



## **Business Plan 2009 / 2010**





The Dubai Financial Services Authority (DFSA) is the independent regulator of financial and ancillary services conducted through 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.



# DFSA VISION AND REGULATORY APPROACH



## DFSA VISION AND REGULATORY APPROACH

### VISION

To be an internationally respected regulator and a role model for financial services regulation in the Middle East.

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### MISSION

To develop, administer and enforce world-class regulation of financial services within the DIFC.

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### REGULATORY APPROACH

To be risk-based and to avoid unnecessary regulatory burden.

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### VALUES

To expect high standards of ethical conduct and integrity from the DFSA and its people.

To demonstrate professionalism, independence, efficiency, leadership and resolve in the discharge of our responsibilities.

To ensure administrative fairness, consultative process, accessibility, impartiality and accountability in the performance of our functions.

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## **DFSA OBJECTIVES AND PRINCIPLES**



## DFSA OBJECTIVES AND PRINCIPLES

The DFSA has established, and strives to maintain, an environment that fosters the DIFC guiding principles of integrity, transparency and efficiency. It has done so by embedding high standards in a clear, succinct and flexible regulatory framework based on international best practices relevant to a modern international financial centre.

In discharging its regulatory mandate, the DFSA has a statutory obligation to pursue the following objectives:

- To foster and maintain fairness, transparency and efficiency in the financial services industry (namely, the financial services and related activities carried on) in the DIFC;
- To foster and maintain confidence in the financial services industry in the DIFC;
- To foster and maintain the financial stability of the financial services industry in the DIFC, including the reduction of systemic risk;
- To prevent, detect and restrain conduct that causes or may cause damage to the reputation of the DIFC or the financial services industry in the DIFC, through appropriate means, including the imposition of sanctions and monetary penalties;
- To protect direct and indirect users and prospective users of the financial services industry in the DIFC;
- To promote public understanding of the regulation of the financial services industry in the DIFC; and
- To pursue any other objectives as the Ruler may, from time-to-time, set under DIFC Law.

In exercising its powers and performing its functions, the DFSA shall take into consideration the following guiding principles:

- Pursuing the objectives of the DIFC as set out under Dubai Law in so far as it is appropriate and proper for the DFSA to do so;
- Fostering the development of the DIFC as an internationally respected financial centre;
- Co-operating with and providing assistance to regulatory authorities in the United Arab Emirates and other jurisdictions;
- Minimising the adverse effects of the activities of the DFSA on competition in the financial services industry;
- Using its resources in the most efficient way;
- Ensuring the cost of regulation is proportionate to its benefit;
- Exercising its powers and performing its functions in a transparent manner; and
- Complying with relevant generally accepted principles of good governance.



**STATEMENT BY CHIEF EXECUTIVE, PAUL KOSTER**



## STATEMENT BY CHIEF EXECUTIVE, PAUL KOSTER

This document constitutes an integrated Business Plan for the DFSA for the next two years from 2009 to 2010. This Business Plan is an expression of our commitment to the principles of transparency and accountability.

The DFSA has now been operational for over four years and is reaching a point of maturity as a regulator. In our 2007/2008 plan, we said that 2007 marked our move from being in 'set up' phase to becoming fully operational. This was indeed the case. In 2007 and 2008 we saw the emergence of supervisory and enforcement issues typically seen in a maturing market. Our authorisation and supervisory approach both for Authorised Firms and Authorised Market Institutions is now well established and we have had cause to use our enforcement powers. As such, the focus for the next two years will be on maintaining consistency in our approach to regulation, making continuous improvement to our regime and the way we do business, and responding to the new and emerging issues in the market place.

These are challenging times for regulators, investors and the financial services industry. At the time of developing this plan, the world was going through a period of financial turmoil which, in many ways, was unprecedented. In the period covered by this plan, three of the statutory objectives which frame the work of the DFSA will be particularly important: (i) to foster and maintain the financial stability of the financial services industry in the DIFC, including the reduction of systemic risk, (ii) to foster and maintain confidence in the financial services industry in the DIFC and (iii) to protect direct and indirect users and prospective users of the financial services industry in the DIFC. We will have due regard to these objectives in all aspects of our work.

Our day-to-day regulation will take up the majority of our resources and efforts over the next two years. In addition, our work on risk-based regulation, of which more detail follows, is a major initiative which is still at an early stage. This initiative will continue as the most significant strategic project for the DFSA over the next two years.

