ABU DHABI GLOBAL MARKET
سوق أبوظبي العالمي

FINANCIAL SERVICES AND MARKETS REGULATIONS 2015

*In this Annex, underlining indicates new text and strikethrough indicates deleted text, unless otherwise indicated.

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FINANCIAL SERVICES AND MARKETS REGULATIONS 2015

Regulations to make provision for financial services and markets and for connected purposes.

Date of Enactment: **4 October 2015**

The Board of Directors of the Abu Dhabi Global Market, in exercise of its powers under Article 6(1) of Law No. 4 of 2013 concerning the Abu Dhabi Global Market issued by His Highness the Ruler of the Emirate of Abu Dhabi, hereby enacts the following Regulations–

Part 1The Regulator

Chapter 1 Powers, Functions and Objectives

1. Powers, Functions and Objectives of the Regulator

(1) The Regulator has such functions and powers as are conferred on it by or under the ADGM Founding Law and any enactment, including these Regulations.

(2) The Regulator may do whatever it considers necessary for or in connection with, or reasonably incidental to, performing its functions and exercising its powers.

(3) In performing its functions and exercising its powers, the Regulator shall pursue the following objectives—

(a) to foster and maintain fairness, transparency and efficiency in the Abu Dhabi Global Market;

(b) to foster and maintain confidence in the Abu Dhabi Global Market;

(c) to ensure that the financial markets in the Abu Dhabi Global Market are supported by safe and efficient infrastructure;

(d) to foster and maintain financial stability in the Abu Dhabi Global Market, including the reduction of systemic risk;

(e) to promote and enhance the integrity of the Abu Dhabi Global Market Financial System;

(f) to prevent, detect and restrain conduct that causes or may cause damage to the reputation of the Abu Dhabi Global Market through appropriate means including the imposition of sanctions;

(g) to secure an appropriate degree of protection for direct and indirect users, and prospective users of the Abu Dhabi Global Market;

(h) to promote public understanding of the regulation of the Abu Dhabi Global Market;

(i) to further the interests of the Abu Dhabi Global Market;

(j) to promote the safety and soundness of Authorised Persons and Recognised Bodies; and

(k) to pursue any other objectives as the Board may set.

(4) In exercising its powers and performing its functions, the Regulator shall take into consideration the following guiding principles—

(a) pursuing the objectives of the Abu Dhabi Global Market in so far as it is appropriate and proper for the Regulator to do so;

(b) fostering the development of the Abu Dhabi Global Market as an internationally respected financial centre, and the desirability of sustainable growth in the economy of the Emirate of Abu Dhabi;

(c) developing the nature of the activities of the Regulator in order to respond to evolving industry needs;

(d) the desirability, where applicable, of engaging in regular dialogue with industry participants;

(e) cooperating with and providing assistance to regulatory authorities in the U.A.E. and other jurisdictions;

(f) minimising the adverse effects of the activities of the Regulator on competition in the financial services industry;

(g) the need to use the resources of the Regulator in the most efficient and economical way;

(h) the principle that a burden or restriction which is imposed on a person, or on the carrying on of an activity, should be proportionate to the benefits, considered in general terms, which are expected to result from the imposition of that burden or restriction;

(i) the desirability where appropriate of the Regulator exercising its functions in a way that recognises differences in the nature, risks and objectives of businesses carried on by different persons subject to requirements imposed by or under these Regulations;

(j) the desirability in appropriate cases of the Regulator publishing information relating to persons on whom requirements are imposed by or under these Regulations, or requiring such persons to publish information, as a means of contributing to the advancement by the Regulator of its objectives;

(k) the principle that the Regulator should exercise its functions as transparently as possible; and

(l) complying with relevant generally accepted principles of good governance.

2. **The Chief Executive**

(1) Pursuant to the ADGM Founding Law, the Board shall appoint, remove and replace the head of the management of the Regulator.

(2) The head of the management of the Regulator shall have the title of Chief Executive.

(3) The Board must only remove or replace the Chief Executive when the Board and the Chairman of the Regulatory Committee agree that there is Just Cause for such removal or replacement.

Part 2Rules and Guidance

Chapter 1Rule-making Powers

3. **General rule-making power of the Regulator**

(1) The Regulator may make Rules for carrying out the purposes of these Regulations or furthering one or more of its objectives under section 1(3).

(2) The powers specified in subsection (3) and in any other provision of these Regulations are without prejudice to the generality of subsection (1).

(3) The Regulator may make such Rules applying to Authorised Personsand Recognised Bodies—

(a) with respect to the carrying on by them of Regulated Activities; or

(b) with respect to the carrying on by them of activities which are not Regulated Activities;

as appear to the Regulator to be necessary or expedient for the purpose of furthering one or more of its objectives.

(4) Such Rules may make provision applying to Authorised Persons or Recognised Bodieseven if there is no relationship between the Authorised PersonsorRecognised Bodiesto whom the Rules will apply and the persons whose interests will be protected by the Rules.

(5) Such Rules may contain requirements which take into account, in the case of an Authorised Personor Recognised Bodieswho is a member of a Group, any activity of another member of the Group.

(6) Any power of the Regulator to make Rules under these Regulations may be exercised so as to impose requirements on persons who are not Authorised Persons, Approved Persons or Recognised Bodies.

Specific rule-making powers

4. **Client Money Rules**

(1) The Regulator may make Rules relating to the handling of money ("Client Money") held by an Authorised Person in Specified circumstances, which may—

(a) make provision which results in that money being held on trust (which may be one or more separate trusts) in accordance with the Rules;

(b) treat two or more accounts as a single account for Specified purposes (which may include the distribution of money held in the accounts);

(c) authorise the retention by the Authorised Person of interest accruing on the money; and

(d) make provision as to the distribution of such interest which is not to be retained by the Authorised Person.

(2) An institution with which an account is kept in pursuance of Rules relating to the handling of Client Money does not incur any liability as constructive trustee if the money is wrongfully paid from the account, unless the institution permits the payment—

(a) with knowledge that it is wrongful; or

(b) having deliberately failed to make enquiries in circumstances in which a reasonable and honest person would have done so.

(3) Rules made by the Regulator may—

(a) confer rights on persons to rescind agreements with, or withdraw offers to, Authorised Persons within a Specified period; and

(b) make provision, in respect of Authorised Persons and persons exercising those rights, for the restitution of property and the making or recovery of payments where those rights are exercised.

5. **Islamic Finance Rules**

The Regulator may make Rules applying to Authorised Persons—

(a) prescribing the requirements that must be met by a person applying for a Financial Services Permission to carry on Islamic Financial Business;

(b) providing for such requirements to be varied in cases where an Application is made by an Applicant which is, at the time at which it submits its Application, regulated in a jurisdiction other than the Abu Dhabi Global Market;

(c) prescribing certain persons or categories of person to be exempted from the requirements referred to in paragraph (a); and

(d) prescribing exemptions from any requirements imposed by or under these Regulations under paragraph (a) that are to be—

(i) limited to certain Islamic Financial Business activities or Specified circumstances; or

(ii) subject to certain conditions and restrictions as the Regulator may determine.

6. **Carrying on Regulated Activities by way of business**

(1) The Regulator may make Rules which make provision—

(a) as to the circumstances in which a person who would otherwise not be regarded as carrying on a Regulated Activity by way of business is to be regarded as doing so;

(b) as to the circumstances in which a person who would otherwise be regarded as carrying on a Regulated Activity by way of business is to be regarded as not doing so.

(2) Rules under subsection (1) may be made so as to apply—

(a) generally in relation to all Regulated Activities;

(b) in relation to a Specified category of Regulated Activity; or

(c) in relation to a particular Regulated Activity.

7. **Other specific rule-making powers**

(1) The Regulator may make Rules requiring Authorised Persons to take Specified steps in connection with the setting by a Specified person of a Specified Benchmark. Such Rules may in particular—

(a) require Authorised Persons to whom the Rules apply to provide information of a Specified kind, or expressions of opinion as to Specified matters, to persons determined in accordance with the Rules;

(b) make provision about the form in which and the time by which any information or expression of opinion is to be provided;

(c) make provision by reference to any code or other Document published by the person responsible for the setting of the Benchmark or by any other person determined in accordance with the Rules, as the code or other Document has effect from time to time;and

(d) make provision that the code or other Document referred to in paragraph (c) is to be capable of affecting obligations imposed by the Rules only if Specified requirements are met in relation to it.

(2) The Regulator may make Rules prescribing the conditions ("Threshold Conditions") that must be satisfied by Authorised Persons as a condition of obtaining and maintaining a Financial Services Permission ("Threshold Condition Rules"). Such Rules may in particular—

(a) specify requirements which a person must satisfy in order to be regarded as satisfying a particular Threshold Condition in relation to any Regulated Activities;and

(b) specify matters which are, or may be, or are not, relevant in determining whether a person satisfies a particular Threshold Condition in relation to any Regulated Activities.

(3) The Regulator may make Rules about the disclosure and use of information held by an Authorised Person ("A"). Such Rules may—

(a) require the withholding of information which A would otherwise be required to disclose to a person ("B") for or with whom A does business in the course of carrying on any Regulated Activity or other activity;

(b) specify circumstances in which A may withhold information which A would otherwise be required to disclose to B;

(c) require A not to use for the benefit of B information—

(i) which is held by A; and

(ii) which A would otherwise be required to use for the benefit of B; and

(d) specify circumstances in which A may decide not to use for the benefit of B information within paragraph (c).

(4) The Regulator may make Rules as to the circumstances and manner in which, the conditions subject to which, and the time when or the period during which, action may be taken for the purpose of stabilising the price of Specified Investments.

(5) The Regulator may make Rules which treat a person who acts or engages in conduct—

(a) for the purpose of stabilising the price of investments; and

(b) in conformity with such provisions corresponding to price stabilising rules and made by a body or authority outside the Abu Dhabi Global Market as may be Specified;

as acting, or engaging in that conduct, for that purpose and in conformity with Price Stabilising Rules.

(6) The Regulator may make Rules applying to any person (whether or not an Authorised Person, Approved Person, ~~or~~ Recognised Body, ~~or~~ Remote Body) in relation to money laundering and terrorist financing, including Rules prescribing systems, duties and obligations designed to detect, defend against, and prevent money laundering and terrorist financing activities.

(7) The Regulator may make Rules applicable to Approved Personsor other employees or persons connected with Authorised Persons,with respect to the conduct required of such persons. Such Rules may relate to the conduct required of such persons in relation to—

(a) the performance by them of Controlled Functions; or

(b) the performance by them of any other functions in relation to the carrying on by Authorised Persons of Regulated Activities.

(8) The Board may make Rules requiring the payment to the Regulator of such fees, in connection with applications made under these Regulations, as are specified in the Rules. The Regulator may reject an application which is not accompanied by the payment to the Regulator of the fees due on such application.

(9) The Board may make Rules requiring the payment of such periodic fees to the Regulator by Authorised Persons and Recognised Bodies, as the Rules specify.

(10) Rules made under subsection (8) or (9)may prescribe different levels of fees for different types of applicant or different types of RegulatedActivity.

(11) Any fee which is owed to the Regulator under any provision made by such Rules may be recovered as a debt due to the Regulator.

8. **General supplementary powers**

Rules made by the Regulator—

(a) may make different provision for different cases and may, in particular, make different provision in respect of different descriptions of Authorised Personsor Recognised Bodies,activities or investments;

(b) may make provision by reference to other Rules made by the Regulator, as those Rules have effect from time to time; and

(c) may contain such incidental, supplemental, consequential and transitional provision as the Regulator considers appropriate.

Chapter 2Rules: Modification, Waiver, Contravention and Procedural Provisions

Modification or waiver of Rules

9. **Modification or waiver of Rules**

(1) The Regulator may, on the application or with the consent of a person who is subject to Rules made by the Regulator, direct that all or any of those Rules—

(a) are not to apply to that person; or

(b) are to apply to that person with such modifications as may be specified in the Direction.

(2) An application must be made in such manner as the Regulator may direct.

(3) The Regulator may not give a Direction unless it is satisfied that—

(a) compliance by the person with the Rules, or with the Rules as unmodified, would be unduly burdensome or would not achieve the purpose for which the Rules were made; and

(b) the Direction would not adversely affect the advancement of any of the Regulator's objectives.

(4) A Direction may be given subject to conditions.

(5) The Regulator may—

(a) revoke a Direction; or

(b) vary it on the application, or with the consent, of the person to whom it relates.

10. **Publication of Directions under section 9**

(1) Subject to subsection (2), a Direction must be published by the Regulator in such a way as it deems most suitable for bringing the Direction to the attention of—

(a) persons likely to be affected by it; and

(b) persons who are, in the opinion of the Regulator, likely to make an application for a similar Direction.

(2) Subsection (1) does not apply if the Regulator is satisfied that it is inappropriate or unnecessary to publish the Direction.

(3) In deciding whether it is satisfied as mentioned in subsection (2), the Regulator must—

(a) consider whether the publication of the Direction would be detrimental to the stability of the Abu Dhabi Global Market Financial System;

(b) take into account whether the Direction relates to a contravention which is actionable in accordance with section 242; and

(c) consider whether publication of the Direction would prejudice, to an unreasonable degree, the commercial interests of the person concerned or any other member of the person's Group.

(4) For the purposes of subsection (3)(c), the Regulator must consider whether it would be possible to publish the Direction without the consequence mentioned in that paragraph occurring, by publishing it without disclosing the identity of the person concerned.

Contravention of Rules

11. **Limits on effect of contravening Rules**

A contravention of a Rule shall not make any transaction void or unenforceable under these Regulations.

Procedural Provisions

12. **Rule-Making Instruments**

(1) Any power conferred on the Regulator to make Rules is exercisable in writing.

(2) A Rule-Making Instrument must be published by the Regulator on its website.

(3) A person is not to be taken to have contravened any Rule made by the Regulator if the person shows that at the time of the alleged contravention the Rule-Making Instrument concerned had not been published in accordance with subsection(2).

13. **Verification of Rules**

(1) The production of a printed copy of a Rule-Making Instrument purporting to be made by the Regulator—

(a) on which is endorsed a certificate signed by a person duly authorised by the Regulator for that purpose; and

(b) which contains the required statements;

is evidence of the facts stated in the certificate.

(2) The required statements are—

(a) that the Rule-Making Instrument was made by the Regulator;

(b) that the copy is a true copy of the Rule-Making Instrument; and

(c) that on a specified date the Rule-Making Instrument was published.

(3) A certificate purporting to be signed as mentioned in subsection (1)(a) is to be taken to have been properly signed unless the contrary is shown.

(4) A person who wishes in any legal proceedings to rely on a Rule-Making Instrument may require the Regulator to endorse a copy of the Rule-Making Instrument with a certificate of the kind mentioned in subsection (1).

14. **Consultation**

(1) Before a Regulator makes, modifies or replaces Rules, it must publish a draft of the Rules on its website.

(2) The draft must be accompanied by a notice that representations about the proposal may be made to the Regulator within a specified time.

(3) Before the Regulator issues the Rules, it may have regard to any representations made to it in accordance with subsection (2).

(4) Subsections (1) to (3) do not apply if the Regulator considers that there is an urgent need to publish the Rules orthat the delay involved in complying with such provisions would be prejudicial to its objectives.

(5) Any consultation on Rules undertaken in advance of these Regulations entering into force shall be deemed to have been undertaken in accordance with this section.

Chapter 3 Guidance

15. **Power of the Regulator to give Guidance**

(1) The Regulator may give Guidance with respect to—

(a) the operation of any provision of these Regulations and of any Rules made by the Regulator;

(b) any other matter relating to the functions and powers of the Regulator; and

(c) any other matters about which it appears to the Regulator to be desirable to give Guidance.

(2) Guidance is indicative and non-binding and may comprise—

(a) Guidance made and issued by the Regulator as notations to the Rules; and

(b) any Guidance issued by the Regulator which has not been incorporated into the Rules.

(3) Nothing shall constitute Guidance unless it is published by the Regulator on its website.

Part 3Regulated Activities

16. **The General Prohibition**

(1) No person may carry on a Regulated Activity by way of business in the Abu Dhabi Global Market, or purport to do so, unless he is—

(a) an Authorised Person; or

(b) an Exempt Person.

(2) The prohibition is referred to in these Regulations as the General Prohibition.

(3) The persons set out in Schedule 3 are exempt from the General Prohibition.

17. **Authorised Persons acting without a Financial Services Permission**

(1) An Authorised Person must not carry on a Regulated Activity in the Abu Dhabi Global Market, or purport to do so, otherwise than in accordance with a Financial Services Permission.

(2) A contraventionof subsection (1) does not give rise to any right of action for breach of statutory duty.

18. **Restrictions on financial promotion**

(1) A person ("A") must not, in the course of business, communicate an invitation or inducement to Engage in Investment Activity (the "Financial Promotion Restriction").

(2) Subsection (1) does not apply if—

(a) A is an Authorised Person or an Exempt Person;

(b) A is licensed and supervised by a financial services regulator in the U.A.E.;

(c) the content of the communication is approved for the purposes of this section by an Authorised Person or an Exempt Person; or

(d) the communicationis an exempt communication under Schedule 2.

(3) In the case of a communication originating outside the Abu Dhabi Global Market, subsection (1) applies only if the communication is capable of having an effect in the Abu Dhabi Global Market.

(4) For the purposes of the Financial Promotion Restriction, "communicate" shall include causing a communication to be made.

(5) Schedule 2 specifies circumstances in which subsection (1) does not apply.

19. **Regulated Activities**

An activity is a Regulated Activity if it is specified as a Regulated Activity in Schedule 1.

20. **False claims to be authorised or exempt**

A person who is neither an Authorised Person nor, in relation to the Regulated Activity in question, an Exempt Person must not—

(a) describe himself (in whatever terms) as an Authorised Person;

(b) describe himself (in whatever terms) as an Exempt Person in relation to the Regulated Activity; or

(c) behave, or otherwise hold himself out, in a manner which indicates (or which is reasonably likely to be understood as indicating) that he is—

(i) an Authorised Person; or

(ii) an Exempt Person in relation to the Regulated Activity.

21. **Agreements made by non-Authorised Persons**

(1) An Agreement made by a person in the course of carrying on a Regulated Activity in contravention of the General Prohibition is unenforceable against the other party.

(2) The other party is entitled to recover—

(a) any money or other property paid or transferred by him under the Agreement; and

(b) compensation for any loss sustained by him as a result of having parted with it.

(3) This section does not apply if the Regulated Activity is Accepting Deposits.

22. **Agreements made through non-Authorised Persons**

(1) An Agreement that—

(a) is made by an Authorised Person (the "Provider") in the course of carrying on a Regulated Activity (not in contravention of the General Prohibition); and

(b) is made in consequence of something said or done by another person (the "Third Party") in the course of a Regulated Activity carried on by the Third Party in contravention of the General Prohibition;

is unenforceable against the other party.

(2) The other party is entitled to recover—

(a) any money or other property paid or transferred by him under the Agreement; and

(b) compensation for any loss sustained by him as a result of having parted with it.

(3) This section does not apply if the Regulated Activity is Accepting Deposits.

23. **Agreements made unenforceable by section 21 or 22**

(1) This section applies to an Agreement which is unenforceable as a result of section 21 or 22.

(2) The amount of compensation recoverable in the event that an Agreement is unenforceable is—

(a) the amount agreed by the parties; or

(b) on the application of either party, the amount determined by the Court.

(3) In considering whether to allow the Agreement to be enforced or (as the case may be) the money or property paid or transferred under the Agreement to be retained the Court must—

(a) if the case arises as a result of section 21, have regard to whether the person carrying on the Regulated Activity concerned reasonably believed that he was not contravening the General Prohibition by making the Agreement; or

(b) if the case arises as a result of section 22, have regard to whether the Provider knew that the Third Party was, in carrying on the Regulated Activity, contravening the General Prohibition.

(4) If the Court is satisfied that it is just and equitable in the circumstances of the case, it may allow—

(a) the Agreement to be enforced; or

(b) money and property paid or transferred under the Agreement to be retained.

(5) If the person against whom the Agreement is unenforceable—

(a) elects not to perform the Agreement; or

(b) as a result of this section, recovers money paid or other property transferred by him under the Agreement;

he must repay any money and return any other property received by him under the Agreement.

(6) If property transferred under the agreement has passed to a Third Party, a reference in section 21 or 22 or this section to that property is to be read as a reference to its value at the time of its transfer under the Agreement.

(7) The commission of a contravention of the General Prohibition or the Financial Promotion Restriction does not make the agreement concerned illegal or invalid to any greater extent than is provided by section 21 or 22.

24. **Accepting Deposits in breach of General Prohibition**

(1) This section applies to an agreement between a person (the "depositor") and another person (the "deposit-taker") made in the course of the carrying on by the deposit-taker of the Regulated Activity of Accepting Deposits in contravention of the General Prohibition.

(2) If the depositor is not entitled under the agreement to recover without delay any money deposited by him, he may apply to the Court for an order directing the deposit-taker to return the money to him.

(3) The Court need not make such an order if it is satisfied that it would not be just and equitable for the money deposited to be returned, having regard to whether the deposit-taker reasonably believed that he was not contravening the General Prohibition by making the agreement.

25. **Enforceability of Agreements resulting from Unlawful Communications**

(1) If, in consequence of an Unlawful Communication, a person Engages in Investment Activity as a Customer, any agreement entered into by him as a part of that activity is unenforceable against him and he is entitled to recover—

(a) any money or other property paid or transferred by him under the agreement; and

(b) compensation for any loss sustained by him as a result of having parted with it.

(2) If, in consequence of an Unlawful Communication a person exercises any rights conferred by a Specified Investment, no obligation to which he is subject as a result of exercising them is enforceable against him and he is entitled to recover—

(a) any money or other property paid or transferred by him under the obligation; and

(b) compensation for any loss sustained by him as a result of having parted with it.

(3) The Court may allow—

(a) the agreement or obligation to be enforced; or

(b) money or property paid or transferred under the agreement or obligation to be retained;

if it is satisfied that it is just and equitable in the circumstances of the case.

(4) In considering whether to allow the agreement or obligation to be enforced or (as the case may be) the money or property paid or transferred under the agreement to be retained, the Court must have regard to—

(a) if the Applicant made the Unlawful Communication, whether he reasonably believed that he was not making such a communication; and

(b) if the Applicant did not make the Unlawful Communication, whether he knew that the agreement was entered into in consequence of such a communication.

(5) The amount of compensation recoverable as a result of subsection (1) or (2) is—

(a) the amount agreed between the parties; or

(b) on the application of either party, the amount determined by the Court.

(6) If a person elects not to perform an agreement or an obligation which (by virtue of subsection (1) or (2)) is unenforceable against him, he must repay any money and return any other property received by him under the agreement.

(7) If (by virtue of subsection (1) or (2)) a person recovers money paid or property transferred by him under an agreement or obligation, he must repay any money and return any other property received by him as a result of exercising the rights in question.

(8) If any property required to be returned under this section has passed to a third party, references to that property are to be read as references to its value at the time of its receipt by the person required to return it.

26. **Accepting Deposits~~Dealing in Dirhams~~**

No Authorised Person when carrying on the Regulated Activity of Accepting Deposits may—[1]

(a) accept Deposits from the U.A.E. markets;

(b) accept Deposits in the U.A.E. Dirham; or

(c) undertake foreign exchange transactions involving the U.A.E. Dirham.

Part 4Authorisation

27. **Application for a Financial Services Permission**

(1) An Application for a Financial Services Permission to carry on one or more Regulated Activities may be made to the Regulator by—

(a) a Body Corporate; or

(b) a Partnership.

(2) An Authorised Person who has a Financial Services Permission under this Part which is in force may not apply for a further Financial Services Permission under this section but may apply for variation of its Financial Services Permission under section 32.

28. **The Threshold Conditions**

(1) In giving or varying a Financial Services Permission, or imposing or varying a requirementunder any provision of this Part, the Regulator must ensure that the person concerned will satisfy, and continue to satisfy, in relation to all of the Regulated Activities for which the person has or will have a Financial Services Permission, any Threshold Conditions specified by the Regulator in Threshold Condition Rules made under section 7(2).

(2) The duty imposed by subsection (1) does not prevent the Regulator, having due regard to that duty, from taking such steps as it considers are necessary, in relation to a particular person, in order to furtherone or more of its objectives.

29. **Firms based outside the Abu Dhabi Global Market**

(1) This section applies in relation to a Non-Abu Dhabi Global Market Firm.

(2) In determining whether a Non-Abu Dhabi Global Market Firm is satisfying or will satisfy, and continue to satisfy, any one or more of the Threshold Conditions, the Regulator may have

[1]Amended 12 June 2017.

regard to any opinion notified to it by a Non-Abu Dhabi Global Market Regulator which relates to the Non-Abu Dhabi Global Market Firm and appears to the Regulator to be relevant to compliance with those conditions.

(3) In considering how much weight (if any) to attach to the opinion, the Regulator must have regard to the nature and scope of the supervision exercised in relation to the Non-Abu Dhabi Global Market Firm by the Non-Abu Dhabi Global Market Regulator.

30. **Granting a Financial Services Permission**

(1) This section applies in relation to an Application for a Financial Services Permission under section 27.

(2) The Regulator may grant a Financial Services Permission for the Applicant to carry on the Regulated Activity or Regulated Activities to which the Application relates or such of them as may be specified in the Financial Services Permission.

(3) If it grants a Financial Services Permission, the Regulator must specify the permitted Regulated Activity or Regulated Activities, described in such manner as the Regulator considers appropriate.

(4) The Regulator may—

(a) incorporate in the description of a Regulated Activity such limitations and stipulations (for example as to circumstances in which the activity may, or may not, be carried on) as it considers appropriate;

(b) specify a narrower or wider description of Regulated Activity than that to which the Application relates; or

(c) grant a Financial Services Permission for the carrying on of a Regulated Activity which is not included among those to which the Application relates.

(5) If a Partnership has a Financial Services Permission—

(a) it has the relevant Financial Services Permission to carry on the Regulated Activities concerned in the name of the firm; and

(b) its Financial Services Permission is not affected by any change in its membership.

(6) If an Authorised Person which is a firm is dissolved, its Financial Services Permission continues to have effect in relation to any individual or firm which succeeds to the business of the dissolved firm.

(7) For the purposes of this section, an individual or Partnership is to be regarded as succeeding to the business of a dissolved Partnership only if succession is to the whole or substantially the whole of the business of the former Partnership.

31. **Granting a Financial Services Permission: special cases**

(1) If the Applicant—

(a) in relation to a particular Regulated Activity, is exempt from the General Prohibition as a result of section 16(3); but

(b) has applied for a Financial Services Permission in relation to another Regulated Activity;

the Application is to be treated as relating to all the Regulated Activities which, if a Financial Services Permission is granted, the Applicant will carry on.

(2) If the Applicant—

(a) in relation to a particular Regulated Activity, is exempt from the General Prohibition as a result of any of subsections (1) or (2) of section 119; but

(b) has applied for a Financial Services Permission in relation to another Regulated Activity;

the Application is to be treated as relating only to that other Regulated Activity.

(3) If the Applicant—

(a) is a person to whom, in relation to a particular Regulated Activity, the General Prohibition under section 16 does not apply; but

(b) has applied for a Financial Services Permission in relation to another Regulated Activity;

the Application is to be treated as relating only to that other Regulated Activity.

Variation and cancellation of a Financial Services Permission

32. **Variation by the Regulator at the request of an Authorised Person**

(1) The Regulator may, on the application of the Authorised Person, vary its Financial Services Permission by—

(a) adding a Regulated Activity to those to which the Financial Services Permission relates;

(b) removing a Regulated Activity from those to which the Financial Services Permission relates; or

(c) varying the description of a Regulated Activity to which the Financial Services Permission relates.

(2) The Regulator may, on the application of the Authorised Person, cancel its Financial Services Permission.

(3) The Regulator may refuse an application under this section if it appears to it that it is desirable to do so in order to furtherone or more of its objectives.

(4) If, as a result of a variation of a Financial Services Permission under this section, there are no longer any Regulated Activities for which the Authorised Person concerned has a Financial

Services Permission, the Regulator must, once it is satisfied that it is no longer necessary to keep the Financial Services Permission in force, cancel it.

(5) The Regulator's power to vary a Financial Services Permission under this section extends to including in the Financial Services Permission as varied any provision that could be included if a fresh Financial Services Permission were being given by it in response to an Application under section 27.

33. **Variation or cancellation on initiative of the Regulator**

(1) The Regulator may exercise its power under this section in relation to an Authorised Person with a Financial Services Permission ("A") if it appears to the Regulator that—

(a) A is failing, or is likely to fail, to satisfy the Threshold Condition Rules;

(b) A has committed a contraventionof these Regulations or any Rules made under these Regulations;

(c) A has failed, during a period of at least 12 months, to carry on a Regulated Activity to which the Financial Services Permission relates; or

(d) it is desirable to exercise the power in order to further one or more of the Regulator's objectives.

(2) The Regulator's power under this section is the power—

(a) to vary the Financial Services Permission by—

(i) adding a Regulated Activity to those to which the Financial Services Permission relates;

(ii) removing a Regulated Activity from those to which the Financial Services Permission relates; or

(iii) varying the description of a Regulated Activity to which the Financial Services Permission relates in a way which does not, in the opinion of the Regulator, widen the description; or

(b) to cancel the Financial Services Permission.

(3) If, as a result of a variation of a Financial Services Permission under this section, there are no longer any Regulated Activities for which the Authorised Person concerned has a Financial Services Permission, the Regulator must, once it is satisfied that it is no longer necessary to keep the Financial Services Permission in force, cancel it.

(4) The power of the Regulator to vary a Financial Services Permission under this section extends to including in the Financial Services Permission as varied any provision that could be included if a fresh Financial Services Permission were being given in response to an Application to the Regulator under section 27.

(5) The power of the Regulator under this section is referred to in these Regulations as its Own-Initiative Variation Power.

34. **Withdrawal of authorised status**

(1) This section applies if—

(a) an Authorised Person's Financial Services Permission is cancelled; and

(b) as a result, there is no Regulated Activity for which it has a Financial Services Permission.

(2) The Regulator must give a direction withdrawing that person's status as an Authorised Person.

Imposition and variation of requirements

35. **Imposition of requirements by the Regulator**

(1) Where a person has applied to the Regulator for a Financial Services Permission or the variation of a Financial Services Permission, the Regulator may impose on that person such Requirements, taking effect on or after the giving or variation of the Financial Services Permission, as the Regulator considers appropriate.

(2) The Regulator may exercise its power under subsection (3) in relation to an Authorised Person with a Financial Services Permission ("A") if it appears to the Regulator that—

(a) A is failing, or is likely to fail, to satisfy the Threshold Condition Rules;

(b) A has committed a contraventionof these Regulations or any Rules made under these Regulations;

(c) A has failed, during a period of at least 12 months, to carry on a Regulated Activity to which the Financial Services Permission relates; or

(d) it is desirable to exercise the power in order to further one or more of the Regulator's objectives.

(3) The Regulator's power under this subsection is a power—

(a) to impose a new Requirement;

(b) to vary a Requirement imposed by the Regulator under this section; or

(c) to cancel such a Requirement.

(4) The Regulator's power under subsection (3) is referred to in these Regulations as its Own-Initiative Requirement Power.

(5) The Regulator may, on the application of an Authorised Person with a Financial Services Permission—

(a) impose a new Requirement;

(b) vary a Requirement imposed by the Regulator under this section; or

(c) cancel such a Requirement.

(6) The Regulator may refuse an application under subsection (5) if it appears to it that it is desirable to do so in order to furtherone or more of its objectives.

36. **Requirements under section 35: further provisions**

(1) A Requirement may, in particular, be imposed—

(a) so as to require the person concerned to take action specified by the Regulator; or

(b) so as to require the person concerned to refrain from taking action specified by the Regulator.

(2) A Requirement may extend to activities which are not Regulated Activities.

(3) A Requirement may be imposed by reference to the person's relationship with—

(a) the person's Group; or

(b) other members of the person's Group.

(4) A Requirement may be expressed to expire at the end of such period as the Regulator may specify, but the imposition of a Requirement that expires at the end of a specified period does not affect the Regulator's power to impose a new Requirement.

(5) A Requirement may refer to the past conduct of the person concerned (for example, by requiring the person concerned to review or take remedial action in respect of past conduct).

37. **Imposition of requirements on acquisition of Control**

(1) This section applies if it appears to the Regulator that—

(a) a person has acquired Control over an Authorised Person; and

(b) there are no grounds for exercising its Own-Initiative Requirement Power.

(2) If it appears to the Regulator that the likely effect of the acquisition of Control on the Authorised Person, or on any of its activities, is uncertain, the Regulator may—

(a) impose on the Authorised Person a requirement that could be imposed by the Regulator under section 35 on the giving of a Financial Services Permission; or

(b) vary a requirement imposed by the Regulator under that section on the Authorised Person.

(3) Any reference to a person having acquired Control is to be read in accordance with Part 10.

38. **Assets Requirements**

(1) This section applies if—

(a) the Regulator imposes an Assets Requirement on a person being given a Financial Services Permission;

(b) an Assets Requirement is imposed on an Authorised Person; or

(c) an Assets Requirement previously imposed on such a person is varied.

(2) A person on whom an Assets Requirement is imposed is referred to in this section as "A".

(3) "Assets Requirement" means a requirement imposed under section 35—

(a) prohibiting the disposal of, or other dealing with, any of A's assets (whether in the Abu Dhabi Global Market or elsewhere) or restricting such disposals or dealings; or

(b) that all or any of A's assets, or all or any assets belonging to Customers but held by A or to A's order, must be transferred to and held by a trustee approved by the Regulator.

(4) If the Regulator—

(a) imposes a requirement of the kind mentioned in subsection (3)(a); and

(b) gives notice of the requirement to any institution with whom A keeps an account;

the notice has the effects mentioned in subsection (5).

(5) Those effects are that—

(a) the institution does not act in breach of any contract with A if, having been instructed by A (or on A's behalf) to transfer any sum or otherwise make any payment out of A's account, it refuses to do so in the reasonably held belief that complying with the instruction would be incompatible with the requirement; and

(b) if the institution complies with such an instruction, it shall be liable to pay to the Regulator an amount equal to the amount transferred from, or otherwise paid out of, A's account in contravention of the requirement.

(6) If the Regulator imposes a requirement of the kind mentioned in subsection (3)(b), assets held by a person as trustee in accordance with the requirement shall not, while the requirement is in force, be released or dealt with except with the consent of the Regulator.

(7) If, while a requirement of the kind mentioned in subsection (3)(b) is in force, A creates a Charge over any assets of A held in accordance with the requirement, the Charge is (to the extent that it confers security over the assets) void against the liquidator and any of A's creditors.

(8) Assets held by a person as trustee ("T") are to be taken to be held by T in accordance with any requirement mentioned in subsection (3)(b) only if—

(a) A has given T written notice that those assets are to be held by T in accordance with the requirement; or

(b) they are assets into which assets to which paragraph (a) applies have been transposed by T on the instructions of A.

(9) Subsections (6) and (8) do not affect any equitable interest or remedy in favour of a person who is a beneficiary of a trust as a result of a requirement of the kind mentioned in subsection (3)(b).

Connected Persons

39. **Persons connected with an Applicant**

(1) In considering—

(a) an Application for a Financial Services Permission;

(b) whether to vary or cancel a Financial Services Permission; or

(c) whether to impose or vary a requirement under this Part;

the Regulator may have regard to any person appearing to it to be, or likely to be, in a relationship with the Applicant or a person given a Financial Services Permission which is relevant.

Procedure

40. **Applications under this Part**

(1) An Application for a Financial Services Permission must—

(a) contain a statement of the Regulated Activity or Regulated Activities which the Applicant proposes to carry on and for which the Applicant wishes to have a Financial Services Permission; and

(b) give the address of a place in the Abu Dhabi Global Market for service on the Applicant of any notice or other Document which is required or authorised to be served on the Applicant under these Regulations.

(2) An application for the variation of a Financial Services Permission must contain a statement—

(a) of the desired variation; and

(b) of the Regulated Activity or Regulated Activities which the Applicant proposes to carry on if the Financial Services Permission is varied.

(3) An application for the variation of a requirement imposed under section 35 or for the imposition of a new requirement must contain a statement of the desired variation or requirement.

(4) An application under this Part must—

(a) be made in accordance with any applicable Rules made by the Regulator;

(b) be made in such manner as the Regulator may direct; and

(c) contain, or be accompanied by, such other information as the Regulator may reasonably require.

(5) At any time after the application is received and before it is determined, the Regulator may require the Applicant to provide it with such further information as it reasonably considers necessary to enable it to determine the application.

(6) Different directions may be given, and different requirements imposed, in relation to different applications or categories of application.

(7) The Regulator may require an Applicant to provide information which the Applicant is required to provide to it under this section in such form, or to verify it in such a way, as the Regulator may direct.

41. **Determination of applications**

(1) If the Regulator grants an application—

(a) for a Financial Services Permission;

(b) for the variation or cancellation of a Financial Services Permission;

(c) for the variation or cancellation of a requirement imposed under section 35; or

(d) for the imposition of a new requirement under that section;

it must give the Applicant written notice.

(2) The notice must state the date from which the Financial Services Permission, variation, cancellation or requirement has effect.

42. **Exercise of Own-Initiative Power: procedure**

(1) This section applies to an exercise of the Regulator's Own-Initiative Variation Power or Own-Initiative Requirement Power in relation to an Authorised Person ("A").

(2) A variation of a Financial Services Permission or the imposition or variation of a requirement takes effect—

(a) immediately, if the notice given states that that is the case;

(b) on such date as may be specified in the notice; or

(c) if no date is specified in the notice, when the matter to which the notice relates is no longer open to review.

(3) A variation of a Financial Services Permission, or the imposition or variation of a requirement, may be expressed to take effect immediately (or on a specified date) only if the Regulator, having regard to the ground on which it is exercising its Own-Initiative Variation Power or Own-Initiative Requirement Power, reasonably considers that it is necessary for the variation, or the imposition or variation of the requirement, to take effect immediately (or on that date).

(4) If the Regulator proposes to vary a Financial Services Permission or to impose or vary a requirement, or varies a Financial Services Permission or imposes or varies a requirement, with immediate effect, it must give A written notice.

(5) The notice must—

(a) give details of the variation of the permission or the requirement or its variation;

(b) state the Regulator's reasons for the variation of the permission or the imposition or variation of the requirement;

(c) inform A that A may make representations to the Regulator within such period as may be specified in the notice (whether or not A has referred the matter to the Regulatory Committee);

(d) inform A of when the variation of the permission or the imposition or variation of the requirement takes effect; and

(e) inform A of A's right to refer the matter to the Regulatory Committee.

(6) The Regulator may extend the period allowed under the notice for making representations.

(7) If, having considered any representations made by A, the Regulator decides—

(a) to vary the permission, or impose or vary the requirement, in the way proposed; or

(b) if the permission has been varied or the requirement imposed or varied, not to rescind the variation of the permission or the imposition or variation of the requirement;

it must give A written notice.

(8) If, having considered any representations made by A, the Regulator decides—

(a) not to vary the permission, or impose or vary the requirement, in the way proposed;

(b) to vary the permission or requirement in a different way, or impose a different requirement; or

(c) to rescind a variation or requirement which has effect;

it must give A written notice.

(9) A notice under subsection (7) must inform A of A's right to refer the matter to the Regulatory Committee.

(10) A notice under subsection (8)(b) must comply with subsection (5).

(11) For the purposes of subsection (2)(c), whether a matter is open to review is to be determined in accordance with section 252(7).

Part 5Performance of Controlled Functions and Recognised Functions

Approval

43. **Approval to performControlled Functions and Recognised Functions**

(1) An Authorised Person ("A") must take reasonable care to ensure that no person performs a Controlled Function in the business of A that is specified in the Rules as a Controlled Function requiring the Regulator's approval, unless that person is an Approved Person acting in accordance with an Approval given by the Regulator under this Part in relation to that function.

(2) A person ("P") must not perform a Controlled Function in the business of an Authorised Person that is specified in the Rules as a Controlled Function requiring the Regulator's approval, unless P is an Approved Person acting in accordance with an Approval given by the Regulator under this Part in relation to that function.

(3) An Authorised Person ("A") must take reasonable care to ensure that no person performs a Recognised Function in the business of A that is specified in the Rules as a Recognised Function requiring A's approval, unless that person has been appointed as a Recognised Person by A in relation to that function.

(4) A person ("P") must not perform a Recognised Function in the business of an Authorised Person that is specified in the Rules as a Recognised Function requiring A's approval, unless P has been appointed as a Recognised Person in relation to that function.

44. **Applications for Approval**

(1) An Application forApproval to perform a Controlled Function in the business of an Authorised Person may be made by the Authorised Person.

(2) Such Application may be made by a person who has applied for a Financial Services Permission and will become an Authorised Person if a Financial Services Permission is granted.

(3) The Application must—

(a) comply with any applicable Rules made by the Regulator;

(b) contain, or be accompanied by, such other information as the Regulator may reasonably require; and

(c) be made in such manner as the Regulator may direct.

(4) At any time after the Application is received and before it is determined, the Regulator may require the Applicant to provide it with such further information as it reasonably considers necessary to enable it to determine the Application.

(5) Different directions may be given, and different requirements imposed by the Regulator, in relation to different Applications or categories of Application.

(6) If the Regulator decides to grant an Application made under this section, it must give written notice of its decision to each of the Interested Parties.

(7) The Regulator may require an Applicant to provide information which the Applicant is required to provide to it under this section in such form, or to verify it in such a way, as the Regulator may direct.

45. **Determination of Application to carry out Controlled Functions**

(1) The Regulator may grant the Application only if it is satisfied that the person in respect of whom the Application is made is a fit and proper person to perform the Controlled Function to which the Application relates.

(2) The Regulator may in particular—

(a) grant the Application subject to any conditions that the Regulator considers appropriate; and

(b) grant the Application so as to give Approval only for a limited period;

if it appears to the Regulator that it is desirable to do so in order to further one or more of its objectives.

(3) A person who makes an Application under section 44 may withdraw his Application by giving written notice to the Regulator at any time before the Regulator determines it.

46. **Withdrawal of Controlled Function Approval**

The Regulator may withdraw an Approval given under section 45 if the Regulator considers that the person is not a fit and proper person to perform the Controlled Function in question.

47. **Variation of Approval at request of relevant Authorised Person**

(1) Where an Application for Approval under section 44 is granted subject to conditions, the Authorised Person concerned may apply to the Regulator to vary the Approval by—

(a) varying a condition;

(b) removing a condition; or

(c) imposing a new condition.

(2) The Regulator may refuse an Application under this section if it appears to the Regulator that it is desirable to do so in order to further one or more of its objectives.

(3) Section44(3) to (6)apply to an Application made under this section for variation of an Approval as they apply to an Application for Approval made under section 44.

48. **Variation of Approval on initiative of Regulator**

(1) The Regulator may vary an Approval given under section 45 if the Regulator considers that it is desirable to do so in order to further one or more of its objectives.

(2) The Regulator may vary an Approval by—

(a) imposing a condition;

(b) varying a condition;

(c) removing a condition; or

(d) limiting the period for which the Approval is to have effect.

(3) A condition may, in particular, be imposed so as to require any person to take, or refrain from taking, specified action.

49. **Exercise of power under section 48: procedure**

(1) This section applies to an exercise by the Regulator of the power to vary an Approval under section 48.

(2) A variation takes effect—

(a) immediately, if the notice given states that that is the case;

(b) on such date as is specified in the notice; or

(c) if no date is specified in the notice, when the matter to which the notice relates is no longer open to review.

(3) A variation may be expressed to take effect immediately (or on a specified date) only if the Regulator reasonably considers that it is necessary for the variation to take effect immediately (or on that date).

(4) If the Regulator proposes to vary an Approval or varies an Approval with immediate effect, it must give each of the Interested Parties written notice.

(5) The notice must—

(a) give details of the variation;

(b) state the Regulator's reasons for the variation;

(c) inform the Interested Parties that each of them may make representations to the Regulator within such period as may be specified in the notice (whether or not any of the Interested Parties has referred the matter to the Regulatory Committee);

(d) inform the Interested Parties of when the variation takes effect; and

(e) inform the Interested Parties of the right of each of them to refer the matter to the Regulatory Committee.

(6) The Regulator may extend the period allowed under the notice for making representations.

(7) If, having considered the representations made by the Interested Parties, the Regulator decides to vary the Approval, or if the variation has taken effect, not to rescind it, it must give each of the Interested Parties written notice.

(8) If, having considered the representations made by the Interested Parties, the Regulator decides—

(a) not to vary the Approval;

(b) to vary the Approval in a different way; or

(c) if the variation has taken effect, to rescind it;

it must give each of the Interested Parties written notice.

(9) A notice under subsection (7) must inform the Interested Parties of the right of each of them to refer the matter to the Regulatory Committee.

(10) A notice under subsection (8)(b) must comply with subsection (5).

(11) For the purposes of subsection (2)(c), whether a matter is open to review is to be determined in accordance with section 252(7).

Part 6Official Listing and Offers

The Official List

50. **The Official List**

(1) The Regulator must maintain the Official List.In maintaining the Official List the Regulator may refer to itself as the Listing Authority.

(2) The Regulator may admit to the Official List such Securities as it considers appropriate in accordance with this Part.

(3) A Recognised Investment Exchange shall not permit trading of Securities on its facilities unless those Securities are admitted to, and not suspended from, the Official List except where otherwise prescribed in the Rules made by the Regulator.

Listing

51. **Applications for Listing**

(1) Admission to the Official List may be granted only on an Application made to the Regulator in such manner as may be required by Listing Rules.

(2) No Application for Listing may be entertained by the Regulator unless it is made by, or with the consent of, the Issuer of the Securities concerned.

(3) The Regulator may not grant an Application for Listing unless it is satisfied that—

(a) the requirements of Listing Rules (so far as they apply to the Application); and

(b) any other requirements imposed by the Regulator in relation to the Application;

are complied with.

52. **Decision on Application**

(1) The Regulator may—

(a) refuse an Application for Listing; or

(b) impose conditions or restrictions, in respect of the admission of Securities to the Official List, or vary or withdraw such conditions or restrictions;

in the circumstances specified in subsection (2).

(2) The Regulator may exercise its powers under subsection (1) where—

(a) the Regulator reasonably considers, for a reason relating to the Issuer of the Securities or to the Securities, that—

(i) granting the Securities admission to the Official List would be detrimental to the interests of persons dealing in the relevant Securities, using the facilities of a Recognised Body or otherwise;

(ii) any requirements in the Listing Rules as are applicable have not been or will not be complied with;

(iii) any requirement imposed by the Regulator has not been or will not be complied with; or

(iv) the Issuer of the Securities has failed or will fail to comply with any obligations applying to it, including those relating to having its Securities admitted to the Official List or listed or traded in another jurisdiction; or

(b) it is in the interests of the Abu Dhabi Global Market to do so.

(3) If the Regulator decides to grant an Application for Listing, it must give the Applicant written notice of its decision.

(4) If Securities are admitted to the Official List, their admission may not be called in question on the ground that any requirement or condition for their admission has not been complied with.

(5) Where a person has any Securities included in the Official List, such Securities shall be admitted to trading on a Recognised Investment Exchange as soon as possible.

(6) Where any Securities included in the Official List are not admitted to trading in accordance with the requirement in subsection (5), such Securities shall be removed from the Official List.

(7) The Regulator may, by Rules, prescribe any circumstances in which Securities admitted to the Official List need not comply with the requirement in subsection (5).

53. **Discontinuance and Suspension of Listing**

(1) The Regulator may, in accordance with the Listing Rules, discontinue or suspend the Listing of any Securities if satisfied that there are circumstances which warrant such action or where it is in the interests of the Abu Dhabi Global Market.

(2) The Regulator may discontinue or suspend the Listing of any Securities on its own initiative or on application of the Issuer of those Securities.

(3) If Securities are suspended under subsection (1), they are to be treated, for the purposes of Chapter 2 of this Part, as still being listed.

54. **Discontinuance or Suspension: procedure**

(1) A Discontinuance or Suspension by the Regulator on its own initiative takes effect—

(a) immediately, if the notice states that that is the case; or

(b) in any other case, on such date as may be specified in that notice.

(2) If on its own initiative the Regulator—

(a) proposes to discontinue or suspend a~~the~~ Listing ~~of Securities~~;or

(b) discontinues or suspends a~~the~~ Listing ~~of Securities~~ with immediate effect;

it must give ~~the Issuer of the Securities~~ written notice to the Reporting Entity.

(3) The written notice must—

(a) give details of the Discontinuance or Suspension;

(b) state the Regulator's reasons for the Discontinuance or Suspension and for choosing the date on which it took effect or takes effect;

(c) inform the Reporting Entity~~Issuer of the Securities~~that he may make representations to the Regulator within such period as may be specified in the notice (whether or not he has referred the matter to the Regulatory Committee);

(d) inform the Reporting Entity~~him~~ of the date on which the Discontinuance or Suspension took effect or will take effect; and

(e) inform the Reporting Entity~~him~~ of its~~his~~ right to refer the matter to the Regulatory Committee.

(4) If, having considered any representations made by the Reporting Entity~~Issuer of the Securities~~, the Regulator decides—

(a) to discontinue or suspend the Listing ~~of the Securities~~; or

(b) if the Discontinuance or Suspension has taken effect, not to rescind it;

the Regulator must give the Reporting Entity~~Issuer of the Securities~~written notice.

(5) If the Regulator decides—

(a) not to discontinue or suspend the Listing ~~of the Securities~~; or

(b) if the Discontinuance or Suspension has taken effect, to rescind it;

the Regulator must give the Reporting Entity~~Issuer of the Securities~~written notice.

(6) A written notice under subsection (4) shall inform the Reporting Entity~~Issuer~~ of their~~his~~ right to refer the matter to the Regulatory Committee.

(7) The effect of rescinding a Discontinuance is that the Securities concerned are to be readmitted automatically to the Official List.

55. **Discontinuance or Suspension at the request of the Reporting Entity~~Issuer~~: procedure**

(1) A Discontinuance or Suspension by the Regulator on the application of the Reporting Entity~~Issuer of the Securities~~ takes effect—

(a) immediately, if the notification under subsection (2) so provides;

(b) in any other case, on such date as may be provided for in that notification.

(2) If the Regulator discontinues or suspends the Listing ~~of Securities~~ on the application of the Reporting Entity~~Issuer of the Securities~~, it must notify the Reporting Entity~~Issuer~~ (whether in writing or otherwise).

(3) The notification mustnotify the Reporting Entity of —

(a) ~~notify the Issuer of~~ the date on which the Discontinuance or Suspension took effect or will take effect; and

(b) ~~notify the Issuer of~~ such other matters (if any) as are specified in Listing Rules.

(4) The Regulator may cancel the Suspension of a~~the~~ Listing ~~of any Securities~~ on the application of the Reporting Entity~~Issuer of those Securities~~ if the Suspension was initially carried out on the application of the Reporting Entity~~Issuer~~.

(5) If the Regulator has suspended a~~the~~ Listing ~~of Securities~~ on the application of the Reporting Entity~~Issuer of the Securities~~ and the Reporting Entity~~Issuer~~ applies for the cancellation of the Suspension, the Regulator must give the Reporting Entity~~him~~ written notice of its decision if the Regulator decides to grant the application.

Listing Rules

56. **Listing Rules**

(1) The Regulator may make Rules in relation to Listing. Such Rules may include requirements relating to—

(a) procedures for admission of Securities to the Official List, including—

(i) requirements to be met before Securities may be granted admission to the Official List; and

(ii) agreements in connection with admitting Securities to the Official List;

(b) enforcement of the agreements referred to in sub-paragraph (a)(ii);

(c) procedures for Discontinuance or Suspension;

(d) the imposition on any person of obligations to observe specific standards of conduct or to perform, or refrain from performing, specified acts, reasonably imposed in connection with the admission of Securities to the Official List or continued admission of Securities to the Official List;

(e) procedures or conditions which may be imposed, or circumstances which are required to exist, in relation to matters which are provided for in the Listing Rules;

(f) actual or potential conflicts of interest that have arisen or might arise when a person seeks to have Securities admitted to the Official List; and

(g) such other matters as are necessary or desirable for the proper operation of the Listing process and of the market in Securities admitted to the Official List.

Chapter 1 Offer of Securities

57. Application of this Chapter to Collective Investment Funds

(1) The provisions in this Chapter and the Rules made for the purposes of this Chapter shall not apply to a person in relation to making an Offer of a Unit.

(2) The provisions in this Chapter and the Rules made for the purposes of this Chapter shall apply to a person who has or intends to have Units admitted to trading on a Recognised Investment Exchange in the manner and circumstance specified by or under these Regulations.

General prohibitions and definitions

58. General prohibition

(1) A person shall not—

(a) make an Offer of Securities to the Public in or from the Abu Dhabi Global Market; or

(b) have Securities admitted to trading on a Recognised Investment Exchange;

except as provided by or under these Regulations.

(2) Without limiting the generality of its powers, the Regulator may, by written notice—

(a) exclude the application of any requirements; or

(b) deem any investment which is not a Security to be a Security for the purposes of these Regulations and the Rules made under these Regulations;

subject to such terms and conditions as it may consider appropriate.

59. Definition of an Offer of Securities to the Public

An Offer of Securities to the Public means a communication to any person in any form or by any means, presenting information on the terms of the Offer and the Securities offered, so as to enable an investor to decide to buy or subscribe to those Securities but excluding—

(a) any communicationin connection with the trading of Securities admitted to trading on a Recognised Investment Exchange;

(b) any communicationmade for the purposes of complying with the on-going reporting requirements of the Regulator or a Recognised Investment Exchange; or

(c) any other communicationprescribed in Rules as an exempt communication.

