



## **Frequently Asked Questions**

These frequently asked questions (FAQs) have been prepared to assist Authorised Firms and Designated Non–Financial Businesses or Professions (DNFBPs). In preparing the FAQs, the DFSA has drawn upon actual topics of discussion and questions that have been raised with the DFSA. They do not constitute legal advice and should not be acted upon as such. If there is any inconsistency between any statement in this document and the relevant Rules or associated Guidance, the Rules and Guidance prevail.

Firms should, where they consider necessary, obtain their own legal advice in relation to their specific situations.

This document does not cover each and every aspect of the DFSA Rulebooks. It selectively addresses issues where we feel clarification may be helpful.

This document is a living document – as we become aware of new or changing issues, we will amend the document as appropriate.

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## FREQUENTLY ASKED QUESTIONS

### Introduction

These frequently asked questions (FAQs) have been prepared to assist Authorised Firms and Designated Non–Financial Businesses or Professions (DNFBPs). In preparing the FAQs, the DFSA has drawn upon actual topics of discussion and questions that have been raised with the DFSA. These FAQ's are designed to provide general assistance only and should be read in conjunction with the DFSA Rulebook and other relevant legislation in force as published on the DFSA's website.

These FAQs will be reviewed and updated periodically and we encourage Authorised Firms and DNFBPs to re-visit this document regularly.

Should you have a query that is not covered in these FAQ please contact your allocated supervisor, if you do not have an allocated supervisor please contact the DFSA through the Supervised Firm Contact Form.

### Defined Terms

Defined terms are identified in these frequently asked questions by the capitalisation of the initial letter of a word or of each word in a phrase and are defined in the Glossary (GLO) Module and Anti-Money Laundering, Counter-Terrorist Financing and Sanctions Module (AML) Module of the DFSA Rulebook. Unless the context otherwise requires, where capitalisation of the initial letter is not used, an expression has its natural meaning.

### General

#### 1) Where can I find the legislation administered by the DFSA?

The [legislation](#) administered by the DFSA is available on the DFSA website.

The DFSA is responsible for administering the following DIFC Laws and they apply only in the DIFC:

Regulatory Law 2004

Markets Law 2012

Collective Investments Law 2010

Law Regulating Islamic Financial Business 2004

Trust Law 2005

Investment Trust Law 2006

#### 2) What is the DFSA Rulebook?

The Laws administered by the DFSA provide the power to make Rules to facilitate the administration of, or further the purpose of, any Law administered by the DFSA. The DFSA Rulebook contains the Rules that have been made under the Regulatory Law 2004 by the Board of Directors of the DFSA.

The Rulebook is made up of topic-area Modules which specify their scope and the audience to whom they apply. The [DFSA Rulebook Module](#) is available on the DFSA website.

#### 3) What is the DFSA Sourcebook?

The [DFSA Sourcebook](#) consists of the following four modules.

- [Application Forms and Notices Module \(AFN\)](#) – copies of the various prescribed forms for submission to the DFSA;
- [Code of Market Conduct \(CMC\)](#) - provides guidance on the Market Abuse provisions in Part 6 of the Markets Law.
- [Prudential Returns Module \(PRU\)](#) – copies of prudential regulatory returns and instructional guidelines for those forms; and
- [Regulatory Policy and Process \(RPP\) Sourcebook](#) – sets out how the DFSA functions and operates and what the DFSA expects from the regulated community.

#### 4) How do I arrange a meeting with the DFSA?

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If your Authorised Firm has an allocated relationship manager, this individual should be your primary point of contact with the DFSA, this includes requesting meetings with the DFSA<sup>1</sup>.

If your Authorised Firm does not have an allocated supervisor, or you are a DNFBP you can contact the DFSA by using the Supervised Firm Contact Form on the DFSA website<sup>2</sup>. When submitting this form you should provide a summary of the purpose for the meeting.

The [Supervised Firm Contact Form](#) can be found on the DFSA homepage and also under Contact Us.

### 5) What changes do I need to make the DFSA aware of and who should I contact?

Section 11 of the General Module (GEN) of the DFSA Rulebook covers the types of changes likely to be experienced by an Authorised Firm and can assist in determining whether a notification or specific form is required to be submitted.

For example, [GEN section 11.10.2](#) sets out an Authorised Firms obligation to notify the DFSA of changes to Core information such as an Authorised Persons name, business or trading name, address details or legal structure. An Authorised Firm should notify the DFSA these types of changes via its allocated supervisor or where it does not have a supervisor via the [Supervised Firm Contact Form](#).

Firms should also consult with the [Application Forms and Notices \(AFN\) Sourcebook Module](#), which contains specific DFSA forms and the circumstances in which they need to be lodged.

