

Executive Summary: Authorised Firms' Perceptions of the Dubai Financial Services Authority



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1. Background

This document represents a report on interviews and an online survey conducted with 61 Authorised Firms in the DIFC during November 2013 regarding attitudes toward the DFSA.

2. Research Objectives

The research aimed to provide the DFSA with insights as to Authorised Firms' attitudes toward the DFSA, identify the drivers of these attitudes and determine how these attitudes and drivers have changed since 2011 when the last survey was conducted.

3. Sample

Information was collected from 61 Authorised Firms. Depth interviews were conducted with 19 Authorised Firms and an online survey was conducted with a further 42 Authorised Firms.

In the case of the depth interviewed firms both qualitative and quantitative information was collected. However in the case of the online survey participants all the information was of a quantitative nature.

Given the total population of Authorised Firms in the DFSA (318) this sample size provides a good representation of the population of Authorised Firms.

Firms who participated were assured that the information collected would be treated in confidence.

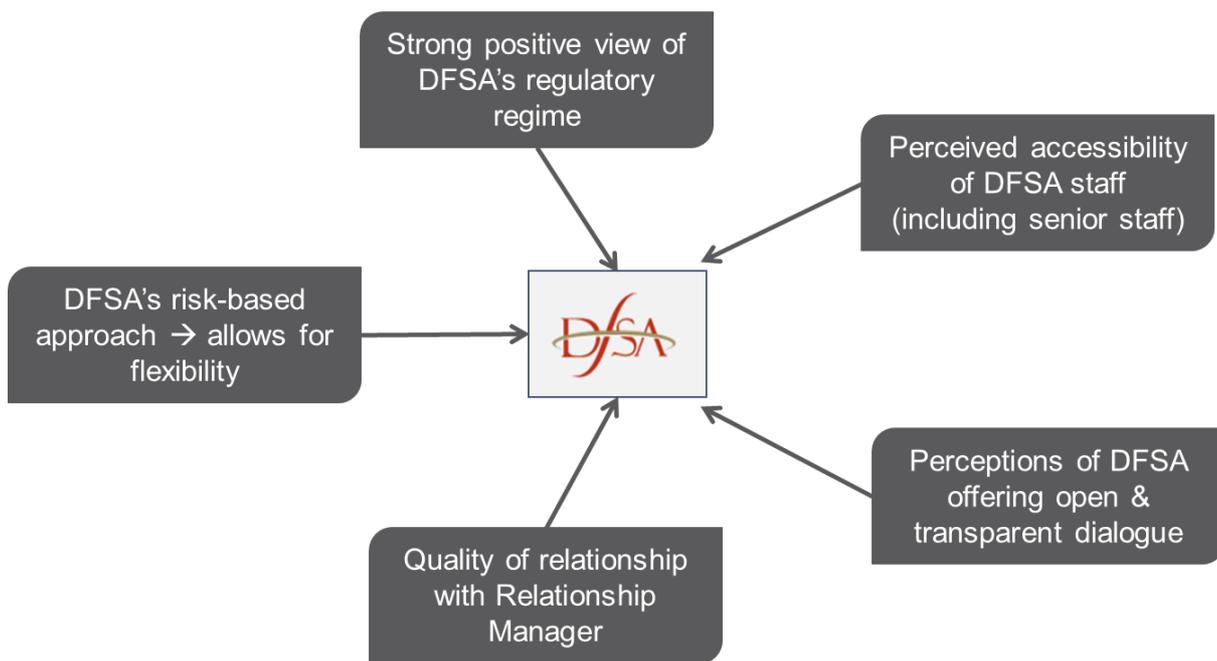
The Managing Director of Chant Link & Associates conducted all the interviews. This individual has extensive experience conducting research of this nature with regulators in a range of geographic environments including Australia and Asia.

The following provides a description of the key qualitative and quantitative outputs from the research.

4. Key Outcomes

1. Strong positive opinion of the DFSA: The DFSA continues to be very highly regarded by Authorised Firms. Based on the qualitative outcomes the DFSA is perceived to not only be performing very well as a regulator, but compares very favourably with other regulators.