In defining our strategic themes for 2009/2010, we examined trends in the economic and regulatory environment both locally and internationally, as well as the strategic direction of the Dubai International Financial Centre Authority (DIFCA) to ensure we continue to provide an enabling regulatory regime for the Centre.

Much of this plan continues the work outlined in the 2007/2008 Business Plan. For example, in 2008 we commenced work on our corporate governance requirements for reporting entities, which will be implemented in 2009. We believe that the foundation for a world-class regulatory regime is now in place and we will continue to build upon it over the next two years, in a focused and proactive manner. (Please refer to both the 2007 and 2008 Annual Reports for details on how the actions outlined in the 2007/2008 Business Plan have been completed.)

In addition to Business-As-Usual activities, we identified three strategic themes as our focus for the next two years. The first of these is to enhance our standing as an

internationally respected regulator. The DFSA has made great strides in building a regulatory regime to international standards and has received very encouraging feedback from a number of external stakeholders. Over the next two years we will build on this and continue to play a role in international regulatory standard setting. In particular, we expect that international standard setting bodies will play an important role in responding to the international financial crisis. Contributing to the development of international standards and implementing them in the DIFC, together with a heightened focus on co-operation with other regulators, forms part of our response to recent events.

#### **IMF FSAP REPORT**

During 2008, the International Monetary Fund (IMF) published its Financial System Stability Assessment Programme (FSAP) on the United Arab Emirates. The review included financial activity and supervision in the DIFC.

The report commented positively on the DFSA: "the newly established DFSA is well staffed with experienced banking, insurance and securities market supervisors." In addition, there was clear satisfaction with DFSA's staff as well as the standard of regulation, as it relates to the implementation of the International Organisation of Securities Commissions (IOSCO) Objectives and Principles of Securities Regulation and Transparency of Securities Regulation. The report specifically commended the DFSA's commitment to international best practice, information sharing through Memoranda of Understanding (MoUs) and a commitment to act if laws and rules are violated.

The report added that the Centre has well defined regulatory and supervisory systems that are on par with other regional financial centres (such as Singapore and Hong Kong).

The second theme is about building capability in the DFSA. The DFSA already has a cadre of high calibre regulatory professionals who we will continue to support through the right skills training and regulatory tools. We remain committed to developing regulatory skills in the UAE through our Tomorrow's Regulatory Leaders (TRL) Programme.

As well as building the capability of our people, we will enhance our ability to monitor our business, both in terms of regulation and business management. This will incorporate improvements in our capture and use of management information.

We will also focus on our ability to address Firm specific issues by implementing a robust complaints management system.



### **TRL Programme**

The TRL training and development programme is the flagship programme of the DFSA for the development of Emirati graduates to become regulators. Our emphasis is on creating sustainable opportunities with the aim of producing world-class regulators to join our existing employee cadre.

Our first intake of Associates from 2006 joined the workforce in 2008, taking up Manager positions in our Authorisation, Supervision and Markets Divisions. We have added a further 6 Associates in 2008 to the 5 recruited to the programme in 2007 and will again have 2 scholarship students join us for a one month education programme during their university education.

The third theme is about further developing our risk-based approach to regulation, and embedding in the DFSA a sustainable culture of risk-based regulation. In the current economic environment, creating the right risk-based regulatory framework is critical to ensure the DIFC enhances its reputation as a financial centre, aligned to international standards. A strategic initiative regarding our risk-based regulatory approach commenced in the second half of 2008. We believe our work on capturing, understanding and responding to regulatory risks will pay dividends to the DFSA and the firms we supervise. This is particularly so during this period of financial turmoil. As the nature of business, and perhaps risk, changes over the next two years, our work on risk-based regulation will position us to respond in the way best suited to changing circumstances. We also believe our work in this area measures up well against other financial supervisors around the globe.

As the sole financial regulator in the DIFC, the DFSA needs to play a supportive role to the strategic direction of the DIFC. This plan therefore focuses on a number of areas of DIFCA emphasis, such as Islamic finance.

In committing itself to this two year Business Plan, the DFSA makes its intention clear – to continue to provide a robust but enabling regulatory environment in the DIFC and contribute to the ongoing success of the Centre.