If you are in doubt as to whether you are required to notify the DFSA of a change, you should contact your supervisor or submit a query through the Supervised Firm Contact Form.

### 6) How can I keep informed of DFSA updates?

The DFSA uses its website to alert the regulated community to relevant changes. This includes the publication of any DFSA alerts, media releases, discussion papers, DFSA publications, Senior Executive Officer (SEO) Letters and changes in our legal framework.

[Subscribing to DFSA updates](#) through the DFSA website is the best way to keep informed of changes to the DFSA website.

### 7) What are "SEO Letters" and where can I find previously published ones?

The DFSA is committed to open and transparent communication with Authorised Firms. From time-to-time the DFSA issues letters to the Senior Executive Officers of

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<sup>1</sup> RPP 3-1-28

<sup>2</sup> RPP 3-1-29

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Authorised Firms, which alert Firms to specific issues which might arise in the marketplace or as part of our regulatory scope.<sup>3</sup>

Although these letters are not legally binding (although they may refer to binding Rules), we do expect Firms to consider their content and react appropriately where relevant.

All previously published “[SEO Letters](#)” are available on the DFSA website.

Further information on SEO Letters can be found in [Section 3-2-27](#) of the RPP Sourcebook.

### 8) Do you have the dates for upcoming outreach sessions for this year?

All Firms will be invited via email to any upcoming outreach sessions as and when they occur.<sup>4</sup> These invitations will usually be sent to an Authorised Firm’s Senior Executive Officer and Compliance Officer.

[Previous presentations](#) made by the DFSA at outreach sessions are available on the DFSA website.

### 9) Is it possible to use the DFSA logo in our marketing material?

The DFSA logo must not be reproduced without express written permission from the DFSA and in accordance with any conditions for use. Authorised Firms see [GEN Rule 6.4.2\(4\)](#); Representative Offices see [REP Rule 4.5.3](#) and DNFBP see [AML Rule 15.3.1\(b\)](#)

The DFSA would generally not permit an Authorised Firm to use the DFSA logo on its marketing materials. This is to avoid the perception that the DFSA is endorsing one party and its products or services over another.

In the past the DFSA logo has only been used in relation to jointly held or co-sponsored conferences, educational or outreach events where the main purpose is educating or highlighting DFSA legislation, work or material.

### 10) Another financial regulator requires a no objection letter, or letter of good standing from the DFSA. Is the DFSA able to provide one?

The DFSA deals with such issues on a case by case basis, and it may be that the DFSA will liaise directly with the other regulator. In the first instance an Authorised Firm or DNFBP should contact the DFSA via their allocated supervisor or the [Supervised Firm Contact Form](#) and provide the specific details of the requirements.

### 11) How and under what circumstances can I make a complaint to the DFSA?

The DFSA is interested in receiving complaints concerning any of the following:

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<sup>3</sup> RPP 3-2-27

<sup>4</sup> RPP 3-2-29



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- Misconduct or dissatisfaction with an Authorised Firm, Authorised Individual, DNFBP, Authorised Market Institution (AMI) or Fund;
- A contravention of a law or Rule administered by the DFSA;
- Misconduct or dissatisfaction with the activities of the DFSA and/or any of its employees; and
- Any conduct that causes or may cause damage to the reputation of the DIFC or the financial services industry in the DIFC.

All complaints should be lodged using the [DFSA Complaints Portal](#) and [Complaints Form](#).

### 12) How do I make a complaint against the DFSA?

If you are dissatisfied with the actions of the DFSA or its employees in a regulatory matter, you are encouraged to initially seek an appointment with the employee, or with the Director of his or her relevant Division to resolve the matter.

If you remain dissatisfied, or prefer to make a formal complaint, you may make your complaint in writing to the Chief Executive of the DFSA.<sup>5</sup> This can be done using the [Complaints Form](#) accessible on the DFSA website. Please ensure you correctly identify the type of complaint you wish to lodge. Any such complaint will be initially received and assessed by the DFSA's Office of General Counsel and handled in confidence by the DFSA.

### 13) What are DFSA consultation papers and where can I find them?

The DFSA is required to undertake a period of prior consultation before proposing a law to the President for enactment by the Ruler or making Rules.<sup>6</sup>

This involves publishing a consultation paper containing the draft of the proposed law or Rule accompanied by explanatory text including a summary of the draft law or Rule and a statement of the substance and purpose of the material provisions of the draft law or Rule. The DFSA must give prior notice of draft rules and conduct consultation of at least 30 days, unless any delay in making the Rules is prejudicial to the interests of the DIFC.<sup>7</sup>

Current and past consultation papers are published on the DFSA website. Subscribers to DFSA updates are also contacted when a new consultation paper is released. (See FAQ 6). [Consultation papers](#) can be found on the DFSA website.