60. **Exempt Offerors**

(1) The prohibition in section 58(1) does not apply to any—

(a) Securities of an Exempt Offeror; or

(b) Securities which are unconditionally and irrevocably guaranteed by an Exempt Offeror.

(2) The Regulator may, at its discretion and on its own initiative, include any person in the list of Exempt Offerors maintained by it in circumstances where the requirements prescribed by the Regulator in the Rules are met.

Prospectus requirement

61. **Obligation to issue a Prospectus**

(1) A person shall not, subject to subsection (3)—

(a) make an Offer of Securities to the Public in or from the Abu Dhabi Global Market; or

(b) have Securities admitted to trading on a Recognised Investment Exchange;

unless there is an Approved Prospectus in relation to the relevant Securities.

(2) For the purposes of subsection (1)—

(a) a Prospectus is an Approved Prospectus if it is approved by the Regulator in accordance with the requirements prescribed in the Rules; and

(b) a reference to a Prospectus made by or under these Regulations is a reference to an Approved Prospectus, unless the context requires otherwise.

(3) The requirement in subsection (1) does not apply—

(a) to an Offer of Securities to the Public where that Offer is an exempt offer as prescribed in the Rules; or

(b) to any Securities to be admitted to trading on a Recognised Investment Exchange if those Securities are exempt Securities as prescribed in the Rules.

(4) For the purposes of this Chapter and the Rules made under this Chapter, unless the context requires otherwise—

(a) a reference to a Prospectus Offer is a reference to both the making of an Offer of Securities to the Public and to having Securities admitted to trading on a Recognised Investment Exchange;

(b) a reference to an Offeror is a reference to the person making a Prospectus Offer; and

(c) a reference to a Prospectus in respect of a person who has or seeks to have Units of a Fund admitted to trading on a Recognised Investment Exchange is a reference to a Prospectus prepared in accordance with the requirements prescribed by the Regulator in the Rules.

(5) A Prospectus includes a supplementary prospectus, except where otherwise provided by or under these Regulations.

62. **Prospectus content**

(1) A Prospectus shall contain all the information which an investor would reasonably require and expect to find in a Prospectus for the purpose of making an informed assessment of—

(a) the assets and liabilities, financial position, profits and losses and prospects of the Issuer and any guarantor; and

(b) the nature of the Securities and the rights and liabilities attaching to those Securities.

(2) Without limiting the generality of the obligation in subsection (1), the Regulator may, by Rules, prescribe the information that must be included in a Prospectus.

(3) The Regulator may, in prescribing the information to be included in a Prospectus, require specific content for a Prospectus of a particular type of Security.

(4) The Issuer or other person responsible for the issue of a Prospectus shall include in the Prospectus all the information required under subsections (1) and (2) as it would be reasonable for him to have knowledge of, or acquire through reasonable enquiries.

(5) The Regulator shall by Rules prescribe—

(a) the circumstances in which a Prospectus may incorporate any material by reference; and

(b) the persons liable for the content of a Prospectus.

63. **Regulator power to publish information**

Where a person making a Prospectus Offer fails to publish any information which that person is required to publish by or under these Regulations, the Regulator may publish such information in the manner prescribed in the Rules.

64. **Use of foreign offer documents**

No person shall use any offer document produced in accordance with the law applicable in another jurisdiction for the purposes of making a Prospectus Offer except in the circumstances prescribed in the Rules.

65. **Obligation to issue a supplementary prospectus**

If at any time after the issue of a Prospectus there is a significant change in, or a material mistake or inaccuracy affecting any matter contained in the Prospectus or a significant new matter arises, the

Issuer or the person responsible for the issue of the Prospectus shall issue a supplementary prospectus which—

(a) provides details of the change, mistake, inaccuracy or new matter; and

(b) complies with the requirements in section 62(1).

Misleading and deceptive statements or omissions

66. **Prohibition against misleading and deceptive statements or omissions**

(1) A person shall not make a Prospectus Offer if there is—

(a) a misleading or deceptive statement in—

(i) the Prospectus;

(ii) any application form that is attached to or accompanies the Prospectus; or

(iii) any other communication that relates to the Prospectus Offer, or the application form;

(b) any material omission from the Prospectus, application form or any other Document as required by or under these Regulations; or

(c) a significant new matter or a significant change in circumstances that requires a supplementary prospectus to be issued.

(2) A person does not contravene the prohibition in subsection (1) if that person can prove the circumstances or matters specified in sections 67 and 68.

67. **Defence of reasonable enquiries and reasonable belief**

A person does not commit a contravention of section 66(1), if that person proves that he—

(a) made all enquiries that were reasonable in the circumstances; and

(b) after making such enquiries, believed on reasonable grounds that the Prospectus was not misleading or deceptive.

68. **Defence of reasonable reliance on information given by another person**

(1) A person does not commit a contravention of section 66(1) if the person merely proves that he placed reasonable reliance on information given to him by—

(a) if the person is not a natural person, someone other than a member of the governing body, employee or agent of the person; or

(b) if the person is a natural person, someone other than an employee or agent of the natural person.

(2) For the purposes of this Chapter, a person is not the agent of a person merely because he performs a particular professional or advisory function for the person.

69. **Statements about future matters**

(1) A person is taken to make a misleading or deceptive statement about a future matter whether by himself or through his agent, if he, at the time of making the statement or causing the statement to be made, did not have reasonable grounds for making the statement or causing the statement to be made.

(2) The onus for proving that reasonable grounds existed for the purposes of subsection (1) is on the person who made the statement or caused the statement to be made.

(3) A person referred to in subsection (2) may rely on the circumstances referred to in sections 67 and 68 in order to prove that he had reasonable grounds for making the statement relating to the future matter.

70. **Civil compensation**

(1) Any person prescribed in the Rules made by the Regulator as being liable for a Prospectus is liable to pay compensation to another person who has acquired Securities to which the Prospectus relates and who has suffered loss or damage arising from any untrue or misleading statement in the Prospectus or the omission from it of any material matter required to have been included in the Prospectus by or under these Regulations.

(2) The Regulator may make Rules prescribing circumstances in which a person who would otherwise be liable under subsection (1) will not be so liable.

(3) Nothing in this section affects the powers, rights or liabilities that any person may have apart from this section including the power to institute proceedings under section 242.

71. **Stop orders**

(1) If the Regulator is satisfied that a Prospectus Offer would contravene or has contravened these Regulations or it is in the interests of the Abu Dhabi Global Market, the Regulator may issue a stop order to a person or class of persons directing that no Offer, issue, sale or transfer of the Securities be made by such person or persons for such a period of time as it thinks appropriate.

(2) Upon making a decision under subsection (1), the Regulator shall, without undue delay, inform the Offeror and the Issuer (if different) of the Securities in writing of its decision.

(3) An order under subsection (1) takes effect—

(a) immediately, if the notice under subsection (4) states that that is the case;

(b) in any other case, on such date as may be specified in that notice.

(4) If the Regulator—

(a) proposes to exercise the power in subsection (1) in relation to a person; or

(b) exercises any of those powers in relation to a person with immediate effect;

it must give that person written notice.

(5) The notice must—

(a) give details of the Regulator's action or proposed action;

(b) state the Regulator's reasons for taking the action in question and choosing the date on which it took effect or takes effect;

(c) inform the recipient that he may make representations to the Regulator within such period as may be specified by the notice (whether or not he has referred the matter to the Regulatory Committee);

(d) inform him of the date on which the action took effect or takes effect; and

(e) inform him of his right to refer the matter to the Regulatory Committee.

(6) The Regulator may extend the period within which representations may be made to it.

(7) If, having considered any representations made to it, the Regulator decides to maintain, vary or revoke its earlier decision, it must give written notice to that effect to the person mentioned in subsection (4).

(8) A notice given under subsection (7) must inform that person, where relevant, of his right to refer the matter to the Regulatory Committee.

Chapter 2 Obligations of Reporting Entities

72. **Definition of a Reporting Entity**

(1) A person is, subject to subsection (3), a Reporting Entity if the person—

(a) has or had Securities admitted to the Official List at any time;

(b) has made an Offer of Securities to the Public other than in relation to Units of a Fund;

(c) merges with or acquires a Reporting Entity referred to in paragraphs (a) or (b); or

(d) is declared by the Regulator pursuant to subsection (4) to be a Reporting Entity.

(2) For the purposes of subsection (1)(a)—

(a) in the case of a Listed Fund—

(i) a reference to a Reporting Entity is a reference to the Fund Manager of that Fund or such other person as the Regulator may declare (who may also be called a "Reporting Entity of the Listed Fund"); and

(ii) any obligations of a Reporting Entity are, unless the context requires otherwise, obligations in respect of the Listed Fund; and

(b) for avoidance of doubt, a person does not become a Reporting Entity of a Listed Fund by merely offering the Units of the Fund to the public, unless the Units are also admitted to trading on a Recognised Investment Exchange.

(3) A person is not a Reporting Entity—

(a) if the person—

(i) is an Exempt Offeror; or

(ii) has made an Offer of Securities to the Public where that Offer is an exempt offer;

(b) if—

(i) the person previously had Securities admitted to the Official List but currently has no Securities admitted to the Official List;

(ii) the current holders of at least 75 per cent. of the Securities of the Reporting Entity or the Listed Fund, as is relevant, have agreed in writing that the person is no longer needed to be a Reporting Entity; and

(iii) the Regulator has confirmed in writing upon being notified of the grounds referred to in sub-paragraphs (i) and (ii) that the person need no longer be a Reporting Entity; or

(c) in the case of a person referred to in subsections (1)(a), (b) or (c), if that person is declared by the Regulator pursuant to subsection (4)(a)(ii) not to be a Reporting Entity.

(4) The Regulator may upon application of a person or on its own initiative—

(a) declare in writing that a person is—

(i) a Reporting Entity; or

(ii) not a Reporting Entity; and

(b) impose such conditions or restrictions as it considers appropriate in respect of such a declaration.

(5) The Regulator may, by Rules, prescribe requirements applicable to Reporting Entities including any circumstances in which such requirements may not apply to certain Reporting Entities.

(6) The Regulator may, by Rules, extend the requirements applicable to a Reporting Entity to any person who intends to undertake any activity specified in subsections (1)(a), (b) or (c) where it considers appropriate to do so.

(7) A reference to a Reporting Entity by or under these Regulations includes, except where otherwise provided or the context implies otherwise, a person intending to have Securities admitted to trading on a Recognised Investment Exchange.

Governance of Reporting Entities

73. **Corporate Governance**

(1) A Reporting Entity shall have a Corporate Governance framework which is adequate to promote prudent and sound management of the Reporting Entity in the long-term interest of the Reporting Entity and its Shareholders.

(2) For the purposes of the requirement in subsection (1), the Regulator may by Rules prescribe—

(a) Corporate Governance principles and standards that apply to a Reporting Entity, including any requirements applicable to its board of Directors and individual members, Controllers, employees or any other person as appropriate;

(b) requirements relating to fair treatment of Shareholders; and

(c) provisions to address conflicts of interests.

(3) The Regulator may, by Rules, prescribe any circumstances in which such requirements do not apply to certain Reporting Entities.

Market disclosure

74. **Database**

(1) The Regulator shall establish and maintain an electronic data gathering, analysis and retrieval system for the receipt and storage of information filed or disclosed under this Part and any Rules made under this Part and for the purpose of making information available to the public, except where such information is confidential as prescribed in the Rules.

(2) The Regulator may delegate to any person all or part of any function in subsection (1) where it is satisfied that there are appropriate safeguards to ensure integrity and safety of the information.

75. **Continuous disclosures**

(1) A Reporting Entity shall, subject to subsections (4) and (5), make disclosures to the market of information specified by the Regulator in the circumstances prescribed by the Rules.

(2) Without limiting the generality of subsection (1),the Regulator may, by Rules, prescribe the type of information and the circumstances in which such information shall be disclosed including—

(a) financial information;

(b) Inside Information as defined in section 95; and

(c) any other information or material change which occurs in relation to a Reporting Entity.

(3) Where information is required to be disclosed pursuant to subsection (1), the Reporting Entity shall—

(a) issue a release of information to the market disclosing the information; and

(b) file a report with the Regulator;

in the manner prescribed by the Rules.

(4) Where a Reporting Entity has failed to publish information required to be published pursuant to subsection (1) and the Rules made for the purposes of this section, the Regulator may publish such information in a manner considered appropriate by the Regulator.

(5) The Regulator may, by Rules, prescribe the circumstances in which a Reporting Entity need not comply with the disclosure requirement in subsection (1).

76. **Disclosures by Connected Persons**

(1) A person who becomes a Connected Person of a Reporting Entity shall file with the Regulator and the relevant Reporting Entity a report that meets the requirements prescribed in the Rules made for the purposes of this section.

(2) The Regulator may, by Rules, prescribe—

(a) when a person is regarded as a Connected Person of a Reporting Entity;

(b) events that trigger the requirement to file the report referred to in subsection (1);

(c) the content and the manner of filing of the report referred to in subsection (1);

(d) when a person is, or is not, a Connected Person of a Reporting Entity or a Listed Fund; and

(e) any other matter that is necessary or incidental for the purpose of giving effect to the requirements relating to the report referred to in subsection (1).

77. **Disclosure of material interests**

(1) A person who has a material interest in or relating to a Reporting Entity or a Listed Fund shall give notice relating to that interest in the manner and form prescribed by the Rules.

(2) For the purposes of subsection (1), the Regulator may by Rules prescribe—

(a) what constitutes a material interest;

(b) persons required to give the notice referred to in subsection (1);

(c) persons to whom the notice referred to in subsection (1) is required to be given, including any circumstances in which such a notice is not required;

(d) the content and the manner of giving the notice referred to in subsection (1); and

(e) any other matter that is necessary or incidental for the purpose of giving effect to the requirements relating to the notice referred to in subsection (1).

Financial reports

78. **Annual financial report**

A Reporting Entity shall prepare and file with the Regulator an annual financial report in accordance with the requirements prescribed in the Rules.

79. **Interim financial report**

(1) A Reporting Entity shall, subject to subsection (2), prepare and file with the Regulator—

(a) a semi-annual financial report; and

(b) any other financial statements required by the Regulator.

(2) The Regulator may, by Rules, prescribe the circumstances in which a Reporting Entity—

(a) is not required to file a semi-annual financial report; or

(b) is required to file any other financial statements pursuant to subsection (1)(b).

80. **Auditor's report**

(1) Each annual financial report referred to in section 78 shall be accompanied by a report of the auditor of the Reporting Entity in accordance with the requirements prescribed in the Rules.

(2) The report produced in accordance with subsection (1) shall state whether, in the auditor's opinion, the annual financial report required by section 78 represents a true and fair view of the financial position of the Reporting Entity.

81. **Supply of financial statements**

Upon a request from a holder of its Securities, a Reporting Entity shall, within 14 days of the request, make a copy of the financial report filed under sections 78 and 79 available to the holder.

82. **Appointment of auditors**

A Reporting Entity shall have an auditor Appointed in accordance with Part 15 and any Rules made for the purposes of that Part.

Sponsors and compliance advisers

83. **Appointment of sponsors or compliance advisers**

(1) The Regulator may make Rules requiring a Reporting Entity to appoint a sponsor, compliance adviser or other expert adviser on such terms and conditions as it considers appropriate.

(2) Such Rules may prescribe—

(a) the circumstances in which a Reporting Entity is required to appoint a sponsor, compliance adviser or other expert adviser;

(b) the requirements applicable to the Reporting Entity and a person Appointed as a sponsor, compliance adviser or other expert adviser; and

(c) any other matter necessary to give effect to such appointments.

Miscellaneous

84. **Regulator's powers of Direction**

The Regulator may, if it is satisfied that it is in the interests of the Abu Dhabi Global Market to do so—

(a) direct a Reporting Entity to disclose specified information to the market or take such other steps as the Regulator considers appropriate; or

(b) impose on a Reporting Entity any additional continuing obligations;

on such terms and conditions as determined by the Regulator.

Part 7Transfer Schemes

85. **Transfer Schemes**

(1) No Transfer Scheme is to have effect unless an order has been made in relation to it under section 86. Nothing in this section prevents any person from exercising any other right or power he may have to transfer or receive the transfer of any asset or assume any liability.

(2) For the purposes of these Regulations, a Transfer Scheme means a scheme which results in the transfer of—

(a) the whole or part of a business carried on by an Authorised Person or Recognised Body which is incorporated in, or formed under the law of the Abu Dhabi Global Market, ("the person concerned") to another body ("the transferee");

(b) the whole or part of a business carried on in the Abu Dhabi Global Market by an Authorised Person or Remote~~Recognised~~ Body not incorporated in, or formed under the law of the Abu Dhabi Global Market ("the person concerned") to another body ("the transferee"); or

(c) the Fund Property of a Fund or of a Sub-Fund of an Umbrella Fund ("the Fund concerned") to another Fund ("the transferee").

86. **Application for an order sanctioning a scheme**

(1) An Application in relation to a firm may be made to the Court for an order sanctioning a Transfer Scheme. An Application may be made by—

(a) the person concerned;

(b) the transferee; or

(c) both the person concerned and the transferee.

(2) An Application in relation to a Fund may be made to the Court for an order sanctioning a Transfer Scheme. An Application may be made by—

(a) the Fund concerned;

(b) the Fund Manager, Trustee or auditor of the Fund concerned; or

(c) the transferee.

(3) The Court may grant an order if it considers that it is appropriate in the circumstances to sanction the Transfer Scheme.

87. **Rights to be heard**

The following have the right to be heard in an Application under section 86—

(a) any person who alleges that he would be adversely affected if the scheme were to be carried out; and

(b) the Regulator.

88. **Powers of the Court in relation to a Transfer Scheme**

(1) If the Court makes an order sanctioning a Transfer Scheme, it may, by that order or any subsequent order, provide for any of the following—

(a) the transfer of the whole or part of the undertaking concerned and of any property or liabilities of the person concerned or the Fund concerned;

(b) the transferee to continue any pending legal proceedings by or against the person concerned or the Fund concerned;

(c) incidental, consequential and supplementary matters which are necessary to ensure that the scheme is fully and effectively carried out;

(d) the interests of any person who objects to the scheme to be dealt with in such manner as the Court may direct;

(e) the dissolution (but not Winding-Up) of any person concerned or any Fund concerned; and

(f) the reduction, on such terms and conditions it thinks fit, of the benefits payable under—

(i) any insurance policy; or

(ii) insurance policies generally;

entered into by the person concerned or the Fund concerned and transferred as a result of the Transfer Scheme.

(2) An order may—

(a) transfer property or liabilities whether or not the person concerned or the Fund concerned otherwise has the capacity to effect the transfer in question;

(b) make provision in relation to property which was held by the person concerned or the Fund concerned as trustee;

(c) make provision as to future or contingent rights or liabilities of the person concerned or the Fund concerned, including provision as to the construction of instruments under which such rights or liabilities may arise.

(3) If an order makes provision for the transfer of property or liabilities—

(a) the property is transferred to and vests in; and

(b) the liabilities are transferred to and become liabilities of;

the transferee as a result of the order.

(4) If any property or liability included in the order is governed by the law of any jurisdiction other than the Abu Dhabi Global Market, the Court may order the person concerned or the Fund concerned, if the transferee so requires, to take all necessary steps to secure that the transfer of the property or liability is fully effective under the law of that country or territory.

(5) Property transferred as the result of an order under this section may, if the Court so directs, vest in the transferee free from any Charge which is (as a result of the scheme) to cease to have effect.

(6) An order under this section which provides for the transfer of property is to be treated as an instrument of transfer for the purposes of any enactment requiring the delivery of an instrument of transfer to register property.

89. **Requirements of a Scheme**

(1) An Application under section 86 in respect of a scheme shall be accompanied by a report on the terms of the Transfer Scheme (a "Scheme Report").

(2) A Scheme Report may only be made by a person—

(a) who, in the Regulator's opinion, has the necessary skills to make a proper report; and

(b) is nominated or approved by the Regulator.

(3) A Scheme Report must be made in a form approved by the Regulator.

(4) The Regulator may direct that a Scheme Report need not be provided, if for reasons of urgency, it is in the interests of the Abu Dhabi Global Market to do so.

(5) The person concerned or the Fund concerned must provide written notice of the proposed transfer to all interested parties as determined by the Regulator at their last known mailing address.

(6) The person concerned or the Fund concerned must publish a notice in a designated newsletter which it thinks would be most suitable for bringing the notice to the attention of those who would be affected by the proposed transfer.

(7) The Regulator may direct that a notice under subsection (5) and (6) need not be provided, if, for reasons of urgency, it is in the interests of the Abu Dhabi Global Market to do so.

(8) The Court may choose not to make a determination regarding an Application under section 86 if either the Applicant or the person concerned or the Fund concerned have failed to comply with the requirements of this section.

90. **Conditions for sanctioning a Transfer Scheme**

Before the Court may make an order for a Transfer Scheme, it must be satisfied that the transferee, before the Transfer Scheme takes effect—

(a) will have procured all necessary authorisations required to enable the business to be transferred to be carried on in the same manner by the transferee;

(b) has adequate financial resources to carry on the business in accordance with the governing law of the jurisdiction to which it is to be transferred (if applicable).

91. **Modifications**

The Regulator may by Rules modify any provision in this Chapter where necessary for the purpose of furthering one or more of its objectives.

Part 8Market Abuse

Market abuse

92. **Market abuse**

(1) For the purposes of these Regulations, Market Abuse is Behaviour (whether by one person alone or by two or more persons jointly or in concert) which—

(a) occurs in relation to—

(i) Financial Instruments admitted to trading on a—

(A) Prescribed Market; or

(B) a similar market or trading venue situated inside or outside the Abu Dhabi Global Market and accessible electronically, or otherwise, from within the Abu Dhabi Global Market;

(ii) Financial Instruments in respect of which a request for admission to trading on such a market has been made; or

(iii) in the case of subsection (2) or (3) Behaviour, instruments which are Related Instruments in relation to such Financial Instruments; and

(b) falls within any one or more of the types of Behaviour set out in subsections (2) to (6).

(2) The first type of Behaviour is where an Insider deals, or attempts to deal, in a Financial Instrument or Related Instrument on the basis of Inside Information relating to the Financial Instruments or Related Instruments in question.

(3) The second is where an Insider discloses Inside Information to another person otherwise than in the proper course of the exercise of his employment, profession or duties.

(4) The third is where the Behaviour consists of effecting transactions or orders to trade (otherwise than for legitimate reasons and in conformity with Accepted Market Practices on the relevant market) which—

(a) give, or are likely to give, a false or misleading impression as to the supply of, or demand for, or as to the price of, one or more Financial Instruments; or

(b) secure the price of one or more such instruments at an abnormal or artificial level.

(5) The fourth is where the Behaviour consists of effecting transactions or orders to trade which employ fictitious devices or any other form of deception or contrivance.

(6) The fifth is where the Behaviour consists of the dissemination of information by any means which gives, or is likely to give, a false or misleading impression as to a Financial Instrument by a person who knew or could reasonably be expected to have known that the information was false or misleading.

93. **Supplementary provision about certain Behaviour**

(1) Behaviour is to be taken into account for the purposes of this Part only if it occurs—

(a) in the Abu Dhabi Global Market; or

(b) in relation to—

(i) Financial Instruments which are admitted to trading on a Prescribed Market situated in, or operating in, the Abu Dhabi Global Market; or

(ii) Financial Instruments for which a request for admission to trading on such a Prescribed Market has been made.

(2) For the purposes of section 92(6), the dissemination of information by a person acting in the capacity of a journalist is to be assessed taking into account the codes governing his profession unless he derives, directly or indirectly, any advantage or profits from the dissemination of the information.

(3) Behaviour does not amount to Market Abuse for the purposes of these Regulations if—

(a) it conforms with a Rule which includes a provision to the effect that Behaviour conforming with the Rule does not amount to Market Abuse;

(b) it conforms with the Price Stabilising Rules; or

(c) it is done by a person acting on behalf of a public authority in the legitimate exercise of its public functions.

94. **Insiders**

For the purposes of this Part, an Insider is any person who has Inside Information—

(a) as a result of his membership of an administrative, management or supervisory body of a Reporting Entity or an Issuer of Financial Instruments;

(b) as a result of his holding in the capital of a Reporting Entity or an Issuer of Financial Instruments;

(c) as a result of having access to the information through the exercise of his employment, profession or duties;

(d) as a result of his criminal activities; or

(e) which he has obtained by other means and which he knows, or could reasonably be expected to know, is Inside Information.

95. **Inside Information**

(1) This section defines "Inside Information" for the purposes of these Regulations.

(2) In relation to Financial Instruments, or Related Instruments, which are not Commodity Derivatives, Inside Information is information of a Precise nature which—

(a) is not generally available;

(b) relates, directly or indirectly, to one or more Reporting Entities or Issuers of the Financial Instruments or to one or more of the Financial Instruments; and

(c) would, if generally available, be likely to have a significant effect on the price of the Financial Instruments or on the price of Related Instruments.

(3) In relation to Financial Instruments or Related Instruments which are Commodity Derivatives, Inside Information is information of a Precise nature which—

(a) is not generally available;

(b) relates, directly or indirectly, to one or more such derivatives; and

(c) users of markets on which the derivatives are traded would expect to receive in accordance with any Accepted Market Practices on those markets.

(4) In relation to a person charged with the execution of orders concerning any Financial Instruments or Related Instruments, Inside Information includes information conveyed by a client and related to the client's pending orders which—

(a) is of a Precise nature;

(b) is not generally available;

(c) relates, directly or indirectly, to one or more Issuers of Financial Instruments or to one or more Financial Instruments; and

(d) would, if generally available, be likely to have a significant effect on the price of those Financial Instruments or the price of Related Instruments.

(5) Information is Precise if it—

(a) indicates circumstances that exist or may reasonably be expected to come into existence or an event that has occurred or may reasonably be expected to occur; and

(b) is specific enough to enable a conclusion to be drawn as to the possible effect of those circumstances or that event on the price of Financial Instruments or Related Instruments.

(6) Information would be likely to have a significant effect on price if and only if it is information of a kind which a reasonable investor would be likely to use as part of the basis of his investment decisions.

(7) For the purposes of subsection (3)(c), users of markets on which investments in Commodity Derivatives are traded are to be treated as expecting to receive information relating directly or indirectly to one or more such derivatives in accordance with any Accepted Market Practices, which is—

(a) routinely made available to the users of those markets; or

(b) required to be disclosed in accordance with any statutory provision, market rules, or contracts or customs on the relevant underlying commodity market or Commodity Derivatives market.

(8) Information which can be obtained by research or analysis conducted by, or on behalf of, users of a market is to be regarded, for the purposes of this Part, as being generally available to them.

The Rules of Market Conduct

96. **The Rules of Market Conduct**

(1) The Regulator may make Rules ("Rules of Market Conduct") specifying—

(a) descriptions of Behaviour that, in the opinion of the Regulator, amount to Market Abuse;

(b) descriptions of Behaviour that, in the opinion of the Regulator, do not amount to Market Abuse;

(c) factors that, in the opinion of the Regulator, are to be taken into account in determining whether or not Behaviour amounts to Market Abuse;

(d) descriptions of Behaviour that are Accepted Market Practices in relation to one or more Prescribed Markets;

(e) descriptions of Behaviour that are not Accepted Market Practices in relation to one or more Prescribed Markets.

(2) Rules of Market Conduct may make different provisions in relation to persons, cases or circumstances of different descriptions.

97. **Effect of the Rules of Market Conduct**

(1) If a person behaves in a way which is described (in the Rules of Market Conduct in force under section 96 at the time of the Behaviour) as Behaviour that, in the Regulator's opinion, does not amount to Market Abuse, that Behaviour of his is to be taken, for the purposes of these Regulations, as not amounting to Market Abuse.

(2) Otherwise, the Rules of Market Conduct in force under section 96 at the time when particular Behaviour occurs may be relied on so far as it indicates whether or not that Behaviour should be taken to amount to Market Abuse.

98. **Prohibition onMarket Abuse**

(1) A person ("A") shall not—

(a) engage in Market Abuse; or

(b) by taking or refraining from taking any action,require or encourage another person or persons to engage in Behaviour which, if engaged in by A, would amount to Market Abuse.

(2) A person does not contravene subsection (1) if—

(a) he believed, on reasonable grounds, that his Behaviour did not fall within paragraph (a) or (b) of that subsection; or

(b) he took all reasonable precautions and exercised all due diligence to avoid behaving in a way which fell within paragraph (a) or (b) of that subsection.

Miscellaneous

99. **Suspension of investigations**

(1) If the Regulator considers it desirable or expedient because of the exercise or possible exercise of a power relating to Market Abuse, it may direct a Recognised Body—

(a) to terminate, suspend or limit the scope of any inquiry which the Recognised Body is conducting under its rules; or

(b) not to conduct an inquiry which the Recognised Body proposes to conduct under its rules.

(2) A Direction under this section—

(a) must be given to the Recognised Body concerned by notice in writing; and

(b) is enforceable, on the application of the Regulator, by injunction.

(3) The Regulator's powers relating to Market Abuse are its powers—

(a) under Part 19; or

(b) to appoint a person to conduct an investigation under section 205.

100. **Effect on transactions**

The taking of any action under Part 19 in relation to Market Abuse does not make any transaction void or unenforceable.

101. **Protected Disclosures**

(1) A disclosure which satisfies the following three conditions is not to be taken to breach any restriction on the disclosure of information (however imposed).

(2) The first condition is that the information or other matter—

(a) causes the Disclosing Person to know or suspect; or

(b) gives him reasonable grounds for knowing or suspecting;

that another person has engaged in Market Abuse.

(3) The second condition is that the information or other matter disclosed came to the Disclosing Person in the course of his trade, profession, business or employment.

(4) The third condition is that the disclosure is made to the Regulator or to a nominated officer as soon as is practicable after the information or other matter comes to the Disclosing Person.

(5) A disclosure to a nominated officer is a disclosure which is made to a person nominated by the Disclosing Person's employer to receive disclosures under this section, and is made in the course of the Disclosing Person's employment and in accordance with the procedure established by the employer for the purpose.

(6) For the purposes of this section, references to a person's employer include any body, association or organisation (including a voluntary organisation) in connection with whose activities the person exercises a function (whether or not for gain or reward) and references to employment must be construed accordingly.

Part 9Misleading Statements and Impressions

102. **Misleading Statements**

(1) Subsection (2) applies to a person ("P") who—

(a) makes a statement which P knows to be false or misleading in a material respect;

(b) makes a statement which is false or misleading in a material respect, being reckless as to whether it is; or

(c) dishonestly conceals any material facts whether in connection with a statement made by P or otherwise.

(2) P commits a contravention of these Regulations if P makes the statement or conceals the facts with the intention of inducing, or is reckless as to whether making it or concealing them may induce, another person (whether or not the person to whom the statement is made)—

(a) to enter into or offer to enter into, or to refrain from entering or offering to enter into, a Relevant Agreement; or

(b) to exercise, or refrain from exercising, any rights conferred by a Financial Instrument~~Designated Investment~~.

(3) In proceedings for a contravention under subsection (2) brought against a person to whom that subsection applies as a result of paragraph (a) of subsection (1), it is a defence for the person charged ("D") to show that the statement was made in conformity with—

(a) Price Stabilising Rules (section 7(4)); or

(b) Control of Information Rules (section 7(3)).

(4) Subsections (1) and (2) do not apply unless—

(a) the statement is made in or from, or the facts are concealed in or from, the Abu Dhabi Global Market or arrangements are made in or from the Abu Dhabi Global Market for the statement to be made or the facts to be concealed;

(b) the person on whom the inducement is intended to or may have effect is in the Abu Dhabi Global Market; or

(c) the agreement is or would be entered into or the rights are or would be exercised in the Abu Dhabi Global Market.

103. **Misleading Impressions**

(1) A person ("P") who does any act or engages in any course of conduct which creates a false or misleading impression as to the market in or the price or value of any Financial Instruments~~Designated Investments~~ commits a contraventionof these Regulations if—

(a) P intends to create the impression; and

(b) the case falls within either subsection (2) or (3) or both.

(2) The case falls within this subsection if P intends, by creating the impression, to induce another person to acquire, dispose of, subscribe for or underwrite the investments or to refrain from doing so or to exercise or refrain from exercising any rights conferred by the investments.

(3) The case falls within this subsection if—

(a) P knows that the impression is false or misleading or is reckless as to whether it is; and

(b) P intends by creating the impression to produce any of the results in subsection (4) or is aware that creating the impression is likely to produce any of the results in that subsection.

(4) Those results are—

(a) the making of a gain for P or another; or

(b) the causing of loss to another person or the exposing of another person to the risk of loss.

(5) References in subsection (4) to gain or loss are to be read in accordance with subsections (6)and(7).

(6) In proceedings brought against any person ("D") for a contravention under subsection (1)it is a defence for D to show—

(a) to the extent that the contravention results from subsection (2), that D reasonably believed that D's conduct would not create an impression that was false or misleading as to the matters mentioned in subsection (1);

(b) that D acted or engaged in the conduct—

(i) for the purpose of stabilising the price of investments; and

(ii) in conformity with Price Stabilising Rules; or

(c) that D acted or engaged in the conduct in conformity with Control of Information Rules.

(7) This section does not apply unless—

(a) the act is done, or the course of conduct is engaged in, in the Abu Dhabi Global Market; or

(b) the false or misleading impression is created there.

104. **Misleading statements etc. in relation to Benchmarks**

(1) A person ("A") who makes to another person ("B") a false or misleading statement commits a contraventionof these Regulations if—

(a) A makes the statement in the course of arrangements for the setting of a Relevant Benchmark;

(b) A intends that the statement should be used by B for the purpose of the setting of a Relevant Benchmark; and

(c) A knows that the statement is false or misleading or is reckless as to whether it is.

(2) A person ("C") who does any act or engages in any course of conduct which creates a false or misleading impression as to the price or value of any investment or as to the interest rate appropriate to any transaction commits a contravention of these Regulations if—

(a) C intends to create the impression;

(b) the impression may affect the setting of a Relevant Benchmark;

(c) C knows that the impression is false or misleading or is reckless as to whether it is; and

(d) C knows that the impression may affect the setting of a Relevant Benchmark.

(3) In proceedings for a contravention under subsection (1), it is a defence for the person charged ("D") to show that the statement was made in conformity with—

(a) Price Stabilising Rules (section 7(4)); or

(b) Control of Information Rules (section 7(3)).

(4) In proceedings brought against any person ("D") for a contravention under subsection (2) it is a defence for D to show—

(a) that D acted or engaged in the conduct—

(i) for the purpose of stabilising the price of investments; and

(ii) in conformity with Price Stabilising Rules (section 7(4)); or

(b) that D acted or engaged in the conduct in conformity with Control of Information Rules (section 7(3)).

(5) Subsection (1) does not apply unless the statement is made in or from the Abu Dhabi Global Market or to a person in the Abu Dhabi Global Market.

(6) Subsection (2)does not apply unless—

(a) the act is done, or the course of conduct is engaged in, in the Abu Dhabi Global Market; or

(b) the false or misleading impression is created in the Abu Dhabi Global Market.

Part 10Change of Control

105. **Provisions governing Controllers**

(1) The Regulator may make Rules in connection with the change of control of Authorised Persons or Recognised Bodies. Such Rules may make provision as to—

(a) when a person becomes or ceases to be a Controller of an Authorised Person or Recognised Body;

(b) which shareholdings are to be disregarded when assessesing whether a person becomes or ceases to be a Controller of an Authorised Person or Recognised Body;

(c) when the acquisition of,or increase or decrease in the level of,Control of an Authorised Person or Recognised Body requires either the prior approval of, or notification to, the Regulator;

(d) when the Regulator may object to an existing Controller;

(e) the procedures relating to the approval, notification and objections referred to in paragraphs (c) and (d); and

(f) any other matter necessary or incidental to give effect to the provisions governing Controllers.

(2) Without limiting the generality of the Regulator's powers, the Regulator may—

(a) approve or object to a person becoming a Controller of an Authorised Person or Recognised Body;

(b) approve or object to an increase in the level of control of an existing Controller of an Authorised Person or Recognised Body;

(c) object to an existing Controller of an Authorised Person or Recognised Body where it has reasonable grounds to believe that such a person is no longer an acceptable Controller; and

(d) approve a person as a Controller or approve an increase of Control by an existing Controller subject to such conditions as it considers appropriate.

(3) Where the Regulator considers an existing Controller of an Authorised Person or Recognised Body to be an unacceptable Controller—

(a) it must notify the Controller and the Authorised Person or Recognised Body in writing that the Controller is no longer an acceptable Controller; and

(b) it may require that the Controller and the Authorised Person or Recognised Body take such action as is specified by the Regulator.

(4) Without limiting the generality of the Regulator's powers, the Regulator may, for the purposes of subsection (3)(b)—

(a) require an Authorised Person or Recognised Body to take such action as is specified by the Regulator in relation to an unacceptable Controller;

(b) where an Authorised Person or Recognised Body has failed to comply with a requirement referred to in paragraph (a) to the satisfaction of the Regulator, exercise any of its powers in relation to the Authorised Person or Recognised Body; or

(c) require the unacceptable Controller to take such action as specified by the Regulator.

Part 11Collective Investment Funds

Chapter 1Interpretation

106. **Collective Investment Funds**

(1) In this Part, "Collective Investment Fund" means any arrangements with respect to property of any description, including money, the purpose or effect of which is to enable persons taking part in the arrangements (whether by becoming owners of the property or any part of it or otherwise) to participate in or receive profits or income arising from the acquisition, holding, management or disposal of the property or sums paid out of such profits or income.

(2) The arrangements must be such that the persons who are to participate ("Unitholders") do not have day-to-day control over the management of the property, whether or not they have the right to be consulted or to give directions.

(3) The arrangements must also have either or both of the following characteristics—

(a) the contributions of the Unitholders and the profits or income out of which payments are to be made to them are pooled;

(b) the property is managed as a whole by or on behalf of the Fund Manager.

(4) If arrangements provide for such pooling as is mentioned in subsection (3)(a) in relation to separate parts of the property, the arrangements are not to be regarded as constituting a single Collective Investment Fund unless the Unitholders are entitled to exchange rights in one part for rights in another.

(5) The Regulator may by Rules provide that arrangements do not amount to a Collective Investment Fund—

(a) in specified circumstances; or

(b) if the arrangements fall within a specified category of arrangement.

Chapter 2 Registration of Public Funds

107. **Registration requirement**

(1) Every Domestic Fund (including any Sub-Fund, where applicable) which is a Public Fund shall be registered with the Regulator.

(2) The Regulator shall register a Public Fund if the Fund (or Sub-Fund) meets all the requirements in this Chapter.

(3) The Application for the registration of a Public Fund shall be made to the Regulator by the Fund Manager or, if the Fund is an Investment Trust, jointly by the Fund Manager and the Trustee of that Fund.

(4) Such an Application shall—

(a) be made in accordance with any applicable Rules made by the Regulator;

(b) be made in such manner as the Regulator may direct; and

(c) contain, and be accompanied by, such other information as the Regulator may reasonably require.

108. **Providing information in relation to the Application**

(1) The Regulator may require the Fund Manager, and if relevant the Trustee, to provide such further information (in such form and with such verification) as it reasonably considers necessary to enable it to determine the Application.

(2) Different directions may be given, and different requirements imposed, in relation to different Applications or categories of Application.

(3) The Regulator may require an Applicantto provide information which the Applicant is required to provide to it under this section in such form, or to verify it in such a way, as the Regulator may direct.

109. **Rejection of an Application**

The Regulator may refuse to grant an Application for registration of a Public Fund if it is not satisfied that the requirements referred to in section 107 have been met.

110. **Granting registration**

(1) The Regulator shall grant the registration to come into effect on a specified date.

(2) Where the Regulator registers a Public Fund, it shall, without undue delay, inform the Fund Manager and, if relevant, the Trustee in writing of—

(a) that decision; and

(b) the date on which the registration shall come into effect.

111. **Withdrawal of registration**

(1) The Regulator may, subject to subsection (2), withdraw the registration of a Public Fund where one or more of the following circumstances apply—

(a) the Fund is not operating or has been wound up;

(b) any information provided to the Regulator by the Fund Manager or, if Appointed, the Trustee, is false or misleading in a material particular or materially misleading;

(c) the Fund Manager or, if Appointed, the Trustee has contravened these Regulationsor any Rules made under these Regulations;

(d) the Fund Manager or, if Appointed, the Trustee or member of the Fund's Governing Body has not complied with a direction issued by the Regulator under these Regulations;

(e) a person other than a member of the Fund's Governing Body, Shari'a Supervisory Board, the Trustee or a person providing oversight functions is exercising significant influence over the Fund, the Fund Manager or any member of the Fund's Governing Body;

(f) the Fund Manager is no longer fit and proper to manage the Fund or is incapable of acting as the Fund Manager of the Fund in compliance with these Regulations, any Rules made by the Regulator or the terms of its Constitution;

(g) the Trustee is no longer fit and proper to act as Trustee of the Fund or is incapable of acting as Trustee of the Fund in compliance with these Regulations, any Rules made by the Regulator, or the terms of its Constitution; or

(h) the Fund Manager or, if Appointed, the Trustee requests the Regulator to withdraw the registration of the Fund on the grounds that the Unitholders have passed a Special Resolution approving the Fund to be deregistered.

(2) The Regulator may withdraw the registration of a Fund under subsection (1) only if it considers that—

(a) the withdrawal is in the interests of the Unitholders of the Fund; or

(b) appropriate steps have been taken or may reasonably be taken to protect the interests of the Unitholders.

(3) Where the Regulator has withdrawn, or proposes to withdraw, a registration under this section, it may, by written notice, direct the Fund Manager or, if Appointed, the Trustee to take such steps as the Regulator considers necessary or desirable to protect the interests of Unitholders in the Fund.

(4) References in this section to a Fund include references to a Sub-Fund, as applicable.

Chapter 3 Notification Requirement Applicable to Exempt Funds and Qualified Investor Funds

112. **Notification requirement**

(1) The Fund Manager of an Exempt Fund or a Qualified Investor Fund shall notify the Regulator at least 14 days prior to the initial Offer to issue Units in the Fund and, in the case of a closed-ended Fund, any subsequent Offer to issue Units in the Fund.

(2) Such a notification must be made in the manner prescribed in any Rules made by the Regulator and include the name of the Fund and the type of Fund and any further details required under such Rules made by the Regulator.

(3) If a Domestic Fund can no longer meet the conditions to be an Exempt Fund or a Qualified Investor Fund under any Rules made by the Regulator, the Fund Manager of that Fund shall, as soon as practicable, either—

(a) in the case of an Exempt Fund, register the Fund as a Public Fund under section 107, or in the case of a Qualified Investor Fund, reconstitute the Fund as an Exempt Fund or register the Fund as a Public Fund under section 107; or

(b) apply for the winding-up of that Fund.

(4) References in this section to a Fund include references to a Sub-Fund, as applicable.

Chapter 4Investment Trusts

113. **General prohibition**

(1) A person shall not enter into an agreement to create a trust for collective investment purposes unless it is an agreement of the kind referred to in section 114.

(2) The Regulator may by Rules prescribe circumstances in which the prohibition in subsection (1) does not apply.

114. **Creation of an Investment Trust**

(1) An Investment Trust shall be created by a Trust Deed entered into between—

(a) an Authorised Person who has a Financial Services Permission to Manage a Collective Investment Fundgranted by the Regulator or is licensed to provide fund management services by a Non-Abu Dhabi Global Market Regulator in a Recognised Jurisdiction;[2] and

(b) an Authorised Person who has a Financial Services Permission to Act as the Trustee of an Investment Trust.

(2) The Trustee of an Investment Trust must be independent of the Fund Manager of that Investment Trust. A Trustee will not be independent of a Fund Manager if—

(a) the Fund Manager or the Trustee holds, or exercise voting rights in respect of, any Shares of the other;

(b) the Fund Manager and the Trustee have a common holding company or a common ultimate holding company;

(c) the Fund Manager or the Trustee have Directors on its Governing Body, who are also Directors of the other;

(d) the Fund Manager or the Trustee has individuals performing Controlled Functions who are also individuals performing Controlled Functions for the other; or

(e) the Fund Manager and the Trustee have been involved in the previous two years in any professional or material business dealings, other than acting as Fund Manager or Trustee respectively of any other Fund.

(3) An Investment Trust shall be formed solely for collective investment purposes.

(4) The Trust Deed shall—

(a) meet all the requirements that apply in respect of the Constitution of a Fund under the Rules made by the Regulator;

(b) set out clearly whether the Trustee is to provide the oversight function relating to the Investment Trust;

(c) confer on the Trustee all the powers that are necessary for the Trustee to discharge all its duties and perform all its functions under these Regulations and any Rules made by the Regulator; and

(d) not contain any provision which conflicts with the requirements in any Rules made by the Regulator.

115. **Effect and validity of the Trust Deed**

[2]Amended 12 June 2017.

(1) The provisions of the Trust Deed are binding on the persons who become Unitholders of the Investment Trust, as if they were a party to the Trust Deed.

(2) Any provision of a Trust Deed, which is inconsistent with these Regulations or any Rules made by the Regulator, shall be void.

116. **Unitholder liability**

(1) The Unitholders of an Investment Trust created under these Regulations are not liable for any debts or other liabilities incurred by or in respect of the Investment Trust except to the extent of any amount outstanding for the payment of the Units or interests in the Units at the price at which the Unitholder agreed to acquire the Units or interest in the Units.

(2) No action shall be brought by any person against a Unitholder for any debts or other liabilities of, or in respect of, an Investment Trust or any actions or omissions of the Trustee or Fund Manager except to the extent provided in subsection (1).

117. **Power to make a Direction**

If, in the opinion of the Regulator, the name of a Fund or of a Sub-Fund conflicts with the name of another Fund or Sub-Fund or is undesirable or misleading, it may direct the Fund Manager to change the name of the Fund or the Sub-Fund.

118. **Recognised Jursidiction**

The Regulator may by Rules designate as a Recognised Jurisdiction any jurisdiction where it is satisfied that the laws and regulations of such jurisdiction are sufficiently equivalent to those of the Abu Dhabi Global Market in as far as they apply to the management and operation of Domestic Funds. The Regulator shall publish and maintain a list of such jurisdictions.

Part 12Recognised Bodies, Remote Bodies, Remote Members and OTC Derivatives

Chapter 1 Exemption

General

119. **Exemption for Recognised Bodies~~Investment Exchanges~~ and Remote Bodies~~Recognised Clearing Houses~~**

(1) A Recognised Investment Exchange or Remote Investment Exchange is exempt from the General Prohibition in~~as~~ respect~~s~~ of any Regulated Activity—

(a) which is carried on as a part of the Recognised Investment Exchange's or Remote Investment Exchange's business as an investment exchange; or

(b) which is carried on for the purposes of, or in connection with, the provision by the exchange of services designed to facilitate the provision of Clearing Services~~clearing services~~ by another person.

(2) A Recognised Clearing House or Remote Clearing House is exempt from the General Prohibition in~~as~~ respect~~s~~ of any Regulated Activity—

(a) which is carried on for the purposes of, or in connection with, the provision of Clearing Servicesclearing services by the Recognised Clearing House or Remote Clearing House; or

(b) which is carried on for the purposes of, or in connection with, the provision by the Recognised Clearing House or Remote Clearing House of services designed to facilitate the provision of Clearing Servicesclearing services by another person.

(3) The Regulator may make Rules which amend paragraph (b) of subsection (1) or (2).

120. **Qualification for recognitionas a Recognised Body**

The Regulator may make Rules setting out the requirements ("Recognition Requirements") —:

(a) which must be satisfied by an investment exchange or clearing house if it is to qualify as a Recognised Bbody in respect of which the Regulator may make a Recognition Orderrecognition order under this Part; and

(b) which, if a Recognition Orderrecognition order is made, it must continue to satisfy, if it is to remain a Recognised Body.

Applications for recognition

121. **Application by an investment exchange**

(1) Any Body Corporate may apply to the Regulator for an order declaring it to be a Recognised Investment Exchange for the purposes of these Regulations.

(2) An Application under subsection (1) must be made in such manner as the Regulator may by Rules require.

122. **Application by a clearing house**

(1) A Body Corporate may, where it intends to provide Clearing Servicesclearing servicesin the Abu Dhabi Global Market, apply to the Regulator for an order declaring it to be for the purposes of these Regulations a Recognised Clearing House.

(2) An Application under subsection (1) must be made in such manner as the Regulator may by Rules require.

123. **Applications: supplementary**

(1) At any time after receiving an Application and before determining it, the Regulator may require the Applicant to provide such further information as it reasonably considers necessary to enable it to determine the Application.

(2) Information which the Regulator requires in connection with an Application must be provided in such form, or verified in such manner, as the Regulator may direct.

(3) Different directions may be given, or requirements imposed, by the Regulator with respect to different Applications.

124. **Recognition orders**

(1) If it appears to the Regulator that the Applicant satisfies the Recognition Requirements applicable in its case, the Regulator may—

(a) where the Application is made under section 121, make a Recognition Order~~recognition order~~declaring the Applicant to be a Recognised Investment Exchange;

(b) where the Application is made under section 122, make a Recognition Order~~recognition order~~declaring the Applicant to be a Recognised Clearing House.

(2) In considering an Application made under section121 or 122, the Regulator may have regard to any information which it considers is relevant to the Application.

(3) A Recognition Order~~recognition order~~must specify a date on which it is to take effect.

(4) Section 135 has effect in relation to a decision to refuse to make a Recognition Order~~recognition order~~—

(a) as it has effect in relation to a decision to revoke such an order; and

(b) as if references to a Recognised Body were references to the Applicant.

125. **Variation of a Recognition Order~~recognition order~~**

(1) On an application made to it, the Regulator may vary a Recognition Order~~recognition order~~by adding or removing a specified service or activity or class of Financial Instruments.

(2) The Regulator may at any time vary a Recognition Order~~recognition order~~for the purpose of correcting an error in, or omission from, the order.

126. **Liability in relation to Recognised Body's Regulatory Functions**

A Recognised Body and its officers and staff are not to be liable in damages for anything done or omitted in the discharge of the Recognised Body's Regulatory Functions unless it is shown that the act or omission was in bad faith.

127. **Remote~~Non-Abu Dhabi Global Market~~ Investment Exchanges and Remote~~Non-Abu Dhabi Global Market~~ Clearing Houses**

(1) An Application ~~under sections 121 or 122~~ by a Remote Body~~Non-Abu Dhabi Global Market~~ Applicant must comply with such requirements relating to Remote~~Non-Abu Dhabi Global Market Recognised~~ Bodies as the Regulator may specify by Rules.

(2) If it appears to the Regulator that a Remote Body~~Non-Abu Dhabi Global Market~~ Applicant satisfies the requirements of subsection (3) it may make a Recognition Order~~recognition order~~declaring the Applicant to be—

(a) a Remote~~Recognised~~ Investment Exchange;

(b) a Remote~~Recognised~~ Clearing House.

(3) The requirements are that—

(a) investors are afforded protection equivalent to that which they would be afforded if the body concerned were required to comply with Recognition Requirements, other than any such requirements which are expressed in Rules under section 120 not to apply for the purposes of this paragraph;

(b) there are adequate procedures for dealing with a person who is unable, or likely to become unable, to meet his obligations in respect of one or more Market Contracts connected with the investment exchange or clearing house;

(c) the Applicant is able and willing to co-operate with the Regulator by the sharing of information and in other ways;

(d) adequate arrangements exist for co-operation between the Regulator and those responsible for the supervision of the Applicant in the country or territory in which the Applicant's head office is situated.

(4) In considering whether it is satisfied as to the requirements mentioned in subsections (3)(a) and (b), the Regulator is to have regard to—

(a) the relevant law and practice of the country or territory in which the Applicant's head office is situated, including, with respect to a Remote~~Non-Abu Dhabi Global Market Recognised~~ Clearing House applicant, the equivalence of such laws to those set out in Chapter 3 and Chapter 4 of this Part, and Part 13 of these Regulations;

(b) the rules and practices of the Applicant.

(5) In relation to a Remote Body~~Non-Abu Dhabi Global Market~~ Applicant and a body or association declared to be a Remote~~Recognised~~ Investment Exchange or Remote~~Recognised~~ Clearing House by a Recognition Order~~recognition order~~ made by virtue of subsection (2)—

(a) the reference in section 139(1) to Recognition Requirements is to be read as a reference to ~~matters corresponding to the matters in respect of which provision is made in the~~ Remote Recognition Requirements;

(b) sections 132(1) and 134(2) have effect as if the requirements mentioned in section 132(1)(a) and section 134(2)(a) were those of subsections (3)(a), (b), and (c) of this section;

(c) section 134(2) has effect as if the grounds on which a Recognition Order~~recognition order~~ may be revoked under that provision included the ground that in the opinion of the a~~ppropriater~~Regulator arrangements of the kind mentioned in subsection (3)(d) no longer exist.

Publication of information by Recognised Investment Exchange

128. **Publication of information by Recognised Investment Exchange**

(1) A Recognised Investment Exchange must as soon as practicable after a Recognition Order~~recognition order~~is made in respect of it publish such particulars of the ownership of the exchange as the Regulator may reasonably require.

(2) The particulars published under subsection (1) must include particulars of the identity and scale of interests of the persons who are in a position to exercise significant influence over the management of the exchange, whether directly or indirectly.

