

23 December, 2024

**Via Electronic Submission: <https://survey.dfsa.ae/f/136086/f71a/>**

Dubai Financial Services Authority  
Level 13, West Wing,  
The Gate, DIFC  
PO Box 75850  
Dubai, UAE

**Re: Consultation Paper No. 162  
Proposed Changes to the DFSA's Statutory Objectives**

Dear Sir or Madam:

MFA<sup>i</sup> submits these comments to the Dubai Financial Services Authority (“**DFSA**”) in response to the DFSA’s request for comments on the above-referenced Consultation Paper (“**Consultation Paper**”).<sup>ii</sup> MFA welcomes the continued, thoughtful consideration of the DFSA in modernising its regulatory oversight of the asset management industry, including alternative investment funds (“**AIFs**”) and other private funds.

The global asset management industry has grown considerably,<sup>iii</sup> and private funds offering a wide array of investment strategies comprise a growing and integral part of the global asset management

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<sup>i</sup> Managed Funds Association (“**MFA**”), based in Washington, DC, New York, Brussels, and London, represents the global alternative asset management industry. MFA’s mission is to advance the ability of alternative asset managers to raise capital, invest, and generate returns for their beneficiaries. MFA advocates on behalf of its membership and convenes stakeholders to address global regulatory, operational, and business issues. MFA has more than 180 member fund managers, including traditional hedge funds, credit funds, and crossover funds, that collectively manage over \$3.2 trillion across a diverse group of investment strategies. Member firms help pension plans, university endowments, charitable foundations, and other institutional investors to diversify their investments, manage risk, and generate attractive returns over time.

<sup>ii</sup> Dubai Financial Services Authority, Consultation Paper No. 162 (22 Oct. 2024), available at [https://dfsae.thomsonreuters.com/sites/default/files/net\\_file\\_store/CP\\_162\\_Changes\\_to\\_DFSA's\\_statutory\\_objectives.pdf](https://dfsae.thomsonreuters.com/sites/default/files/net_file_store/CP_162_Changes_to_DFSA's_statutory_objectives.pdf).

<sup>iii</sup> The global alternative asset management industry, including hedge funds, credit funds, and crossover funds, has assets under management of \$4 trillion (Q4 2022). The industry serves thousands of public and private pension funds, charitable endowments, foundations, sovereign governments, and other global institutional investors by providing portfolio diversification and risk-adjusted returns to help meet their funding obligations and return targets.

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industry and of MFA's membership. MFA members are increasingly viewing the Dubai International Financial Centre and the broader region as an important touchpoint with institutional investors, with numerous members opening offices in the region to better serve the investment needs of institutional private fund investors.

We appreciated the opportunity to visit the DIFC in person earlier this month to meet with MFA member firms and policymakers to discuss the continued growth and opportunity in the region. As we discussed, MFA member firms include some of the largest and most sophisticated private funds in the world, and we welcome the opportunity to serve as a resource to the DFSA Staff as it continues to evaluate the appropriate regulatory oversight of the alternative asset management industry. MFA views the Consultation Paper as an important step forward in recognition of the growing importance of the DIFC and Dubai to MFA member firms.

MFA in summary supports the proposed amendment to introduce a new statutory objective to promote the development of the financial services industry in the Dubai International Financial Centre ("**DIFC**"), as outlined in greater detail in the Annex attached hereto.

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MFA appreciates the opportunity to provide these comments to the DFSA in response to the Consultation Paper. If you have any questions about these comments, or if we can provide further information, please do not hesitate to contact the undersigned ([jflores@mfaalts.org](mailto:jflores@mfaalts.org)) or Rob Hailey([rhailey@mfaalts.org](mailto:rhailey@mfaalts.org)).

Sincerely yours,

/s/ Jillien Flores

Jillien Flores  
Executive Vice President  
Global Head of Government Affairs

## ANNEX

**Q1. Do you have any comments on our proposal that the Regulatory Law should be amended to introduce a new secondary objective for the DFSA to promote the development of the financial services industry in the DIFC?**

### MFA Response

MFA strongly supports the proposal to amend the Regulatory Law DIFC No. 1 of 2004 (the “**Regulatory Law**”) to include a new secondary objective for the DFSA to promote the development of the financial services industry in the Dubai International Financial Centre (“**DIFC**”). MFA furthermore appreciates the efforts of the DFSA in publishing the related Call for Evidence - Private Credit Funds,<sup>1</sup> on which MFA has commented separately earlier this year,<sup>2</sup> to increase the attractiveness of the DIFC as a global hub for the alternative asset management industry.

MFA appreciates the principled and methodical approach that the DFSA has undertaken, surveying the statutory objectives in Australia, the United Kingdom, Hong Kong SAR and other jurisdictions to further bolster the DFSA’s commitment to fostering the development of the financial services industry in the DIFC.

MFA believes that the new secondary objective will complement the DFSA’s existing regulatory and supervisory mandates and further enhance the DIFC as a financial services hub.

**Q2. Do you have any comments on our proposal that Article 8(3)(g) of the Regulatory Law should be amended?**

### MFA Response

MFA does not oppose the proposal to amend Article 8(3)(g) of the Regulatory Law to align it with its original intention and supports the DFSA clarifying that the amendment would have no practical impact on the anti-money laundering functions it currently performs.

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<sup>1</sup> See Dubai Financial Services Authority, Call for Evidence – Credit Funds (Mar. 2024), available at [https://dfsae.thomsonreuters.com/sites/default/files/net\\_file\\_store/Call\\_for\\_Evidence\\_Credit\\_Funds.pdf](https://dfsae.thomsonreuters.com/sites/default/files/net_file_store/Call_for_Evidence_Credit_Funds.pdf).

<sup>2</sup> MFA’s Comment Letter to the DFSA regarding its recent Call for Evidence (*see id.*) is available at <https://www.mfaalts.org/letter/mfa-submits-comment-letter-to-dfsa-in-response-to-private-credit-call-for-evidence/>.