### 14) Where can I view the public information about my regulated status?

The DFSA maintains and publishes a [public register](#) of current and past grants of withdrawals and suspensions of licences and authorisations of all Authorised Firms,

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<sup>5</sup> GEN 6.7

<sup>6</sup> Article 7(8)(a) of the DIFC Law, No. 9 of 2004

<sup>7</sup> Article 24 of the Regulatory Law, DIFC Law No. 1 of 2004 (hereinafter "Regulatory Law")

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Authorised Market Institutions (AMI), Authorised Individuals, restricted or suspended individuals, DNFBPs, Auditors and Domestic Funds.<sup>8</sup>

**15) Where can I find information on the DFSA's Islamic finance regulatory regime?**

Information on the [DFSA's regulatory regime for Islamic finance](#) can be found on the DFSA website.

The [Islamic Finance Module](#) of the DFSA Rulebook can be found on the DFSA website.

More information on the DFSA's regulation of Islamic finance can be found in the [Islamic finance leaflet](#) accessible on the DFSA website

**16) Where can I find information on the Official List of Securities?**

The [Official List of Securities](#) is available on the DFSA website.

More information about the [DFSA as a listing authority](#), prospectus rules checklist, relevant forms, approved prospectuses, regulatory announcement services, disclosure database and Markets publications is available on the DFSA website.

**17) Where can I find information on the DFSA Funds regime?**

The DFSA has produced a [Funds in the DIFC brochure](#) published in the leaflet section of the DFSA website.

The DFSA website provides information on the [Collective Investment Funds](#) regime, including Q&As.

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<sup>8</sup> Article 62(1) and (2) Regulatory Law

### Licenced Functions and Authorised Individuals

#### 18) Who are Authorised Individuals?

Authorised Individuals are the officers or employees who carry out defined Licenced Functions within an Authorised Firm. The following Licenced Functions are carried out by Authorised Individuals: Senior Executive Officer, Licenced Director, Licenced Partner, Finance Officer, Compliance Officer, Senior Manager and Money Laundering Reporting Officer, Responsible Officer.

More information on becoming an [Authorised Individual](#) can be found on the DFSA website. Further information can be found in section [GEN 7.4.1](#)

#### 19) What is the process to apply, or change status as an Authorised Individual?

##### a. To apply as an Authorised Individual

Individuals wishing to apply as an Authorised Individual are required to complete an **AFN AUT-IND1** Form jointly with the relevant Authorised Firm. All current forms are available on the DFSA website in the [Application Forms and Notices Module \(AFN\)](#).

In assessing an individual's fitness and propriety the DFSA may interview the applicant. The relevant Rules pertaining to the approval process are contained in [GEN 7.6](#).

Additional information regarding how the DFSA assesses the fitness and propriety of an Authorised Individual can be found in [section 2-3](#) of the RPP Sourcebook.

##### b. To withdraw as an Authorised Individual

To withdraw an Authorised Individual, an **AFN AUT-IND 3** form needs to be completed by the Authorised Firm. This form is contained in the [Application Forms and Notices Module \(AFN\)](#).

##### c. To extend or vary an Authorised Individual's status

To extend or vary an Authorised Individual status and apply to perform one or more new Licenced Functions an **AFN AUT-IND2** form needs to be completed. This form is contained in the [Application Forms and Notices Module \(AFN\)](#).

#### 20) How long does it take to process an Authorised Individual application?

Authorised Individual Application forms are registered and undergo an initial review to assess their completeness typically within five working days of receipt.

The time taken to assess the merits of an application and grant final approval of an individual as an Authorised Individual can vary depending on a number factors including but not limited to, whether all documentation is correct and provided, payment of the Application Fee (where applicable), outcomes of screening and review

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of the experience of applicant and whether the individual has already been authorised by the DFSA in a similar capacity. Additionally, a proposed Authorised Individual may also need to be interviewed by the DFSA.

### 21) What is the temporary cover period to replace an Authorised Individual?

When an Authorised Individual is unavailable for a period of time, another individual can temporarily take responsibility for the role if the Rules in [GEN section 11.6](#) are met.

Temporary cover may only be utilised for a Licenced Function for a maximum of 12 weeks in any consecutive 12 months so long as the Authorised Firm has assessed that the temporary individual has the relevant skills and experience to carry out these functions. Additionally, temporary cover is not available for the Licenced Functions of Licenced Director or Licenced Partner.

