



INTERVIEW
 JAN NIGEL BLADEN,
 CHIEF OPERATING OFFICER AT
 THE DUBAI FINANCIAL
 SERVICES AUTHORITY
 (DFSA)

A TRUE GLOBAL CITIZEN

Born in the Netherlands, Jan is both a British and Swiss citizen. Raised in the Far East, Middle East, Europe and Africa, he was educated in French Embassy and British Public Schools. Fluent in English, French and Spanish, he obtained an MBA (Summa cum laude) from Lausanne in 1993. He has spent over 20 years living and working throughout the Middle East and is married with two children and a third on the way

□ NATASHA TOURISH

You are on the Board of Governors of your former boarding school, Abbotsholme School, a leading private boarding school in the heart of England. How did your private education shape you into becoming the person that you are today?

Schooling is not just about acquiring academic

knowledge or remembering mathematical formulas. It's also about the behaviour that your school has instilled within you. I firmly believe that education is what is left when you have forgotten everything they taught you. Therefore, it's a question of values, ethics, behaviour and habits that last a lifetime.

As boarders, we were in-

involved in many non-academic activities and the school continues to focus on orienteering, mountaineering expeditions, cross-country running, kayaking and hiking to name but a few. Indeed, my first Mount Everest Expedition was carried out with Abbotsholme some 20 years ago. It was the pioneering principles of outdoor education, established at Abbotsholme, which inspired the Duke of Edinburgh's Award. All Abbotsholmians benefit from our ethos,

which teaches them to value honesty and integrity highly; it also encourages a sense of self-worth and of pride in their own achievements whilst celebrating the success of others.

All these extra curricular activities allow you to acquire and develop a different skill set, a skill set that I now utilise today, in my ability to work in a team, listen, analyse, think on my feet and respond promptly to situations.

As a young man leaving University, what career did you envisage for yourself in the future?

I definitely did not see myself as a financial services regulator and I still don't! Looking back then and because of my passion for outdoor education and the love of sports, I probably should have joined the British Army. (sigh) Instead; I headed to Lausanne and took an MBA.

How did your previous years of international experience with PricewaterhouseCoopers (PwC) prepare you for the role of COO at the DFSA?

The role of COO in any organisation is very diverse. I oversee everything from IT, HR, finance, policies and procedures, risk management, internal and external audits, government relations, corporate strategy, budgeting, funding, con-

tingency planning, corporate communications and it goes on. This is the division I manage, or have managed, at the DFSA. The diversity of knowledge that comes from having carried out scores of international consultancy projects with PwC has helped tremendously.

You develop an ability to analyse, dissect and understand a situation relatively quickly. But the most important and critical factor of all, is that you must be able to motivate a large team of good people, and that means you need to hire and retain good people. It's the old concept of hire for attitude and train for skills. I have always taken pride in building and leading good teams over the years and for the record, I'm actually very proud of the operational team we have at the DFSA.

How does the DFSA compare to other international regulators in terms of its scope and ability to regulate?

My personal opinion is that the DFSA is now, after six years, amongst the top-tier regulators in the world. If you look at our latest Financial Sector Assessment Programme evaluation, carried out by the IMF and the World Bank, you'll see that the DFSA scored 27 A+'s and 2 B+'s out of a total score of 29. Research indicates that this is better than the majority of other international

regulators.

Why do you think the DFSA is, in your opinion, one of top regulators in the world?

Let me answer that question by saying that one of our successes is due to our regulatory independence, which is highly respected by the UAE Government. In other words, our independence has been supported in terms of our policymaking, rule making and the implementation of those rules, right down to their enforcement. That in itself is one of the key criteria, one of the corner stones, to having a strong regulator.

«I WOULD CHALLENGE ANYONE THAT TELLS ME THAT THE UAE ECONOMY ISN'T RECOVERING»

Tell us what's in store for the DFSA in the months ahead?

Well, we're busy on all fronts; we've re-examined our internal policies and regulatory processes, improvements are underway to upgrade our hardware and software infrastructure, especially our IT, to ensure that our security is not breached by cyber criminals, and we've recently announced enhancements to our Rules and Regulations. For example, last month we introduced a new regime for Financial Services Marketing and under these new rules, only companies regulated by the DFSA or our UAE counterparts can promote financial services in or from the DIFC. And last but not least, we are about to start looking at our budget for next year!



The official line is that Dubai is on the road to recovery but this is too often contradicted by the facts on the ground—empty commercial and residential real estate resulting in cheaper rents, lay offs in the Dubai branches of international banks etc. In your opinion, what does the DIFC need to accomplish to become the central hub of financial services for the MENA region?

I'm going to be biased in my response, I have to be, I've been here for eleven years and I intend on being here for the next eleven. If you look at some of the IMF forecasts for this year, we ex-

pect the UAE's economy to grow by 3.25%. When you compare that to some of the current, either negative or very low GDP growths on a global level, I would challenge anyone that tells me that the UAE economy isn't recovering.

