IN THE DUBAI INTERNATIONAL FINANCIAL CENTRE
FINANCIAL MARKETS TRIBUNAL

Case FMT 24022

Decision made on the papers
Decision date: 24 June 2026

BETWEEN:

AL RAMZ CAPITAL LLC

Applicant

and

THE DUBAI FINANCIAL SERVICES AUTHORITY

Respondent

DECISION ON COSTS

Mr Timothy Herrington
(Tribunal President)
Mr Ali Al Aidarous
Mr Ian Abrams

Introduction

1. On 3 February 2026 the Tribunal issued its substantive decision on this Reference ("the Decision"). In summary, the Tribunal decided that the DFSA had made out its case on all the issues that fell for determination and accordingly the reference was dismissed. The Decision affirmed the DFSA's decision in its Decision Notice that the Applicant had failed to comply with Rule 3.4.5 of the Recognition Module of the DFSA Rulebook ("REC 3.4.5") and that the DFSA should impose a financial penalty of USD 25,000 on the Applicant in respect of that breach.

2. On 3 March 2026 the DFSA applied for certain of its costs that it had incurred in defending the reference and resisting the Applicant's earlier privacy application ("the Privacy Application"). The DFSA claimed the whole amount of its internal legal costs, the whole of the costs of its external counsel, and some external third party costs, namely the costs incurred in hosting the hearing of the reference at the DIFC Ritz-Carlton Hotel and the costs of transcription of the hearing. In its response to the application, the Applicant resists the application. In summary, the Applicant's position is that,

having regard to its conduct and the merits of both the Privacy Application and the Reference, this is a case in which the Tribunal should make no order as to costs.

3. Alternatively, the Applicant submits that the FMT should limit the DFSA's costs recovery to its external counsel's costs and 15% of its internal legal costs.

Relevant Law

4. The DFSA helpfully summarised the relevant law regarding the Tribunal's costs jurisdiction in its application. This was not disputed and we gratefully largely adopt that summary as follows.

5. Article 31(9) of the Regulatory Law 2004 provides:

> "At the conclusion of a proceeding, the FMT may also make an order requiring a party to the proceedings to pay a specified amount, being all or part of the costs of the proceedings, including those of any party."

6. The relevant provisions in the Tribunal's procedure rules are as follows:

> "75. The FMT may make an order for costs on an application or on its own initiative.
>
> 76. A person making an application for an order for costs must:
>
> > (a) send or deliver a written application to the FMT and to the person against whom it is proposed that the order be made; and
> >
> > (b) send or deliver with the application a schedule of the costs or expenses claimed sufficient to allow summary assessment of such costs or expenses by the FMT.
>
> 77. An application for an order for costs may be made at any time during the proceedings but may not be made later than 28 days after the date on which the FMT sends:
>
> > (a) a decision notice recording the decision which finally disposes of all issues in the proceedings;
> >
> > […]
>
> 78. The FMT may not make an order for costs against a person (the "paying person") without first:
>
> > (a) giving that person an opportunity to make representations; and
> >
> > (b) if the paying person is an individual, considering that person's financial means.
>
> 79. The amount of costs or expenses to be paid under an order under this rule may be ascertained by:
>
> > (a) summary assessment by the FMT;
> >
> > (b) agreement of a specified sum by the paying person and the person entitled to receive the costs ("the receiving person"); or
> >
> > (c) assessment of the whole or a specified part of the costs, including the costs or expenses of the assessment, incurred by the receiving person, if not agreed."

7. The DFSA's application, as described in further detail below, was made in compliance with the requirements of Rules 76 and 77, as set out above. The Tribunal has sought and obtained representations from the Applicant on the DFSA's application, as required by Rule 78, as set out above. The Tribunal considers that it has sufficient information from the application to make a summary assessment of the amount claimed, as provided by Rule 79(a), as set out above.

