

General Market Update

August 2018

29th August 2018 DFSA and Monetary Authority of Singapore Sign FinTech Agreement

- The Dubai Financial Services Authority (DFSA) and the Monetary Authority of Singapore (MAS) today entered into an agreement that provides a framework for cooperation and referrals between the innovation teams of each authority. The agreement reflects the commitment of both authorities to develop an environment that supports the sustainable development of financial services through emerging technology.

16th August 2018 Abraaj Capital Limited

- On the 1st of August 2018, the DFSA received notice of a winding up petition filed by Abraaj Capital Limited (“ACL”) with the DIFC Courts pursuant to Article 50 of the DIFC Insolvency Law. The application also seeks to appoint two individuals from Deloitte LLP as joint provisional liquidators of ACL pursuant to Article 59 of the DIFC Insolvency Law. The application was made by ACL with the authority of Abraaj Investment Management Limited (“AIML”), as the sole shareholder of ACL.
- On the 15th of August 2018, the DFSA received notice of an order issued by the DIFC Courts appointing the two proposed individuals as joint provisional liquidators to ACL.
- ACL is an entity operating in the DIFC, licensed by the DFSA.
- Given the onset of financial difficulties of the wider Abraaj Group, the DFSA has been closely monitoring the activities of its regulated entity ACL. The DFSA has taken regulatory actions over the past few months in order to safeguard the interests of investors and the DIFC. These include actions under the Regulatory Law to prevent AIML or any affiliates from removing funds from ACL and prohibiting ACL from dealing with new clients.
- The DFSA has also instructed AIML to ensure it does not undertake any unauthorized financial services activities in or from the DIFC. AIML is not authorized to conduct financial services business in or from the DIFC.

- Given such actions and the current matters surrounding the Abraaj Group, the DFSA continues to monitor the limited financial services activities currently being undertaken by ACL.
- ACL is the only entity in the Abraaj Group regulated by the DFSA. ACL is authorized to conduct the following financial services: Managing Assets; Providing Fund Administration (but restricted to Funds established by the firm or members of its group); Advising on Financial Products; Arranging Deals in Investments; Arranging Credit and Advising on Credit.
- ACL is part of the Abraaj Group of companies, and is a subsidiary of AIML and ultimately Abraaj Holdings Limited (“AH”). These two entities are both domiciled in the Cayman Islands. The DFSA will engage with the joint provisional liquidators for ACL, and in respect of the Cayman court appointed joint provisional liquidators for AH and AIML, the DFSA will work towards safeguarding investor interests within the remit of its jurisdiction.
- DFSA has for some time been investigating a range of matters within Abraaj Group. However, in line with usual practice the DFSA will not comment on the matters under investigation.
- The DFSA will continue to take all necessary actions within its remit to protect the interests of investors and the DIFC.

7th August 2018 DFSA Joins Peers in discussion on a Global Financial Innovation Network

- DFSA in collaboration with 11 other financial regulators and associated organizations from around the world, has today issued a discussion paper announcing the establishment of a Global Financial Innovation Network (GFIN) and consulting on its proposed functions.
- The GFIN is a network of leading global regulators, which will seek to conduct joint work and share experiences of financial innovation, to improve financial stability, integrity, customer outcomes and inclusion, through the responsible adoption of emerging technologies and business models. GFIN has launched this paper to seek views on its mission statement, its proposed functions, and where it should priorities activity. Members of GFIN include regulators from the United Kingdom, Hong Kong and Australia.
- The paper can be accessed here:
<https://www.dfsa.ae/getattachment/1e2b52a3-00a6-4890-a5a3-094ccdd554d4/5779-GFIN-consultation-paper-draft-FINAL.PDF.aspx>

1st August 2018

DFSA Issues Notice of Amendments to Forms

- DFSA issued an amendment to the **AUT IND** form used when making applications for controlled functions (Directors, SEO, Finance Officer, Compliance Officer, MLRO, Senior Manager)