

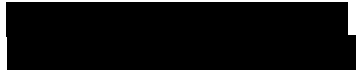
13 May 2025

Sarwa Digital Wealth (Capital) Limited
16-115, WeWork Hub 71
Al Khatem Tower
Abu Dhabi Global Market Square
Al Maryah Island
Abu Dhabi
United Arab Emirates

Attention:



Sent by e-mail:



Dear Sirs

**AMENDMENT OF DECISION IN RELATION TO PENALTY IMPOSED FOR CONTRAVENTIONS OF THE
COMMON REPORTING STANDARD REGULATIONS 2017 AND THE FOREIGN ACCOUNT TAX
COMPLIANCE REGULATIONS 2022**

1. On 22 January 2025, the Financial Services Regulatory Authority (“FSRA”) of the Abu Dhabi Global Market (“ADGM”) gave Sarwa Digital Wealth (Capital) Limited (“Sarwa”) written notice (“January Notice”) of its decision to impose a penalty under subsection 9(1) of the *Common Reporting Standard Regulations 2017* (the “CRS Regulations”) and subsection 9(1) of the *Foreign Account Tax Compliance Regulations 2022* (the “FATCA Regulations”), together the “Regulations”.
2. On 20 February 2025, Sarwa submitted an appeal against the penalty in the January Notice (“Appeal”).
3. The FSRA has considered Sarwa’s appeal and decided to impose an amended penalty as set out in this notice. Accordingly, this notice is issued under Article 7(5) of Cabinet Resolution No. 93 of 2021 (“CRS Cabinet Resolution”), which applies under the CRS Regulations, and Article 9(5) of Cabinet Resolution No. 63 of 2022 (the “FATCA Cabinet Resolution”), which applies under the FATCA Regulations.

Defined Terms

4. Terms defined in the notice are defined at the first instance the term is used in parentheses. Other capitalised terms are defined in the Regulations and shall bear the same meaning in this notice, unless the context otherwise requires.

SUMMARY

5. The FSRA considers that Sarwa:
 - a. having classified itself as a Reporting Financial Institution for the CRS Regulations (“CRS RFI”):
 - i. opened accounts without collecting a valid self-certification; and
 - ii. failed to report information as required under the CRS Regulations in a complete and accurate manner;
 - b. having classified itself as a Reporting UAE Financial Institution for the FATCA Regulations (“FATCA RFI”), opened accounts without collecting a valid self-certification form.
6. Following due consideration of the Appeal, the FSRA has decided to impose a total penalty of AED 40,000 on Sarwa, under subsection 9(1) of the CRS Regulations and subsection 9(1) of the FATCA Regulations.

BACKGROUND

CRS Regulations

7. The Organisation for Economic Co-operation and Development (“OECD”) developed the Common Reporting Standard (“CRS”), which came into force in October 2014. The CRS was established in the United Arab Emirates (“UAE”) with effect from 1 January 2017 pursuant to the ratification of various conventions and declarations by the UAE, and publication of Federal Law No. 54 of 2018.
8. The CRS sets out the required information to be exchanged, the types of entities required to report, the different types of financial accounts and account holders in scope and the common due diligence procedures to be followed by RFIs.
9. Appropriate legislation to support the implementation of the CRS in the UAE has been issued at both a federal level in the UAE and in the ADGM. This includes the enactment of the CRS Regulations by the Board of Directors of ADGM in 2017. The CRS Regulations apply the CRS Cabinet Resolution in the ADGM pursuant to subsection 2(1) of the CRS Regulations, and the CRS and any explanatory material and commentary published by the OECD in relation to the CRS pursuant to subsection 3(1) of the CRS Regulations.
10. On 27 January 2017, the ADGM published the ‘*Notification of collection of information under the Common Reporting Standards*’ prepared by the UAE’s Ministry of Finance (“MOF”), setting out the requirements for implementation of the CRS across all jurisdictions within the UAE.

FATCA Regulations

11. The Foreign Account Tax Compliance Act (“FATCA”) was introduced by the United States of America (“US”) in 2010 to target non-compliance by US taxpayers using foreign accounts. FATCA requires financial institutions outside the US to report information on financial accounts held by their US customers to the Internal Revenue Service.