8. As submitted by the DFSA, the Regulatory Law and the Tribunal's procedure rules establish a broad discretion on costs, as the Tribunal observed in *Al Masah v the DFSA* (FMT 19007) ("*Al Masah*") at [430] as follows:

> "The FMT has been given a broad discretion which does not oblige it to adopt either a traditional 'costs follow the event' approach or one set out in a UK or other common law statute. The Tribunal needs to take a flexible approach to deal with the very varied and international range of issues it may have to address. While some cases may merit a 'costs follow the event' approach others may not. There may well in the future be cases where no order for costs is made despite an application not being successful."

9. The fact that the Tribunal may decide in its discretion to make an award of costs does not mean that it must simply allow all the legal expense incurred by the successful party. The recoverable costs should be reasonable and proportionate in amount and reasonably incurred: see *KPMG LLP and another v DFSA* (FMT 21016) at [6].

10. As the Tribunal said in *Al Masah* at [432], an applicant's conduct may be relevant in consideration of a costs order, including the fact that, in that case:

> " …[t]he Applicants knew or should have known from the outset that if and when the truth emerged the applications were bound to fail whichever view of the law prevailed"

11. The Tribunal expanded on this approach in *Rollet v DFSA* (FMT 21014) ("*Rollet*") at [145] as follows:

> "The FMT has been given a discretion. If it had been intended that costs should follow the event the Rules would have said so. This is a broad discretion but a useful question to ask in some cases is whether an unsuccessful applicant has acted unreasonably in the way the case has been conducted. We bear in mind all the considerations drawn to our attention in the submissions and statements about this issue and mention only some of them specifically."

The costs application

12. The DFSA submits that the Applicant should be ordered to pay the DFSA's costs of the proceedings on this reference summarily assessed at AED 797,575.66. This total figure comprises the following costs:

(1) The costs of the DFSA's internal legal team in relation to the Privacy Application and the Tribunal hearing on privacy held on 18 September 2024 in the amount of AED 75,068.40.

(2) The fees for counsel representing the DFSA in relation to the Privacy Application and the Tribunal hearing on privacy held on 18 September 2024 in the amount of GBP 7,729.17 (AED 37,866.33).

(3) The costs of the DFSA's internal legal team in relation to the merits aspect of the Reference in the amount of AED 340,215.20.

(4) The fees for counsel representing the DFSA at the hearing in the DIFC in relation to the merits aspect of the Reference in the amount of AED 313,605.73. This total comprises:

(a) counsel's fees, which includes counsel's flights to attend the FMT hearing, in the amount of GBP 61,714.95 (AED 308,552.25); and

(b) hotel costs for counsel to attend the FMT hearing in the amount of AED 5,053.48.14.

(5) The costs of the substantive hearing totalling AED 30,820. This total comprises:

(a) AED 13,300 in respect of transcription services; and

(b) AED 17,520.18 in respect of the costs of the Tribunal hearing room at the Ritz-Carlton in the DIFC.

13. We were informed that AED 28,238, representing counsel's fees and the costs of the DFSA's internal legal team, in relation to Al Ramz's refused application for permission to appeal in the DIFC Courts the FMT's decision on privacy was separately agreed and paid by the Applicant.

DFSA's submissions

14. The DFSA submits that this is a case where costs should follow the event for the following reasons:

(1) The DFSA has been successful on all points. That success was on factual grounds that were or ought to have been apparent to the Applicant from the moment it made its Reference. The Reference accordingly ought not to have been brought, and the Applicant is solely responsible for the costs caused by doing so.

(2) Further or alternatively, the DFSA relies on the Applicant's conduct of the Reference. The case was litigated in a manner that was unreasonable and accordingly the Applicant should bear the DFSA's costs. The unreasonable conduct in this case was as described in (3) to (6) below.

(3) The Privacy Application was obviously unmeritorious and bound to fail.

(4) It was not until Al Ramz's skeleton argument, submitted a week before the Tribunal hearing, that Al Ramz first argued that REC 3.4.5 was a part subjective test. Throughout the decision-making stage and the Reference, the DFSA and its counsel had prepared the matter on the basis that it was agreed that the test was purely objective. The Tribunal stated that it was generous of the DFSA not to argue against the new argument being run. As the Tribunal noted at [9] of the Decision:

> "It is regrettable that such a fundamental point of construction was raised at a very late stage in the proceedings. We were given no explanation as to why the point was not raised earlier, either during the regulatory proceedings or in the reference notice."