## Supervisory Processes

### 22) What is the risk assessment process?

All Authorised Firms and DNFBPs are subject to periodic visits and risk assessments by the DFSA. The typical process followed by the DFSA when conducting these visits is that an Authorised Firm or DNFBP will be notified in advance of any risk assessment and requested to provide certain documents e.g. the Authorised Firm's or DNFBP's documented policies, systems and controls.

Following a desk-based review of the documents provided, the DFSA will conduct an on-site assessment which is conducted at the Authorised Firm's or DNFBP's premises. The DFSA will meet with key stakeholders and review the systems, controls, policies, procedures and where relevant a selection of Authorised Firm's files.

Upon completion of the visit the DFSA will generally issue a risk assessment findings letter which will include the risk assessment outcomes and any relevant remedial actions, if any.

For more information regarding the risk assessment process and the DFSA's approach to Supervision of Authorised Firms please see [Chapter 3-2](#) of the RPP Sourcebook.

For more information regarding desk based reviews please see [section 3-2-24](#) of the RPP Sourcebook.

For more information regarding onsite visits please see [section 3-2-25](#) of the RPP Sourcebook.

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**23) Can we share the DFSA risk assessment findings letter with our legal representative or auditors?**

The risk assessment findings letter and any attachments to it are confidential and have been prepared for the sole use of the DFSA and the relevant Authorised Firm and cannot be released to any other party without the express written consent of the DFSA. However, where it is necessary for the Authorised Firm to engage its legal representatives or auditor, the Authorised Firm may disclose the risk assessment findings letter and any attachments to it to such persons on the following conditions:

- a) That the report and any information contained therein will be used only for the purpose of assisting such persons with the provision of legal or auditing services to the Authorised Firm; and
- b) That the risk assessment findings letter and any information contained therein will not be disclosed by the legal representative or auditor to any other person without the express consent of the DFSA.

**24) What is the process for an Authorised Firm to withdraw its Licence?**

If an Authorised Firm is seeking to have its Licence withdrawn, it must submit a request in writing stating those matters set out under [GEN Rule 11.4.1](#). A completed **Form SUP6** contained in the [Application Forms and Notices Module \(AFN\)](#) should be submitted along with its request for withdrawal.

For more information on the withdrawal process please see [Chapter 3-2-51 to 3-2-56](#) of the RPP Sourcebook.

**25) We are considering changes to our Authorised Firm's business model, what do we have to do?**

If the considered changes are within the existing scope of your Authorised Firm's Licence or are covered by [GEN 11.10.7](#), you should notify your allocated Relationship Manager. If you do not have an allocated supervisor you should notify the DFSA by using the Supervised Firm Contact Form.

If the changes are not within the existing scope of your Licence, the Firm will be required to apply to change the scope of its Licence. Refer to question 28 below regarding applying to vary a Licence.

**26) We are considering transferring our Authorised Firm's business, what requirements apply?**

[Part 9 of the Regulatory Law](#) sets out provisions relating to "financial services business transfer schemes". Article 106 provides that no transfer scheme is to have effect unless a Court order has been made in relation to the scheme. Article 108 then provides for the Court to be able to make an order sanctioning a transfer scheme.

A 'financial services business transfer scheme' is defined in the Law to include, for example, if the whole or part of the business carried on through an establishment in

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the DIFC by an Authorised Firm is to be transferred to another body (where that business consists in whole or in part of financial services business). It also includes if certain fund property of a Fund is to be transferred to another Fund.

In very limited situations, a person may apply to the DFSA for its consent to a transfer scheme. In such a situation the person would need to pay an application fee and satisfy the DFSA that various specific conditions have been met. Further Rules and Guidance can be found at [GEN 12 Business Transfer Schemes](#) and [CIR 16 Transfer Schemes Relating To Domestic Funds](#).

### 27) What are the requirements regarding major acquisitions by an Authorised Firm?

If an Authorised Firm makes or proposes to make a major acquisition, the Rules and Guidance can be found under [GEN Rule 11.10.8 Major acquisitions](#).

[Section 3-2-42 to 3-2-47](#) of the RPP Sourcebook relate to this topic and can be found on the DFSA.

### 28) What is involved in obtaining approval for a change in control? How long will it take to complete?

The DFSA must be advised when there are certain changes to the Controllers of an Authorised Firm (except a Representative Office). In particular the DFSA must be advised when a Person becomes or ceases to be a Controller or when a Person's holding in the relevant Authorised Firm increases or decreases by a set percentage as set out in [GEN section 11.8](#).

Depending on whether the change in control is for an Authorised Firm which is a Domestic Firm or an Authorised Firm which is a Branch dictates whether approval by the DFSA of the change in control is required. An Authorised Firm which is Domestic Firm must obtain the DFSA's prior written approval in accordance with [GEN Rule 11.8.4](#).

