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FINAL PRESS RELEASE:

DFSA Regulatory Sandbox accepts seven new firms into its latest Cohort

Dubai, UAE, 7 January 2019: The Dubai Financial Services Authority ("DFSA") announced the acceptance of seven new firms into its cohort process, which permits companies to apply for an Innovation Testing Licence ("ITL"). The ITL forms part of the DFSA's commitment to support innovation and the development of financial technology by enabling successful applicants to test their FinTech solutions in and from the Dubai International Financial Centre ("DIFC"). With the pace of technological development in the financial services sector, FinTech continues to have a significant impact on the financial services industry in the Middle East and beyond.

A great variety of applications was received from firms wanting to be part of this latest cohort, launched in November 2018. These applications encompassed a range of innovative, technology-driven solutions and products including: green financing; the digitisation of bond and sukuk issuances using smart contracts; SME funding platforms; robo-advisors for Islamic finance; and the tokenisation of equities and debt issuances.

Bryan Stirewalt, Chief Executive of the DFSA, said: *"I am particularly pleased by the mix of international and local candidates that have been successful and the wide range of technology solutions and products on offer, including Ethereum and Corda blockchains, artificial intelligence and algorithms and smart contracts development. The cohort also had strong representation from companies that aim to support wider Dubai and UAE objectives and government initiatives, including environmental efficiency, support for SMEs across the UAE, and the promotion of Islamic Finance. We shall continue to support the Dubai Government and the DIFC in the development of the Dubai FinTech ecosystem and consolidate Dubai's role as the regional Fintech hub."*

After being accepted into the DFSA's latest cohort, successful firms are now invited to apply for an ITL. The DFSA expects to grant the first batch of licences in March 2019.

The cohort system was originally developed by the DFSA in answer to the widely positive responses generated by the ITL programme. The DFSA will continue to offer two open cohorts each year, during which, applicants should provide a clear explanation of their business model and proposed innovation [in financial technology]. The next opportunity to apply to participate in a cohort will be in May 2019. For more information about the DFSA's upcoming Cohort and the ITL programme, please visit the [DFSA website](#) or please email: Fintech@dfsa.ae.

One of the ITL programme's core benefits is to allow companies to apply for a restricted financial services licence that provides the flexibility to test and develop innovative concepts without being subject to the full regulatory requirements normally applicable to DFSA regulated firms.

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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 administering Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) legislation that applies in the DIFC. [] Please refer to the DFSA's website for more information.

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. Bryan has played a vital part in executing the DFSA's regulatory mandate and developing its risk-based supervision framework. 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.



DIFC Fintech Hive

The DFSA's cohort process and Innovation Testing Licence ("ITL") initiatives go hand in hand with the FinTech Hive, which was launched at the beginning of 2017 at the DIFC, to bring together the next generation of leaders and entrepreneurs to compete and address the growing needs of the region's financial services industry, using innovative technology solutions.