MEDIA RELEASE:

DFSA signs FinTech agreements with Hong Kong authorities

Dubai, UAE, 7 December 2017: The Dubai Financial Services Authority (DFSA) deepened ties with regulators in Hong Kong today signing two cooperation agreements to enhance collaboration in financial technology (FinTech) innovation. The agreements reinforce the existing strong relationship between the authorities in the two markets, which cooperate in the regulation of the financial services sector and FinTech businesses.

The DFSA signed bilateral agreements with Hong Kong’s Insurance Authority (IA) and the Hong Kong Monetary Authority (HKMA), in Hong Kong. Under the terms of each agreement, the Authorities will cooperate on information sharing and referrals of innovative businesses. The agreement with the HKMA extends to collaborating on joint innovation projects.

Mr Ian Johnston, Chief Executive of the DFSA, said: “Our Agreement with the authorities in Hong Kong is indicative of the importance we place on maintaining a close relationship with Hong Kong’s financial services regulators. The signing of these agreements in FinTech is a natural next step to the collaboration we have in regulating traditional financial services.”
The agreements follow the signing of a similar cooperation agreement between the DFSA and Hong Kong’s Securities and Futures Commission in August. It means that the DFSA now has agreements in place with all three financial counterparts in the Special Administrative Region.

Mr John Leung, Chief Executive Officer of the IA, said: “The IA takes proactive steps in strengthening collaboration with other jurisdictions in FinTech development. The agreement with DFSA signifies closer cooperation between the two authorities in fostering and creating business opportunities for FinTech firms on a global reach. The IA will consider signing similar cooperation agreements with insurance regulators in other jurisdictions.”

Shu-Pui Li, Executive Director of the HKMA, said: “The cooperation agreement with DFSA showcases our efforts to work with the international FinTech community to facilitate the healthy development of the FinTech ecosystem. The HKMA will continue to explore potential collaboration opportunities with other authorities to support the upgrading of our banking system towards the higher level of Smart Banking.”

These latest FinTech cooperation agreements form part of the DFSA’s innovation strategy, which complements the National Innovation Strategy, as set out by UAE Vice President, Prime Minister and Ruler of Dubai, His Highness Sheikh Mohammed Bin Rashid Al Maktoum, to make the UAE a global hub for innovation. In August, the DFSA launched the first tailored regime for loan and investment crowdfunding platforms in the GCC. In May, the DFSA launched its Innovation
Testing Licence, a special class of financial services licence that allows FinTech firms to develop and test innovative FinTech concepts in or from the DIFC.

- Ends -

For further information please contact:

Corporate Communications
Dubai Financial Services Authority
Level 13, The Gate, West Wing
Dubai, UAE
Tel: +971 (0)4 362 1613
Email: DFSAcorpcomms@dfsa.ae
www.dfsa.ae

Editor's notes:

The Dubai Financial Services Authority (DFSA) is the independent regulator of financial 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. Mr Johnston joined the DFSA in November 2006, as a Managing Director, to head the Policy and Legal Services Division.

Mr Johnston was admitted to practice Law in Australia in the early 1980s and has 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, Mr Johnston played a leading role in the Trustee industry and served on the National Council of the Trustee Corporations Association.

In 1999, Mr Johnston 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, Mr Johnston took up a position with the Hong Kong Securities and Futures Commission as a Special Advisor.

Mr Johnston is a past Chairman of the Joint Forum, which comprise representatives of the major international regulatory standard-setters (IOSCO, IAIS and the Basel Committee). In August 2016, he was re-elected to IOSCO’s Growth and Emerging Markets Steering Committee, a position he has held since 2013. He is also a member of the Financial Stability and Technical Committee (FSTC) of the IAIS, the global standard-setting body for insurance regulation, and was a member of the Board of Directors of the Financial Planning Standards Board (from Jan 2011 – Mar 2016).

The DFSA’s initiatives follow the launch of the FinTech Hive at the DIFC, bringing together the next generation of leaders and entrepreneurs to address the growing needs of the region’s financial services industry, using innovative technology solutions. Its aim is to catalyse growth and efficiency in a variety of areas including trade finance, alternative finance and Shariah-based services.

The Insurance Authority established a FinTech Liaison Team in February 2016, which was renamed Insurtech Facilitation Team in September 2017, to enhance the communication with business involved in the development and application of FinTech in Hong Kong. The Insurtech Facilitation Team is tasked to facilitate the FinTech community’s understanding of the current insurance regulatory regime in Hong Kong and act as a platform for exchanging ideas of innovative FinTech initiatives among key stakeholders.

The Hong Kong Monetary Authority (HKMA) established the FinTech Facilitation Office (FFO) to facilitate the healthy development of the FinTech ecosystem in Hong Kong and to promote Hong Kong as a FinTech hub in Asia. The roles of the FFO include acting as a platform for exchange of ideas and initiatives; an interface between market participants and the HKMA; an initiator of relevant industry research; and a facilitator to nurture talents.