(3) If an Ownership Transfer takes place in relation to a Recognised Investment Exchange, the exchange must as soon as practicable after becoming aware of the transfer publish such particulars relating to the transfer as the Regulator may reasonably require.

(4) A Recognised Investment Exchange must publish such particulars of any decision it makes to suspend or remove a Financial Instrument from trading on a Recognised Investment Exchange operated by it as the Regulator may reasonably require.

(5) The Regulator may determine the manner of publication under subsections (1), (3) and (4) and the timing of publication under subsection (4).

(6) This section does not apply to a Remote~~Non-Abu Dhabi Global Market~~ Investment Exchange.

Supervision

129. **Notification requirements**

(1) The Regulator may make Rules requiring a Recognised Body or Remote Body to give it—

(a) notice of such events relating to the body as may be Specified; and

(b) such information in respect of those events as may be Specified.

(2) The Rules may also require a Recognised Body or Remote Body to give the Regulator, at such times or in respect of such periods as may be Specified, such information relating to the body as may be Specified.

(3) An obligation imposed by the Rules extends only to a notice or information which the Regulator may reasonably require for the exercise of its functions under these Regulations.

(4) The Rules may require information to be given in a Specified form and to be verified in a Specified manner.

(5) If a Recognised Body—

(a) alters or revokes any of its rules or guidance; or

(b) proposes to make new rules, makes new rules or issues new guidance;

it must give written notice to the Regulator without delay.

(6) If a Recognised Investment Exchange makes a change—

(a) in the arrangements it makes for the provision by another person of Clearing Services~~clearing services~~in respect of transactions effected on the exchange; or

(b) in the criteria which it applies when determining to whom it will provide services falling within section 119(1)(b);

it must give written notice to the Regulator without delay.

(7) If a Recognised Clearing House makes a change—

(a) in the Recognised Investment Exchanges for whom it provides Clearing Services~~clearing services~~or services falling within section 119(2)(b); or

(b) in the criteria which it applies when determining to whom (other than Recognised Investment Exchanges) it will provide Clearing Services~~clearing services~~or services falling within section 119(2)(b);

it must give written notice to the Regulator without delay.

(8) Subsections (5) to (7) do not apply to a Remote~~Non-Abu Dhabi Global Market~~ Investment Exchange or a Remote~~Non-Abu Dhabi Global Market~~ Clearing House.

130. **Modification or waiver of Rules**

(1) The Regulator may, on the application or with the consent of a Recognised Body or Remote Body, direct that Rules made under section 129 or 131—

(a) are not to apply to the body; or

(b) are to apply to the body with such modifications as may be specified in the Direction.

(2) An application must be made in such manner as the Regulator may direct.

(3) Subsections (4) to (6) apply to a Direction given under subsection (1).

(4) The Regulator may not give a Direction unless it is satisfied that—

(a) compliance by the Recognised Body or Remote Body with the Rules, or with the Rules as unmodified, would be unduly burdensome or would not achieve the purpose for which the Rules were made; and

(b) the Direction would not result in undue risk to persons whose interests the Rules are intended to protect.

(5) A Direction may be given subject to conditions.

(6) The Regulator may—

(a) revoke a Direction; or

(b) vary it on the application, or with the consent, of the Recognised Body or Remote Body to which it relates.

131. **Notification: Remote~~Non-Abu Dhabi Global Market~~ Investment Exchanges and Remote~~Non-Abu Dhabi Global Market~~ Clearing Houses**

(1) At least once a year, every Remote~~Non-Abu Dhabi Global Market~~ Investment Exchange and Remote~~Non-Abu Dhabi Global Market~~ Clearing House must provide the Regulator with a report.

(2) The report must contain a statement as to whether any events have occurred which are likely to affect the Regulator's assessment of whether the requirements set out in section 127(3) have been satisfied.

(3) The report must also contain such information as may be specified in the Rules made by the Regulator.

132. **Regulator's power to give Directions**

(1) This section applies if it appears to the Regulator that a Recognised Body or Remote Body—

(a) has failed, or is likely to fail, to satisfy the Recognition Requirements or Remote Recognition Requirements, as applicable; or

(b) has failed to comply with any other obligation imposed on it by or under these Regulations.

(2) The Regulator may direct the body to take specified steps for the purpose of securing the body's compliance with—

(a) the Recognition Requirements or Remote Recognition Requirements, as applicable; or

(b) any obligation of the kind in question.

(3) In the case of a Recognised Body ~~other than a Non-Abu Dhabi Global Market Investment Exchange or Non-Abu Dhabi Global Market Clearing House~~, those steps may include—

(a) the granting to the Regulator of access to the premises of the body for the purpose of inspecting—

(i) those premises; or

(ii) any Documents on the premises which appear to the Regulator to be relevant for the purpose mentioned in subsection (2);

(b) the suspension of the carrying on of any Regulated Activity by the body for the period specified in the Direction.

(4) A Direction under this section is enforceable, on the application of the Regulator, by an injunction.

(5) The fact that a rule made by a Recognised Body or Remote Body has been altered in response to a Direction given by the Regulator does not prevent it from being subsequently altered or revoked by the Recognised Body or Remote Body.

133. **Additional power to direct Recognised Clearing Houses and Remote Clearing Houses**

(1) The Regulator may direct a Recognised Clearing House or Remote Clearing House to take, or refrain from taking, specified action if the Regulator is satisfied that it is necessary to give the Direction, having regard to the public interest in—

(a) protecting and enhancing the stability of the Abu Dhabi Global Market Financial System;

(b) maintaining public confidence in the stability of the Abu Dhabi Global Market Financial System;

(c) maintaining the continuity of the Clearing Services~~clearing services~~provided by the Recognised Clearing House or Remote Clearing House; and

(d) maintaining and enhancing the financial resilience of the Recognised Clearing House or Remote Clearing House.

(2) The Direction may, in particular—

(a) specify the time for compliance with the Direction;

(b) require the rules of the Recognised Clearing House or Remote Clearing House to be amended; and

(c) override such rules (whether generally or in their application to a particular case).

(3) The Direction may not require the Recognised Clearing House or Remote Clearing House—

(a) to take any steps for the purpose of securing its compliance with—

(i) the Recognition Requirements or Remote Recognition requirements, as applicable; or

(ii) any obligation of a kind mentioned in section 132(1)(b); or

(b) to accept a transfer of property, rights or liabilities of another Recognised Clearing House or Remote Clearing House.

(4) If the Direction is given in reliance on section 135(7), the Regulator must, within a reasonable time of giving the Direction, give the Recognised Clearing House or Remote Clearing House a statement of its reasons—

(a) for giving the Direction; and

(b) for relying on section 135(7).

(5) A Direction under this section is enforceable, on the application of the Regulator, by an injunction.

(6) The Regulator may revoke a Direction given under this section.

134. **Revoking recognition**

(1) A Recognition Order~~recognition order~~ in respect of a Recognised Body~~Investment Exchange~~ or in respect of a Remote Body~~Recognised Clearing House~~ may be revoked by an order made by the Regulator at the request, or with the consent, of the Recognised Body or Remote Body concerned.

(2) If it appears to the Regulator that a Recognised Body or Remote Body—

(a) is failing, or has failed, to satisfy the Recognition Requirements or Remote Recognition Requirements, as applicable; or

(b) is failing, or has failed, to comply with any other obligation imposed on it by or under these Regulations;

it may make an order revoking the Recognition Order~~recognition order~~for that body.

(3) If it appears to the Regulator that a Recognised Body—

(a) has not carried on the business of an investment exchange or (as the case may be) of a clearing house during the period of 12 months beginning with the day on which the Recognition Order~~recognition order~~took effect in relation to it; or

(b) has not carried on the business of an investment exchange or (as the case may be) of a clearing house at any time during the period of six months ending with the Relevant Day;

it may make an order revoking the Recognition Order~~recognition order~~for that body.

~~(4) Subsection (3) does not apply to a Non-Abu Dhabi Global Market Investment Exchange or Non-Abu Dhabi Global Market Clearing House.~~

(4) An order under this section (a "Revocation Order") must specify the date on which it is to take effect.

(5) In the case of a Revocation Order made under subsection (2) or (3), the specified date must not be earlier than the end of the period of three months beginning with the day on which the order is made.

(6) A Revocation Order may contain such transitional provisions as the Regulator thinks necessary or expedient.

135. **Directions and revocation: procedure**

(1) Before giving a Direction under sections 132 or133 or making a Revocation Order under section 134(2) or (3), the Regulator must give written notice of its intention to do so to the Recognised Body or Remote Body concerned.

(2) A notice under subsection (1) must—

(a) state why the Regulator intends to give the Direction or make the order; and

(b) draw attention to the right to make representations conferred by subsection (3).

(3) Before the end of the period for making representations, the Recognised Body or Remote Body may make representations to the Regulator.

(4) The period for making representations is such period as is specified in the notice (which may, in any particular case, be extended by the Regulator).

(5) In deciding whether to—

(a) give a Direction; or

(b) make a Revocation Order;

the Regulator must have regard to any representations made in accordance with subsection (3).

(6) When the Regulator has decided to give a Direction under sections 132 or133or make the proposed Revocation Order, it must give the Recognised Body or Remote Bodywritten notice of its decision.

(7) If the Regulator reasonably considers it necessary to do so, it may give a Direction under section 132 or 133—

(a) without following the procedure set out in this section; or

(b) if the Regulator has begun to follow that procedure, regardless of whether the period for making representations has expired.

(8) If the Regulator has, in relation to a particular matter, followed the procedure set out in subsections (1) to (5), it need not follow it again if, in relation to that matter, it decides to take action other than that specified in its notice under subsection (1).

136. **Complaints about Recognised Bodies or Remote Bodies~~recognised bodies~~**

The Regulator must make arrangements for the investigation of any Relevant Complaint about a Recognised Body or Remote Body.

Power to disallow excessive Regulatory Provision

137. **Power of the Regulator**

(1) This section applies where a Recognised Body proposes to make any Regulatory Provision in connection with—

(a) its business as a~~n~~Recognised Investment Exchange~~investment exchange~~;

(b) the provision by it of Clearing Services~~clearing services~~; or

(c) the provision by it of services falling within section 119(1)(b) or (2)(b).

(2) If it appears to the Regulator—

(a) that the proposed provision will impose a Requirement on persons affected (directly or indirectly) by it; and

(b) that the Requirement is excessive;

the Regulator may direct that the proposed provision must not be made.

(3) A Requirement is excessive if—

(a) it is not required under any enactment or rule of law in the Abu Dhabi Global Market; and

(b) either—

(i) it is not justified as pursuing a reasonable regulatory objective; or

(ii) it is disproportionate to the end to be achieved.

(4) In considering whether a Requirement is excessive, the Regulator must have regard to all the relevant circumstances, including—

(a) the effect of existing legal and other requirements;

(b) the global character of financial services and markets and the international mobility of activity;

(c) the desirability of facilitating innovation; and

(d) the impact of the proposed provision on market confidence.

(5) Any provision made in contravention of a Direction under this section is of no effect.

138. **Power to disallow excessive Regulatory Provision: supplementary**

(1) In section 137—

(a) "Regulatory Provision" means any rule, guidance, arrangements, policy or practice; and

(b) references to making a provisionshall be read accordingly as including, as the case may require, issuing guidance, entering into arrangements or adopting a policy or practice.

(2) For the purposes of ~~those~~ section~~s~~ 137, a variation of a proposal is treated as a new proposal.

(3) Section 137~~Those sections~~ do~~es~~ not apply to a Remote~~Non-Abu Dhabi Global Market~~ Investment Exchange or Remote~~Non-Abu Dhabi Global Market~~ Clearing House.

138A. **Remote Members**

(1) An Application under section 138A by a Remote Member Applicant must comply with the Remote Member Requirements relating to Remote Members as the Regulator may specify by Rules.

(2) If it appears to the Regulator that a Remote Member Applicant satisfies the Remote Member Requirements specified in its Rules, it may make a Recognition Order declaring the Applicant to be a Remote Member.

Chapter 2Interpretation

139. **Interpretation of Part 12**

(1) References in this Part to rules of a Recognised Body are to rules made, or conditions imposed, by a Recognised Body with respect to—

(a) Recognition Requirements;

(b) admission of persons to, or their exclusion from the use of, its facilities; or

(c) matters relating to its constitution.

(2) References in this Part to guidance issued by a Recognised Body are references to guidance issued, or any recommendation made, in writing or other legible form and intended to have continuing effect, by a Recognised Body to—

(a) all or any class of its members or users; or

(b) persons seeking to become members of a Recognised Body or to use its facilities;

with respect to the provision by it or its members of services.

Chapter 3Clearing, Reporting and Risk Mitigation of OTC Derivatives

140. **Commencement**

(1) The provisions of this Chapter 3shall enter into force at such time as the Regulator shall appoint in Rules made by the Regulator. Different dates may be appointed for different provisions of this Chapter.

(2) Such Rulesmay make transitional provision in relation to the entry into force of this Chapter 3.

141. **Clearing obligation**

(1) Counterparties shall clear all OTC Derivative Contracts pertaining to a class of OTC Derivatives that has been declared subject to the clearing obligation in accordance with section 142(1), if those contracts fulfil both of the following conditions—

(a) they have been concluded in one of the following ways—

(i) between two Financial Counterparties;

(ii) between a Financial Counterparty and a Non-Financial Counterparty that meets the conditions referred to in section 147(1)(b);

(iii) between two Non-Financial Counterparties that meet the conditions referred to in section 147(1)(b);

(iv) between a Financial Counterparty or a Non-Financial Counterparty meeting the conditions referred to in section 147(1)(b) and an entity established in a jurisdiction outside the Abu Dhabi Global Market that would be subject to the clearing obligation if it were established in the Abu Dhabi Global Market; or

(v) between two entities established in one or more jurisdictions outside the Abu Dhabi Global Market that would be subject to the clearing obligation if they were established in the Abu Dhabi Global Market, provided that the contract has a direct, substantial and foreseeable effect within the Abu

Dhabi Global Market or where such an obligation is necessary or appropriate to prevent the evasion of any provisions of these Regulations; and

(b) they are entered into or novated either—

(i) on or after the date from which the clearing obligation takes effect; or

(ii) on or after recognition as referred to in section 142(1) but before the date from which the clearing obligation takes effect if the contracts have a remaining maturity higher than the minimum remaining maturity determined by the Regulator in accordance with section 142(1)(c).

(2) If a class of OTC Derivatives that has been previously declared subject to a clearing obligation in accordance with section 142(1) is no longer cleared by at least one Recognised Clearing Houseor Remote Clearing House, it shall cease to be subject to the clearing obligation.

(3) Without prejudice to risk-mitigation techniques under section 148, OTC Derivative Contracts that are Intragroup Transactions shall not be subject to the clearing obligation, provided that, at least 30 days before the use of the exemption, the counterparty or counterparties established in the Abu Dhabi Global Market have notified the Regulator in writing that they intend to make use of the exemption.

(4) The OTC Derivative Contracts that are subject to the clearing obligation shall be cleared by a Recognised Clearing Houseor Remote Clearing House. For that purpose a counterparty shall become a Clearing Member, a client, or shall establish indirect clearing arrangements with a Clearing Member, provided that those arrangements do not increase counterparty risk.

(5) The Regulator may make Rules specifying the contracts that are considered to have a direct, substantial and foreseeable effect within the Abu Dhabi Global Market or the cases where it is necessary or appropriate to prevent the evasion of any provisions of these Regulations as referred to in subsection (1)(a)(v).

142. **Clearing obligation procedure**

(1) The Regulator may make Rules specifying—

(a) a class of OTC Derivatives that shall be subject to the clearing obligation;

(b) the date or dates from which the clearing obligation takes effect in respect of such class of OTC Derivatives, including any phase-in and the categories of counterparties to which the obligation applies; and

(c) the minimum remaining maturity of the OTC Derivative Contracts referred to in section 141(1)(b)(ii).

(2) With the overarching aim of reducing systemic risk, the Regulator may take into consideration the following criteria—

(a) the degree of standardisation of the contractual terms and operational processes of the relevant class of OTC Derivatives;

(b) the volume and liquidity of the relevant class of OTC Derivatives;

(c) the availability of fair, reliable and generally accepted pricing information in the relevant class of OTC Derivatives;

(d) the interconnectedness between counterparties using the relevant classes of OTC Derivatives;

(e) the anticipated impact on the levels of Counterparty Credit Risk between counterparties;

(f) the impact on competition in the Abu Dhabi Global Market;

(g) the expected volume of the relevant class of OTC Derivatives;

(h) whether more than one Recognised Clearing House or Remote Clearing House already clears the same class of OTC Derivatives;

(i) the ability of the relevant Recognised Clearing Houses or Remote Clearing Houses to handle the expected volume and to manage the risk arising from the Clearing of the relevant class of OTC Derivatives;

(j) the type and number of counterparties active, and expected to be active within the market for the relevant class of OTC Derivatives;

(k) the amount of time a counterparty subject to the clearing obligation needs in order to put in place arrangements to clear its OTC Derivative Contracts through a Recognised Clearing House or Remote Clearing House; and

(l) the risk management and the legal and operational capacity of the range of counterparties that are active in the market for the relevant class of OTC Derivatives and that would fall within the scope of the clearing obligation.

143. **Access to a Recognised Clearing House in relation to OTC Derivative Contracts**

(1) A Recognised Clearing House that has been authorised to clear OTC Derivative Contracts shall accept clearing such contracts on a non-discriminatory and transparent basis, regardless of the trading venue.

(2) A Recognised Clearing House may require that a trading venue comply with the operational and technical requirements established by the Recognised Clearing House, including the risk-management requirements.

(3) A Recognised Clearing House shall accede to or refuse a formal request for access by a trading venue within three months of such a request.

(4) Where a Recognised Clearing House refuses access under subsection (3), it shall provide the trading venue with full reasons for such refusal.

(5) Save where the competent authority of the trading venue and that of the Recognised Clearing House refuse access, the Recognised Clearing House shall, subject to subsection (6), grant access within three months of a decision acceding to the trading venue's formal request in accordance with subsection (3).

(6) The competent authority of the trading venue and that of the Recognised Clearing House may refuse access to the Recognised Clearing House following a formal request by the trading venue only where such access would threaten the smooth and orderly functioning of the markets or would adversely affect systemic risk.

~~(7) This section applies only to Recognised Bodies established in the Abu Dhabi Global Market.~~

144. **Access to a trading venue in relation to OTC Derivative Contracts**

(1) A trading venue shall provide trade feeds on a non-discriminatory and transparent basis to any Recognised Clearing House that has been authorised to clear OTC Derivative Contracts traded on that trading venue upon request by the Recognised Clearing House.

(2) Where a request to access a trading venue has been formally submitted to a trading venue by a Recognised Clearing House, the trading venue shall respond to the Recognised Clearing House within three months.

(3) Where access is refused by a trading venue, it shall notify the Recognised Clearing House accordingly, providing full reasons.

(4) Without prejudice to the decision by competent authorities of the trading venue and of the Recognised Clearing House, access shall be made possible by the trading venue within three months of a positive response to a request for access.

(5) Access of the Recognised Clearing House to the trading venue shall be granted only where such access would not require interoperability or threaten the smooth and orderly functioning of markets in particular due to liquidity fragmentation and the trading venue has put in place adequate mechanisms to prevent such fragmentation.

~~(6) This section applies only to Recognised Bodies established in the Abu Dhabi Global Market.~~

145. **Public register**

(1) The Regulator shall establish, maintain and keep up to date on its website a public register in order to identify the classes of OTC Derivatives subject to the clearing obligation.

(2) The register shall include—

(a) the classes of OTC Derivatives that are or will be subject to the clearing obligation;

(b) the dates from which the clearing obligation takes effect, including any phased-in implementation;

(c) the classes of OTC Derivatives identified by the Regulator that will be subject to the clearing obligation; and

(d) the minimum remaining maturity of the Derivative Contracts referred to in section 141(1)(b)(ii).

146. **Reporting obligation**

(1) Taking effect as from such date as is specified by the Regulator, counterparties~~Counterparties~~ and Recognised Clearing Houses ~~established in the Abu Dhabi~~

~~Global Market~~shall ensure that the details of any OTC Derivative Contract they have concluded and any modification or termination of the contract are reported to a Trade Repository registered with the Regulator. The details shall be reported no later than the Business Day following the conclusion, modification or termination of the contract.

(2) A counterparty or a Recognised Clearing House which is subject to the reporting obligation in subsection (1)may delegate the reporting of the details of the OTC Derivative Contract. Counterparties and Recognised Clearing Houses shall ensure that the details of their OTC Derivative Contracts are reported without duplication.

(3) Counterparties shall keep a record of any OTC Derivative Contractthey have concluded and any modification for at least five years following the termination of the contract.

(4) Where a Trade Repository is not available to record the details of anOTC Derivative Contract which is subject to the reporting obligation in subsection (1), counterparties and Recognised Clearing Houses shall ensure that such details are reported to the Regulator.

(5) A counterparty or a Recognised Clearing House that reports the details of an OTC Derivative Contract to a Trade Repository or to the Regulator, or an entity that reports such details on behalf of a counterparty or a Recognised Clearing House shall not be considered in breach of any restriction on disclosure of information imposed by that contract or by any enactment or subordinate legislation. No liability resulting from that disclosure shall lie with the reporting entity or its officers, agents or employees.

(6) The Regulator may make Rules specifying the details, type, format, frequency and reporting deadlines of the reports for the different classes of OTC Derivatives. The reports shall specify at least—

(a) the parties to the OTC Derivative Contract and, where different, the beneficiary of the rights and obligations arising from it; and

(b) the main characteristics of the OTC Derivative Contracts, including their type, underlying maturity, notional value, price, and settlement date.

147. **Non-Financial counterparties**

(1) Where a Non-Financial Counterparty takes positions in OTC Derivative Contracts and those positions exceed the Clearing threshold as specified under subsection (3), that Non-Financial Counterparty shall—

(a) immediately notify the Regulator;

(b) become subject to the clearing obligation for future contracts if the rolling average position over 30 Business Days exceeds the threshold; and

(c) clear all relevant future contracts within four months of becoming subject to the clearing obligation.

(2) A Non-Financial Counterparty that has become subject to the clearing obligation in accordance with subsection (1)(b) and that subsequently demonstrates to the Regulator that its rolling average position over 30 Business Days does not exceed the clearing threshold, shall no longer be subject to the clearing obligation.

(3) In calculating the positions referred to in subsection (1), the Non-Financial Counterparty shall include all the OTC Derivative Contracts entered into by the Non-Financial Counterparty or by other non-financial entities within the Group to which the Non-Financial Counterparty belongs, which are not objectively measurable as reducing risks directly relating to the commercial activity or treasury financing activity of the Non-Financial Counterparty or of that Group.

(4) The Regulator may make Rules specifying—

(a) criteria for establishing which OTC Derivative Contracts are objectively measurable as reducing risks directly relating to the commercial activity or treasury financing activity referred to in subsection (3); and

(b) values of the clearing thresholds, which are determined taking into account the systemic relevance of the sum of net positions and exposures per counterparty and per class of OTC Derivatives.

148. **Risk-mitigation techniques for OTC Derivative Contracts not cleared by a Recognised Clearing House <u>or Remote Clearing House</u>**

(1) Financial Counterparties and Non-Financial Counterparties that enter into an OTC Derivative Contract not cleared by a Recognised Clearing House <u>or Remote Clearing House</u>, shall ensure, exercising due diligence, that appropriate procedures and arrangements are in place to measure, monitor and mitigate operational risk and Counterparty Credit Risk, including at least—

(a) the timely confirmation, where available, by electronic means, of the terms of the relevant OTC Derivative Contract; and

(b) formalised processes which are robust, resilient and auditable in order to reconcile portfolios, to manage the associated risk and to identify disputes between parties early and resolve them, and to monitor the value of outstanding contracts.

(2) Taking effect as from such date as is specified by the Regulator, Financial Counterparties and Non-Financial Counterparties referred to in section 147 shall marktomarket on a daily basis the value of outstanding contracts. Where market conditions prevent marking tomarket, reliable and prudent marking-to-model shall be used.

(3) Taking effect as from such date as is specified by the Regulator, Financial Counterparties shall have risk management procedures that require the timely, accurate and appropriately segregated exchange of collateral with respect to OTC Derivative Contracts. Non-Financial Counterparties referred to in section 147 shall have risk management procedures that require the timely, accurate and appropriately segregated exchange of collateral with respect to OTC Derivative Contracts that are entered into on or after the clearing threshold is exceeded.

(4) Taking effect as from such date as is specified by the Regulator, Financial Counterparties shall hold an appropriate and proportionate amount of capital to manage the risk not covered by appropriate exchange of collateral.

(5) The requirement laid down in subsection (3) shall not apply to an Intragroup Transaction that is entered into by counterparties which are both established in the Abu Dhabi Global

Market provided that there is no current or foreseen practical or legal impediment to the prompt transfer of own funds or repayment of liabilities between counterparties.

(6) An Intragroup Transaction that is entered into by a counterparty which is established in the Abu Dhabi Global Market and a counterparty which is established outside the Abu Dhabi Global Market shall be exempt from the requirement laid down in subsection (3), provided that the following conditions are fulfilled—

(a) the risk management procedures of the counterparties are adequately sound, robust and consistent with the level of complexity of the derivative transaction; and

(b) there is no current or foreseen practical or legal impediment to the prompt transfer of own funds or repayment of liabilities between the counterparties.

(7) The counterparty of an Intragroup Transaction that is exempt from the requirement laid down in subsection (3) shall publicly disclose information on the exemption.

(8) The obligations set out in subsections (1) to (7) shall apply to OTC Derivative Contracts entered into between Non-Abu Dhabi Global Market Firmsthat would be subject to those obligations if they were established in the Abu Dhabi Global Market, provided that those contracts have a direct, substantial and foreseeable effect within the Abu Dhabi Global Market or where such obligation is necessary or appropriate to prevent the evasion of any provision of these Regulations.

(9) The Regulator shall regularly monitor the activity in OTC Derivatives not eligible for Clearing in order to identify cases where a particular Class of Derivatives may pose systemic risk and to prevent regulatory arbitrage between cleared and non-cleared derivative transactions.

(10) The Regulator may make Rules specifying—

(a) the procedures and arrangements referred to in subsection (1);

(b) the market conditions that prevent markingtomarket and the criteria for using marking-to-model referred to in subsection (2);

(c) the risk management procedures, including the levels and type of collateral and segregation arrangements, required for compliance with subsection (3);

(d) the applicable criteria referred to in subsections (5)and (6)including in particular what should be considered as practical or legal impediment to the prompt transfer of own funds and repayment of liabilities between the counterparties;

(e) the details of the information on exempt Intragroup Transactions referred to in subsection (7);

(f) the contracts that are considered to have a direct, substantial and foreseeable effect within the Abu Dhabi Global Market or the cases where it is necessary or appropriate to prevent the evasion of any provision of these Regulations as referred to in subsection (8); and

(g) the dates on which the provisions in this section come into effect.

Chapter 4Transaction Reporting

149. **Obligation to report transactions**

~~(1) Authorised Persons which execute transactions in Financial Instruments shall report complete and accurate details of such transactions to the Regulator as quickly as possible, and no later than the close of the following Business Day.~~

~~(2) The obligation laid down in subsection (1) shall apply to—~~

~~(a) Financial Instruments which are admitted to trading or traded on a Recognised Investment Exchange or MTF or for which a request for admission to trading has been made;~~

~~(b) Financial Instruments where the underlying is a Financial Instrument traded on a Recognised Investment Exchange or MTF; and~~

~~(c) Financial Instruments where the underlying is an index or a basket composed of Financial Instruments traded on a Recognised Investment Exchange or MTF;~~

~~regardless of whether or not such transactions are carried out on the Recognised Investment Exchange or MTF.~~

(1) ~~The operator of a~~A Recognised Investment Exchange or MTF shall report details of transactions in Financial Instruments traded on its platform which are executed, or reported, through its systems ~~by a firm which is not subject to this section in accordance with subsection(1)~~.

(2) The Regulator may make Rules specifying—

(a) the information to be included in reports made under subsection (1); and

(b) the manner in which such reports are to be made.

Part 13Settlement Finality

150. **Introduction**

(1) This Part has effect for the purposes of safeguarding the operation of certain financial markets by provisions with respect to—

(a) the insolvency, Winding-Up or Default of a person party to transactions in the market (sections 151 to 165);

(b) the effectiveness or enforcement of certain Charges given to secure obligations in connection with such transactions (sections 167 to 169); and

(c) rights and remedies in relation to certain property provided as cover for margin in relation to such transactions or as Default Fund Contributions, or subject to such a Charge (sections 170 to 174).

(2) For the purposes of this Part,"notice" will be deemed to have been given if the person to whom the notice was given deliberately failed to make enquiries as to that matter in

circumstances in which a reasonable and honest person would have done so. This does not apply for the purposes of a provision requiring actual notice or actual written notice.

Recognised Investment Exchanges, ~~and~~ Recognised Clearing Houses and Remote Bodies

151. **Market Contracts**

(1) Except as provided in subsection (2), in relation to a Recognised Investment Exchange or Remote Investment Exchange this Part applies to—

(a) contracts entered into by a member or Designated Non-Member of the Recognised Investment Exchange with a person other than the Recognised Investment Exchange which are either—

(i) contracts made on the Recognised Investment Exchange or on a Recognised Investment Exchange to whose undertaking the Recognised Investment Exchange has succeeded whether by amalgamation, merger or otherwise; or

(ii) contracts in the making of which the member or Designated Non-Member was subject to the rules of the Recognised Investment Exchange or of a Recognised Investment Exchange to whose undertaking the Recognised Investment Exchange has succeeded whether by amalgamation, merger or otherwise;

(b) contracts entered into by the Recognised Investment Exchange or Remote Investment Exchange, in its capacity as such, with a member of the Recognised Investment Exchange or Remote Invstment Exchange, or with a Recognised Clearing House, a Remote Clearing House or with another Recognised Investment Exchange or Remote Investment Exchange for the purpose of enabling the rights and liabilities of that member, ~~or~~ Recognised Clearing House, Remote Clearing House or other Recognised Investment Exchange or Remote Investment Exchange under a transaction to be settled; and

(c) contracts entered into by the Recognised Investment Exchange or Remote Investment Exchange with a member of the Recognised Investment Exchange or Remote Investment Exchange, or with a Recognised Clearing House, a Remote Clearing House or with another Recognised Investment Exchange or Remote Investment Exchange for the purpose of providing Clearing Services to that member or Recognised Clearing House, Remote Clearing House, ~~or~~ other Recognised Investment Exchange or other Remote Investment Exchange.

~~(2) Where the Recognised Investment Exchange in question is a Non-Abu Dhabi Global Market Investment Exchange, this Part does not apply to a contract that falls within subsection (1)(a).~~

(2) In relation to transactions which are cleared through a Recognised Clearing House or Remote Clearing House, this Part applies to—

(a) Clearing Member House Contracts;

(b) Clearing Member Client Contracts;

(c) Client Trades, other than Client Trades excluded by subsections (4) or (5); and

(d) contracts entered into by the Recognised Clearing House or Remote Clearing House with a member of the Recognised Clearing House or Remote Clearing House ~~or a Recognised Body~~ for the purpose of providing Clearing Services to that member or Recognised Body or Remote Body.

(3) A Client Trade is excluded by this subsection from subsection (3)(c) if—

(a) the Clearing Member which is a party to the Clearing Member Client Contract corresponding to the Client Trade Defaults; and

(b) the Clearing Member Client Contract is not transferred to another Clearing Member within the period specified for this purpose in the Default Rules of the Recognised Clearing House or Remote Clearing House.

(4) A Client Trade is also excluded by this subsection from subsection (3)(c) if—

(a) the Client Trade was entered into by a Client in the course of providing Indirect Clearing Services to an Indirect Client;

(b) the Client Defaults; and

(c) the Clearing Member Client Contract corresponding to the Client Trade is not transferred within—

(i) the period specified for this purpose in the Default Rules of the Recognised Clearing House or Remote Clearing House; or

(ii) if no such period is specified in the Default Rules of the Recognised Clearing House or Remote Clearing House, a period of 14 days beginning with the day on which proceedings in respect of the Client's insolvency are begun.

(5) The parties referred to in the definitions of "Clearing Member Client Contract" and "Client Trade" are—

(a) a Clearing Member;

(b) a Client; and

(c) an Indirect Client.

(6) The reference in subsection (5)(c)(ii) to the beginning of insolvency proceedings is to—

(a) the presentation of a petition for Winding-Up;

(b) the application for an administration order or the passing of a resolution for voluntary Winding-Up; or

(c) the appointment of an Administrative Receiver.

(7) In subsection (7)(b) the reference to an application for an administration order is to be taken to include a reference to—

(a) in a case where an Administrator is appointed in accordance with Chapter 2 of Part 1 of the Insolvency Regulations 2015 following filing with the Court of a copy of a notice of intention to appoint under section 24 of those Regulations, the filing of the copy of the notice; and

(b) in a case where an Administrator is appointed under that Part without a copy of a notice of intention to appoint having been filed with the Court, the appointment of the Administrator.

152. **Qualifying Collateral Arrangements and Qualifying Property Transfers**

(1) In relation to transactions which are cleared through a Recognised Clearing House or Remote Clearing House, this Part applies to—

(a) any contracts or contractual obligations for, or arising out of, the provision of Property as margin where—

(i) the margin is provided to a Recognised Clearing House and is recorded in the accounts of the Recognised Clearing House as an asset held for the account of a Client, an Indirect Client, or a group of Clients or Indirect Clients; or

(ii) the margin is provided to a Client or Clearing Member for the purpose of providing cover for exposures arising out of present or future Client Trades;

(b) transfers of Property;

(c) payments of money by a Clearing Member to Indirect Clients;

(d) transfers of Property to the extent that they—

(i) are made by a Recognised Clearing House or Remote Clearing House to a Non-Defaulting Clearing Member instead of, or in place of, a Defaulting Clearing Member;

(ii) represent the termination or close-out value of a Clearing Member Client Contract which is transferred from a Defaulting Clearing Member to a Non-Defaulting Clearing Member; and

(iii) are determined in accordance with the Default Rules of the Recognised Clearing House or Remote Clearing House; and

(e) transfers of Property to the extent that such transfer—

(i) is made by a Clearing Member to a Non-Defaulting Client or another Clearing Member instead of, or in place of, a Defaulting Client;

(ii) represents the termination or close-out value of a Client Trade which is transferred from a Defaulting Client to another Clearing Member or a Non-Defaulting Client; and

(iii) is of an amount that does not exceed the termination or close-out value of the Clearing Member Client Contract corresponding to that Client Trade, as

determined in accordance with the Default Rules of the Recognised Clearing House or Remote Clearing House.

(2) For the purposes of subsection (1), Property—

(a) has the meaning given to that term in section 215(2) of the Insolvency Regulations 2015; and

(b) the reference to a contract or contractual obligation for, or arising out of, the provision of Property as margin in circumstances falling within that subsection includes a reference to a contract or contractual obligation of that kind which has been amended to reflect the transfer of a Clearing Member Client Contract or Client Trade

153. **Change in Default Rules**

(1) A Recognised Body shall give the Regulator at least one month's notice of any proposal to amend, revoke or add to its Default Rulesand the Regulator may direct the Recognised Body not to proceed with the proposal, in whole or in part.

(2) The Regulator may, if it considers it appropriate to do so, agree a shorter period of notice and, in a case where it does so, any Direction under this section must be given by it within that shorter period.

(3) A Direction under this section may be varied or revoked.

(4) Any amendment or revocation of, or addition to, the Default Rules of a Recognised Body in breach of a Direction under this section is ineffective.

154. **Modifications of the Insolvency Regulations 2015**

(1) The insolvency provisions outlined in the Insolvency Regulations 2015 have effect in relation to—

(a) Market Contracts;

(b) action taken under the rules of a Recognised Body or Remote Body with respect to Market Contracts;

(c) action taken under the rules of a Recognised Clearing House or Remote Clearing House to transfer Clearing Member Client Contracts, or settle Clearing Member Client Contracts or Clearing Member House Contracts, in accordance with the Default Rules of the Recognised Clearing House or Remote Clearing House;

(d) where Clearing Member Client Contracts transferred in accordance with the Default Rules of a Recognised Clearing House or Remote Clearing House were entered into by the Clearing Member or Client as a principal, action taken to transfer Client Trades, or groups of Client Trades, corresponding to those Clearing Member Client Contracts;

(e) action taken to transfer Qualifying Collateral Arrangements in conjunction with a transfer of Clearing Member Client Contracts as mentioned in paragraph (c) or a transfer of Client Trades as mentioned in paragraph (d);

(f) Qualifying Property Transfers;

(g) a Collateral Security Arrangement;

(h) orders for the delivery of Cash or non-Cash collateral to or from a Recognised Body or Remote Body which have become final and irrevocable under the rules of the Recognised Body or Remote Body; and

(i) the Settlement or delivery of a product or security subject of a Market Contract following expiry or close-out of the Market Contract pursuant to the rules of a Recognised Body or Remote Body;

subject to the provisions of this Part.

(2) So far as those provisions relate to insolvency proceedings in respect of a person other than a Defaulter, they apply in relation to—

(a) proceedings in respect of a Recognised Investment Exchange or Remote Investment Exchange or a member or Designated Non-Member of a Recognised Investment Exchange or Remote Investment Exchange;

(b) proceedings in respect of a Recognised Clearing House or Remote Clearing House; and

(c) proceedings in respect of a party to a Market Contract (other than solely a Client Trade) which are begun after a Recognised Body or Remote Body has taken action under its Default Rules in relation to a person party to the contract as principal;

but not in relation to any other insolvency proceedings, notwithstanding that rights or liabilities arising from Market Contracts fall to be dealt with in the proceedings.

(3) The reference in subsection (2)(c) to the beginning of insolvency proceedings is to—

(a) the presentation of a petition for Winding-Up;

(b) the application for an administration order or the passing of a resolution for voluntary Winding-Up; or

(c) the appointment of an Administrative Receiver.

(4) In subsection (3)(b) the reference to an application for an administration order shall be taken to include a reference to—

(a) in a case where an Administrator is appointed in accordance with Chapter 2 of Part 1 of the Insolvency Regulations 2015 following filing with the Court of a copy of a notice of intention to appoint under section 24 of those Regulations, the filing of the copy of the notice; and

(b) in a case where an Administrator is appointed under that Part without a copy of a notice of intention to appoint having been filed with the Court, the appointment of the Administrator.

155. **Proceedings of Recognised Body or Remote Body take precedence over insolvency procedures**

(1) None of the following shall be regarded as to any extent invalid at law on the ground of inconsistency with the Insolvency Regulations 2015 relating to the distribution of the assets of a person on Winding-Up, or in the Administration of a Company or other body or in the Administration of an insolvent estate—

(a) a Market Contract;

(b) the Default Rules of a Recognised Body or Remote Body;

(c) the rules of a Recognised Body or Remote Body as to the Settlement of Market Contracts not dealt with under its Default Rules;

(d) the application, transfer or realisation of any Collateral Security Arrangements;

(e) a transfer of a Clearing Member Client Contract, or the Settlement of a Clearing Member Client Contract or a Clearing Member House Contract, in accordance with the Default Rules of a Recognised Clearing House or Remote Clearing House;

(f) where a Clearing Member Client Contract transferred in accordance with the Default Rules of a Recognised Clearing House or Remote Clearing House was entered into by the Clearing Member or Client as principal, a transfer of a Client Trade or group of Client Trades corresponding to that Clearing Member Client Contract;

(g) a transfer of a Qualifying Collateral Arrangement in conjunction with the transfer of Clearing Member Client Contract as mentioned in paragraph (e) or of a Client Trade as mentioned in paragraph (f);

(h) a Qualifying Property Transfer;

(i) a Collateral Security Arrangement;

(j) orders for the delivery of Cash or non-Cash collateral to or from a Recognised Body or Remote Body which have become final and irrevocable under the rules of the Recognised Body or Remote Body; and

(k) the Settlement or delivery of a product or security subject of a Market Contract following expiry or close-out of the Market Contract pursuant to the rules of a Recognised Body or Remote Body;

irrespective of the law applicable to the Market Contract or the Default Rules.

(2) The powers of a Relevant Office-Holder in his capacity as such, and the powers of the Court under the Insolvency Regulations 2015 shall not be exercised in such a way as to prevent or interfere with—

(a) any action taken under the Default Rules of a Recognised Body or Remote Body;

(b) the Settlement in accordance with the rules of a Recognised Body or Remote Body of a Market Contract not dealt with under its Default Rules;

(c) the transfer of a Clearing Member Client Contract, or the Settlement of a Clearing Member Client Contract or a Clearing Member House Contract, in accordance with the Default Rules of a Recognised Clearing House or Remote Clearing House;

(d) where a Clearing Member Client Contract transferred in accordance with the Default Rules of a Recognised Clearing House or Remote Clearing House was entered into by the Clearing Member or Client as principal, the transfer of a Client Trade or group of Client Trades corresponding to that Clearing Member contract;

(e) the transfer of a Qualifying Collateral Arrangement in conjunction with a transfer of a Clearing Member Client Contract as mentioned in paragraph (c), or a transfer of a Client Trade as mentioned in paragraph (d);

(f) any action taken to give effect to any of the matters mentioned in paragraphs (c) to (e);

(g) any action taken to give effect to a Qualifying Property Transfer;

(h) a Collateral Security Arrangement;

(i) orders for the delivery of Cash or non-Cash collateral to or from a Recognised Body or Remote Body which have become final and irrevocable under the rules of the Recognised Body or Remote Body; and

(j) the Settlement or delivery of a product or security subject of a Market Contract following expiry or close-out of the Market Contract pursuant to the rules of a Recognised Body or Remote Body.

This does not prevent a Relevant Office-Holder from afterwards seeking to recover any amount under sections 159(5) or 160(3) or prevent the Court from afterwards making any such order or decree as is mentioned in sections 161(1) (but subject to subsections (2) and (3) of that section).

(3) Nothing in the following provisions of this Part shall be construed as affecting the generality of the above provisions.

(4) A debt or other liability arising out of a Market Contract which is the subject of Default Proceedings may not be proved in a Winding-Up or bankruptcy or in the Administration of a Company or other body, until the completion of the Default Proceedings. A debt or other liability which by virtue of this subsection may not be proved or claimed shall not be taken into account for the purposes of any set off until the completion of the Default Proceedings.

(5) However, prior to the completion of Default Proceedings—

(a) where it appears to the chairman of the meeting of creditors that a sum will be certified under section 158(1) to be payable, subsection (4) shall not prevent any proof or claim including or consisting of an estimate of that sum which has been lodged from being admitted for the purpose only of determining the entitlement of a creditor to vote at a meeting of creditors; and

(b) a creditor whose claim or proof has been lodged and admitted for the purpose of determining the entitlement of a creditor to vote at a meeting of creditors and which has not been subsequently wholly withdrawn, disallowed or rejected, is

eligible as a creditor to be a member of a Liquidation Committee or, or in the Administration of a Company or other body a Creditors' Committee (both as defined in the Insolvency Regulations 2015).

(6) For the purposes of subsections (4) and (5) the Default Proceedings shall be taken to be completed in relation to a person when a report is made under section 158 stating the sum (if any) certified to be due to or from him.

156. **Duty to give assistance for purposes of Default Proceedings**

(1) It is the duty of—

(a) any person who has or had control of any assets of a Defaulter; and

(b) any person who has or had control of any Documents of or relating to a Defaulter;

to give a Recognised Body or Remote Body such assistance as it may reasonably require for the purposes of its Default Proceedings.

This applies notwithstanding any duty of that person under the Insolvency Regulations 2015.

(2) A person shall not under this section be required to provide any information or produce any Document which is deemed to be a Privileged Communication (as defined in the Insolvency Regulations 2015).

(3) Where original Documents are supplied in pursuance of this section, the Recognised Body or Remote Body shall return them forthwith after the completion of the relevant Default Proceedings, and shall in the meantime allow reasonable access to them to the person by whom they were supplied and to any person who would be entitled to have access to them if they were still in the control of the person by whom they were supplied.

(4) The expenses of a Relevant Office-Holder in giving assistance under this section are recoverable as part of the expenses incurred by him in the discharge of his duties and he shall not be required under this section to take any action which involves expenses which cannot be so recovered, unless the Recognised Body or Remote Body undertakes to meet them. There shall be treated as expenses its reasonable sums as it may determine in respect of time spent in giving the assistance and for the purpose of determining the priority in which its expenses are payable out of the assets, sums in respect of time spent shall be treated as his remuneration and other sums shall be treated as his disbursements.

157. **Supplementary provisions as to Default Proceedings**

(1) If the Court is satisfied on an application by a Relevant Office-Holder that a party to a Market Contract with a Defaulter intends to dissipate or apply his assets so as to prevent the Relevant Office-Holder recovering such sums as may become due upon the completion of the Default Proceedings, the Court may grant such interlocutory relief as it thinks fit.

(2) A liquidator, Administrator or trustee of a Defaulter shall not—

(a) declare or pay any dividend to the creditors; or

(b) return any capital to contributories;

unless he has retained what he reasonably considers to be an adequate reserve in respect of any claims arising as a result of the Default Proceedings of the Recognised Body or Remote Body concerned.

(3) The Court may on an application by a Relevant Office-Holder make such order as it thinks fit altering or dispensing from compliance with such of the duties of his office as are affected by the fact that Default Proceedings are pending or could be taken, or have been or could have been taken.

(4) Nothing in sections 42, 43, 44, 45 (including as applied by section 46), 193, or Article 20 of Chapter 3 of Schedule 10 of the Insolvency Regulations 2015 (all of which restrict the taking of certain legal proceedings and other steps), shall affect any action taken by a Recognised Body or Remote Body for the purpose of its Default Proceedings.

158. **Duty to report on completion of Default Proceedings**

(1) Subject to subsection (2), a Recognised Body or Remote Body shall, on the completion of proceedings under its Default Rules, report to the Regulator on its proceedings stating in respect of each creditor or debtor the sum or sums certified by them to be payable from or to the Defaulter or, as the case may be, the fact that no sum is payable.

(2) A Remote~~Non-Abu Dhabi Global Market Recognised~~ Body shall not be subject to the obligation under subsection (1) unless it has been notified by the Regulator that a report is required for the purpose of insolvency proceedings in the Abu Dhabi Global Market.

(3) The report under subsection (1) need not deal with a Market Contract which has been transferred in accordance with the Default Rules of a Recognised Clearing House or Remote Clearing House.

(4) The Recognised Body or Remote Body may make a single report or may make reports from time to time as proceedings are completed with respect to the transactions affecting particular persons.

(5) The Recognised Body or Remote Body shall supply a copy of every report under this section to the Defaulter and to any Relevant Office-Holder acting in relation to him or his estate.

(6) When a report under this section is received by the Regulator, it shall publish notice of that fact in such manner as it thinks appropriate for bringing the report to the attention of creditors and debtors of the Defaulter.

(7) A Recognised Body or Remote Body shall make available for inspection by a creditor or debtor of the Defaulter so much of any report by it under this section as relates to the sum (if any) certified to be due to or from him or the method by which that sum was determined.

(8) Any such person may require the Recognised Body or Remote Body, on payment of such reasonable fee as the Recognised Body or Remote Body may determine, to provide him with a copy of any part of a report which he is entitled to inspect.

159. **Net sum payable on completion of Default Proceedings**

(1) The following provisions apply with respect to a net sum certified by a Recognised Body or Remote Body under its Default Rules to be payable by or to a Defaulter.

(2) Any net sum certified by a Recognised Body or Remote Bodyunder its Default Rules shall be final and of declaratory effect, unless manifest error or fraud can be shown or any other subsection of this section provides otherwise.

(3) If, in the Abu Dhabi Global Market, a petition for Winding-Up has been made, an administration order has been granted, or a resolution for voluntary Winding-Up has been passed, the debt—

(a) is provable in the Winding-Up or Administration or, as the case may be, is payable to the Relevant Office-Holder; and

(b) shall be taken into account, where appropriate, paragraph 24 of Schedule 5 of the Insolvency Regulations 2015 (*Administration: mutual dealings and set-off*) or the corresponding provision applicable in the case of Winding-Up or Administration;

in the same way as a debt due before the commencement of the bankruptcy, the date on which the Body Corporate goes into liquidation (within the meaning of section 299(2) of the Insolvency Regulations 2015), or enters Administration or, in the case of a Limited Liability Partnership (as defined in the Insolvency Regulations 2015), the date of the Winding-Up order or the date on which the Limited Liability Partnership enters Administration.

(4) In subsection (3), a reference to the making of an administration order shall be taken to include a reference to the appointment of an Administrator under—

(a) section 21 of the Insolvency Regulations 2015 (*Power to appoint*); or

(b) section 29 of the Insolvency Regulations 2015 (*Power to appoint*).

(5) However, where (or to the extent that) a sum is taken into account by virtue of subsection (3)(b) which arises from a contract entered into at a time when the creditor had notice—

(a) that a meeting of creditors had been summoned under section 171 of the Insolvency Regulations 2015 or that a Winding-Up petition was pending; or

(b) that an application for an administration order was pending or that any person had given notice of intention to appoint an Administrator;

the value of any profit to him arising from the sum being so taken into account (or being so taken into account to that extent) is recoverable from him by the Relevant Office-Holder unless the Court directs otherwise.

(6) Subsection (5) does not apply in relation to a sum arising from a contract effected under the Default Rules of a Recognised Body or Remote Body.

(7) Any sum recoverable by virtue of subsection (5) ranks for priority, in the event of the insolvency of the person from whom it is due, immediately before preferential debts.

160. **Disclaimer of property, rescission of contracts, etc.**

(1) Section 218 of the Insolvency Regulations 2015 (*Power to disclaim onerous property*) does not apply in relation to—

(a) a Market Contract;

(b) a Qualifying Collateral Arrangement;

(c) a transfer of a Clearing Member Client Contract, a Client Trade or a Qualifying Collateral Arrangement, as mentioned in paragraphs (c) to (e) of section 154(1);

(d) a Qualifying Property Transfer;

(e) a contract effected by Recognised Body or Remote Body for the purpose of realising property provided as margin in relation to Market Contracts or as Default Fund Contribution;

(f) a Collateral Security Arrangement;

(g) orders for the delivery of Cash or non-Cash collateral to or from a Recognised Body or Remote Body which have become final and irrevocable under the rules of the Recognised Body or Remote Body; and

(h) the Settlement or delivery of a product or security subject of a Market Contract following expiry or close-out of the Market Contract pursuant to the rules of a Recognised Body or Remote Body.

(2) Section 209 (*Consequences of a Winding-Up order*) of the Insolvency Regulations 2015 does not apply to—

(a) a Market Contract, or any disposition of property in pursuance of such a contract;

(b) the provision of margin in relation to Market Contracts;

(c) the provision of a Default Fund Contribution to a~~the~~ Recognised Body or Remote Body;

(d) a Qualifying Collateral Arrangement;

(e) a transfer of a Clearing Member Client Contract, a Client Trade or a Qualifying Collateral Arrangement, as mentioned in paragraphs (c) to (e) of section 154(1);

(f) a Qualifying Property Transfer;

(g) a contract effected by the Recognised Body or Remote Body for the purpose of realising property provided as margin in relation to a Market Contract or as Default Fund Contribution, or any disposition of property in pursuance of such a contract;

(h) any disposition of property in accordance with the rules of a~~the~~ Recognised Body or Remote Body as to the application of property provided as margin or as Default Fund Contribution;

(i) a Collateral Security Arrangement;

(j) orders for the delivery of Cash or non-Cash collateral to or from a Recognised Body or Remote Body which have become final and irrevocable under the rules of the Recognised Body or Remote Body; and

(k) the Settlement or delivery of a product or security subject of a Market Contract following expiry or close-out of the Market Contract pursuant to the rules of a Recognised Body or Remote Body.

(3) However, where—

(a) a Market Contract is entered into by a person who has notice that a petition has been presented for the Winding-Up of the estate of the other party to the contract;

(b) an order under section 154(1)(h) becomes irrevocable with respect to a person who has notice that a petition has been presented for the Winding-Up of the estate of another person affected by such order;

(c) a product or security subject of a Market Contract under section 154(1)(i) becomes deliverable by or to a person who has notice that a petition has been presented for the Winding-Up of the estate of the other party to the dealing or contract; or

(d) margin in relation to a Market Contract or Default Fund Contribution is accepted by a person who has notice that such a petition has been presented in relation to the person by whom or on whose behalf the margin or Default Fund Contribution is provided;

the value of any profit to him arising from the contract or, as the case may be, the amount or value of the collateral to be transferred, deliverable, margin or Default Fund Contribution is recoverable from him by the Relevant Office-Holder unless the Court directs otherwise.

(4) Subsection (3)(a) does not apply where the person entering into the contract is a Recognised Body or Remote Body acting in accordance with its rules, or where the contract or order is effected under the Default Rules of such a Recognised Body or Remote Body, but subsection (3)(d) applies in relation to the provision of—

(a) a margin in relation to any such contract, unless the contract has been transferred in accordance with the Default Rules of the Recognised Clearing House or Remote Clearing House;

(b) a Default Fund Contribution;

(c) a Collateral Security Arrangement;

(d) orders for the delivery of Cash or non-Cash collateral to or from a Recognised Body or Remote Body which have become final and irrevocable under the rules of the Recognised Body or Remote Body; and

(e) the Settlement or delivery of a product or security subject of a Market Contract following expiry or close-out of the Market Contract pursuant to the rules of a Recognised Body or Remote Body.

