

## General Market Update

April 2019

### **29<sup>th</sup> April 2019**      **DFSA invites applications for its 2019 regulatory sandbox “Summer Cohort”**

- The Dubai Financial Services Authority (DFSA) announced an invitation to local and international firms to apply to join the 2019 Summer Cohort. Successful Cohort applicants will then be able to apply to enter the DFSA regulatory sandbox, known as the Innovation Testing Licence Programme (ITL Programme).

### **23<sup>rd</sup> April 2019**      **DFSA takes action to protect the integrity of Islamic Finance**

- The Dubai Financial Services Authority (DFSA) has imposed restrictions on David Barnett and Christopher Steer following an investigation into their conduct while working on the Commodity Murabaha Broking Desk (the Desk) at a DFSA-authorized firm.
- Please refer to the link for more details: <http://dfsa.ae/en/MediaRelease/News/DFSA-takes-action-to-protect-the-integrity-of-Isla?newsid=210>.

**18<sup>th</sup> April  
2019**

**Arqaam Capital Limited and the DFSA Impersonated in a Scam**

- The Dubai Financial Services Authority (DFSA) notified the financial services community of the public of a scam wherein scammers falsely claimed to be an Authorised Firm, based in the Dubai International Financial Centre (DIFC) and regulated by the DFSA.
- The scammers operate a website (in both English and Arabic) using the names “Arqaam Trading” or “Arqaam General Trading” and offer consumers access to a platform for trading Contracts for Difference (CFDs). In doing so, the scammers are fraudulently using names which are similar to that of a legitimate DIFC incorporated and DFSA regulated firm called Arqaam Capital Limited.
- The DFSA advises not to reply to any communications regarding this scam, and under no circumstances should you transfer any money to any party involved in the scam.

**15<sup>th</sup> April  
2019**

**Amana Financial Services (Dubai) Limited and the DFSA Impersonated in a Scam**

- The Dubai Financial Services Authority (DFSA) warned the financial services community and the public of a scam in which the scammers falsely claim to be an Authorised Firm, based in the Dubai International Financial Centre (DIFC) and regulated by the DFSA.
- The scammers offer trading services to potential investors under the trading name “Amana Trade”. In doing so, the scammers have impersonated a legitimate DIFC incorporated and DFSA regulated Authorised Firm, namely, Amana Financial Services (Dubai) Limited.
- The DFSA advises not to reply to any communications regarding this scam, and under no circumstances should you transfer any money to any party involved in the scam.

**11<sup>th</sup>  
2019**

**SEC v Abraaj Investment Management Limited and Arif Naqvi**

- On the 11th April 2019, the US SEC filed a complaint against Abraaj Investment Management Limited and Arif Naqvi for alleged misappropriation of funds. It was alleged, that between December 2016-September 2017, USD230 million was transferred from the Abraaj Health Fund bank account to Abraaj Holdings and Abraaj Investment Management
- A summary of the information available in the public domain indicated that the conduct of certain named Abraaj entities, and certain specified personnel were responsible for:
  - weak governance,
  - poor controls relating to authorisation and controls over fund bank accounts;
  - key person control;
  - overall lack of transparency in financial information; and
  - adverse impact on fund investors through conflicts of interest and related party transactions.
- <https://www.sec.gov/litigation/litreleases/2019/lr24449.htm>

**10<sup>th</sup>  
2019**

**The DFSA released a press statement in respect of Abraaj and the general approach of the DFSA**

- The DFSA has issued a press statement on the 10th April 2019 in respect of Abraaj and the general approach of the DFSA citing that the DFSA took appropriate measures. Further comments made by the DFSA CEO, Bryan Stirewalt were that:
  - to address the complex regulatory challenges, the DFSA plans to ramp up supervision of foreign legal entities of Dubai companies and those that manage assets overseas.
  - If the fund manager is sitting in a jurisdiction where we can trust the regulator, we can work with that business model, but if a regulator does not match our expectations, we have to force a change in the business model of the firm in question
- Please refer to the link for more information –  
<https://www.thenational.ae/business/markets/dubai-regulator-took-appropriate-measures-against-abraaj-1.847133>