



*MEDIA RELEASE:*

## **DFSA Fines and Bans former Senior Executive Officer**

**Dubai, UAE, 19 July 2017:** The Dubai Financial Services Authority (DFSA) has fined Mr Andrew Grimes, a former Senior Executive Officer (SEO) of a DFSA Authorised Firm USD 52,500 (AED 192,675) and imposed a restriction preventing him from performing any function in connection with the provision of Financial Services in or from the Dubai International Financial Centre (DIFC).

This action follows an investigation conducted in co-operation with the Insurance Authority of the UAE which found that, from January 2014 to July 2014, Mr Grimes:

- was knowingly concerned in undertaking Insurance Intermediation activities which contravened DFSA legislation;
- failed to take reasonable care to ensure that the business for which he was responsible complied with applicable DIFC legislation; and
- misled the DFSA.

From April 2013 to September 2014, Mr Grimes was the SEO of a DFSA Authorised Firm that carries on the Financial Service of Insurance Intermediation. During this time, the firm was restricted under DFSA Rules from intermediating a Contract of Insurance in the UAE unless the risk is situated in the DIFC or the contract is one of re-insurance.

The DFSA found that Mr Grimes was actively involved in providing prohibited Insurance Intermediation services. Further, as the SEO, Mr Grimes was ultimately responsible for the day-to-day management, supervision and control of the firm's activities and he should have ensured that such prohibited activities did not occur. He also failed to ensure that the firm's customers were on-boarded properly as Clients.

Mr Grimes also provided false and misleading information to the DFSA in April 2014 by stating that the firm had not intermediated any direct insurance (as opposed to re-insurance) in the UAE when that in fact was not true.



Mr Ian Johnston, Chief Executive of the DFSA said: “The DFSA expects CEOs of Authorised Firms to meet their obligations and perform their duties to the standards required of them. Mr Grimes did not do so and made matters worse by failing to deal with the DFSA in a frank and open manner.

This action also demonstrates that the DFSA works closely with our colleagues at other financial regulators to address misconduct that affects our respective jurisdictions. I am grateful to the UAE Insurance Authority for its co-operation and assistance in this matter”.

The DFSA previously took a separate action against the firm after taking into consideration its initiative to self-report the misconduct to the DFSA, the steps it took to remediate its deficiencies, including voluntarily replacing Mr Grimes as CEO and for co-operating fully with the DFSA's investigation.

A copy of the DFSA's Decision Notice issued to Mr Grimes can be found in the Regulatory Actions section of the DFSA website:

<http://www.dfsa.ae/en/What-We-Do/Enforcement#Regulatory-Actions>

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**Editor's notes:**

**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 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 comprises representatives of the major international regulatory standard-setters (IOSCO, IAIS and the Basel Committee). In November 2013, he was elected to the Steering Group of IOSCO's Growth and Emerging Markets Committee. 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).