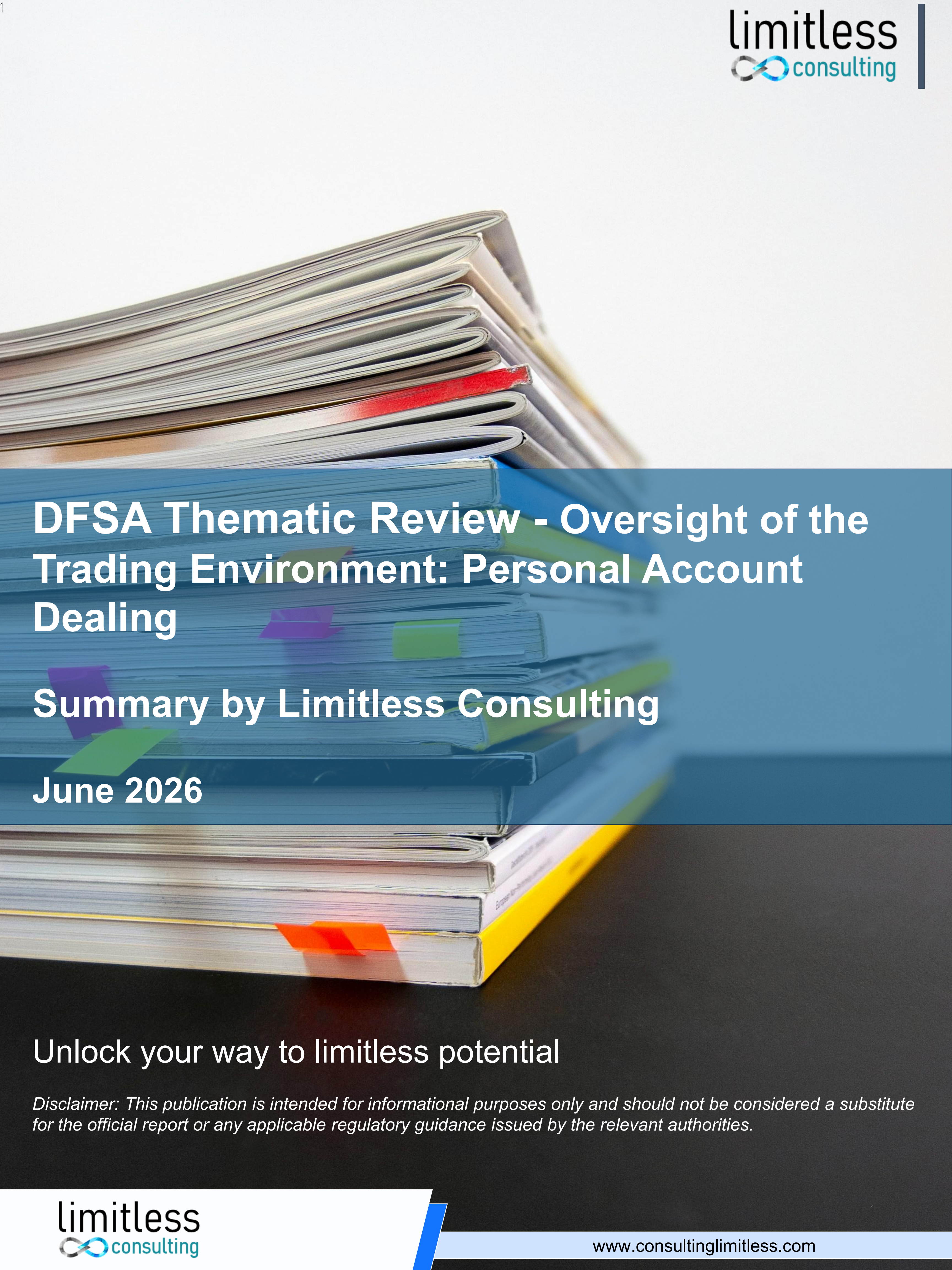


A stack of several books is shown, with a blue semi-transparent overlay covering the middle section. The books have various colored spines, including red, blue, green, and yellow. Some books have tabs sticking out, and there are some colorful sticky notes on them.

DFSA Thematic Review - Oversight of the Trading Environment: Personal Account Dealing

Summary by Limitless Consulting

June 2026

Unlock your way to limitless potential

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DFSA Thematic Review — Personal Account Dealing

Executive Summary

In June 2026, the DFSA published the first phase of its Brokerage Thematic Review on Oversight of the Trading Environment, focusing on Personal Account Dealing (PAD).

