identity of the DIFC and its licensed Firms. Enforcement deals with these illicit activities by alerting and educating the public about scam activity. Consumers can best protect themselves from financial crime if they are informed about it and are provided with information as to how best to protect themselves.

Technology plays an increasing role in the proliferation of illicit activity and the DIFC is not immune from this type of activity. However, we do not believe that the DIFC is any more vulnerable than any other jurisdiction as all jurisdictions around the world are suffering from an increase in scam activity. Increasingly, the public have become better educated about scam activity and they are our eyes and ears. Most scam activity is detected by members of the public who inform us and other regulators about its occurrence.

International Enforcement Conference

In March, Enforcement collaborated with the Emirates Securities and Commodities Authority (SCA) and IOSCO to host an international enforcement conference in Dubai. The event focused on the practical aspects of carrying out enforcement activities including the assessment of complaints, planning for and carrying out investigations and conducting investigative interviews. 26 countries were represented at the workshop which was a very hands-on affair and a resounding success. We will, in conjunction with SCA, host further workshops of this nature in 2014.

IOSCO Committee for Enforcement and the Exchange of Information (C4)

Enforcement continues to make a significant contribution to IOSCO's enforcement agenda. Recently, the DFSA co-ordinated member contributions and, thereafter, drafted the C4's recommendation to the IOSCO Board to commence a stream of work aimed at identifying the principles of credible deterrence frameworks. The IOSCO Board endorsed the proposal in April and considered the mandate and draft proposal at its meeting in May.

We, ultimately, have the responsibility for enforcing compliance with the DFSA/DIFC regulatory framework. This regulatory framework has developed, over the years, taking into consideration the standards set by the international standard-setting bodies such as IOSCO. If we are enforcing the standards then it is important for us to have a say in how they are set.

Outreach

During the first quarter of this year, Enforcement, in collaboration with the Legal Division of the DFSA, conducted two outreach sessions with DIFC-based legal practices, Herbert Smith Freehills and Clyde & Co. The sessions were very effective in strengthening relationships between the DFSA and the legal community, explaining our regulatory framework, our most recent consultation papers and Enforcement's approach to regulation. Participants gained a useful insight to our policies, legal and regulatory framework. We conduct outreach activities to inform relevant stakeholders of changes to our Laws and Rules.

DFSA activity overview as at 1 September 2013

Licensed entities

New Firms authorised	
Unicapita Advisory Co. Limited	02 Jan 2013
LGT (Middle East) Ltd.	10 Jan 2013
Delta Partners Capital Limited	28 Jan 2013
Delta Partners Corporate Finance Limited	28 Jan 2013
B&F Partners Limited	31 Jan 2013
Varengold Wertpapierhandelsbank AG	04 Feb 2013
Tullett Prebon (Dubai) Limited	10 Feb 2013
Agricultural Bank of China	12 Feb 2013
Union Bank of India	18 Feb 2013
Berenson MENA Ltd.	05 Mar 2013
Bank of London and The Middle East Plc	11 Mar 2013
Arzan Wealth (DIFC) Limited	18 Mar 2013
Alpen Asset Advisors Limited	25 Mar 2013
Bank of Baroda	25 Mar 2013
IFX (UK) Limited	26 Mar 2013
Sidra Capital (DIFC) Limited	27 Mar 2013
Klay Capital Limited	27 Mar 2013
Carnegie Asset Management Fondsmaeglerselskab A/S	28 Mar 2013
Asia Capital Reinsurance Group Pte Ltd	01 Apr 2013
Clements (Dubai) Limited	02 Apr 2013
GroupMed Reinsurance Brokers Limited	03 Apr 2013
LGT Capital Partners (Dubai) Limited	16 Apr 2013
Morningstar Investment Management Europe Limited	16 Apr 2013
GCM Partners Limited	18 Apr 2013
Mora Banc Grup S.A.	21 Apr 2013
China Construction Bank (Dubai) Limited	28 Apr 2013
Deutsche Kapital Limited	09 May 2013
NBF Capital Limited	12 May 2013
Que Capital Limited	18 Jun 2013
Mercury Capital Advisors LLP	25 Jun 2013
Exotix Partners LLP (Dubai Branch)	21 Jul 2013
ICD-Brookfield Management Limited	24 Jul 2013
Tsesnabank Joint Stock Company	28 Jul 2013
Arbuthnot Latham & Company Limited	29 Jul 2013
ICAP Energy Limited (DIFC Branch)	06 Aug 2013
J. Safra Sarasin Asset Management Middle East Limited	13 Aug 2013
New Horizon Capital Management Ltd	22 Aug 2013

New Designated Non-Financial Businesses and Professionals registered	
Total Solutions Middle East Limited	13 Jan 2013
CCL Limited	11 Feb 2013
Kane Limited	11 Feb 2013
Stephenson Harwood Middle East LLP	20 Jun 2013