(5) Issues initially raised in the Reference were not subsequently argued by Al Ramz, in particular issue 2 ("Recognised Members are not referred to the Code of Market conduct") and issue 3 ("Proportionality") as set out in FMT Form 1. The DFSA and its counsel initially prepared its case on the basis of the issues raised by Al Ramz in its reference notice.

(6) The financial penalty imposed in this case was the moderate sum of USD 25,000. Al Ramz has caused far more than that sum to be incurred in costs by its decisions to contest privacy, publication, and the penalty itself.

The Applicant's submissions

15. The Applicant's submissions can be summarised as follows:

(1) Al Ramz properly exercised its right to make the Privacy Application. It provided detailed evidence addressing the reputational and commercial harm risked by premature publication. The DFSA criticises the weight of that evidence but disagreement with the outcome is not equivalent to unreasonableness in bringing the application. The application raised legitimate issues involving a delicate balancing of confidentiality, reputational fairness, proportionality, and open justice. It was properly brought and properly argued.

(2) Applicants should not be unreasonably deterred from bringing applications for privacy if they have a reasonable and well-argued case to make, which Al Ramz did. The fact that the legal threshold for a successful privacy application is high is already a deterrent for most Applicants. The Tribunal should be slow to risk adding to that deterrence by imposing de facto costs follow the event award, which it would be if granted in this case.

(3) Simply because the FMT reaches a conclusion on an issue that is unfavourable to an applicant does not mean that the applicant was acting unreasonably in raising the issue. In this regard, there is no dispute that the Tribunal ultimately concluded that a combination of factors meant that Al Ramz should have notified the DFSA about the Trades. However, this conclusion was reached only after consideration of the factors Al Ramz argued justified its own decision not to notify the DFSA. It was reasonable for Al Ramz to make the arguments it did, which were not fanciful but were based on its experience in trading as one of the largest and longest running brokerages in the UAE.

(4) Al Ramz raised substantive legal questions, including the interpretation of REC 3.4.5(1) and whether it incorporates subjective elements. This was the first time that the Tribunal had been called upon to consider REC 3.4.5 and it was important to resolve the issue to determine the appropriate regulatory action to take. This was the correct approach in light of the importance of the point and the need to deal with cases fairly and justly.

(5) Evolution of arguments is common in regulatory litigation and does not meet the threshold of unreasonable conduct.

(6) Refining the issues had the effect of reducing the issues (and therefore costs) to be determined at the hearing.

(7) The amount of the penalty in this case is irrelevant to an assessment of whether Al Ramz acted unreasonably in bringing the Reference. The impact of a public Decision Notice (particularly in relation to Market Abuse) can be far reaching and can put regulated entities out of business. Its impact goes way beyond the size of the fine imposed, which is usually the last concern of a regulated entity when dealing with the enforcement action.

(8) The quantum and substance of the costs application brings into question the overarching policy that regulated firms must be able to challenge regulatory decisions without the deterrent effect of exorbitant cost exposure. The Tribunal's costs discretion exists to ensure that the tribunal system remains accessible, fair, and non-punitive. Where a regulator seeks nearly AED 800,000 the "chilling effect" is obvious: firms contemplating a Reference may reasonably conclude that contesting a DFSA decision is likely to be financially paralyzing, even when they act in good faith. Such a deterrent outcome would

frustrate the statutory purpose of the Reference procedure, which is a central accountability mechanism. Costs should therefore not be used to penalise applicants merely for invoking their statutory rights or advancing arguments that ultimately prove unsuccessful.

(9) The only fair, just and proportionate approach to costs in this matter is to adopt the general approach that each party bears its own costs. Alternatively, any award for costs should be limited to the DFSA's external counsel's costs and 15% of its internal legal costs.

