

ADGM Registration Authority

Monitoring &
Enforcement
Strategy and
Regulatory
Priorities

2024/25

Table of Contents

Introduction	3
Registration Authority Monitoring & Enforcement Strategy and Objectives	4
Our Strategy	4
Our Objectives	5
The RA's Regulatory Priorities 2024/25	6
Performance Measurement	7
Additional Resources	8
Disclaimer	11

Introduction

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The RA is committed to supporting ADGM’s growth ambitions by continuously developing progressive and innovative regulation whilst leveraging technology to enhance processes and easing compliance requirements so that all ADGM constituents can thrive in a level playing field.

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Hamad Sayah Al Mazrouei
Chief Executive Officer,
ADGM Registration Authority

This document sets out the RA’s monitoring and enforcement strategy and objectives as well as its 2024/25 regulatory priorities and related key performance indicators (KPIs).

The RA is the commercial regulator of the ADGM and is responsible for the monitoring of over 8,000 ADGM licensed persons as well as Registered Auditors, Registered Audit Principals, and registered insolvency practitioners in accordance with ADGM’s broad commercial legislation, which includes over 50 regulations and rules. ADGM’s companies, commercial licensing, beneficial ownership, auditors’ rules, and insolvency regulations are some examples of the range of enactments that fall under ADGM’s commercial legislation.

A key function of the RA is to detect and deter conduct that may cause harm to ADGM participants, entities, their clients and investors. The RA does this via regulatory interventions that are risk based and proportionate to the circumstances.

The publication of the RA’s **Regulatory Priorities 2024/25** is intended to provide ADGM licensed persons, company directors, Registered Auditors, Registered Audit Principals, registered insolvency practitioners, as well as advisors, potential applicants and ADGM stakeholders, an understanding of the RA’s regulatory focus for the next 12 months, in accordance with the RA’s transparency objective.



Registration Authority Monitoring & Enforcement Strategy and Objectives

Our Strategy

The RA is responsible for a number of key functions in ADGM including all aspects of incorporation, registration and commercial licensing of legal entities such as companies, partnerships, branches and real property in ADGM, as well as maintaining the accuracy of the companies register via the processing of ongoing filings, and applications to dissolve entities.

The RA is also responsible for monitoring and enforcing compliance with ADGM's commercial legislation through its Monitoring & Enforcement Division.

There are currently over 8,000 licensed persons registered in ADGM, as well as 25 audit firms, 97 audit principals and 24 insolvency practitioners. To carry out its regulatory statutory duties effectively, the RA's monitoring and enforcement strategy is as follows.

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The RA’s regulatory priorities represent its key regulatory focus areas for the next 12 months. By publishing these objectives and priorities, the RA seeks to provide the ADGM business community with a clear understanding of its regulatory approach, underscoring its commitment to transparency.

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Tim Land
Executive Director
Monitoring & Enforcement
Registration Authority

The RA’s monitoring and enforcement strategy is to be a risk based regulator, willing and able to use all regulatory tools at its disposal (from outreach to enforcement), as appropriate, depending on the circumstances.

Aligned with this strategy, the RA strives to detect and deter conduct that may cause harm to ADGM participants, their clients and investors via transparent and risk based regulatory interventions that are appropriate and proportionate to the circumstances.

In this way the RA’s aim is to promote continuous compliance and provide a level playing field for all licensed persons as well as minimise harm and ensure that ADGM licensed persons are treated fairly. This leads to the RA’s monitoring and enforcement objectives covered below.

Our Objectives

The RA’s monitoring & enforcement objectives are to:

1. foster an environment of continuous compliance by ADGM licensed persons,
2. maintain fairness, transparency and efficiency in ADGM, and
3. build and maintain commercial regulatory stakeholder relationships.

By delivering on these objectives above, the RA’s monitoring and enforcement functions also contribute to maintaining and enhancing ADGM’s reputation as a reputable, credible and attractive jurisdiction to do business from.

The RA's Regulatory Priorities 2024/25

ADGM's commercial legislation is wide ranging and as the number of ADGM licensed persons continues to grow the allocation of the RA's monitoring and enforcement resources and efforts is risk based and priority focused.

Taking this into account and aligned with the RA's monitoring and enforcement strategy and objectives, the RA's regulatory priorities over the next 12 months are set out below.

The RA's Regulatory Priorities 2024/25

Regulatory Priorities

Priority 1	Promote accuracy, timeliness and quality of annual filings and licence renewals.
Priority 2	Promote high standards of audit quality and corporate reporting in the ADGM.
Priority 3	Conduct risk based supervision on ADGM licensed persons.
Priority 4	Promote high standards of beneficial ownership compliance among ADGM licensed persons.
Priority 5	Deliver effective oversight of distributed ledger technology foundations.
Priority 6	Facilitate, promote and foster the uptake of ESG related disclosure reporting.
Priority 7	Identify potential or actual contraventions of operating or purporting to operate without a valid licence, exceeding the scope of ADGM licence and false claims about the licence status/type.
Priority 8	Ensure timely, decisive and proportionate enforcement action is taken, including those in partnership with relevant authorities.

Note: the regulatory priorities set out in this document represent the RA's focus areas during the period specified but should not be construed as being the only areas of the commercial legislation that the RA will monitor or enforce.