New Auditors registered	
KPI Ahli Chartered Accountants	15 Jan 2013

Licence upgrades and variation of scope	
Nomura International plc	6 Jan 2013
HSBC EXFIN Partnership	8 Jan 2013
Abraaj Capital Limited	13 Jan 2013
Yusr Investment Bank Limited	29 Jan 2013
HSBC Bank Middle East Limited	10 Feb 2013
Standard Chartered Bank	11 Feb 2013
HSBC Middle East Leasing Partnership	21 Feb 2013
DBS Bank Ltd	24 Feb 2013
Invest AD MEA Limited	11 Mar 2013
Man Investments Middle East Limited	21 Mar 2013
Ajeej Capital (DIFC) Limited	11 Apr 2013
Union Bancaire Privée (Middle East) Limited	15 Apr 2013
Quantum Investment Bank Limited	7 May 2013
Citigroup Global Markets Limited	21 May 2013
ING Investment Management (Middle East) Limited	14 Jul 2013
Alpen Capital (ME) Limited	24 Jul 2013
Axis Bank Limited	31 Jul 2013
Intesa Sanpaolo S.p.A	27 Aug 2013

NASDAQ Dubai recognised member status awarded	
Emirates Islamic Financial Brokerage LLC	15 May 2013
Emirates NBD PJSC	29 May 2013
Noor Islamic Bank PJSC	29 May 2013

DME recognised member status awarded	
RBS Securities	13 Mar 2013

DME withdrawn members	
Jebel Tariq Trading	24 Feb 2013
Hudson Capital Energy LLC	24 Mar 2013
Jump Trading LLC	14 Apr 2013
SCS Commodities Corp	10 Jun 2013
DRW Commodities, LLC	4 Aug 2013

International co-operation

- International Regulators: The DFSA entered into 27 important agreements with European regulators. In each case, the relevant MoU binds the DFSA and it counterpart regulator to information sharing and co-operation in the supervision of financial institutions.

  European Union (EU) and European Economic Area (EEA) securities regulators: DFSA entered into 26 supervisory co-operation agreements with France, UK, Netherlands, Ireland, Portugal, Spain, Italy, Luxembourg, Cyprus, Sweden, Finland, Denmark, Norway, Iceland, Liechtenstein, Hungary, Malta, Lithuania, Greece, Belgium, Bulgaria, Poland, Estonia, Latvia, Czech Republic and Romania (25 August 2013).

  Europe's Securities and Markets Authority (ESMA): The DFSA entered into an MoU with ESMA (10 February 2013).

Consultation papers

- Consultation Paper No. 89 - Proposed changes to the DFSA's Anti-Money Laundering and Ancillary Service Provider Regimes (second consultation) issued on 14 April 2013, closed on 15 May 2013.
- Consultation Paper No. 88 - Proposed miscellaneous amendments, issued on 14 April 2013, closed on 15 May 2013.

Rulebook amendments

- On 14 July 2013 the DFSA:
  1. Repealed and replaced the following modules of the DFSA Rulebook:
     - Anti-Money Laundering (AML) Module (Anti-Money Laundering (AML) Instrument No. 117 of 2013).
     - Authorised Market Institutions (AMI) Module (Authorised Market Institutions (AMI) Instrument No. 118 of 2013).
     - General (GEN) Module (General (GEN) module Instrument No 119 of 2013).
     - Markets Rules (MKT) Module (Markets Rules (MKT) Instrument No. 120 of 2013).
     - Representative Office (REP) Module (Representative Office (REP) Instrument No. 121 of 2013).
     - Fees (FER) Module (Fees (FER) Instrument No. 122 of 2013).
     - Conduct of Business (COB) Module (Conduct of Business (COB) Instrument No. 123 of 2013).
     - Glossary (GLO) Module (Glossary (GLO) Instrument No. 124 of 2013).
     - Islamic Finance Rules (IFR) Module (Islamic Finance Rules (IFR) Instrument No. 125 of 2013).
     - Collective Investment Rules (CIR) Module (Collective Investment Rules (CIR) Instrument No. 126 of 2013).
     - Prudential - Investment, Insurance Intermediation and Banking (PIB) Module (Prudential - Investment, Insurance Intermediation and Banking (PIB) Instrument No. 127 of 2013).
     - Prudential - Insurance Business (PIN) Module (Prudential - Insurance Business (PIN) Instrument No. 128 of 2013).
  2. Repealed the following modules of the DFSA Rulebook:
     - Ancillary Service Providers (ASP) Module (Revocation Instrument No. 129 of 2013)
     - Designated Non-Financial Business and Professions (DNF) Module (Revocation Instrument No. 129 of 2013).