# DFSA PLANNING ENVIRONMENT

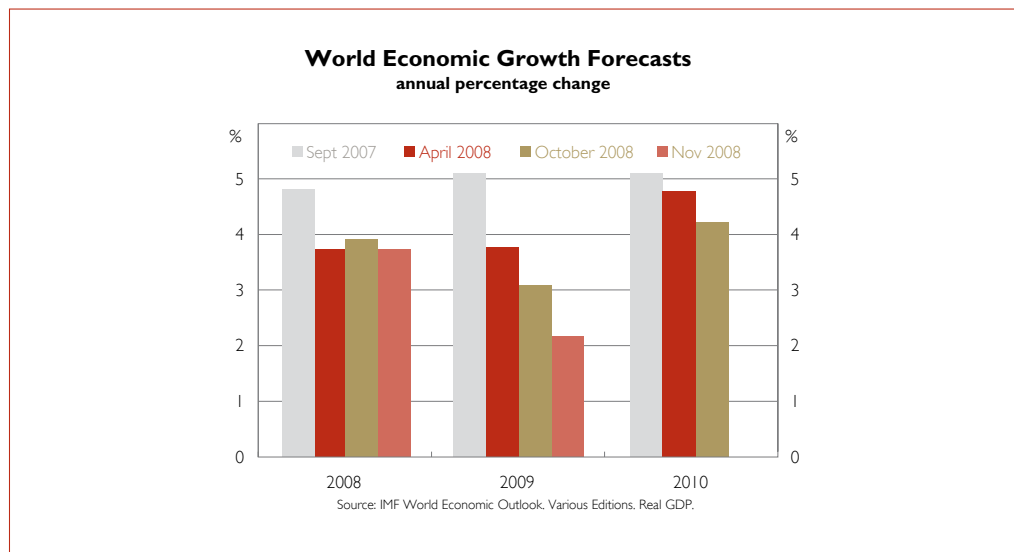


## DFSA PLANNING ENVIRONMENT

### Economic

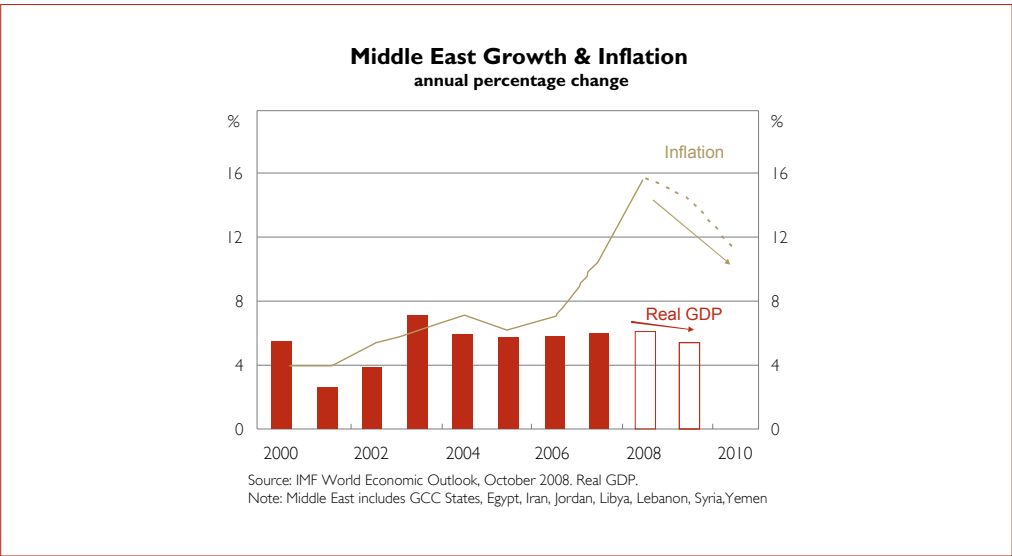
#### Global

World growth prospects were sharply downgraded during 2008 following the emergence of the US subprime mortgage crisis in mid-2007 and the subsequent global credit crunch. At the time of writing, the prevailing financial crisis was widely considered to be the worst since the Great Depression. An increasing number of economies, predominantly in the developed world, were entering recession, raising the prospect of a global recession. In particular, growth in advanced economies is forecast to contract 0.3% in 2009 while emerging economies' growth is expected to moderate to 5.1%. While much uncertainty remains over the economic outlook given volatile financial market conditions, the prospect of sub-par growth for the next few years is high as the deleveraging process continues.



