

# DUBAI INTERNATIONAL FINANCIAL CENTER [DIFC]

DIFC is a Federal Financial Free Zone attached to the Government of Dubai, and established in accordance with United Arab Emirates Federal Law and by Dubai Law. The President of DIFC is His Highness Sheikh Maktoum Bin Mohammed Bin Rashid Al Maktoum, Deputy Ruler of Dubai.

Since it opened in September 2004, the DIFC has attracted high caliber firms from around the globe as well as its region. A world-class stock exchange, the Dubai International Financial Exchange (DIFX), opened in the DIFC in September 2005.

DIFC consists of three core independent bodies: DIFC Authority (DIFCA), Dubai Financial Services Authority (DFSA) and DIFC Judicial Authority (DIFC Courts). DIFC is an initiative launched to harness the potential of the region's financial services industry. At the heart of the DIFC concept is an independent regulator, the Dubai Financial Services Authority (DFSA), which grants licenses and regulates the activities of financial institutions in the DIFC.

The DIFC focuses on several sectors of financial activity: Banking Services (Investment Banking, Corporate Banking & Private Banking); Capital Markets (Equity, Debt Instruments, Derivatives and Commodity Trading); Asset Management and Fund Registration; Insurance and Re-insurance; Islamic Finance & Professional Service Providers.

## AREA OF BUSINESS

Business in DIFC is categorized into two:

1. Financial services institution
  - Banks
  - Insurance
  - Wealth Management
  - Capital Markets
2. Commercial Firms
  - Professional services
  - Global Corporate
  - Management Offices
  - Retailers

## Licenses of Category:

### 1. Authorized Firm (AF):

Authorized firms are granted a license to conduct financial services in or from the DIFC.

They may carry out any of the following financial services:

- Accepting deposits Providing Credit
- Dealing in investments as principal
- Dealing in investment as Agent
- Arranging deals in investments
- Managing assets
- Advising on financial products
- Providing custody
- Arranging custody
- Effecting Contract of insurance
- Carrying out contract of Insurance
- Insurance broking
- Insurance Management

### **Applying to become an Authorized Firm**

Authorized firm are assessed according to a fitness and propriety test, which takes into account the nature and scale of the proposed activities. You can find the fitness and propriety test in an appendix to the Authorization (AUT) module of the DFSA Rule book. The DFSA will assess your application by reviewing they complete application form, requesting further information if it is required, and conducting face to face meeting with you.

### **Applicant must complete a core form that includes general details reading:**

The firm and its proposed business

- Related entities
- Financial information
- A regulatory business plan
- System and control
- Professional advisers

### **2. AUTHORISED INDIVIDUAL (AI)**

Authorized Individuals are the officers or employees who carry out defined licensed functions within an Authorized firm.

These functions are materially linked to an authorized firm's management and/or the provisions of its financial services. As a result, authorized individual must meet particular standard relating to their experience, knowledge and qualification.

The Licensed functions are:

- Senior Executive officer
- Senior manger
- Licensed Director
- Licensed partner
- Financial officer
- Compliance officer
- Responsible officer
- Licensed Representative
- Money laundering reporting officer

A firm must take separate application for each individual it wishes to become authorized.

### **Mandatory Licensed functions**

Authorization is mandatory for at least the following licensed functions:

- Senior Executive officer
- Compliance officer
- Finance Officer
- Money laundering reporting officer.

### **3. AUTHORISED MARKET INSTITUTION (AMI)**

The DFSA expects that only a small number of licenses will be granted in this category. Prospective applications are advised to contact the DSFA at the earliest possible opportunity, in order to determine whether their application for such a license is appropriate.

### **Permitted financial services**

- Operating an exchange
- Operating a clearing house

### **Assessment Criteria**

The DFSA assess application for am authorized market License against requirement relating to:

- Financial Soundness
- Business rules
- System and controls
- investor safeguards
- Integrity
- Complaints resolution

#### **4. ANCILIARY SERVICES PROVIDER (ASP)**

Ancillary services are granted a registration to carry out ancillary services in or from DIFC.

These services are defined as:

- Providing legal services
- Providing a local services office
- Operating a management office

#### **Assessment criteria:**

Applications for registration as an Ancillary Service Provider are assessed against fitness and propriety requirements.

#### **Designated persons:**

An ancillary Services provider must nominate two designated persons. These people are individuals normally resident in United Arab Emirates, and who acts as a principal representative and Anti Money laundering Officer.

The fees vary depending on:

- The type of application
- The proposed or licensed financial services
- The number of authorized individuals
- Turnover figures all fees are stated in US dollar

#### **For more info, please contact us:**

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