12. On 17 June 2015, the UAE signed a Model 1B Intergovernmental Agreement (“IGA”) with the US to improve international tax compliance and to implement FATCA reporting by FATCA RFI’s. The IGA was ratified by Federal Decree 9 of 2016.
13. Appropriate legislation to support the implementation of FATCA in the UAE has been issued at both a federal level in the UAE and in the ADGM. This includes the enactment of the FATCA Regulations by the Board of Directors of ADGM in 2022. The FATCA Regulations apply the FATCA Cabinet Resolution in the ADGM pursuant to subsection 2(1) of the FATCA Regulations.

RELEVANT FACTS

14. On 26 January 2020, Sarwa was registered as a private company limited by shares.
15. On 31 January 2022, Sarwa submitted an entity self-certification to the FSRA in which it self-classified as a CRS RFI and FATCA RFI.
16. On 24 April 2023, the FSRA published Notice No. 10 of 2023 informing Senior Executive Officers (“SEOs”), Money Laundering Reporting Officers (“MLROs”) and ADGM Licensed Persons (“LPs”) of the MOF’s new Automatic Exchange of Information (“AEOI”) portal for submission of information returns for CRS and FATCA (together “Annual Returns”) by CRS RFIs and FATCA RFIs (together “RFIs”) for the 2022 calendar year, with training scheduled on 28 April 2023 and 4 May 2023.
17. On 25 May 2023, the FSRA published Notice No. 16 of 2023, in which it invited all RFIs to attend a mandatory training session on the AEOI portal. The training was to provide a comprehensive review of the new portal and guide RFIs on completing and submitting Annual Returns, including a Nil Return (as that term is defined in the CRS Cabinet Resolution) or Nil Report (as that term is defined in the FATCA Cabinet Resolution), as applicable.
18. On 8 June 2023, the FSRA published Notice No. 18 of 2023 addressed to SEOs, MLROs and LPs to notify them that the new AEOI portal was operational and open for registration in advance of submission of Annual Returns in respect of the 2022 calendar year, with instructions on how to do so.
19. On 26 June 2023, the FSRA published and sent by email ‘FCCP FSRA Notice No. 21 of 2023 – FATCA and CRS System Live’ informing SEOs, MLROs and LPs that the functionality for submission of Annual Returns was enabled on the AEOI portal, and that all RFIs were required to fulfil their obligations for the 2022 calendar year by the deadline of 31 July 2023.
20. On 5 July 2023, the FSRA published Notice No. 22 of 2023 informing RFIs that the MOF would conduct training and web-based sessions from 10 July 2023 until 31 July 2023.
21. On 27 July 2023 and 10 August 2023, Sarwa submitted an Annual Return for CRS and a Nil Report for FATCA via the AEOI portal.
22. On 17 August 2023, the FSRA sent an email informing Sarwa that it had been selected for an audit review for compliance with the Regulations in respect of the 2022 calendar year (“Review”), and that the Review would be based on the Annual Returns submitted on the AEOI portal. The FSRA requested Sarwa to complete the CRS and FATCA audit questionnaires (“Questionnaires”) by 20 September 2023 and to acknowledge the FSRA’s email by 22 August 2023.

23. On 17 August 2023, Sarwa acknowledged the FSRA's email of the same date, stating that it would complete the Questionnaires and return them by the stipulated date.
24. On 20 September 2023, Sarwa emailed the FSRA attaching the completed Questionnaires.
25. On 21 September 2023, the FSRA sent a letter to Sarwa informing it that the Review would be conducted on 14 November 2023 and requesting it to submit certain documents by 29 September 2023.
26. On 14 November 2023, the FSRA conducted the Review.

FAILURES AND ALLEGED FAILURES TO COLLECT VALID SELF-CERTIFICATIONS FOR CRS

27. Subsection 6(1) of the CRS Regulations requires CRS RFIs to collect and report all information in accordance with the CRS, the CRS Regulations and the CRS Cabinet Resolution.
28. Section IV subparagraph A of the CRS (New Individual Accounts, as defined in the CRS) and Section VI subparagraph A of the CRS (New Entity Accounts, as defined in the CRS) requires an RFI to obtain a self-certification from an Account Holder at account opening.