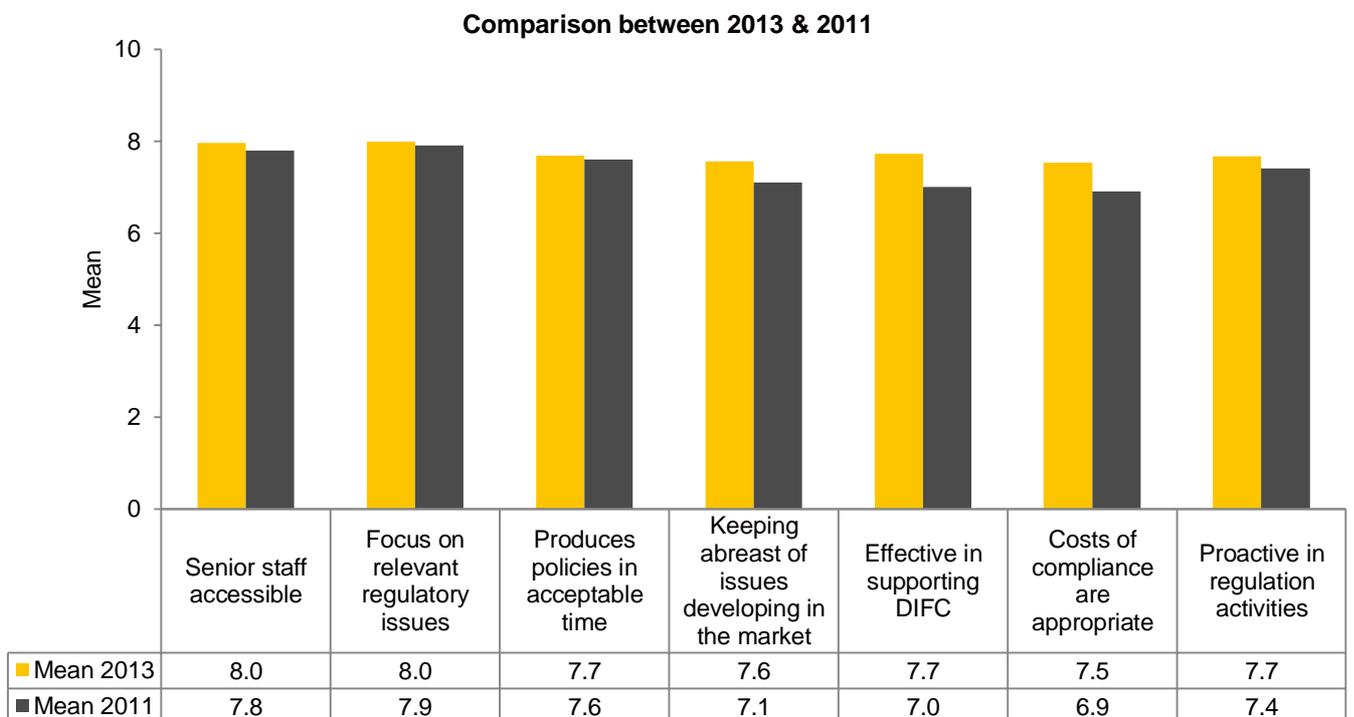
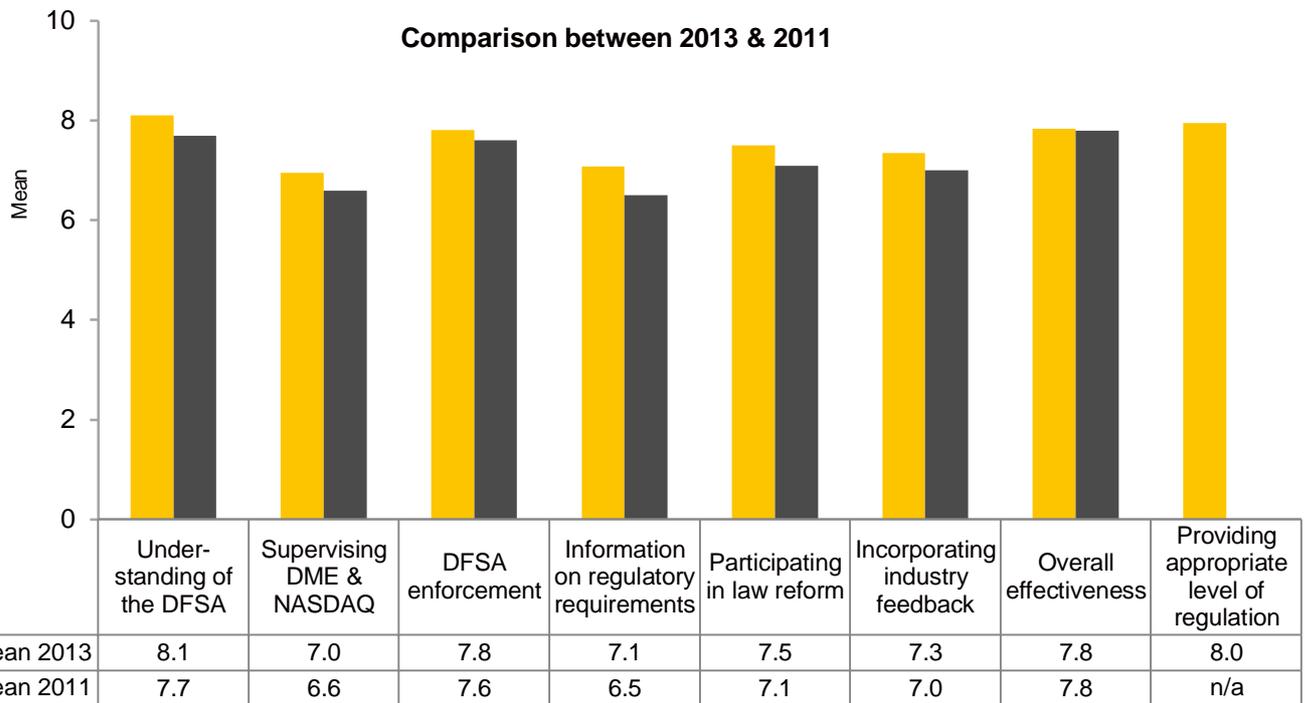
Key drivers of attitudes towards the DFSA were as follows:

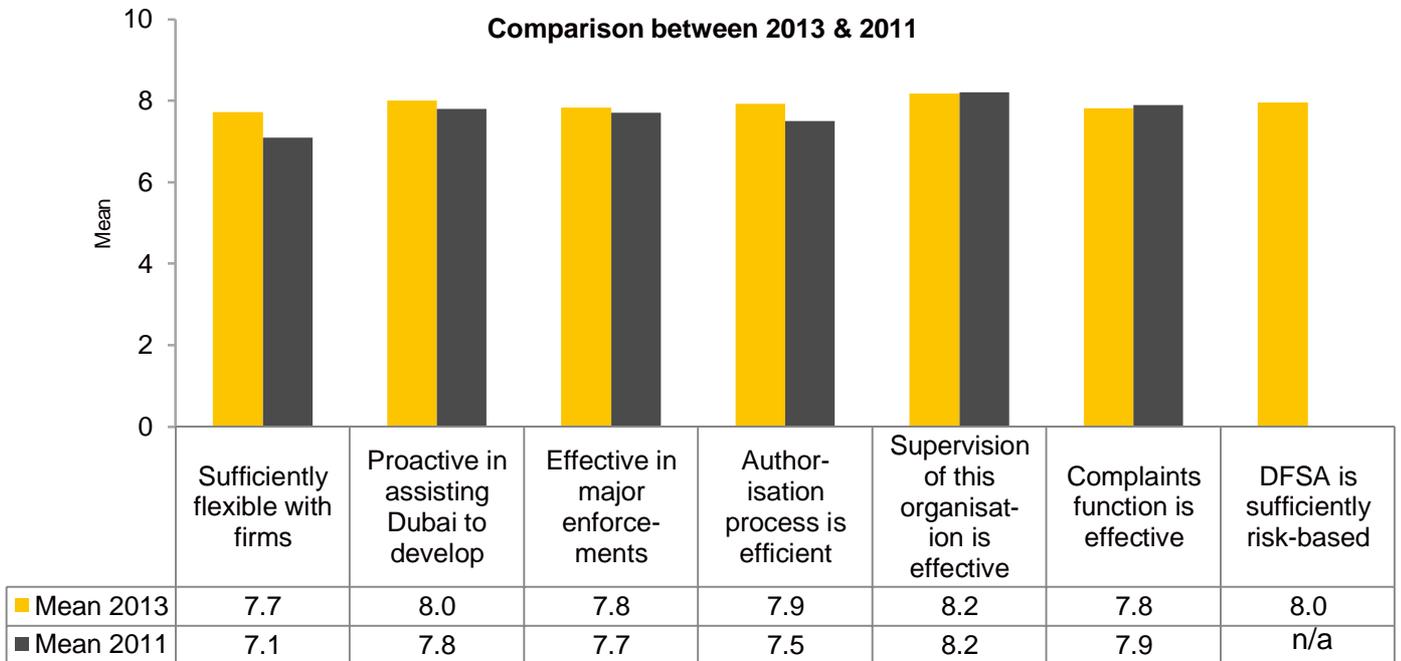
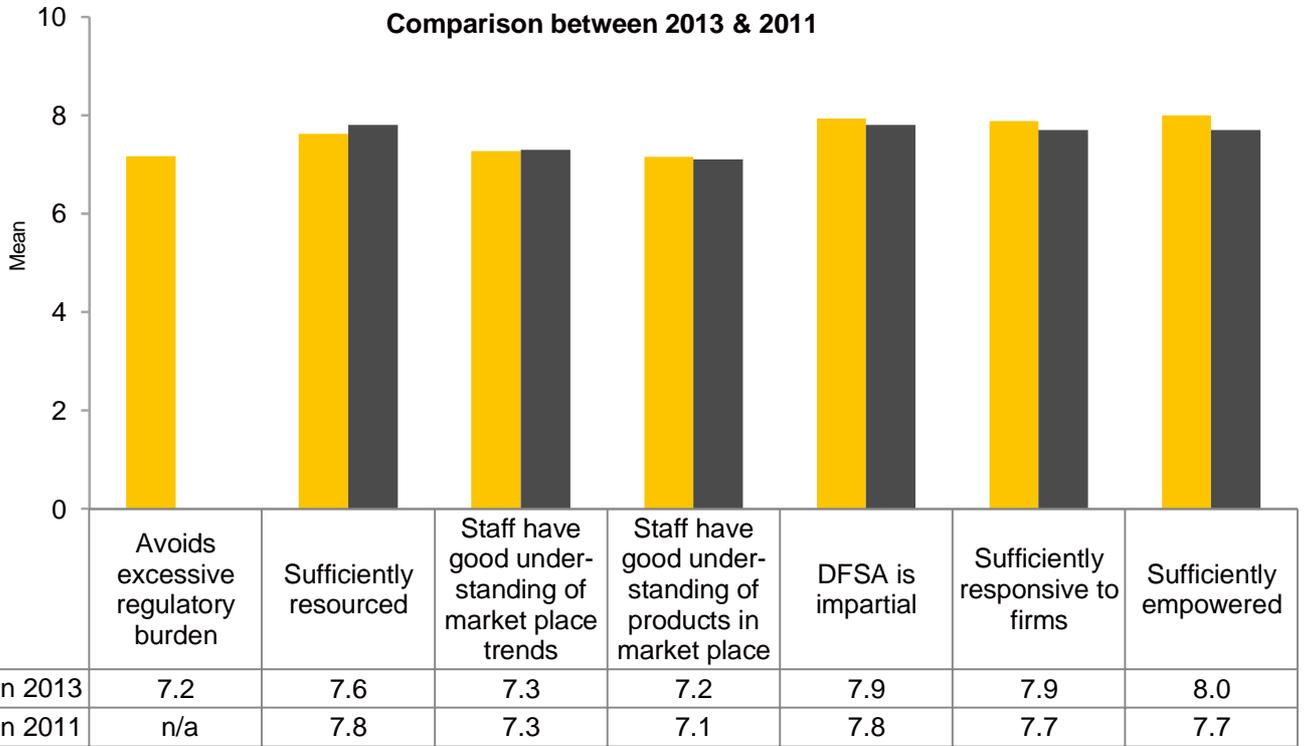