(10) It is not fair or proportionate for the DFSA to claim as a third-party expense the cost of the transcription service and the venue for the hearing. In terms of the venue, the Applicant was not involved in this process. The hearing was "originally" due to be heard in a court room in the DIFC Courts but that the Court no longer had availability. The fact that the DFSA had to then identify and pay for a third-party venue at short notice is not a cost that the Applicant could have anticipated and is not one it should properly or fairly be made to bear.

Discussion

16. We now turn to determine the costs application by reference to the principles outlined at [4] to [11] above and in the light of the submissions of the parties in this case. It is convenient to deal separately with each of the categories of costs claimed by the DFSA, as set out at [12] above. It does not appear that the Applicant challenges the reasonableness of the amounts claimed by the DFSA in respect of each category and accordingly we only need to decide the extent to which costs should be awarded in respect of each category, if at all.

Privacy Decision

17. We agree with the DFSA's assessment that the Privacy Application was bound to fail.

18. The essence of the Applicant's submissions on the legal test to be applied was that the presumption of transparency in the Regulatory Law and the Tribunal's rules of procedure weighed less heavily than were the case if the principle of open justice applied. Those submissions were rejected as being inconsistent with the reasoning of the Court of First Instance of the DIFC in *KPMG LLP & Navalkar v DFSA* [2022] CFI 008, a decision which the Tribunal of course was bound to follow: see [34] of the decision on the Privacy Application.

19. As regards the facts which the Applicant submitted amounted to cogent and compelling evidence of serious harm were publication of the decision notice to take place, the Tribunal held that in essence, the Applicant's concerns amounted to fears about the effect of publication on the Applicant's reputation accompanied by a considerable amount of speculation on its part: see [70] of the decision on the Privacy Application.

20. In our view, it should have been clear to the Applicant, who had the benefit of advice of experienced Counsel on the matter, that its submissions on privacy were bound to fail. It follows that it was unreasonable of the Applicant to make the Privacy Application on the basis that it did.

21. As indicated by the Tribunal's decisions in *Al Masah* and *Rollet,* as quoted at [10] and [11] above, the factors mentioned at [20] above are strong factors in favour of granting a costs order against the Applicant. We also note, as mentioned at [13] above, that the DFSA's counsel's fees and the costs of the DFSA's internal legal team, in relation to Al Ramz's refused application for permission to appeal in the DIFC Courts the FMT's decision on privacy was separately agreed and paid by the Applicant.

This is a strong indication that the Privacy Application and the application for permission to appeal the decision on the Privacy Application, which in relation to the latter the DIFC's Court of First Instance said was "a doomed expedition", were unmeritorious.

22. Accordingly, we shall direct that both the DFSA's internal and external legal costs in respect of the Privacy Application be borne by the Applicant.

Substantive Hearing - legal costs

23. Our decision on the costs incurred by the DFSA in relation to the Privacy Application, indicates that whether a party has acted unreasonably in bringing, defending or conducting proceedings in relation to a reference is a strong factor in deciding whether or not to make a costs order.

24. Where a party has not acted unreasonably in pursuing a reference but where they are the losing party, as the authorities indicate, the Tribunal will have to consider on a case by case basis whether the successful party should be entitled to all or some of their costs. We think in these circumstances, it can be helpful to distinguish between a party's internal and external legal costs. We note that in a number of previous cases, the DFSA has not sought to recover its internal costs and has usually confined its claim for one in respect of its external legal and other third party costs.

25. In this case, the DFSA has claimed the whole of its internal costs. It appears to us that this claim is based on its submission that the reference was without merit and should not have been brought, or alternatively that the Applicant acted unreasonably in the way it conducted the proceedings, in particular the fact that it did not pursue a considerable number of the points that it raised in its pleadings and the main issue on which it made submissions during the hearing of the reference was one which it only raised in a very late stage when filing it skeleton argument in advance of the hearing.

26. Putting the question of unreasonableness to one side for the moment, in our view, a party should normally expect to be awarded their external legal costs when they are clearly the successful party on all the issues that arise in the reference. That position may not apply if there are exceptional circumstances, such as where an important point of principle is involved which is of benefit to the wider regulatory community and not just the parties to the particular reference in question, or where the award of costs would have a serious deterrent effect on a party bringing what is otherwise a meritorious reference.