(5) Any sum recoverable by virtue of subsection (3) ranks for priority, in the event of the insolvency of the person from whom it is due, immediately before preferential debts.

161. **Adjustment of prior transactions**

(1) No order shall be made in relation to a transaction to which this section applies under—

(a) section 257 of the Insolvency Regulations 2015 (*Transactions at an undervalue*); or

(b) section 258 of the Insolvency Regulations 2015 (*Preferences*).

(2) This section applies to—

(a) a Market Contract to which a Recognised Body or Remote Body is a party or which is entered into under its Default Rules; and

(b) a disposition of property in pursuance of a Market Contract referred to in paragraph (a).

(3) Where margin is provided in relation to a Market Contract and (by virtue of subsection (2)(a) or otherwise) no such order or decree as is mentioned in subsection (1) has been, or could be, made in relation to that contract, this section applies to—

(a) the provision of the margin;

(b) a Qualifying Collateral Arrangement;

(c) any contract effected by the Recognised Body or Remote Body in question for the purpose of realising the property provided as margin; and

(d) any disposition of property in accordance with the rules of the Recognised Body or Remote Body in question as to the application of property provided as margin.

(4) This section also applies to—

(a) the provision of Default Fund Contribution to a Recognised Body or Remote Body;

(b) any contract effected by a Recognised Body or Remote Body for the purpose of realising the property provided as Default Fund Contribution;

(c) any disposition of property in accordance with the rules of the Recognised Body or Remote Body as to the application of property provided as Default Fund Contribution;

(d) a transfer of a Clearing Member Client Contract, a Client Trade or a Qualifying Collateral Arrangement as mentioned in paragraphs (c) to (e) of section 154(1); and

(e) a Qualifying Property Transfer.

162. **Powers to give Directions**

(1) The powers conferred by this section are exercisable in relation to a Recognised Body or Remote Body.

(2) Where in any case a Recognised Body or Remote Body has not taken action under its Default Rules—

(a) if it appears to the Regulator that it could take action, the Regulator may direct it to do so; and

(b) if it appears to the Regulator that it is proposing to take or may take action, the Regulator may direct it not to do so.

(3) Before giving such a Direction the Regulator shall consult the Recognised Body or Remote Body in question, and it shall not give a Direction unless it is satisfied, in the light of that consultation—

(a) in the case of a Direction to take action, that failure to take action would involve undue risk to investors or other participants in the market;

(b) in the case of a Direction not to take action, that the taking of action would be premature or otherwise undesirable in the interests of investors or other participants in the market; or

(c) in either case, that the Direction is necessary having regard to the public interest in the stability of the Abu Dhabi Global Market Financial System.

(4) The Regulator may give a Direction to a Relevant Office-Holder appointed in respect of a Defaulting Clearing Member to take any action, or refrain from taking any action, if the Direction is given for the purposes of facilitating—

(a) the transfer of a Clearing Member Client Contract, a Client Trade or a Qualifying Collateral Arrangement;

(b) a Qualifying Property Transfer;

(c) the settlement of a Collateral Security Arrangement;

(d) orders for the delivery of Cash or non-Cash collateral to or from a Recognised Body or Remote Body which have become final and irrevocable under the rules of the Recognised Body or Remote Body; and

(e) the Settlement or delivery of a product or security subject of a Market Contract following expiry or close-out of the Market Contract pursuant to the rules of a Recognised Body or Remote Body.

(5) The Relevant Office-Holder to whom a Direction is given under subsection (4)—

(a) must comply with the Direction notwithstanding any duty on the Relevant Office-Holder under the Insolvency Regulations 2015; but

(b) is not required to comply with the Direction given if the value of the Clearing Member's estate is unlikely to be sufficient to meet the Relevant Office-Holder's reasonable expenses of complying.

(6) The expenses of the Relevant Office-Holder in complying with a Direction of the Regulator under subsection (4) are recoverable as part of the expenses incurred in the discharge of the Relevant Office-Holder's duties.

(7) A Direction shall specify the grounds on which it is given.

(8) A Direction not to take action may be expressed to have effect until the giving of a further Direction (which may be a Direction to take action or simply revoking the earlier Direction).

(9) No Direction shall be given not to take action if, in relation to the person in question—

(a) a Winding-Up order has been made; or

(b) a resolution for voluntary winding up has been passed or an Administrator, Administrative Receiver or provisional liquidator has been appointed;

and any previous Direction not to take action shall cease to have effect on the making or passing of any such order, award or appointment.

(10) Where a Recognised Body or Remote Body has taken or been directed to take action under its Default Rules, the Regulator may direct it to do or not to do such things (being things which it has power to do under its Default Rules) as are specified in the Direction.

(11) Where the Recognised Body or Remote Body is acting in accordance with a Direction under subsection (2)(a) that was given only by virtue of subsection (3)(a), the Regulator shall not give a Direction under subsection (10) unless it is satisfied that the Direction under that subsection will not impede or frustrate the proper and efficient conduct of the Default Proceedings.

(12) Where the Recognised Body or Remote Body has taken action under its Default Rules without being directed to do so, the Regulator shall not give a Direction under subsection (10) unless—

(a) it is satisfied that the Direction under that subsection will not impede or frustrate the proper and efficient conduct of the Default Proceedings; or

(b) it is satisfied that the Direction is necessary having regard to the public interest in the stability of the Abu Dhabi Global Market Financial System.

(13) A Direction under this section is enforceable, on the application of the Regulator, by injunction, and where a Recognised Body, Remote Body or a Relevant Office-Holder has not complied with a Direction, the Court may make such order as it thinks fit for restoring the position to what it would have been if the Direction had been complied with.

163. **Application to determine whether Default Proceedings to be taken**

(1) This section applies where a Relevant Insolvency Event has occurred in the case of—

(a) a Recognised Investment Exchange or Remote Investment Exchange, or a member or Designated Non-Member of a Recognised Investment Exchange or Remote Investment Exchange;

(b) a Recognised Clearing House or Remote Clearing House, or a member of a Recognised Clearing House or Remote Clearing House; or

(c) a Client which is providing Indirect Clearing Services to an Indirect Client.

The Recognised Investment Exchange, Remote Investment Exchange, member, Designated Non-Member, Recognised Clearing House, Remote Clearing House or Client in whose case a Relevant Insolvency Event has occurred is referred to below as the "Person in Default".

(2) For the purposes of this section a "Relevant Insolvency Event" occurs where—

(a) a Winding-Up order is made;

(b) an administration order is made;

(c) an Administrator is appointed under section 21 of the Insolvency Regulations 2015 (*Power to appoint*) or under section 29 of the Insolvency Regulations 2015 (*Power to appoint*);

(d) a resolution for voluntary Winding-Up is passed; or

(e) an order appointing a provisional liquidator is made.

(3) Where in relation to a Person in Default~~person in default~~ a Recognised Body or Remote Body (the "Responsible ~~Recognised~~ Body")—

(a) has power under its Default Rules to take action in consequence of the Relevant Insolvency Event or the matters giving rise to it; but

(b) has not done so;

a Relevant Office-Holder appointed in connection with or in consequence of the Relevant Insolvency Event may apply to the Regulator.

(4) The application shall specify the Responsible ~~Recognised~~ Body and the grounds on which it is made.

(5) On receipt of the application the Regulator shall notify the Responsible ~~Recognised~~ Body, and unless within three Business Days after the day on which the notice is received the Responsible ~~Recognised~~ Body—

(a) takes action under its Default Rules; or

(b) notifies the Regulator that it proposes to do so forthwith;

then, subject as follows, the provisions of sections 154 to 161 do not apply in relation to Market Contracts to which the Person in Default is a party or to anything done by the Responsible ~~Recognised~~ Body for the purposes of, or in connection with, the Settlement of any such contract.

(6) The provisions of sections 154 to 161 are not disapplied if before the end of the period mentioned in subsection (5) the Regulator gives the Responsible ~~Recognised~~ Body a Direction under section 162(2)(a).No such Direction may be given after the end of that period.

(7) If the Responsible ~~Recognised~~ Body notifies the Regulator that it proposes to take action under its Default Rules forthwith, it shall do so, and that duty is enforceable, on the application of the Regulator, by injunction.

164. **Supplementary provisions**

(1) Sections 132 and 134 applyin relation to a failure by a Recognised Body or Remote Body to comply with an obligation under this Part as to a failure to comply with an obligation under those sections.

(2) Where the recognition of a Recognised Body or Remote Body is revoked under section 134, the Regulator may, before or after the Revocation Order, give such Directions as it thinks fit with respect to the continued application of the provisions of this Part, with such exceptions, additions and adaptations as may be specified in the Direction, in relation to cases where a relevant event of any description specified in the Directions occurred before the Revocation Order takes effect.

(3) Part 21 may make provision in relation to a notice, Direction or other Document required or authorised by or under this Part to be given to or served on any person other than the Regulator.

165. **Certain Non-Abu Dhabi Global Market Clearing Houses ~~and Non-Abu Dhabi Global Market Investment Exchanges~~**

(1) This Part applies to transactions cleared through a Non-Abu Dhabi Global Market Clearing House by a Clearing Member or a Client as it applies to transactions cleared through a Recognised Clearing House or Remote Clearing House, but subject to the modifications in subsections (2) and (3).

(2) The Regulator shall not approve a Non-Abu Dhabi Global Market Clearing House unless it is satisfied—

(a) that the rules and practices of the body, together with the law of the country in which the body's head office is situated, provide adequate procedures for dealing with the default of persons party to contracts connected with the body; and

(b) that it is otherwise appropriate to approve the body.

together being the "Relevant Requirements" for this Part.

(3) The reference in subsection (2)(a) to default is to a person being unable to meet his obligations.

(4) A Non-Abu Dhabi Global Market Clearing House may apply to the Regulator for an order recognising that the Relevant Provisions of its Default Rules satisfy the Relevant Requirements.

(5) The Application must be made in such manner, and must be accompanied by such information, Documents and reports, as the Regulator may direct.

(6) Information, Documents and reports required under subsection (5) must be provided in English and be given at such times, in such form and at such place, and verified in such manner, as the Regulator may direct.

(7) The Regulator may make an order recognising that the Relevant Provisions of the Default Rules satisfy the Relevant Requirements.

(8) The Regulator may by order revoke an order made under subsection (7) if—

(a) the Non-Abu Dhabi Global Market Clearing House consents;

(b) the Non-Abu Dhabi Global Market Clearing House has failed to pay a fee which is owing to the Regulator in accordance with Rules made under section 7(8);

(c) the Non-Abu Dhabi Global Market Clearing House is failing or has failed to comply with a requirement of or imposed under section 153 (as modified by section 166); or

(d) it appears to the Regulator that the Relevant Provisions no longer satisfy the Relevant Requirements.

(9) An order made under subsection (7) or (8) must state the time and date when it is to have effect.

(10) An order made under subsection (8) may contain such transitional provision as the Regulator considers appropriate.

(11) The Regulator must—

(a) maintain a register of orders made under subsection (7) which are in force; and

(b) publish the register in such manner as it appears to the Regulator to be appropriate.

(12) Section 135 applies to a refusal to make an order under subsection (7) or the making of a revocation order under subsection (8)(b), (c) or (d) as it applies to the making of a Revocation Order under section 134, but with the following modifications—

(a) for "Recognised Body or Remote Body" substitute "Non-Abu Dhabi Global Market Clearing House"; and

(b) in sections 135(6) and (7), for "give a Direction under section 132 or 133" substitute "make an order under section 165(8)".

(13) If the Regulator refuses to make an order under subsection (7) or makes an order under subsection (8)(b), (c) or (d), the Non-Abu Dhabi Global Market Clearing House may refer the matter for review by the Regulatory Committee.

(14) The Regulator may rely on information or advice from a Non-Global Market Competent Authority in its determination of an Application under subsection (4) or the making of a Revocation Order under subsection (8)(d).

166. **Change in Default Rules**

(1) A Non-Abu Dhabi Global Market ~~Recognised~~ Clearing House in respect of which an order under section 165(7) has been made and not revoked must give the Regulator at least one month'snotice of any proposal to amend, revoke or add to its Default Rules.

(2) The Regulator may, if it considers it appropriate to do so, agree a shorter period of notice.

(3) Where notice is given to the Regulator under subsection (1), a Non-Abu Dhabi Global Market ~~Recognised~~ Clearing House must provide the Regulator with such information, Documents and reports as the Regulator may require.

(4) Information, Documents and reports required under subsection (3) must be provided in English and be given at such times, in such form and at such place, and verified in such a manner, as the Regulator may direct.

(5) Section 158 does not apply to a Non-Abu Dhabi Global Market ~~Recognised~~ Clearing House unless it has been notified by the Regulator that a report under that section is required for the purposes of insolvency proceedings in the Court.

(6) In relation to a Non-Abu Dhabi Global Market ~~Recognised~~ Clearing House, references in this Part to the "rules" or "Default Rules" of a~~the~~ Recognised Clearing House are to be taken not to include references to any Relevant Provisions unless—

(a) the Relevant Provisions satisfy the Relevant Requirements; or

(b) the Regulator has made an order under section 165(7) recognising that the Relevant Provisions of its Default Rules satisfy the Relevant Requirements and the order has not been revoked.

Collateral Security Arrangements

167. **Collateral Security Arrangements**

(1) In this Part "Collateral Security Arrangements" means any realisable assets provided under a Charge, whether fixed or floating, or a repurchase or similar agreement or otherwise (including money provided under a Charge), granted—

(a) in favour of a Recognised Investment Exchange or Remote Investment Exchange, for the purpose of securing debts or liabilities arising in connection with the Settlement of Market Contracts;

(b) in favour of a Recognised Clearing House or Remote Clearing House, for the purpose of securing debts or liabilities arising in connection with their ensuring the performance of Market Contracts;

(c) to a central bank for the purpose of security rights and obligations in connection with its operations in carrying out its function as a central bank; or

(d) in favour of a person who agrees to make payments as a result of the transfer or allotment of specified Financial Instruments or payments made through the medium of a computer based system established by the Regulator, for the purpose of securing debts or liabilities of the transferee or allottee arising in connection therewith.

(2) Where a Charge is granted partly for purposes specified in subsections (1)(a), (b)or (d) and partly for other purposes, it is a "Collateral Security Arrangement" so far as it has effect for the specified purposes.

168. **Administration orders**

(1) The insolvency provisions outlined in the Insolvency Regulations 2015 have effect in relation to Collateral Security Arrangements and action taken in enforcing them subject to the provisions of this section.

(2) The following provisions of Part 1 of the Insolvency Regulations 2015 do not apply in relation to a Collateral Security Arrangement—

(a) section 46 (*Interim moratorium*); and

(b) section 101 (*Hire-purchase property*).

(3) Section 159 of the Insolvency Regulations (*Vacation of office*) does not apply to a receiver appointed under a Collateral Security Arrangement.

(4) However, where a Collateral Security Arrangement falls to be enforced after the occurrence of an event to which subsection (5) applies, and there exists another Charge over some or all of the same property ranking in priority to or pari passu with the Collateral Security Arrangement, on the application of any person interested the Court may order that there shall be taken after enforcement of the Collateral Security Arrangement such steps as the Court may direct for the purpose of ensuring that the chargee under the other Charge is not prejudiced by the enforcement of the Collateral Security Arrangement.

(5) This subsection applies to—

(a) making an Administration application under section 8 of the Insolvency Regulations 2015; and

(b) filing with the Court a copy of noticeof intention to appoint an Administrator under Chapter 4 of Part 1 of the Insolvency Regulations 2015.

(6) Section 170 of the Insolvency Regulations 2015 (*Power to dispose of charged property*) does not apply in relation to a Collateral Security Arrangement.

(7) Section 209 of the Insolvency Regulations 2015 (*Consequences of Winding-Up order)* does not apply to a disposition of property as a result of which the property becomes subject to a Collateral Security Arrangement or any transaction pursuant to which that disposition is made.

(8) However, if a person who is party to a disposition mentioned in subsection (7) has notice at the time of the disposition that a petition has been presented for the Winding-Up or bankruptcy of the estate of the party making the disposition, the value of any profit to him arising from the disposition is recoverable from him by the Relevant Office-Holder unless—

(a) the person is a chargee under the Collateral Security Arrangement;

(b) the disposition is made in accordance with the Default Rules of a Recognised Clearing House or Remote Clearing House for the purposes of transferring a position or Asset of a Clearing Member in Default; or

(c) the Court directs otherwise.

(9) Any sum recoverable by virtue of subsection (8) ranks for priority, in the event of the insolvency of the person from whom it is due, immediately before preferential debts.

(10) In a case falling within both subsection (7) (as a disposition of property as a result of which the property becomes subject to a Collateral Security Arrangement) and section 160(2) (as the provision of margin in relation to a Market Contract), section 160(3) applies with respect to the recovery of the amount or value of the margin and subsection (8) does not apply.

169. **Power to make provision about certain other Charges**

(1) The Regulator may by Rules provide that the Insolvency Regulations 2015 have effect in relation to Charges of such descriptions as may be Specified, and action taken in enforcing them, subject to such provisions as may be Specified.

(2) The Rules may specify any description of Charge granted in favour of—

(a) a body approved under section 165;

(b) the Regulator;

(c) a person who has a Financial Services Permission to carry on a Regulated Activity of a description specified in the Rules; or

(d) an international securities self-regulating organisation approved for the purposes of an order made under these Regulations;

for the purpose of securing debts or liabilities arising in connection with or as a result of the settlement of contracts or the transfer of assets, rights or interests on a financial market.

(3) The Rules may specify any description of Charge granted for that purpose in favour of any other person in connection with exchange facilities or Clearing Services provided by a Recognised Body or Remote Body or by any such body, person, authority or organisation as is mentioned in subsection (2).

(4) Where a Charge is granted partly for the purpose specified in subsection (2) and partly for other purposes, the power conferred by this section is exercisable in relation to the Charge so far as it has effect for that purpose.

(5) The Rules may—

(a) make the same or similar provision in relation to the Charges to which they apply as is made by or under sections 179(1)(h) and 168 in relation to Collateral Security Arrangements; or

(b) apply any of those provisions with such exceptions, additions or adaptations as are specified in the Rules.

(6) Rules under this section may provide that they apply or do not apply to a Charge if or to the extent that it secures obligations of a Specified description, is a Charge over property of a Specified description or contains provisions of a Specified description.

Market property

170. **Application of margin or Default Fund Contribution not affected by certain other interests**

(1) The following provisions have effect with respect to the application by a Recognised Body or Remote Body of property (other than Real Property) held by the Recognised Body or Remote Body as margin in relation to a Market Contract or as Default Fund Contribution.

(2) So far as necessary to enable the property to be applied in accordance with the rules of the Recognised Body or Remote Body, it may be so applied notwithstanding any prior equitable interest or right, or any right or remedy arising from a breach of fiduciary duty, unless the Recognised Body or Remote Body had received actual written notice of the interest, right or

breach of duty at the time the property was provided as margin or as Default Fund Contribution. In order to be valid, any notice under this subsection may only be delivered to the Recognised Body or Remote Body by one of its members and must be delivered in accordance with or in order to satisfy applicable Rules made by the Regulator on Client Money in accordance with section 4, or similar rules in any non-Abu Dhabi Global Market jurisdiction.

(3) No right or remedy arising subsequently to the property being provided as margin or as Default Fund Contribution may be enforced so as to prevent or interfere with the application of the property by the Recognised Body or Remote Body in accordance with its rules.

(4) Where a Recognised Body or Remote Body has power by virtue of the above provisions to apply property notwithstanding an interest, right or remedy, a person to whom the exchange or clearing house disposes of the property in accordance with its rules takes free from that interest, right or remedy.

(5) The records and accounts of a Recognised Body or Remote Body detailing the Clearing Member House Contracts, Clearing Member Client Contracts, relevant Client Trades and the corresponding property provided by way of margin with respect to each such category of Market Contract, shall be final and definitive in relation to the rights of the Recognised Body or Remote Body to take action under its Default Rules, including applying property or its proceeds against liabilities or aggregating property or its proceeds with amounts in either case recorded in particular accounts, which may take place notwithstanding any prior or competing equitable interest or right, or any right or remedy arising from a breach of fiduciary duty on the part of any Clearing Member, Client or other party, whether relevant to a Market Contract or any corresponding property provided by way of margin, excepting only cases of actual written notice referred to in subsection (2).

171. **Priority of floating Collateral Security Arrangement over subsequent Charges**

(1) The Regulator may by Rules provide that a Collateral Security Arrangement which is a floating Charge has priority over a Charge subsequently created or arising, including a fixed Charge.

(2) The Rules may make different provision for cases defined, as regards the Collateral Security Arrangement or the subsequent Charge, by reference to the description of Charge, its terms, the circumstances in which it is created or arises, the nature of the Charge, the person in favour of whom it is granted or arises or any other relevant factor.

172. **Priority of Collateral Security Arrangement over unpaid vendor's lien**

Where property subject to an unpaid vendor's lien becomes subject to a Collateral Security Arrangement, the Charge has priority over the lien unless the chargee had actual notice of the lien at the time the property became subject to the Charge.

173. **Proceedings against market property by unsecured creditors**

(1) Where property (other than Real Property) is held by a Recognised Body or Remote Body as margin in relation to Market Contracts or as Default Fund Contribution, or is subject to a Collateral Security Arrangement, no execution or other legal process for the enforcement of a judgment or order may be commenced or continued, and no distress may be levied against the property by a person not seeking to enforce any interest in or security over the property, except with the consent of—

(a) in the case of property provided as cover for margin or as Default Fund Contribution, the Recognised Body or Remote Body in question; or

(b) in the case of property subject to a Collateral Security Arrangement, the person in whose favour the Charge was granted.

(2) Where consent is given the proceedings may be commenced or continued notwithstanding any provision of the Insolvency Regulations 2015.

(3) Where by virtue of this section a person would not be entitled to enforce a judgment or order against any property, any injunction or other remedy granted with a view to facilitating the enforcement of any such judgment or order shall not extend to that property.

174. **Power to apply provisions to other cases**

(1) A power to which this subsection applies includes the power to apply sections 170 to 173 to any description of property provided as cover for margin in relation to contracts in relation to which the power is exercised or, as the case may be, property subject to Charges in relation to which the power is exercised.

(2) The Rules may provide that those sections apply with such exceptions, additions and adaptations as may be specified in the Rules.

(3) Subsection (1) applies to the powers of the Regulator under sections 165, 169 and 179(1)(c).

175. **Recognised Clearing Houses and Remote Clearing Houses: disapplication of provisions on mutual credit and set off**

(1) Nothing in the Insolvency Regulations 2015 shall enable the setting off against each other of—

(a) positions and assets recorded in an account at a Recognised Clearing House or Remote Clearing House and held for the account of a Client, an Indirect Client or a group of Clients or Indirect Clients; and

(b) positions and assets recorded in any other account at the Recognised Clearing House or Remote Clearing House.

(2) Nothing in the Insolvency Regulations 2015 shall enable the setting off against each other of—

(a) positions and assets recorded in an account at a Clearing Member and held for the account of an Indirect Client or a group of Indirect Clients; and

(b) positions and assets recorded in any other account at the Clearing Member.

176. **Insolvency proceedings in other jurisdictions**

(1) The references to insolvency law in the Insolvency Regulations 2015 include, in relation to a part of the Abu Dhabi Global Market, the provisions made by or under this Part and, in relation to another country or territory other than Abu Dhabi Global Market, so much of the law of that country or territory as corresponds to any provisions made by or under this Part.

(2) A court shall not, in pursuance of that section or any other enactment or rule of law, recognise or give effect to—

(a) any order of a court exercising jurisdiction in relation to insolvency law in a country or territory outside the Abu Dhabi Global Market; or

(b) any act of a person appointed in such a country or territory to discharge any functions under insolvency law;

in so far as the making of the order or the doing of the act would be prohibited in the case of the Court in the Abu Dhabi Global Market or a Relevant Office-Holder by provisions made by or under this Part.

177. **Indemnity for certain acts**

(1) Where a Relevant Office-Holder takes any action in relation to property of a Defaulter which is liable to be dealt with in accordance with the Default Rules of a Recognised Body or Remote Body, and believes and has reasonable grounds for believing that he is entitled to take that action, he is not liable to any person in respect of any loss or damage resulting from his action except in so far as the loss or damage is caused by the Relevant Office-Holder's own negligence.

(2) Any failure by a Recognised Body or Remote Bodyto comply with its own rules in respect of any matter shall not prevent that matter being treated for the purposes of this Part as done in accordance with those rules so long as the failure does not substantially affect the rights of any person entitled to require compliance with the rules.

(3) No Recognised Body or Remote Body, nor any officer or servant or member of the governing body of a Recognised Body or Remote Body, shall be liable in damages for anything done or omitted in the discharge or purported discharge of any functions to which this subsection applies unless the act or omission is shown to have been in bad faith.

(4) The functions to which subsection (3) applies are the functions of the Recognised Body or Remote Bodyso far as relating to, or to matters arising out of—

(a) its Default Rules; or

(b) any obligations to which it is subject by virtue of this Part.

(5) No person to whom the exercise of any function of a Recognised Body or Remote Bodyis delegated under its Default Rules, nor any officer or servant of such a person, shall be liable in damages for anything done or omitted in the discharge or purported discharge of those functions unless the act or omission is shown to have been in bad faith.

178. **Action taken under Default Rules**

(1) For the purposes of the definition of "Defaulter", where a Recognised Clearing House or Remote Clearing House takes action under the rules referred to in the definition of "Default Rules", the action is to be treated as taken in respect of the Client providing the Indirect Clearing Services.

(2) If a Recognised Body or Remote Bodytakes action under its Default Rules in respect of a person, all subsequent proceedings under its rules for the purposes of or in connection with

the Settlement of Market Contracts to which the Defaulter is a party shall be treated as done under its Default Rules.

179. **Power of the Regulator to make Rules under this Part**

(1) The Regulator may by Rules, in accordance with the procedure in Part 2, make further provision as to—

(a) the duties of persons to give assistance to a Recognised Body or Remote Bodyfor the purposes of its Default Proceedings, and the duties of the Recognised Body or Remote Body with respect to information supplied to it;

(b) the Charges granted in favour of any such person as is mentioned in sections 167(1)(a), (b)or (d) which are to be treated as "Collateral Security Arrangements" for the purposes of this Part, where the Regulator may—

(i) add, amend or repeal the provisions of sections 167(1) or (2); and

(ii) provide that a Charge shall or shall not be treated as a Collateral Security Arrangement if or to the extent that it secures obligations of a specified description, is a Charge over property of a specified description or contains provisions of a specified description;

(c) the application of this Part to contracts of any specified description in relation to which settlement arrangements are provided by the Regulator, as it applies to contracts connected with a Recognised Body or Remote Body;

(d) the effect of the Insolvency Regulations 2015 on specific Charges, in accordance with section 169;

(e) the application of these Regulations to a Remote~~Non-Abu Dhabi Global Market Recognised~~ Body approved in accordance with section 165, together with exceptions, additions and adaptations as deemed necessary;

(f) the priority of a Collateral Security Arrangement which is a floating Charge, in accordance with section 171;

(g) the application of this Part to contracts connected with a Non-Abu Dhabi Global Market Clearing House or Non-Abu Dhabi Global Market Investment Exchange which—

(i) is not a Remote~~Non-Abu Dhabi Global Market Recognised~~ Body; but

(ii) is approved by the Regulator in accordance with such requirements as may be so specified;

(h) modifications to the Insolvency Regulations 2015 relating to Collateral Security Arrangements and action taken in enforcing them, where such Rules may make different provision for cases defined by reference to the nature of the Charge, the nature of the property subject to it, the circumstances, nature or extent of the obligations secured by it or any other relevant factor; and

(i) such further provision as appears to the Regulator to be necessary or expedient for the purposes of this Part.

(2) Rules made in accordance with this Part may add to, amend or repeal any of the provisions of this Part or provide that those provisions have effect subject to such additions, exceptions or adaptations as are specified in the Rules.

Part 14Suspension and Removal of Financial Instruments from Trading

180. **Regulator's power to require suspension or removal of Financial Instruments from Trading**

The Regulator may, for the purpose of protecting—

(a) the interests of investors; or

(b) the orderly functioning of the financial markets;

require an Institution or a class of Institutions to suspend or remove a Financial Instrument from Trading.

181. **Suspension or removal of Financial Instruments from trading: procedure**

(1) A requirement imposed under section 180 (a "Section 180Requirement") takes effect—

(a) immediately, if the notice given under subsection (2) states that this is the case;

(b) in any other case, on such date as may be specified in the notice.

(2) If the Regulator proposes to impose a Section 180Requirement on an Institution, or a class of Institutions, or imposes such a requirement with immediate effect, it must give notice to—

(a) the Institution or, as the case may be, each Institution in the class; and

(b) the Issuer, or the Reporting Entity, as applicable, of the Financial Instrument in question (if any).

(3) A notice given under subsection (2) must—

(a) give details of the Section 180Requirement;

(b) state the Regulator's reasons for imposing the requirement and choosing the date on which it took effect or takes effect;

(c) inform the recipient that he may make representations to the Regulator within such period as may be specified by the notice (whether or not he has referred the matter to the Regulatory Committee);

(d) inform him of the date on which the requirement took effect or takes effect; and

(e) inform him of his right to refer the matter to the Regulatory Committee.

182. **Procedure following consideration of representations**

(1) This section applies where, within the period specified under section 181(3), representations are made to the Regulator in relation to a requirement that it has proposed to impose or has imposed under section 180.

(2) The Regulator must decide whether to impose the requirement or (in the case of a requirement that has been imposed) whether to revoke it.

(3) In the case of a requirement that the Regulator has proposed to impose on a class of Institutions, the Regulator may decide to impose the requirement—

(a) on the class;

(b) on the class apart from one or more specified members of it; or

(c) only on one or more specified members of the class.

(4) In the case of a requirement that the Regulator has imposed on a class of Institutions, the Regulator may decide to revoke it in relation to—

(a) the class;

(b) the class apart from one or more specified members of it; or

(c) one or more specified members of the class only.

(5) The Regulator must give written notice of its decision to—

(a) any Institution which has made representations; and

(b) the Issuer, or the Reporting Entity, as applicable, of the Financial Instrument in question (if any).

183. **Revocation of requirements: applications by Institutions**

(1) This section applies where the Regulator has imposed a Section 180Requirement on an Institution or a class of Institutions.

(2) The Institution or any of the Institutions in the class may apply to the Regulator for the revocation of the requirement.

(3) The Regulator must decide whether to revoke the requirement.

(4) In the case of a requirement imposed on a class of Institutions, the Regulator may decide to revoke it in relation to—

(a) the class;

(b) the class apart from one or more specified members of it; or

(c) one or more specified members of the class only.

(5) The Regulator must give a written notice if—

(a) in the case of a requirement imposed on an Institution, the Regulator proposes not to revoke the requirement; or

(b) in the case of a requirement imposed on a class, the Regulator proposes to make a decision which would have the effect that the requirement continues to apply to the applicant (whether or not it would have the effect that it continues to apply to other members of the class).

(6) The written notice must be given to—

(a) the applicant; and

(b) the Issuer, or the Reporting Entity, as applicable, of the Financial Instrument in question (if any).

(7) A notice given under subsection (5) must—

(a) inform the recipient that he may make representations to the Regulator within such period as may be specified by the notice (whether or not he has referred the matter to the Regulatory Committee); and

(b) inform him of his right to refer the matter to the Regulatory Committee.

184. **Decisions on applications for revocation by Institutions**

(1) This section applies where, having considered any representations made in response to a written notice under section 183(5), the Regulator has decided whether to grant an application for revocation made under section 183.

(2) The Regulator must give written notice in accordance with subsection (3) if—

(a) in the case of a requirement imposed on an Institution, the Regulator decides to revoke the requirement; or

(b) in the case of a requirement imposed on a class, the Regulator makes a decision which has the effect that the requirement will no longer apply to the applicant (whether or not it will continue to apply to other members of the class).

(3) The written notice must be given to—

(a) the applicant; and

(b) the Issuer, or the Reporting Entity, as applicable, of the Financial Instrument in question (if any).

(4) The Regulator must give a decision notice in accordance with subsection (5) if—

(a) in the case of a requirement imposed on an Institution, the Regulator decides not to revoke the requirement; or

(b) in the case of a requirement imposed on a class, the Regulator makes a decision which has the effect that the requirement will continue to apply to the applicant (whether or not it will continue to apply to other members of the class).

(5) The decision notice must be given to—

(a) the applicant; and

(b) the Issuer, or the Reporting Entity, as applicable, of the Financial Instrument in question (if any).

185. **Revocation of requirements: applications by Issuers or Reporting Entities**

(1) This section applies where the Regulator has imposed a Section 180 Requirement on an Institution or a class of Institutions.

(2) The Issuer, or Reporting Entity, as applicable, of the Financial Instrument may apply to the Regulator for the revocation of the requirement.

(3) The Regulator must decide whether to revoke the requirement.

(4) In the case of a requirement imposed on a class of Institutions, the Regulator may decide to revoke it in relation to—

(a) the class;

(b) the class apart from one or more specified members of it; or

(c) one or more specified members of the class only.

(5) The Regulator must give the Issuer, or Reporting Entity, as applicable, a written notice if—

(a) in the case of a requirement imposed on an Institution, the Regulator proposes not to revoke the requirement; or

(b) in the case of a requirement imposed on a class, the Regulator proposes not to revoke the requirement or to revoke it in relation to—

(i) the class apart from one or more specified members of it; or

(ii) one or more specified members of the class only.

(6) A notice given under subsection (5) must—

(a) inform the recipient that he may make representations to the Regulator within such period as may be specified by the notice (whether or not he has referred the matter to the Regulatory Committee); and

(b) inform him of his right to refer the matter to the Regulatory Committee.

186. **Decisions on applications for revocation by Issuers or Reporting Entities**

(1) This section applies where, having considered any representations made in response to a written notice under section 185(5), the Regulator has decided whether to grant an application for revocation made under section 185.

(2) The Regulator must give written notice to the Issuer, or Reporting Entity, as applicable, if the Regulator decides to revoke the requirement.

(3) The Regulator must give the Issuer, or Reporting Entity, as applicable,a decision notice if—

(a) in the case of a requirement imposed on an Institution, the Regulator decides not to revoke the requirement; or

(b) in the case of a requirement imposed on a class, the Regulator decides not to revoke the requirement or makes a decision to revoke the requirement in relation to—

(i) the class apart from one or more specified members of it; or

(ii) one or more specified members of the class only.

187. **Notification in relation to suspension or removal of a Financial Instrument from trading**

If the Regulator exercises the power under section 180 in relation to a Financial Instrument traded on a Recognised Investment Exchange or Multilateral Trading Facility, it must as soon as reasonably practicable publish its decision in such manner as it considers appropriate.

Part 15Auditors and Actuaries

188. **Cooperation withauditors**

(1) The Regulator may have arrangements for—

(a) the sharing with auditors of Authorised Persons or Recognised Bodies of information that the Regulator is not prevented from disclosing; and

(b) the exchange of opinions with auditors of Authorised Persons or Recognised Bodies.

189. **Appointment**

(1) The Regulator may make Rules requiring Authorised Persons, Recognised Bodies or Reporting Entities or any particular class thereof—

(a) to appoint—

(i) an auditor; or

(ii) an actuary; and

(b) to produce periodic financial reports; and

(c) to have them reported on by an auditor or an actuary.

(2) The Regulatormay make Rules—

(a) imposing such duties on auditors referred to in subsection (1) as may be Specified; and

(b) imposing such duties on actuaries referred to in subsection (1) as may be Specified.

(3) Rules under subsection (1) may make provision—

(a) specifying the manner in which and time within which an auditor or actuary is to be Appointed;

(b) requiring the Regulator to be notified of an appointment;

(c) enabling the Regulator to make an appointment if no appointment has been made or notified;

(d) as to the term of office, remuneration, removal and resignation of an auditor or actuary.

(4) An auditor or actuaryAppointed as a result of Rules under subsection (1), or on whom duties are imposed by Rules under subsection (2)—

(a) must act in accordance with such provision as may be made by Rules; and

(b) is to have such powers in connection with the discharge of his functions as may be provided by Rules.

190. **Access to books etc.**

An Appointed auditor of, or an Appointed actuary acting for, an Authorised Person, Recognised Body or Reporting Entity—

(a) has a right of access to the books, accounts and records of the Authorised Person, Recognised Body or Reporting Entity; and

(b) is entitled to require from the officers of the Authorised Person, Recognised Body or Reporting Entity such information and explanations as he reasonably considers necessary for the performance of his duties as auditor or actuary.

191. **Information given by auditor or actuary to the Regulator**

(1) This section applies to a person who is, or has been, an auditor of an Authorised Person, Recognised Body or Reporting Entity, Appointed pursuant to Rules made under this Part.

(2) This section also applies to a person who is, or has been, an actuary acting for an Authorised Person, Recognised Body or Reporting Entity and Appointed pursuant to Rules made under this Part.

(3) An auditor or actuary does not contravene any duty to which he is subject merely because he gives to the Regulator—

(a) information on a matter of which he has, or had, become aware in his capacity as auditor of, or actuary acting for, the Authorised Person, Recognised Body or Reporting Entity; or

(b) his opinion on such a matter;

if he is acting in good faith and he reasonably believes that the information or opinion is relevant to any functions of the Regulator.

(4) Subsection (3) applies whether or not the auditor or actuary is responding to a request from the Regulator.

(5) The Regulator may make Rules prescribing circumstances in which an auditor or actuary must communicate matters to the Regulator as mentioned in subsection (3).

(6) It is the duty of an auditor or actuary to whom any such Rules apply to communicate a matter to the Regulator or any other person or body in the circumstances prescribed by the Rules.

192. **Information given by auditor or actuary to the Regulator: persons with close links**

(1) This section applies to a person who—

(a) is, or has been, an auditor of an Authorised Person, Recognised Body or Reporting Entity, Appointed pursuant to Rules made under this Part; and

(b) is, or has been, an auditor of a person who has close links with the Authorised Person, Recognised Body or Reporting Entity ("CL").

(2) This section also applies to a person who—

(a) is, or has been, an actuary acting for an Authorised Person, Recognised Body or Reporting Entity and Appointed pursuant to Rules made under this Part; and

(b) is, or has been, an actuary acting for a person ("CL") who has close links with the Authorised Person, Recognised Body or Reporting Entity.

(3) An auditor or actuary does not contravene any duty to which he is subject merely because he gives to the Regulator—

(a) information on a matter concerning the Authorised Person, Recognised Body or Reporting Entity of which he has, or had, become aware in his capacity as auditor of, or actuary acting for, CL; or

(b) his opinion on such a matter;

if he is acting in good faith and he reasonably believes that the information or opinion is relevant to any functions of the Regulator.

(4) Subsection (3) applies whether or not the auditor or actuary is responding to a request from the Regulator.

(5) The Regulator may make Rules prescribing circumstances in which an auditor or actuary must communicate matters to the Regulator as mentioned in subsection (3).

(6) It is the duty of an auditor or actuary to whom any such Rules apply to communicate a matter to the Regulator or any other person or body in the circumstances prescribed by the Rules.

(7) CL has close links with the Authorised Person, Recognised Body or Reporting Entity concerned ("A") if CL is—

(a) a Parent Undertaking of A;

(b) a Subsidiary Undertaking of A;

(c) a Parent Undertaking of a Subsidiary Undertaking of A; or

(d) a Subsidiary Undertaking of a Parent Undertaking of A.

193. **Reports to the Regulator**

An Appointedauditor must communicate to the Regulator information on, or his opinion on, matters mentioned in sections 191(3) and 192(3) in the following circumstances—

(a) the auditor reasonably believes that, as regards the person concerned—

(i) there is or has been, or may be or may have been, a contravention of any requirement imposed by or under these Regulations that applies to the person concerned; and

(ii) that contravention may be of material significance to the Regulator in determining whether to exercise, in relation to the person concerned, any of its powers;

(b) the auditor reasonably believes that the information on, or his opinion on, those matters may be of material significance to the Regulator in determining whether the person concerned satisfies and will continue to satisfy the Threshold Conditions or, in the case of a Recognised Body, the Recognition Requirementsapplicable to that person;

(c) the auditor reasonably believes that the person concerned is not, may not be, or may ceaseto be, a going concern;

(d) the auditor is precluded from stating in his report that the annual accounts or, where they are required to be made by any of the following provisions, other financial reports of the person concerned—

(i) have been properly prepared in accordance with the Companies Regulations 2015 or, where applicable, give a true and fair view of the matters referred to in section 467(3)(a) (*Auditor's report on Company's annual accounts*) of those Regulations;

(ii) have been prepared so as to conform with the requirements of Rules made under these Regulations where the auditor is, by Rules made under section 189, required to make such a statement; or

(iii) where applicable, the auditor is required to state in his report in relation to the person concerned any of the facts referred to in subsection (2), (3) or (5) of section 469 (*Duties of auditor*) of the Companies Regulations 2015.

194. **Duty of auditor or actuary resigning etc. to give notice**

(1) This section applies to an auditor or actuary to whom section 191 applies.

(2) He must without delay notify the Regulator if he—

(a) is removed from office by an Authorised Person, Recognised Body or Reporting Entity;

(b) resigns before the expiry of his term of office with such a person; or

(c) is not re-appointed by such a person.

(3) If he ceases to be an auditor of, or actuary acting for, such a person, he must without delay notify the Regulator—

(a) of any matter connected with his so ceasing which he thinks ought to be drawn to the Regulator's attention; or

(b) that there is no such matter.

195. **Provision of false or misleading information to auditor or actuary**

A person must not knowingly or recklessly give an Appointed auditor or actuary information which is false or misleading in a material particular.

Part 16Public Record and Disclosure of Information

The public record

196. **The record of Authorised Persons etc.**

(1) The Regulator must publish and maintain a record of every—

(a) Security admitted to the Official List;

(b) Authorised Person;

(c) Public Fund;

(d) Approved Prospectus;

(e) Recognised Investment Exchange or Recognised Clearing House;

(f) Remote Investment Exchange or Remote~~Recognised~~ Clearing House;

(g) individual to whom a Prohibition Order relates;

(h) Trade Repository;

(i) Remote Member;

(j) Approved Person; and

(k) any person falling within such other class (if any) as the Regulator may determine.

(2) The record must include such information as the Regulator considers appropriate.

(3) The Regulator shall make a reasonably current version of the records available for viewing by the public during the normal business hours of the Regulator.

Disclosure of information

197. **Restrictions on disclosure of Confidential Information**

An Authorised Person with a Financial Services Permission to Accept Deposits must not disclose any Confidential Information relating to its depositorsin breach of any duty of confidence owed to such depositors.

198. **Restrictions on disclosure of Confidential Information by the Regulator**

(1) Confidential Information must not be disclosed by a primary recipient, or by any person obtaining the information directly or indirectly from a primary recipient, without the consent of—

(a) the person from whom the primary recipient obtained the information; and

(b) if different, the person to whom it relates.

(2) Each of the following is a primary recipient for the purposes of this Part—

(a) the Regulator;

(b) a person Appointed to collect or update information under section 204 or to make a report under section 203;

(c) any person who is or has been employed by a person mentioned in paragraphs (a)and(b);

(d) a person who is or has been engaged to provide services to a person mentioned in those paragraphs;

(e) any auditor or expert instructed by a person mentioned in those paragraphs.

199. **Exceptions from section 198**

(1) Section 198 does not prevent a disclosure of Confidential Information which is made for the purpose of facilitating the carrying out of a Public Function and is—

(a) permitted or required under any enactment applicable to the Regulator, including, for the avoidance of doubt, any applicable international obligations;

(b) made to—

(i) any regulatory authority or body in the Abu Dhabi Global Market (including the Registrar and the Regulator);

(ii) a governmental or regulatory authority exercising powers and performing functions relating to anti-money laundering, counter-terrorist financing or sanctions compliance, whether in the Abu Dhabi Global Market or otherwise;

(iii) a self-regulatory body or organisation exercising and performing powers and functions in relation to financial services, whether in the Abu Dhabi Global Market or otherwise;

(iv) a civil or criminal law enforcement agency, whether in the Abu Dhabi Global Market or otherwise; or

(v) any other governmental or other regulatory body or authority, whether in the Abu Dhabi Global Market or otherwise;

for the purpose of assisting the performance by any such person of its functions and powers; or

(c) made in good faith for the purposes of the exercise of the functions and powers of the Regulator or in order to further the Regulator's objectives.

(2) Any disclosure by the Regulator pursuant to subsection (1) may include, insofar as the Regulator considers appropriate, provisions—

(a) making any permission to disclose Confidential Information subject to conditions (which may relate to the obtaining of consents or any other matter);

(b) restricting the uses to which Confidential Information disclosed may be put.

200. **Removal of other restrictions on disclosure**

(1) The Regulator may make Rules permitting the disclosure of any information, or of information—

(a) by Specifiedpersons for the purpose of assisting or enabling them to discharge Specified functions under these Regulations or any Rules made under these Regulations;

(b) by Specified persons, or persons of a Specified description, to the Regulator for the purpose of assisting or enabling the Regulator to discharge Specified functions.

(2) Rules under this section may not make any provision in relation to the disclosure of Confidential Information by primary recipients or by any person obtaining Confidential Information directly or indirectly from a primary recipient.

(3) If a person discloses any information as permitted by Rules made under this section the disclosure is not to be taken as a contravention of any duty to which he is subject.

Part 17Information Gathering, Prudential Directions, Skilled Person Reports, Investigations and Cooperation

Power to gather information

201. **The Regulator's power to require information**

(1) If the Regulator reasonably considers that it requires information or Documents in connection with the exercise by the Regulator of any of its functions or powers, or to further one or more of its objectives, the Regulator or an Officer appointed in writing by the

Regulator, may, by notice in writing given to a person specified in subsection (2), require him—

(a) to provide Specified information or information of a Specified description; or

(b) to produce Specified Documents or Documents of a Specified description;

in such form as the Regulator may reasonably require.

(2) Subsection (1) applies to any person subject to Rules made under these Regulations or any person connected to such person and their employees.

(3) The information or Documents must be provided or produced—

(a) before the end of such reasonable period as may be Specified; and

(b) at such place as may be Specified.

(4) Nothing in this section prevents the Regulator from making a request for information to be provided on a voluntary basis, or prevents a person from responding to such a request.

Power to issue directions for prudential purposes

202. **Power to issue directions for prudential purposes**

(1) For prudential purposes, the Regulator may direct that a particular Authorised Person or Authorised Persons (or Recognised Body or Recognised Bodies) within a specified class—

(a) comply with any specified additional capital or liquidity requirements;

(b) apply a specific provisioning policy or treatment of Specified assets;

(c) comply with Specified limits on material risk exposures;

(d) comply with Specified limits on exposures to related parties;

(e) meet additional or more frequent reporting requirements; or

(f) take such other action as is Specified.

(2) The Regulator may direct an Affiliate of an Authorised Person or Recognised Body to take Specified steps or not to carry out Specified activities if the Regulator—

(a) is the consolidated supervisor of the Group to which the Authorised Person or Recognised Body belongs; and

(b) is satisfied that the direction is necessary or desirable for the purposes of the effective prudential supervision of the Group on a consolidated basis.

(3) A direction to an Affiliate under subsection (2) may include a requirement that the Affiliate—

(a) limit any activities it undertakes or may undertake (including closing any office that is outside the jurisdiction in which it has its principal place of business and head

office) if the activities are reasonably likely to expose the Authorised Person, Recognised Body or its Group to excessive risks or risks that are not properly managed; or

(b) take such other measures as are necessary to remove any impediments to effective supervision of the Group on a consolidated basis, including a direction to take steps to restructure the Group.

(4) A direction issued under this section comes into force on the date specified in it and remains in force, subject to subsection (6), until it is revoked or varied in writing by the Regulator pursuant to subsection (5).

(5) The Regulator may, by notice, revoke or vary any direction given pursuant to this section.

(6) A direction issued to Authorised Persons or Recognised Bodies within a specified class under subsection (1), including any variation made to such a direction pursuant to subsection (5), shall not remain in force for a period longer than 12 months from the date specified in the initial direction issued pursuant to subsection (1).

Skilled Persons

203. **Reports by skilled persons**

(1) This section applies where the Regulator has required or could require a person to whom subsection (2) applies (the "Person Concerned") to provide information or produce Documents with respect to any matter (the "Matter Concerned").

(2) This subsection applies to—

(a) an Authorised Person, ~~or~~ Recognised Body or Remote Body ("A");

(b) any other member of A's Group;

(c) a Partnership of which A is a member; or

(d) a person who has at any relevant time been a person falling within paragraph (a), (b) or (c);

who is, or was at the relevant time, carrying on a business.

(3) The Regulator may either—

(a) by notice in writing given to the Person Concerned, require the Person Concerned to provide the Regulator with a report on the Matter Concerned; or

(b) itself appoint a person to provide the Regulator with a report on the Matter Concerned.

(4) When acting under subsection (3)(a), the Regulator may require the report to be in such form as may be specified in the notice.

(5) The Regulator must give notice of an appointment under subsection (3)(b) to the Person Concerned.

(6) The person Appointed to make a report—

(a) must be a person appearing to the Regulator to have the skills necessary to make a report on the Matter Concerned; and

(b) where the appointment is to be made by the Person Concerned, must be a person nominated or approved by the Regulator.

(7) It is the duty of—

(a) the Person Concerned; and

(b) any person who is providing (or who has at any time provided) services to the Person Concerned in relation to the Matter Concerned;

to give the person Appointed to prepare a report such assistance as the Appointed person may reasonably require.

(8) The obligation imposed by subsection (7) is enforceable, on the application of the Regulator, by an injunction.

(9) The Regulator may make Rules providing for expenses incurred by it in relation to an appointment under subsection (3)(b) to be payable as a fee by the Person Concerned.

204. **Appointment of skilled person to collect and update information**

(1) This section applies if the Regulator considers that an Authorised Person, ~~or~~ Recognised Body or Remote Body ("A") has contravened a Rule made by the Regulator to collect, and keep up to date, information of a description specified in the Rules.

(2) The Regulator may either—

(a) require A to appoint a skilled person to collect or update the information; or

(b) itself appoint a skilled person to do so.

(3) References in this section to a skilled person are to a person—

(a) who appears to the Regulator to have the skills necessary to collect or update the information in question; and

(b) where the appointment is to be made by A, nominated or approved by the Regulator.

(4) The Regulator must notify A of an appointment under subsection (2)(b).

(5) The skilled person may require any person to provide all such assistance as the skilled person may reasonably require to collect or update the information in question.

(6) A requirement imposed under subsection (5) is enforceable, on the application of the Regulator, by an injunction.

(7) A contractual or other requirement imposed on a person ("P") to keep any information in confidence does not apply if—

(a) the information is or may be relevant to anything required to be done as a result of this section;

(b) A or a skilled person requests or requires P to provide the information for the purpose of securing anything required to be done as a result of this section is done; and

(c) the Regulator has approved the making of the request or the imposition of the requirement before it is made or imposed.

(8) A may provide information (whether received under subsection (7) or otherwise) that would otherwise be subject to a contractual or other requirement to keep it in confidence if it is provided for the purposes of anything required to be done as a result of this section.

(9) The Regulator may make Rules providing for expenses incurred by it in relation to an appointment under subsection (2)(b) to be payable as a fee by A.

Investigations

205. **Commencement of Investigations**

(1) If it appears to the Regulator that there is good reason for doing so, the Regulator may commence an investigation into—

(a) the nature, conduct or state of the Business of an Authorised Person~~, or~~ Recognised Body or Remote Body;

(b) a particular aspect of that Business;

(c) the ownership or control of an Authorised Person~~, or~~ Recognised Body or Remote Body; or

(d) a matter reasonably requested to be investigated pursuant to a request made under section 217.

(2) If the Regulator reasonably suspects that a person may have committed a contravention of these Regulations or any Rules, the Regulator may commence an investigation into the matter.[3]

(3) The Regulator may appoint one or more competent persons as Investigators to conduct an investigation on its behalf.

(4) The Regulator may but need not give written notice of the commencement of an investigation to the Person Under Investigation.

(5) If an Investigator thinks it necessary for the purposes of his investigation under subsections (1) or (2), he may also investigate the Business of a person who is or has, at any relevant time, been—

(a) a member of the Group of which the Person Under Investigation ("A") is part; or

[3]Amended 12 June 2017.

(b) a Partnership of which A is a member.

(6) The power conferred by subsection (1)(a) to (c) may be exercised in relation to a former Authorised Person, ~~or~~ former Recognised Body or former Remote Bodybut only in relation to—

(a) Business carried on at any time when he was an Authorised Person, ~~or~~ Recognised Body or Remote Body; or

(b) the ownership or control of a former Authorised Person, ~~or~~ Recognised Body or Remote Bodyat any time when he was an Authorised Person, ~~or~~ Recognised Body or Remote Body.

(7) Nothing prevents the Regulator from appointing a person who is a member of its staff as an Investigator under this section.

(8) References in subsection (1) to a Remote~~Recognised~~ Body do not include references to a Remote~~Non-Abu Dhabi Global Market Recognised~~ Investment Exchange.

206. **Powers of Investigators**

(1) The Investigator may, by written notice, require the person who is the Person Under Investigation or any other person (whether or not connected to the Person Under Investigation) to—

(a) attend an interview at a Specified time and place and answer questions;

(b) produce at a Specified time and place any Specified Documents or Documents of a Specified description;

(c) provide such information as the Investigator may require;

(d) provide such assistance as the Investigator may require; or

(e) permit the Investigator to enter the business premises of such person during normal business hours for the purpose of inspecting and copying Documents on such premises.