As a Branch, the Authorised Firm does not need to obtain the DFSA's prior approval of the change in Controller, but the Firm is required to notify the DFSA in accordance with [GEN Rule 11.8.10](#).

The **AFN AUT-CON** - Applications and Notifications Concerning a Change in Control form is available in the [Application Forms and Notices Module \(AFN\)](#)

### 29) What is the process to vary a Licence?

If an Authorised Firm would like to:

- Add a Financial Service to its Licence;
- Remove a Financial Service on its Licence; or
- Vary or withdraw any condition or restriction imposed on its Licence, including the types of Investments permitted to be provided by an Authorised Firm in respect of

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a particular Financial Service it must provide the DFSA with written details of the proposed changes.

Please use the [AFN SUP4 Applying to vary a Licence form](#) available in the Application Forms and Notices Module (AFN) when applying to vary a Licence.

### 30) Are Firms allowed to have outsourcing arrangements?

An Authorised Firm may have outsourcing arrangements in place for different aspects of its business. Outsourcing is covered in the relevant Rules and guidance on the DFSA website as follows:

[GEN 5.3 Systems and controls > Outsourcing](#)

[Section 3-2-48 to 3-2-50 of RPP Sourcebook](#)

### 31) Do Authorised Firms need to appoint a deputy MLRO?

An Authorised Firm, other than a Representative Office, must appoint an individual to act as a deputy MLRO of the Authorised Firm to fulfil the role of the MLRO in his or her absence. Please refer to DFSA Rule [AML 11.2.3](#).

### 32) Is my Firm required to have professional indemnity insurance (PII) even though it is a Branch?

All Authorised Firms must take out and maintain Professional Indemnity Insurance cover appropriate to the nature, size, complexity and risk profile of the Authorised Firm's business. Authorised Firms are required to provide the DFSA with a copy of their PII cover. See Rule [PIB Rule 6.12.2](#)

An Authorised Firm can fulfil the requirements under this section by ensuring coverage of its activities under a group-wide PII policy, provided that policy covers the Authorised Firm and its activities and that the group wide policy meets the conditions specified in PIB section 6.12. See Rule [PIB Rule 6.12.2 guidance note 3](#).

### 33) What is the process involved in changing an Authorised Firm's company name?

You must inform the DIFC Registrar of Companies (ROC) and Dubai International Financial Centre Authority (DIFCA).

Please note that if the change in name is a result of a change to the Authorised Firm's structure or a change to its Controller it will need to consider its requirements under relevant DFSA administered legislation. See also question 5 above.



### Reporting Requirements

#### 34) What are the reporting obligations for Authorised Firms?

##### a. Prudential reporting requirements

The prudential reporting obligations for Authorised Firms (except Insurers to whom the PIN Module applies) are set out in the PIB Rules. These reports must be submitted to the DFSA through the Electronic Prudential Reporting System (EPRS). Prudential regulatory returns for submission to the DFSA will differ according to:

- The Financial Services activities the Authorised Firm is licenced to provide;
- The prudential category of the Authorised Firm; or
- Whether the Authorised Firm is a Branch or a DIFC incorporated Firm (Domestic Firm)

Please refer to the tables in PIB Rule A2.4.1 as to which prudential forms need to be prepared and submitted.

For Insurers, please refer to PIN Chapter 6 for the regulatory reporting obligations. In addition, there is an obligation to submit an actuary's report as per PIN Chapter 7.

Domestic Firms which are in Category 1, 2, 3A, 3B, 3C or 5 must submit an Internal Risk Assessment Process (IRAP) assessment to the DFSA at least annually.

Domestic Firms which are Category 1, 2, 3A or 5, must submit an Internal Capital Adequacy Assessment Process (ICAAP) assessment to the DFSA at least annually.

Please note that unless you are an Insurer you do not need to submit the printed prudential returns to the DFSA as they are submitted electronically through EPRS.

##### b. Non-prudential reporting

There are a number of non-prudential reports which must be submitted by all Authorised Firms on an annual basis. These include:

- an [Annual AML Return](#), refer to [AML 14.5.1](#);
- Controllers report, refer to [GEN 11.8.12](#); and
- Auditor's Annual Report, refer to [GEN 8.6.1](#);

Depending on the nature of the Licence held and business conducted, an Authorised Firms may also require its Auditor to produce additional report to the DFSA. These may include the following:



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- If an Authorised Firm is licenced to hold or control Client Investments, Arranges Custody or Provides Custody in or from the DIFC, it must submit a Safe Custody Auditor's Report (see [GEN 8.6.1\(e\)](#)).
- If an Authorised Firm controls or holds Client Money, it must submit a Client Money Auditor's Report (see [GEN 8.6.1\(c\)](#)).
- If Authorised Firm controls or holds Insurance Monies it must submit an Insurance Monies Auditor's Report (see [GEN 8.6.1\(d\)](#)). The DFSA has previously issued a Dear SEO letter on this subject on 17 August 2010: Outcome of Thematic Review- Client Assets and Insurance Monies.

