



Regulatory Update

Middle East, April 2024

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Table of Contents

1.	DIFC AND DFSA LATEST DEVELOPMENTS.....	3
1.1	DIFC Announced Agenda for FinTech Summit.....	3
1.2	DIFC Joins Global CAPE	3
1.3	DIFC Commissioner Announces MoU with NPC	3
1.4	DFSA Chief Executive Reappointed as Vice Chair of IOSCO	3
1.5	DFSA and SFC Co-Host Roundtable on Distribution of Hong Kong Funds in DIFC	4
1.6	DFSA Issues Dear SEO Letter on Fixed Penalty Notice	4
1.7	DIFC as the Premier Hub for Businesses	4
2.	ADGM AND FSRA LATEST DEVELOPMENTS.....	5
2.1	ADGM Wins Award at the Global Brand Awards 2024.....	5
2.2	ADGM Sign MoU with Hacken Strengthening Blockchain Security Standards	5
2.3	FSRA Issues Dear SEO Letter	5
2.4	Abu Dhabi Blockchain Funds Forum Holds Investor Event	6
3.	MIDDLE EAST REGULATORY UPDATES	6
3.1.	MOF Participates in Spring Meetings of IMF and WBG	6
3.2.	MOF Launches Consultation on Corporate Tax Incentive.....	7
3.3.	MOF Participates in IsDB Group Annual Meetings	7
3.4.	CBUAE Enhances SupTech Initiative.....	7
3.5.	Saudi Arabia ACRSD Imposes Penalties	7
4.	INTERNATIONAL UPDATES.....	8
4.1	UN Updates Sanctions List	8
4.2	UAE remains on EU Grey List	8
	ABOUT WAYSTONE COMPLIANCE SOLUTIONS.....	9

1. DIFC AND DFSA LATEST DEVELOPMENTS

1.1 DIFC Announced Agenda for FinTech Summit

The Dubai International Finance Centre ('DIFC') announced the agenda for the 2024 Dubai Fintech Summit, which will be held on 6-7 May at Madinat Jumeriah. The event attracts international and prestigious policymakers, intellectuals, industry professionals, investors, and entrepreneurs to discuss the future of finance and FinTech.

Attendees will participate in workshops, lectures, and discussions on the following themes:

- regulatory frameworks
- the financial renaissance
- eco-finance and its impact
- investment vanguards
- global financial dynamics
- FinTech 2.0.

The event will also host the FinTech World Cup, where regional startups will compete for US\$1M of investment funding.

The agenda can be viewed [here](#).

1.2 DIFC Joins Global CAPE

On 30 April, the DIFC was accepted to join the Global Cooperation Arrangement for Privacy Enforcement ('CAPE'). The DIFC will be the first non-Asia Pacific Economic Cooperation ('APEC') jurisdiction to join the Global CAPE. Participating members can assist with investigations and share information without entering separate Memorandums of Understanding ('MoUs'), creating a more efficient enforcement infrastructure. Members of the Global CAPE currently include the United States, Australia, Canada, Mexico, Japan, the Republic of Korea, the Philippines, Singapore and Chinese Taipei and are subject to an international multilateral agreement with the United Kingdom.

You can read more on the Global CAPE [here](#).

1.3 DIFC Commissioner Announces MoU with NPC

On 8 April, the DIFC Data Protection Commissioner announced an MoU with the Philippine National Privacy Commission ('NPC') to strengthen collaboration and cooperation in data privacy. The MoU further establishes a relationship between the two jurisdictions and commits the authorities to collaborate in joint enforcement, share training and knowledge, and to develop compatible mechanisms for cross-border data flows.

The MoU was signed at the International Association of Privacy Professionals ('IAPP') Global Privacy Summit 2024 in Washington, DC, USA.

You can read the NPC article [here](#).

1.4 DFSA Chief Executive Reappointed as Vice Chair of IOSCO

On 2 April, the Dubai Financial Services Authority ('DFSA') Chief Executive, Ian Johnson, was reappointed as Vice Chair of the Africa and Middle East Regional Committee and board member of the International Organisation of Securities Commissions ('IOSCO') for 2024-2026. The IOSCO is the international standard

setter for securities regulation, bringing together 42 financial market regulators to discuss and exchange information on regional and global issues specific to capital markets development and regulation.

