

BY EMAIL

17 June 2022

To the Senior Executive Officers (SEO) of Authorised Firms

RE: Hosting Group related staff in the DIFC

Dear SEO,

The DFSA recently received enquiries and requests from Authorised Firms who are looking to host staff in the DIFC from group related entities in other jurisdictions. Requests have been either for temporary relocation or for an undefined period.

The DFSA is concerned that certain Authorised Firms may have already hosted staff from other jurisdictions without considering the implications under applicable laws and regulations. Moreover, certain Authorised Firms have failed to provide appropriate prior notice of these arrangements to the DFSA. In that regard, we refer you to the DFSA Dear SEO Letter, dated 15 March 2022, titled "Regulatory Notifications".

Unless stated otherwise, terms used in this letter shall have the same meaning as set out in the Glossary Module (GLO) of the DFSA Rulebook. Please be informed any Law or Rule references in this letter are not all encompassing.

With the above in mind, the DFSA would like to emphasise the following:

1. No person or individual may carry on any Financial Services activities in or from the DIFC unless licensed by the DFSA as an Authorised Firm and within the remit of their DFSA licence.¹
2. An Authorised Firm may only provide Financial Services to Clients that are properly assessed, classified and on-boarded in accordance with DFSA Rules, including the [AML Module](#) and [COB Module](#).
3. Subject to paragraphs 4 to and including 7, Authorised Firms may be permitted to host non-DIFC staff who are *not* involved in carrying on any Financial Services activities (e.g. control functions, back-office functions, support or administration functions, etc.).

¹ Article 41 and Article 42 of Regulatory Law.

4. Any changes in the business or operations of an Authorised Firm must be documented, and the firm's business plan updated to take account of such changes (*GEN Rule 5.3.16*). In so doing, an Authorised Firm should also reassess its risk profile, including an updated AML Business Risk Assessment.
5. Authorised Firms are expected to maintain a current job description of each staff member. Each job description should be properly documented and clearly describe the scope and nature of the individual's functions and activities, and be available to the DFSA upon request.
6. Authorised Firms must implement adequate systems, controls and compliance arrangements that ensure and evidence, where practicable, their compliance with applicable legislation in the DIFC.² This also includes employment and visa requirements set out in the DIFC Employment Law.
7. Authorised Firms should not permit or tolerate access to their operational systems, functions, governance frameworks or other facilities by non-DIFC based staff, unless permitted under the DFSA regulatory regime.

We remind Authorised Firms of their obligation to ensure that the DFSA is promptly informed of any significant events or anything else relating to the firm of which the DFSA would reasonably expect to be notified.

Please ensure all general communications with the DFSA, including questions regarding this letter and any notifications, are made via the [DFSA ePortal](#) on the DFSA website.

Sincerely yours,



Justin Baldacchino
Managing Director, Supervision

² GEN Rule 4.2.3 and GEN Rule 5.3.7.