



MEDIA RELEASE:

DFSA Censures MAS ClearSight and Directs it to Compensate Investors

Dubai, UAE, 21 December 2015: The Dubai Financial Services Authority (DFSA) has censured MAS ClearSight Limited (MAS) and directed MAS to pay compensation of USD3,200,000 (AED12,044,800) to 20 investors for contravening DFSA's Law and Rules. Had it not been for MAS' financial position and the DFSA's decision to require MAS to pay compensation to the investors, the DFSA would also have imposed a financial penalty on MAS.

In June 2015, the DFSA suspended MAS' DFSA License to stop it from conducting any Financial Services in the DIFC.

During 2010 to 2011 MAS marketed investment opportunities in the production of limited-edition publications. MAS told investors they would be repaid 100% of their initial investment, plus a further minimum return of 50% of their total investment. In fact, the publications have not been produced and the investors have not been repaid the amount of their initial investment or the returns they were promised. In July 2013, some of the investors complained to the DFSA about their investments through MAS.

The DFSA investigated the matter and found that MAS had promoted a Collective Investment Fund in a manner that did not comply with the applicable Laws and Rules. In addition, the investors were not properly treated as clients by MAS and were thereby excluded from receiving the other protections they were entitled to under the DFSA's regulatory regime.

Mr Ian Johnston, Chief Executive of the DFSA said: "The DFSA's Laws and Rules provide important protections for investors. These protections are designed to ensure that investors are fully informed about the investments they make and that the investments are suitable for them. As this action against MAS shows, the DFSA will take appropriate action against anyone who fails to provide investors with the required regulatory protections."

MAS initially challenged the DFSA's Decision Notice and referred the decision to the Financial Markets Tribunal (FMT), which is empowered to review decisions made by the DFSA. However, on 19 November 2015 the DIFC Courts ordered a liquidator to be appointed to MAS. The liquidator decided not to proceed with the challenge against the DFSA's decision. Accordingly,



the FMT dismissed the appeal thereby confirming that the DFSA's Decision Notice remains in effect

Copies of the FMT's Decisions in this matter will be published on the FMT's website in due course.

A copy of the DFSA's Decision Notice can be found in the Public Register on the DFSA website under Regulatory Actions: <http://www.dfsa.ae/Pages/RegulatoryActions.aspx>

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For further information please contact:

Kaja Mohaisen
Corporate Communications
Dubai Financial Services Authority
Level 13, The Gate, West Wing
Dubai, UAE
Tel: +971 (0)4 362 1662
Email: kmohaisen@dfsa.ae
www.dfsa.ae

Editor's notes:

The Dubai Financial Services Authority (DFSA) is the independent regulator of financial and ancillary services conducted in or from the Dubai International Financial Centre (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 Combating the Financing of Terrorism (CFT) 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.

Ian Johnston was appointed as Chief Executive of the DFSA in June 2012. Ian joined the DFSA in November 2006, as a Managing Director, to head-up the Policy and Legal Services Division.

Ian was admitted to practice Law in Australia in the early 1980's and spent most of his career in the private sector. He held a number of senior positions within the financial sector and was CEO of one of Australia's major Trustee Companies. During that time, Ian played a leading role in the Trustee industry and served on the National Council of the Trustee Corporations Association.

In 1999, Ian joined the Australian Securities and Investments Commission where he held the position of Executive Director, Financial Services regulation, and spent several terms as an acting Commissioner. In 2005, Ian took up a position with the Hong Kong Securities and Futures Commission as a Special Advisor.



Ian is a past Chairman of the Joint Forum, which comprises representatives of the major international regulatory standard-setters (IOSCO, IAIS and the Basel Committee). He is a member of the Technical Committee of the IAIS, the global standard-setting body for insurance regulation, and is a member of the Board of Directors of the Financial Planning Standards Board (FPSB).

The FMT is operationally independent of the DFSA and it has its own rules of procedure. The FMT conducts a full merits review of DFSA decisions that are referred to it and determines the appropriate action for the DFSA to take. This would have been the first case considered by the FMT since the changes were made to the DFSA's decision-making framework in August 2014. .