You can read the DFSA article in full [here](#).

1.5 DFSA and SFC Co-Host Roundtable on Distribution of Hong Kong Funds in DIFC

On 5 April, the DFSA and the Securities and Futures Commission ('SFC') co-hosted a high-level roundtable on opportunities for Hong Kong managers to distribute funds in the DIFC. Over 15 top executives of Hong Kongese asset management firms attended the roundtable discussion, where attendees heard of the new regulatory requirements for offering Hong Kong-domiciled funds in the DIFC and prospects for Hong Kongese asset managers in the DIFC. This will include access to investors in the UAE market via the UAE Fund Passporting Regime.

The discussions will continue at a follow-up roundtable in May.

You can read the DFSA article in full [here](#).

1.6 DFSA Issues Dear SEO Letter on Fixed Penalty Notice

On 5 April, the DFSA published an SEO Letter to inform all Relevant Persons that the DFSA's new Fixed Penalty Notice ('FPN') Regime will come into force on 15 April 2024. This regulatory amendment follows the previously published Consultation Paper 149 on FPNs.

Changes have been made to the Regulatory Law 2004 ("the Law") which allows the DFSA to issue FPNs if it has reasons to believe that a person has contravened a prescribed provision without having to follow the decision-making procedures set out in schedule 3 of the Law.

The amendments affect:

- General Rulebook ('Gen')
 - Section 14 on the application of Fixed Penalty Notices
- Fees Module ('FER')
 - Section 1.2 on the removal of standardised payment due dates of 21 days amended to instead include a due date on the Fixed Penalty Notice
 - to remove Section 7 on late returns
- Glossary Module ('GLO')
 - 'Fixed Penalty Notice' to reference Article 91 of the Regulatory Law.

You can read the Dear SEO Letter [here](#).

1.7 DIFC as the Premier Hub for Businesses

On 28 April, the DIFC announced it had strengthened its position as the principal hub for the (re)insurance business. It has achieved the highest gross written premiums ('GWP') recorded in its 20-year history at close to US\$ 2.6Bn. Further supporting this growth, the DIFC announced a 20% increase in the registration of insurance and reinsurance firms in the DIFC.

The DIFC is also the co-host of the Dubai World Insurance Congress, one of the largest global insurance events. It is set to convene over 1,300 delegates from over 73 countries on 29-30 April at Atlantis, the Palm.

On 29 April, the DIFC announced itself as a global hub for many of the world's wealthiest families and individuals, with a total net worth exceeding US\$ 1Tn. Dubai has ranked first in the Middle East, Africa, and Southern Asia ('MEASA') region in terms of wealthiest population centres. Recently, His Excellency Abdulla

bin Touq Al Marri, Cabinet Member and UAE Minister of Economy celebrated with DIFC leadership and leading family businesses, the one-year anniversary of the DIFC Family Wealth Centre.

You can read the DIFC article from 28 April [here](#) and the article from 29 April [here](#).

Further information

If you have any questions or concerns regarding these DIFC and DFSA developments and requirements, please contact [Nigel Pasea](#).

2. ADGM AND FSRA LATEST DEVELOPMENTS

2.1 ADGM Wins Award at the Global Brand Awards 2024

On 18 April, the Abu Dhabi Global Market ('ADGM') won the "Most Trusted Financial Centre Brand, Middle East" award for 2024 at the Global Brand Awards, organised by the Global Brands Magazine.

The award was granted through an extensive evaluation considering the following merits:

- customer trust and satisfaction
- innovation and technology
- regulatory compliance
- brand value, amongst other factors.

You can read the ADGM article in full [here](#).

2.2 ADGM Sign MoU with Hacken Strengthening Blockchain Security Standards

On 24 April, the ADGM signed an MoU with Hacken, a leading blockchain security auditing firm, to strengthen blockchain security and compliance. In collaboration with Hacken, the ADGM's Registration Authority ('RA') will develop security standards and on-chain monitoring solutions, supporting the ADGM's Distribution Ledger Technology ('DLT') Foundation framework. In addition, the MoU will develop security and compliance standards, advanced DLT foundation monitoring arrangements, and the development of Artificial Intelligence ('AI') enhanced monitoring solutions.

