



MEDIA RELEASE:

DFSA Signs Agreement with UK Financial Regulator

Dubai, UAE, 16 June 2014: The Dubai Financial Services Authority (DFSA) last week entered into a Memorandum of Understanding with the United Kingdom's Prudential Regulation Authority (PRA).

At a meeting in London, Mr Andrew Bailey, Chief Executive of the PRA and a Deputy Governor of the Bank of England, and Mr Ian Johnston, Chief Executive of the DFSA, signed the MoU on behalf of their respective authorities.

The PRA was established in April 2013 and is a part of the Bank of England. It is responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms.

Mr Ian Johnston, Chief Executive of the DFSA said: "The strong links between UK financial firms and the Dubai International Financial Centre make the PRA the DFSA's most important regulatory relationship outside the UAE. The PRA is the home regulator of a number of significant firms authorised by the DFSA to conduct business in and from the DIFC.

"I have already, in April 2013, signed a similar, complementary MoU with my counterpart at the Financial Conduct Authority, which regulates the conduct of financial firms. These formalised arrangements for cooperation and information sharing recognise the reliance placed by us on the quality of regulatory standards administered in our respective jurisdictions," said Mr Johnston.

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Editor's notes:

The Dubai Financial Services Authority (DFSA) is the independent regulator of financial and ancillary services conducted in or from the Dubai International Financial Centre (DIFC), a purpose-built financial free-zone in Dubai, the United Arab Emirates (UAE).

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 Counter-Terrorist Financing (CTF) 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.

Mr Ian Johnston was appointed Chief Executive of the DFSA in June 2012. Mr Johnston joined the DFSA in November 2006, as a Managing Director heading the Policy and Legal Services Division.

Mr Johnston was admitted to practice law in Australia in the early 1980's and spent most of his career in the private sector. He held a number of senior positions within the financial sector and was the CEO of one of Australia's major trustee companies. During that time, he 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 was Executive Director, Financial Services regulation, and spent several terms as an Acting Commissioner. In 2005, he took up a position as a special advisor with the Hong Kong Securities and Futures Commission.

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 Technical Committee of the IAIS, the global standard-setting body for insurance regulation, and is a member of the Board of Directors of the Financial Planning Standards Board.

Mr Andrew Bailey assumed the role of Deputy Governor for Prudential Regulation and Chief Executive Officer of the Prudential Regulation Authority (PRA) on 1 April 2013. As Deputy Governor for Prudential Regulation and CEO of the PRA, Andrew Bailey is also a member of the Bank's Court of Directors, the PRA Board, the Financial Policy Committee, and the Board of the Financial Conduct Authority.



While retaining his role as Executive Director of the Bank, Mr Bailey joined the Financial Services Authority in April 2011 as Deputy Head of the Prudential Business Unit and Director of UK Banks and Building Societies. In July 2012, Mr Bailey became Managing Director of the Prudential Business Unit, with responsibility for the prudential supervision of banks, investment banks and insurance companies. Mr Bailey was appointed as a voting member of the interim Financial Policy Committee at its June 2012 meeting.

Previously, Mr Bailey has worked at the Bank in a number of areas, most recently as Executive Director for Banking Services and Chief Cashier, as well as Head of the Bank's Special Resolution Unit (SRU). Previous roles include Governor's Private Secretary, and Head of the International Economic Analysis Division in Monetary Analysis.

The Prudential Regulation Authority (PRA) was created by the Financial Services Act (2012) and is a part of the Bank of England. The PRA is responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms. In total the PRA regulates around 1,700 financial firms. The PRA's role is defined in terms of two statutory objectives to promote the safety and soundness of these firms and, specifically for insurers, to contribute to the securing of an appropriate degree of protection for policyholders.

In promoting safety and soundness, the PRA focuses primarily on the harm that firms can cause to the stability of the UK financial system. A stable financial system is one in which firms continue to provide critical financial services – a precondition for a healthy and successful economy.

The PRA works alongside the Financial Conduct Authority (FCA) creating a “twin peaks” regulatory structure in the UK. The FCA is a separate institution and not part of the Bank of England. The FCA is responsible for promoting effective competition, ensuring that relevant markets function well, and for the conduct regulation of all financial services firms. This includes acting to prevent market abuse and ensuring that consumers get a fair deal from financial firms. The FCA operates the prudential regulation of those financial services firms not supervised by the PRA, such as asset managers and independent financial advisers.