I'm not an economist, but I believe there will be challenges along the way with regards to real estate and real estates prices. I went on record back in early 2007 saying that the bubble was going to burst. Will we see things picking up? Yes, I genuinely believe so.

More specifically, how can the DIFC compete with financial centres like

«WE TRY TO ALIGN OUR LAWS AND RULES TO THE ACTUAL RISKS POSED BY THE BUSINESS IN QUESTION»



Top Left Jan's first Mount Everest Expedition was carried out with Abbotsholme some 20 years ago
Top Jan (second on the left) was part of the Jaeger LeCoultre Team, who won the final of the Inaugural World Cup Sunset Polo Tournament in this year

Hong Kong/Singapore and attract business to Dubai rather than the Far East?

The DIFC is an onshore capital market developed by the Dubai government to match, if not compete with the likes of Hong Kong, London and New York for example. The plan was, and still is, to fill a Middle Eastern gap [between Western Europe and East Asia] not sufficiently covered by those financial centres I just mentioned.

The UAE has very specific advantages, in the sense that the infrastructure is fantastic, there are excellent airports, plenty of housing options available, ports, highways, an education system

with international schools, attractive social scene—it's all here. Whereas, if you look at other jurisdictions, you might not have the same quality of living or ability to grow your business. Who would have guessed that in the space of six years, the DIFC would have registered more than 850 firms?

How would you describe the DFSA's regulatory approach?

We are a risk-based regulator. That means that we try

to align our laws and rules, as well as our supervisory practice, to the actual risks posed by the business in question. What we really want is to get the right balance of having a controls environment in place, which is pragmatic and proactive but at the same time, we must allow firms to do what they're meant to be doing, which is generating a profitable business and return for investors.

In the current economic climate should there be

a relaxing of rules and regulations in order to stimulate markets?

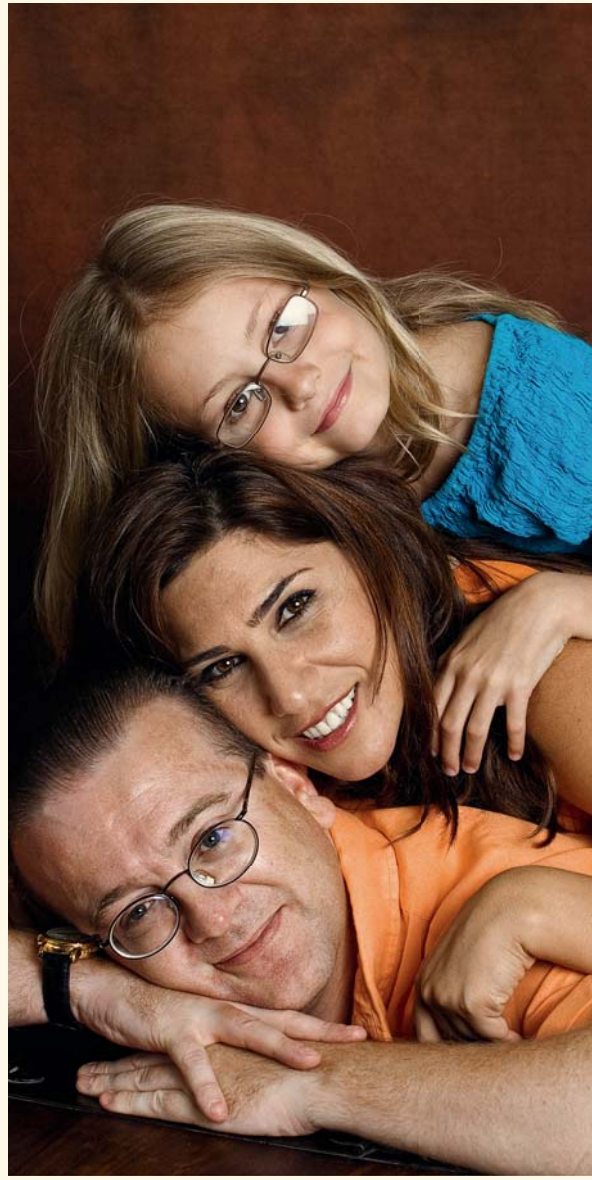
Don't you think that one of the reasons why we got into the global economic crisis in the first place was because the rules and regulations were too relaxed?

There is a cyclical trend to this; during a period of economic upturn you tend to witness a continued and increasing relaxation of rules and regulations until such a time when this contributes towards a financial implosion. Then, suddenly, we observe a rapid counter swing, where the rules and regulations become overly burdensome and oppressive and may even contribute towards stifling economic recovery. Logically, I think that we should find a careful balance between those two extremes of the regulatory pendulum, so that you don't under regulate during the good times and avoid over regulating during the bad times.

