



## By Email

3 August 2023

To: Senior Executive Officers and Compliance Officers of Authorised Firms

## RE: Disclosures Thematic Review 2023

Dear SEO's,

The purpose of this letter is to inform you of the DFSA's upcoming Disclosures Thematic Review.

We use 'disclosures' to mean all client communications, including but not limited to Financial Promotions,<sup>1</sup> that Authorised Firms use in relation to their scope of services and responsibilities; terms and conditions of engagements; and financial services and financial products.

These communications are important in enabling Clients to make informed decisions about the choice of Authorised Firm, financial service(s) and financial product(s). We expect Authorised Firms to have appropriate policies, systems and controls in place in relation to client communications and Financial Promotions.

The Disclosures Thematic Review aims to:

- Assess Authorised Firms' compliance with the DFSA's Financial Promotions rules in GEN 3 – in particular, whether Financial Promotions made in or from the DIFC are clear, fair and not misleading and include appropriate risk warnings;
- Determine whether Authorised Firms are accurately representing their regulatory status and scope of their Financial Services licence in their disclosures;
- Determine whether Authorised Firms clearly distinguish between and convey how responsibilities are divided between themselves and their group entities in communications to clients and potential clients;
- Identify areas of good and poor practice for wider communication to Authorised Firms; and
- Identify any outliers and instances of material non-compliance for further action.

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<sup>1</sup> Article 41A (3) of the Regulatory Law defines a Financial Promotion as:  
"Any communication, however made, which invites or induces a Person to:  
(a) enter into, or offer to enter into, an agreement in relation to the provision of a financial service; or  
(b) exercise any rights conferred by a financial product or acquire, dispose of, underwrite or convert a financial product."



Following an initial desk-based review, predominantly of Authorised Firms' websites, we will contact a sample of Authorised Firms requesting information, including example client communications, governance arrangements, systems and controls. Please treat this letter as notice that your firm *may* be included in this sample.

Following the review, we will publish our key findings. In line with our statutory objectives, the desired outcome of this review is greater protection for clients and potential clients from misleading Financial Promotions. By sharing examples of good practice, we also hope to drive wider improvements across Authorised Firms.

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 black ink, appearing to read 'Justin Baldacchino', is written over a light blue horizontal line.

**Justin Baldacchino**  
**Managing Director, Supervision**