(2) A requirement under subsection (1) may be imposed only so far as the Investigator reasonably considers the interview, question, production of the Document, provision of information, provision of assistance or permission of entry to be relevant to the purposes of the investigation.

(3) Where the Investigator exercises its power under subsection (1)(e) to enter business premises, it may—

(a) require any appropriate person to make available any relevant information stored at those premises for inspection or copying;

(b) require any appropriate person to convert any relevant information into a form capable of being copied; and

(c) use the facilities of the occupier of the premises, free of charge, to make copies.

(4) Where the Investigator exercises its power under subsection (1)(a) to conduct an interview, it may give a Direction—

(a) concerning who may be present;

(b) preventing any person present during any part of the interview from disclosing to any other person any information provided to the interviewee or questions asked by the interviewer during the interview;

(c) concerning the conduct of any person present, including as to the manner in which they will participate in the interview;

(d) requiring the interviewee to swear an oath or give an affirmation that the answers of the interviewee will be true; and

(e) requiring the interviewee to answer any questions relevant to the investigation.

(5) Subject to section 210(3), it is not a reasonable excuse for a person to refuse or fail to—

(a) permit inspection and copying of any information or Document;

(b) give or produce, or procure the giving or production of, any information or Document; or

(c) answer questions;

pursuant to any requirement under sections 201, 203 and 206(1)(a), (b), (c)and (e)on the grounds that any such information or Document or answer, as the case may be—

(d) might tend to incriminate the person; or

(e) is, or contains, or might reveal a communication made in confidence (subject to section 209(6)).

207. **Admissibility of statements made to Investigators**

(1) A statement made to an Investigator by a person in compliance with an Information Requirement under these Regulations is admissible in evidence in any proceedings, so long as it also complies with any requirements governing the admissibility of evidence in the circumstances in question.

(2) The Investigator shall not disclose a statement made by a person in answer to any question asked pursuant to a requirement made of the person under section 206(1)(a) to any law enforcement agency for the purpose of criminal proceedings against the person unless—

(a) the person consents to the disclosure; or

(b) the Regulator is required by law or court order to disclose the statement.

208. **Costs of an investigation**

(1) Subject to subsection (2) and section 235, the Regulator shall be responsible for the costs and expenses of an investigation.

(2) Where, as a result of an investigation under this Part, a person is found by the Court to have committed the contravention of these Regulations which is the subject matter of the investigation, the Court may order, on application brought by the Regulator, that the person pay or reimburse the Regulator in respect of the whole, or a specified part of, the costs and expenses of the investigation, including the remuneration of any person involved in the investigation.

(3) The Court may make an order under subsection (2), on an application by the Regulator, whether or not the person has commenced, or intends to commence, a reference, appeal or other proceeding in relation to a decision of the Regulator.

(4) The Regulator may apply to the Court for an order under subsection (2) only where there are proceedings before the Court relating to the alleged contravention by the person.

(5) The Regulator may enter into any agreement regarding costs with the Person Under Investigation.

Information and Documents: supplemental provisions

209. **General requirements to supply information and Documents**

(1) If a Document is produced in response to a requirement imposed under this Part, the person to whom it is produced may—

(a) take copies or extracts from the Document; or

(b) require the person producing the Document, or any Relevant Person, to provide an explanation of the Document.

(2) A Document so produced may be retained for so long as the person to whom it is produced considers that it is necessary to retain it (rather than copies of it) for the purposes for which the Document was requested.

(3) If the person to whom a Document is so produced has reasonable grounds for believing—

(a) that the Document may have to be produced for the purposes of any legal proceedings; and

(b) that it might otherwise be unavailable for those purposes;

it may be retained until the proceedings are concluded.

(4) If a person who is required under this Part to produce a Document fails to do so, the Regulator or an Investigator may require him to state, to the best of his knowledge and belief, where the Document is.

(5) If a person claims a lien on a Document, its production under this Part does not affect the lien. A person is not entitled to claim a lien on any Documents as a basis for failing to comply with a requirement made under this Part.

(6) No person may be required under this Part to disclose information or produce a Document in respect of which he owes an obligation of confidence by virtue of carrying on the Regulated Activity of Accepting Deposits unless—

(a) he is the Person Under Investigation or a member of that person's Group;

(b) the person to whom the obligation of confidence is owed is the Person Under Investigation or a member of that person's Group;

(c) the person to whom the obligation of confidence is owed consents to the disclosure or production; or

(d) the imposing on him of a requirement with respect to such information or Document has been specifically authorised by the Regulator.

Limitation on powers to require Documents

210. **Protected information and Documents**

(1) Where there are any grounds for withholding any Protected Items or privileged materials, such grounds shall apply only to the relevant parts of the Document which are affected by such grounds and not to any other part of the Document.

(2) A lawyer may be required under this Part to furnish the name and address of his client.

(3) Where the Regulator requires a lawyer to give information or to produce a Document or to answer a question, and the giving of the information or the production of the Document or the answer to the question would involve disclosing a Privileged Communication made by, on behalf of, or to, the lawyer in his capacity as a lawyer, the lawyer is entitled to refuse to comply with the requirement unless—

(a) where the person to whom, or by, or on behalf of whom, the communication was made is a Body Corporate that is subject to a Winding-Up, the liquidator of the body consents to the lawyer complying with the requirement; or

(b) otherwise, the person to whom, or by, or on behalf of whom, the communication was made consents to the lawyer complying with the requirement.

(4) Where a lawyer so refuses to comply with a requirement, he shall, as soon as practicable, give to the Regulator a written notice setting out—

(a) where the lawyer knows the name and address of the person to whom, or by whom, or on behalf of whom, the communication was made, then that name and address; and

(b) where the requirement to give information or produce a Document relates to a communication which was made in writing, then sufficient particulars to identify the Document containing the communication.

211. **Protected Items**

(1) A person may not be required by or under these Regulations to produce, disclose or permit the inspection of Protected Items.

(2) "Protected Items" means—

(a) communications between a professional legal adviser and his client or any person representing his client which fall within subsection (3);

(b) communications between a professional legal adviser, his client or any person representing his client and any other person which fall within subsection (3) (as a result of paragraph (b) of that subsection);

(c) items which—

(i) are enclosed with, or referred to in, such communications;

(ii) fall within subsection (3); and

(iii) are in the possession of a person entitled to possession of them;

(d) in the case of any information held by the Regulator, information which—

(i) is supplied by or relating to bodies dealing with security matters;

(ii) is held by public authorities in the exercise of their functions;

(iii) relates to national security or international relations;

(iv) relates to the economic and financial interests of the Abu Dhabi Global Market or to its financial stability; and

(v) constitutes trade secrets.

(3) A communication or item falls within this subsection if it is made—

(a) in connection with the giving of legal advice to the client; or

(b) in connection with, or in contemplation of, legal proceedings and for the purposes of those proceedings.

(4) A communication or item is not a Protected Item if it is held with the intention of furthering a criminal purpose.

212. **Entry of premises under Court order**

(1) The Court of First Instance may issue an order under this section if satisfied on information on oath given by the Regulator or an Investigator that there are reasonable grounds for believing that the first, second or third set of conditions is satisfied.

(2) The first set of conditions is—

(a) that a person on whom an Information Requirement has been imposed has failed (wholly or in part) to comply with it; and

(b) that on the premises specified in the order—

(i) there are Documents which have been required; or

(ii) there is information which has been required.

(3) The second set of conditions is—

(a) that the premises specified in the order are premises of an Authorised Person, ~~or~~ Recognised Body or Remote Body;

(b) that there are on the premises Documents or information in relation to which an Information Requirement could be imposed; and

(c) that if such a requirement were to be imposed—

(i) it would not be complied with; or

(ii) the Documents or information to which it related would be removed, tampered with or destroyed.

(4) The third set of conditions is—

(a) that a contravention mentioned in section 205(2) has been (or is being) committed by any person;

(b) that there are on the premises specified in the order Documents or information relevant to whether that contravention has been (or is being) committed;

(c) that an Information Requirement could be imposed in relation to those Documents or information; and

(d) that if such a requirement were to be imposed—

(i) it would not be complied with; or

(ii) the Documents or information to which it related would be removed, tampered with or destroyed.

(5) An order under this section shall authorise the person named in the order—

(a) to enter the premises specified in the order;

(b) to search the premises and take possession of any Documents or information appearing to be Documents or information of a kind in respect of which an order under this section was issued (the "Relevant Kind") or to take, in relation to any such Documents or information, any other steps which may appear to be necessary for preserving them or preventing interference with them;

(c) to take copies of, or extracts from, any Documents or information appearing to be of the Relevant Kind;

(d) to require any person on the premises to provide an explanation of any Document or information appearing to be of the Relevant Kind or to state where it may be found; and

(e) to use such force as may be reasonably necessary.

(6) An order under this section may be executed only by the person named in the order.

(7) The order may authorise persons to accompany any person named in the order who is executing it.

(8) The powers in subsection (5) may be exercised by a person authorised by the order to accompany the person named in the order, but that person may exercise those powers only in the company of, and under the supervision of, a person named in the order.

213. **Retention of Documents taken under section 212**

(1) Any Document of which possession is taken under section 212 (a "Seized Document") may be retained so long as it is necessary to retain it (rather than copies of it) in the circumstances.

(2) A person claiming to be the owner of a Seized Document may apply to the Court of First Instance for an order for the delivery of the Document to the person appearing to the Court of First Instance to be the owner.

(3) If on an application under subsection (2) the Court of First Instance cannot ascertain who is the owner of the Seized Document the Court of First Instance may make such order as it thinks fit.

(4) An order under subsection (2) or (3) does not affect the right of any person to take legal proceedings against any person in possession of a Seized Document for the recovery of the Document.

(5) Any right to bring proceedings (as described in subsection (4)) may only be exercised within six months of the date of the order made under subsection (2) or (3).

214. **Certification of defaults**

(1) If a person other than the Investigator (the "Defaulter") fails to comply with a requirement imposed on him under this Part the person imposing the requirement may certify that fact in writing to the Court of First Instance.

(2) If the Court of First Instance is satisfied that the Defaulter failed without reasonable excuse to comply with the requirement, it may deal with the Defaulter (and in the case of a Body Corporate, any Director or other Officer) as if he were in contempt.

(3) A person who knows or suspects that an investigation is being or is likely to be conducted under this Part shall not knowingly—

(a) falsify, conceal, destroy or otherwise dispose of a Document which he knows or suspects is or would be relevant to such an investigation; or

(b) cause or permit the falsification, concealment, destruction or disposal of such a Document.

(4) A person shall not, in purported compliance with a requirement imposed on him under this Part—

(a) provide information which he knows to be false or misleading in a material particular; or

(b) recklessly provide information which is false or misleading in a material particular.

(5) A person shall not intentionally obstruct the exercise of any rights conferred by an order under section 212.

Cooperation, assistance and support to Non-Abu Dhabi Global Market Regulators

215. **Regulator's right to co-operate with others**

(1) The Regulator may take such steps as it considers appropriate to co-operate with other persons (whether in the Abu Dhabi Global Market or elsewhere) who have functions—

(a) similar to those of the Regulator; or

(b) in relation to the prevention or detection of Financial Crime.

(2) Co-operation may include the sharing of information which the Regulator is not prevented from disclosing.

216. **Exercise of power in support of Non-Abu Dhabi Global Market Regulator**

(1) The Regulator's Own-Initiative Powers may be exercised in respect of an Authorised Person or Recognised Body at the request of, or for the purpose of assisting, a Non-Abu Dhabi Global Market Regulator.

(2) If a request to the Regulator for the exercise of its Own-Initiative Powers has been made by a Non-Abu Dhabi Global Market Regulator, the Regulator must, in deciding whether or not to exercise those powers in response to the request, consider whether it is necessary to do so.

(3) In deciding whether or not to do so, in any case in which the Regulator does not consider that the exercise of its Own-Initiative Powers is necessary, it may take into account in particular—

(a) whether in the country, territory or jurisdiction of the Non-Abu Dhabi Global Market Regulator concerned, corresponding assistance would be given to the Regulator;

(b) whether the case concerns the breach of a law, or other requirement, which has no close parallel in the Abu Dhabi Global Market or involves the assertion of a jurisdiction not recognised by the Abu Dhabi Global Market;

(c) the seriousness of the case and its importance to persons in the Abu Dhabi Global Market;

(d) whether it is otherwise appropriate in the public interest to give the assistance sought;

(e) whether it would further one or more of the Regulator's objectives.

(4) The Regulator may decide not to exercise its Own-Initiative Powers, in response to a request made under subsection (1), unless the Non-Abu Dhabi Global Market Regulator concerned undertakes to make such contribution towards the cost of their exercise as the Regulator considers appropriate.

217. **Investigations etc. in support of Non-Abu Dhabi Global Market Regulator**

(1) At the request of a Non-Abu Dhabi Global Market Regulator, the Regulator may—

(a) exercise the power conferred by section 201; or

(b) exercise the powers conferred by section 205(1) or (2).

(2) In deciding whether or not to exercise its Investigative Power, the Regulator may take into account in particular—

(a) whether in the country, territory or jurisdiction of the Non-Abu Dhabi Global Market Regulator concerned, corresponding assistance would be given to the Regulator;

(b) whether the case concerns the breach of a law, or other requirement, which has no close parallel in the Abu Dhabi Global Market or involves the assertion of a jurisdiction not recognised by the Abu Dhabi Global Market;

(c) the seriousness of the case and its importance to persons in the Abu Dhabi Global Market;

(d) whether it is otherwise appropriate in the public interest to give the assistance sought;

(e) whether it would further one or more of the Regulator's objectives.

(3) The Regulator may decide that it will not exercise its Investigative Power unless the Non-Abu Dhabi Global Market Regulator undertakes to make such contribution towards the cost of its exercise as the Regulator considers appropriate.

(4) If the Regulator has Appointed an Investigator in response to a request from a Non-Abu Dhabi Global Market Regulator, it may direct the Investigator to permit a representative of the Non-Abu Dhabi Global Market Regulator to attend, and take part in, any interview conducted for the purposes of the investigation in accordance with section 206(1)(a).

(5) A Direction under subsection (4) is not to be given unless the Regulator is satisfied that any information obtained by a Non-Abu Dhabi Global Market Regulator as a result of the interview will be subject to safeguards equivalent to those contained in Part 16.

Part 18Contraventions, etc.

General Provisions

218. **General contraventionprovision**

(1) A person who—

(a) does an act or thing that the person is prohibited from doing by or under these Regulations or any Rules made under these Regulations;

(b) does not do an act or thing that the person is required to do by or under these Regulations or any Rules made under these Regulations;

(c) fails to comply with a requirement or condition imposed by or under these Regulations or any Rules made under these Regulations; or

(d) otherwise contravenes a provision of these Regulations or any Rules made under these Regulations, including the General Prohibition;

commits a contravention of these Regulations.

219. **Defence against contraventions of section 18**

In proceedings for a contravention of section 18 it is a defence for the accused to show that he believed on reasonable grounds that the content of the communication was prepared, or approved for the purposes of section 18, by an Authorised Person or Recognised Body.

220. **Involvement in contraventions**

If a person is Knowingly Concerned in a contravention of these Regulationscommitted by another person, the aforementioned person as well as the other person commits the contravention and is liable to be proceeded against and dealt with accordingly.

221. **Misleading the Regulator: residual cases**

(1) A person who, in purported compliance with any requirement falling within subsection (2) knowingly or recklessly gives the Regulator information which is false or misleading in a material particular commits a contravention of these Regulations.

(2) Subsection (1) applies only to a requirement in relation to which no other provision of these Regulations or any Rules made under these Regulations creates a contravention of these Regulations in connection with the giving of information.

Corporates and Partnerships

222. **Contraventions by bodies corporate etc.**

(1) If a contravention of these Regulations committed by a Body Corporate is shown—

(a) to have been committed with the consent or connivance of an Officer; or

(b) to be attributable to any neglect on his part;

the Officer as well as the Body Corporate commits the contravention and shall be liable to be proceeded against and punished accordingly.

(2) If the affairs of a Body Corporate are managed by its members, subsection (1) applies in relation to the acts and defaults of a member in connection with his functions of management as if he were a Director of the Body Corporate.

(3) If a contravention of these Regulations committed by a Partnership is shown—

(a) to have been committed with the consent or connivance of a Partner; or

(b) to be attributable to any neglect on his part;

the Partner as well as the Partnership commits the contravention and shall be liable to be proceeded against and punished accordingly.

(4) The Board may by Rules provide for the application of any provision of this section, with such modifications as the Board considers appropriate, to a Body Corporate formed or recognised under the law of a territory outside the Abu Dhabi Global Market.

Gaming contracts

223. **Gaming contracts**

(1) No contract to which this section applies is void or unenforceable because of any rule of law or any enactment relating to gaming or wagering contracts.

(2) This section applies to a contract if it is entered into by either or each party in the course of carrying on Regulated Activities.

Part 19Regulatory Committee, Appeals Panel and Disciplinary Measures

Chapter 1 The Regulatory Committee

224. **Structure of the Regulatory Committee**

(1) The Board establishes the Regulatory Committee, which shall be composed of a maximum of seven members appointed by the Board for fixed terms. The Board may reappoint the members for further fixed terms.

(2) All the members of the Regulatory Committee appointed by the Board in accordance with subsection (1) shall be independent of the Board and the Regulator.

(3) The Board shall not remove any member of the Regulatory Committee without Just Cause.

225. **Jurisdiction and Role of the Regulatory Committee**

(1) Any decision made under these Regulations by the Regulator which may affect the rights or liabilities of a person or otherwise adversely affect the interests of a person, may be referred by that person to the Regulatory Committee for a full meritreview.

(2) A reference under subsection (1) shall be commenced—

(a) within 30 days of the relevant decision of the Regulator; or

(b) within such further period not exceeding 30 days as may be approved by the Regulatory Committee where it is satisfied that such approval is appropriate in the circumstances.

(3) In the case of an exercise of the power under section 111, the referral may be made by the Fund Manager and the Trustee of the Public Fund concerned or either of them, in addition to the Public Fund.

(4) The Regulatory Committee has power to do whatever it deems necessary for or in connection with, or reasonably incidental to, the performance of its functions.

(5) The Regulator may refer an executive decision to the Regulatory Committee for determination if it considers it appropriate to do so.

(6) The Regulatory Committee may adopt any procedures or practices governing the commencement, hearing and determination of references made to it.

(7) Proceedings of the Regulatory Committee shall be heard in private, unless the Regulatory Committee decides otherwise.

226. **Powers of the Regulatory Committee to hear and determine a reference**

(1) Upon receipt of a notice of a reference falling within the jurisdiction of the Regulatory Committee, the Chairman of the Regulatory Committee shall, without undue delay select a panel of at least three members of the Regulatory Committee, one of whom may be its Chairman, to exercise the powers and perform the functions of the Regulatory Committee to hear and determine the reference.

(2) For the purposes of hearing and determining a reference, the Regulatory Committee may—

(a) stay the decision of the Regulator to which a reference relates and any related steps proposed to be taken by the Regulator until the Regulatory Committee has determined the reference;

(b) consider any information relating to the decision of the Regulator to which the reference relates, whether or not such information was available to the Regulator at the material time;

(c) receive and consider any information or Documents; and

(d) determine the manner in which such information or Documents are received by the Regulatory Committee.

(3) At the conclusion of a reference, the Regulatory Committee may—

(a) dismiss the reference;

(b) determine what, if any, is the appropriate action for the Regulator to take; and

(c) remit the matter to the Chief Executive with such directions, if any, as the Regulatory Committee considers appropriate to give effect to its determination, save that such directions may not require the Regulator to take any step which it would not otherwise have power to take.

(4) Subject to section 228(1) the Regulator must act in accordance with the determination of, and any direction given by, the Regulatory Committee.

(5) A certificate that purports to be signed by the Chairman or officer of the Regulatory Committee and which states that the Regulatory Committee on a specified day made a specified determination or made a specified finding of fact, is in any proceedings before the Court, where relevant—

(a) conclusive evidence of the determination of the Regulatory Committee made on that day; and

(b) prima facie evidence of the relevant finding of fact.

Chapter 2 The Appeals Panel

227. **Structure of the Appeals Panel**

(1) The Board—

(a) establishes the Appeals Panel and shall appoint up to a maximum of seven persons for fixed terms to serve as the President and other members of the Appeals Panel; and

(b) may reappoint the President or any of the members for further fixed terms.

(2) The Appeals Panel shall be composed of members who—

(a) are independent of each of the Board, the Regulator, the Regulatory Committee, the Courts and any other Director, officer or employee of any Abu Dhabi Global Market authority or any other body established under the ADGM Founding Law; and

(b) have relevant qualifications, expertise and experience in the regulatory aspects of financial services and related activities.

(3) The Appeals Panel shall have a President.

(4) The Board shall not remove any member of the Appeals Panel without Just Cause.

228. **Jurisdiction and Role of the Appeals Panel**

(1) Any decision, order or direction made by the Regulatory Committee in accordance with section 225 may be appealed by the Regulator or by the person against whom such decision, order or direction was made, to the Appeals Panel for a full merits review.

(2) The Appeals Panel has jurisdiction to do as it deems necessary for, or in connection with, or reasonably incidental to, performing its functions and exercising its powers conferred for the purposes of this Chapter, including the giving of directions as to practice and procedure to be followed by the Appeals Panel in the hearing and/or determination of appeals of decisions, orders or directions of the Regulatory Committee.

(3) The President of the Appeals Panel may establish one or more sub-panels to exercise the jurisdiction and perform the role of the Appeals Panel.

(4) The President of the Appeals Panel, or the head of a sub-panel established pursuant to subsection (3), may make any procedural order or order granting interim relief that the Appeals Panel has jurisdiction to make.

(5) For the purposes of an appeal made under subsection (1), the President of the Appeals Panel or the head of a sub-panel established pursuant to subsection (3)—

(a) may appoint one or more persons, who shall be independent and an expert in their field, to assist the Appeals Panel (or sub-panel (as the case may be)) in deciding any of the issues arising in the appeal, including assistance in the examination of the parties' witnesses; and

(b) shall provide the parties with an opportunity to make submissions on the expert's assistance and shall record in its decision the issues on, and the extent to, which such assistance was relied upon by the Appeals Panel (or the sub-panel (as the case may be)).

(6) The Appeals Panel may make rules of procedure governing the commencement, hearing and determination of any appeal under this Chapter, including rules as to—

(a) evidence;

(b) the manner in which the Appeals Panel's powers may be exercised, having regard the limits of the Appeal Panel's jurisdiction;

(c) the manner in which conflicts of interest of members of the Appeals Panel (or any sub-panel (as the case may be)) may be prevented;

(d) the manner in which an Appeals Panel appointed expert may provide assistance to the Appeals Panel;

(e) notification to the Chief Executive of the commencement of an appeal under this Chapter;

(f) notification to the Chief Executive and to the Chairman of the Regulatory Committee of an application for judicial review of a decision of the Appeals Panel (or sub-panel (as the case may be)) to the Court of First Instance pursuant to the Courts, Civil Evidence, Judgments, Enforcement and Judicial Appointments Regulations 2015; and

(g) whether, and if so, the manner in which, the Chief Executive may appear and be heard in an appeal before the Appeals Panel.

(7) Proceedings and decisions of the Appeals Panel shall be heard and given in public unless—

(a) the Appeals Panel hearing a matter orders otherwise; or

(b) the rules of procedure of the Appeals Panel provide otherwise.

(8) Proceedings before the Appeals Panel shall be determined on a balance of probabilities.

(9) A decision of the Appeals Panel may be taken by a majority.

(10) An application for judicial review of a decision of the Appeals Panel may be made to the Court on the grounds that the decision is wrong in law or is in excess of the Appeal Panel's jurisdiction.

229. **Powers of the Appeals Panel to hear and determine proceedings**

(1) The Appeals Panel may, for the purposes of any proceedings commenced under section 228 —

(a) stay the decision of the Regulator to which the appeal relates and any related steps proposed to be taken by the Regulator until the Appeals Panel has heard and determined the appeal;

(b) consider any evidence relating to the decision of the Regulatory Committee to which the appeal relates, whether or not such evidence was available to the Regulatory Committee at the material time;

(c) receive and consider any material by way of oral evidence, written statements or Documents, even if such material may not be admissible in evidence in civil or criminal proceedings in a court of law;

(d) by notice in writing require a person to attend before it at any sitting and to give evidence and produce any item, record or Document in his possession relating to the subject matter of the proceedings;

(e) administer oaths;

(f) examine or cause to be examined on oath or otherwise a person attending before it and require the person to answer truthfully any question which the Appeals Panel considers appropriate for the purposes of the proceedings;

(g) order a witness to provide evidence in a truthful manner for the purposes of the proceedings by sworn statement;

(h) order a person not to publish or otherwise disclose any material disclosed by any person to the Appeals Panel;

(i) stay the proceedings on such grounds and on such terms and conditions as it considers appropriate having regard to the interests of justice; and

(j) exercise such other powers or make such other orders as the Appeals Panel considers necessary for or ancillary to the conduct of the proceedings or the performance of its functions.

(2) At the conclusion of any proceedings commenced under section 228, the Appeals Panel may do one or more of the following—

(a) exercise any of the powers of the Regulator or the Regulatory Committee under these Regulations;

(b) make an order requiring a party to the appeal to cease and desist from any contravention of these Regulations;

(c) make an order requiring the party to the appeal to do an act or thing;

(d) make an order prohibiting the party to the appeal from holding office at any Body Corporate carrying on business in the Abu Dhabi Global Market; or

(e) make an order requiring a party to the appeal to pay a specified amount, being all or part of the costs of the proceedings, including those of any party to the proceedings. Costs ordered to be paid under this subsection shall be enforceable as a civil debt.

(3) Upon making its decision, the Appeals Panel must without undue delay inform each party to the proceeding in writing of—

(a) such decision and the reasons for such decision, including its findings on material questions of fact and identifying the evidence or other material on which those findings were based;

(b) the date on which the decision is to take effect; and

(c) where applicable, the date by which payment of any fine, restitution or compensation must be made.

(4) A certificate that purports to be signed by the President or officer of the Appeals Panel and states that the Appeals Panel on a specified day made a finding that a specified person has committed a contravention of a specified provision of these Regulations or made a specified finding of fact, is in any proceedings before the Court, where relevant—

(a) conclusive evidence that the person was found by the Appeals Panel on that day to have contravened the relevant provision;

(b) prima facie evidence that the person contravened that provision; and

(c) prima facie evidence of the relevant fact.

230. **Enforcement**

(1) A Person commits a contravention of these Regulations if he, without reasonable excuse—

(a) fails to comply with an order, notice, prohibition or requirement of the Appeals Panel under section 229;

(b) having been required by the Appeals Panel under section 229 to attend before the Appeals Panel, leaves the place where his attendance is so required without the permission of the Appeals Panel;

(c) hinders or deters any person from attending before the Appeals Panel, giving evidence or producing any item, record or Document, for the purposes of any proceedings commenced under section 228;

(d) threatens or causes any loss to be suffered by any person who has attended before the Appeals Panel, on account of such attendance; or

(e) threatens or causes any loss to be suffered by any member of the Appeals Panel or any person assisting the Appeals Panel at any time on account of the performance of his functions in that capacity;

(f) engages in conduct, including without limitation the—

(i) destruction of Documents; or

(ii) giving of information that is false or misleading;

that is intended to obstruct the Appeals Panel in the exercise of any of its powers.

(2) A person who commits a contravention under subsection (1) is liable to a financial penalty and may be subject to censure of the Appeals Panel, including by means of publication of a written notice of censure.

(3) Where a person fails to comply with an order, notice, prohibition or requirement of a Appeals Panel made under section 229, the Court may, on application of—

(a) the Appeals Panel; or

(b) the Chief Executive at the request of the Appeals Panel;

make any order as it thinks fit to enforce such order, notice, prohibition or requirement.

Chapter 3 Disciplinary measures

231. **Public censure**

(1) If the Regulator considers that a person has committed a contravention of these Regulations, the Regulator may publish a statement to that effect.

(2) After a statement under subsection (1) is published, the Regulator must send a copy of the statement to any person to whom a copy of the decision notice was given under section 248.

232. **Financial penalties**

(1) If the Regulator considers that a person has committed a contravention of these Regulations, it may impose a penalty on him, in respect of the contravention, of such amount as it considers appropriate.

(2) A penalty may not be imposed on any person under these Regulations in excess of the maximum amount that may be imposed under the ADGM Founding Law.

233. **Suspending a Financial Services Permission or Approval or disqualification of auditorsor actuaries**

(1) If the Regulator considers that an Authorised Person has committed a contravention of these Regulations, it may—

(a) suspend, for such period as it considers appropriate, any Financial Services Permission which the person has to carry on a Regulated Activity; or

(b) impose, for such period as it considers appropriate, such limitations or other restrictions in relation to the carrying on of a Regulated Activity by the person as it considers appropriate.

(2) If the Regulator considers that an Approved Person has committed a contravention of these Regulations, it may suspend, for such period as it considers appropriate, any Approval of the performance by him of any Controlled Function to which the Approval relates.

(3) If the Regulator considers that an auditor oractuary has committed a contravention of these Regulations, it may disqualify the auditor or actuary from being the auditor of, or (as the case may be), from acting as an actuary for, any Authorised Person, Recognised Body or Reporting Entity or any particular class thereof.

(4) A suspension under this sectionmay relate only to the carrying on of an activity or function in specified circumstances.

(5) A suspension under subsection (2)may have effect in relation to part of a function.

(6) A restriction under subsection (1)(b)may, in particular, be imposed so as to require the person concerned to take, or refrain from taking, specified action.

(7) The Regulator may—

(a) withdraw a suspension, restriction or disqualification; or

(b) vary a suspension, restriction or disqualification so as to reduce the period for which it has effect or otherwise to limit its effect.

(8) The power under this section may (but need not) be exercised so as to have effect in relation to all the Regulated Activities that the person concerned carries on.

234. **Prohibition Orders**

(1) The Regulator may make a Prohibition Order if it appears to it that an individual is not a fit and proper person to perform a Controlled Function in relation to a Regulated Activity carried on by an Authorised Person.

(2) A Prohibition Order may relate to—

(a) a Specified Regulated Activity, any Regulated Activity falling within a Specified description or all Regulated Activities; and

(b) all Authorised Persons or all persons within a Specified class of Authorised Person.

(3) An individual who performs or agrees to perform a function in breach of a Prohibition Order contravenes these Regulations.

(4) In proceedings in relation to a contraventioncommitted under subsection (3) it is a defence for the individual to show that he took all reasonable precautions and exercised all due diligence to avoid committing the contravention.

(5) The Regulator may, on the application of the individual named in the order, vary or revoke a Prohibition Order that it has made.

235. **Enforceable undertakings**

(1) The Regulator may accept a written undertaking from a person against whom action could be taken under these Regulations or any Rules made under these Regulations.

(2) An undertaking under subsection (1) may incorporate an agreement by the person making the undertaking—

(a) to pay any sum to any person (including the Regulator); and

(b) to take remedial action.

(3) The person may withdraw or vary the undertaking at any time, but only with the consent of the Regulator.

(4) If the Regulator considers that the person who gave the undertaking has been in breach of any of its terms, it may apply to the Court for an order under subsection (5).

(5) If the Court is satisfied that the person has been in breach of a term of the undertaking, the Court may make all or any of the following orders—

(a) an order directing the person to comply with that term of the undertaking;

(b) an order directing the person to pay to any person or to the Regulator an amount up to the amount of any financial benefit that the person has obtained directly or indirectly and that is reasonably attributable to the breach;

(c) any order that the Court considers appropriate directing the person to compensate any other person who has suffered loss or damage as a result of the breach; or

(d) any other order that the Court considers appropriate.

Part 20Injunctions, Restitution and Actions for Damages

Injunctions

236. Injunctions: general

(1) Where a person has engaged, is engaging or is proposing to engage in conduct that constituted, constitutes or would constitute—

(a) a contravention of these Regulations or any Rules made under these Regulations;

(b) an attempt to contravene these Regulations or any Rules made under these Regulations;

(c) aiding, abetting, counselling or procuring a person to contravene these Regulations or any Rules made under these Regulations;

(d) inducing or attempting to induce, whether by threats, promises or otherwise, a person to contravene these Regulations or any Rules made under these Regulations;

(e) being in any way, directly or indirectly, Knowingly Concerned in, or party to, the contravention by a person of these Regulations or any Rules made under these Regulations; or

(f) conspiring with others to contravene these Regulations or any Rules made under these Regulations;

the Court may, on the application of the Regulator, or of a person whose interests have been, are, or would be affected by the conduct, make one or more of the orders set out in subsection (2).

(2) The Court may, in accordance with subsection (1), make any of the following orders—

(a) an order restraining the person from engaging in the conduct including, but not limited to, engaging in conduct that may constitute a contravention of these Regulations or any Rules made under these Regulations;

(b) an order requiring that person to do any act or thing including, but not limited to, acts or things to remedy the contravention or to minimise loss or damage; or

(c) any other order as the Court sees fit.

(3) Where a person ("A") has refused or failed, is refusing or failing, or is proposing to refuse or fail, to do an act or thing that A is required to do by these Regulations or any Rules made under these Regulations, the Court may, on the application of—

(a) the Regulator; or

(b) any person whose interests have been, are or would be affected by the refusal or failure to do that act or thing;

grant an injunction on such terms as the Court thinks appropriate, requiring A to do that act or thing.

(4) The power of the Court to grant an injunction restraining a person ("A") from engaging in conduct under subsection (2) may be exercised—

(a) whether or not it appears to the Court that A intends to engage again, or to continue to engage, in conduct of that kind;

(b) whether or not A has previously engaged in conduct of that kind; or

(c) whether or not there is an imminent danger of substantial damage to any person if A engages in conduct of that kind.

(5) The power of the Court to grant an injunction requiring a person ("A") to do an act or thing in accordance with subsections (2) or (3) may be exercised—

(a) whether or not it appears to the Court that A intends to refuse or fail again, or to continue to refuse or fail, to do that act or thing;

(b) whether or not A has previously refused or failed to do that act or thing; and

(c) whether or not there is an imminent danger of substantial damage to any person if A refuses or fails to do that act or thing.

(6) Where in the opinion of the Court it is desirable to do so, the Court may grant an interim injunction pending determination of an application under subsection (1).

(7) The Court may discharge or vary an injunction granted under this section.

(8) In proceedings under this section against a person the Court may make an order under section 237 in respect of the person.

237. **Injunctions in cases of investigations and proceedings**

(1) Where—

(a) the Regulator is conducting or has conducted an investigation into the acts or omissions of a person (the "Relevant Person") who may contravene or who may have contravened these Regulations or any Rules made under these Regulations; or

(b) civil or regulatory proceedings have been instituted, by the Regulator or otherwise, against a Relevant Person in relation to an alleged contravention of these Regulations or any Rules made under these Regulations;

the Court may, on application of the Regulator or any aggrieved person, make one or more of the orders set out in subsection (2).

(2) The Court may, in accordance with subsection (1), make one or more of the following orders—

(a) an order restraining the Relevant Person from paying, transferring, disposing of, or otherwise dealing with, any assets of his which he is reasonably likely to dispose of or otherwise deal with;

(b) an order restraining any other person holding assets on behalf of the Relevant Person from paying, transferring, disposing of, or otherwise dealing with, any assets of the Relevant Person which are reasonably likely to be disposed of or otherwise dealt with;

(c) an order prohibiting the Relevant Person or any other person from taking or sending out of the jurisdiction of the Court or out of the Abu Dhabi Global Market any assets of the Relevant Person or held on his behalf;

(d) in the event that the Relevant Person is a natural person, an order appointing a receiver or trustee, having such powers as the Court may see fit, of the property or any of the property of the Relevant Person;

(e) in the event that the Relevant Person is a Body Corporate, an order appointing a receiver or receiver and manager, having such powers as the Court may see fit, of the property or any of the property of the Relevant Person;

(f) in the event that the Relevant Person is a natural person, an order requiring him to deliver up to the Court his passport and such other Documents as the Court sees fit; or

(g) in the event that the Relevant Person is a natural person, an order prohibiting him from leaving the jurisdiction of the Court or of the Abu Dhabi Global Market without the consent of the Court.

(3) Nothing in this section or section236 affects any other powers that any person or the Court may have apart from as provided for under such sections.

238. **Injunctions in cases of Market Abuse**

(1) If, on the application of the Regulator, the Court is satisfied—

(a) that there is a reasonable likelihood that any person will engage in Market Abuse; or

(b) that any person is or has engaged in Market Abuse and that there is a reasonable likelihood that the Market Abuse will continue or be repeated;

the Court may make an order restraining the Market Abuse.

(2) If on the application of the Regulator the Court is satisfied—

(a) that any person is or has engaged in Market Abuse; and

(b) that there are steps which could be taken for remedying the Market Abuse;

the Court may make an order requiring him to take such steps as the Court may direct to remedy it.

(3) Subsection (4) applies if, on the application of the Regulator, the Court is satisfied that any person—

(a) may be engaged in Market Abuse; or

(b) may have been engaged in Market Abuse.

(4) The Court may make an order restraining the person concerned from disposing of, or otherwise dealing with, any assets of his which it is satisfied that he is reasonably likely to dispose of, or otherwise deal with.

(5) In subsection (2), references to remedying any Market Abuse include references to mitigating its effect.

Restitution orders

239. **Restitution orders**

(1) The Court may, on the application of the Regulator, make an order under subsection (2) if it is satisfied that a person has contravened these Regulations or any Rules made under these Regulations, or been Knowingly Concerned in suchcontravention, and—

(a) that profits have accrued to him as a result of the contravention; or

(b) that one or more persons have suffered loss or been otherwise adversely affected as a result of the contravention.

(2) The Court may order the person concerned to pay to the Regulator such sum as appears to the Court to be just and equitable having regard—

(a) in a case within paragraph (a) of subsection (1), to the profits appearing to the Court to have accrued;

(b) in a case within paragraph (b) of subsection (1), to the extent of the loss or other adverse effect;

(c) in a case within both of those paragraphs, to the profits appearing to the Court to have accrued and to the extent of the loss or other adverse effect.

(3) Any amount paid to the Regulator in pursuance of an order under subsection (2) must be paid by it to such Qualifying Person or distributed by it among such Qualifying Persons as the Court may direct.

(4) On an application under subsection (1) the Court may require the person concerned to supply it with such accounts or other information as it may require for any one or more of the following purposes—

(a) establishing whether any and, if so, what profits have accrued to him as mentioned in paragraph (a) of subsection (1);

(b) establishing whether any person or persons have suffered any loss or adverse effect as mentioned in paragraph (b) of subsection (1) and, if so, the extent of that loss or adverse effect; and

(c) determining how any amounts are to be paid or distributed under subsection (3).

(5) The Court may require any accounts or other information supplied under subsection (4) to be verified in such manner as it may direct.

(6) Nothing in this section affects the right of any person other than the Regulator to bring proceedings in respect of the matters to which this section applies.

240. **Restitution orders in cases of Market Abuse**

(1) The Court may, on the application of the Regulator, make an order under subsection (4) if it is satisfied that a person (the "Person Concerned")—

(a) has engaged in Market Abuse; or

(b) by taking or refraining from taking any action has required or encouraged another person or persons to engage in Behaviour which, if engaged in by the Person Concerned, would amount to Market Abuse;

and the condition mentioned in subsection (2) is fulfilled.

(2) The condition is that—

(a) profits have accrued to the Person Concerned as a result; or

(b) one or more persons have suffered loss or been otherwise adversely affected as a result.

(3) But the Court may not make an order under subsection (4) if it is satisfied that—

(a) the Person Concerned believed, on reasonable grounds, that his Behaviour did not fall within paragraph (a) or (b) of subsection (1); or

(b) he took all reasonable precautions and exercised all due diligence to avoid behaving in a way which fell within paragraph (a) or (b) of subsection (1).

(4) The Court may order the Person Concerned to pay to the Regulator such sum as appears to the Court to be just having regard—

(a) in a case within paragraph (a) of subsection (2), to the profits appearing to the Court to have accrued;

(b) in a case within paragraph (b) of subsection (2), to the extent of the loss or other adverse effect;

(c) in a case within both of those paragraphs, to the profits appearing to the Court to have accrued and to the extent of the loss or other adverse effect.

(5) Any amount paid to the Regulator in pursuance of an order under subsection (4) must be paid by it to such Qualifying Person or distributed by it among such Qualifying Persons as the Court may direct.

(6) On an application under subsection (1) the Court may require the Person Concerned to supply it with such accounts or other information as it may require for any one or more of the following purposes—

(a) establishing whether any and, if so, what profits have accrued to him as mentioned in paragraph (a) of subsection (2);

(b) establishing whether any person or persons have suffered any loss or adverse effect as mentioned in paragraph (b) ofsubsection (2)and, if so, the extent of that loss or adverse effect; and

(c) determining how any amounts are to be paid or distributed under subsection (5).

(7) The Court may require any accounts or other information supplied under subsection (6) to be verified in such manner as it may direct.

(8) Nothing in this section affects the right of any person other than the Regulator to bring proceedings in respect of the matters to which this section applies.

241. **Power of the Regulator to require restitution**

(1) The Regulator may exercise the power in subsection (5) if it is satisfied that an Authorised Person, ~~or~~ Recognised Body, Remote Body or Remote Member (the "Person Concerned") has contravened these Regulations or any Rules made under these Regulations, or been Knowingly Concerned in such contravention, and—

(a) that profits have accrued to him as a result of the contravention; or

(b) that one or more persons have suffered loss or been otherwise adversely affected as a result of the contravention.

(2) The Regulator may exercise the power in subsection (5) if it is satisfied that a person (the "Person Concerned")—

(a) has engaged in Market Abuse; or

(b) by taking or refraining from taking any action has required or encouraged another person or persons to engage in Behaviour which, if engaged in by the Person Concerned, would amount to Market Abuse;

and the condition mentioned in subsection (3) is fulfilled;

(3) The condition is that—

(a) profits have accrued to the Person Concerned as a result of the Market Abuse; or

(b) one or more persons have suffered loss or been otherwise adversely affected as a result of the Market Abuse.

(4) But the Regulator may not exercise that power as a result of subsection (2) if, having considered any representations made to it in response to a warning notice, there are reasonable grounds for it to be satisfied that—

(a) the Person Concerned believed, on reasonable grounds, that his Behaviour did not fall within paragraph (a) or (b) of that subsection; or

(b) he took all reasonable precautions and exercised all due diligence to avoid behaving in a way which fell within paragraph (a) or (b) of that subsection.

(5) The power referred to in subsections (1) and (2) is a power to require the Person Concerned, in accordance with such arrangements as the Regulator considers appropriate, to pay to the Appropriate Person or distribute among the Appropriate Persons such amount as appears to the Regulator to be just having regard—

(a) in a case within paragraph (a) of subsection (1) or (3), to the profits appearing to the Regulator to have accrued;

(b) in a case within paragraph (b) of subsection (1) or (3), to the extent of the loss or other adverse effect;

(c) in a case within paragraphs (a) and (b) of subsection (1) or (3), to the profits appearing to the Regulator to have accrued and to the extent of the loss or other adverse effect.

242. **Actions for damages**

(1) Unless otherwise provided under Rules made by the Regulator, where a person (whether or not a Private Person)—

(a) intentionally, recklessly or negligently commits a breach of duty, requirement, prohibition, obligation or responsibility imposed by or under these Regulations; or

(b) commits fraud or other dishonest conduct in connection with a matter arising under such Regulations;

that person is liable to compensate any other person for any loss or damage caused to that other person as a result of such conduct, and otherwise is liable to restore such other person to the position they were in prior to such conduct.

(2) The Court may, on application of the Regulator or a person who has suffered loss or damages caused as a result of conduct described in subsection (1), make orders for the recovery of damages or for compensation or for the recovery of property or for any other

order as the Court sees fit, except where such liability is excluded under these Regulations or any Rules made by the Regulator.

(3) Nothing in this section affects the powers that any person or the Court may have apart from this section.

243. **Power of the Regulator to intervene in proceedings**

(1) The Regulator may intervene as a party in any proceedings in the Court where it considers such intervention appropriate to meet one or more of its objectives.

(2) Where the Regulator so intervenes, it shall, subject to any other law, have all the rights, duties and liabilities of such a party.

244. **Compulsory Winding up**

(1) Where it appears to the Regulator that it is just and equitable in the interests of the Abu Dhabi Global Market that a Company which is or has been—

(a) an Authorised Person or Recognised Body; or

(b) carrying on Regulated Activities in breach of the General Prohibition;

should be wound up, it may apply to the Court for, and the Court may make orders considered necessary and desirable for, the winding up of such Company.

245. **Undertakings as to damages**

(1) If the Regulator makes an application to the Court for the grant of an injunction under these Regulations, the Court must not require the Applicant or any other person, as a condition of granting an interim injunction, to give any undertakings as to damages.

Part 21Enforcement Procedure

246. **Requirement to give warning notices**

(1) If the Regulator proposes to exercise any of the following powers, it must give a warning notice to any person in relation to whom the power is proposed to be exercised—

(a) exercising its power under section 30(4)(a) or (b) on giving a Financial Services Permission;

(b) exercising its power under section 35(1) in connection with an Application for a Financial Services Permission;

(c) exercising its power under section 30(4)(a) or (b) in relation to the variation of a Financial Services Permission on the application of an Authorised Person;

(d) exercising its power under section 35(1) in connection with an application for the variation of a Financial Services Permission;

(e) exercising its power under section 33(2)(b) to cancel a Person's Financial Services Permission otherwise than at the Person's request;

(f) refusing an application made under Part 4;

(g) withdrawing approval under section 46;

(h) refusing an Application for Approval or granting the Application subject to any conditions or for a limited period (or both) under section 45(2);

(i) refusing an Application under section 47 or granting the Application subject to any conditions or for a limited period (or both) under section 47(1);

(j) refusing an Application for Listing, or imposing conditions or restrictions in relation to such an Application, under section 52(1);

(k) refusing an application by the Issuer of Financial Instruments for the Discontinuance or Suspension of the Listing of the Financial Instruments under section 55;

(l) refusing an application by the Issuer of Financial Instruments for the cancellation of a Suspension of Listing under section 55(4);

(m) refusing approval to a Prospectus under Rules made under section 61;

(n) exercising its power under section 72(4) on its own initiative;

(o) exercising the power of Direction in section 84;

(p) refusing an application under section 72(4)(a)(ii) or imposing any conditions or restrictions in respect of a declaration made following such application;

(q) exercising its powers under section 202;

(r) publishing a statement under section 231;

(s) imposing a financial penalty under section 232;

(t) exercising its powers under section 233;

(u) imposing a Prohibition Order under section 234 or refusing an application for variation or revocation of such an order made under subsection (5) of that section;

(v) refusing an Application for registration of a Public Fund under section 109;

(w) withdrawing the registration of a Public Fund under section 111;

(x) giving a Direction under section 111(3);

(y) giving a Direction under section 117;and

(z) exercising its power under section 241(5).

(2) In the case of an exercise of powers under section 111, a warning notice shall also be given to the Fund Manager and Trustee of the Public Fund concerned.

247. **Warning notices**

(1) A warning notice must, to the extent applicable—

(a) state the action which the Regulator proposes to take;

(b) be in writing;

(c) give reasons for the proposed action;

(d) state whether—

(i) section 255 applies; and

(ii) if that section applies, describe its effect and state whether any Secondary Material exists to which the person concerned must be allowed access under it;

(e) provide a reasonable period within which the person to whom the warning notice is given can make representations to the Regulator;

(f) provide for the possibility of an extension of the period outlined in paragraph (e);

(g) state the amount of any monetary payment to be made;

(h) state the period for which any suspension, limitation or restriction is to have effect; and

(i) state the terms of any statement to be published.

(2) Once the Regulator has provided a warning notice in accordance with subsection (1), the Regulator must then decide, within a reasonable period, whether to give the person concerned a decision notice.

248. **Requirement to give decision notice**

If the Regulator decides to exercise any of the powers specified in section 241, it must give a decision notice to every person in relation to whom a warning notice was given under section 247.

249. **Decision notices**

(1) A decision notice, must, to the extent applicable—

(a) state the action which the Regulator has decided to take;

(b) be in writing;

(c) give the reasons of the Regulator for taking the action to which the notice relates;

(d) state whether—

(i) section 255 applies;

(ii) if that section applies, describe its effect and state whether any Secondary Material exists to which the person concerned must be allowed access under it; and

(e) inform the person concerned of itsright to have the matter referred to the Regulatory Committee which is given by these Regulations;

(f) state the amount of any monetary payment to be made;

(g) state the period for which any suspension, limitation or restriction is to have effect; and

(h) state the terms of any statement to be published;

(i) when ordering restitution in the form of payment—

(i) state the amount that is to be paid or distributed;

(ii) identify the person or persons to whom that amount is to be paid or among whom that amount is to be distributed; and

(iii) state the arrangements in accordance with which the payment or distribution is to be made.

(2) If the decision notice was preceded by a warning notice, the action to which the decision notice relates must be action under the same provision of these Regulations as the action proposed in the warning notice.

(3) The Regulator may, before it takes the action to which a decision notice (the "Original Notice") relates, give the person concerned a further decision notice which relates to different action in respect of the same matter.

(4) The Regulator may give a further decision notice as a result of subsection (3) only if the person to whom the Original Notice was given consents.

(5) If the person to whom a decision notice is given under subsection (3) had the right to refer the matter to which the original decision notice related to the Regulatory Committee, he has that right as respects the decision notice under subsection (3).

Conclusion of proceedings

250. **Notices of Discontinuance**

(1) If the Regulator decides not to take—

(a) the action proposed in a warning notice given by it; or

(b) the action to which a decision notice given by it relates;

it must give a Notice of Discontinuance to the person to whom the warning notice or decision notice was given.

(2) But subsection (1) does not apply if the discontinuance of the proceedings concerned results in the granting of an application made by the person to whom the warning or decision notice was given.

(3) Any Notice of Discontinuance must—

(a) state that, if the person to whom the notice is given consents, the Regulator may publish such information as it considers appropriate about the matter to which the discontinued proceedings related; and

(b) be accompanied by a statement that, if the person to whom the notice is copied consents, the Regulator may publish such information as it considers appropriate about the matter to which the discontinued proceedings related, so far as relevant to that person.

(4) A Notice of Discontinuance must identify the proceedings which are being discontinued.

251. **Final notices**

(1) If the Regulator has given a person a decision notice and the matter was not referred to the Regulatory Committee (or a decision of the Regulatory Committee in relation to the matter was not appealed to the Appeals Panel) within the time required by any procedures of the Regulatory Committee or, if applicable, the Appeals Panel, the Regulator must, on taking the action to which the decision notice relates, give the person concerned and any person to whom the decision notice was copied, a final notice.

(2) If the Regulator has given a person a decision notice and the matter was referred to the Regulatory Committee (or a decision of the Regulatory Committee in relation to the matter was appealed to the Appeals Panel), the Regulator must, on taking action in accordance with any directions given by the Regulatory Committee or Appeals Panel, give that person and any person to whom the decision notice was copied, the notice required by subsection (3).

(3) The notice required by this subsection is—

(a) in a case where the Regulator is acting in accordance with a direction given by the Regulatory Committee or Appeals Panel, a further decision notice; and

(b) in any other case, a final notice.

(4) A final notice must, to the extent applicable—

(a) state the amount of any monetary payment to be made;

(b) state the period for which any suspension, limitation or restriction is to have effect;

(c) state the terms of any statement to be published;

(d) when ordering restitution in the form of payment—

(i) state the amount that is to be paid or distributed;

(ii) identify the person or persons to whom that amount is to be paid or among whom that amount is to be distributed; and

(iii) state the arrangements in accordance with which the payment or distribution is to be made.

(5) If all or any of a required payment has not been made at the end of a period stated in a final notice, the obligation to make the payment is enforceable as a debt by the person entitled to the payment.

Publication

252. **Publication**

(1) A warning notice can only be published following a written agreement allowingPublication entered into between the Regulator and the person to whom the notice was addressed.

(2) Where the Regulator and the person to whom the notice was addressed have not agreed to publish the warning notice in accordance with subsection (1), neither the Regulator nor a person to whom the notice is given or copied may publish the notice or any details concerning it.

(3) A decision notice, final notice or any other notice in relation to the exercise of the Regulator's powers (other than a warning notice), and details about the matter to which such notice relates, may be published by the Regulator at its discretion.

(4) A person to whom a notice specified in subsection (3)is given or copied may not publish the notice or any details concerning it unless the Regulator has published the notice or those details in accordance with its power in subsection (3).

(5) The Regulator may determine not to publish information under this section if, in its opinion, Publication of the information would be—

(a) unfair to the person with respect to whom the action was taken (or was proposed to be taken);

(b) prejudicial to the interests of Customers; or

(c) detrimental to the stability of the Abu Dhabi Global Market Financial System.

(6) Any information published under this section is to be so published in such manner as the Regulator considers appropriate.

(7) For the purposes of these Regulations, a matter to which the notice relates is open to review if—

(a) the period during which any person may refer the matter to the Regulatory Committee or, appeal any decision of the Regulatory Committee in relation to the matter to the Appeals Panel, is still running; or

(b) the matter has been referred to the Regulatory Committee (or a decision of the Regulatory Committee in relation to the matter has been appealed to the Appeals Panel) but has not been dealt with.