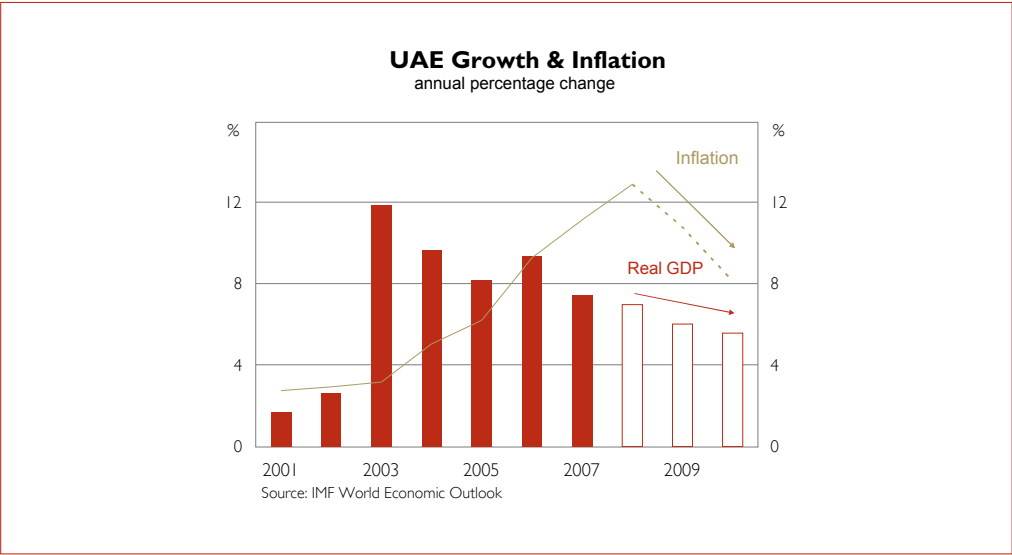
#### Regional

In contrast to the sharp downward revisions to global forecasts, expectations for economic growth in the Middle East have only been moderately downgraded. In late 2008 the IMF reduced its 2009 growth forecast by just over half a percent to 5.3% – a much stronger growth outcome than is expected for the global economy. Within the region, economic strength is expected to be concentrated in oil-exporting economies. In the October World Economic Outlook, the IMF considers risks to the growth outlook to be broadly balanced, noting that external risks in particular are biased to the downside. Inflation pressures remain a concern in the region. Consumer prices have been driven to elevated levels by a combination of domestic supply bottlenecks, elevated food and energy prices and US dollar weakness. The IMF expects inflation to have peaked in 2008, though to remain at relatively high levels in the following years.



**UAE**

The UAE economy has achieved impressive growth rates in recent years, aided by elevated oil prices, heavy infrastructure development and economic diversification policies. According to the IMF, economic growth is set to ease from high levels to a more sustainable rate of around 5.6% over the forecast horizon. This marks a relatively modest downgrade to earlier growth forecasts. Similar to the region, inflation remains a concern, though it is expected to moderate to around 8% by 2010. In particular, the completion of housing units is expected to ease inflationary pressures.



## **Regulatory**

Financial services regulators are facing a challenging time given the continuing fallout from the US sub-prime crisis and consequences of the credit market disruptions. Governments and standard setting bodies are likely to initiate new regulatory requirements in response to these events. The DFSA will continue to apply international standards in the DIFC, though we will seek to ensure any new obligations on firms are proportionate to the risks and problems addressed.

Over the past few years industry has increasingly called for harmonisation of standards across jurisdictions and sectors, consistent with the increasingly global nature of financial services, industry consolidation and product convergence. The response to the financial crisis as well as the pursuit of more consistent regulatory standards will increase the prominence of international standard setting bodies, such as the Joint Forum, IOSCO, International Association of Insurance Supervisors (IAIS), Islamic Financial Services Board (IFSB) and Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI).

### **Islamic Finance**

Given the rapid growth of Islamic finance in the region and increased interest from developed financial markets, much international focus will be placed on the development of relevant legal and regulatory frameworks across Islamic finance products. In the coming period, we can expect the regulatory community to be working on tailored regulatory and supervisory frameworks for Islamic finance, to develop Shari'a standards with cross-jurisdictional consistency and to reconcile conventional and Islamic finance standards. The DFSA stands ready to assist in these developments and we will continue to provide an attractive and balanced regime for Islamic finance products and providers.

### **Hedge Fund Regulation**

Regulation of hedge funds continues to be the subject of considerable international debate. The nature of these funds poses particular risks to financial markets. In the past year, a number of hedge funds have collapsed, while others have suffered significant losses. Though hedge fund activity is currently limited in the region, the hedge fund industry remains an area of focus for DIFCA. The DFSA launched a voluntary Code of Practice effective from 1 January 2008 in a proactive initiative to guide the behaviours of hedge fund operators. This Code builds on the existing obligations of all collective investment fund operators in the DIFC.

