

MEDIA RELEASE:

DFSA Action against two firms and three individuals referred to Financial Markets Tribunal

Dubai, UAE, 11 May 2020: The Dubai Financial Services Authority (DFSA) has today published Decision Notices in respect of two firms (Al Masah Capital Limited and Al Masah Capital Management Limited) and three individuals (Shailesh Dash, Nrupaditya Singhdeo and Don Lim Jung Chiat).

The firms and individuals dispute the DFSA's findings and have referred the Decision Notices to the Financial Markets Tribunal (FMT) where the parties will present their respective cases. The DFSA's decisions are therefore provisional and reflect the DFSA's belief as to what occurred and how it considers their conduct should be characterised. The FMT will determine what, if any, is the appropriate action for the DFSA to take, and will remit the matter to the DFSA with such directions as the FMT considers appropriate to give effect to its determination.

On 25 September 2019, the DFSA decided to take enforcement action against Al Masah Capital, Al Masah Capital Management, Shailesh Dash, Nrupaditya Singhdeo and Don Lim Jung Chiat for breaches of DFSA legislation between August 2010 and June 2016. The Decision Notices outline the reasons for the DFSA's decision to take the following action:

Firm / Individual	Sanction
Al Masah Capital Limited	USD 3,000,000 (AED 11,010,000) fine
Al Masah Capital Management Limited	USD 1,500,000 (AED 5,505,000) fine
Shailesh Dash	USD 225,000 (AED 825,750) fine and prohibition
Nrupaditya Singhdeo	USD 150,000 (AED 550,500) fine and prohibition
Don Lim Jung Chiat	USD 150,000 (AED 550,500) fine and prohibition

In relation to Al Masah Capital Limited, a Cayman Islands registered company, which was not authorised to carry on any Financial Services in or from the DIFC, the DFSA found that it had breached DIFC legislation by:

- carrying on unauthorised Financial Services in the DIFC, namely Managing a Collective Investment Fund and Arranging Deals in Investments;
- making misleading or deceptive statements as to fees in documents relating to offers of units in funds managed by Al Masah Capital Limited;
- making unauthorised financial promotions and offers of units of funds in or from the DIFC.

In relation to Al Masah Capital Management Limited, a firm that was authorised by the DFSA to conduct financial services business in or from the DIFC, the DFSA found that it had:

- made misleading or deceptive statements as to fees in documents relating to offers of units in funds managed by Al Masah Capital Limited;
- failed to take reasonable steps to ensure that the information about fees contained in marketing materials and subscription forms was clear, fair and not misleading.

In relation to the three individuals, the DFSA found that they were knowingly concerned in the alleged contraventions by the two firms. Additionally, as Mr Dash and Mr Singhdeo were Authorised Individuals at the time the alleged misconduct occurred, the DFSA also found that they failed to act with the standard of integrity required of them in their roles.

The DFSA further found that Mr Singhdeo and Mr Lim engaged in misleading and deceptive conduct by being knowingly involved in the alteration of a bank statement to conceal the payment of fees into a bank account.

The DFSA decided to take action against the two firms and three individuals, including prohibiting Mr Dash, Mr Singhdeo and Mr Lim from performing any function in connection with provision of Financial Services in or from the DIFC, in order to maintain the integrity and reputation of the DIFC, and to protect direct and indirect users of the financial services industry in the DIFC. The DFSA also imposed financial penalties on each of them.

Copies of the DFSA's Decision Notices can be found on the DFSA website under Regulatory Actions: <https://www.dfsa.ae/en/What-We-Do/Enforcement#Regulatory-Actions>

The DFSA does not intend to make any further public comment until the FMT's review is complete, except as necessary to correct any inaccuracies. Information about pending FMT matters, including details of any public hearings, can be found on the FMT section of the DFSA website: <https://www.dfsa.ae/en/About-Us/Our-Structure#Financial-Market-Tribunal>



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Editor's notes:

The Dubai Financial Services Authority (DFSA) is the independent regulator of financial services conducted in and 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, crowdfunding platforms, an international equities exchange and an international commodities derivatives exchange. In addition to regulating financial and ancillary services, the DFSA is responsible for administering Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) legislation that applies in the DIFC. Please refer to the DFSA's [website](#) for more information.