

## **GENERAL MARKET UPDATE- May 2018**

**16th May 2018**

### **DFSA Expands FinTech Innovation Testing Programme**

The Dubai Financial Services Authority (DFSA) today announced the expansion of its Innovation Testing Licence (ITL) programme in response to continued interest in FinTech and the digital economy. The ITL programme enables firms to test innovations in financial technology (FinTech) in or from the Dubai International Financial Centre (DIFC).

Six companies will form a new Cohort (Cohort 1) that will today begin the ITL application process, which includes the development of a regulatory test plan describing the proposed business model, product or service. Over the next few weeks, the DFSA will work with the applicants to navigate the on-boarding process. Should the firms be successful, they will begin a testing period lasting up to 12 months, at the end of which the firms must demonstrate that they have met the agreed targets of the test plan, and can meet the full DFSA authorisation requirements, to obtain a full licence.

The ITL was introduced by the DFSA in May 2017, as part of its strategy to foster an innovation-friendly ecosystem in the DIFC. The restricted financial services licence allows qualifying FinTech firms to develop and test innovative concepts from within the DIFC, without being subject to the full regulatory requirements that normally apply to regulated firms.

**24th May 2018**

### **DFSA Issues Consultation Paper (CP119) -**

Changes to the Protected Cell Company (PCC) & Investment Company (IC) Regulations

**28th May 2018**

### **DFSA Obtains DIFC Court Judgement to Enforce a Fine**

The Dubai Financial Services Authority (DFSA) has recently obtained judgement in the DIFC Courts' Court of First Instance to enforce payment of a fine imposed by the DFSA on an individual.

In May 2017, the DFSA took action against Mr Andrew John Grimes including imposing a fine of USD 52,500 (AED192,675) and restricting him from performing any function in connection with the provision of Financial Services in or from the DIFC.

The action taken against Mr Grimes in summary, was because the DFSA found that from January 2014 to July 2014, he:

- was knowingly concerned in undertaking Insurance Intermediation activities which contravened DFSA legislation;
- failed to take reasonable care to ensure that the business for which he was responsible complied with applicable DIFC legislation; and
- misled the DFSA.

The DFSA notes that Mr Grimes did not challenge the DFSA's findings against him and failed to pay the fine by the date it was due. The DFSA therefore commenced proceedings in the DIFC Courts to enforce payment of the fine by Mr Grimes.

A copy of the DIFC Courts' judgement can be found on the DFSA's website via: <http://www.dfsa.ae/Documents/DIFC-Court-Order-2018/CFI-055-2017.pdf>