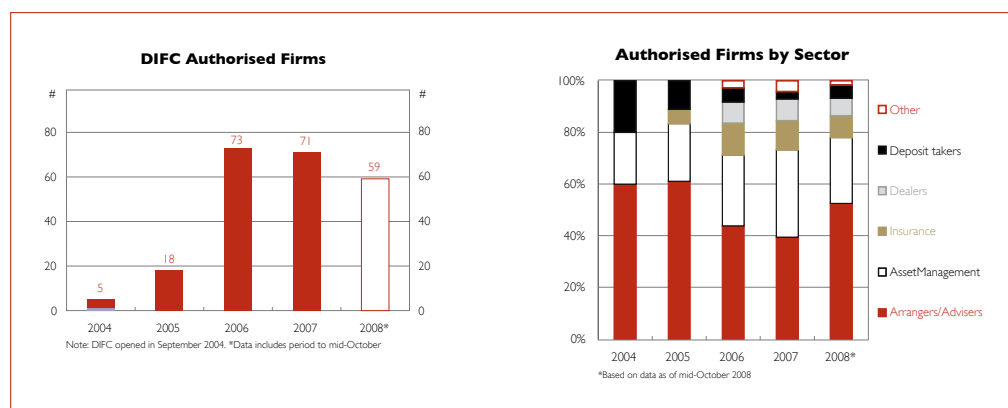
### **Customer Suitability and the Role of Advice**

As governments attempt to reduce reliance on public pensions, people are encouraged to make their own investment arrangements and so become more reliant on investment advice. Recent work undertaken by the Joint Forum, illustrates the importance of cohesive disclosure and customer suitability requirements across sales of investment, banking and insurance products. This work, as well as European Union (EU) directives, indicates a likely increase in and harmonisation of requirements placed on advisors.

In 2008, the DFSA allowed Firms to deal with retail clients in respect of a number of financial services. Our requirements for dealing with retail clients and recent examples of mis-selling around the world, emphasise the importance of products being suitable for such clients.

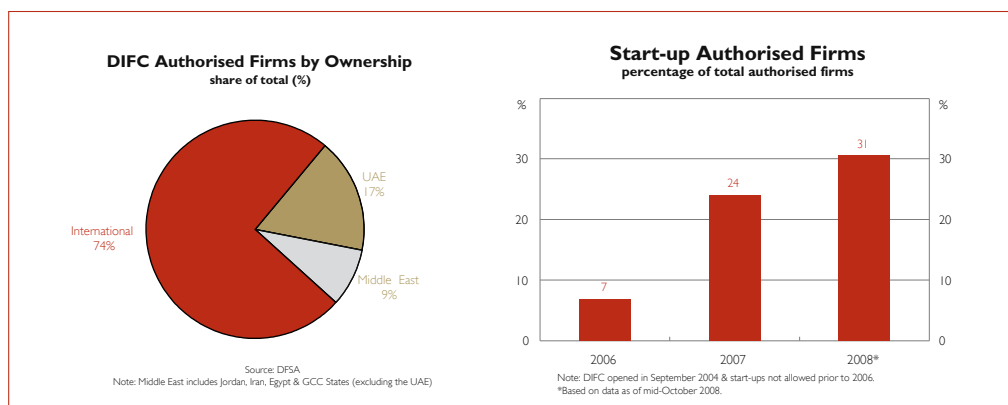
## DIFC

The DIFC currently hosts 244 Authorised Firms, with the vast majority of Firms authorised after 2005. The number of Firms authorised in recent years has been steady at just over 70 a year, and rose modestly in 2008. The relative attractiveness of the DIFC appears to have improved since the US sub-prime crisis emerged in June 2007. This is likely driven by a combination of the growing reputation of the Centre in addition to the high liquidity observed in the UAE and region. Asset management, arranging and advising are the most common financial sectors for Authorised Firms. While the immediate outlook for new Authorised Firms joining the DIFC remains strong, uncertainty prevails over the medium-term given the current financial crisis.



Reflective of the international nature of the DIFC, Authorised Firms with ownership outside of the UAE dominate the Centre. As of mid-October 2008, the DIFC hosted 38 UAE Firms, 20 regional Firms and 168 international Firms. Following an initial prohibition on start-up firms in the Centre, the proportion of start-up Firms licensed each year has increased substantially since 2006 to reach 31% of all Firms licensed in the first ten months of 2008.





