



MEDIA RELEASE:

DFSA and Hong Kong's SFC sign FinTech Cooperation Agreement

Dubai, UAE, 28 August 2017: The Dubai Financial Services Authority (DFSA) and the Securities and Futures Commission (SFC) in Hong Kong today entered into an agreement to establish a framework of cooperation on financial technology (FinTech) innovation. The agreement will further strengthen the efforts of both authorities to develop an innovations-friendly ecosystem in their respective markets.

The signing took place between Mr Ian Johnston, Chief Executive of the DFSA, and Mr Ashley Alder, Chief Executive of the SFC, in Hong Kong.

Under the agreement, both authorities will share information on developments and innovations in FinTech in their respective markets. The agreement also intends to encourage both regulators to refer innovative firms to one another's markets and to provide them with regulatory guidance.

Mr Johnston said: "Providing a regime that fosters innovation in the Dubai International Financial Centre (DIFC), is a strategic priority for us. This agreement with Hong Kong's SFC deepens cooperation between our two markets and will build a common understanding of the principles of good innovation."

"This agreement underscores the SFC's efforts to strengthen regulatory collaboration and promote innovation in financial services," said Mr Alder.



“We look forward to working closely with the DFSA to support FinTech development in both our markets.”

The agreement extends the existing relationship between the SFC and the DFSA with a joint commitment to maintain the highest standards of cooperation. Both regulators are signatories to the IOSCO Multi-lateral Memorandum of Understanding (MMoU). They also entered into a bi-lateral MoU in 2008.

The agreement marks the latest step in the DFSA’s roadmap to build a framework that supports innovation in the DIFC. It follows the introduction of regulations formalising a tailored regime for loan and investment crowdfunding platforms on August 1, the first in the GCC. On May 24, the DFSA launched its Innovation Testing Licence (ITL), a special class of financial services licence that allows FinTech firms to develop and test innovative FinTech concepts from the DIFC.

The DFSA's innovation strategy is aligned with the National Innovation Strategy set out by UAE Vice President, Prime Minister and Ruler of Dubai, His Highness Sheikh Mohammed Bin Rashid Al Maktoum, to make the UAE a global hub for innovation. It follows the launch of the FinTech Hive at DIFC, which will 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. It intends to catalyse growth and efficiency in a variety of areas including trade finance, alternative finance and Shari'ah-based services.

For its part, the SFC established the FinTech Contact Point (FTCP) in March 2016 to enhance communication with businesses involved in the development and application of FinTech and regulatory technology in Hong Kong. The FTCP also



facilitates an understanding of the SFC's current regulatory regime while enabling it to stay informed of the development of the local industry.

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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 Securities and Futures Commission (SFC) is an independent statutory body charged with regulating the securities and futures markets in Hong Kong and overseeing their orderly development. The SFC derives its investigative, remedial and disciplinary powers from the Securities and Futures Ordinance (SFO) and subsidiary legislation. As a financial regulator in an international financial centre, it strives to strengthen and protect the integrity and soundness of Hong Kong's securities and futures markets for the benefit of investors and the industry.

Ashley Alder was appointed as Chief Executive Officer of the SFC on 1 October 2011.

Prior to joining the SFC, Mr Alder was Head of Asia of the international law firm Herbert Smith LLP in Hong Kong, focusing on equity capital markets as well as mergers and acquisitions, private equity and venture capital. He also handled regulatory and compliance work.

Currently, Mr Alder is the Chairman of the Board of the International Organization of Securities Commissions.