You're a Member of the faculty of the Institute of Directors and an accredited non-Executive Director. How does the Corporate Governance model in the Middle East compare with the Western or Continental European Model?

Just like in "the West", good Corporate Governance ensures a greater access to capital whilst providing a more effective method for building competitive businesses. Appropriate checks and balances and relevant systems and controls within the corporation, support the concept of long-term shareholder value, whilst competent company directors add real value to the decision-making and strategic capability of a Board.

I genuinely believe that Corporate Governance is one of the major challenges facing the Middle East in the



next 3 to 5 years. The region needs to generate an increase in Foreign Direct Investment, whilst strengthening investor confidence and that requires transparency. Some of the larger family businesses and some regional firms should now be realising that good Corporate Governance not only gives them a better managed organisation, but leading up to any IPO they will be able to generate a higher return on investment for the current partners of the firm.

Most importantly, Corporate Governance applied in this region needs to be done respecting Middle Eastern cultures and customs. You can't take a western model and apply it here in a cookie cutter form, it has to be culturally adapted, but the fundamentals remain the same. It's one thing to have the knowledge of good Corporate Governance but it's something completely different to be able to put it into practice in the culture you're in. If you sit on a Board (in the Middle East) and you push too hard, it will back fire on you and if don't push at all, then you'll go nowhere. So, it's the very careful cautious balance of taking one step at a time to move the implementation of Corporate Governance along.

As COO, what are your expectations and challenges in meeting DFSA's objectives?

As COO, one of the things that keeps me awake at night is the retention of my staff, especially when you've earned a good reputation for developing good people. That said, my staff turnover in the last few years has been extremely low and is due, I believe, to the DFSA's proactive HR policies and strong leadership.

I sense that we will witness a migration of firms from the MENA region into the UAE, due to the recent un-

rest, and this will drive an increased demand for experienced staff. At the same time, it's also going to become increasingly difficult to attract staff from Europe or the States and, as a consequence, I think we will be exposed to wage inflation in the next 12 to 24 months as these companies establish a presence in the UAE and start to battle for the limited resources that we have available in the local market.

How do you maintain the perfect work life balance?

That's the easy question!

Sometimes, I may not always have a weekend. I'll finish work on a Thursday evening, jump on a flight to the UK, have board meetings all day Friday and Saturday and then land back in Dubai early Sunday morning and be in the office by 9am. Other times, I'll actually get home at a civilised hour in the evening; it just depends on what's going on.

In the earlier days of the DFSA, I can honestly say that most of my team and I were working 18 to 20 hours per day for two or three years, it was a major challenge to build an organis-

«YOU CAN'T TAKE A WESTERN MODEL AND APPLY IT HERE IN A COOKIE CUTTER FORM, IT HAS TO BE CULTURALLY ADAPTED»

I'm very lucky in that I have a superb wife, daughter and son. Somehow my wife (Lebanese) ensures that some sort of balance is kept. Culturally and professionally we do have some interesting debates. You have an English / Swiss "regulator" arguing with a Practising Lebanese Lawyer (who happens to be a Partner in the local UAE Law Firm Habib Al Mulla) I suppose you don't need a degree to work out who normally wins.

tion from scratch and we had to ensure that we got it right first time, in terms of building the infrastructure foundations, processes, policies and procedures.

You are a passionate polo player, is this vital to your personal development to play such a competi-

tive sport?

Polo is a passion and nothing quite gives you the adrenaline rush or indeed the friendships that you get when you play polo. I'm fortunate to live at Dubai's Desert Palm Polo Club (home of the Emirates' flagship international high-goal squad) and have my own horses stabled at the club. I started riding at a very young age but the passion for polo only started several years ago when I met the Patron of Desert Palm Polo Club, Ali Al Bawardi. Ali has been extremely successful not only here in Dubai, but he has also created one of the most successful polo teams to ever play in the UK. Last year, his team won the Queens Cup, The British Open and The Gold Cup. The prestige that this brings to Dubai is immeasurable and is really only comparable to his passion for the game.

So, for the last few years, there have been regular trips to Argentina, tournaments, buying kit, weekend chukkas, polo holidays, buying new horses, habitual asados and so on. I must admit that my spouse is very patient.

You have been COO now for the DFSA for over six years, what's next for you in terms of your career?

Other than family, polo and the DFSA, I'm also passionate about Corporate Governance and the DFSA has been generous in extending to me the opportunity to sit on one or two Corporate Boards, as a non-Executive Director, as long as those boards are not regulated by the DFSA (no conflicts of interest). So, I would guess that my next two to three years would see me with a stronger focus on Corporate Governance in the Middle East; it's one of the critical elements this region needs and it's one of the stronger contributions I can give.

Left Jan Bladen with his wife and daughter
Below Jan letting off steam during his polo match

