

DFSA Censures Finance Officer

Dubai, UAE, 4 October 2017: The Dubai Financial Services Authority (DFSA) has censured Mr Prabhakar Kamath, a former Finance Officer of a DFSA Authorised Firm for submitting an inaccurate financial report to the DFSA.

Mr Kamath, in his capacity as Finance Officer, was responsible for submitting the Firm's monthly financial reports to the DFSA, and its compliance with the DFSA's Rules in relation to prudential requirements.

In June 2015, Mr Kamath provided the DFSA with the Firm's monthly financial report for May 2015. The report was incorrect because it represented that the Firm continued to meet the DFSA's prudential requirements. In fact, the Firm's current account balance was significantly less than stated and, therefore, the Firm was in breach of the DFSA's prudential requirements.

Before Mr Kamath submitted the financial report to the DFSA, a member of the Firm's senior management gave Mr Kamath inaccurate information about the Firm's current account balance. However, Mr Kamath failed to take steps to verify the balance of the Firm's current account. In particular, he did not obtain and review relevant bank statements.

The DFSA considers that Mr Kamath breached the DFSA's Principles for Authorised Individuals by failing to exercise sound judgment and diligence in performing the role of Finance Officer.

Following the conclusion of the DFSA's investigation, Mr Kamath accepted responsibility for his conduct and agreed to settle the matter at an early stage. While breaches of the DFSA's Principles for Authorised Individuals have, in the past, resulted in a financial penalty, the DFSA concluded that a public censure is the most appropriate action given

the circumstances of this matter. Mr Kamath also cooperated fully with the DFSA's investigation.

A copy of the DFSA's Decision Notice given to Mr Kamath can be found on the DFSA website under Regulatory Actions.

<https://www.dfsa.ae/en/What-We-Do/Enforcement#Regulatory-Actions>

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Editor's notes:

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The Dubai Financial Services Authority (DFSA) is the independent regulator of financial services conducted in or from 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. In addition to regulating financial and ancillary services, the DFSA is responsible for supervising and enforcing Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) requirements applicable in the DIFC. The DFSA has also accepted a delegation of powers from the DIFC Registrar of Companies (RoC) to investigate the affairs of DIFC companies and partnerships.