Sourcebook amendments

- On 14 July 2013 the DFSA issued the July 2013 edition of the Regulatory Policy and Process (RPP) Module of the DFSA Sourcebook repealing the December 2012 edition.

New and amended forms

- 18 July 2013 - the following DFSA forms were introduced:
  AUT IND5 - Application for Authorisation - Key Individual status;

AUT IND6 - Application to Extend or vary - Key Individual status;
AUT IND7 - Application to Withdraw - Key Individual status;
DNF2 - Designated Non-Financial Business or Profession (DNFBP) - changes to registration details; and
AML - Annual AML Return.

- 18 July 2013 - the following DFSA forms were amended:
  MKT1 - Application for Prospectus Approval;
  MKT2 - Application for Admission of Securities to the Official List of Securities of the DFSA; and
  DNF1 - Designated Non-Financial Businesses and Professions - Registration Form.
- 1 September 2013 - the following DFSA forms were amended:
  MKT1 - Application for Prospectus Approval;
  MKT2 - Application for Admission of Securities to the Official List of Securities of the DFSA;
  Pricing Statement form; and
  Shareholder Statement form.

Waiver/modification notices

- 34 waiver/modification notices issued since 1 January 2013 to 1 September 2013.

SEO letters

- SEO letter on Implementation of the EU Alternative Investment Fund Managers Directive (9 July 2013).
- SEO letter on Survey for the Mid Term Review of Islamic Financial Services Industry Development (26 June 2013).
- SEO letter on Corporate Governance (5 June 2013).
- SEO letter on Corporate Governance and Remuneration (18 February 2013).

Media releases

- DFSA Signs 26 Agreements with EU Regulators (25 August 2013).
- DFSA's Audit Oversight System Receives Recognition from the European Commission (5 August 2013).
- DFSA Releases Key Findings of Audit Inspections (5 May 2013).
- DFSA Hosts Event on Attracting UAE Nationals into the Financial Sector (24 April 2013).
- DFSA Announces Appointment of New Board Member (23 April 2013).
- DFSA Issues an Alert on Consumer Alerts Having an Impact (1 April 2013).
- DFSA Hosts Market Regulators Meeting in the DIFC (25 February 2013).
- DFSA Signs Agreement with European Securities and Markets Authority (10 February 2013).

Publications

- DFSA published its 2012 Annual Report in English and Arabic (2 May 2013).
- DFSA published an Audit Monitoring Report in English and Arabic (5 May 2013).
- DFSA published its Markets Brief No 5 in English and Arabic (5 March 2013).
- DFSA published its 2013/2014 Business Plan in English and Arabic (29 January 2013).
- DFSA published its Markets Brief No 4 in English and Arabic (21 January 2013).

Consumer alerts

- DFSA Issues Alert on Advance Fee Scam Misusing the Name of a DFSA Authorised Firm (26 June 2013).
- DFSA Issues Alert Regarding Hazza Bin Saif Investment Group (30 April 2013).
- DFSA Issues Consumer Alert on Fraudulent Email Scam Impersonating the DFSA and an Employee (30 April 2013).
- DFSA Issues Alert About False Certificate of Incorporation (28 April 2013).
- DFSA Issues Consumer Alert on Fraudulent Letter Impersonating the Dubai Financial Services Authority (7 April 2013).
- DFSA Issues Consumer Alert on Fraudulent Email Scam Impersonating the DFSA and an Employee (1 April 2013).
- DFSA Issues Consumer Alert on Fraudulent Letter Impersonating the DFSA (18 March 2013).
- DFSA Issues Consumer Alert on Email Scams Impersonating the Dubai International Financial Centre Authority (3 March 2013).
- DFSA Issues Alert Regarding Alquiwain Investment UAE (6 February 2013).

Outreach sessions

- DFSA hosted the IOSCO Standing Committee 7 (9 - 10 January 2013).
- DFSA hosted an outreach session on The New DFSA Prudential Framework (4 March 2013).
- DFSA, the Emirates Securities and Commodities Authority and IOSCO hosted an Enforcement training workshop (4 - 7 March 2013).
- DFSA and the ICAEW Middle East held a Breakfast Briefing on "The challenges of Emiratisation: Attracting talent into the finance industry" (24 April 2013).
- DFSA hosted an outreach session on Audit monitoring findings and outcomes of the visits carried out under Gen 8.6.1 (c) to (f), the focus for 2013 and co-operation with the regulator (2 May 2013).
- DFSA and Thomson Reuters hosted a webcast on "DFSA AML Module - What will a risk-based approach mean to you" (28 August 2013).

Other announcement

- DFSA signed a Regulatory Protocol agreement with NASDAQ Dubai (16 June 2013) and the Dubai Mercantile Exchange (19 June 2013).