

DFSA BOARD OF DIRECTORS

Summary of Outcomes

10 February 2016

The DFSA Board of Directors (Board) met in Dubai on 10 February.

Overview of the Chairman

The Chairman gave an overview of policy and strategy matters, including international engagements. Amongst other things, he mentioned that the number of firms authorised by the DFSA continues to grow and currently stands at 414 firms.

The Chairman mentioned a recent visit to the Asia Financial Forum in Hong Kong in January. He advised that there were several discussions on neighbouring countries and FinTech during the Forum. The Chairman is planning to visit Hong Kong and the US during the course of the year.

The Chairman extended his appreciation and thanks to the Chief Executive and the Executive for a successful annual stakeholder event held on 9 February. He commented that it had been a good initiative and a good chance to interact with Centre Firms and other stakeholders, as well as Centre bodies, notably DIFCA.

The Chairman noted that he hopes one new Board member may join this year following Robert Clarke's retirement. The Chairman also noted that the Nationals and TRL Working Group would be chaired by Abdul Wahid Al Ulama going forward, with J Andrew Spindler continuing as a member of the Working Group. The Chairman thanked J Andrew Spindler for his very valuable contribution as Chairman of the Working Group to date.

The Chairman confirmed that Board costs closed on budget for the year (2015).

The Chairman also advised that the new DFSA App had been launched and encouraged Board Members to download it.

Chief Executive's Report

The Chief Executive reported on key policy matters as well as general regulatory and internal DFSA matters. Amongst other things, he mentioned that he had visited the CMA in Saudi Arabia in February 2016 together with the Director of Operations & Corporate Affairs and the Director of International Relations. He noted that the CMA considers the DFSA as a leading regulator in the GCC and wishes to work and co-operate with them.

The Chief Executive noted that economic conditions continue to be volatile and that the DFSA are assessing and monitoring the impact on firms within the DIFC. He mentioned that the effect of the macroeconomic environment is not so great in the DIFC.

The Chief Executive mentioned a pending licence application, a new listing, and an enforcement matter.

The Chief Executive discussed FinTech. He advised that the DFSA had recently approved a crowdfunding platform representative office and others are requesting to be regulated. The DFSA intended to produce some draft rules for regulating crowdfunding for consideration at the June Legislative Committee meeting.

He also noted that there has been an increased interest in start-up banks coming to the DIFC. He mentioned that the Executive will consider the opportunities and risks to come to an overall position and then this would be considered by the Board.

The Director of International Relations provided an update on the Single Supervisory Mechanism and what this means for the DFSA in relation to its continued co-operation under the current MOUs in place.

It was noted that the Sharjah Sukuk (2) was recently approved for issuing on NASDAQ Dubai.

The Head of Supervision provided an update on the lifting of the Iran sanctions with a focus on what this means for the UAE, Dubai and the DIFC.

The Chief Executive reported that the Legislative Committee had received a presentation on jurisdiction issues and that the matter would be discussed at the Board Strategy Day in April.

Strategic Fees Review

The Chairman of the Legislation Committee provided an update on the strategic fees review and it was noted that the issues will be discussed in April 2016 at the Board Strategy Day.

DIFC Strategy

Mr Arif Amiri, CEO of DIFCA, presented a high level overview of DIFCA's strategy for growth for 2014 – 2024 and the achievements made so far during 2015. A question and answer session followed.

Audit and Related Matters

The Chairman of the Audit Committee presented the draft audited Financial Statements and advised that the Auditors had provided an unqualified audit opinion.

The Board approved the 2015 Audited Accounts as recommended by the Audit Committee. The

Board also approved the 2015 staff bonus proposals and the 2016 staff remuneration review.

Committee Activity

It was reported that the Legislative Committee had received a number of presentations on matters including supervisory risks, crowdfunding and jurisdiction. The Committee approved a Consultation Paper on proposals to conduct more of the DFSA's regulatory business online. The Committee also presented amendments to a variety of its Rules, which the Board approved.

The Audit Committee considered the draft audited Financial Statements and approved an internal audit plan for 2016.

The Remuneration Committee considered the 2015 staff bonus proposals and 2016 staff remuneration review. The Committee also considered a review which was underway to evaluate roles within the organisation. An update of this review will be provided to the Committee at the June 2016 meeting.

The Risk Committee approved some amendments to the Risk Inventory and Board Top Risks in preparation for discussion at the Board Strategy Day in April 2016 and discussed cyber-risk. The Committee also approved a proposed annual risk cycle calendar.

There was no meeting of the Governance and Nominations Committee. After electronic circulation and approval, the Committee recommended amendments to the Code of Values and Ethics for Board approval. The proposals were approved by the Board.

There was no meeting of the Nationals and TRL Working Group. It was reported that the Working Group had discussed the value of international secondments.

The next meeting of the Board will be in Dubai on 20 April 2016.