

The background of the slide features a conceptual image of four hands of different skin tones (dark brown, light brown, and two shades of blue) reaching out from the corners towards the center. These hands are interconnected by a series of thin, glowing lines in blue, yellow, and white, which loop and swirl around them, creating a sense of dynamic movement and connection. The overall color palette is a gradient from warm orange on the left to cool teal on the right.

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DIFC Regulatory Environment

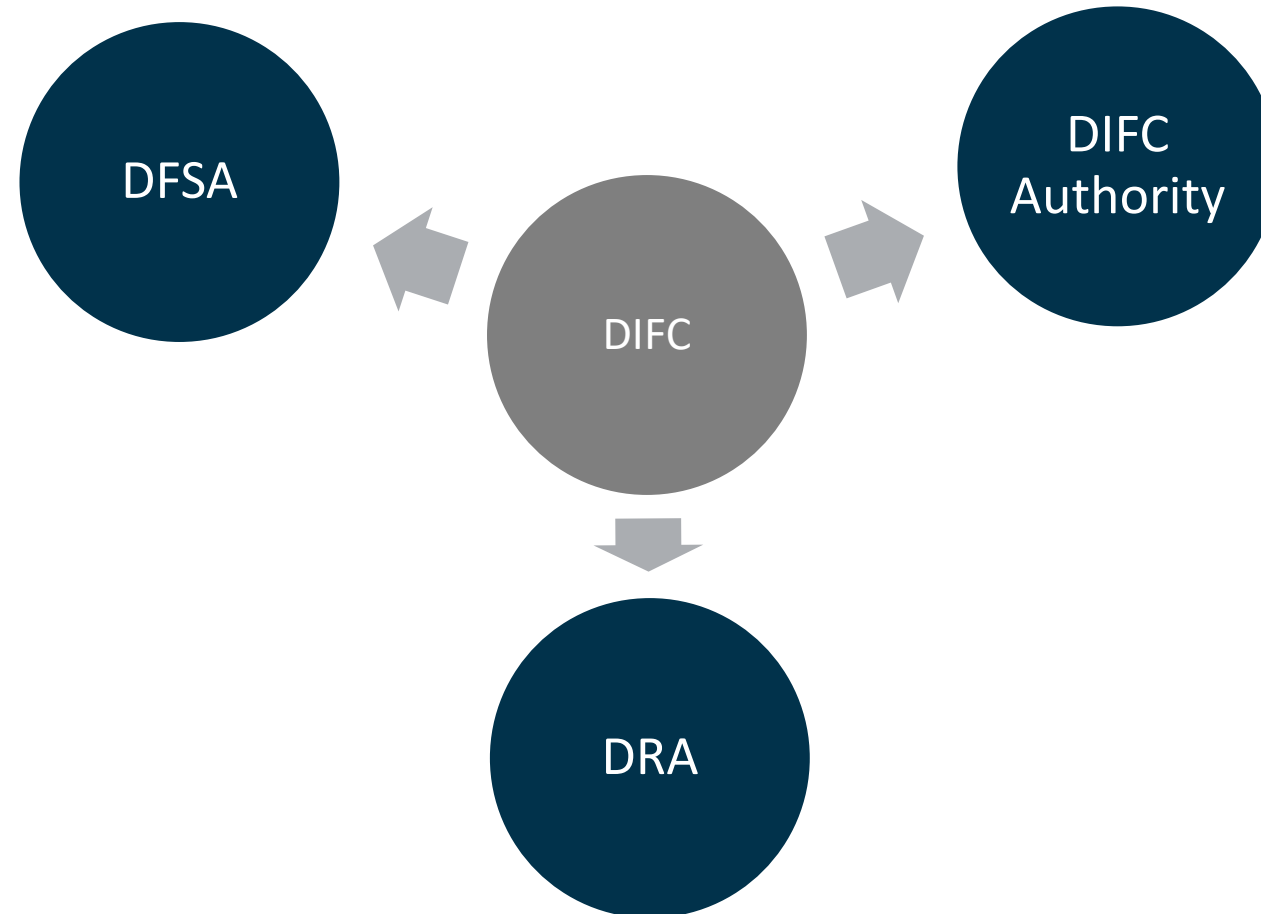
Katrina Bradley – Etive Consulting



Agenda

1. Overview of DIFC
2. Introduction to DFSA
3. DFSA Authorisation
4. DFSA Application Process
5. DFSA Supervision
6. DFSA Enforcement
7. DIFC Application Process

Overview of The DIFC



The DFSA

THE DFSA IS THE INDEPENDENT REGULATOR OF ALL FINANCIAL SERVICES CONDUCTED IN OR FROM THE DIFC

- **Authorises**, licenses and registers institutions and individuals who wish to conduct financial and ancillary services in or from the DIFC.
- **Supervises** regulated participants and monitors their compliance with the laws, regulations and rules that apply.
- **Enforces** laws, regulations and rules.