### DIFC Perception

The DIFC is building its reputation as the leading financial hub in the region. Dubai is ranked 23<sup>rd</sup> in the world and is leading other Gulf financial centres by a significant margin according to the Global Financial Centre Index rankings.<sup>1</sup> According to the same report, there also appears to be an expectation that Dubai will entrench its role as the leading financial centre. Dubai is most frequently identified as being the most likely financial centre to 'become more significant' and the most likely location where firms may 'open new offices' in the next few years.<sup>2</sup>

### Global Financial Centre Index Rankings

	September 2008	March 2008	September 2007	March 2007
Dubai	23	24	22	25
Bahrain	43	39	44	-
Qatar	45	47	47	-

Source: City of London Corporation. Note: 59 financial centres are ranked.

Dubai and Qatari financial centres are reported as having benefitted from the high oil price and "massive" government investment in the creation of financial hubs.<sup>3</sup> However, looking further ahead, the survey findings suggest that "broad improvement in all five competitive aspects, in particular financial infrastructure" is required to improve upon current rankings.<sup>4</sup>

(1) The index considers five aspects of competitiveness; people, business environment (including regulation), market access, infrastructure and general competitiveness (which includes a lifestyle component).

(2) The Global Financial Centres Index 3 & 4, Yen/City of London Corporation, March 2008.

(3) The Global Financial Centres Index 3, Yen/City of London Corporation, March 2008.

(4) *ibid.*



**DFSA STRATEGIC THEMES FOR 2009/2010**



## DFSA STRATEGIC THEMES FOR 2009/2010

The DFSA has identified three strategic themes to drive our work over the course of the next two years. Each of these themes is divided into particular areas of focus. Although the DFSA has detailed action plans for each strategic theme and its focus areas, for the purposes of this document, we refer only to some of the more significant actions. These actions are also aligned to the DFSA's view on what the key areas of risk within the environment will be over the next year.

### **First Strategic Theme: Enhance our standing as an internationally respected regulator**

As identified in the 2007/2008 Business Plan, the DFSA's vision is to be an internationally respected regulator and a role model for financial services regulation in the Middle East.

In support of this, one of the key themes in our 2007/2008 Plan was 'Compliance with International Best Practice'. We believe we have gained strong recognition as a financial services regulator – both in the region and in the wider international regulatory and market community.

Critical to this has been our application of the principles established by the international standard-setting bodies. DIFC legislation and DFSA Rules have been aligned to these standards. Our application of these standards has been attested to in the IMF Financial Sector Assessment Programme. Over the period covered by this Plan, we will build on the work already done.

This reputation has a tangible benefit for the DIFC: in the Chant Link Stakeholder Survey one of the key findings was that Authorised Firms are attracted to the DIFC because of the robust regulatory environment and the standing and reputation of the DFSA.

#### ***1. We will continue to meet and contribute to international standards***

The DFSA issued a Consultation Paper in the second half of 2008 proposing to apply Pillars II and III of the 2<sup>nd</sup> Basel Accord (known as Basel II) within the DIFC. Standard-setting bodies play an important role in developing regulation, as they drive common principles across jurisdictions. Given recent events and the work underway by the Basel Committee and other standard-setting bodies we are holding off applying Basel II.

To date, the DFSA has been extensively involved in the work of the various international standard-setting bodies such as IOSCO, IAIS, IFSB and AAOIFI. We will seek to continue to participate in the work of these and other bodies, particularly in the area of Islamic finance, but also in other respects to benefit the DIFC and the regime in which our regulated firms operate.

#### DFSA Action Plan:

1. Monitor developments in international standard-setting bodies, particularly regarding capital and risk management.
2. Participate in and continue to contribute to key international committees such as IOSCO working groups, IAIS, IFSB and AAOIFI.
3. Become a member of the International Forum of Independent Audit Regulators (IFIAR).
4. Work in partnership with the Central Bank of the UAE and the MENA Financial Action Task Force (FATF) to form a joint working party on Anti-Money Laundering and Counter Terrorist Financing.

#### **2. We will provide regulatory thought leadership especially in the area of Islamic finance**

During the past two years, the DFSA has established itself as a respected financial services regulator in the region. Over the next two years, we will continue to build on this reputation. We have also developed a reputation in our region and beyond for regulatory commentary and leadership.