Third Party rights and access to evidence

253. **Application of sections 254 and 255**

Sections 254 and 255 apply to—

(a) a warning notice given in accordance with section246(1)(e), (g), (n), (r), (s), (t), (u), (w), (x), (y) or (z); and

(b) a decision notice given following a warning notice falling within paragraph (a) and in relation to the same matter as the warning notice.

254. **Third Party rights**

(1) If any of the reasons contained in a warning notice to which this section applies relates to a matter which—

(a) identifies a person (the "Third Party") other than the person to whom the notice is given; and

(b) in the opinion of the Regulator, is prejudicial to the Third Party;

a copy of the notice must be given to the Third Party.

(2) Subsection (1) does not require a copy to be given to the Third Party if the Regulator—

(a) has given him a separate warning notice in relation to the same matter; or

(b) gives him such a notice at the same time as it gives the warning notice which identifies him.

(3) The notice copied to a Third Party under subsection (1) must specify a reasonable period within which he may make representations to the Regulator.

(4) If any of the reasons contained in a decision notice to which this section applies relates to a matter which—

(a) identifies a person (the "Third Party") other than the person to whom the decision notice is given; and

(b) in the opinion of the Regulator, is prejudicial to the Third Party;

a copy of the notice must be given to the Third Party.

(5) If the decision notice was preceded by a warning notice, a copy of the decision notice must (unless it has been given under subsection (4)) be given to each person to whom the warning notice was copied.

(6) Subsection (4) does not require a copy to be given to the Third Party if the Regulator—

(a) has given him a separate decision notice in relation to the same matter; or

(b) gives him such a notice at the same time as it gives the decision notice which identifies him.

(7) Neither subsection (1) nor subsection (4) requires a copy of a notice to be given to a Third Party if the Regulator considers it impractical to do so.

(8) Subsections (9) to (11) apply if the person to whom a decision notice is given has a right to refer the matter to the Regulatory Committee.

(9) A person to whom a copy of the notice is given under this section may refer to the Regulatory Committee—

(a) the decision in question, so far as it is based on a reason of the kind mentioned in subsection (4); or

(b) any opinion expressed by the Regulator in relation to him.

(10) The copy must be accompanied by an indication of the Third Party's right to make a reference under subsection (9).

(11) A person who alleges that a copy of the notice should have been given to him, but was not, may refer to the Regulatory Committee the alleged failure and—

(a) the decision in question, so far as it is based on a reason of the kind mentioned in subsection (4); or

(b) any opinion expressed by the Regulator in relation to him.

(12) Section 255 applies to a Third Party as it applies to the person to whom the notice to which this section applies was given, in so far as the material to which access must be given under that section relates to the matter which identifies the Third Party.

(13) A copy of a notice given to a Third Party under this section must be accompanied by a description of the effect of section 255 as it applies to him.

(14) Any person to whom a warning notice or decision notice was copied under this section must be given a copy of a Notice of Discontinuance applicable to the proceedings to which the warning notice or decision notice is related.

255. **Access to Regulator material**

(1) If the Regulator gives a person ("A") a notice to which this section applies, it must—

(a) allow him access to the material on which it relied in making the decision which gave rise to the obligation to give the notice;

(b) allow him access to any Secondary Material which, in the Regulator's opinion, might undermine that decision.

(2) But the Regulator giving the notice does not have to allow A access to material under subsection (1) if the material is a Protected Item or it—

(a) relates to a case involving a person other than A; and

(b) was taken into account by the Regulator in A's case only for purposes of comparison with other cases.

(3) The Regulator may refuse A access to particular material which it would otherwise have to allow him access to if, in its opinion, allowing him access to the material—

(a) would not be in the public interest; or

(b) would not be fair, having regard to—

(i) the likely significance of the material to A in relation to the matter in respect of which he has been given a notice to which this section applies; and

(ii) the potential prejudice to the commercial interests of a person other than A which would be caused by the material's disclosure.

(4) If the Regulator does not allow A access to material because it is a Protected Item, it must give A written notice of—

(a) the existence of the Protected Item; and

(b) the Regulator's decision not to allow him access to it.

(5) If the Regulator refuses under subsection (3) to allow A access to material, it must give him written notice of—

(a) the refusal; and

(b) the reasons for it.

The Regulator's procedures

256. **The Regulator's procedures**

(1) The Regulator must determine the procedure that it proposes to follow in relation to the exercise of—

(a) any power giving rise to an obligation to give a notice under sections 246 or 248;

(b) its Own-Initiative Powers;

(c) its powers under section 48;

(d) its powers under section 53;

(e) its powers under section 71;

(f) its powers under section 135; or

(g) its powers under Part 14.

(2) That procedure must be designed to secure, among other things thata decision to exercise any power specified in subsection (1) is taken—

(a) by a person not directly involved in establishing the evidence on which the decision is based; or

(b) by two or more persons who include a person not directly involved in establishing that evidence.

Part 22General

257. **Exercise of Powers**

(1) Any power which the Regulator has under any provision of these Regulations is not limited in any way by any other power which it has under any other provision of these Regulations.

(2) The exercise of any power under a provision of these Regulations in relation to a matter shall not prejudice the Regulator's power to exercise any other powers in relation to the same matter.

258. **Definitions**

(1) In these Regulations, unless the context otherwise requires—

Abu Dhabi Global Market Financial Systemor **ADGM Financial System**	means the financial system operating in the Abu Dhabi Global Market and includes— (a) financial markets including trading venues; (b) Regulated Activities; and (c) other activities relating to paragraphs (a) and (b).
Accepted Market Practices	means, for the purposes of Part 8,practices that are reasonably expected in the financial market or markets in question~~and are accepted by the Regulator~~.
Accepting Deposits	means the Regulated Activity specified in paragraph 38 of Schedule 1.
Acting as a Central Securities Depository	means holding securities in dematerialised form to enable book entry transfer of such securities for the purposes of Clearingor settlement of transactions executed on a facility operated by a Recognised Investment Exchange, MTF or OTF or a similar facility regulated and supervised by a Non-Abu Dhabi Global Market Regulator.
Acting as an Insolvency Practitioner	is to be read with section 290 of the Insolvency Regulations 2015 and, in any provision of Schedule 1which provides for activities to be excluded from a Regulated Activity, references to things done by a person acting— (a) as an Insolvency Practitioner; or (b) in reasonable contemplation of that person's

	appointment as an Insolvency Practitioner; include anything done by the Person's Firm in connection with that person so acting.
Acting as the Administrator of a Collective Investment Fund	means the Regulated Activity specified in paragraph 60 of Schedule 1.
Acting as the Trustee of an Investment Trust	means the Regulated Activity specified in paragraph 61 of Schedule 1.
ADGM Founding Law	Means Abu Dhabi Law No. 4 of 2013 concerning the ADGM issued by His Highness the Ruler of the Emirate of Abu Dhabi.
Administering a Specified Benchmark	means the Regulated Activity specified in paragraph 68(1)(b) of Schedule 1.
Administration	shall be construed in accordance with section 1(2) of the Insolvency Regulations 2015.
Administrator	has the meaning given to that term in section 1(1) of the Insolvency Regulations 2015.
Administrative Receiver	has the meaning given to that term in section 152 of the Insolvency Regulations 2015.
Advising on Investments or Credit	means the Regulated Activity specified in paragraph 28 of Schedule 1.
Affiliate	means, for the purposes of section 202 and in relation to an Authorised Person or Recognised Body, any other entity in the Group to which the Authorised Person or Recognised Body belongs.
Agreeing to Carry On a Specified Kind of Activity	means the Regulated Activity specified in paragraph 70 of Schedule 1.
Agreement	means— (a) for the purposes of section 21, an agreement— (i) made after that section comes into force; and (ii) the making or performance of which constitutes, or is part of, the Regulated Activity in question; and (b) for the purposes of section 22, an agreement— (i) made after that section comes into

	force; and (ii) the making or performance of which constitutes, or is part of, the Regulated Activity in question carried on by the Provider.
Annuities on Human Life	does not include superannuation allowances and annuities payable out of any fund applicable solely to the relief and maintenance of persons engaged, or who have been engaged, in any particular profession, trade or employment, or of the dependants of such persons.
Appeals Panel	means the panel Appointed by the Board in accordance with section 227.
Applicant	means the Personperson applying for a Financial Services Permission under section 27,or its variation under section 32, and any other Personapart from for the purposes of— (a) section 25, where it means the person seeking to enforce the agreement or obligation or retain the money or property paid or transferred; (b) Part 5, where it means an applicant making an application under section 44; (c) Part 6, where it means the person applying for admission to the Official List; (d) Part 7, where it means the person applying for an order sanctioning a scheme under section 86; (e) Part 11, where it means the Fund Manager or Trustee applying for registration of a Domestic Fund which is a Public Fund in accordance with section 107; (f) Part 12, where it means a Body Corporate which has applied for a Recognition Orderrecognition order; and (f) section 245, where it means the person applying to the Court for the grant of an injunction.
Application	means, for the purposes of— (a) section 5and Part 4, an application for a Financial Services Permission under section 27; (b) Part 5, an application made under section 44;

	(c) Part 6, an application for admission to the Official List; (d) Part 7, an application for an order sanctioning a Transfer Scheme under section 86; (e) Chapter 2 of Part 11, an application for registration of a Public Fund; (f) Part 12, an application for a Recognition Order~~recognition order~~; and (g) section 165, an application made by a Non-Abu Dhabi Global Market Clearing House or Non-Abu Dhabi Global Market Investment Exchange for recognition of its Default Rules.
Appointed	means appointed under or as a result of these Regulations.
Appropriate Person	means a person appearing to the Regulator to be someone— (a) to whom the profits mentioned in sections 241(1)(a) or 241(3)(a) are attributable; or (b) who has suffered the loss or adverse effect mentioned in sections 241(1)(b) and 241(3)(b).
Approval	means the approval granted in accordance with section 45.
Approved Person	means a person in relation to whom an Approval is given under section 43.
Approved Prospectus	means, in relation to Securities to which section 61 applies, a Prospectus approved by the Regulator.
Arranging Credit	means the Regulated Activity specified in paragraph 50 of Schedule 1.
Arranging Custody	means the Regulated Activity specified in paragraph 46 of Schedule 1.
Arranging Deals in Investments	means the Regulated Activity specified in paragraph 16 of Schedule 1.
Asset	means, for the purposes of section 168(8)(b), collateral held to cover positions and includes the right to the transfer of assets equivalent to that collateral or the proceeds of the realisation of any collateral, but does

	not include Default Fund Contributions.
Assets Requirement	has the meaning given to that term in section 38(3).
Authorised Person	for the purposes of— (a) section 201, includes a person who was at any time an Authorised Person but who has ceased to be an Authorised Person; and (b) all other provisions, a person who has a Financial Services Permission to carry on one or more Regulated Activities.
Bank	means an Authorised Person which holds a Financial Services Permission to carry on the Regulated Activity of Accepting Deposits.
Behaviour	means for the purposes of Part 8, action or inaction.
Benchmark	means an index, rate or price that— (a) is determined from time to time by reference to the state of the market; (b) is made available to the public (whether free of charge or on payment); and (c) is used for reference for purposes that include one or more of the following— (i) determining the interest payable, or other sums due, under loan agreements or under other contracts relating to investments; (ii) determining the price at which investments may be bought or sold or the value of investments; and (iii) measuring the performance of investments.
Board[4]	means the Board of Directors of the Abu Dhabi Global Market.
Body Corporate	means a company incorporated under the Companies Regulations 2015 and any body corporate constituted under the law of a country, territory or jurisdiction

[4]Amended 12 June 2017.

	outside the Abu Dhabi Global Market.
Borrower	means a person who receives Credit under a Credit Agreement or a person to whom the rights and duties of a borrower under a Credit Agreement have passed by assignment or operation of law.
Business	means, for the purposes of section 205 any part of a business even if it does not consist of carrying on Regulated Activities.
Business Day	means any day which is not a Friday or Saturday or a public holiday in the Abu Dhabi Global Market.
Buy or Buying	includes, for the purposes of Schedule 1, acquiring for valuable consideration.
Carrying Out Contracts of Insurance as Principal	means the Regulated Activity specified in paragraph 32 of Schedule 1.
Cash	includes money in any form.
Chairman	means the chairman of the members of the Regulatory Committee Appointed in accordance with section 224.
Charge	means any form of security, including, for the purposes of section 38 and Part 13, a mortgage.
Chief Executive	means— (a) for the purposes ofPart 1 andPart 19, the head of the management of the Regulator; (b) in relation to a Body Corporate whose principal place of business is within the Abu Dhabi Global Market, an employee of that body who, alone or jointly with one or more others, is responsible under the immediate authority of the Directors, for the conduct of the whole of the business of that body; and (c) in relation to a Body Corporate whose principal place of business is outside the Abu Dhabi Global Market, means the person who, alone or jointly with one or more others, is responsible for the conduct of its business within the Abu Dhabi Global Market.
Class of Derivatives	means a subset of Derivatives sharing common and essential characteristics including at least the relationship with the underlying asset, the type of underlying asset, and currency of notional amount.

	Derivatives belonging to the same class may have different maturities.
Clearing	means, in relation to a Recognised Clearing House or Remote Clearing House, the process of establishing positions with the Recognised Clearing House or Remote Clearing House, including the calculation of net obligations and ensuring that Financial Instruments, Cash, or both, are available to secure the exposures arising from those positions.
Clearing Member	means— (a) in relation to a Recognised Clearing House or Remote Clearing House, an undertaking which participates in a Recognised Clearing House or Remote Clearing House and which is responsible for discharging the financial obligations arising from that participation; and (b) for the purposes of section 165, a clearing member to which thelaw of the Abu Dhabi Global Market will apply for the purposes of an Administration or Winding-Up.
Clearing Member Client Contract	means a contract between a Recognised Clearing House or Remote Clearing House and one or more of the parties mentioned in section 151(6)which is recorded in the accounts of the Recognised Clearing House as a position held for the account of a Client, an Indirect Client or a group of Clients or Indirect Clients.
Clearing Member House Contract	means a contract between a Recognised Clearing House or Remote Clearing House and a Clearing Member recorded in the accounts of the Recognised Clearing House or Remote Clearing House as a position held for the account of a Clearing Member.
Clearing Services	means, for the purposes of Part 13— (a) the services provided by a Recognised Body or Remote Body in connection with contracts between each of the parties or the Recognised Body or Remote Body(in place of, or as an alternative to, a contract directly between the parties); (b) the services provided by a Recognised Body or Remote Body to another Recognised Body or Remote Bodyin connection with contracts between them; or

	(c) the services provided by a Recognised Investment Exchange to a Recognised Clearing House or to another Recognised Investment Exchange in connection with contracts between them; for the purpose of enabling the rights and liabilities of that member, ~~or~~ Recognised Investment Exchange, Remote Body or other Recognised Clearing House under a transaction to be settled.
Client	meansfor the purposes of Part 13, a client— (a) which offers Indirect Clearing Services; and (b) to which Regulations will apply for the purposes of an Administration or Winding-Up.
Client Money	means the money held by an Authorised Person that is to be handled in accordance with Rules made under section 4.
Client Trade	means a contract between two or more of the parties mentioned in section 151(6) which corresponds to a Clearing Member Client Contract.
Close Relative	means, in relation to a person— (a) his spouse; (b) his children and step children, his parents and step parents, his brothers and sisters and his step brothers and step sisters; and (c) the spouse of any person within paragraph (b).
Collateral Security Arrangements	has the meaning given to that term in section 167(1).
Collective Investment Fund	has the meaning given to that term in section 106(1).
Commodity Derivative	means investments falling within paragraphs 94, 95and 96of Schedule 1, in so far as those investments relate to commodities.
Company	means— (a) any Body Corporate (wherever incorporated); and (b) any unincorporated body constituted under the law of a country, territory or jurisdiction outside the Abu Dhabi Global Market.

Confidential Information	means information which, regardless of whether or not the information was received by virtue of a requirement to provide it imposed by or under these Regulations— (a) relates to the business or other affairs of any person; and (b) was received by the recipient for the purposes of, or in the discharge of, any functions of the Regulator under any Rules made by or under these Regulations; unless— (c) the information has been made available to the public by virtue of being disclosed in any circumstances in which, or for any purposes for which, disclosure is not precluded by this section; or (d) it is in the form of a summary or collection of information so framed that it is not possible to ascertain from it information relating to any particular person.
Connected Person	has the meaning given to that term in the Rules made by the Regulator in accordance with section 76(2)(a).
Constitution	means, in relation to a Fund— (a) which is in the form of a Body Corporate, the instrument of incorporation; (b) which is in the form of an Investment Trust, the Trust Deed; (c) which is in the form of a Partnership, the partnership deed; and (d) adopting a form other than the one specified in paragraphs (a) to (c), any instrument creating the legal form of the Fund to which the Fund Manager is a party setting out provisions relating to any aspect of the operation or management of the Fund.
Contract of Insurance	has the meaning given to that term in Part 4 of Schedule 1.
Contract of Long-Term Insurance	means a Contract of Insurance, expressed to be in force for more than one year, where under the terms of the contract any of the following conditions exists—

	(a) the payment of the whole or part of the benefits is dependent upon the termination or continuation or human life; (b) the payment of any part of the premiums is dependent upon the termination or continuation of human life; (c) the benefits under the contract include payment of a sum on marriage or on the birth of a child; or (d) the contract is a permanent health insurance contract.
Control	has the meaning given to that term in the Rules made by the Regulator.
Control of Information Rules	means the Rules made by the Regulator under section 7(3).
Controlled Function	means, in relation to the carrying on of a Regulated Activity by an Authorised Person, a function of a description specified in the Rules made by the Regulator.
Controller	has the meaning given to that term in the Rules made by the Regulator.
Corporate Governance	in relation to a~~n Issuer~~ Reporting Entity, includes— (a) the nature, constitution or functions of the organs of the Reporting Entity~~Issuer~~; (b) the manner in which organs of the Reporting Entity~~Issuer~~ conduct themselves; (c) the requirements imposed on organs of the Reporting Entity~~Issuer~~; (d) the relationship between the different organs of the Reporting Entity~~Issuer~~; and (e) the relationship between the organs of the Reporting Entity~~Issuer~~ and the members of the Reporting Entity~~Issuer~~ or holders of the Reporting Entity's~~Issuer's~~ Financial Instruments.
Counterparty Credit Risk	means the risk that the counterparty to a transaction defaults before the final settlement of the transaction's cash flows.
Court of First Instance	means the Abu Dhabi Global Market court of first

	instance established under the ADGM Founding Law.
Credit	includes any Cash loan or other financial accommodation.
Credit Agreement	means any facility which includes any arrangement or agreement which extends monetary Credit whether funded or unfunded to an individual including but not limited to any loan or syndicated loan, mortgage, overdraft, financial lease, letter of credit, financial guarantee, trade finance, transaction finance, project finance or asset finance.
Credit Rating Activities	has the meaning given to that term in paragraph 65(2)(a) of Schedule 1.
Customer	(a) means, for the purposes of Schedule 1 and Schedule 2, a person, other than an individual, to whom a supplier sells goods or supplies services, or agrees to do so, and, where the Customer is a member of a Group, also means any other member of that Group; and (b) means, for all other purposes, a person who is using, or who is or may be contemplating using, any of the services provided by an Authorised Person.
Dealing in Investments as Agent	means the Regulated Activity specified in paragraph 12 of Schedule 1.
Dealing in Investments as Principal	means the Regulated Activity specified in paragraph 4 of Schedule 1.
Defaulter	means, for the purposes of— (a) Part 13, a person in respect of whom action has been taken by a Recognised Body or Remote Bodyunder its Default Rules, whether by declaring him to be a defaulter or otherwise, and the terms "Default", "Defaults", "Defaulting" and "Non-Defaulting" shall be construed accordingly; and (b) Part 17, the person described in section 214(1).
Default Fund Contribution	means— (a) contribution by a member or Designated Non-Member of a Recognised Investment Exchange or Remote Investment Exchange to a

	fund which— (i) is maintained by that Recognised Investment Exchange or Remote Investment Exchange for the purpose of covering losses arising in connection with Defaults by any of the members of the Recognised Investment Exchange or Remote Investment Exchange, or Defaults by any of the members or Designated Non-Members of the Recognised Investment Exchange or Remote Investment Exchange; and (ii) may be applied for that purpose under the Default Rules of the Recognised Investment Exchange or Remote Investment Exchange; (b) contribution by a member of a Recognised Clearing House or Remote Clearing House to a fund which— (i) is maintained by that Recognised Clearing House or Remote Clearing Housefor the purpose of covering losses arising in connection with Defaults by any of the members of the Recognised Clearing House or Remote Clearing House; and (ii) may be applied for that purpose under the Default Rules of the Recognised Clearing House or Remote Clearing House; (c) contribution by a Recognised Clearing House or Remote Clearing Houseto a fund which— (i) is maintained by a Recognised Investment Exchange, ~~or~~ another Recognised Clearing House ("A") or a Remote Body for the purpose of covering losses arising in connection with Defaults by Recognised Clearing Houses, ~~or~~ Recognised Investment Exchanges or Remote Bodies other than A or by any of their members; and (ii) may be applied for that purpose under A's Default Rules; or

	(d) contribution by a Recognised Investment Exchange or Remote Investment Exchange to a fund which— (i) is maintained by a Recognised Clearing House, ~~or~~ another Recognised Investment Exchange ("A") or a Remote Body for the purpose of covering losses arising in connection with Defaults by Recognised Investment Exchanges, ~~or~~ Recognised Clearing Houses or Remote Bodies other than A or by any of their members; and (ii) may be applied for that purpose under A's Default Rules.
Default Proceedings	means proceedings taken by a Recognised Body or Remote Body under its Default Rules.
Default Rules	means rules of a Recognised Body or Remote Body which provide for— (a) the taking of action in the event of a person (including the Recognised Body or Remote Body itself or another Recognised Body or Remote Body) appearing to be unable, or likely to become unable, to meet his obligations in respect of one or more Market Contracts connected with the Recognised Body or Remote Body; (b) arrangements for netting, the closing out of market contacts, the application or transfer of Collateral Security Arrangements; (c) its default procedures; and (d) any rules of the Recognised Clearing House or Remote Clearing House which provide for the taking of action in accordance with a request or instruction from a Clearing Member under the default procedures referred to in paragraph (c) in respect of assets or positions held by the Recognised Clearing House or Remote Clearing House for the account of an Indirect Client or group of Indirect Clients.
Deposit	has the meaning given to that term in paragraph 85 of Schedule 1.

Derivative or **Derivative Contract**	means Specified Investments falling within paragraphs 94 to 96 of Schedule 1 or, so far as relevant to such investments, any investment falling within paragraphs 98 or 99 of Schedule 1.
~~**Designated Investment**~~	~~means a kind of investment specified for the purposes of sections 102 and 103 in Rules made by the Regulator.~~
Designated Non-Member	means a person in respect of whom action may be taken under the Default Rules of the Recognised Investment Exchange who is not a member of the Recognised Investment Exchange.
Developing Financial Technology Services within the RegLab[5]	means the Regulated Activity specified in paragraph 73A of Schedule 1.
Direction	means, for the purposes of— (a) sections 9 and 10, a direction under section 9; (b) Reporting Entities and their obligations under Part 6, a direction under section 84; (c) suspending an investigation into Market Abuse, a direction under section 99; (d) the name of a Fund or Sub-Fund, a direction under section 117; (e) the Regulator's powers under Part 12, a direction under sections 130, 132, 133 and 137; (f) the Regulator's powers under Part 13, a direction under sections 153, 162 and 164; and (g) the Regulator's powers under Part 17, a direction under sections 206 and 217.
Director	includes, in relation to a Body Corporate— (a) a person occupying in relation to it the position of a director (by whatever name called); and (b) a person in accordance with whose directions or instructions (not being advice given in a professional capacity) the directors of that body are accustomed to act.
Disclosing Person	means the person making a disclosure in accordance

[5] Amended 9 October 2016.

	with section 101.
Discontinuance	means a discontinuance of Listing in accordance with section 53.
Documents	means any record of information recorded physically, electronically or in any other form and, in relation to information recorded otherwise than in legible form, references to its production include references to producing a copy of the information in legible form, or in a form from which it can readily be produced in visible and legible form.
Domestic Fund	means a Fund established or domiciled in the Abu Dhabi Global Market.
Effecting Contracts of Insurance	means the Regulated Activity specified in paragraph 31 of Schedule 1.
Eligible Custodian	means, in relation to a Fund, a person who is a separate legal entity from the Fund Manager and who also meets one of the following criteria— (a) an Authorised Person whose Financial Services Permission authorises it to Provide Custody; (b) an Authorised Person that is a Bank; (c) a Recognised Body or Remote Body; (d) a legal entity that is authorised and supervised by a Non-Abu Dhabi Global Market Regulator in a Recognised Jurisdiction for Providing Custody in respect of a Fund and is subject to a minimum capital requirement of 4 million US Dollars or its equivalent in any other currency at the relevant time and has had surplus revenue over expenditure for the last two financial years; (e) a legal entity where it, or its holding company is— (i) in respect of its financial strength, rated or graded as at least "investment grade" by Moody's, Fitch or Standard & Poor's or such other international rating agency as may be recognised by the Regulator; and (ii) authorised and supervised by a Non-Abu Dhabi Global Market Regulator in another jurisdiction which is a Zone 1

	country; or (f) a legal entity that is authorised or recognised by a Non-Abu Dhabi Global Market Regulator to operate as an exchange or a clearing house in a Recognised Jurisdiction; (g) a legal entity that is and remains— (i) controlled and wholly owned by one or more of the national governments of the six member states of the Gulf Cooperation Council; (ii) authorised and supervised by a financial services regulator or central bank of at least one of the said national governments; and (iii) rated or graded as at least "investment grade" by Moody's, Fitch or Standard & Poor's or such other international rating agency as may be recognised by the Regulator; or (h) any other legal entity otherwise acceptable to the Regulator.
Engage in Investment Activity	means— (a) enter or offer to enter into an agreement the making or performance of which by either party constitutes a Regulated Activity, or would constitute a Regulated Activity, but for the application of any exclusion pursuant to Schedule 1 or any exemption under section 16(3); or (b) exercise any rights conferred by a Specified Investment to acquire, dispose of, underwrite or convert a Specified Investment.
Exempt Fund	means the Fund of a description specified in Rules made by the Regulator.
Exempt Offeror	means, for the purposes of Part 6, a recognised government or other person included in the list of Exempt Offerors maintained by the Regulator in accordance with the Rules and in accordance with section 60(2).
Exempt Person	means a person set out in Schedule 3.

Financial Crime	includes— (a) fraud or dishonesty; (b) misconduct in, or misuse of information relating to, a financial market; (c) handling the proceeds of crime; or (d) the financing of terrorism.
Financial Counterparty	means an Authorised Person.
Financial Instrument	means the instruments listed in paragraphs 87, 88, 89, 90, 91, 92, 93, 94, 95, ~~and~~96 and 99A of Schedule 1 and, so far as relevant to any such instruments, those listed in paragraphs 98 and 99 of that Schedule.
Financial Promotion Restriction	is a reference to the restriction in section 18(1).
Financial Services Permission	is a permission given, or having effect as if so given, by the Regulator in accordance with Part 4.
FinTech[6]	means innovative financial technology.
FinTech Participant[7]	means an Authorised Person who has a Financial Services Permission to carry on the Regulated Activity of Developing Financial Technology Services within the RegLab.
FinTech Proposal[8]	means the financial technology innovation proposed to be developed and tested by the FinTech Participant.
FinTech RegLab Guidance[9]	means the FinTech Regulatory Laboratory Guidance in relation to the Regulated Activity of Developing Financial Technology Services within the RegLab issued in accordance with section 15(2).
Foreign Fund	means a Fund established or domiciled in a jurisdiction other than the Abu Dhabi Global Market managed by a Fund Manager who is an Authorised Person.
Fund	means a Collective Investment Fund.

[6] Amended 9 October 2016.

[7] Amended 9 October 2016.

[8] Amended 9 October 2016.

[9] Amended 9 October 2016.

Fund Manager[10]	means a Person responsible for the management of the property held for or within a Fund and who otherwise operates the Fund.
Fund Property	means the property held for or within a Fund.
General Partner	means, in relation to a Fund, the general partner of a Partnership (including an Investment Partnership).
General Prohibition	has the meaning given to that term in section 16(2).
Governing Body	means, in relation to a Fund, a person or a body of persons who together form the directing mind of the Fund including but not limited to— (a) its Fund Manager, a member of its main or supervisory board, a General Partner; or (b) any other person or body of persons exercising equivalent powers and functions in relation to directing the operation of the Fund.
Government	means, for the purposes ofSchedule 1— (a) the Board or the government of the U.A.E., a member emirate of the U.A.E. or of any other country, territory or jurisdiction; or (b) a governmental authority in the U.A.E. or elsewhere (including a local or regulatory authority).
Group	has the meaning given to that term in section 260(1).
Group of Connected Individuals	for the purposes of— (a) Schedule 1, has the meaning given to that term in paragraph 78(3) of that Schedule; and (b) Schedule 2, has the meaning given to that term in paragraph 32(4) of that Schedule.
Guidance	means the guidance issued by the Regulator in accordance with section 15.
Indirect Clearing Services	means the Clearing Services provided by a Recognised Clearing House or Remote Clearing House to an Indirect Client.

[10]Amended 12 June 2017.

Indirect Client	means the Client of a Clearing Member.
Information Requirement	means a requirement to produce Documents or provide information imposed pursuant to these Regulations.
Inside Information	has the meaning given to that term in section 95.
Insider	has the meaning given to that term in section 94.
Insolvency Practitioner	means a person licensed to perform the activity specified in Rule 6 of the Commercial Licensing Regulations 2015 (Controlled Activities) Rules 2015.
Institution	means, for the purposes of Part 14— (a) a Recognised Investment Exchange~~, other than a Non-Abu Dhabi Global Market Investment Exchange~~; or (b) an Authorised Person.
Insurance Intermediation	means the Regulated Activity specified in paragraph 33 of Schedule 1.
Insurance Management	means the Regulated Activity specified in paragraph 36 of Schedule 1.
Insurer	means a person or institution which is authorised under these Regulations to carry on the Regulated Activity of Effecting Contracts of Insurance or Carrying Out Contracts of Insurance as Principal.
Interested Parties	are, in relation to an Application made under section 44— (a) the Applicant; and (b) the person in respect of whom the Application is made.
International Organisation	means any body the members of which comprise— (a) states or legal jurisdictions including the Abu Dhabi Global Market and the U.A.E.; or (b) bodies whose members comprise states or legal jurisdictions including the Abu Dhabi Global Market and the U.A.E.
Intragroup Transactions	means transactions occurring between two members of the same Group.

Investigative Power	means any one of the powers set out in section 217(1).
Investigator	means a person Appointed under section 205 to commence an investigation.
Investment Partnership	means, in relation to a Fund, a limited partnership established for the sole purpose of collective investment which is formed and registered under the Limited Partnership Act 1907 (Chapter 24).
Investment Trust	means an express trust created solely for collective investment purposes in accordance with section 114.
Islamic Financial Business	means the Regulated Activity specified in paragraph 64 of Schedule 1.
Issuer	(a) for the purposes of Part 6— (i) in relation to an Offer of Securities to the Public or admission of Securities to the Official List, means a legal person who issues or proposes to issue the Securities in question; and (ii) in relation to anything else which is or may be admitted to the Official List, has such meaning as may be prescribedin the Rules made by the Regulator; (b) for the purposes of Part 14, and in relation to a Financial Instrument, means the person who issued such Financial Instrument; and (c) in any other case, means a person issuing a Financial Instrument.
Joint Enterprise	means an enterprise into which two or more persons (the "participators") enter for commercial purposes related to a business or businesses (other than the business of engaging in a Regulated Activity) carried on by them, and, where a participator is a member of a Group, each other member of the Group is also to be regarded as a participator in the enterprise.
Just Cause	means inability, incapacity or misbehaviour.
Knowingly Concerned	means, for the purposes of sections 220, 236, 239 and 241, a person who— (a) has aided, abetted, counselled or procured the contravention; (b) has induced, whether by threats or promises or

	otherwise, the contravention; (c) has in any way, by act or omission, directly or indirectly been knowingly involved in or been party to, the contravention; or (d) has conspired with another or others to effect the contravention.
Lender	means— (a) the person providing Credit under a Credit Agreement; or (b) a person who exercises or has the right to exercise the rights and duties of a person who provided Credit under such an agreement.
Listed Fund	means a Fund where the Units are or have been admitted to the Official List.
Listing	means being admitted to the Official List in accordance with Part 6.
Listing Authority	Has the meaning given to that term in section 50(1).
Listing Rules	means the Rules made under Part 6 which relate to Listing.
Managing Assets	means the Regulated Activity specified in paragraph 56 of Schedule 1.
Managing a Collective Investment Fund	means the Regulated Activity specified in paragraph 59 of Schedule 1.
Managing a Profit Sharing Investment Account	means the Regulated Activity specified in paragraph 64(2) of Schedule 1.
Market Abuse	has the meaning given to that term in section 92(1).
Market Contracts	means the contracts described in sections 151(1) to (5).
~~**Market Operator**~~	~~means a person who manages or operates the business of a Recognised Investment Exchange.~~
Matter Concerned	has the meaning given to that term in section 203(1).
Money-Lender	means, for the purposes of paragraph 22 of Schedule 1, a person who is— (a) a money-lending company within the meaning of section 198 (*Exceptions for money-lending companies*) of the Companies Regulations 2015;

	or (b) a person whose ordinary business includes the making of loans or the giving of guarantees in connection with loans.
Money Transmission	means— (a) selling or issuing payment instruments; (b) selling or issuing stored value; or (c) receiving money or monetary value for transmission, including electronic transmission, to a location within or outside the Abu Dhabi Global Market.
Multilateral Trading Facility or **MTF**	means a multilateral system, operated by an Authorised Person or a Recognised Investment Exchange~~Market Operator~~, which brings together multiple third-party buying and selling interests in Financial Instruments, in the system and in accordance with non-discretionary rules, in a way that results in a contract in accordance with its rules.
Non-Abu Dhabi Global Market Clearing House	means, for the purposes of— (a) Part 12, a Remote Clearing House~~Body Corporate or association in respect of which a recognition order is in force~~; and (b) Part 13, a clearing house operating outside the Abu Dhabi Global Market which is not a Remote Clearing House~~Non-Abu Dhabi Global Market Recognised Body~~.
Non-Abu Dhabi Global Market Communicator	means a person who carries on the business of engaging in Regulated Activities from outside the Abu Dhabi Global Market but who does not carry on any such activity from a permanent place of business maintained by him in the Abu Dhabi Global Market.
Non-Abu Dhabi Global Market Firm	means a person— (a) who is a body incorporated in, or formed under the law of, or is an individual who is ordinarily resident, in any country, territory or jurisdiction outside the Abu Dhabi Global Market; and (b) who is carrying on a Regulated Activity in any country, territory or jurisdiction outside the Abu Dhabi Global Market in accordance with the law

	of that country, territory or jurisdiction.
Non-Abu Dhabi Global Market Investment Exchange	means, for the purposes of— (a) Part 12, a Remote Investment Exchange~~Body Corporate or association which has neither its head office nor its registered office in the Abu Dhabi Global Market and in relation to which a recognition order is in force~~; and (b) Part 13, an investment exchange operating outside the Abu Dhabi Global Market which is not a Remote Investment Exchange~~Non-Abu Dhabi Global Market Recognised Body~~.
Non-Abu Dhabi Global Market Person	means a person who— (a) carries on activities of the kind specified by any of paragraphs 4, 12, 16, 28, 56, 43, 59, 60 or 61 of Schedule 1, or, so far as relevant to any of those paragraphs, paragraph 70 (or activities of a kind which would be so specified but for the exclusion in paragraph 79); but (b) does not carry on any such activities, or offer to do so, from a permanent place of business maintained by him in the Abu Dhabi Global Market.
Non-Abu Dhabi Global Market Regulator	means an authority in a country, territory or jurisdiction outside the Abu Dhabi Global Market which exercises functions with respect to regulation of financial services in that country, territory or jurisdiction.
~~**Non-Abu Dhabi Global Market State**~~	~~means any country, territory or jurisdiction outside the Abu Dhabi Global Market.~~
Non-Financial Counterparty	means an undertaking established in the Abu Dhabi Global Market other than Recognised Clearing Houses or Financial Counterparties.
Non-Abu Dhabi Global Market Competent Authority	means, for the purposes of section 165 a financial services regulator~~competent authority~~ responsible for the recognition or supervision of Remote~~Recognised~~ Clearing Houses in a country or territory other than the Abu Dhabi Global Market.
Notice of Discontinuance	means a notice given by the Regulator in accordance with section 250.
Offer	means—

	(a) for the purposes of Part 6 the offer made by the Offeror in accordance with section 59; and (b) in relation to Units of a Fund, an offer of Units falling outside Part 6.
Offer of Securities to the Public	has the meaning given to that term in section 59.
Offeror	means the person making the Prospectus Offer in accordance with Part 6.
Officer	means— (a) for the purposes of section 201 an officer of the Regulator exercising the power and includes a member of that Regulator's staff or an agent of the Regulator; (b) for the purposes of section 214, and in relation to a Body Corporate, an officer of the Body Corporate; and (c) for the purposes of section 222, and in relation to a Body Corporate— (i) a Director, member of the committee of management, Chief Executive, manager, secretary or other similar officer of the body, or a person purporting to act in any such capacity; and (ii) an individual who is a Controller of the body.
Official List	means the list of Securities maintained by the Regulator pursuant to Part 6.
Operating a Credit Rating Agency	means the Regulated Activity specified in paragraph 65 of Schedule 1.
Operating a Multilateral Trading Facility or Organised Trading Facility	means the Regulated Activity specified in paragraph 54 of Schedule 1.
Operating a Representative Office	means the Regulated Activity specified in paragraph 67 of Schedule 1.
Organised Trading Facility ~~or~~or **OTF**	means a multilateral system which is not a Recognised Investment Exchange or a Multilateral Trading Facility and in which multiple third-party buying and selling interests in Financial Instruments are able to interact in the system in a way that results in a contract in accordance with the provisions of its rules.

Original Notice	has the meaning given to that term in section 249(3).
OTC Derivative or **OTC Derivative Contract**	means a Derivative Contract the execution of which does not take place on a Recognised Investment Exchange.
Ownership Transfer	means, for the purposes of section 128(3), and in relation to an exchange, a transfer of ownership which gives rise to a change in the persons who are in a position to exercise significant influence over the management of the exchange, whether directly or indirectly.
Own-Initiative Powers	means the Regulator's Own-Initiative Variation Power and its Own-Initiative Requirement Power.
Own-Initiative Requirement Power	means the Regulator's power specified in section 35(3).
Own-Initiative Variation Power	means the Regulator's power specified in section 33(2).
Parent Undertaking	has the meaning given to that term in the Companies Regulations 2015 but, for the purposes of these Regulations, also includes an individual who would be a parent undertaking for the purposes of those provisions if he were taken to be an undertaking.
Participating Interest	has the meaning given to that term in sections 260 and 261.
Partner	includes, for the purposes of section 222(3), a person purporting to act as a partner.
Partnership	includes— (a) a partnership constituted under the law of the Abu Dhabi Global Market; (b) a partnership constituted under the law of a country, territory or jurisdiction outside the Abu Dhabi Global market; but (c) for the purposes of sections 30(5), (6) and (7), does not include a partnership which is constituted under the law of any place outside the Abu Dhabi Global Market and which has status of a Body Corporate under such law.
Person Concerned	means— (a) for the purposes of section 203, the person to whom section 203(2) applies; (b) for the purposes of section 240, the person in

	respect of which the Court makes an order under section 240(4); and (c) for the purposes of section 241, the Authorised Person or Recognised Investment Exchange in respect of which the Regulator exercises its powers under section 241(5).
Person's Firm	in relation to a person Acting as an Insolvency Practitioner or in reasonable contemplation of that person's appointment as an Insolvency Practitioner, means— (a) the person's employer; (b) where the person is a partner in a Partnership other than a limited liability partnership, that Partnership; or (c) where the person is a member of a limited liability partnership, that Partnership.
Person in Default	has the meaning given to that term in section 163(1).
Person Under Investigation	means the person subject to an investigation carried out in accordance with sections 205 and 206.
Precise	has the meaning given to that term in section 95(5).
Prescribed Market~~s~~	means any Recognised Investment Exchange~~s~~, MTF~~s~~or~~and~~ OTF~~s or equivalent markets in the U.A.E~~.
President	means the president of the Appeals Panel Appointed in accordance with section 227.
Price Stabilising Rules	means the Rules, contained in MKT,made by the Regulator in accordance with section 7(4).
Private Person	has, for the purposes of section 242, such meaning as may be prescribed in the Rules made by the Regulator.
Privileged Communication	has the meaning given to that term in the Insolvency Regulations 2015.
Profit Sharing Investment Account	means an account or portfolio managed— (a) in relation to property of any kind, including the currency of any country or territory, held for or within the account or portfolio; (b) in accordance with Shari'a and held out as such; and

	(c) under the terms of an agreement whereby— (i) the investor agrees to share any profit with the manager of the account or portfolio in accordance with a predetermined specified percentage or ratio; and (ii) the investor agrees that he alone will bear any losses in the absence of negligence or breach of contract on the part of the manager.
Prohibition Order	means an order made in accordance with section 234, prohibiting an individual to whom that section applies from performing any Controlled Function specified in the order.
Property	has the meaning given to that term in section 152(2).
Prospectus	means a prospectus submitted in accordance with section 61.
Prospectus Offer	has the meaning given to that term in section 61(4)(a).
Protected Items	has the meaning given to that term in section 211(2).
Provider	means the Authorised Person making an Agreement in the course of carrying on a Regulated Activity in accordance with section 22(1)(a).
Providing Custody	means the Regulated Activity specified in paragraph 43 of Schedule 1.
Providing Information in Relation to a Specified Benchmark	means the Regulated Activity specified in paragraph 68(1)(a) of Schedule 1.
Providing Money Services	means the Regulated Activity specified in paragraph 52 of Schedule 1
Providing Trust Services	means the Regulated Activity specified in paragraph 72 of Schedule 1.
Public Functions	includes for the purposes of section 199— (a) functions of a public nature conferred by or in accordance with any provision contained in any enactment; and (b) similar functions conferred on persons by or under provisions having effect as part of the law of a country, territory or jurisdiction outside the

	Abu Dhabi Global Market.
Public Fund	means the Fund of a description specified in Rules made by the Regulator.
Publication	means— (a) a newspaper, journal, magazine or other periodical publication; (b) a website or similar system for the electronic display of information; or (c) any programme forming part of a service consisting of the broadcast or transmission of television or radio programmes.
Qualified Investor Fund	means the Fund of a description specified in Rules made by the Regulator.
Qualifying Collateral Arrangements	means the contracts and contractual obligations to which these Regulations apply by virtue of section 152(1).
Qualifying Person	means— (a) for the purposes of section 239, a person appearing to the Court to be someone— (i) to whom the profits mentioned in section 239(1)(a) are attributable; or (ii) who has suffered the loss or adverse effect mentioned in section 239(1)(b); and (b) for the purposes of section 240, a person appearing to the Court to be someone— (i) to whom the profits mentioned in section 240(2)(a) are attributable; or (ii) who has suffered the loss or adverse effect mentioned in section 240(2)(b).
Qualifying Property Transfers	means the property transfers to which these Regulations apply by virtue of section 152(1).
Rating Subject	has the meaning given to that term in paragraph 65(3) of Schedule 1.
Real Property	has the meaning given to that term in the Real Property

	Regulations 2015.
Recipient	is, for the purposes of Schedule 2, the person to whom the communication is made or, in the case of a non-real time communication which is directed at persons generally, any person who reads or hears the communication.
Recognised Body	means a Recognised Investment Exchange and a Recognised Clearing House.
Recognised Clearing House	means a clearing house which provides Clearing Services~~clearing services~~in the Abu Dhabi Global Market in relation to which a Recognition Order~~recognition order~~ is in force.
Recognised Function	means in relation to the carrying on of Regulated Activity by an Authorised Person, a function of a description specified in the Rules made by the Regulator.
Recognised Investment Exchange	means an investment exchange operating within the Abu Dhabi Global Market in relation to which a Recognition Order~~recognition order~~ is in force.
Recognised Jurisdiction	means a jurisdiction included in the list maintained by the Regulator pursuant to section 118.
Recognised Person	means a person approved by an Authorised Person under section 43.
Recognition Order	an order made under: (a) section 124 of FSMR which declares an Applicant to be a Recognised Investment Exchange or a Recognised Clearing House; (b) section 127 of FSMR which declares an Applicant to be a Remote Investment Exchange or a Remote Clearing House; or (c) section 138A of FSMR which declares an Applicant to be a Remote Member.
Recognition Requirements	has the meaning given to that term in section 120.
RegLab[11]	means the tailored regulatory laboratory that provides a framework for FinTech Participants to engage in the Regulated Activity of Developing Financial Technology

[11] Amended 9 October 2016.

	Services within the RegLab in a controlled environment.
Regulated Activity	has the meaning given to that term in section 19.
Regulator	means the Financial Services Regulator of the Abu Dhabi Global Market.
Regulatory Committee	means the committee Appointed by the Board in accordance with section 224.
Regulatory Functions	means the functions of the Recognised Body so far as relating to, or to matters arising out of, the obligations to which the Recognised Body~~body~~ is subject to under FSMR or the Rules~~by or under these Regulations~~.
Regulatory Provision	has the meaning given to that term in section 138(1)(a).
Related Instrument	means, for the purposes of Part 8 and in relation to a Financial Instrument, an instrument whose price or value depends on the price or value of the Financial Instrument.
Relevant Agreement	means, for the purposes of sections 102(2), an agreement— (a) the entering into or performance of which by either party constitutes an activity of a kind specified in the Rules made by the Regulator; and (b) which relates to a Designated Investment.
Relevant Authorised Person	means, for the purposes of paragraph 22 of Schedule 1, an Authorised Person who has permission to Effect Contracts of Insurance or to sell investments of the kind specified by paragraph 98 of Schedule 1, so far as relevant to such contracts.
Relevant Benchmark	means, for the purposes of section 104, a benchmark of a kind specified in the Rules made by the Board.
Relevant Complaint	means a complaint which the Regulator considers is relevant to the question of whether the body concerned should remain a Recognised Body.
Relevant Day	means, for the purposes of section 134(3)(b), the day on which the power to make an order under that subsection is exercised.
Relevant Insolvency Event	has the meaning given to that term in section 163(2).
Relevant Kind	has the meaning given to that term in section 212(5)(b).

Relevant Office-Holder	means any of— (a) the official receiver; and (b) any person acting in relation to a company as its liquidator, provisional liquidator, Administrator or Administrative Receiver, where "company" means any company, Partnership or other body which may be wound up pursuant to the Insolvency Regulations 2015.
Relevant Person	means— (a) for the purposes of section 209, and in relation to a person who is required to produce a Document— (i) has been or is or is proposed to be a Director or Controller of that person; (ii) has been or is an auditor of that person; (iii) has been or is an actuary, accountant or lawyer appointed or instructed by that person; or (iv) has been or is an employee of that person; and (b) for the purposes of section 237, Authorised Persons and Recognised Bodies as defined in subsection (1)(a) of that section.
Relevant Provisions	means, for the purposes of sections 165 and 166, any provisions of the Default Rules of a Non-Abu Dhabi Global Market ~~Recognised~~ Clearing House which— (a) provide for the transfer of the positions or assets of a Defaulting Clearing Member; (b) are not necessary for the purposes of complying with the minimum requirements of Part 10; and (c) may be relevant to a question falling to be determined in accordance with the law of the Abu Dhabi Global Market.
Relevant Requirements	means, for the purposes of sections 165 and 166, the requirements specified in Rules made by the Regulator.
Relevant Security	means— (a) an investment falling within paragraph 87, 88

	or 89 of Schedule 1; or (b) an investment falling within paragraph 91 or 92 of that Schedule so far as relating to any investments within paragraph (a).
Relevant Transaction	means, for the purposes of paragraph 22 of Schedule 1, the effecting of a Contract of Insurance or the sale of an investment of the kind specified by paragraph 98 of Schedule 1, so far as relevant to such contracts.
Remote~~Non-Abu Dhabi Global Market Recognised~~ Body[12]	means a Remote~~Non-Abu Dhabi Global Market~~ Clearing House or Remote~~Non-Abu Dhabi Global Market~~ Investment Exchange which has been granted a Recognition Order~~recognised~~ by the Regulator in accordance with section 127.
Remote Body~~Non-Abu Dhabi Global Market~~ Applicant	means, for the purposes of Part 12, a Body Corporate or association which has neither its head office nor its registered office in the Abu Dhabi Global Market and which has applied for a Recognition Order~~recognition order~~ as a Remote Body.
Remote~~Non-Abu Dhabi Global Market Recognised~~ Clearing House[13]	means~~, for the purposes of Part 13,~~ a clearing house operating outside the Abu Dhabi Global Market which has been granted a Recognition Order~~recognised~~ by the Regulator in accordance with section 127.
Remote~~Non-Abu Dhabi Global Market Recognised~~ Investment Exchange[14]	means~~, for the purposes of Part 13,~~ an investment exchange operating outside the Abu Dhabi Global Market which has been granted a Recognition Order~~recognised~~ by the Regulator in accordance with section 127.
Remote Member	means a person located in a jurisdiction other than the ADGM which has been granted a Recognition Order under section 138A of FSMR.
Remote Recognition Requirements	has the meaning given to that term in section 138A.
Reporting Entity	has the meaning given to that term in section 72.
Reporting Entity of the Listed Fund	has the meaning given to that term in section 72(2)(a)(i).
Requirement	means—

[12] Amended 12 June 2017.

[13] Amended 12 June 2017.

[14] Amended 12 June 2017.

	(a) for the purposes of sections 35 and 36, a requirement imposed under section 35; and (b) for the purposes of section 137, any obligation or burden.
Responsible ~~Recognised~~ Body	has the meaning given to that term in section 163(3).
Revocation Order	means an order made under section 134.
Rules	means Rules made by the Regulator or the Board (as applicable) under these Regulations.
Rule-Making Instrument	means an instrument by which Rules are made by the Regulator.
Rules of Market Conduct	means Rules made by the Regulator in accordance with section 96.
Scheme Report	means a report made in accordance with section 89.
Secondary Material	means material, other than material falling within section 255(1)(a) which— (a) was considered by the Regulator in reaching the decision mentioned in that section; or (b) was obtained by the Regulator in connection with the matter to which that notice relates but which was not considered by it in reaching that decision.
Section 105Notice	means a notice given under section 105(3)(a).
Section 180 Requirement	has the meaning given to that term in section 181(1).
Security	means— (a) any investment of the kind specified by any of paragraphs 87 to93~~95~~, and 99A, of Schedule 1; (b) so far as relevant to any such investment, paragraph 98 of Schedule 1; (c) any investment set out in paragraphs (a) and (b) which falls within the scope of paragraph 99 of Schedule 1;~~ and~~ (d) any other Specified Investment declared to be a Security in Rules made by the Regulator~~.~~; and (e) any investment deemed a Security by the

	Regulator under section 58(2).
Seized Document	means any Document of which possession is taken under section 212.
Sell or Selling	includes, in relation to any investment, disposing of the investment for valuable consideration, and for these purposes "disposing" includes— (a) in the case of an investment consisting of rights under a contract— (i) surrendering, assigning or converting those rights; or (ii) assuming the corresponding liabilities under the contract; (b) in the case of an investment consisting of rights under other arrangements, assuming the corresponding liabilities under the arrangements; and (c) in the case of any other investment, issuing or creating the investment or granting the rights or interests of which it consists.
Settlement	(a) means, in relation to a Market Contract, the discharge of the rights and liabilities of the parties to the contract, whether by performance, compromise or otherwise; and (b) includes, in relation to a Clearing Member Client Contract or a Clearing Member House Contract, a reference to its liquidation.
Shareholder	means a natural person or legal entity governed by private or public law, who holds, directly or indirectly— (a) Shares of the Issuer in its own name and on its own account; (b) Shares of the Issuer in its own name, but on behalf of another natural person or legal entity; or (c) depository receipts, in which case the holder of the depository receipt shall be considered as the shareholder of the underlying Shares represented by the depository receipts.
Shares	means—

	(a) in relation to an undertaking with a share capital, means allotted shares; (b) in relation to an undertaking with capital but no share capital, means rights to share in the capital of the undertaking; (c) in relation to an undertaking without capital, means interests— (i) conferring any right to share in the profits, or liability to contribute to the losses, of the undertaking, or (ii) giving rise to an obligation to contribute to the debts or expenses of the undertaking in the event of a winding up.
Shari'a Supervisory Board	means the board comprised of individuals appointed by: (a) an Authorised Person and entrusted with the duty of directing, reviewing and supervising the activities of the Authorised Person conducting Islamic Financial Business in order to ensure that the activities conducted by the Authorised Person ~~comply~~are in compliance with Shari'a~~.~~; or (b) an Issuer, or Reporting Entity, as applicable, entrusted with the duty of making a Shari'a pronouncement as to the Issuer's Securities' Shari'a compliance.
Solicited Real Time Communication	has the meaning given to that term in paragraph 1(e) of Schedule 2.
Special Resolution	means, in relation to a Domestic Fund, a resolution passed by a majority of not less than 75 per cent. of the votes validly cast (whether on a show of hands or on a poll) for and against the resolution at a general meeting or class of meeting of Unitholders, of which notice specifying the intention to propose the resolution as a special resolution has been duly given.
Specified	means (except when used in the expressions "Specified Benchmark" and "Specified Investment"), for the purposes of— (a) sections 4, 5, 6, 7, 129, 169, 189 and 200 specified in the Rules made by the Regulator;

	(b) section 201, specified in the notice given under section 201(1); (c) section 202, specified in the direction given under that section; (d) section 206, specified in a notice in writing; and (e) section 234, specified in the Prohibition Order.
Specified Benchmark	has the meaning given to that term in paragraph 68(2)(c) of Schedule 1.
Specified Investment	means an investment falling within paragraphs 85 to 99A of Schedule 1, without regard to any applicable exclusions or exemptions set out in that Schedule.
Structured Product	has the meaning given in paragraph 99A of Schedule 1.
Sub-Fund	means a separate pool of Fund Property within an Umbrella Fund.
Subsidiary Undertaking	has the meaning given to that term in the Companies Regulations 2015.
Sukuk	means the arrangements falling within paragraph 89(2) of Schedule 1.
Suspension	means a suspension of Listing in accordance with section 53.[15]
Third Party	for the purposes of— (a) sections21 to 23, has the meaning given to that term in section 22(1)(b); and (b) section 254, means the party referred to in subsections (1)(a) and (4)(a) of that section.
Threshold Condition Rules	means the Rules made under section 7(2).
Threshold Conditions	has the meaning given to that term in section 7(2).
Trade Repository	means a legal person that centrally collects and maintains the records of Derivatives.
Trading	includes, for the purposes of section 180, trading taking place other than on a Recognised Investment Exchange or Multilateral Trading Facility.