Performance Measurement

The RA is also committed to measuring its regulatory performance and evaluating its effectiveness.

To measure and evaluate the RA's performance in relation to its priority areas and in turn performance against its strategic objectives, the RA has identified both internal and external KPIs for each of its priority areas.

The RA's Regulatory Priorities 2024/25 and KPIs

Regulatory Priorities		KPIs
Priority 1	Promote accuracy, timeliness and quality of annual filings and licence renewals to the Registration Authority.	% of on time filing compliance levels for each of the following: (i) commercial licence renewal; (ii) annual accounts; and (iii) confirmation statements.
Priority 2	Promote high standards of audit quality and corporate reporting in the ADGM.	% of planned on-site inspections of ADGM auditors conducted as scheduled annually.
Priority 3	Conduct risk based supervision on ADGM licensed persons.	% of planned risk based assessments conducted as scheduled annually.
Priority 4	Promote high standards of beneficial ownership compliance among ADGM licensed persons.	% of on time beneficial ownership filing compliance levels.
Priority 5	Deliver effective oversight of distributed ledger technology foundations.	Number of Virtual Asset (VA) wallets under monitoring.
		Number of high-volume transactions captured and assessed.
		Number of activity spot checks conducted on DLT Foundations.
Priority 6	Facilitate, promote and foster the uptake of ESG related disclosure reporting.	The level of outreach, guidance and information provided.
Priority 7	Identify potential or actual contraventions of operating or purporting to operate without a valid licence, exceeding the scope of ADGM licence and false claims about the licence status/type.	Appropriate regulatory action is initiated within 30 days of concerns being identified.
Priority 8	Ensure timely, decisive and proportionate enforcement action is taken, including those in partnership with relevant authorities.	% of enforcement referrals acted upon within target timeframes.



Additional Resources

The RA regularly publishes new and updates existing resources on the ADGM website.

Some key resources include the following:

1. RA Decision Procedures, Disqualification and Enforcement Manual

For more information on the RA's approach to enforcement, please refer to the RA Decision Procedures, Disqualification and Enforcement Manual, available below:

<https://www.adgm.com/legal-framework/guidance-and-policy-statements>

2. RA Legal Persons & Arrangements Risk Assessment Report

For more information on the RA's ML/TF risk assessment of ADGM legal persons and arrangements, please refer to the RA LPA Risk Assessment Report available below:

<https://www.adgm.com/registration-authority/lpa-risk-report>

3. RA Auditors

a. Public register

ADGM licensed persons must use an ADGM registered auditor for a statutory audit of their annual accounts. The list of ADGM Registered Auditors (firms) and Registered Audit Principals (individuals), can be accessed below:

<https://www.adgm.com/operating-in-adgm/auditors/find-an-auditor>

b. New auditors

Auditor applicants wishing to establish themselves in ADGM can find out more about the process and view the frequently asked questions sections below:

<https://www.adgm.com/operating-in-adgm/auditors/new-auditors>

4. RA Annual Accounts Guidance

For guidance about the accounts' obligations for ADGM companies, please access the Annual Accounts Guidance below:

<https://www.adgm.com/documents/legal-framework/guidance-and-policy/ra/guidance-for-registered-entities/ra-annual-accounts-guidance-v10-09092022.pdf>

5. RA Regulatory Alerts

The RA publishes regulatory alerts about potential misconduct such as fraud or unlicensed activities to inform the public (including investors) so that they take any required action to protect themselves from harm. Regulatory alerts can be accessed below:

<https://www.adgm.com/operating-in-adgm/monitoring-and-enforcement/regulatory-alerts>

6. RA Regulatory Actions

The RA publishes its regulatory actions on the RA Regulatory Actions page, examples of such enforcement actions include imposition of financial penalties, cancellation of licence, imposition of conditions/restrictions on licence, censures, enforceable undertakings, settlement agreements, etc. Regulatory Actions page can be accessed below:

<https://www.adgm.com/operating-in-adgm/monitoring-and-enforcement/regulatory-actions>

7. Register of Disqualified Directors

The RA publishes details of persons disqualified from being a director of any ADGM company or prohibited from being concerned or taking part in the promotion, formation or management of any ADGM company for a period of time. The register may be accessed below:

<https://www.adgm.com/operating-in-adgm/monitoring-and-enforcement/register-of-disqualified-directors>



8. Public Notices

The RA announces important notifications primarily in relation to voluntary and involuntary strike offs. Public Notices also include liquidations, receiverships, restorations and registered documents where applicable or required to be published by the Companies Regulations 2020 and Insolvency Regulations 2022.

<https://www.adgm.com/registration-authority/public-notice>

9. Complaints

The RA manages and assesses complaints concerning potential contraventions of the ADGM's commercial legislation or activities that may cause damage to the reputation of ADGM. Information on how to submit a complaint to the RA can be accessed below:

<https://www.adgm.com/registration-authority/complaints>


Disclaimer

This document provides information on the Registration Authority's monitoring and enforcement strategy and objectives as well as regulatory priorities for 2024/25. This document is only a non-binding guide and should be read together with ADGM's commercial legislation, including relevant regulations and enabling rules (which may change over time without notification). Further advice from a specialist professional may be required.

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Published: July 2024



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