### c. Reporting obligations table

The below table provides only a summary of the common reporting obligations to the DFSA. Firms should consult the relevant Rulebook Modules for further information.

Reporting Obligation	DFSA Rulebook Reference	Frequency	Submission Date	Applicable Firms
Prudential Regulatory Returns (except Insurers)	<a href="#">PIB 2.3</a> PRU	Quarterly	One month after quarter end	Category 1, 2, 3A, 3B, 3C, 4 and 5 (except Insurers)
Prudential Regulatory Returns (except Insurers)	<a href="#">PIB 2.3</a> PRU	Annual	Four months after financial year end	Category 1, 2, 3A, 3B, 3C, 4 and 5 (except Insurers)
Internal Risk Assessment Process (IRAP)	<a href="#">PIB10.3</a>	Annual	Four months after financial year end	Category 1, 2, 3A, 3B, 3C, and 5 (except Insurers)  Domestic Firms only
Internal Capital Adequacy Assessment Process (ICAAP)	<a href="#">PIB10.4</a>	Annual	Four months after financial year end	Category 1, 2, 3A, and 5 (except Insurers)  Domestic Firms only
Regulatory Returns (Insurers)	<a href="#">PIN Chapter 6</a>	Quarterly	Two months after quarter end	Insurer
Regulatory Returns (Insurers)	<a href="#">PIN Chapter 6</a>	Annual	Four months after quarter end	Insurer
Actuary's Report (Insurers)	<a href="#">PIN Chapter 7</a>	Annual	Four months after financial year end	Insurer

## FREQUENTLY ASKED QUESTIONS

Reporting Obligation	DFSA Rulebook Reference	Frequency	Submission Date	Applicable Firms
Auditor's Annual Report on an Authorised Firm's financial statements	<a href="#">GEN 8.6.1</a>	Annual	Four months after financial year end	All Authorised Firms (except a Representative Office)
Client Money Auditor's Report	<a href="#">GEN 8.6.1(c)</a>	Annual	Four months after financial year end	Authorised Firms controlling or holding Client Money
Insurance Monies Auditor's Report	<a href="#">GEN 8.6.1(d)</a>	Annual	Four months after financial year end	Authorised Firms controlling or holding Insurance Monies
Safe Custody Auditor's Report	<a href="#">GEN 8.6.1(e)</a>	Annual	Four months after financial year end	Firms licenced to Provide Custody or Arrange Custody
Annual report on Controllers	<a href="#">GEN 11.8.12</a>	Annual	Four months after financial year end	All Authorised Firms
Annual AML Return	<a href="#">AML 14.5.1</a>	Annual	Within 4 months of end of Financial Year	All Authorised Firms, DNFBPs , Auditors
Offer or Transaction in respect of (a) Domestic Funds and (b) Foreign Funds	<a href="#">CIR 15.1.10</a> <a href="#">AFN CIR</a>	Annual	Four months after year end	Firms marketing or selling Funds
Interim Fund Report	<a href="#">CIR 9.4</a>	Bi-annual	Two months after end of interim accounting period	Fund Managers
Annual Fund Report	<a href="#">CIR 9.4</a>	Annual	Four months after fund's financial year end	Fund Managers
Copy of Professional Indemnity Insurance cover	<a href="#">PIB 6.12</a>	Annual	When the cover is renewed	Category 3B, 3C and 4 who undertake the Financial Services set out in PIB Rule 6.1.1(c).
Copy of capital adequacy reports to the home regulatory	<a href="#">PIB 3.2.4</a>	According to the home state regulator's requirement	Within 10 business days of the due date for submission with the home state regulator	Authorised Firms which are Branches

## FREQUENTLY ASKED QUESTIONS

### 35) How do I submit my reporting requirements?

All prudential regulatory reports, except those for an Insurer, can be submitted electronically through the EPRS portal. All regulatory reports for an Insurer must be submitted in accordance with [PIN section 6.5](#). All other regulatory reports must be submitted in accordance with [GEN section 11.11](#). Generally an Authorised Firm will submit a report to its allocated Supervisor or submitted via the Supervised Firm Contact Form for firms managed by the Thematic Supervision Team.

### 36) What is the Suspicious Activity Report (SAR) process and where can I find the SAR form?

For information regarding the submission of SARs to the UAE Central Bank's Anti-Money Laundering Suspicious Cases Unit (AMLSCU) visit the DFSA website's [AML, CTF & Sanctions Compliance](#) page.

