

## **GENERAL MARKET UPDATE- July 2018**

**23<sup>rd</sup> July 2018**

### **Dear SEO- Outcome of Financial Crime Thematic Review**

The DFSA issued a Dear SEO letter setting out the key findings from their Financial Crime Review. The review identified three areas of improvement

- a. Risk Based Approach
- b. Ongoing CDD
- c. Suspicious Activity Reporting (SAR)

Key findings noted included

1. Senior Management should become more engaged in drafting the assessment to identify risks in the AML Business Risk Assessment;
2. Enhanced procedures relating to dormant accounts should be considered
3. General practice relating to SAR's was good

**19<sup>th</sup> July 2018**

### **DFSA Issues Notice of Amendments to Legislation**

Following the ending of the consultation period on a number of proposed legislative changes that were set out in Consultation Paper No. 117 which will take effect on 1<sup>st</sup> August 2018.

The following rulebooks will be updated:

- Glossary Module
- Conduct of Business Module
- Prudential – Investment Business
- Fees Module
- General Module
- Markets Module

**16<sup>th</sup> July 2018**

### **DFSA fines Al Ramz and former employee for failing to cooperate and provide information regarding an investigation**

The Dubai Financial Services Authority fined Al Ramz Capital LLC (Al Ramz) and its former Head of Information Technology, Mr Najim Al Attar, for serious failures to provide complete and accurate information relevant to a DFSA investigation which commenced in 2014.

The DFSA imposed a fine of USD 205,200 (AED 753,084) on Al Ramz, which is a Recognised Member of NASDAQ Dubai. Al Ramz is also required to pay USD 100,000 (AED 367,000) towards the DFSA's investigation costs. In addition, the DFSA imposed a fine of USD 32,640 (AED 119,789) against Mr Al Attar.

The DFSA's action follows an investigation that initially focused on trading on NASDAQ Dubai by Al Ramz and others, which the DFSA suspected may have breached Part 6 of the DIFC Markets Law 2012. The DFSA later expanded the scope of its investigation to include further suspected contraventions, including obstructing the DFSA's investigation and providing information which was false, misleading and deceptive.

While the trading in question was eventually found not to be in breach of Part 6 of the DIFC Markets Law 2012, the DFSA found that during the investigation Al Ramz had failed to comply fully with requirements to provide the DFSA with information relevant to the investigation and deal with the DFSA in an open and cooperative manner.

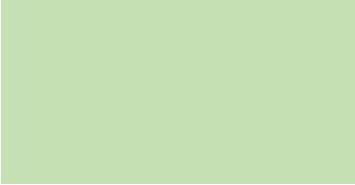
The detailed reasons for the DFSA's action against Al Ramz are set out in the DFSA's Decision Notice dated 28 June 2018 which can be found in the Regulatory Actions section of the DFSA website: <https://www.dfsa.ae/en/What-We-Do/Enforcement#Regulatory-Actions>

The detailed reasons for the DFSA's action against Mr Al Attar are set out in the DFSA's Decision Notice dated 28 May 2018 which can be found in the Regulatory Actions section of the DFSA website: <https://www.dfsa.ae/en/What-We-Do/Enforcement#Regulatory>

## **2<sup>nd</sup> July 2018**

### **DFSA Hosts 4th Annual Supervision Session**

The Dubai Financial Services Authority (DFSA) held its Annual Supervision Outreach Session with the Compliance Officers Network Group (CONG) last week, to discuss key developments and priorities for the financial services industry in the



Dubai International Financial Centre (DIFC). The annual event serves as a platform for the DFSA to engage with its regulated community and other stakeholders in respect of its key regulatory priorities such as cyber risks, fighting financial crime, and ensuring suitability of financial products and services