

MEDIA RELEASE:

Former Abraaj CFO, Mr Ashish Dave, fined USD 1.7 million for his involvement in deception, unauthorised activity, and compliance breaches

Dubai, UAE, 14 July 2021: The Dubai Financial Services Authority (**DFSA**) has today published a Decision Notice against Mr Ashish Bhrgu Dave (**Mr Dave**), a former Chief Financial Officer (CFO) of the Abraaj Group, imposing a penalty of USD 1,700,000 (AED 6,243,250). The Notice also prohibits and restricts Mr Dave from performing any function in connection with the provision of financial services in or from the DIFC.

Mr Dave was the Abraaj Group CFO from September 2008 to September 2013 and then again from February 2017 to March 2018. During both periods, Mr Dave was authorised by the DFSA to perform licensed functions as the Finance Officer and Licensed Director of Abraaj Capital Limited (**ACL**D), a DFSA Authorised Firm.

On 8 June 2021, the DFSA decided to take enforcement action against Mr Dave for being knowingly involved in breaches of DIFC legislation and the DFSA's Rules by Abraaj Investment Management Limited (**AIML**), a Cayman entity not authorised by the DFSA, and ACLD. In particular:

- AIML, carried out unauthorised financial services in and from the DIFC and actively misled and deceived investors in Abraaj funds; and
- ACLD, failed to maintain adequate capital resources, deceived the DFSA about its compliance with various legislation and rules, and was knowingly concerned in AIML's unauthorised financial services activities.

Mr Dave was knowingly involved in AIML misleading and deceiving investors over the use of monies in Abraaj funds. In particular, Mr Dave was aware that approximately USD 200 million was taken from

the Abraaj Growth Markets Healthcare Fund (**AGHF**) and used for the Abraaj Group's working capital or other investment commitments. Mr Dave then proposed, orchestrated, and executed actions to deceive auditors and investors as to the actual cash balance in AGHF's bank accounts by temporarily borrowing monies for the purpose of producing misleading bank balance confirmations and misleading financial statements.

Mr Dave was also knowingly involved in AIML carrying out unauthorised activity through his actions in the Abraaj investment cycle from signing Investment Management Agreements to distributing proceeds to investors. As early as 2009, Mr Dave failed properly to address concerns raised with him about AIML engaging in unauthorised activities in and from the DIFC.

Mr Dave was knowingly involved in ACLD contraventions by authorising temporary cash transfers at certain reporting period end dates and signing management representation letters to report falsely that ACLD was in compliance with its Capital Resources requirements. As ACLD's Finance Officer, Mr Dave was directly responsible for ACLD's compliance with the DFSA's capital Rules.

The fine imposed reflects the seriousness of the offences and is based on Mr Dave's earnings from the Abraaj Group.

Peter Smith, acting Chief Executive of the DFSA, said: *"It is central to our regulatory objectives to hold to account those who are at the centre of wrong-doing by Firms. The wrong-doing by AIML and ACLD was of the highest order of seriousness. As the Group CFO, Mr Dave was in a unique position with visibility over the financial affairs of the group. He had the opportunity to expose and bring to a halt AIML and ACLD's breaches. Instead, Mr Dave became actively involved in the deception of Abraaj stakeholders. Our actions against other former senior Abraaj staff members are on-going and in the final stages of the disciplinary process."*



A copy of the DFSA's Decision Notices can be found in the [Regulatory Actions](#) section of the DFSA website.

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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, money services, 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 to regulated firms and Designated Non-Financial Businesses and Professions in the DIFC. Please refer to the DFSA's website for more information.

Peter Smith, Managing Director, Head of Strategy, Policy and Risk, joined the DFSA in June 2012. He is responsible for the DFSA's strategic planning, its annual business planning cycle and engagement with external bodies on strategic issues; the further development and maintenance of the DFSA's policy framework; and the organisation's risk framework, including the risk-based approach to regulation.

Peter is President of the Chartered Institute for Securities and Investment's UAE National Advisory Committee, and a member of the Emirates Securities and Commodities Authority's Capital Markets Advisory Council. Internationally, Peter is a member of the International Association of Insurance Supervisors' Policy Development Committee. He is a member of the steering body of the Global Financial Innovation Network (GFIN), which brings together like-minded regulators to work on innovation in financial services.