Islamic finance is taking on an increasing role on the world financial stage. As DIFCA wishes to increase the development of Islamic finance in the Centre, we will use our participation in international standard-setting bodies, to continue to influence the direction of regulation as regards to Islamic finance. The DFSA has put in place a world-class Islamic finance regime. Over the next two years, we will focus on refining this aspect of our regime.

#### DFSA Action Plan:

1. Continue our participation with relevant international standard-setters such as AAOIFI and IFSB.
2. Advance bilateral MoUs, as well as effective working relationships and protocols with relevant regulators specifically as related to Islamic finance.
3. Co-ordinated participation in key regional and international Islamic finance events.

#### **3. We will continue to foster stakeholder relationships**

The DFSA places a high value on engagement with market stakeholders as well as other regulatory and enforcement agencies. Over the past two years, the DFSA has cemented relationships with agencies such as the Central Bank of the UAE, Emirates Securities and Commodities Authority (ESCA), Dubai Police and other UAE and

regional authorities. We have also engaged in consultations and dialogue with our Authorised Firms, Authorised Market Institutions and Ancillary Service Providers. The Chant Link Stakeholder Survey emphasised the strength of the DFSA in developing such relationships. Over the next two years, the DFSA will continue to develop relationships with key stakeholders in the region and internationally.

**DFSA Action Plan:**

1. Continue stakeholder engagement with key external stakeholders within the UAE such as the Central Bank and ESCA.
2. Continue to use regular Outreach sessions (eg for compliance officers in the Centre) to promote awareness within the regulated community in the DIFC of regulatory requirements and DFSA initiatives and to conduct an exchange of views.

**Second Strategic Theme: Building capability**

***1. We will have the right people doing the right jobs***

A key reason for the high level of satisfaction with the DFSA is stakeholders' perceptions of the high quality of the DFSA's employees. The region has a shortage of experienced compliance resources and regulatory staff, which will place pressure on the DFSA to retain our good people. Further, as the credit crisis has unfolded, there has been a growing focus on the need for regulators to be appropriately skilled, staffed and funded. The DFSA already has an employee retention strategy and succession planning in place and this will continue to be a focus over the next two years.

The DFSA remains committed to developing regulatory skills amongst Emiratis through its TRL Programme. Now in its third intake, the two year programme has already been completed by a number of Emiratis who now work as Managers in the DFSA.

**DFSA Action Plan:**

1. Maintain high focus on the TRL Programme to ensure the continued quality of the programme and retention of the TRL candidates.
2. Continue to offer a competitive employee proposition to ensure the high quality of DFSA staff is maintained.

***2. We equip our people with the right skills and tools***

Our focus on the recruitment of experienced international regulators at all levels of our organisation continues. To supplement these skills, during the past year, the DFSA introduced a targeted learning and development programme for all DFSA employees. This programme is focussed on building on the skill sets of employees and continuing professional development. Over the next two years, this programme will continue to roll out key development initiatives and learning opportunities across the DFSA.

As well as having the right skills, high quality employees require high quality tools to perform their roles effectively. Providing appropriate management information and ensuring our systems are world-class, remain a key focus for the DFSA.

**DFSA Action Plan:**

1. Deliver employee development initiatives as part of the learning and development programme. Taking our strategic themes into account, develop and deliver targeted programmes such as advanced Islamic finance education.
2. Design and implement a new DFSA Management Information System.
3. Continue programme of engagement with employees through internal communication channels.

**Third Strategic Theme: Further develop our approach to risk-based regulation and embed a risk-based regulation culture**

***1. Embed a single risk framework and risk-based regulation approach***

The DFSA's stated regulatory approach is to be risk-based and to avoid unnecessary regulatory burden. In the current economic environment, creating the right risk-based regulatory framework is critical to ensure that the DFSA remains a world-class regulator, aligned to international standards.

In 2008 we launched a project on risk-based regulation, an initiative to enhance our ability to capture, understand and respond to risks and ensure that approach is applied consistently across our Rulebook and in our processes. The risk-based regulation project will roll out over the next two years and will touch most aspects of the DFSA – our Rules, our processes, our systems and the development of our people.

By virtue of this project, firms should see Rules that are reflective of risk, forms that ask only for appropriate information, and regulatory attention paid to areas of activity that provide greatest risk. Some outcomes of this project will be de-regulatory; others will heighten attention to activities with higher risk.

The core of the DFSA's regulation is our statutory objectives, with our regulatory policy expressed in our Rulebook. Therefore, the DFSA will review our Rules and laws to reflect our risk tolerance, without placing an excessive compliance burden on the industry.