Alleged failure in relation to Client 1

29. In the self-certification form provided by Client 1 (as identified in Annexure A to the January Notice), Client 1 declared that his jurisdiction of tax residence was Italy, with a TIN consisting of 11 digits. However, the TIN did not conform with OECD guidelines for Italy, where the TIN structure for individuals is a code made up of 16 alphanumeric characters containing the surname, name, year and month of birth, gender, state of birth and a check digit. The FSRA, therefore, considered the self-certification form collected by Sarwa not valid.

Alleged failure in relation to Clients 2 and 3

30. Section IV subparagraph B of the CRS requires a CRS RFI to treat an account as a Reportable Account where the self-certification form establishes that the Account Holder is resident in a Reportable Jurisdiction (as defined in the CRS), and to ensure that the self-certification includes the Account Holder's TIN with respect to that Reportable Jurisdiction.
31. In their self-certification form, both Clients 2 and 3 (as identified in Annexure A to the January Notice) had declared that their jurisdiction of tax residence as the United Kingdom ("UK"), which is a Reportable Jurisdiction. However, both Clients 2 and 3 failed to provide their TINs in the self-certification form, stating "TIN_NOT_REQUIRED" and "TIN_NOT_ISSUED" respectively. UK taxpayers are issued with a TIN or its equivalent, therefore the FSRA considered that the self-certification forms collected by Sarwa for Clients 2 and 3 were not valid.

Alleged failure in relation to Client 4

32. In his self-certification form, Client 4 (as identified in Annexure A to the January Notice) declared his jurisdiction of tax residence as Lebanon, a Reportable Jurisdiction. However, Sarwa did not ensure

that Client 4 provided a TIN in his self-certification form to Sarwa, so the FSRA considered that the self-certification form was not valid.

Alleged failure in relation to Client 5

33. The Review found that in his self-certification form, Client 5 (as identified in Annexure A to the January Notice) declared India as his jurisdiction of tax residence. However, Sarwa did not ensure that Client 5 provided a TIN or its equivalent, such as a Permanent Account Number (PAN), in his self-certification form, even though India is a Reportable Jurisdiction. As such, the FSRA considered that Sarwa failed to collect a valid self-certification from Client 5.

Alleged failure in relation to Client 6

34. In its self-certification form, Client 6 declared its jurisdiction of tax residence as Panama. However, the TIN provided by Client 6 did not conform to the OECD TIN structure for Panama, and therefore, the FSRA considered the self-certification form collected by Sarwa to be invalid.

Clients 7 and 8

35. Sarwa opened a new account for Client 7 on 24 January 2021 and two (2) new accounts for Client 8 on 9 and 16 June 2021, respectively. However, Sarwa failed to collect a self-certification form from both Clients 7 and 8 at account opening.

Client 9

36. Section VI subparagraph A(2) of the CRS requires a CRS RFI to determine in relation to New Entity Accounts whether an Account Holder is a Passive NFE (as defined in the CRS) with one or more Controlling Persons (as defined in the CRS) that are Reportable Persons (as defined in the CRS and set out in paragraph 43). In determining whether a Controlling Person is a Reportable Person, section VI subparagraph A(2)(c) of the CRS sets out that a CRS RFI may rely on a self-certification form from the Account Holder or such Controlling Person.
37. Sarwa opened a New Entity Account for Client 9 on 1 November 2020. In its self-certification form, Client 9 had self-classified as a Passive NFE, with six (6) Controlling Persons identified as CP2 to CP7 in Annexure A to the January Notice. However, the Review found that Sarwa had only collected one (1) self-certification form from CP7 and had failed to collect self-certification forms in relation to CP2 to CP6.

Client 10

38. In its self-certification form, Client 10 had self-classified as a Passive NFE, with two (2) Controlling Persons, identified as CP8 and CP9 in Annexure A to the January Notice. The Review found that Sarwa had collected a self-certification form for CP9 but failed to collect a self-certification form for CP8.
39. Accordingly, the FSRA alleged that Sarwa has contravened subsection 6(1) of the CRS Regulations.

