

MEDIA RELEASE:

Kuwait Turkish Participation Bank (Dubai) Limited Resolves Compliance Concerns With The DFSA

Dubai, UAE, 10 June 2015: The Dubai Financial Services Authority (DFSA) has accepted an Enforceable Undertaking (EU) from Kuwait Turkish Participation Bank (Dubai) Limited (KTD), a company incorporated in the Dubai International Financial Centre and a DFSA Authorised Firm.

The EU resulted from a DFSA investigation which identified deficiencies and areas for improvement in KTD's systems and controls regarding risk management, anti-money laundering (AML) and corporate governance. The DFSA had concerns that KTD may not have:

- acted with due skill, care and diligence;
- ensured that its affairs were managed effectively and responsibly; and
- established and maintained adequate systems and controls.

In light of the DFSA's concerns, KTD agreed to pay a financial penalty of USD150,000 (AED551,250) to the DFSA of which USD50,000 (AED183,750) is payable on or by 8 July 2015. The remaining USD100,000 (AED367,500) is suspended indefinitely and becomes payable if KTD fails to comply with the EU.

KTD also agreed to improve its corporate governance arrangements and engage an independent compliance expert to ensure the deficiencies identified by the DFSA's investigation have been remedied.



The DFSA notes that no specific contraventions of DFSA Laws and Rules by KTD are cited in the EU. The DFSA also acknowledges that KTD co-operated fully with the DFSA's investigation and has already carried out significant remedial work.

Mr Ian Johnston, Chief Executive of the DFSA said: "The DFSA's action highlights the importance of Firms having robust and effective risk management, corporate governance and AML systems and controls. The DFSA urges Firms to review their systems and controls regularly to identify and remedy any deficiencies."

A copy of the Enforceable Undertaking can be found in the Public Register of the DFSA website under Regulatory Actions: <http://www.dfsa.ae/Pages/RegulatoryActions.aspx>

- Ends -

For further information please contact:

**Corporate Communications
Dubai Financial Services Authority
Level 13, The Gate, West Wing
Dubai, UAE
Tel: +971 (0)4 362 1662
Email: kmohaisen@dfsa.ae
www.dfsa.ae**

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 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. Ian joined the DFSA in November 2006, as a Managing Director, to head-up the Policy and Legal Services Division.



Ian 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 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 comprises representatives of the major international regulatory standard-setters (IOSCO, IAIS and the Basel Committee). He is 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 (FPSB).