You can read the ADGM article in full [here](#).

2.3 FSRA Issues Dear SEO Letter

On 29 April, the ADGM's Financial Services Regulatory Authority ('FSRA') issued "Dear SEO; Strategic Review on Targeted Financial Sanctions ('TFS') Case Studies". The letter shares the publication of the Executive Office for Control and Non-Proliferation's ('ECON') report "Strategic Review on Targeted Financial Sanctions Case Studies" ('the Report') and reminds firms of their obligation to comply with Cabinet Resolution No. (74) of 2020 ('the Resolution').

The Resolution requires firms to:

- consult with the latest TFS Review Strategic Report

- comply with the relevant regulatory rulebooks, including the anti-money laundering rulebook and general rulebook, amongst others
- register and notify using the UAE Central Bank ('CBUAE') GoAML platform
- register for the latest sanction changes and report involvement to the Financial Intelligence Unit ('FIU').

The Report reviews cases between 2019 and 2024 and highlights TFS categories and classifications as well as details typologies and red flags.

The Report covers:

- classification between 2019 and 2021 based on:
 - source of information
 - suspicion identified
 - tools and instruments used
 - patterns and typologies.
- classification between 2022 and 2023 based on:
 - reporting entity
 - suspicion identified
 - tools and instruments used
 - patterns and typologies.

The published case studies can be found [here](#).

2.4 Abu Dhabi Blockchain Funds Forum Holds Investor Event

On 16 April, the Abu Dhabi Blockchain Fund Forum held an investors' event discussing investment opportunities in blockchain technology. The forum gathered thought leaders and industry professionals to discuss the evolving landscape of blockchain technology and digital finance. In addition, the attendees discussed the potential of Web3, hearing from expert speakers including Coinbase, Abu Dhabi Investment Authority ('ADIA') and First Abu Dhabi Bank ('FAB').

You can read the ADGM article in full [here](#).

Further information

If you have any questions or concerns regarding these ADGM and FSRA developments and requirements, please contact [Nigel Pasea](#).

3. MIDDLE EAST REGULATORY UPDATES

3.1. MOF Participates in Spring Meetings of IMF and WBG

Between 15 and 20 April, the Ministry of Finance ('MOF') participated in the 2024 Spring Meetings of the International Monetary Fund ('IMF') and the World Bank Group ('WBG') in Washington, DC, USA. The event brought together bankers, ministers of finance and development, key politicians, private sector executives, representatives from civil society and academics to discuss issues of global concern, including the world economic outlook, poverty, economic development, and global aid. The UAE's delegation emphasised the importance of further global collaboration to establish effective and sustainable solutions for developmental

needs such as macroeconomic stability, debt sustainability, geopolitical challenges on global trade and medium-term growth prospects.

You can read the MOF article in full [here](#).

3.2. MOF Launches Consultation on Corporate Tax Incentive

On 19 April, the MOF launched a digital consultation on the proposed Research and Development ('R&D') tax incentive under the UAE Corporate Tax Law. The MOF requests comments from stakeholders, including businesses operating in the UAE, advisors, service providers, institution leaders, and investors, to understand the potential R&D activities undertaken by businesses, considerations regarding the application of the incentive, and the implementation of the initiative.

You can read the MOF article [here](#) and submit your comments [here](#). Comments are welcome until 14 May.

3.3. MOF Participates in IsDB Group Annual Meetings

Between 27 and 30 April, the MOF participated in the 2024 Islamic Development Bank ('IsDB') Group Annual Meetings in Riyadh, Saudi Arabia. The attendees met under the theme "Cherishing our Past, Charting our Future; Originality, Solidarity and Prosperity", bringing together international and regional governors and general assemblies to discuss economic development and institutional matters. The UAE delegation highlighted the UAE's focus on providing stability and prosperity to developing lower-income countries and emphasised the UAE's efforts to provide foreign aid and international development programmes.