### 37) Am I required to submit an Annual AML Return?

An Authorised Firm and specified DNFBPs (real estate developers, law firms, accounting firms, audit firms or insolvency firms, and company service providers) are required to submit an Annual AML Return within four months of its financial year end. See [AML section 14.5.1](#) available on the DFSA website.

### 38) Where can I find the Annual AML Return?

The [Annual AML Return](#) can be found in the [Application Forms and Notices Module \(AFN\)](#) module. The contents of the return is required to be acknowledged and signed by the each member of the Authorised Firm's Governing Body and/or senior management prior to submission to the DFSA.

### 39) What is my Expenditure Based Capital Minimum (EBCM) number?

The EBCM is a component of the calculation of an Authorised Firm's Capital Requirement.

The DFSA will specify an Authorised Firm's EBCM at the time of licensing of the Firm. The calculation of EBCM is subject to change based on audited expenditure or other significant variations that occur.

Please refer to PIB 3 Part 3 — Calculating the Capital Requirement Rule in [PIB 3.7 Expenditure Based Capital Minimum](#).

The relevant section of the PRU Sourcebook is [PRU 1.14](#) Instructional Guidelines — Form B50 — Expenditure Based Capital Minimum.

### 40) What is the Safe Custody Auditor's Report?

If the Authorised Firm has been granted a Licence that enables it to hold or control Client Investments, Arranges Custody or Provides Custody in or from the DIFC, a [Safe Custody Auditor's Report](#) must be prepared annually by the Authorised Firm's Auditor.

## FREQUENTLY ASKED QUESTIONS

The Safe Custody Auditor's Report must be submitted to the DFSA by the Authorised Firm within four months of the Authorised Firm's financial year end. Although the safe Custody Auditor's Report is prepared by an Authorised Firm's Auditor, it is the Authorised Firm's responsibility to submit the report by the due date with the DFSA.

See also, Conduct of Business Rule [COB App 6](#) Safe Custody Provisions.

### 41) What is the annual report on Controllers?

An Authorised Firm (except a Representative Office) must submit an [annual report on its Controllers](#) to the DFSA within four months of its financial year end. There is no specified format or template for this report, but it must include:

- The name of each Controller; and
- The current holding of each Controller, expressed as a percentage.

### 42) When does an Authorised Firm need to notify the DFSA in relation to marketing and or selling Foreign Funds and Domestic Funds?

If an Authorised Firm has made any Offer or Transaction in respect of a Unit of any Domestic Fund or Foreign Fund it must submit to the DFSA a report including the details prescribed in [CIR Rule 15.1.10](#).

This report is due within four months of the end of the Authorised Firm's financial year end. If an Authorised Firm does not make any such Offer or Transaction it is not required to report that fact to the DFSA.

### 43) Where can I find the form for notifying the DFSA in relation to marketing and selling Foreign Funds and Domestic Funds?

The CIR Notification of the Marketing and Selling of Funds form contained in the [Application Forms and Notices Module \(AFN\)](#) Module has been designed to assist an Authorised Firm with its reporting requirements in the CIR in relation to the marketing and selling of Foreign Funds and Domestic Funds.

### 44) How do I report a significant breach of a DFSA Rule?

A notification of a significant breach must be done in accordance with GEN section 11.11. Generally an Authorised Firm will submit a report to its allocated Relationship Manager or via the Supervised Firm Contact Form for Firms managed by the Thematic Supervision Team. The DFSA would generally expect a notification to include a detailed summary including:

- Rule breach;
- concerned person;
- when you were notified of the breach; and
- how the breach will be rectified.

## FREQUENTLY ASKED QUESTIONS

Alternatively, if your Firm has an allocated supervisor you should contact them directly.

For guidance on the rule go to [GEN 11.10.1 Guidance](#).

For the RPP Sourcebook reference on Notifications to the DFSA go to [RPP 3-1-32](#) and [RPP 3-1-32](#).

**45) My audited annual report might be submitted a few days late because the auditor was delayed, is there a penalty?**

An Authorised Firm must submit any auditor's reports and financial statements required by chapter 8 of GEN to the DFSA within four months of the Authorised Firms financial year end.

The submission of required reports is an Authorised Firm's responsibility. An Authorised Firm will be in breach of DFSA Rules if a report is not submitted within the set time frame.

As soon as you become aware of the delay or any potential breach you should notify the DFSA immediately, either through your allocated Supervisor or through the Supervised Firm Contact Form for Firms managed by the Thematic Supervision Team.