[15] Amended 12 June 2017.

Transfer	means— (a) in relation to a Market Contract— (i) an assignment; (ii) a novation; (iii) terminating or closing out the Market Contract and establishing an equivalent position between different parties; and (iv) establishing an equivalent position between different parties where, as a result of or immediately prior to the Default, the Market Contract was terminated or closed out. For the purposes of this definition— (a) where a Market Contract is recorded in the accounts of a Recognised Clearing House or Remote Clearing House as a position held for the account of an Indirect Client or group of Indirect Clients, the Clearing Member Client Contract is to be treated as having been transferred if the position is transferred to a different account at the Recognised Clearing House or Remote Clearing House; and (b) a reference to a transfer of a Qualifying Collateral Arrangement includes an assignment or a novation.
Transfer Scheme	has the meaning given to that term in section 85(2).
Trust Administration Services	means, the provision of administration services to a trust, including— (a) the keeping of accounting records relating to an express trust and the preparation of trust accounts; (b) the preparation of trust instruments or other documents relating to an express trust; (c) the management and administration of trust assets subject to an express trust; (d) dealing with trust assets subject to an express trust, including the investment, transfer and disposal of such assets;

	(e) the distribution of trust assets subject to an express trust; and (f) the payment of expenses or remuneration out of an express trust.
Trust Deed	means the deed entered into by a Fund Manager and the Trustee to create an Investment Trust.
Trustee	means, in relation to a Fund, the person who is appointed under a Trust Deed as the trustee of an Investment Trust to hold the Fund's Property on trust for the Unitholders and to oversee the operation of the Fund and, in relation to a Domestic Fund, is authorised under its Financial Services Permission to Act as the Trustee of an Investment Trust.
U.A.E.	means the United Arab Emirates.
Umbrella Fund	has the meaning given to that term in the Rules made by the Regulator.
Undertaking	has, for the purposes of section 261, the same meaning given to that term as in the Companies Regulations 2015.
Unitholders	has the meaning given to that term in section 106(2).
Units	means the rights or interests (however described) of the Unitholders in a Collective Investment Fund.
Unlawful Communication	means, for the purposes of section 25, a communication in relation to which there has been a contravention of section 18.
Unsolicited Real Time Communication	has the meaning given to that term in paragraph 1(f) of Schedule 2.
Voting Shares	in relation to a Body Corporate and for the purposes of paragraph 78 of Schedule 1 and paragraph 32 of Schedule 2, means Shares carrying voting rights attributable to share capital which are exercisable in all circumstances at any general meeting of that Body Corporate.
Winding-Up	means a voluntary winding-up or winding up by the Court performed in accordance with Part 3 of the Insolvency Regulations 2015.
Zone 1	means any of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands,

	Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom and the United States of America.

(2) For the purposes of any provision of these Regulations (other than a provision ofPart 6) authorising or requiring a person to do anything within a specified number of days no account is to be taken of any day which is a public holiday in any part of the Abu Dhabi Global Market.

259. **Carrying on Regulated Activities in the Abu Dhabi Global Market**

(1) In the cases described in this section, a person who—

(a) is carrying on a Regulated Activity; but

(b) would not otherwise be regarded as carrying it on in the Abu Dhabi Global Market;

is, for the purposes of these Regulations, to be regarded as carrying it on in the Abu Dhabi Global Market.

(2) The first case is where—

(a) his registered office (or if he does not have a registered office his head office) is in the Abu Dhabi Global Market;

(b) the day-to-day management of the carrying on of the Regulated Activity is the responsibility of—

(i) his registered office (or head office); or

(ii) another establishment maintained by him in the Abu Dhabi Global Market.

(3) The second case is where—

(a) his head office is not in the Abu Dhabi Global Market; but

(b) the activity is carried on from an establishment maintained by him in the Abu Dhabi Global Market.

260. **Group**

(1) In these Regulations, "Group", in relation to a person ("A"), means A and any person who is—

(a) a Parent Undertaking of A;

(b) a Subsidiary Undertaking of A;

(c) a Subsidiary Undertaking of a Parent Undertaking of A;

(d) a Parent Undertaking of a Subsidiary Undertaking of A; or

(e) an undertaking in which A or an undertaking mentioned in paragraph (a), (b), (c) or (d) has a participating interest.

(2) "Participating Interest" has the meaning given to that term in section 261, but also includes an interest held by an individual which would be a Participating Interest for the purposes of those provisions if he were taken to be an undertaking.

261. **Meaning of "Participating Interest"**

(1) In section 260, a "Participating Interest" means an interest held by an Undertaking in the Shares of another Undertaking which it holds on a long-term basis for the purpose of securing a contribution to its activities by the exercise of control or influence arising from or related to that interest.

(2) A holding of 20 per cent or more of the Shares of an Undertaking is presumed to be a Participating Interest unless the contrary is shown.

(3) The reference in subsection (1) to an interest in Shares includes—

(a) an interest which is convertible into an interest in Shares; and

(b) an option to acquire Shares or any such interest;

and an interest or option falls within paragraph (a) or (b) notwithstanding that the Shares to which it relates are, until the conversion or the exercise of the option, unissued.

(4) For the purposes of this section an interest held on behalf of an Undertaking shall be treated as held by it.

262. **Consequential and supplementary provision**

The Regulator may by Rules which make such incidental, consequential, transitional or supplemental provision as it considers necessary or expedient for the general purposes, or any particular purpose, of these Regulations or in consequence of any provision made by or under these Regulations or for giving full effect to these Regulations or any such provision.

263. **International obligations**

The Regulator may not take, or omit to take, any action (including, without limitation, making any Rules under these Regulations) if such act or omission would constitute a breach of, or cause the U.A.E. to be in breach of, any obligations to which it may be subject under any treaty or any applicable provision of international law.

264. **Commercial Licensing Regulations 2015**

Section 41(2) of the Commercial Licensing Regulations 2015 does not apply to any contravention of these Regulations or of any Rules made under these Regulations.

265. **Short title, extent and commencement**

(1) These Regulations may be cited as the Financial Services and Markets Regulations 2015.

(2) These Regulations shall apply in the Abu Dhabi Global Market.

(3) Subject to section 140, these Regulations shall come into force on the date of their publication. The Board may by rules make any transitional, transitory, consequential, saving, incidental or supplementary provision in relation to the commencement of these Regulations as the Board thinks fit.

(4) Rules made under subsection (3) may amend any provision of any other enactment (including subordinate legislation made under such enactment).

Schedule 1

Regulated Activities

Section 19

Part 1

General

1. General

For the purposes of this Schedule, a transaction is entered into through a person if he enters into it as agent or arranges, in a manner constituting the carrying on of an activity of the kind specified by paragraph 16(1), for it to be entered into by another person as agent or principal.

2. Specification of activities and investments

(1) The following provisions of this Schedule specify kinds of activity for the purposes of section 19. Accordingly any activity of one of those kinds, which relates to an investment of a kind specified by any provision of Part 3 and applicable to that activity, is a Regulated Activity for the purposes of these Regulations.

(2) The kinds of activity specified by paragraphs 36, 43, 46, 52, 59, 6061, 64(2), 65, 67, 68 and 72 are also specified for the purposes of section 19. Accordingly any activity of one of those kindsis a Regulated Activity (irrespective of the kind of property to which it relates and whether or not it is carried on in relation to property of any kind).

(3) Each provision specifying a kind of activity is subject to the exclusions applicable to that provision (including under Chapter 18). Accordingly any reference in this Schedule to an activity of the kind specified by a particular provision is to be read subject to any such exclusions.

3. By way of Business

(1) For the purpose of these Regulations, a person carries on an activity by way of business if the person—

(a) engages in the activity in a manner which in itself constitutes the carrying on of a business;

(b) holds himself out as willing and able to engage in that activity; or

(c) regularly solicits other persons to engage with him in transactions constituting that activity.

Part 2 Activities

Chapter 1Dealing in Investments

The activity

4. Dealing in Investments as Principal

Buying, Selling, subscribing for or underwriting Financial Instruments as principal is a specified kind of activity.

Exclusions

5. Absence of holding out etc.

(1) Subject to sub-paragraph (2), a person ("A") does not carry on an activity of the kind specified by paragraph 4by entering into a transaction which relates to a Security (or is the assignment of a Contract of Insurance, or of an investment specified in paragraph 98, so far as relevant to such a contract), unless—

(a) A holds himself out as willing, as principal, to Buy, Sell or subscribe for investments of the kind to which the transaction relates at prices determined by him generally and continuously rather than in respect of each particular transaction;

(b) A holds himself out as engaging in the business of Buying investments of the kind to which the transaction relates with a view to Selling them;

(c) A holds himself out as engaging in the business of underwritinginvestments of the kind to which the transaction relates; or

(d) A regularly solicits members of the public with the purpose of inducing them, as principals or agents, to enter into transactions constituting activities of the kind specified by paragraph 4, and the transaction is entered into as a result of his having solicited members of the public in that manner.

(2) This paragraph does not apply where A enters into the transaction as bare trustee for another person and is acting on that other person's instructions.

6. Deals with or through Authorised Persons or Exempt Persons or through foreign licensed persons

(1) A person who is not an Authorised Person does not carry on an activity of the kind specified by paragraph 4 by entering into a transaction relating to a Derivative or a Contract of Insurance—

(a) with or through an Authorised Person, or an Exempt Person acting in the course of a business comprising a Regulated Activity in relation to which he is exempt; or

(b) through an office outside the Abu Dhabi Global Market maintained by a party to the transaction, and with or through a person whose head office is situated outside the Abu Dhabi Global Market and whose ordinary business involves him in carrying on activities of the kind specified by any of paragraphs 4, 12, 16, 28, 43, 56, 59, 60, 61 or, so far as relevant to any of those paragraphs, paragraphs 64 or 70 (or would do so apart from any exclusion from any of those paragraphs made by this Schedule).

7. Acceptance of instruments creating or acknowledging indebtedness

(1) A person does not carry on an activity of the kind specified by paragraph 4 by accepting an instrument creating or acknowledging indebtedness in respect of any loan, Credit, guarantee or other similar financial accommodation or assurance which he has made, granted or provided.

(2) The reference in sub-paragraph (1) to a person accepting an instrument includes a reference to a person becoming a party to an instrument otherwise than as a debtor or a surety.

8. Issue by a Company of its own Shares etc.

(1) There is excluded from paragraph 4 the issue by a Company of its own Shares or share warrants, and the issue by any person of his own debentures or debenture warrants.

(2) In this paragraph—

(a) "Company" means any Body Corporate other than an open-ended investment company;

(b) "Shares" and "debentures" include any investment of the kind specified by paragraphs 87 or 88 respectively;

(c) "share warrants" and "debenture warrants" mean any investment of the kind specified by paragraph 91 which relates to shares in the Company concerned or, as the case may be, debentures issued by the person concerned.

9. Dealing by a Body Corporate in its own Shares

(1) A Body Corporate does not carry on an activity of the kind specified by paragraph 4 by purchasing its own Shares where section 666 of the Companies Regulations 2015 (*Treasury shares*) applies to the Shares purchased.

(2) A Body Corporate does not carry on an activity of the kind specified by paragraph 4 by dealing in its own Shares held as treasury shares, in accordance with section 668 (*Treasury shares: disposal*) or 670 (*Treasury shares: cancellation*) of those Regulations.

(3) In this paragraph "shares held as treasury shares" has the same meaning as in the Companies Regulations 2015.

10. Risk management

(1) A person ("B") does not carry on an activity of the kind specified by paragraph 4 by entering as principal into a transaction with another person ("C") if—

(a) the transaction relates to investments of the kind specified by any of paragraphs 94 to 96 (or paragraphs 98or 99so far as relevant to any of those paragraphs);

(b) neither B nor C is an individual;

(c) the sole or main purpose for which B enters into the transaction (either by itself or in combination with other such transactions) is that of limiting the extent to which a

relevant business will be affected by any identifiable risk arising otherwise than as a result of the carrying on of a Regulated Activity; and

(d) the relevant business consists mainly of activities other than—

(i) Regulated Activities; or

(ii) activities which would be Regulated Activities but for any exclusion made by this Part.

(2) In sub-paragraph (1), "relevant business" means a business carried on by—

(a) B;

(b) a member of the same Group as B; or

(c) where B and another person are, or propose to become, participants in a Joint Enterprise, that other person.

11. Other exclusions

Paragraph 4 is also subject to the exclusions in paragraphs 74 (*Trustees etc.*), 76 (*Sale of goods and supply of services*), 77 (*Groups and Joint Enterprises*), 78 (*Sale of a Body Corporate*), 79 (*Non-Abu Dhabi Global Market Persons*), and 82 (*Insolvency Practitioners*).

The activity

12. Dealing in Investments as Agent

Buying, Selling, subscribing for or underwriting Financial Instruments as agent is a specified kind of activity.

Exclusions

13. Deals with or through Authorised Persons

(1) A person who is not an Authorised Person does not carry on an activity of the kind specified by paragraph 12 by entering into a transaction as agent for another person (the "client") with or through an Authorised Person if—

(a) the transaction is entered into on advice given to the client by an Authorised Person; or

(b) it is clear, in all the circumstances, that the client, in his capacity as an investor, is not seeking and has not sought advice from the agent as to the merits of the client's entering into the transaction (or, if the client has sought such advice, the agent has declined to give it but has recommended that the client seek such advice from an Authorised Person).

(2) But the exclusion in sub-paragraph (1) does not apply, if—

(a) the transaction relates to a Contract of Insurance; or

(b) the agent receives from any person other than the client any pecuniary reward or other advantage, for which he does not account to the client, arising out of his entering into the transaction.

14. Risk management

For the purposes of this paragraph, paragraph 10 applies with the necessary changes, save that references in that paragraph to "principal" shall be construed as "agent" in this paragraph.

15. Other exclusions

Paragraph 12 is also subject to the exclusions in paragraphs 75 (*Profession or non-investment business*), 76 (*Sale of goods and supply of services*), 77 (*Groups and Joint Enterprises*), 78 (*Sale of a Body Corporate*), 79 (*Non-Abu Dhabi Global Market Persons*), 80(*Insurance Intermediation: incidental basis*), and 82 (*Insolvency Practitioners*).

Chapter 2Arranging Deals in Investments

The activities

16. Arranging Deals in Investments

(1) Making arrangements with a view to another person (whether as principal or agent) Buying, Selling, subscribing for or underwriting a Specified Investment is a specified kind of activity.

(2) Making arrangements with a view to another person who participates in the arrangements Buying, Selling, subscribing for or underwriting Specified Investments (whether as principal or agent) is also a specified kind of activity.

Exclusions

17. Arrangements not causing a deal

There are excluded from paragraph 16 arrangements which do not or would not bring about the transaction to which the arrangements relate.

18. Enabling parties to communicate

A person does not carry on an activity of the kind specified by paragraph 16 merely by providing means by which one party to a transaction (or potential transaction) is able to communicatewith other such parties.

19. Arrangements which amount to Operating a Multilateral Trading Facility or Organised Trading Facility

There are excluded from paragraph 16 arrangements which amount to Operating a Multilateral Trading Facility or Organised Trading Facility.

20. Arranging transactions to which the arranger is a party

(1) There are excluded from paragraph 16(1) any arrangements for a transaction into which the person making the arrangements enters or is to enter as principal or as agent for some other person.

(2) There are excluded from paragraph 16(2) any arrangements which a person makes with a view to transactions into which he enters or is to enter as principal or as agent for some other person.

21. Arranging transactions with or through Authorised Persons[16]

There are excluded from paragraphs 16(1) and (2) arrangements made by a person ("A") who is not an Authorised Person for or with a view to a transaction which is or is to be entered into by a person ("the client") with or through an Authorised Person if—

(a) the transaction is or is to be entered into on advice to the client by an Authorised Person; or

(b) it is clear, in all the circumstances, that the client, in his capacity as an investor or Borrower is not seeking and has not sought advice from A as to the merits of the client's entering into the transaction (or, if the client has sought such advice, A has declined to give it but has recommended that the client seek such advice from an Authorised Person).

22. Arranging transactions in connection with lending on the security of insurance policies

(1) There are excluded from paragraph 16(1) and (2) arrangements made by a Money-Lender under which either—

(a) a Relevant Authorised Person or a person acting on his behalf will introduce to the Money-Lender persons with whom the Relevant Authorised Person has entered, or proposes to enter, into a Relevant Transaction, or will advise such persons to approach the Money-Lender, with a view to the Money-Lender lending money on the security of any contract effected pursuant to a Relevant Transaction;

(b) a Relevant Authorised Person gives an assurance to the Money-Lender as to the amount which, on the security of any contract effected pursuant to a Relevant Transaction, will or may be received by the Money-Lender should the Money-Lender lend money to a person introduced to him pursuant to the arrangements.

23. Arranging the acceptance of debentures in connection with loans

(1) There are excluded from paragraph 16(1) and (2) arrangements under which a person accepts or is to accept, whether as principal or agent, an instrument creating or acknowledging indebtedness in respect of any loan, Credit, guarantee or other similar financial accommodation or assurance which is, or is to be, made, granted or provided by that person or his agent.[17]

(2) The reference in sub-paragraph (1) to a person accepting an instrument includes a reference to a person becoming a party to an instrument otherwise than as a debtor or a surety.

[16] Amended 12 June 2017.

[17] Amended 12 June 2017.

24. Provision of finance

There are excluded from paragraph 16(2) arrangements having as their sole purpose the provision of finance to enable a person to Buy, Sell, subscribe for or underwrite investments.

25. Introducing

There are excluded from paragraph 16(2) arrangements where—

(a) they are arrangements under which persons ("clients") will be introduced to another person;

(b) the person to whom introductions are to be made is—

(i) an Authorised Person;

(ii) an Exempt Person acting in the course of a business comprising a Regulated Activity in relation to which he is exempt; or

(iii) a person who is not unlawfully carrying on Regulated Activities in the Abu Dhabi Global Market and whose ordinary business involves him in engaging in an activity of the kind specified by any of paragraphs 4, 12, 16, 28, 43, 56, 59, 60and 61(or, so far as relevant to any of those paragraphs, paragraphs 64 or 70), or would do so apart from any exclusion from any of those paragraphs made by this Schedule;

(c) the introduction is made with a view to the provision of independent advice or the independent exercise of discretion in relation to investments generally or in relation to any class of investments to which the arrangements relate; and

(d) the arrangements are made with a view to a person entering into a transaction which does not relate to a Contract of Insurance.

26. Arrangements for the issue of Shares etc.

(1) There are excluded from paragraph 16(1) and (2)—

(a) arrangements made by a Company for the purposes of issuing its own Shares or share warrants; and

(b) arrangements made by any person for the purposes of issuing his own debentures or debenture warrants;

and for the purposes of paragraph 16(1) and (2), a Company is not, by reason of issuing its own Shares or share warrants, and a person is not, by reason of issuing his own debentures or debenture warrants, to be treated as Selling them.

(2) In sub-paragraph (1), "Company", "Shares", "debentures", "share warrants" and "debenture warrants" have the meanings given by paragraph 8(2).

27. Other exclusions

Paragraph 16 is also subject to the exclusions in paragraphs 74 (*Trustees etc.*), 75 (*Profession or non-investment business*), 76 (*Sale of goods and supply of services*), 77 (*Groups and Joint Enterprises*), 78 (S*ale of a Body Corporate*), 79 (N*on-Abu Dhabi Global Market Persons*), 80(*Insurance Intermediation: incidental basis*), 81 (*Provision of information on an incidental basis*), and 82 (*Insolvency Practitioners*).

Chapter 3 Advising on Investments or Credit

The activity

28. Advising on Investments or Credit

(1) Advising a person is a specified kind of activity if the advice is—

(a) advice on the merits of his doing any of the following (whether as principal or agent)—

(i) Buying, Selling, subscribing for or underwriting a particular investment which is a Specified Investment (other than a Credit Agreement) or a Profit Sharing Investment Account;

(ii) exercising any right conferred by such an investment to Buy, Sell, subscribe for or underwrite such an investment; or

(iii) entering into a Credit Agreement; and

(b) given to the person in his capacity as

(i) an investor or potential investor;

(ii) agent for an investor or a potential investor;

(iii) Borrower or potential Borrower; or

(iv) agent for a Borrower or potential Borrower.

(2) In sub-paragraph (1), "advice" includes a statement, opinion or report—

(a) where the intention is to influence a person, in making a decision, to select a particular financial product or an interest in a particular investment; or

(b) which could reasonably be regarded as being intended to have such an influence.

Exclusions

29. Advice given in newspapers etc.

(1) There is excluded from paragraph 28 the giving of advice in writing or other legible form if the advice is contained in a newspaper, journal, magazine, or other periodical Publication, or is given by way of a service comprising regularly updated news or information, if the principal purpose of the Publication or service, taken as a whole and including any advertisements or other promotional material contained in it, is neither—

(a) that of giving advice of a kind mentioned in paragraph 28; nor

(b) that of leading or enabling persons to Buy, Sell, subscribe for or underwrite Specified Investments.

(2) There is also excluded from paragraph 28 the giving of advice in any service consisting of the broadcast or transmission of television or radio programmes, if the principal purpose of the service, taken as a whole and including any advertisements or other promotional material contained in it, is neither of those mentioned in sub-paragraph (1)(a) and (b).

(3) The Regulator may, on the application of the proprietor of any such Publication or service as is mentioned in sub-paragraph (1) or (2), certify that it is of the nature described in that paragraph, and may revoke any such certificate if it considers that it is no longer justified.

(4) A certificate given under sub-paragraph (3) and not revoked is conclusive evidence of the matters certified.

30. Other exclusions

Paragraph 28 is also subject to the exclusions in paragraphs 74 (*Trustees etc*.), 75, (*Profession or non-investment business*), 76 (*Sale of goods and supply of services*), 77 (*Groups and Joint Enterprises*), 78 (*Sale of a Body Corporate*), 79 (*Non-Abu Dhabi Global Market Persons*), 80 (*Insurance Intermediation: incidental basis*), and 82 (*Insolvency Practitioners*).

Chapter 4 Insurance

The Activities

31. Effecting Contracts of Insurance

Effecting a Contract of Insurance as principal is a specified kind of activity.

32. Carrying Out Contracts of Insurance as Principal

Carrying out a Contract of Insurance as Principal is a specified kind of activity.

33. Insurance Intermediation

(1) Insurance Intermediation is a specified kind of activity.

(2) Insurance Intermediation means—

(a) advising on Contracts of Insurance;

(b) acting as agent for another person in relation to the Buying or Selling of Contracts of Insurance for that other person; or

(c) making arrangements with a view to another person, whether as principal or agent, Buying Contracts of Insurance.

(3) In sub-paragraph (2)(a), "advising" means giving advice to a person in his capacity as a policyholder or potential policyholder, or in his capacity as agent for a policyholder or

potential policyholder on the merits of his entering into a Contract of Insurance whether as principal or agent.

(4) In sub-paragraph (3), "advice" includes a statement, opinion or report—

(a) where the intention is to influence a person, in making a decision, to select a particular Contract of Insurance or insurance cover; or

(b) which could reasonably be regarded as being intended to have such influence.

(5) The arrangements in sub-paragraph (2)(c) include arrangements which do not bring about the transaction.

(6) The arrangements in sub-paragraph (2)(c) do not include arrangements of the kind described in paragraph 67 that constitute marketing.

(7) The exclusion in paragraph 29 applies to the activity specified in sub-paragraph (2)(a).

Exclusions

34. Entering Contracts of Insurance as Principal

A person does not carry on the activities specified in paragraph 33(2)(b) or (c) if he enters or is to enter into a transaction in respect of a Contract of Insurance as principal.

35. Other exclusions

(1) A person does not arrange a Contract of Insurance merely by providing the means by which one party to a transaction is able to communicate with other such parties.

(2) An Authorised Person does not advise in relation to a Contract of Insurance if it is authorised under its Financial Services Permission to carry on the Regulated Activity of Advising on Investments or Credit, to the extent the advice relates to a Contract of Long-Term Insurance not being a contract of reinsurance.

(3) An Authorised Person does not arrange a Contract of Insurance if it is authorised under its Financial Services Permission to carry on the Regulated Activity of Arranging Deals in Investments, to the extent that the arranging relates to rights under a Contract of Long-Term Insurance not being a contract of reinsurance.

(4) The exclusions in paragraphs 75 and 81 apply to the activity specified in paragraph 33.

The activity

36. Insurance Management

(1) Insurance Management is a specified kind of activity.

(2) Insurance Management means providing management services or exercising managerial functions for an insurer.

(3) Insub-paragraph(2) management services and managerial functions include administration and underwriting.

Exclusions

37. Employees and Authorised Persons

(1) A person does not provide Insurance Management to an Insurer if he is an employee of that Insurer.

(2) An Authorised Person does not provide Insurance Management if it is an Insurer.

(3) The exclusion in paragraph 75 applies to the activity specified in paragraph 36.

Chapter 5 Accepting Deposits

The activity

38. Accepting Deposits

(1) Accepting Deposits is a specified kind of activity if—

(a) money received by way of Deposit is lent to others; or

(b) any other activity of the person accepting the Deposit is financed wholly, or to a material extent, out of the capital of or interest on money received by way of Deposit.

Exclusions

39. Sums paid by certain persons

(1) A sum is not a Deposit for the purposes of paragraph 38 if it is—

(a) paid by any of the following persons—

(i) an Authorised Person who has permission to Accept Deposits, or to Effect Contracts of Insurance or Carry Out Contracts of Insurance as Principal;

(ii) the International Bank for Reconstruction and Development;

(iii) the International Finance Corporation; and

(iv) the International Monetary Fund;

(b) paid by a person other than one mentioned in sub-paragraph (a) in the course of carrying on a business consisting wholly or to a significant extent of lending money;

(c) paid by one Body Corporateto another at a time when both are members of the same Group or when the same individual is a majority Shareholder of both of them or when both are or propose to become participators in a Joint Enterprise and the sum is paid for the purpose of or in connection with that enterprise;

(d) paid by a person who, at the time when it is paid, is a Close Relative of the person receiving it or who is, or is a Close Relative of, a Director or manager of that person or who is, or is a Close Relative of, a Controller of that person; or

(e) paid by a person by way of investment in a Profit Sharing Investment Account.

(2) In the application of sub-paragraph (d) to a sum paid by a Partnership, that sub-paragraph is to have effect as if, for the reference to the person paying the sum, there were substituted a reference to each of the Partners.

40. Sums received by lawyers etc.

(1) A sum is not a Deposit for the purposes of paragraph 38 if it is received by a practising lawyer acting in the course of his profession.

(2) In sub-paragraph (1), "practising lawyer" means a lawyer who is qualified to act as such under the laws of any jurisdiction.

41. Sums received in consideration for the issue of debt financial instruments

(1) Subject to sub-paragraph (2), a sum is not a Deposit for the purposes of paragraph 38 if it is received by a person as consideration for the issue by him of any investment of the kind specified by paragraphs 88, 89 or 90.

(2) The exclusion in sub-paragraph (1) does not apply to the receipt by a person of a sum as consideration for the issue by him of commercial paper unless—

(a) the commercial paper is issued to persons—

(i) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(ii) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; and

(b) the redemption value of the commercial paper is not less than 150,000 US Dollars (or an amount of equivalent value denominated wholly or partly in a currency other than US Dollars), and no part of the commercial paper may be transferred unless the redemption value of that part is not less than 150,000 US Dollars (or such an equivalent amount).

(3) In sub-paragraph (2), "commercial paper" means an investment of the kind specified by paragraph 88, 89 or 90 having a maturity of less than one year from the date of issue.

42. Other exclusions

(1) A person who carries on an activity of the kind specified by paragraph 38 is not to be regarded as doing so by way of business if—

(a) he does not hold himself out as Accepting Deposits on a day-to-day basis; and

(b) any Deposits which he accepts are accepted only on particular occasions, whether or not involving the issue of any Financial Instruments.

(2) In determining for the purposes of sub-paragraph (1)(b) whether Deposits are accepted only on particular occasions, regard is to be had to the frequency of those occasions and to any characteristics distinguishing them from each other.

(3) A sum is not a Deposit for the purposes of paragraph 38 if it is received by a person who is—

(a) an Authorised Person with a Financial Services Permission to carry on the Regulated Activities specified in paragraphs 4, 12, 16, 28, 48, 50, 52, 54,56, 59, 60 or 61 (or, in so far as it relates to such activities, the activity specified in paragraph 64); or[18]

(b) an Exempt Person in relation to any such activity,

in the course of, or for the purposes of, carrying on any such activity (or any activity which would be such an activity but for any exclusion made by this Schedule) with or on behalf of the person by or on behalf of whom the sum is paid.

Chapter 6Custody

The activities

43. Providing Custody

(1) Each of the following activities—

(a) safeguarding of Financial Instruments or other assets belonging to another;

(b) in the case of a Fund, safeguarding Fund Property;

(c) Acting as a Central Securities Depository; or

(d) administering the assets, Financial Instruments or Fund Property for the purpose of sub-paragraphs (a) and (b);

is a specified kind of activity.

(2) For the purposes of this paragraph—

(a) it is immaterial that title to the assets is held in uncertificated form; and

(b) it is immaterial that the assets may be transferred to another person, subject to a commitment that they will be replaced by equivalent assets at some future date or when so requested by the person to whom they belong.

44. Activities not constituting administration

The following activities do not constitute the administration of assets for the purposes of paragraph 43—

(a) providing information as to the number of Units or the value of any assets in respect of which custody is provided;

[18] Amended 12 June 2017.

(b) converting currency; or

(c) receiving Documents relating to an investment solely for the purpose of onward transmission to, from or at the direction of the person to whom the investment belongs.

45. Other exclusions

Paragraph 43 is also subject to the exclusions in paragraphs 74 (*Trustees etc.*), 75 (*Profession or non-investment business*), 76 (*Sale of goods and supply of services*), 77 (*Groups and Joint Enterprises*), 81 (*Provisions of information on an incidental basis*) and 82 (*Insolvency Practitioners*).

46. Arranging Custody

Arranging for one or more persons to carry on the activity described in paragraph 43 is a specified kind of activity.

47. Exclusions

(1) A person ("the introducer") does not Arrange Custody by introducing a person to another person ("the custodian") who is authorised by the Regulator or a Non-Abu Dhabi Global Market Regulator to carry on the activity described in paragraph 43, if the introducer is not connected with the custodian.

(2) For the purposes of sub-paragraph (1) an introducer is connected to a custodian if—

(a) the custodian is a member of the same Group as the introducer; or

(b) the introducer is remunerated by the custodian or a member of the custodian's Group for making the introduction.

Chapter 7Credit

The Activity

48. Providing Credit

(1) Entering into a Credit Agreement with a person in his capacity as a Borrower or potential Borrower is a specified kind of activity.

(2) It is a specified kind of activity for the Lender or another person to exercise, or to have the right to exercise, the Lender's rights and duties under a Credit Agreement.

Exclusions

49. Incidental or connected lending and general exclusions

(1) An Authorised Person does not enter into a Credit Agreement as Lender where entering into the agreement is incidental to or in connection with transactions in Specified Investments(other than Credit Agreements) or the carrying on of the Regulated Activities of Effecting Contracts of Insurance or Carrying Out Contracts of Insurance as Principal.

(2) Paragraph 48 is also subject to the exclusions in paragraphs 76, 77 and 83.

The activity

50. Arranging Credit

Making arrangements for another person, whether as principal or agent, to borrow money by way of a Credit Agreement is a specified kind of activity.

51. Exclusions

(1) A person does not Arrange Credit by—

(a) providing means by which one party to a transaction is able to communicate with other such parties;

(b) making arrangements under which another person accepts or is to accept an instrument creating or acknowledging indebtedness in respect of any loan, Credit, guarantee or other similar financial accommodation which he or his principal has made or provided;

(c) making arrangements having as their sole purpose the provision of finance to enable a person to Buy, Sell, subscribe for or underwrite investments; or

(d) making arrangements for the issue or redemption of Securities issued by that person.[19]

(2) A person does not Arrange Credit if the activity—

(a) is carried on in the course of carrying on the activities specified in Rules 4 or 5 of the Commercial Licensing Regulations 2015 (Controlled Activities) Rules 2015, which does not otherwise consist of the carrying on of Regulated Activities;

(b) may reasonably be regarded as a necessary part of any other services provided in the course of carrying on the activities specified in those rules; and

(c) is not remunerated separately from the other services.

Chapter 8Money Services

The activity

52. Providing Money Services

Providing currency exchange or Money Transmission is a specified kind of activity.

Exclusion

[19] Amended 12 June 2017.

53. Connected Services

An Authorised Person does not Provide Money Services if it does so in relation to the carrying on of another Regulated Activity where Providing Money Services is in connection with and a necessary part of that other Regulated Activity.

Chapter 9 Operating Multilateral and Organised Trading Facilities

The activities

54. Operating a Multilateral Trading Facility or Organised Trading Facility

The operation of a Multilateral Trading Facility or Organised Trading Facility on which Financial Instruments are traded is a specified kind of activity.

Exclusion

55. Order Routing

A person does not Operate a Multilateral Trading Facility or Organised Trading Facility if it operates a facility which is merely an order routing system where Buying and Selling interests in, or orders for, Financial Instruments are merely transmitted but do not interact.

Chapter 10Managing Assets

The activity

56. Managing Assets

Managing on a discretionary basis assets belonging to another person is a specified kind of activity if the assets include any Financial Instrument or rights under a Contract of Long-Term Insurance, not being a contract of reinsurance.

Exclusions

57. Attorneys

(1) A person does not carry on an activity of the kind specified by paragraph 56 if—

(a) he is a person appointed to manage the assets in question under a power of attorney; and

(b) all routine or day-to-day decisions, so far as relating to investments of a kind mentioned in paragraph 56, are taken on behalf of that person by—

(i) an Authorised Person with permission to carry on activities of the kind specified by paragraph 56;

(ii) a person who is an Exempt Person in relation to activities of that kind; or

(iii) a Non-Abu Dhabi Global Market Person.

58. Other exclusions

Paragraph 56 is also subject to the exclusions in paragraphs 74 (*Trustees etc.*) 76 (*Sale of goods and supply of services*), 77 (*Groups and Joint Enterprises*), 81 (*Provision of information on an incidental basis*) and 82 (*Insolvency Practitioners*).

Chapter 11Collective Investment

The activities

59. Managing a Collective Investment Fund

(1) Managing a Collective Investment Fund is a specified kind of activity.

(2) A person manages a Collective Investment Fund when the person—

(a) is legally accountable to the Unitholders in the Collective Investment Fund for the management of the property held for or within a Collective Investment Fund under the Collective Investment Fund's Constitution; or

(b) establishes, manages or otherwise operates or winds up a Collective Investment Fund.

60. Acting as the Administrator of a Collective Investment Fund

(1) Acting as the Administrator of a Collective Investment Fund is a specified kind of activity.

(2) Acting as the Administrator of a Collective Investment Fund means providing one or more of the following services in relation to a Collective Investment Fund—

(a) processing dealing instructions including subscriptions, redemptions, stock transfers and arranging settlements;

(b) valuing of assets and performing net asset value calculations;

(c) maintaining the share register and Unitholder registration details;

(d) performing anti-money laundering functions;

(e) undertaking transaction monitoring and reconciliation functions;

(f) performing administrative activities in relation to banking, Cash management, treasury and foreign exchange;

(g) producing financial statements, other than as the Collective Investment Fund's auditor; or

(h) communicating with participants, the Collective Investment Fund, the Collective Investment Fund manager, and investment managers, the prime brokers, the Regulator and any other parties in relation to the administration of the Collective Investment Fund.

61. Acting as the Trustee of an Investment Trust

(1) Acting as the Trustee of an Investment Trust is a specified kind of activity.

(2) A person Acts as the Trustee of an Investment Trust when the person holds the assets of a Collective Investment Fund on trust for the Unitholders where the Collective Investment Fund is in the form of an Investment Trust.

Exclusions

62. Acting as agent, employee or delegate of an Investment Trust

A person does not Act as the Trustee of an Investment Trust merely because he is acting as an agent, employee or delegate of such trustee.

63. Other exclusions

(1) Paragraphs 59, 60 and 61 are also subject to the exclusion in paragraph 82 (*Insolvency Practitioners*); and

(2) Managing a Profit Sharing Investment Account shall not constitute a Regulated Activity under Chapter 11, but shall constitute a Regulated Activity solely under paragraph 64.

Chapter 12Islamic Finance

64. Shari'a-compliant Regulated Activities

(1) Carrying on an activity specified in any of paragraphs 4, 12, 16, 28 (subject to the specific exclusions to those paragraphs made in Rules made by the Regulator), 31, 32, 33, 36, 38, 43, 46, 48, 50, 52, 54, 56, 59, 60, 61, 65, 67, 68, 70 or 72 (subject to any exclusions to those paragraphs made by this Schedule) in a manner that complies with Shari'a is a specified kind of activity.

(2) Managing a Profit Sharing Investment Account is a specified kind of activity if an account or portfolio is managed as a Profit Sharing Investment Account.

Chapter 13Operating a Credit Rating Agency

The activity

65. Operating a Credit Rating Agency

(1) Operating a Credit Rating Agency means undertaking one or more Credit Rating Activities for the purpose of producing a Credit Rating with a view to that Credit Rating being—

(a) disseminated to the public; or

(b) distributed to a person by subscription;

whether or not it is in fact disseminated or distributed.

(2) For the purposes of sub-paragraph (1)—

(a) Credit Rating Activities are data and information analysis relating to a Credit Rating or the evaluation, approval, issue or review of a Credit Rating; and

(b) a Credit Rating is an opinion expressed using an established and defined ranking system of rating categories regarding the creditworthiness of a Rating Subject.

(3) In sub-paragraph (2), a Rating Subject means—

(a) a person other than a natural person;

(b) a credit commitment; or

(c) a debt or debt-like Specified Investment.

Exclusions

66. Preparing credit scores etc.

A person does not Operate a Credit Rating Agency where that person prepares any credit scores, credit scoring systems or similar assessments relating to obligations arising from consumer, commercial or industrial relationships.

Chapter 14 Operating a Representative Office

The activity

67. Operating a Representative Office

(1) Operating a Representative Office is a Regulated Activity.

(2) Operating a Representative Office means the marketing, from an establishment in the Abu Dhabi Global Market, of one or more financial services or investments which are offered in a jurisdiction other than the Abu Dhabi Global Market.

(3) For the purposes of this paragraph, "marketing" means—

(a) providing information on one or more investments or financial services;

(b) engaging in promotions in relation to such information provision; or

(c) making introductions or referrals in connection with the offer of financial services or investments;

provided that such activities do not constitute—

(i) advising on Specified Investments; or

(ii) receiving and transmitting orders in relation to a Specified Investment.

(4) An Authorised Person which is authorised to Operate a Representative Office may not have a Financial Services Permission to carry on any other Regulated Activity.

(5) An Authorised Person which does not have a Financial Services Permission to Operate a Representative Office does not Operate a Representative Office if it undertakes any activities of the kind described in sub-paragraph (3)that constitute marketing.

(6) Any communication which amounts to marketing in respect of a financial service or investment, which is issued by or on behalf of a Government or non-commercial governmental entity, does not constitute marketing for the purposes of sub-paragraph (3).

Chapter 15Specified Benchmarks

The activities

68. Specified Benchmarks

(1) The following are specified kinds of activity—

(a) Providing Information in Relation to a Specified Benchmark;

(b) Administering a Specified Benchmark.

(2) In this Chapter—

(a) "Administering" a Specified Benchmark means—

(i) administering the arrangements for determining a Specified Benchmark;

(ii) collecting, analysing or processing information or expressions of opinion provided for the purpose of determining a Specified Benchmark;

(iii) determining a Specified Benchmark through the application of a formula or other method of calculation to the information or expressions of opinion provided for that purpose;

(b) "Providing Information" in relation to a Specified Benchmark means providing any information or expression of opinion that is—

(i) provided to, or for the purpose of passing to, a person who has permission to carry on the activity specified in sub-paragraph (1)(b) in relation to that Specified Benchmark;

(ii) required in connection with the determination of the Specified Benchmark; and

(iii) provided for the purpose of determining the Specified Benchmark; and

(c) "Specified Benchmark" means a benchmark specified in the Rules made by the Regulator.

Exclusion

69. Publicly available factual data and subscription services

A person does not carry on an activity of the kind specified by paragraph 68(1)(a) in relation to a Specified Benchmark where the information provided—

(a) consists solely of factual data obtained from a publicly available source; or

(b) is—

(i) compiled by a subscription service for purposes other than in connection with the determination of a Specified Benchmark;

(ii) provided to a person who has permission to carry on an activity of the kind specified by paragraph 68(1)(b) and who is a subscriber to the service; and

(iii) provided to such a person only in that person's capacity as a subscriber.

Chapter 16Agreeing to Carry On Specified Kinds of Activity

The activity

70. Agreeing to Carry On Specified Kinds of Activity

Agreeing to carry on an activity of the kind specified by any other provision of this Part (other than paragraphs 31, 32, 38,54, 59, 60 and 61) is a specified kind of activity.

Exclusions

71. Non-Abu Dhabi Global Market Persons etc.

Paragraph 70 is subject to the exclusions in paragraphs 79 (*Non-Abu Dhabi Global Market Persons*), and 82 (*Insolvency Practitioners*).

Chapter 17 Providing Trust Services

The activity

72. Providing Trust Services

(1) Providing Trust Services is a specified kind of activity.

(2) Providing Trust Services means—

(a) the provision of services with respect to the creation of an express trust;

(b) arranging for any person to act as a trustee in respect of any express trust;

(c) acting as trustee in respect of an express trust; or

(d) the provision of Trust Administration Services in respect of an express trust.

Exclusions

73. Exclusions

(1) A person ("A") licensed under the Commercial Licensing Regulations 2015 to carry on the activities specified in Rules 4 or 5 of the Commercial Licensing Regulations 2015 (Controlled Activities) Rules 2015 does not Provide Trust Services where it only—

(a) arranges for a person to act as trustee in respect of an express trust; or

(b) provides services with respect to the creation of an express trust;

provided that—

(i) the provision of such services is solely incidental to the ordinary business of A; and

(ii) A is not holding itself out as Providing Trust Services.

(2) A person is not Providing Trust Services if that person is the Trustee of an Investment Trust and the activities are in connection with or arise from, Acting as the Trustee of an Investment Trust.

Chapter 17A Technology Innovation in Financial Services[20]

The activity

73A. Developing Financial Technology Services within the RegLab

(1) Developing Financial Technology Services within the RegLab is a specified kind of activity.

(2) Developing Financial Technology Services within the RegLab is an activity which:

(a) involves the developing and testing of innovative financial technology services, business models or delivery mechanisms; and

(b) is connected to or associated with the Regulated Activities specified in paragraphs 4, 12, 16, 28, 33, 43, 46, 50, 52, 54, 56, 59, 60, 61, 65, 68 or 72 , or activities connected to or associated with those set out in Chapter 1, Part 12 of FSMR(subject to any exclusions in those paragraphs made by this Schedule).

Chapter 18
Exclusions Applying to Several Specified Kinds of Activity

74. Trustees, nominees and personal representatives

(1) A person ("X") does not carry on an activity of the kind specified by paragraph 4 where he enters into a transaction as bare trustee for another person ("Y") and—

(a) X is acting on Y's instructions; and

(b) X does not hold himself out as providing a service of buying and selling Securities, Derivatives or Contracts of Insurance.

(2) Subject to sub-paragraph (5), there are excluded from paragraphs 16(1) and (2) arrangements made by a person acting as trustee or personal representative for or with a view to a transaction which is or is to be entered into—

[20]Amended 9 October 2016.

(a) by that person and a fellow trustee or personal representative (acting in their capacity as such); or

(b) by a beneficiary under the trust, will or intestacy.

(3) Subject to sub-paragraph (5), there is excluded from paragraphs 43or 56any activity carried on by a person acting as trustee or personal representative, unless he holds himself out as providing a service comprising an activity of the kind specified by paragraphs 43 or 56.

(4) Subject to sub-paragraph (5), there is excluded from paragraph 28 the giving of advice by a person acting as trustee or personal representative where he gives the advice to—

(a) a fellow trustee or personal representative for the purposes of the trust or the estate; or

(b) a beneficiary under the trust, will or intestacy concerning his interest in the trust fund or estate.

(5) Sub-paragraphs (2), (3) and (4)do not apply if the person carrying on the activity is remunerated for what he does in addition to any remuneration he receives as trustee or personal representative, and for these purposes a person is not to be regarded as receiving additional remuneration merely because his remuneration is calculated by reference to time spent.

75. Activities carried on in the course of a profession or non-investment business

(1) There is excluded from paragraphs 12, 16(1) and (2), 28,33, 36and43 any activity which—

(a) is carried on in the course of carrying on any profession or business which does not otherwise consist of the carrying on of Regulated Activities in the Abu Dhabi Global Market; and

(b) may reasonably be regarded as a necessary part of other services provided in the course of that profession or business.

(2) But the exclusion in sub-paragraph (1) does not apply if the activity in question is remunerated separately from the other services.

76. Activities carried on in connection with the sale of goods or supply of services

(1) Subject to sub-paragraphs (10),(11) and (12), this paragraph concerns certain activities carried on for the purposes of or in connection with the sale of goods or supply of services by a supplier to a Customer, where "supplier" means a person whose main business is to sell goods or supply services and not to carry on any activities of the kind specified by any of paragraphs 4, 12, 16, 28,33, 36,43, 48, 56, 59, 60 and 61where the supplier is a member of a Group.[21]

(2) In this paragraph "related sale or supply" means a sale of goods or supply of services to the Customer otherwise than by the supplier, but for or in connection with the same purpose as the sale or supply mentioned above.

[21] Amended 12 June 2017.

(3) There is excluded from paragraph 4 any transaction entered into by a supplier with a Customer, if the transaction is entered into for the purposes of or in connection with the sale of goods or supply of services, or a related sale or supply.

(4) There is excluded from paragraph 12 any transaction entered into by a supplier as agent for a Customer, if the transaction is entered into for the purposes of or in connection with the sale of goods or supply of services, or a related sale or supply, and provided that—

(a) the supplier does not hold himself out (other than to the Customer) as engaging in the business of Buying Financial Instruments of the kind to which the transaction relates with a view to Selling them, and does not regularly solicit members of the public for the purpose of inducing them (as principals or agents) to Buy, Sell, subscribe for or underwrite Financial Instruments; or

(b) the supplier enters into the transaction—

(i) with or through an Authorised Person, or an Exempt Person acting in the course of a business comprising a Regulated Activity in relation to which he is exempt; or

(ii) through an office outside the Abu Dhabi Global Market maintained by a party to the transaction, and with or through a person whose head office is situated outside the Abu Dhabi Global Market and whose ordinary business involves him in carrying on activities of the kind specified by any of paragraphs 4, 12, 16, 28,33, 36, 43, 48, 56, 59, 60, 61or, so far as relevant to any of those paragraphs, paragraph 70, or would do so apart from any exclusion from any of those paragraphs made by this Schedule.

(5) There are excluded from paragraph 16(1) and (2) arrangements made by a supplier for, or with a view to, a transaction which is or is to be entered into by a Customer for the purposes of or in connection with the sale of goods or supply of services, or a related sale or supply.

(6) There is excluded from paragraph 56 any activity carried on by a supplier where the assets in question—

(a) are those of a Customer; and

(b) are managed for the purposes of or in connection with the sale of goods or supply of services, or a related sale or supply.

(7) There is excluded from paragraph 43 any activity carried on by a supplier where custody over the assets in question is or is to be provided for the purposes of or in connection with the sale of goods or supply of services, or a related sale or supply.

(8) There is excluded from paragraph 28 the giving of advice by a supplier to a Customer for the purposes of or in connection with the sale of goods or supply of services, or a related sale or supply, or to a person with whom the Customer proposes to enter into a transaction for the purposes of or in connection with such a sale or supply or related sale or supply.

(9) There is excluded from paragraph 48 the entering into of a Credit Agreement by a supplier with a Customer for the purposes of or in connection with the sale of goods or supply of services, or a related sale or supply.

(10) Sub-paragraphs (3), (4) and (5) do not apply in the case of a transaction for the sale or purchase of a Contract of Insurance, an investment of the kind specified by paragraph 93, or an investment of the kind specified by paragraph 98 so far as relevant to such a contract or such an investment.

(11) Sub-paragraph (6) does not apply where the assets managed consist of Contracts of Insurance, investments of the kind specified by paragraph 93, or investments of the kind specified by paragraph 98 so far as relevant to such contracts or such investments.

(12) Sub-paragraph (8) does not apply in the case of advice in relation to an investment which is a Contract of Insurance, is of the kind specified by paragraph 93, or is of the kind specified by paragraph 98 so far as relevant to such a contract or such an investment.

77. Groups and Joint Enterprises

(1) There is excluded from paragraph 4 any transaction into which a person enters as principal with another person if that other person is also acting as principal and—

(a) they are members of the same Group; or

(b) they are, or propose to become, participators in a Joint Enterprise and the transaction is entered into for the purposes of or in connection with that enterprise.

(2) There is excluded from paragraph 12 any transaction into which a person enters as agent for another person if that other person is acting as principal, and the condition in sub-paragraph (1)(a) or (b) is met, provided that—

(a) the agent does not hold himself out (other than to members of the same Group or persons who are or propose to become participators with him in a Joint Enterprise) as engaging in the business of Buying Financial Instruments of the kind to which the transaction relates with a view to Selling them, and does not regularly solicit members of the public for the purpose of inducing them (as principals or agents) to Buy, Sell, subscribe for or underwrite Financial Instruments; or

(b) the agent enters into the transaction—

(i) with or through an Authorised Person, or an Exempt Person acting in the course of a business comprising a Regulated Activity in relation to which he is exempt; or

(ii) through an office outside the Abu Dhabi Global Market maintained by a party to the transaction, and with or through a person whose head office is situated outside the Abu Dhabi Global Market and whose ordinary business involves him in carrying on activities of the kind specified by any of paragraphs 4, 12, 16, 28, 43, 48, 56, 59, 60, or 61or, so far as relevant to any of those paragraphs, paragraph 70, or would do so apart from any exclusion from any of those paragraphs made by this Schedule.

(3) There are excluded from paragraph 16(1) and (2) arrangements made by a person if—

(a) he is a member of a Group and the arrangements in question are for, or with a view to, a transaction which is or is to be entered into, as principal, by another member of the same Group; or

(b) he is or proposes to become a participator in a Joint Enterprise, and the arrangements in question are for, or with a view to, a transaction which is or is to be entered into, as principal, by another person who is or proposes to become a participator in that enterprise, for the purposes of or in connection with that enterprise.

(4) There is excluded from paragraph 56 any activity carried on by a person if—

(a) he is a member of a Group and the assets in question belong to another member of the same Group; or

(b) he is or proposes to become a participator in a Joint Enterprise with the person to whom the assets belong, and the assets are managed for the purposes of or in connection with that enterprise.

(5) There is excluded from paragraph 43 any activity carried on by a person if—

(a) he is a member of a Group and the assets in question belong to another member of the same Group; or

(b) he is or proposes to become a participator in a Joint Enterprise, and the assets in question—

(i) belong to another person who is or proposes to become a participator in that Joint Enterprise; and

(ii) are or are to be subject to the provision of custody for the purposes of or in connection with that enterprise.

(6) There is excluded from paragraph 28 the giving of advice by a person if—

(a) he is a member of a Group and gives the advice in question to another member of the same Group; or

(b) he is, or proposes to become, a participator in a Joint Enterprise and the advice in question is given to another person who is, or proposes to become, a participator in that enterprise for the purposes of or in connection with that enterprise.

(7) There is excluded from paragraph 48 the entering into of a Credit Agreement by a person if—

(a) he is a member of a Group and enters into the agreement with another member of the same Group; or

(b) he is, or proposes to become, a participator in a Joint Enterprise and the Credit Agreement is entered into with another person who is, or proposes to become, a participator in that enterprise for the purposes of or in connection with that enterprise.