The DFSA – regulatory approach

Risk-Based Approach

To be risk-based and to avoid unnecessary regulatory burden

Increased Risk => Increased Regulation

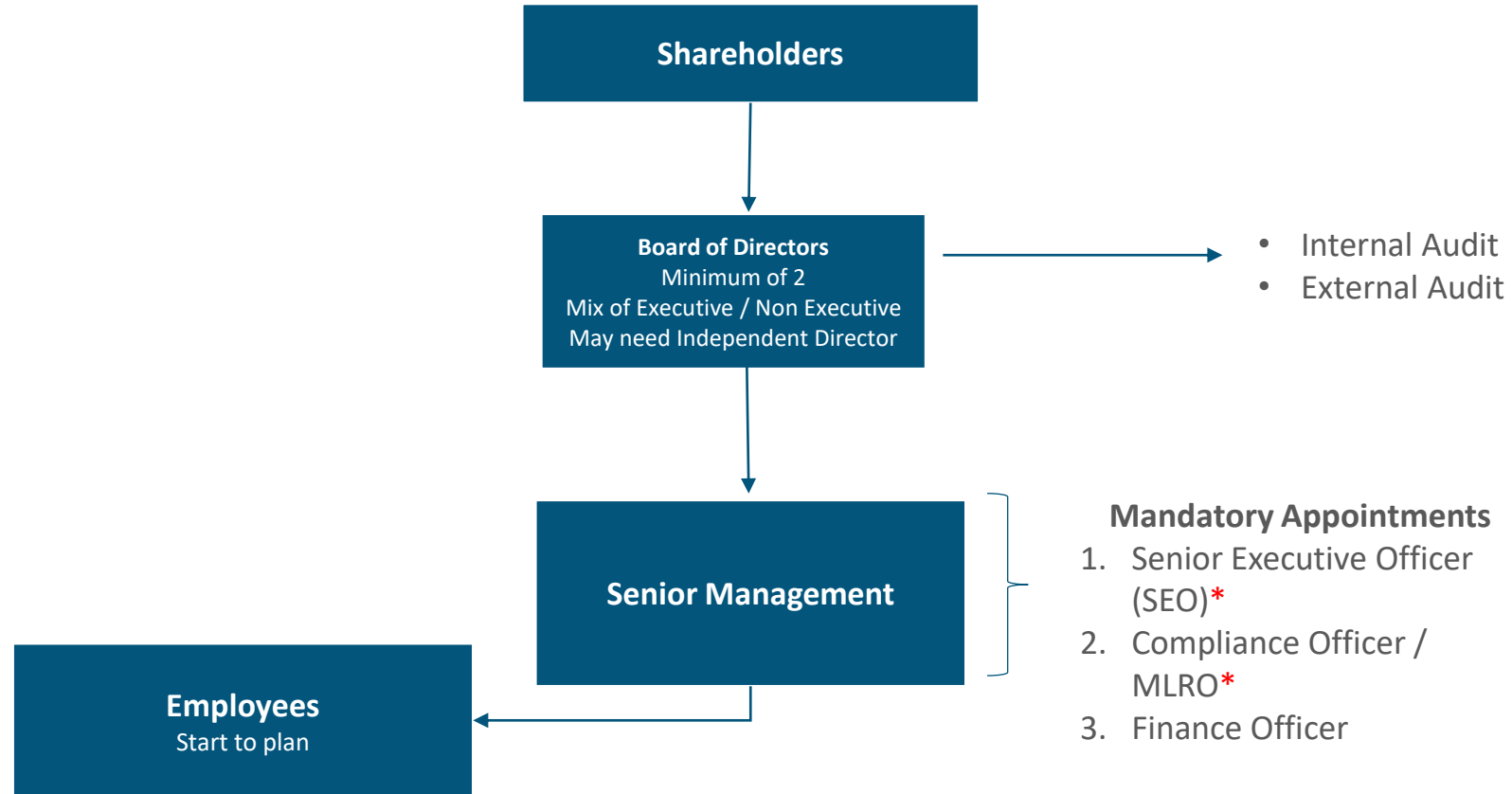
DFSA Authorisation - Financial Services

DFSA Financial Services				
Accepting Deposits	Arranging Credit or Deals in Investments	Arranging Custody	Insurance Intermediation	Providing Fund Administration
Providing Credit	Advising on Financial Products or Credit	Effecting Contracts of Insurance	Insurance Management	Acting as Trustee of a Fund
Providing Money Services	Managing Assets	Carrying out Contracts of Insurance	Managing a Profit Sharing Investment Account	Operating a Representative Office
Dealing in Investments as Principal	Managing a Collective Investment Fund	Operating an Exchange	Operating an Alternative Trading System	Operating a Credit Rating Agency
Dealing in Investments as Agent	Providing Custody	Operating a Clearing House	Providing Trust Services	Operating a Crowdfunding Platform