The review sets out key supervisory observations, examples of good practice and areas where firms should strengthen their control environment.

Key themes covered by the DFSA include

1. Policies and procedures
2. Governance, management information and oversight
3. Monitoring and surveillance
4. Compliance oversight and assurance
5. Training and awareness
6. Record keeping

1. Policies and Procedures

Policies and procedures form the foundation of an effective PAD framework. They must clearly articulate expectations, establish controls and reflect the firm's business model, products and risk profile.

Positive indicators

- P&Ps clearly set out disclosure and approval requirements, trading and holding periods, and consequences of non-compliance.
- Scope clearly defines which Employees, connected persons and financial instruments (including digital assets) are covered.
- P&Ps also apply to non-employees who provide services and have access to internal systems or premises.

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Indicators requiring enhancement

- Narrow PAD definitions, e.g. confined to transactions where a conflict is already apparent.
- P&Ps not appropriately tailored to the firm's business, products, activities or risk exposure.
- Retrospective or automatic approvals permitted, with delays in responding to PAD requests.

2. Governance, management information, and oversight

Effective governance is critical to ensuring PAD risks are subject to appropriate oversight by senior management and Boards. Meaningful Management Information (MI) is essential for identifying emerging issues and assessing control effectiveness.

Positive indicators

- Board and relevant Committees have clear oversight of PAD arrangements.
- Appropriate escalation channels ensure PAD-related incidents are reported and addressed promptly.
- MI covers both the number of PAD requests & volume/ nature of breaches.
- MI on PAD is periodically reported to senior management/relevant committees.

Indicators requiring enhancement

- Some firms' MI on PAD is limited, e.g., only confirming whether employees signed the declaration.
- Senior management and the Board are not given sight of wider PAD-related risks or issues.

3. Monitoring and Surveillance

Monitoring and surveillance detect potential breaches, conflicts and market-conduct risks arising from personal trading.

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Positive indicators

- Employee declarations supported by independent evidence such as trade confirmations and account statements.
- Approved-broker lists give firms access to automated transaction feeds for Personal Account Transactions.
- PAD requests automatically screened against Restricted and Watch Lists before approval. Post-trade reviews cross-check employee transactions against client activity and market events.

Indicators requiring enhancement

- Monitoring relies primarily on employee declarations and attestations, without independent verification
- No controls in place to detect undeclared accounts
- No PAD trade monitoring or post-trade monitoring undertaken at all.
- Monitoring conducted too infrequently (e.g. annually) to allow timely identification of PAD risks

4. Compliance Oversight and Assurance

Compliance functions play a key role in providing robust oversight and monitoring of PAD arrangements and associated risks.

Positive indicators

- Compliance functions conduct robust monitoring and escalate PAD-related breaches promptly
- PAD controls form part of the firm's local Compliance Monitoring Programme, with periodic testing and evidenced outputs
- Internal audit covers conflicts of interest and the testing of PAD controls.

Indicators requiring enhancement

- Compliance testing limited in scope, e.g., only checking a signed declaration. PAD controls not included in the firm's Compliance Monitoring Programme.

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5. Training and Awareness

Employees should understand not only the firm's P&Ps but also the market-conduct risks that personal trading can create. Strong frameworks complement written policy with regular training, testing and targeted communications.

Positive indicators

- Training is also provided to non-employees who have access to internal systems or premises
- Training completion is monitored, with non-completion escalated.
- Training is tested and assessed, and employee interviews confirm good understanding of the PAD framework.

Indicators requiring enhancement

- No formal PAD training provided, with firms relying on employee attestation.
- Training materials contain only high-level references, failing to reflect the firm's actual PAD policies and risks.

6. Record Keeping

Accurate and complete record keeping supports oversight, monitoring and regulatory compliance.

Positive indicators

- PAD records maintained for at least six years.
- Complete, up-to-date PAD register covering attestations, approvals, confirmed trades and breaches
- Records of compliance testing on PAD available on request

Indicators requiring enhancement

- PAD records incomplete, inaccurate or poorly maintained, e.g. breaches not recorded when they occurred
- No PAD register maintained, either manually or electronically
- Absent or insufficient records of compliance testing.