(8) Sub-paragraph (2) does not apply to a transaction for the sale or purchase of a Contract of Insurance.

(9) Sub-paragraph (3) does not apply to arrangements for, or with a view to, a transaction for the sale or purchase of a Contract of Insurance.

(10) Sub-paragraph (6) does not apply where the advice relates to a transaction for the sale or purchase of a Contract of Insurance.

78. Activities carried on in connection with the sale of a Body Corporate

(1) A person does not carry on an activity of the kind specified by paragraph 4 by entering as principal into a transaction if—

(a) the transaction is one to acquire or dispose of Shares in a Body Corporate, or is entered into for the purposes of such an acquisition or disposal; and

(b) either—

(i) the conditions set out in sub-paragraph (2) are met; or

(ii) those conditions are not met, but the object of the transaction may nevertheless reasonably be regarded as being the acquisition of day-to-day control of the affairs of the Body Corporate.

(2) The conditions mentioned in sub-paragraph (1)(b) are that—

(a) the Shares consist of or include 50 per centor more of the Voting Shares in the Body Corporate; or

(b) the Shares, together with any already held by the person acquiring them, consist of or include at least that percentage of such Shares; and

(c) in either case, the acquisition or disposal is between parties each of whom is a Body Corporate, a Partnership, a single individual or a Group of Connected Individuals.

(3) In sub-paragraph (2)(c), a "Group of Connected Individuals" means—

(a) in relation to a party disposing of Shares in a Body Corporate, a single group of persons each of whom is—

(i) a Director or manager of the Body Corporate;

(ii) a Close Relative of any such Director or manager; or

(iii) a person acting as trustee for any person falling within sub-paragraph (i) or (ii); and

(b) in relation to a party acquiring Shares in a Body Corporate, a single group of persons each of whom is—

(i) a person who is or is to be a Director or manager of the Body Corporate;

(ii) a Close Relative of any such person; or

(iii) a person acting as trustee for any person falling within sub-paragraph (i) or (ii).

(4) A person does not carry on an activity of the kind specified by paragraph 12 by entering as agent into a transaction of the kind described in sub-paragraph (1).

(5) There are excluded from paragraph 16(1) and (2) arrangements made for, or with a view to, a transaction of the kind described in sub-paragraph (1).

(6) There is excluded from paragraph 28 the giving of advice in connection with a transaction (or proposed transaction) of the kind described in sub-paragraph (1).

(7) Sub-paragraphs (4), (5) and (6) do not apply in the case of a transaction for the sale or purchase of a Contract of Insurance.

79. Non-Abu Dhabi Global Market Persons

(1) A Non-Abu Dhabi Global Market Person does not carry on an activity of the kind specified by paragraph 4 by—

(a) entering into a transaction as principal with or through an Authorised Person, or an Exempt Person acting in the course of a business comprising a Regulated Activity in relation to which he is exempt; or

(b) entering into a transaction as principal with a person in the Abu Dhabi Global Market, if the transaction is the result of a legitimate approach.

(2) A Non-Abu Dhabi Global Market Person does not carry on an activity of the kindspecified by paragraph 12 by—

(a) entering into a transaction as agent for any person with or through an Authorised Person or an Exempt Person acting in the course of a business comprising a Regulated Activity in relation to which he is exempt; or

(b) entering into a transaction with another party ("X") as agent for any person ("Y"), other than with or through an Authorised Person or such an Exempt Person, unless—

(i) either X or Y is in the Abu Dhabi Global Market; and

(ii) the transaction is the result of an approach (other than a legitimate approach) made by or on behalf of, or to, whichever of X or Y is in the Abu Dhabi Global Market.

(3) There are excluded from paragraph 16(1) arrangements made by a Non-Abu Dhabi Global Market Person with an Authorised Person, or an Exempt Person acting in the course of a business comprising a Regulated Activity in relation to which he is exempt.

(4) There are excluded from paragraph 16(2) arrangements made by a Non-Abu Dhabi Global Market Person with a view to transactions which are, as regards transactions in the Abu Dhabi Global Market, confined to—

(a) transactions entered into by Authorised Persons as principal or agent; and

(b) transactions entered into by Exempt Persons, as principal or agent, in the course of business comprising Regulated Activities in relation to which they are exempt.

(5) There is excluded from paragraph 28 the giving of advice by a Non-Abu Dhabi Global Market Person as a result of a legitimate approach.

(6) There is excluded from paragraph 70 any agreement made by a Non-Abu Dhabi Global Market Person to carry on an activity of the kind specified by paragraph 16(1) or (2), 33, 36, 43 or 56if the agreement is the result of a legitimate approach.

(7) In this paragraph, "legitimate approach" means an approach made to the Non-Abu Dhabi Global Market Person which has not been solicited by such person in any way, unless the approach or solicitation made to the Non-Abu Dhabi Global Market Person has been made by an Authorised Person or Exempt Person.

80. Insurance intermediation: incidental basis

(1) A Person does not carry on Insurance Intermediation if the activity—

(a) is carried on in the course of any professional business which does not otherwise consist of the carrying on of Financial Services;

(b) may reasonably be regarded as a necessary part of any other services provided in the course of that professional business; and

(c) is not remunerated separately from the other services.

81. Provision of information on an incidental basis

(1) There is excluded from paragraphs 16(1) and (2) the making of arrangements for, or with a view to, a transaction for the sale or purchase of a Contract of Insurance or an investment of the kind specified by paragraph 98, so far as relevant to such a contract, where that activity meets the conditions specified in sub-paragraph (4).

(2) There is excluded from paragraphs 43 and 56 any activity—

(a) where the assets in question are rights under a Contract of Insurance or an investment of the kind specified by paragraph 98, so far as relevant to such a contract; and

(b) which meets the conditions specified in sub-paragraph (4).

(3) There is excluded from paragraphs 33and 36 any activity which meets the conditions specified in sub-paragraph (4).

(4) The conditions specified in this paragraph are that the activity—

(a) consists of the provision of information to the policyholder or potential policyholder;

(b) is carried on by a person in the course of carrying on a profession or business which does not otherwise consist of the carrying on of Regulated Activities; and

(c) may reasonably be regarded as being incidental to that profession or business.

82. Insolvency Practitioners

(1) There is excluded from the provisions listed in sub-paragraph (2) any activity carried on by a person Acting as an Insolvency Practitioner.

(2) The provisions are—

(a) paragraph 4 (*Dealing in Investments as Principal*);

(b) paragraph 12 (*Dealing in Investments as Agent*);

(c) paragraph 16 (*Arranging Deals in Investments*);

(d) paragraph 54 (*Operating a Multilateral Trading Facility or Organised Trading Facility*);

(e) paragraph 56 (*Managing Assets*);

(f) paragraph 33 (*Insurance Intermediation*);

(g) paragraph 36 (*Insurance Management*);

(h) paragraph 43 (*Providing Custody*);

(i) paragraph 59 (*Managing a Collective Investment Fund*);

(j) paragraph 60 (*Acting as the Trustee of an Investment Trust*); and

(k) paragraph 28 (*Advising on Investments or Credit*).

(3) There is excluded from paragraph 70 any agreement made by a person Acting as an Insolvency Practitioner to carry on an activity of the kind excluded by sub-paragraph (1).

83. Commodity Derivative members of Recognised Bodies and Remote Bodies

A person who is a Body Corporate does not carry on the activity specified by paragraph 4 or 12 by way of business, if—

(a) the person carries on such activities as a member of a Recognised Body or Remote Body;

(b) the person carries on such activities for his own account or for another Body Corporate which is in the same Group as the person;

(c) the person restricts such activities to transactions on or with that Recognised Body or Remote Body involving or relating only to Commodity Derivatives;

(d) the main business of the person is dealing in relation to Commodity Derivatives; and

(e) the person is not part of a Group whose main business is the provision of financial services.

Part 3

Specified Investments

84. Investments: general

The following kinds of investment are specified for the purposes of paragraph 2.

85. Deposits

(1) A Deposit is a sum of money paid on terms—

(a) under which it will be repaid, with or without interest or a premium, and either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person receiving it; and

(b) which is not referable to the provision of property (other than currency) or services or the giving of security.

(2) Money is paid on terms which are referable to the provision of property or services or the giving of security if—

(a) it is paid by way of advance or part payment under a contract for the sale, hire or other provision of property or services, and is repayable only in the event that the property or services are not in fact sold, hired or otherwise provided;

(b) it is paid by way of security for the performance of a contract or by way of security in respect of loss which may result from the non-performance of a contract; or

(c) without prejudice to sub-paragraph (b), it is paid by way of security for the delivery of property, whether in a particular state of repair or otherwise.

86. Contracts of Insurance

Rights under a Contract of Insurance.

87. Shares etc.

Shares or stock in the share capital of—

(a) any Body Corporate (other than an open-ended investment company); and

(b) any unincorporated body constituted under the law of a country, territory or jurisdiction outside the Abu Dhabi Global Market.

88. Instruments creating or acknowledging indebtedness

(1) Subject to sub-paragraph (2), such of the following as do not fall within paragraph 90—

(a) debentures;

(b) debenture stock;

(c) loan stock;

(d) bonds;

(e) certificates of deposit;

(f) any other instrument creating or acknowledging indebtedness.

(2) If and to the extent that they would otherwise fall within sub-paragraph (1), there are excluded from that sub-paragraph—

(a) an instrument acknowledging or creating indebtedness for, or for money borrowed to defray, the consideration payable under a contract for the supply of goods or services;

(b) a cheque or other bill of exchange, a banker's draft or a letter of credit (but not a bill of exchange accepted by a banker);

(c) a banknote, a statement showing a balance on a current, deposit or savings account or a lease or other disposition of property; and

(d) a Contract of Insurance.

(3) An instrument excluded from sub-paragraph (1) of paragraph 90 by sub-paragraph (2)(b) of that paragraph is not thereby to be taken to fall within sub-paragraph (1) of this paragraph.

89. Sukuk

(1) Rights under a Sukuk, to the extent that they do not fall within paragraph 88 or 90.

(2) For the purposes of this paragraph, arrangements constitute a Sukuk if—

(a) the arrangements provide for a person (the "Sukuk-holder") to pay a sum of money (the "capital") to another (the "Sukuk-issuer");

(b) the arrangements identify assets, or a class of assets, which the Sukuk-issuer will acquire for the purpose of generating income or gains directly or indirectly (the "Sukuk assets");

(c) the arrangements provide that the Sukuk represent an undivided beneficial ownership in the Sukuk assets;

(d) the arrangements specify a period at the end of which they cease to have effect (the "Sukuk term");

(e) the Sukuk-issuer undertakes under the arrangements—

(i) to make a repayment in respect of the capital (the "redemption payment") to the Sukuk-holder during or at the end of the Sukuk term (whether or not in installments); and

(ii) to pay to the Sukuk-holder other payments on one or more occasions during or at the end of the Sukuk term (the "profit payments");

(f) the amount of the profit payments does not exceed an amount which would, at the time at which the Sukuk is issued, be a reasonable commercial return on a loan of the capital; and

~~(g) the arrangements are a Financial Instrument admitted to trading on a Recognised Investment Exchange; and~~

(g) the Sukuk has received a fatwa as to compliance with Shari'a from an appropriately qualified Shari'a Supervisory Board.

(3) For the purposes of sub-paragraph (2)—

(a) the Sukuk-Issuer may acquire the Sukuk assets before or after the arrangements take effect;

(b) the Sukuk assets may be property of any kind, including rights in relation to property owned by someone other than the Sukuk-issuer;

(c) the identification of the Sukuk assets mentioned in sub-paragraph (2)(b) and the undertakings mentioned in sub-paragraph (2)(e) may (but need not) be described as, or accompanied by a document described as, a declaration of trust;

(d) the reference to a period in sub-paragraph (2)(d) includes any period specified to end upon the redemption of the Sukuk by the Sukuk-issuer;

(e) the Sukuk-holder may (but need not) be entitled under the arrangements to terminate them, or participate in terminating them, before the end of the Sukuk term;

(f) the amount of the profit payments may be—

(i) fixed at the beginning of the Sukuk term;

(ii) determined wholly or partly by reference to the value of or income generated by the Sukuk assets; or

(iii) determined in some other way;

(g) if the amount of the profit payments is not fixed at the beginning of the Sukuk term, the reference in sub-paragraph (2)(f) to the amount of the profit payments is a reference to the maximum amount of the profit payments;

(h) the amount of the redemption payment may (but need not) be subject to reduction in the event of a fall in the value of the bond assets or in the rate of income generated by them; and

(i) entitlement to the redemption payment may (but need not) be capable of being satisfied (whether or not at the option of the Sukuk-issuer or the Sukuk-holder) by the issue or transfer of Shares or other Financial Instruments.

(4) An instrument excluded from sub-paragraph (1) of paragraph 90 by sub-paragraph (2) of that paragraph is not thereby taken to fall within sub-paragraph (1) of this paragraph.

90. Government and public Financial Instruments

(1) Subject to sub-paragraph (2), loan stock, bonds and other instruments creating or acknowledging indebtedness, issued by or on behalf of any of the following—

(a) the Board;

(b) the government of any country, jurisdiction or territory outside the Abu Dhabi Global Market;

(c) a local authority; or

(d) a body the members of which comprise—

(i) states or legal jurisdictions including the Abu Dhabi Global Market; or

(ii) bodies whose members comprise states or legal jurisdictions including the Abu Dhabi Global Market.

(2) Subject to sub-paragraph (3), there are excluded from sub-paragraph (1), so far as applicable, the instruments mentioned in paragraph 88(2)(a) to (d).

(3) Sub-paragraph (2) does not exclude an instrument which meets the requirements set out inparagraph 89(2)(a) to (f).

91. Instruments giving entitlements to investments

(1) Warrants and other instruments entitling the holder to subscribe for any investment of the kind specified by paragraph 87, 88, 89 or 90.

(2) It is immaterial whether the investment to which the entitlement relates is in existence or identifiable.

(3) An investment of the kind specified by this paragraph is not to be regarded as falling within paragraph 94, 95 or 96.

92. Certificates representing certain Financial Instruments

(1) Subject to sub-paragraph (2), certificates or other instruments which confer contractual or property rights (other than rights consisting of an investment of the kind specified by paragraph 94)—

(a) in respect of any investment of the kind specified by any of paragraphs 87 to 91, being an investment held by a person other than the person on whom the rights are conferred by the certificate or instrument; and

(b) the transfer of which may be effected without the consent of that person.

(2) There is excluded from sub-paragraph (1) any certificate or other instrument which confers rights in respect of two or more investments issued by different persons, or in respect of two or more different investments of the kind specified by paragraph 90 and issued by the same person.

93. Units in a Collective Investment Fund

Units in a Collective Investment Fund.

94. Options

(1) Options to acquire or dispose of—

(a) a Financial Instrument (other than one of a kind specified by this paragraph);

(b) currency of any country or territory;

(c) a commodity of any kind;

(d) a right to receive a Cash settlement, the value of which is determined by reference to—

(i) the value or price of an index, interest rate or exchange rate; or

(ii) any other rate or variable; or

(e) an option to acquire or dispose of an investment of the kind specified by this paragraph by virtue of sub-paragraph (a), (b), (c) or (d).

95. Futures

(1) Subject to sub-paragraph (2), rights under a contract for the sale of a commodity or property of any other description under which delivery is to be made at a future date and at a price agreed on when the contract is made.

(2) There are excluded from sub-paragraph (1) rights under any contract which is made for commercial and not investment purposes.

(3) A contract is to be regarded as made for investment purposes if it is made or traded on a Recognised Investment Exchange, or is made otherwise than on a Recognised Investment Exchange but is expressed to be as traded on such an exchange or on the same terms as those on which an equivalent contract would be made on such an exchange.

(4) A contract not falling within sub-paragraph (3) is to be regarded as made for commercial purposes if under the terms of the contract delivery is to be made within seven days, unless it can be shown that there existed an understanding that (notwithstanding the express terms of the contract) delivery would not be made within seven days.

(5) The following are indications that a contract not falling within sub-paragraph (3) or (4) is made for commercial purposes and the absence of them is an indication that it is made for investment purposes—

(a) one or more of the parties is a producer of the commodity or other property, or uses it in his business;

(b) the seller delivers or intends to deliver the property or the purchaser takes or intends to take delivery of it.

(6) It is an indication that a contract is made for commercial purposes that the prices, the lot, the delivery date or other terms are determined by the parties for the purposes of the particular contract and not by reference (or not solely by reference) to regularly published prices, to standard lots or delivery dates or to standard terms.

(7) The following are indications that a contract is made for investment purposes—

(a) it is expressed to be as traded on an investment exchange;

(b) performance of the contract is ensured by an investment exchange or a clearing house;

(c) there are arrangements for the payment or provision of margin.

(8) For the purposes of sub-paragraph (1), a price is to be taken to be agreed on when a contract is made—

(a) notwithstanding that it is left to be determined by reference to the price at which a contract is to be entered into on a market or exchange or could be entered into at a time and place specified in the contract; or

(b) in a case where the contract is expressed to be by reference to a standard lot and quality, notwithstanding that provision is made for a variation in the price to take account of any variation in quantity or quality on delivery.

96. Contracts for differences etc.

(1) Subject to sub-paragraph (2), rights under—

(a) a contract for differences; or

(b) any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss by reference to fluctuations in—

(i) the value or price of property of any description; or

(ii) an index or other factor designated for that purpose in the contract.

(2) There are excluded from sub-paragraph (1)—

(a) rights under a contract if the parties intend that the profit is to be secured or the loss is to be avoided by one or more of the parties taking delivery of any property to which the contract relates;

(b) rights under a contract under which money is received by way of deposit on terms that any interest or other return to be paid on the sum deposited will be calculated by reference to fluctuations in an index or other factor;

(c) rights under a Contract of Insurance.

97. Credit Agreement

Rights under a Credit Agreement.

98. Rights to or interests in investments

(1) Subject to sub-paragraph (2), any right to or interest in anything which is specified by any other provision of this Part.

(2) Sub-paragraph (1) does not include anything which is specified by any other provision of this Part.

99. Shari'a-compliant Specified Investments

Any investment specified in paragraphs 85 to 98 that complies with Shari'a.

99A. Structured Products

(1) In this Regulation a "Structured Product" is a Financial Instrument comprising rights under a contract where:.

(a) the gain or loss of each party to the contract is ultimately determined by reference to the fluctuations in the value or price of property of any description, an index, interest rate, exchange rate or a combination of any of these as specified for that purpose in the contract ("the underlying factor") and is not leveraged upon such fluctuations;

(b) the gain or loss of each party is wholly settled by cash or set-off between the parties;

(c) each party is not exposed to any contingent liabilities to any other counterparty; and

(d) there is readily available public information in relation to the underlying factor;

but excludes any rights under a Financial Instrument:

(e) where one or more of the parties takes delivery of any property to which the contract relates;

(f) which is a Debenture; or

(g) which is a Contract of Insurance.

Part 4
Contracts of Insurance

100. Definition of Contract of Insurance

A Contract of Insurance means any contract of insurance or contract of reinsurance.

101. Classes of Contracts of Insurance

The classes of Contracts of Insurance are specified in the following paragraphs.

Chapter 1 Classes of Life Insurance

102. Class 1- Life and annuity

Contracts of Insurance on human life or contracts to pay Annuities on Human Life, but excluding, in each case, contracts within paragraph 104 of this Part.

103. Class 2- Marriage and birth

Contracts of Insurance to provide a sum on marriage or on the birth of a child, being contracts expressed to be in effect for a period of more than one year.

104. Class 3- Linked long term

Contracts of Insurance on human life or contracts to pay Annuities on Human Life where the benefits are wholly or partly to be determined by reference to the value of, or the income from, property of any description (whether or not specified in the contracts) or by reference to fluctuations in, or in an index of, the value of property of any description (whether or not so specified).

105. Class 4- Permanent health

Contracts of Insurance providing specified benefits against risks of individuals becoming incapacitated in consequence of sustaining injury as a result of an accident or of an accident of a specified class or of sickness or infirmity, being contracts that—

(a) are expressed to be in effect for a period of not less than five years, or until the normal retirement age for the individuals concerned, or without limit of time; and

(b) either are not expressed to be terminable by the insurer, or are expressed to be so terminable only in special circumstances mentioned in the contract.

106. Class 5- Tontines

Tontines.

107. Class 6 - Capital redemption

Contracts, other than contracts in paragraph 100 of this Part, to provide a capital sum at the end of a term.

108. Class 7- Pension fund management

(a) Pension fund management contracts; or

(b) Contracts of the kind mentioned in sub-paragraph(a) that are combined with Contracts of Insurance covering either conservation of capital or payment of a minimum interest.

Chapter 2 Classes of Non-Life Insurance

109. Class 1 - Accident

(1) Contracts of Insurance providing fixed pecuniary benefits or benefits in the nature of the indemnity, or a combination of both, against risks of the person insured—

(a) sustaining injury as the result of an accident or of an accident of a specified class;

(b) dying as the result of an accident or of an accident of a specified class; or

(c) becoming incapacitated in the consequence of disease or of disease of a specified class;

inclusive of contracts relating to industrial injury and occupational disease.

110. Class 2 - Sickness

Contracts of Insurance providing fixed pecuniary benefits or benefits in the nature of indemnity, or a combination of the two, against risks of loss to the persons insured attributable to sickness or infirmity.

111. Class 3 - Land Vehicles

Contracts of Insurance against loss of or damage to vehicles used on land, including motor vehicles but excluding railway rolling stock.

112. Class 4 - Marine, aviation and transport

(1) Contracts of Insurance—

(a) against loss of or damage to railway rolling stock;

(b) upon aircraft or upon the machinery, tackle, furniture or equipment of aircraft;

(c) upon vessels used on the sea or on inland water, or upon the machinery, tackle, furniture or equipment of such vessels; or

(d) against loss of or damage to merchandise, baggage and all other goods in transit, irrespective of the form of transport.

113. Class 5 - Fire and other property damage

Contracts of Insurance against loss of or damage to property, other than property to which either of classes 3 or 4 relates, due to fire, explosion, storm, natural forces other than storm, nuclear energy, land subsidence, hail, frost or any event, such as theft.[22]

[22] Amended 12 June 2017.

114. Class 6 - Liability

Contracts of Insurance against risks of the persons insured incurring liabilities to third parties, including risks of damage arising out of or in connection with the use of motor vehicles on land, aircraft and vessels on the sea or on inland water, including third-party risks and carrier's liability.

115. Class 7 - Credit

Contracts of Insurance against risks of loss to the persons insured arising from the insolvency of debtors of theirs or from the failure,otherwise than through insolvency, of debtors of theirs to pay theirdebts when due.

116. Class 8 - Suretyship

(1) Contracts of Insurance against risks of loss to the persons insured arising from their having to perform contracts of guarantee entered into by them; or

(2) contracts for fidelity bonds, performance bonds, administration bonds, bail bonds or customs bonds or similar contracts of guarantee.

117. Class 9 - Other

(1) Contracts of Insurance—

(a) against risks of loss to the persons insured attributable to interruptions of the carrying on of business carried on by them or to reduction of the scope of business so carried on;

(b) against risks of loss to the persons insured attributable to their incurring unforeseen expense;

(c) against risks of loss to the persons insured attributable to their incurring legal expenses, including costs of litigation; and

(d) providing assistance, whether in cash or in kind, for persons who get into difficulties, whether while travelling, while away from home, while away from their permanent residence, or otherwise.

Schedule 2

Financial Promotions

Section 18(5)

1. Interpretation

In this Schedule—

(a) any reference to a communicationbeing made to another person is a reference to a communication being addressed, whether orally or in legible form, to a particular person or persons (for example where it is contained in a telephone call or letter);

(b) any reference to a communication being directed at persons is a reference to a communication being addressed to persons generally (for example where it is contained in a television broadcast or website);

(c) references to a real time communication are references to any communication made in the course of a personal visit, telephone conversation or other interactive dialogue;

(d) a non-real time communication is a communication not falling within sub-paragraph (c)including communications made by letter or e-mail or contained in a Publication;

(e) a real time communication is solicited where it is made in the course of a personal visit, telephone call or other interactive dialogue if that call, visit or dialogue—

(i) was initiated by the Recipient of the communication; or

(ii) takes place in response to an express request from the Recipient of the communication; and

(f) a real time communication is unsolicited where it is made otherwise than as described in sub-paragraph (e).

2. Degree of prominence to be given to required indications

Where a communication must, if it is to fall within any provision of this Schedule, be accompanied by an indication of any matter, the indication must be presented to the Recipient—

(a) in a way that can be easily understood; and

(b) in such manner as, depending on the means by which the communication is made or directed, is best calculated to bring the matter in question to the attention of the Recipient and to allow him to consider it.

3. Combination of different exemptions

In respect of any communicationa person may rely on the application of one or more of the exemptions in this Schedule.

Exempt Communications

4. Communications to non-Abu Dhabi Global Market Recipients and Authorised Persons or Recognised Bodies

(1) Subject to sub-paragraph (3), the Financial Promotion Restriction does not apply to any communication which—

(a) is made only to Recipients whom the person making the communication believes on reasonable grounds to be Authorised Persons or Recognised Bodies or persons outside the Abu Dhabi Global Market;or

(b) may reasonably be regarded as being directed (whether from inside or outside the Abu Dhabi Global Market) only at Authorised Persons or Recognised Bodies or persons outside the Abu Dhabi Global Market.

(2) A communication will fall within the exemption in sub-paragraph (1)(b) if the conditions set out in sub-paragraphs (a) to (d) are met. In any other case where one or more of the conditions in sub-paragraphs (a) to (d) are met, that fact is to be taken into account in determining whether or not the exemption in sub-paragraph (1)(b) applies. The conditions in this paragraph are that—

(a) the communication is accompanied by an indication that it is directed only at persons falling in sub-paragraph (1)(b), that it must not be acted or relied upon by any other persons and that any investment or investment activity to which it relates is available only to such persons or will be engaged in only with such persons;

(b) the communication is not referred to in, or directly accessible from, any other communication made to a person or directed at persons other than those falling under sub-paragraph (1)(b) by the person directing the communication;

(c) there are in place proper systems and procedures to prevent Recipients other than those falling under sub-paragraph (1)(b) from Engaging in the Investment Activity to which the communication relates with the person directing the communication, a Close Relative of his or a member of the same Group;

(d) the communication is included in—

(i) a website, newspaper, journal, magazine or periodical Publication which is principally accessed in or intended for a market outside the U.A.E.; or

(ii) a radio or television broadcast transmitted principally for reception outside the U.A.E.

(3) Sub-paragraphs (1)(a) and (b) do not apply to an Unsolicited Real Time Communication unless—

(a) it is made from a place outside the Abu Dhabi Global Market; and

(b) it is made for the purposes of a business which is carried on outside the Abu Dhabi Global Market and which is not carried on in the Abu Dhabi Global Market.

(4) A communication may be treated as made only to or directed only at persons falling under sub-paragraph (1)(a) or (b) even if it is also made to or directed at other persons to whom it may lawfully be communicated.

5. Communications from Customers and potential Customers

(1) The Financial Promotion Restriction does not apply to any communication made by or on behalf of a person ("Customer") to one other person ("supplier")—

(a) in order to obtain information about a Specified Investment available from or a controlled service provided by the supplier; or

(b) in order that the Customer can acquire a Specified Investment from that supplier or be supplied with a controlled service by that supplier.

(2) For the purposes of sub-paragraph (1), a controlled service is a service the provision of which results in either the Customer or the supplier Engaging in Investment Activity.

6. Follow up non-real time communications and Solicited Real Time Communications

(1) Where a person makes or directs a communication (the "first communication") which is exempt from the Financial Promotion Restriction because, in compliance with the requirements of another provision of this Schedule, it is accompanied by certain indications or contains certain information, then the Financial Promotion Restriction does not apply to any subsequent communication which complies with the requirements of sub-paragraph (2).

(2) The requirements of this paragraph are that the subsequent communication—

(a) is a non-real time communication or a Solicited Real Time Communication;

(b) is made by, or on behalf of, the same person who made the first communication;

(c) is made to a Recipient of the first communication;

(d) relates to the same kind of activity and the same Specified Investment as the first communication; and

(e) is made within 12 months of the Recipient receiving the first communication.

(3) The provisions of this paragraph only apply in the case of a person who makes or directs a communication on behalf of another where the first communication is made by that other person.

(4) Where a person makes or directs a communication on behalf of another person in reliance on the exemption contained in this paragraph, the person on whose behalf the communication was made or directed remains responsible for the content of that communication.

7. Introductions

(1) If the requirements of sub-paragraph (2) are met, the Financial Promotion Restriction does not apply to any communication which is made with a view to or for the purposes of introducing the Recipient to—

(a) an Authorised Person who carries on the activity to which the communication relates; or

(b) an Exempt Person where the communication relates to an activity in relation to which he is an Exempt Person.

(2) The requirements of this paragraph are that—

(a) the maker of the communication ("A") is not a Close Relative of, nor a member of the same Group as, the person to whom the introduction is, or is to be, made;

(b) A does not receive from any person other than the Recipient any pecuniary reward or other advantage arising out of his making the introduction; and

(c) it is clear in all the circumstances that the Recipient, in his capacity as an investor, is not seeking and has not sought advice from A as to the merits of the Recipient Engaging in Investment Activity (or, if the client has sought such advice, A has declined to give it, but has recommended that the Recipient seek such advice from an Authorised Person).

8. Generic promotions

The Financial Promotion Restriction does not apply to any communication which—

(a) does not identify (directly or indirectly) a person who provides the Specified Investment to which the communicationrelates; and

(b) does not identify (directly or indirectly) any person as a person who Engages in Investment Activity in relation to that investment.

9. Exempt Persons

(1) The Financial Promotion Restriction does not apply to any communication which—

(a) is a non-real time communication or a Solicited Real Time Communication;

(b) is made or directed by an Exempt Person; and

(c) is for the purposes of that Exempt Person's business of carrying on an activity in relation to which he is an Exempt Person.

10. Communications caused to be made or directed by unauthorised persons

(1) If a condition in sub-paragraph (2) is met, the Financial Promotion Restriction does not apply to a communication caused to be made or directed by an unauthorised person which is made or directed by an Authorised Person.

(2) The conditions in this paragraph are that—

(a) the Authorised Person prepared the content of the communication; or

(b) it is a real-time communication.

11. Mere conduits

(1) Subject to sub-paragraph (4), the Financial Promotion Restriction does not apply to any communication which is made or directed by a person who acts as a mere conduit for it.

(2) A person acts as a mere conduit for a communication if—

(a) he communicates it in the course of an activity carried on by him, the principal purpose of which is transmitting or receiving material provided to him by others;

(b) the content of the communication is wholly devised by another person; and

(c) the nature of the service provided by him in relation to the communication is such that he does not select, modify or otherwise exercise control over its content prior to its transmission or receipt.

(3) For the purposes of sub-paragraph (2)(c) a person does not select, modify or otherwise exercise control over the content of a communication merely by removing or having the power to remove material—

(a) which is, or is alleged to be, illegal, defamatory or in breach of intellectual property laws;

(b) in response to a request to a body which is empowered by or under any enactment to make such a request; or

(c) when otherwise required to do so by law.

(4) Nothing in sub-paragraph (1) prevents the application of the Financial Promotion Restriction in so far as it relates to the person who has caused the communication to be made or directed.

12. Communications by and to journalists

(1) Subject to sub-paragraph (2), the Financial Promotion Restriction does not apply to any non-real time communication if—

(a) the content of the communication is devised by a person acting in the capacity of a journalist;

(b) the communication is contained in a qualifying publication; and

(c) in the case of a communication requiring disclosure, one of the conditions in sub-paragraph (2) is met.

(2) The conditions in this paragraph are that—

(a) the communication is accompanied by an indication explaining the nature of the author's financial interest or that of a member of his family (as the case may be);

(b) the authors are subject to proper systems and procedures which prevent the Publication of communications requiring disclosure without the explanation referred to in sub-paragraph (a); or

(c) the qualifying publication in which the communication appears falls within the remit of the U.A.E. National Media Council or similar international body.

(3) For the purposes of this paragraph, a communication requires disclosure if—

(a) an author of the communication or a member of his family is likely to obtain a financial benefit or avoid a financial loss if people act in accordance with the invitation or inducement contained in the communication;

(b) the communication relates to a Specified Investment of a kind falling within sub-paragraph (5); and

(c) the communication identifies directly a person who issues or provides the Specified Investment to which the communication relates.

(4) The Financial Promotion Restriction does not apply to any non-real time communication relating to a Specified Investment falling under sub-paragraph (5) if—

(a) the content of the communication is to a person acting in the capacity of a journalist; and

(b) the journalist is employed by the publisher of, or regularly contributes as a freelance journalist to, qualifying publications.

(5) A Specified Investment falls within this paragraph if it is—

(a) an investment falling within paragraph 87 of Schedule 1 (*Shares etc.*);

(b) an investment falling within paragraph 94 of that Schedule (*Options*) to acquire or dispose of an investment falling within sub-paragraph (a);

(c) an investment falling within paragraph 95 of that Schedule (*Futures*) being rights under a contract for the sale of an investment falling within sub-paragraph (a); or

(d) an investment falling within paragraph 96of that Schedule (*Contracts for differences etc.*) being rights under a contract relating to, or to fluctuations in, the value or price of an investment falling within sub-paragraph (a).

(6) For the purposes of this paragraph—

(a) the authors of the communication falling under sub-paragraph (1) are the person who devises the content of the communication and the person who is responsible for deciding to include the communication in the qualifying publication;

(b) a "qualifying publication" is a Publication or service of the kind mentioned in paragraph 29(1) or (2) of Schedule 1 and which is of the nature described in that paragraph, and for the purposes of this paragraph, a certificate given under paragraph 29(3) of that Schedule and not revoked is conclusive evidence of the matters certified;

(c) the members of a person's family are his spouse, partner, parent, child or sibling.

13. Promotion broadcast by a Director etc.

(1) The Financial Promotion Restriction does not apply to a communication which is communicated as part of a qualifying service by a person ("D") who is a Director or employee of an undertaking ("U") where—

(a) the communication invites or induces the Recipient to acquire—

(i) a Specified Investment of the kind falling within paragraph 12(5) which is issued by U (or by an undertaking in the same Group as U); or

(ii) a Specified Investment issued or provided by an Authorised Person in the same Group as U;

(b) the communication—

(i) comprises words which are spoken by D and not broadcast, transmitted or displayed in writing; or

(ii) is displayed in writing only because it forms part of an interactive dialogue to which D is a party and in the course of which D is expected to respond immediately to questions put by a Recipient of the communication;

(c) the communication is not part of an organised marketing campaign; and

(d) the communicationis accompanied by an indication that D is a Director or employee (as the case may be) of U.

(2) For the purposes of this paragraph, a "qualifying service" is a service—

(a) which is broadcast or transmitted in the form of television or radio programmes; or

(b) displayed on a website (or similar system for the electronic display of information) comprising regularly updated news and information;

provided that the principal purpose of the service, taken as a whole and including any advertisements and other promotional material contained in it, is neither of the purposes described in paragraph 29(1)(a) or (b) of Schedule 1.

(3) For the purposes of sub-paragraph (2), a certificate given under paragraph 29(3) of Schedule 1 and not revoked is conclusive evidence of the matters certified.

14. One off non-real time communications and Solicited Real Time Communications

(1) The Financial Promotion Restriction does not apply to a one off communication which is either a non-real time communication or a Solicited Real Time Communication.

(2) If all the conditions set out in sub-paragraph (3) are met in relation to a communication it is to be regarded as a one off communication. In any other case in which one or more of those conditions are met, that fact is to be taken into account in determining whether the communication is a one off communication (but a communication may still be regarded as a one off communication even if none of the conditions in sub-paragraph (3) are met).

(3) The conditions in this paragraph are that—

(a) the communication is made only to one Recipient or only to one group of Recipients in the expectation that they would Engage in Investment Activity jointly;

(b) the identity of the product or service to which the communication relates has been determined having regard to the particular circumstances of the Recipient; and

(c) the communication is not part of an organised marketing campaign.

15. One off Unsolicited Real Time Communications

(1) The Financial Promotion Restriction does not apply to an Unsolicited Real Time Communication if the conditions in sub-paragraph (2) are met.

(2) The conditions in this paragraph are that—

(a) the communication is a one off communication;

(b) the communicator believes on reasonable grounds that the Recipient understands the risks associated with Engaging in the Investment Activity to which the communication relates; and

(c) at the time that the communication is made, the communicator believes on reasonable grounds that the Recipient would expect to be contacted by him in relation to the investment activity to which the communication relates.

(3) Paragraphs 14(2) and (3) apply in determining whether a communication is a one off communication for the purposes of this paragraph as they apply for the purposes of paragraph 14.

16. Communications required or authorised by enactments

The Financial Promotion Restriction does not apply to any communication which is required or authorised by or under any enactment other than these Regulations.

17. Non-Abu Dhabi Global Market Communicators: Solicited Real Time Communication

The Financial Promotion Restriction does not apply to any Solicited Real Time Communication which is made by a Non-Abu Dhabi Global Market Communicator from outside the Abu Dhabi Global Market in the course of or for the purposes of his carrying on the business of engaging in Regulated Activities outside the Abu Dhabi Global Market.

18. Governments, central banks etc.

The Financial Promotion Restriction does not apply to any communication which—

(a) is a non-real time communication or a Solicited Real Time Communication;

(b) is communicated by and relates only to Specified Investments issued, or to be issued, by—

(i) any Government, Government ministry, Government department or similar body;

(ii) any local authority;

(iii) any International Organisation;

(iv) the Central Bank of the U.A.E;

(v) the central bank of any country, legal jurisdiction or territory outside the Abu Dhabi Global Market.

19. Financial markets

(1) The Financial Promotion Restriction does not apply to any communication—

(a) which is a non-real time communication or a Solicited Real Time Communication;

(b) which is communicated by a Recognised Body or Remote Body; and

(c) to which sub-paragraph (2) or (3) applies.

(2) This paragraph applies to a communication if—

(a) it relates only to facilities provided by the Recognised Body or Remote Body; and

(b) it does not identify (directly or indirectly)—

(i) any particular investment issued, traded or cleared or to be issued, traded or cleared by or available from an identified person as one that may be traded, cleared or dealt in on the Recognised Body or Remote Body; or

(ii) any particular person as a person through whom transactions on the Recognised Body or Remote Bodymay be effected.

(3) This paragraph applies to a communication if—

(a) it relates only to a particular investment falling within paragraph 94, 95 or 96 of Schedule 1; and

(b) it identifies the investment as one that may be traded or dealt in on the market.

20. Persons in the business of placing promotional material

The Financial Promotion Restriction does not apply to any communication which is made to a person whose business it is to place, or arrange for the placing of, promotional material provided that it is communicated so that he can place or arrange to place it.

21. Joint Enterprises

The Financial Promotion Restriction does not apply to any communication which is made or directed by a participator in a Joint Enterprise to or at another participator in the same Joint Enterprise in connection with, or for the purposes of, that enterprise.

22. Members and creditors of Bodies Corporate

(1) The Financial Promotion Restriction does not apply to any non-real time communication or Solicited Real Time Communication which is communicated—

(a) by, or on behalf of, a Body Corporate or member of the Group of such Body Corporate ("A"); and

(b) to persons whom the person making or directing the communication believes on reasonable grounds to be persons to whom sub-paragraph (2) applies;

and which relates only to a Relevant Security which is issued or to be issued by A, or by an undertaking ("U") in the same Group as A.

(2) This paragraph applies to—

(a) a creditor or member of A or of U;

(b) a person who is entitled to a Relevant Security which is issued, or to be issued, by A or by U;

(c) a person who is entitled, whether conditionally or unconditionally, to become a member of A or of U but who has not yet done so;

(d) a person who is entitled, whether conditionally or unconditionally, to have transferred to him title to a Relevant Security which is issued by A or by U but has not yet acquired title to the Security.

(3) For the purposes of this paragraph, a Security falling within paragraph 91 or 92 of Schedule 1 is treated as issued by the person ("P") who issued the Security in respect of which the Security confers rights if it is issued by—

(a) an undertaking in the same Group as P; or

(b) a person acting on behalf of, or pursuant to arrangements made with, P.

23. Group companies

The Financial Promotion Restriction does not apply to any communication made by one Body Corporate in a Group to another Body Corporate in the same Group.

24. Persons in the business of disseminating information

(1) The Financial Promotion Restriction does not apply to any communication which is made only to Recipients whom the person making the communication believes on reasonable grounds to be persons to whom sub-paragraph (2) applies.

(2) This paragraph applies to—

(a) a person who receives the communication in the course of a business which involves the dissemination through a Publication of information concerning Regulated Activities;

(b) a person whilst acting in the capacity of Director, officer or employee of a person falling within sub-paragraph (a) being a person whose responsibilities when acting in that capacity involve him in the business referred to in that sub-paragraph; or

(c) any person to whom the communication may otherwise lawfully be made.

25. Settlors, trustees and personal representatives[23]

The Financial Promotion Restriction does not apply to any communication which is made between—

(a) a person when acting as a settlor or grantor of a trust or an estate, a trustee or a personal representative; and

(b) a trustee of the trust, a fellow trustee or a fellow personal representative (as the case may be);

if the communication is made for the purposes of that trust or estate.

26. Beneficiaries of trust, will or intestacy

The Financial Promotion Restriction does not apply to any communication which is made—

(a) between a person when acting as a settlor or grantor of a trust, trustee or personal representative and a beneficiary under the trust, will or intestacy; or

(b) between a beneficiary under a trust, will or intestacy and another beneficiary under the same trust, will or intestacy;

if the communication relates to the management or distribution of that trust fund or estate.

27. Insolvency Practitioners

The Financial Promotion Restriction does not apply to any non-real time communication or Solicited Real Time Communication by a person Acting as an Insolvency Practitioner who carries on an activity which would be a Regulated Activity but for paragraph 82 of Schedule 1.

28. Persons placing promotional material in particular Publications

The Financial Promotion Restriction does not apply to any communication received by a person who receives the Publication in which the communication is contained because he has himself placed an advertisement in that Publication.

29. Annual accounts and Directors' report

(1) If the requirements in sub-paragraphs (2) to (5) are met, the Financial Promotion Restriction does not apply to any communication by a Body Corporate which—

(a) consists of, or is accompanied by, the whole or any part of the annual accounts of a Body Corporate; or

[23] Amended 12 June 2017.

(b) is accompanied by any report which is prepared and approved by the Directors of such a Body Corporate under sections 400 (*Duty to prepare Directors' report*) and 404 (*Approval and signing of Directors' report*) of the Companies Regulations 2015;

(2) The requirements of this paragraph are that the communication—

(a) does not contain any invitation to persons to underwrite, subscribe for or otherwise acquire or dispose of a Specified Investment; and

(b) does not advise persons to engage in any of the activities within sub-paragraph (a).

(3) The requirements of this paragraph are that the communication does not contain any invitation to persons to make use of any services provided by that Body Corporate (or by any named person) in the course of carrying on such activity.

(4) The requirements of this paragraph are that the communication does not contain any inducement relating to an investment other than one issued, or to be issued, by the Body Corporate (or another Body Corporate in the same Group) which falls within—

(a) paragraph 87, 88 or 89 of Schedule 1; or

(b) paragraph 91 or 92 of that Schedule, so far as it relates to any investments within sub-paragraph (a).

(5) The requirements of this paragraph are that the communication does not contain any reference to—

(a) the price at which investments issued by the Body Corporate have in the past been bought or sold; or

(b) the yield on such investments;

unless it is also accompanied by an indication that past performance cannot be relied on as a guide to future performance.

(6) For the purposes of sub-paragraph (5)(b), a reference, in relation to an investment, to earnings, dividend or nominal rate of interest payable shall not be taken to be a reference to the yield on the investment.

(7) "Annual accounts" means accounts of a description specified by the Regulator in Rules made by the Regulator.

30. Participation in employee share schemes

(1) The Financial Promotion Restriction does not apply to any communication by a person ("C"), a member of the same Group as C or a relevant trustee where the communication is for the purposes of an employee share scheme and relates to any of the following investments issued, or to be issued, by C—

(a) investments falling within paragraph87, 88 or 89 of Schedule 1;

(b) investments falling within paragraph 91 or 92 of that Schedule so far as relating to any investments within sub-paragraph (a); or

(c) investments falling within paragraph 94 or 98 of that Schedule so far as relating to any investments within sub-paragraph (a) or (b).

(2) In this paragraph, "employee share scheme", in relation to any investments issued by C, means arrangements made or to be made by C or by a person in the same Group as C to enable or facilitate—

(a) transactions in the investments specified in sub-paragraphs (1)(a) or (b) between or for the benefit of—

(i) the bona fide employees or former employees of C or of another member of the same Group as C;

(ii) the wives, husbands, widows, widowers, surviving children or step-children under the age of eighteen of such employees or former employees; or

(b) the holding of those investments by, or for the benefit of, such persons.

(3) In this paragraph, "relevant trustee" means a person who, in pursuance of an actual or proposed employee share scheme, holds as trustee or will hold as trustee investments issued by C.

31. Sale of goods and supply of services

(1) In this paragraph—

"supplier" means a person whose main business is to sell goods or supply services and, where the supplier is a member of a Group, also means any other member of that Group;

"Customer" means a person, other than an individual, to whom a supplier sells goods or supplies services, or agrees to do so, and, where the Customer is a member of a Group, also means any other member of that Group;

a "related sale or supply" means a sale of goods or supply of services to the Customer otherwise than by the supplier, but for or in connection with the same purpose as the sale or supply mentioned above.

(2) The Financial Promotion Restriction does not apply to any non-real time communication or any Solicited Real Time Communication made by a supplier to a Customer of his for the purposes of, or in connection with, the sale of goods or supply of services or a related sale or supply.

(3) But the exemption in sub-paragraph (2) does not apply if the communication relates to—

(a) a Contract of Insurance or Units in a Collective Investment Fund; or

(b) investments falling within paragraph 98 of Schedule 1 so far as relating to investments within sub-paragraph (a).

(4) The exemption in sub-paragraph (2) also does not apply if the communication is made by a person carrying on, or in relation to, an activity of a kind specified in paragraph 50 of Schedule 1.

32. Sale of a Body Corporate

(1) The Financial Promotion Restriction does not apply to any communication by, or on behalf of, a Body Corporate, a Partnership, a single individual or a Group of Connected Individuals or an officer of them which relates to a transaction falling within sub-paragraph (2).

(2) A transaction falls within this paragraph if—

(a) it is one to acquire or dispose of Shares in a Body Corporate or is entered into for the purposes of such an acquisition or disposal; and

(b) either—

(i) the conditions set out in sub-paragraph (3) are met; or

(ii) those conditions are not met, but the object of the transaction may nevertheless reasonably be regarded as being the acquisition of day-to-day control of the affairs of the Body Corporate.

(3) The conditions mentioned in sub-paragraph (2)(b) are that—

(a) the Shares consist of or include 50 per centor more of the Voting Shares in the Body Corporate; or

(b) the Shares, together with any already held by the person acquiring them, consist of or include at least that percentage of such Shares; and

(c) in either case, the acquisition or disposal is, or is to be, between parties each of whom is a Body Corporate, a Partnership, a single individual or a Group of Connected Individuals.

(4) A "Group of Connected Individuals" means—

(a) in relation to a party disposing of Shares in a Body Corporate, a single group of persons each of whom is—

(i) a Director or manager of the Body Corporate;

(ii) a Close Relative of any such Director or manager; or

(iii) a person acting as trustee for, or nominee of, any person falling within sub-paragraph (i) or (ii); and

(b) in relation to a party acquiring Shares in a Body Corporate, a single group of persons each of whom is—

(i) a person who is or is to be a Director or manager of the Body Corporate;

(ii) a Close Relative of any such person; or

(iii) a person acting as trustee for or nominee of any person falling within sub-paragraph (i) or (ii).

33. Promotions required or permitted by the rules of certain markets

(1) The Financial Promotion Restriction does not apply to any communication which—

(a) is a non-real time communication or a Solicited Real Time Communication;

(b) relates to an investment which falls within any of paragraphs 87 to 92 of Schedule 1 and which is permitted to be traded or dealt in on a relevant market; and

(c) is required or expressly permitted to be communicated by—

(i) the rules of the relevant market;

(ii) a body which regulates the market; or

(iii) a body which regulates offers or issues of investments to be traded on such a market.

(2) The exemption does not apply to the extent that the communication contains any statements not so required or expressly permitted.

(3) In sub-paragraph (1), "relevant market" means a Recognised Investment Exchange or such other market as the Regulator may specify in Rules.

34. Promotions of Financial Instruments already admitted to certain markets

(1) If the requirements of sub-paragraph (2) are met, the Financial Promotion Restriction does not apply to any communication which—

(a) is a non-real time communication or a Solicited Real Time Communication;

(b) is communicated by a Body Corporate or member of the Group of such Body Corporate ("A"); and

(c) relates only to Relevant Securities issued, or to be issued, by A or by another Body Corporate in the same Group;

if Relevant Securities issued by A or by any such Body Corporate are permitted to be traded on a Recognised Investment Exchange.

(2) The requirements of this paragraph are that the communication—

(a) is not, and is not accompanied by, an invitation to Engage in Investment Activity;

(b) is not, and is not accompanied by, an inducement relating to an investment other than one issued, or to be issued, by A (or another Body Corporate in the same Group); and

(c) is not, and is not accompanied by, an inducement relating to a Relevant Security which refers to—

(i) the price at which Relevant Securities have been bought or sold in the past; or

(ii) the yield on such Securities;

unless the inducement also contains an indication that past performance cannot be relied on as a guide to future performance.

(3) For the purposes of this paragraph, a Security falling within paragraph 91 or 92 of Schedule 1 is treated as issued by the person ("P") who issued the Security in respect of which the investment confers rights if it is issued by—

(a) an undertaking in the same Group as P; or

(b) a person acting on behalf of, or pursuant to, arrangements made with P.

(4) For the purposes of sub-paragraph (2)(c)(ii), a reference, in relation to an investment, to earnings, dividend or nominal rate of interest payable shall not be taken to be a reference to the yield on the investment.

35. Promotions included in Prospectuses

(1) The Financial Promotion Restriction does not apply to any non-real time communication which is included in—

(a) a Prospectus or supplementary prospectus approved by the Regulator in accordance with Part 6, or any Rules under that Part;

(b) part of such a Prospectus or supplementary prospectus; or

(c) any other Document required or permitted to be published by Rules made under Part 6.

(2) The Financial Promotion Restriction does not apply to any non-real time communication comprising the final terms of an offer or the final offer price or amount of Securities which will be offered to the public.

36. Material relating to Prospectus for public offer of unlisted Securities

(1) The Financial Promotion Restriction does not apply to any non-real time communication relating to a Prospectus or supplementary prospectus where the only reason for considering it to be an invitation or inducement is that it does one or more of the following—

(a) it states the name and address of the person by whom the Securities to which the Prospectus or supplementary prospectus relates are to be offered;

(b) it gives other details for contacting that person;

(c) it states the nature and the nominal value of the Securities to which the Prospectus or supplementary prospectus relates, the number offered and the price at which they are offered;

(d) it states that a Prospectus or supplementary prospectus is or will be available (and, if it is not yet available, when it is expected to be);

(e) it gives instructions for obtaining a copy of the Prospectus or supplementary prospectus.

(2) In this paragraph, references to a Prospectus or supplementary prospectus are references to a Prospectus or supplementary prospectus which is published in accordance with Rules made under Part 6.

Schedule 3

Exempt Persons

Section 16(3)

1. The following ~~are~~ persons are exempt for the purposes of section 16(3)—

(1) the Regulator;

(2) the Registrar;

(3) Recognised Bodies;

(4) Remote Bodies;

(5) Remote Members, with respect to any Regulated Activity which is carried on for the purposes of, or in connection with, trading on or using the facilities ofa Recognised Body of which it is a Remote Member;

(6) persons falling within paragraph 2; and

(7) any other regulatory or governmental body or any other body of a public nature as may be specified by the Regulator and listed on the Regulator's website.

2. Transitional Provisions

(1) A person ("A") who is licensed by a U.A.E. Financial Regulator ("U.A.E. licence") and who would otherwise be subject to the General Prohibition as at the date of enactment of these Regulations shall be deemed to be an Exempt Person and permitted to carry on the Regulated Activities falling within the scope of its U.A.E. licence subject to the conditions as prescribed under sub-paragraph (4), provided that A has notified the Regulator within one month of the date of enactment of these Regulations of its intention to rely upon this paragraph 2.

(2) The notice given to the Regulator by A under sub-paragraph (1) shall include the following—

(a) either an undertaking to—

(A) submit an application for authorisation under Part 4 of these Regulations within 3 months of the date of enactment of these Regulations; or

(B) cease carrying out Regulated Activities within 12 months from the date of enactment of these Regulations; and

(b) such other information as the Regulator may reasonably require.

(3) The periods referred to in sub-paragraph (2)(a) may be extended by the Regulator upon written request made by A to the Regulator.

(4) Subject to sub-paragraph (2)(b), the Regulator shall within 30 Business Days following receipt of the notice referred to in sub-paragraph (1) confirm to A its ability to continue to

rely on this paragraph 2. Such confirmation or otherwise may include and be subject to such conditions as the Regulator considers appropriate.

(5) The Regulator shall publish on its website a list of persons designated as Exempt Persons under this paragraph 2.

(6) For the purposes of sub-paragraph (1) "U.A.E Financial Regulator" means any of—

(a) the Central Bank of the U.A.E;

(b) the Emirates Securities and Commodities Authority; and

(c) the Emirates Insurance Authority.