27. In our view, this is a case where the DFSA should be entitled to all of its external costs. The Applicant was well resourced and had the advice of experienced and competent lawyers. We do not think in those circumstances the fact that it may be the subject of a costs order if it lost the reference had a deterrent effect. We presume that the reference was pursued for reputational reasons.

28. We accept that the question of the proper construction of REC 3.4.5(1) and whether it incorporates subjective elements was an important point and it is of benefit to the wider regulatory community that the point was resolved. We are reinforced in that view by the fact that the DFSA allowed the point to be raised late in the proceedings when it would, in our view, have been fully entitled to object to the point being argued at such a late stage. That is an argument in favour of disallowing at least a proportion of DFSA's external legal costs but in our view it is outweighed by the fact that the point could have been raised much earlier, and in our view, as we said in the substantive decision, should have been raised in the regulatory proceedings: see [9] and [10] of the Decision. If it had been raised much earlier, it might have been resolved without the need to bring the reference. We think it is important that a party should in normal circumstances seek to run the same case in the Tribunal that

it did in the regulatory proceedings. There may be exceptions to that, such as new evidence arising or other changes of circumstances.

29. Accordingly, in our view the Applicant acted unreasonably in only raising the construction issue at the time it filed its skeleton argument. We therefore consider that there should be no reduction in the amount of the external legal costs claimed by the DFSA.

30. Turning to the DFSA's internal legal costs, whilst we consider that there have been certain aspects of the proceedings that have been conducted unreasonably by the Applicant, we do not consider that to be the case entirely. That leads us to consider that the DFSA should be awarded some of its internal legal costs. Aside from the construction point, the DFSA says that it was unreasonable of the Applicant to have abandoned most of the thirteen issues it raised in its pleadings, leaving just three to be argued at the hearing, namely the construction issue referred to above, the question of whether the Applicant had at any time a reasonable suspicion of market abuse and the question as to whether a financial penalty was appropriate if the DFSA made out its case.

31. We do consider that the Applicant could have narrowed down the issues it wished to raise at an earlier stage and if it had done so it is possible that the DFSA's costs would have been reduced. Moreover, we consider that the Applicant should have known that the one factual issue that remained for consideration, namely the reasonable suspicion issue, had little chance of success. As the Tribunal found at [176] of the Decision, the fact that a wash trade may constitute Market Abuse was sufficient for a duty to notify reasonable suspicion under REC 3.4.5 once such a trade has been identified, as it was in this case. Faced with those facts, it was inevitable that this point would be resolved in favour of the DFSA.

32. We take a different view in relation to the penalty issue. As the Applicant submitted, the fact that the penalty was only of a modest amount does not mean that it was unreasonable to contest it. A finding of a breach of REC 3.4.5 and the imposition of a financial penalty, however small, is likely to be significantly damaging in reputational terms for a regulated firm.

33. Taking these factors into account, we consider that the fair and just result is to award the DFSA 25% of its internal legal costs.

Third party costs

34. In relation to the transcription costs, we consider that it is fair and just that these should be borne by the Applicant. As the DFSA submitted, the use of transcribers made the hearing run smoothly and the Applicant derived a benefit because it was assisted by the transcript in preparing its written closing.

35. We take a different view in this case on the costs of the hearing venue. We consider that the DFSA should provide suitable accommodation for the hearing of a reference free of charge either in its own offices or elsewhere. Consequently, we do not consider it would be fair and just for the costs of the hearing venue to be borne by the Applicant.

Directions

36. We direct that the Applicant shall pay the DFSA the sum of AED 524,894.26 within 28 days of the release of this decision. This sum comprises:

(1) The whole of the amounts detailed at [12](1), (2), (4) and (5(a)) above; and

(2) 25% of the amount detailed at [12](3) above.

TIMOTHY HERRINGTON

PRESIDENT

FINANCIAL MARKETS TRIBUNAL