You can read the MOF article in full [here](#).

3.4. CBUAE Enhances SupTech Initiative

On 25 April, the UAE Central Bank ('CBUAE') partnered with Accenture to implement a Supervisory Technology ('SupTech') solution as part of its Financial Infrastructure Transformation Programme and Enterprise Data Management Programme. The SupTech solution will automate and streamline activities for banks and licenced financial institutions thereby enhancing the effectiveness of supervisory processes, including money laundering, financial crime, and compliance oversight.

You can read the CBUAE article in full [here](#).

3.5. Saudi Arabia ACRSD Imposes Penalties

On 4 April, the Saudi Arabia Capital Market Authority ('CMA') announced the Appeal Committee for Resolution of Securities Disputes' ('ACRSD') decision to convict five investors for violating the Capital Market Law. They imposed fines of SAR 3.5M on the investors and obligated four of the investors and a local company to pay SAR 41.4M due to the illegal gains achieved.

The violations included manipulation and misleading activities. Four of the investors executed a series of transactions before and after the listing of the firm, resulting in the increase of their percentage ownership without the required disclosures to shareholders and the public. The fifth investor used WhatsApp to promote opinions in two group chats, aiming to influence the company's share price. He subsequently sold his shares and profited from the price increase.

You can read the CMA article in full [here](#).

Further information

For any questions or concerns regarding these updates, please contact [Mohsin Ismail](#).

4. INTERNATIONAL UPDATES

4.1 UN Updates Sanctions List

The UN Security Committee updated an entry on its sanction list in light of the global political landscape. As a member of the UN, the UAE is committed to implementing the resolutions, and all firms must report on their involvement with sanctioned entities.

On 15 April, the Security Council 1718 Sanctions Committee amended one entry from 'National Aerospace Development Administration' to 'National Aerospace Technology Administration'.

Further details can be found [here](#).

On 25 April, the Security Council ISIL (Da'esh) and Al-Qaida Sanctions Committee added one entry for 'Dr. Sanallah Dhafari'.

Further details can be found [here](#).

4.2 UAE remains on EU Grey List

On 23 April, the European Parliament rejected the European Commission's proposal and voted to keep the UAE on the European Union's ('EU') list of High Risk Third Countries i.e. the "grey list". It was rejected by 490 votes to 64 with 56 abstentions. This decision follows the lobbying of multiple parties, such as Transparency International EU, who sought to block the removal of the UAE from the grey list. The EU's decision diverges from FATF as the UAE was recently removed from the FATF grey list in February 2024.

The Motion for Resolution can be found [here](#), the minutes of the plenary session [here](#) and the verbatim report of proceedings [here](#).

Further information

For any questions or concerns regarding these updates, please contact [Mohsin Ismail](#).

ABOUT WAYSTONE COMPLIANCE SOLUTIONS

Waystone Compliance Solutions offers a new and unique approach to compliance services at a corporate level.

As a truly global partner, we have the capabilities to help you manage regulatory risk right across your organisation.

We can provide key services from initial registration and licensing to compliance programme integration. Our compliance solutions span business strategies, market activities, and operational and technology infrastructure, not to mention sales and marketing procedures. And we can do so anywhere in the world.

Our aim at Waystone is simple: to enable our clients to navigate the complex regulatory environment with confidence.

At Waystone, we have brought together the experience, the expertise, and the global reach to give you the certainty you need to address the ever-changing regulatory world. And by doing so, provide you with a secure route on the road to success.

<https://compliance.waystone.com/>

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- Authorisation
- Outsourcing (Compliance Officer, MLRO, Finance Officer and Data Protection Officer)
- Documentation
- Training

If you wish to discuss how Waystone can assist you with any of the issues raised in this regulatory update, please contact us using the details below:

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This regulatory update provides information about the consultative documents and publications issued by various regulators which are still current, proposed changes to the Rules and Guidance set out in Handbooks, actual changes to Rules and Guidance that have occurred in the months leading up to the update and other matters of relevance to regulated firms. This regulatory update is intended to provide general summarised guidance only, and no action should be taken in reliance on it without specific reference to the regulators' document referred to therein.