### Electronic Prudential Reporting System (EPRS) and Prudential Regulatory Returns for Investment, Insurance Intermediation and Banking Business (PIB)

**46) What is EPRS?**

Electronic Prudential Reporting System (EPRS) is the system that enables Authorised Firms to submit their prudential regulatory returns online.

To contact the EPRS help desk, please email [eprshelpdesk@dfsae](mailto:eprshelpdesk@dfsae)

**47) Where can I find help on EPRs?**

[EPRS guidelines](#) prepared by the DFSA can be accessed on the [EPRS](#) page on the DFSA website.

**48) I need help with my Authorised Firm's submission of its prudential regulatory returns, where can I find information?**

[PIB Section 2.3](#) sets out the prudential regulatory returns an Authorised Firm must submit to the DFSA.

Copies of the prudential regulatory returns and instructional guidelines are set out in PRU and EPRS. Information on Prudential Returns can be found in the [Prudential \(PRU\) Sourcebook Module](#). This Module contains specific instructional guidelines for each component of the Prudential Return.

**49) Does the DFSA provide training on the prudential requirements on Authorised Firms?**

The DFSA conducted a specific Outreach session on the [New Prudential Framework on 5 April 2015](#). This presentation has been posted on the DFSA website and can be accessed below:

The DFSA has also drafted and published a detailed [Q&A document on the PIB Module](#).

**50) How do I unlock returns on EPRS?**

Once an Authorised Firm has submitted its returns on EPRS, the return will be locked on EPRS. If an Authorised Firm needs to make an amendment to a submitted prudential regulatory return, it should request the return be un-locked by sending an email to the EPRS help desk, [eprshelpdesk@dfsae](mailto:eprshelpdesk@dfsae)

### Waivers and Endorsements

#### 51) How do I apply for a waiver or modification of a DFSA Rule?

If an Authorised Firm would like relief from the application of a particular Rule or to modify its application it may apply to the DFSA for a waiver or modification.

[GEN Section 11.2](#) sets out how a person can apply for a waiver or modification. [Chapter 9 of the RPP Sourcebook Module](#) sets out more information on the DFSA's approach to considering and determining applications for a waiver or modification.

The GEN1 Application for a waiver or modification form is available in the [Application Forms and Notices Module \(AFN\)](#) should be submitted when applying for a waiver.

The DFSA publishes all waivers and modifications unless it is satisfied that it is inappropriate or unnecessary to do so. Before submitting your own waiver application it may be useful to consult these [published waivers and modifications](#).

#### 52) What are endorsements on a Licence?

##### a) Retail endorsement

If an Authorised Firm would like to carry on a Financial Service with or for a Retail Client a retail endorsement is required. An Authorised Firm must apply to the DFSA for an endorsement to its Licence. Please refer to [Section 2-6 of the RPP Sourcebook](#) for more information on the matters the DFSA takes into account in assessing whether to grant a retail endorsement.

The retail endorsement application form is the [SUP5 Application to Add or Remove an Endorsement on a Licence to Carry on Financial Services](#) available in the Application Forms and Notices (AFN) Module.

#### 53) How to apply for an Islamic Financial Business Endorsement

In order to conduct Islamic Financial Business, an Authorised Firm must have an endorsed Licence authorising it to conduct business either as an Islamic Financial Institution or as an Islamic Window.

The DFSA may grant an Islamic endorsement only if it is satisfied that the applicant has demonstrated that it has the systems and controls in place to undertake Islamic Financial Business. In deliberating over the granting of an Islamic Endorsement, the DFSA may consider, among other things, those matters set out in the [Islamic Finance Rules \(IFR\)](#) Module of DFSA's Rulebook.

The [AUT IFS Applying for Authorisation — Islamic Finance Business Supplement](#) form is available in the Application Forms and Notices (AFN) Module.

### Representative Offices

#### 54) Where can I find more information on the Representative Office regime?

Information on the Representative Office regime can be found in the published [Representative Office Regime Q&A](#) guidelines on the DFSA website.

### Fees

#### 55) What fees do I have to pay to the DFSA?

Please refer to the [Fees Module \(FER\)](#) of the DFSA Rulebook to find the applicable fees payable by your Firm.

Please note that fees payable to the DFSA are separate and distinct from any levied by and payable to Dubai International Financial Centre Authority (DIFCA).

The DFSA Finance Department issues invoices for the annual fee via email. You will not receive a hard copy invoice.

Kindly save the DFSA Finance email [dfsa.fininv@dfsa.ae](mailto:dfsa.fininv@dfsa.ae) in order to ensure timely receipt of your invoice.

A late payment fee applies to certain fees not paid in full on or before the due date or within the prescribed period. Please refer to the Fees Module of the DFSA Rulebook for details regarding late payment fees.