

*MEDIA RELEASE:*

## **Mohammed bin Rashid Enacts DIFC Regulatory Amendment Law**

**Dubai, UAE, 3 October 2018:** His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and the Ruler of Dubai, has enacted the Regulatory Law Amendment Law, DIFC Law No. (6) of 2018. The Law, which amends the Regulatory Law 2004, will come into force on 29 October 2018 and, together with changes to DFSA Anti-Money Laundering Rules, will make a number of important changes to the regulatory regime in the Dubai International Financial Centre (DIFC).

The amendments follow a self-assessment of the DIFC framework in preparation for the upcoming UAE Financial Action Task Force (FATF) Mutual Evaluation in 2019. The amendments will enhance the anti-money laundering and counter-terrorist financing (AML/CTF) regime. This will support the ongoing alignment of the DIFC regime with the FATF recommendations.

The changes include updating the DFSA's approach to registration and supervision of Designated Non-Financial Businesses or Professions (DNFBPs). This includes a prohibition from conducting any DNFBP activities, in or from the DIFC, without registration by the DFSA. The changes also include enhancements to the supervisory regime, which will enable the DFSA to suspend or withdraw the registration of a DNFBP, if it is in breach of the Law or the Rules or other AML legislation.

In order to ensure the orderly transition of DNFBPs already established in the Centre to the new regime, the DFSA clarified that the transitional arrangements would apply over a three-month period from effective date of the Law. These matters would include confirming the identity of the Money Laundering Reporting Officer, senior management and beneficial ownership information.

The changes also strengthen the DFSA's regulatory approach to how firms carry out Customer Due Diligence to ensure alignment with FATF Recommendations. The DFSA has prepared a Question and Answer document, addressing the most commonly posed questions in response to Consultation Papers 118 and 120, which proposed the changes discussed above.

Bryan Stirewalt, Chief Executive Officer of the DFSA said: "The DFSA welcomes these changes and sees them as an important step towards enhancing the AML/CTF regime. I believe they will also improve the supervisory oversight of DNFBPs. We also see these as appropriate changes to support the growth of the DIFC, to continue to position it as the financial hub of choice for international firms in the region, and to contribute to the UAE's upcoming FATF Mutual Evaluation that is due in 2019.

The DFSA's work on AML will continue, to ensure our approach is in line with best international practice. We expect that there will be further enhancements to our regime as the UAE completes its preparation for the Mutual Evaluation."

The Amendments to DIFC laws, together with associated amendments to DFSA Rules, will come into force on 29 October, 2018 and are available on the DFSA



website under: [http://www.dfsa.ae/MediaRelease/News/Notice-of-Amendments-to-Legislation-\(6\)](http://www.dfsa.ae/MediaRelease/News/Notice-of-Amendments-to-Legislation-(6))

The Questions and Answers document prepared by the DFSA, can be found on the following link: <https://www.dfsa.ae/CMSPages/GetFile.aspx?guid=f51814ed-f99e-4479-9190-7c9643b396e8>

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**Editor's notes:**

**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 also exercises delegated enforcement powers under the DIFC Companies Law. These include powers to investigate the affairs of DIFC companies and partnerships where a material breach of DIFC Companies Law is suspected and to pursue enforcement remedies available to the Registrar of Companies (RoC).

**Bryan Stirewalt** was appointed Chief Executive of the DFSA on 1 October, 2018, after nearly 8 years as the DFSA's Managing Director of the Supervision Division. In his role as Chief Executive, Bryan will take the lead in steering the work of the DFSA and further developing its capability as a robust regulator delivering world-class financial regulation in the DIFC.

Over his time with the DFSA, Bryan has played a vital part in executing the DFSA's regulatory mandate and developing its risk-based supervision framework. His responsibilities have included prudential and conduct-oriented oversight of financial service providers in the Dubai International Financial Centre (DIFC), in addition to the DFSA's regulatory role with Registered Auditors and Credit Rating Agencies. He has also directed the DFSA's efforts in fighting methods of illicit finance, including the crucial regulatory relationships with Designated Non-Financial Businesses and Professions.

Prior to joining the DFSA, Bryan developed his skills over a career that spans more than 30 years. He has held a number of senior positions in financial regulation, both in the public and in private sectors. From 1985 to 1996, he worked for the US Treasury's Office of the Comptroller of the Currency as a National Bank Examiner, specialising



in policy development and implementation, problem bank rehabilitation and banking fraud initiatives. From 1996 until joining the DFSA in 2008, he worked for an international consulting and advisory firm, focusing on emerging markets development programmes in Poland, Ukraine, Cyprus and Kazakhstan.

In relation to international development, Bryan plays an active role in supporting the work of international standard-setting bodies. He now serves as the Co-Chair of the Basel Consultative Group (BCG), which provides a forum for deepening the Basel Committee on Banking Supervision's engagement with non-member, global supervisors on banking supervisory issues. Through this role, Bryan also serves as an Observer at the Basel Committee on Banking Supervision.