

## REGULATORY GUIDANCE ON APIS ISSUED BY ADGM'S FSRA

The Financial Services Regulatory Authority ("FSRA") of the Abu Dhabi Global Market ("ADGM") has issued a regulatory guidance on October 14, 2019 regarding the development and use of "Application Programming Interfaces (APIs)" in the ADGM. In order to adapt with disruptive technological advancements in the financial services industry, this Guidance serves as a starting point for the providers and users of the APIs in ADGM to align it with the internationally recognized standards on APIs.

### What is an API?

An API can be seen as a user interface just with different users in mind. Rather than an individual interacting with an application on their smart phone, it is a computer application interacting with another, over the internet or within a private network, using predefined rules described in the API.

Each API interaction includes:

- 'API Provider' - an organisation that exposes their data or services through APIs; and
- 'API Consumer' refers to any organisation or person who uses an exposed API to access and consume the data or information.

APIs powers internal innovation, reach new customers, extend products and create vibrant partner ecosystems. They provide a way to share, move and access information previously ring fenced within isolated systems.

### Scope and Objective

The Guidance provides details in relation to the types of APIs and the FSRA's standards around the design, documentation, security fundamentals like authentication, authorization and encryption, data governance, maintenance and use of APIs.

The objective of this Guidance is to promote the following:

- Interoperability, i.e. to adopt internationally recognised standards for the sustainable growth of the digital economy, operability across sectors and connectivity to global markets;
- Resilience, i.e. to promote internationally recognised security and governance practices to safeguard consumers and the integrity of the financial services market

- Innovation and collaboration, i.e. to drive and encourage a culture of innovation and collaboration amongst financial services firms and technology ecosystems.

### Applicability

This Guidance applies to those considering developing or using APIs, including applicants for a Financial Services Permission in ADGM, financial services firms located outside ADGM, and participants in FinTech, RegTech, and SupTech.

The Guidance is influenced by several open banking initiatives in Europe, Asia, Australia and New Zealand which obligates certain financial institutions to make data available according to the standards that are based upon API usage.

The FSRA does not propose that APIs or Open Data are made mandatory for the firms operating in the financial industry but considering the digital transformation, the FSRA recognises APIs as an integral part of any financial institutions' digital strategy and emphasizes on developing and using APIs in accordance with the international best practices.

### Conclusion

The issuance of this Guidance ahead of the ADGM's FinTech Event (21-23 October) reflects the ADGM's ongoing commitment towards digital transformation and reinforces the city of Abu Dhabi as a global smart city. This Guidance serves as a progressive step in attracting niche financial services firms and developing the UAE's FinTech sector.

Although the Guidance does not impose obligations to comply, it will eventually create a level playing field for the market players and an important step towards financial inclusion within the overall economy of the UAE.

### Who we are

Re/think is a boutique accounting, audit, advisory, compliance and tax advisory firm with offices in Dubai and Abu Dhabi (ADGM), focused on providing businesses of varying sizes with timely, proactive, and customized business solutions from start-up and early development to the latest stages of a business lifecycle.

We offer tailored regulatory expertise across a wide range of compliance services and regulatory advice. We focus on compliance consultancy services as set out and specified services such as:

- Remediation Advisory
- Process improvement
  - » Providing benchmarking of regulatory compliance against industry peers
  - » Developing and implementing a risk-based compliance control framework and monitoring program.
- Exploring technology to enable compliance functions.

### Who will assist you



#### Sofia Mota, Director and Co-Head of Practice, Regulatory and Compliance Service

Extensive experience in the financial services sector and consulting across Europe, Middle East and Africa. Sofia has a track record of successful regulatory projects including banking institutions set ups. Her strong knowledge of financial products and regulatory frameworks adds to her extensive work experience in top tier financial institutions. Sofia holds and L. LM in Banking and Finance from the University of London and is a member of the Chartered Institute for Securities and Investments. Sofia is also experienced in designing and implementing operational risk management and governance frameworks across retail and wholesale markets. She currently acts as a compliance mentor for the ADGM Fintech RegLab and has completed the Oxford/Saïd Business School Fintech Programme.



#### Gail Goring, Director and Co-Head of Practice, Regulatory and Compliance Service

Experienced corporate lawyer with over 15 years' experience in regulatory and compliance services spanning across the Caribbean, Cayman Islands and in the UAE as the former Head of Regulations and Operations for RAKICC (IBC Offshore & Free zone Registry) with a strong knowledge of international business companies' regulatory frameworks, financial services (including FinTech) and financial products (particularly Funds) as well as specialized expertise as a certified Anti-Money Laundering Specialist and FATF trained Legal expert examiner and certified in FATCA & CRS reporting. Completed the Oxford/Saïd Business School Fintech Programme.