



MEDIA RELEASE:

DFSA Welcomes Changes Resulting from New Amendment Law

Dubai, UAE, 19 August 2014: His Highness Sheikh Mohammed Bin Rashid Al Maktoum, UAE Vice President and Prime Minister in his capacity as the Ruler of Dubai, has enacted the Dubai International Financial Centre (DIFC), DIFC Laws Amendment Law 2014. The Law, which amends the Regulatory Law 2004 and various other DIFC laws, will come into force on Thursday, 21 August 2014 and will make a number of significant changes to the DFSA's regulatory regime.

The amendments simplify and improve the structure and process for DFSA regulatory decisions and for appeals against those decisions. Under the changes, the DFSA will make all first instance decisions and must follow specified procedures designed to ensure its decisions are fair and reasonable. The process for appealing against DFSA decisions will be simplified with the Financial Markets Tribunal (FMT) continuing as an independent tribunal but with a revised role of reviewing DFSA decisions. The Regulatory Appeals Committee (RAC) which used to hear appeals from DFSA decisions will be abolished (as its role will now be undertaken by the FMT).

The changes also strengthen the DFSA's supervisory and enforcement powers in line with international practice. A new provision has been introduced which prohibits misleading, deceptive, fraudulent or dishonest conduct related to financial products or services in the DIFC. New powers are also given to the DFSA to suspend a licence or registration for up to twelve months and to prohibit Firms from using misleading names. The DFSA already has the right to withdraw licences.



The current framework for the supervisory oversight of Auditors in the DIFC is also improved by, for example, introducing the registration of Audit Principals, strengthening Rules on Auditor independence and making other changes to ensure consistency with international auditing standards.

Also, the Collective Investment Law 2010 is amended to allow the creation of a new category of fund, called a “Qualified Investor Fund” (QIF). This type of fund would be available to professional investors willing to make an investment of at least USD 500,000. Each QIF would be limited to 50 investors. As an addition to the existing categories of DIFC funds, the new QIF rules provide for lower regulation of funds specifically designed for higher net worth investors.

Mr Ian Johnston, Chief Executive Officer of the DFSA said: “These amendments are an important step in simplifying and improving the structure and procedures for decision making and review of DFSA decisions. They will also strengthen DFSA supervisory and enforcement powers, improve the supervisory oversight of auditors and provide new opportunities for fund managers and investors. They are considered desirable and appropriate for the maturity of the DIFC, given that it has now experienced a decade of operations. They also ensure that the regulatory regime continues to evolve to reflect best international practice.”

The Amendments to DIFC laws, together with associated amendments to DFSA Rules, will come into force on Thursday, 21 August 2014 and are available on the DFSA website under: [Notice of Forthcoming Amendments to Legislation 2014](#).

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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.