

By Email

1 June 2021

Dear Senior Executive Officers (SEO) of DFSA Authorised Firms and Authorised Market Institutions and Managing Partners of Registered Auditors

Proposed Guidelines for Financial Institutions adopting Enabling Technologies

I am pleased to announce our latest effort to join forces with federal regulatory authorities in the UAE in a matter of criticality and common interest.

The DFSA, the Central Bank of the UAE (CBUAE), the Emirates Securities and Commodities Authority (SCA) and the Financial Services Regulatory Authority (FSRA) of the Abu Dhabi Global Market (ADGM) (together, “the Authorities”) have jointly launched a public consultation on proposed “Guidelines for Financial Institutions adopting Enabling Technologies” (the “Guidelines”).

The Guidelines, attached to this letter and also available on the [DFSA's website](#), propose high level principles and best practices for financial institutions who are considering adopting, or have adopted, enabling technologies.

The enabling technologies included in the Guidelines are:

- Application Programming Interfaces;
- Big Data Analytics and Artificial Intelligence;
- Biometrics,
- Cloud Computing; and
- Distributed Ledger Technology.

The Guidelines have been produced to encourage the safe and appropriate adoption of the enabling technologies, so that risks arising from their adoption are appropriately addressed and managed.

In drafting the Guidelines, the Authorities have considered both international standards and industry best practice.

Application of the Guidelines

The Guidelines will be applicable to all Authorised Firms, Authorised Market Institutions and Registered Auditors (the “Firms”) who use, or are intending to use, the enabling technologies listed above, irrespective of the financial activities conducted.

We would expect Firms to apply the Guidelines in a proportionate manner that reflects the size and complexity of their business, and the nature, scope, complexity and materiality of the innovative activities undertaken.

The Guidelines set out the Authorities’ views on overarching principles and best practices for Firms in these areas. They do not create new obligations for Firms. However, Firms should expect the DFSA to refer to the Guidelines when discussing relevant issues. Besides, in due course, the DFSA may include some, or all of the Guidelines, in its Rulebook, in which case



the obligations created would need to be adhered to in the same way Firms would adhere to any other DFSA administered Law and/or Rule.

Consultation

Although the DFSA is introducing these Guidelines now, if you have any comments or suggestions to improve the draft Guidelines and their application, please send any comments you may have to consultation-etechnology@cbuae.gov.ae no later than 30 June 2021.

If the Guidelines are amended to reflect any comments received, the DFSA will publish the revised version of the Guidelines on its website in due course.

If you have any questions in relation to this letter, please contact us using the DFSA Supervised Firm Contact Form found on the [DFSA ePortal](#).

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Bryan Stirewalt', is positioned above the printed name.

Bryan Stirewalt
Chief Executive