MEDIA RELEASE:

DFSA signs FinTech Agreement with Japan’s Financial Services Agency

Dubai, UAE, 27 September 2018: With its continued efforts to encourage the adoption of technological advancements in the market, the Dubai Financial Services Authority (DFSA) entered yesterday into an Exchange Of Letters with the Financial Services Agency of Japan (FSA) to cooperate in the development of financial technology (FinTech). The cooperation framework reflects efforts by both authorities to foster innovation in the Dubai International Financial Centre (DIFC) as well as in Japan.

The agreement was signed by Ian Johnston, Chief Executive of the DFSA, and Toshihide Endo, Commissioner at Japan’s FSA. Under the terms, and given the global nature of innovation in financial services, the authorities will share information on developments in FinTech and ensure the efficient entry of financial innovators into the respective markets.

Ian Johnston said: “We are very pleased to strengthen our long-established collaboration with Japan’s FSA and to enhance our cooperation on matters related to innovation in financial services. This is testament to our commitment to foster effective agreements with peer regulators across the globe, engaging on emerging FinTech topics. We look forward to working with Japan’s FSA to develop our FinTech proposition and contribute to the efficiency and further enhancements of our respective financial markets. This step aligns seamlessly with the National Innovation Strategy to make the UAE a global hub for innovation, as set out by UAE Vice
President, Prime Minister and Ruler of Dubai, His Highness Sheikh Mohammed Bin Rashid Al Maktoum.”

The purpose of this cooperation is to provide a regulatory framework for discussion and a referral mechanism, which will enable the authorities to refer financial innovators between their respective innovation functions. It also sets out how the Authorities plan to share and use relevant information in their respective markets.

A series of other initiatives took place in Japan during the same week to support FinTech developments. A delegation of senior DFSA executives, led by Peter Smith, Managing Director, Policy and Strategy, met with FSA counterparts in Tokyo to initiate collaboration between the DFSA and Japan’s FSA on FinTech and crypto-asset developments. The visit also included participation in FIN/SUM, the largest FinTech summit in Japan, connecting the global financial and technology industries and promoting disruptive innovation across the globe. Mr Smith also spoke on international cooperation in the oversight of crypto-assets at a roundtable co-hosted by the FSA and by the International Organization of Securities Commissions (IOSCO).

The DFSA has consistently been advocating regulatory collaboration, as illustrated by the wide network of agreements so far put in place with other international financial regulators in relation to FinTech, namely: the Australian Securities and Investment Commission, the Hong Kong Monetary Authority, the Hong Kong Securities and Futures Commission, the Hong Kong Insurance Authority, the Malaysian Securities Commission among others.

With its extensive efforts to support FinTech, the DFSA is changing the face of financial regulation and setting precedents in the region with an extensive innovation strategy, a key part of which was the earlier launch of DFSA’s Innovation Testing Licence, which allows FinTech firms to develop and test innovative concepts from
the DIFC. In August last year, the DFSA became the first regulator to launch a tailored regime for loan and investment crowdfunding platforms in the GCC. The DFSA also participated this year in the issuance of a discussion paper for the establishment of a Global Financial Innovation Network (GFIN) of leading global regulators, which seeks to conduct joint work and share experiences of financial innovation, to improve financial stability, integrity, customer outcomes and inclusion.

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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 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 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).

The DFSA’s initiatives go hand in hand with the **FinTech Hive**, which was launched at the beginning of 2017 at the DIFC, to bring together the next generation of leaders and entrepreneurs to compete and address the growing needs of the region's financial services industry, using innovative technology solutions.