2. Positive view of the DFSA also supported by quantitative outcomes: The strong positive outcomes from the depth interviews were also supported by the results from the online questionnaire. The DFSA continues to perform at the high levels shown in both 2008 and 2011. It is noted that none of the differences between the 2011 and 2013 survey results were statistically significantly different.

The main quantitative outputs are shown on the following pages including a comparison between the results from 2011 and 2013.

It will be noted that all the results show Authorised Firms scoring DFSA over seven out of ten apart from one measure ('Supervision of DME and NASDAQ Dubai'). However in this latter case the 'low' score is due to many providing a score of 5 out of 10, meaning they were unsure of DFSA's performance on this issue. It will be noted that DFSA receives a score of 7.8 on its overall effectiveness.





3. Change to the DFSA is not required by Authorised Firms: As was the case in 2011, while a number of suggestions were made by Authorised Firms regarding the DFSA, in the main, Authorised Firms did not require significant change from the DFSA.

4. Impact of Relationship Managers: While most perceived their Relationship Manager positively and the quantitative outcomes associated with Relationship Managers were favourable, a number were critical of some issues associated with DFSA's Relationship Managers. These concerns included:

- ▶ Some were concerned about the potential impact of the new pooled approach to accessing Relationship Managers for lower risk firms.
- ▶ There was a view that while most Relationship Managers performed well, there was opportunity for the DFSA to improve on the change-over process of Relationship Manager and the consistency of decision making and expertise amongst Relationship Managers.

5. Compliance costs are acceptable: By far the majority believed that compliance costs were satisfactory. There was a general view that costs of compliance were not onerous or different to other jurisdictions. Indeed many argued that the cost of compliance was simply an aspect of doing business in a jurisdiction that delivered high quality levels of regulation.

6. Continued concern regarding three regulators. Authorised Firms would like to see greater alignment between the three regulators in the UAE. There was a view that this was an issue that needed to be addressed at senior political levels within the UAE.

7. Continue to give priority to stakeholder communications: While many commented that the DFSA's current communications were of high quality (many spoke positively about Outreach sessions), some argued that the DFSA needed to increase its level of communications with Authorised Firms.



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