DFSA Authorisation - Prudential Categories

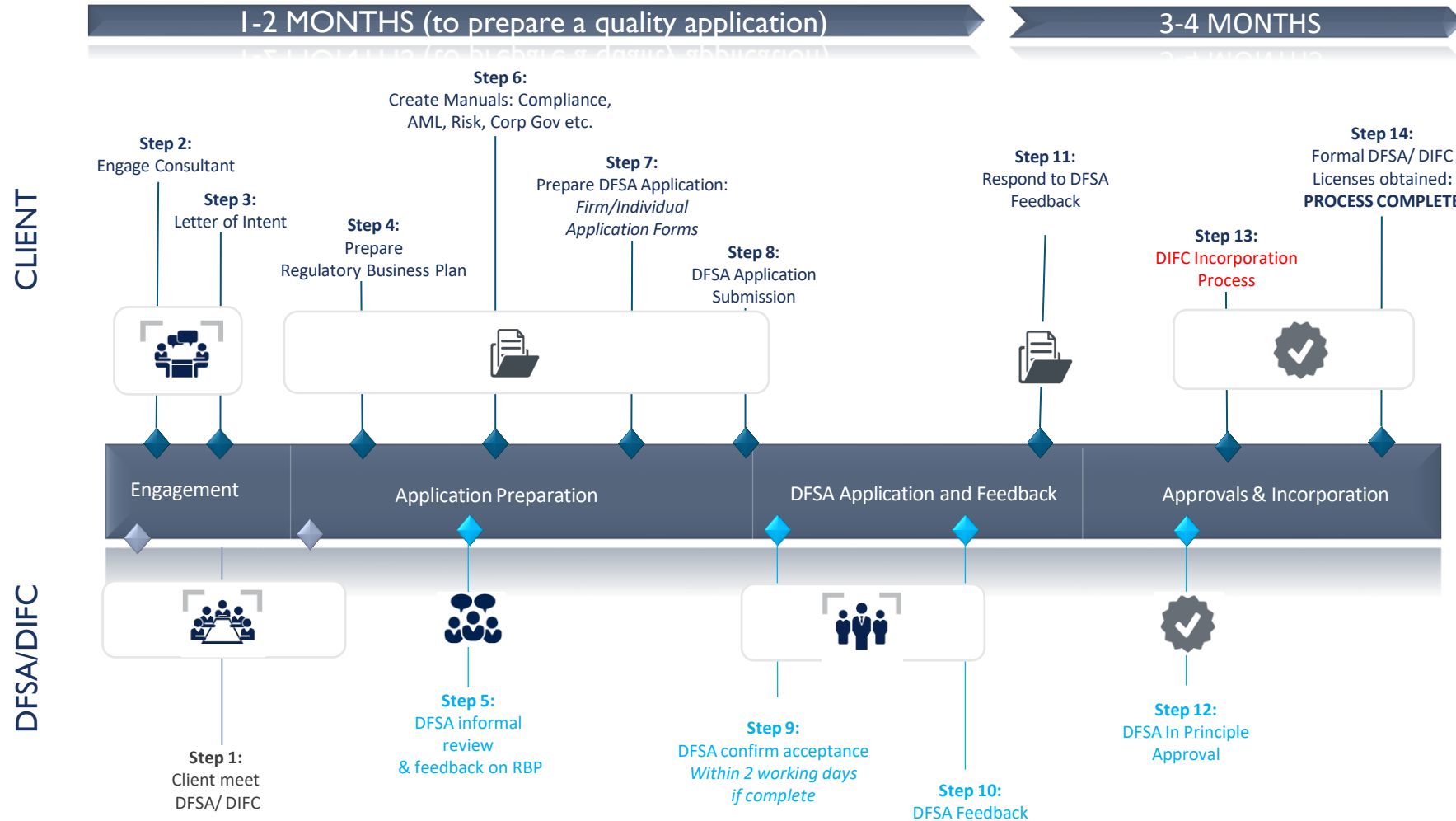
Category 1	Category 2	Category 3A	Category 3B	Category 3C	Category 3D	Category 4	Category 5
Accepting Deposits	Dealing in Investments as Principal (not as Matched Principal)	Dealing in Investments as Principal (only as a Matched Principal)	Providing Custody (only if for a Fund)	Managing a Collective Investment Fund	Providing Money Services (other than Issuing Stored Value)	Arranging Deals in Investments	An Islamic Financial Institution which Manages a PSIAu
Managing a PSIAu	Providing Credit	Dealing as Agent	Acting as the Trustee of a Fund	Managing Assets		Advising on Financial Products	
			Operating an Employee Money Purchase Scheme	Providing Trust Services as a trustee of an express trust		Arranging Custody	
			Acting as the Administrator of an Employee Money Purchase Scheme	Managing a PSIAr		Insurance Intermediation	
				Providing Custody (other than for a Fund)		Insurance Management	
				Providing Money Services (Issuing Stored Value)		Operating an Alternative Trading System	
						Providing Fund Administration	
						Providing Trust Services other than as a trustee of an express trust	

