MEDIA RELEASE:

Robo-advisory Firm Sarwa, First to Graduate from DFSA’s Regulatory Sandbox

Dubai, UAE, 05 November 2018: The Dubai Financial Services Authority (“DFSA”) is pleased to announce that robo-advisory firm, Sarwa, has become the first participant to graduate from its regulatory sandbox following nearly 12 months of testing. As the first firm within the Dubai International Financial Centre (“DIFC”) to be granted an Innovation Testing Licence (“ITL”), Sarwa promises to: “make investing easier, secure and more affordable by offering customers simpler way to invest their earnings for long-term financial growth.”

During the testing period, the DFSA closely observed Sarwa as the company fine-tuned its automated business, while simultaneously developing its internal capabilities. This included continuous monitoring, ongoing engagement and frequent feedback. The rigorous process allowed the DFSA to deepen its understanding of Sarwa’s underlying operating model, while the firm tested its services within a safe and controlled environment.

Sarwa’s successful completion of its Regulatory Test Plan, and exiting the ITL, demonstrates the importance of regulatory sandboxes in fostering innovation and facilitating both established companies and start-ups as they create new and exciting solutions in financial services.

The DFSA’s support of FinTech development is aligned with the National Innovation Strategy set out by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai to form an innovation-friendly nation. Other initiatives that the DFSA supports in similar vein include the Dubai Plan 2021 and Smart Dubai.

Bryan Stirewalt, Chief Executive of the DFSA, said “When we first introduced the ITL programme our goal was to offer firms the flexibility to test their new business models and solutions, so they can develop innovative products and services to tackle the growing needs of the region’s financial services industry. Sarwa’s progress is the first tangible demonstration that this goal can be achieved. We look forward to more firms following suit.”

The DFSA continues to receive positive feedback around its regulatory sandbox and encourages firms with innovative ideas to apply for the 2018 winter cohort, which is currently accepting applications through the DFSA website. A list of the firms that have been accepted into the cohort will be finalised on 16 December, after which they may...
submit an ITL application by 17 January 2019. Online submission links will only be active during these dates; therefore, firms should put together their submission forms at the earliest opportunity.

The DFSA’s cohort process and ITL initiatives go hand in hand with FinTech Hive at DIFC, the region’s first FinTech accelerator, which aims to bring together the next generation of leaders and entrepreneurs to address the growing needs of the region’s financial services industry.

For more information on the ITL programme and cohort application process please visit the following FAQ section or email: Fintech@dfsa.ae

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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.

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.

Sarwa
Sarwa is an automated investment advisory firm based in the Dubai International Financial Centre and the first company to be granted an Innovation Testing Licence by the Dubai Financial Services Authority. Sarwa combines innovative technology and human advice to make expert level investing available for everyone. With a low account minimum and a low advisory fee, Sarwa aims to make investing easy, secure and affordable by offering customers the simplest and most cost-effective way to invest their earnings for long-term financial growth. The platform provides rebalancing services, algorithms combined with personalised human advice, account opening in a few minutes via facial recognition, and more. The company was founded by a team of finance, technology, and user-experience experts and is backed by top regional and international Venture Capital firms.