



MEDIA RELEASE:

DFSA Publishes Findings of Trade Finance Review in DIFC

Dubai, UAE, 16 January 2017: The Dubai Financial Services Authority (DFSA) published a Trade Finance Report detailing key findings of a review of trade finance activities carried out in and from the Dubai International Financial Centre (DIFC). The review assessed the quality of systems and controls, in particular measures to mitigate trade-based money laundering risks, at banks and other financial service providers in the DIFC.

The report notes that trade finance has grown in the DIFC over recent years. While the report shows that in general trade finance is conducted satisfactorily, it highlights several improvement opportunities surrounding trade finance risks. The report also contains a list of recommended best practices that firms engaged in trade finance activities are encouraged to implement. In particular the report notes the importance of guarding against financial crime.

Mr Ian Johnston, Chief Executive of the DFSA said: "There is an increased focus globally, on trade-based money laundering risks from international groups such the Financial Action Task Force, and financial service regulators. Our review and the published report are further testament to the DFSA's commitment to maintaining the highest international standards in the DIFC. Given the importance of trade to this region, regulators need to effectively oversee and supervise trade finance without hindering actual trade. We urge firms to benefit from all international guidance issued in that regard."

Mr Johnston added: "The DFSA continues to work toward enhancing the quality of systems and controls of regulated firms in the DIFC. Where we detect weaknesses or failures, we will rectify them through supervisory or enforcement actions."

Click on the [Trade Finance Report](#) to access the report on the DFSA's website.

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Editor's notes:

The Dubai Financial Services Authority (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).