Our regulatory processes are the means by which we apply our objectives. The risk-based regulation project will ensure these processes are aligned to our overall risk framework.



#### DFSA Action Plan:

1. Review each Module of the DFSA Rulebook to ensure alignment with risk tolerance and to consider new developments in international standards and best regulatory practice.
2. Implement new specifications for our risk-based regulation framework, including DFSA-wide risk matrix and Regulatory Information System.
3. Implement appropriate dispute resolution scheme for retail investors.

#### **2. We will support a culture of risk-based regulation**

The work under the risk-based regulation project will also focus on embedding a sustainable culture of risk-based regulation. It includes not only handling this in a sustainable way with our employees but also effectively communicating DFSA expectations and information to our Firms and stakeholders.

#### DFSA Action Plan:

1. Continue to support DFSA Outreach activities to Firms, lawyers, accountants, auditors and compliance advisors.
2. Continue to develop a compliance culture in Firms through our supervisory approach.

#### **Business-As-Usual**

Aside from the three strategic themes, the DFSA will undertake a number of key projects in our Business-As-Usual (BAU) work. As stated in the introduction to this document, the day-to-day business of being a regulator will continue to occupy most of our time and resources.

Many of our projects and initiatives result from our review of risks, identified in our regular Risk Management Workshop. This process, together with our other means of gathering information, allows us to form a view about internal risks faced by the DFSA (regarding our systems, processes and people) and risks posed to our statutory objectives – generally external risks.

Other BAU initiatives relate to ongoing process improvement, strategic and business continuity planning, supervisory and authorisation activities and implementing the systems that support those activities.

Some of the more significant initiatives and projects, listed by DFSA division, are:

### **Authorisation Division**

- Implement the results of the review of Authorisation forms.
- Lead DFSA review of “financial services activities” Rulebook requirements.

### **Supervision Division**

- Consider further ‘passporting’ arrangements for funds from relevant jurisdictions.
- Conduct themed reviews of relevant Firms such as the following:
  - Pricing and fund valuation
  - Anti-Money Laundering and Counter Terrorist Financing
  - Handling of Client Money
  - Islamic finance
  - Managing the underwriting cycle (insurance)
  - Implementation of retail protections by firms dealing with retail clients
  - Suitability of advice

### **Markets Division**

- Enhanced liaison with relevant markets supervisors in other jurisdictions.
- Draft a Code of Conduct for Authorised Market Institutions in the DIFC.
- Review of our Rules in respect of Alternative Trading Systems.
- Implementing corporate governance requirements for reporting entities (carried over from 2008).

### **Policy and Legal Division**

- Manage the rolling review of the DFSA Rulebook.
- Monitor agendas of standard-setters as well as international regulatory developments and benchmark relevant DFSA Rules.
- Lead review of Collective Investments Module of DFSA Rulebook.

### **Enforcement Division**

- Prevent, detect and restrain conduct that causes or may cause damage to the reputation of the DIFC using a risk-based approach to regulation.
- Review of the framework for enforcement decision making, investigation planning and remedy selection based upon a risk-based approach to regulation.
- Implement and administer the DFSA’s enhanced electronic complaints management systems.

### ***Office of General Counsel***

- Participate in and contribute to the work of international standard-setting bodies.
- Advance further bilateral MoUs and manage effective working relationships with international regulators.
- Co-ordinate exchanges of information with international regulators.

### ***Communications and Strategic Planning***

- Manage local and international media relationships.
- Produce and disseminate relevant economic data and analysis.

### ***Human Resources***

- Develop and deliver an Islamic finance training programme.
- Drive ongoing implementation of employee retention strategy and succession planning.

### ***Operations***

- Design and develop crisis management protocols and liaise with relevant agencies.
- Support IT initiatives coming out of risk-based regulation and other projects including identification, development and support of relevant systems.
- Continued support of DFSA operations through IT, finance and risk management.



## **PROGRESS AGAINST BUSINESS PLAN**



## PROGRESS AGAINST BUSINESS PLAN

Each year, the DFSA publishes an Annual Report, which highlights the DFSA's activities and achievements over the past year. The Annual Report is, in essence, a progress report against the Business Plan.

In addition to the Annual Report, The DFSA in Action is a twice yearly publication that reports on the activities and achievements of the DFSA.

On an ongoing basis, the DFSA publishes updates and media releases on its website. A copy of all DFSA publications is available at **[www.dfsa.ae](http://www.dfsa.ae)**





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