

MEDIA RELEASE:

DFSA takes action against Morgan Gatsby Limited for multiple serious breaches

Dubai, UAE, 8 January 2020: The Dubai Financial Services Authority (DFSA) today announced that it has fined Morgan Gatsby Limited (MGL), approximately USD 246,000 (approx. AED 900,000), for multiple serious breaches of DFSA legislation. The DFSA had previously suspended MGL's licence on 8 November 2018 due to concerns regarding MGL's non-compliance with DFSA legislation.

The DFSA's action follows an investigation that found that MGL, a DFSA Authorised Firm, had committed breaches of DFSA legislation by:

- illegally promoting an unregulated Foreign Fund;
- making unauthorised transactions on behalf of two clients and engaging in misleading and deceptive conduct in regard to those transactions;
- failing to comply with certain restrictions on business and dealing with property imposed by the DFSA in May 2018;
- failing to properly classify a client and conduct the requisite inquiries into a client's source of funds and rationale for entering into transactions;
- failing to comply with DFSA Rules relating to the safe custody of client assets; and,
- failing to ensure that its Board of Directors was provided with accurate information.

MGL agreed to settle the DFSA's action at an early stage of the DFSA investigation and, therefore, qualified for a discount under the DFSA's policy for early settlement. Were it not for the settlement discount, the DFSA would have imposed a fine of approximately USD 352,000 (approx. AED 1,290,000) on MGL.

Mr Bryan Stirewalt, Chief Executive of the DFSA, said: "MGL has had a history of not complying with the legislation administered by the DFSA, even after the DFSA warned MGL of its concerns. The DFSA has no tolerance for recalcitrant firms that continue to breach the DFSA's legislation, despite repeated warnings".

The detailed reasons for the DFSA's action against MGL are set out in the DFSA's Decision Notice dated **6 January 2020**, which can be found in the Regulatory Actions section of the [DFSA website](#): The earlier Decision Notice suspending MGL's licence can also be found in that section.

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Editor's notes:

The Dubai Financial Services Authority (DFSA) is the independent regulator of financial services conducted in and 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 administering Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) legislation that applies in the DIFC. Please refer to the DFSA's website for more information.

Bryan Stirewalt was appointed Chief Executive of the DFSA on 1 October, 2018, after nearly 8 years as the DFSA's Managing Director of the Supervision Division. In his role as Chief Executive, Bryan will take the lead in steering the



work of the DFSA and further developing its capability as a robust regulator delivering world-class financial regulation in the DIFC. Bryan has played a vital part in executing the DFSA's regulatory mandate and developing its risk-based supervision framework. Bryan plays an active role in supporting the work of international standard-setting bodies. He now serves as the Co-Chair of the Basel Consultative Group (BCG), which provides a forum for deepening the Basel Committee on Banking Supervision's engagement with non-member, global supervisors on banking supervisory issues. Through this role, Bryan also serves as an Observer at the Basel Committee on Banking Supervision.