DFSA Authorisation – Typical Firm structure



* Mandatory appointments that must be residents in the UAE.

DFSA & DIFC - Application Process



Dfsa supervision

THE DFSA IS AN INTEGRATED PRINCIPLES-BASED REGULATOR THAT FOLLOWS A RISK-BASED APPROACH IN THE SUPERVISION OF REGULATED FIRMS, INCLUDING FINANCIAL INSTITUTIONS, REGISTERED AUDITORS, AND CREDIT RATING AGENCIES

■ **Supervisory Framework**

- Open and proactive communication with all Authorised Firms.
- Multi-channel approach to communication with Authorised Firms
- Team Supervision – v- Relationship Management

➤ DFSA conducts a risk-based assessment of the risks each Firm presents to the DFSA's regulatory objectives.

DFSA – Regulatory objectives

- To foster and maintain fairness, transparency and efficiency in the financial services industry (namely, the financial services and related activities carried on) in the DIFC.
- To foster and maintain confidence in the financial services industry in the DIFC.
- To foster and maintain the financial stability of the financial services industry in the DIFC, including the reduction of systemic risk.
- To prevent, detect and restrain conduct that causes or may cause damage to the reputation of the DIFC or the financial services industry in the DIFC, through appropriate means, including the imposition of sanctions.
- To protect direct and indirect users and prospective users of the financial services industry in the DIFC.
- To promote public understanding of the regulation of the financial services industry in the DIFC.
- To pursue any other objectives as the Ruler of Dubai may, from time-to-time, set under DIFC Law

Dfsa enforcement

ENFORCEMENT FOCUSES ITS RESOURCES ON BEHAVIOUR AND RISKS THAT POSE THE GREATEST THREAT TO THE DFSA'S OBJECTIVES.

- **Enforcement Framework**

- Stopping and fixing

- stopping misconduct, freezing assets and remediating systems and controls failings

- Punishing and deterring

- imposing penalties, such as fines or public censures,

- Protecting and confidence-building

- removing or restricting an individual or firm that poses an unacceptable risk to investors, DIFC markets or the DIFC's reputation

➤ **DFSA generally publicises its Enforcement actions.**

Difc – incorporation/registration process

DIFC Legal Structures	<ol style="list-style-type: none">1. Companies (Private Company, Public Company, Recognised Company)2. Partnerships (GP, RP, LP, RLP, LLP, RLLP)3. Non-Profit Incorporated Organisations (NPIO)4. Foundations (Foundation, Recognised Foundation)
DIFC Client Portal	The application for incorporation/registration of an entity is being done through the DIFC Client Portal, a system developed by the DIFC to extend and facilitate the services of the DIFC Registrar of Companies
Registered Address	It is mandatory to have a registered address in the DIFC prior to submitting the application for incorporation/registration.

Difc – incorporation/registration process

Key Documents	<ol style="list-style-type: none">1. DFSA In-Principle Approval/DFSA Draft License Notice2. Certified copy of passport of all individual directors, authorised signatories, shareholders, UBOs and company secretary3. Certified copy of Certificate of Incorporation or similar document of all body corporate directors, shareholders, and company secretary4. Articles of Association (Standard or Modified)5. Legal Opinion (If using modified Articles of Association)6. Incorporating Shareholders Resolution (Required for body corporate shareholders only)7. Certified copy of constitutional documents8. Latest Audited Financial Statements9. Supporting documentation related to policies and processes such as Data Protection Policy.
Stages of Application	<ol style="list-style-type: none">1. Name Approval2. Background Check3. Registration Review4. Signing of Articles of Association (Not required for a Recognised Company, RP, RLP, RLLP and a Recognised Foundation)5. Approval
Timeline	Approximately 2- 4 weeks subject to completeness of documents and information

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Thank you

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