



*MEDIA RELEASE:*

## **DFSA Signs MoU with European Securities and Markets Authority**

**Dubai, UAE, 22 February 2017:** The Dubai Financial Services Authority (DFSA) and the European Securities and Markets Authority (ESMA) have entered into information sharing and cooperation arrangements regarding DIFC based central counterparties (CCPs) compliance with conditions set out in The European Union's Market Infrastructure Regulation (EMIR).

The MoU was signed on behalf of the DFSA by Chief Executive, Mr Ian Johnston, and by the Chairman of ESMA, Dr Steven Maijoor, in Milan today.

It follows a decision published in mid-December 2016 by the European Commission, which found the DFSA's regulatory framework for CCPs as equivalent to that of the European Union. The European Commission's decision also confirmed that the DFSA's framework is compliant with international standards set out under the International Organisation of Securities Commissions' (IOSCO) Principles for Financial Market Infrastructures.

Mr Johnston said: "Today's signing signals a new phase in the good relationship between the DFSA and ESMA and enables us to cooperate and exchange information in connection with monitoring of DIFC-based CCPs.

"The DFSA has always placed a high priority on cooperation and its ability to share information and assist fellow regulators; particularly where the DIFC firms have strong links with the European Union market participants."

The MoU marks the 100th MoU signed by the DFSA and the second with ESMA. The first MoU between the two regulators was signed in 2013 on cooperation in relation to



credit rating agencies. The DFSA also has MoUs in place with counterparts in France, Germany, the United Kingdom, and with most other European Union securities regulators through multilateral arrangements.

“The DFSA remains committed to international best practice and continues to work with the EC and ESMA in other areas of their responsibilities,” Mr Johnston added.

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**Editor's notes:**

The recognition conditions are set out in Article 25 of the European Market Infrastructure Regulation (EMIR) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories. EMIR requires the establishment of cooperation arrangements by way of an MoU as a precondition for ESMA to recognise a CCP established in the DIFC to provide clearing services to clearing members or trading venues established in the European Union.

CCPs are entities that sit in between buyers and sellers of derivatives contracts to become the sole counterparty to all trades. Its main purpose is to manage the risk of one counterparty defaulting (i.e. not being able to make the required payments when they are due), thereby reducing the overall risk in the system.

**The 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 also exercises delegated enforcement powers under the DIFC Companies Law. These include powers to investigate the affairs of DIFC companies and partnerships where a material breach of DIFC Companies Law is suspected and to pursue enforcement remedies available to the Registrar of Companies (Roc).

**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 the Policy and Legal Services Division.

Ian 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, 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 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).