FAILURE TO REPORT IN A COMPLETE AND ACCURATE MANNER

40. Subsection 6(1) of the CRS Regulations requires CRS RFIs to collect and report all information in accordance with the CRS, the CRS Regulations and the CRS Cabinet Resolution.

41. Section I subparagraph A(1) of the CRS requires each CRS RFI to report for each Reportable Account the name, address, jurisdiction(s) or residence, TIN(s) and date and place of birth (in the case of an individual) of each Reportable Person that is an Account Holder.
42. Section VIII, subparagraph D(1) of the CRS defines a “Reportable Account” as *“an account held by one or more Reportable Persons or by a Passive NFE with one or more Controlling Persons that is a Reportable Person...”*
43. Section VIII, subparagraph D(2) of the CRS defines a “Reportable Person” as a *“Reportable Jurisdiction Person other than: (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a Related Entity of a corporation described in clause (i); (iii) a Governmental Entity; (iv) an International Organisation; (v) a Central Bank; or (vi) a Financial Institution.”*
44. A “Reportable Jurisdiction Person” is defined in Section VIII, subparagraph D(3) of the CRS as implemented in the UAE to mean an individual or Entity that is resident in a Reportable Jurisdiction, which for the purposes of reporting is a jurisdiction other than the US or the UAE.

Client 6

45. As mentioned in paragraph 34, Client 6 declared its jurisdiction of tax residence as Panama, a Reportable Jurisdiction. However, the Review found that Sarwa did not report Client 6 in its Annual Return for the purposes of CRS.

Client 9

46. As mentioned in paragraph 37, Client 9 had self-classified as a Passive NFE in its self-certification form, with at least one (1) Controlling Person who was a Reportable Person. Client 9 declared its jurisdiction of tax residence as the British Virgin Islands, a Reportable Jurisdiction. However, the Review found that Client 9’s account was reported in Sarwa’s Annual Return as having its jurisdiction of tax residence in Singapore, which was inaccurate.
47. Accordingly, the FSRA considers that Sarwa has contravened subsection 6(1) of the CRS Regulations.

FAILURES AND ALLEGED FAILURES TO COLLECT VALID SELF-CERTIFICATIONS FOR FATCA

48. Subsection 6(1) of the FATCA Regulations requires FATCA RFIs to collect and report all information in accordance with the FATCA Regulations and the FATCA Cabinet Resolution. The FATCA Cabinet Resolution defines a Self-Certification Form as *“...the form required to be collected and validated... establishing where an Account Holder or Controlling Person is resident for tax purposes.”* Article 5 of the FATCA Cabinet Resolution requires each FATCA RFI to collect and validate a Self-Certification Form for each New Individual Account and New Entity Account (as defined in the FATCA Cabinet Resolution).

Alleged failure in relation to Clients 3, 11 and 12

49. The Review found that Sarwa had opened New Individual Accounts (as defined in the FATCA Cabinet Resolution) for each of Clients 3, 11 and 12 (as identified in Annexure A to the January Notice) on 22 February 2022, 2 March 2021 and 13 August 2022, respectively. In the Self-Certification Form for each of the abovementioned Clients, the section confirming that the Client was not a US Person or

tax resident in the US was not completed. Therefore, the FSRA considered that the Self-Certification Forms collected for Clients 3, 11 and 12 were invalid.

Clients 7

50. As set out at paragraph 35, Sarwa opened an account for Client 7 without collecting a Self-Certification Form at account opening.

51. Alleged failure in relation to Client 8

52. As set out at paragraph 35, the FSRA considered that Sarwa opened accounts for Client 8 without collecting a Self-Certification Form at account opening.

Client 9

53. The purpose of the FATCA Cabinet Resolution is to implement the IGA in the UAE. Annex 1, subsection V(B)(3)(b) of the IGA requires that, if the Account Holder is a Passive NFFE (as defined in the IGA), a FATCA RFI must identify the Controlling Person(s) and determine whether any such person is a U.S. citizen or resident based on a Self-Certification Form from the Account Holder or such person.
54. As mentioned in paragraph 37, Client 9 had self-declared as a Passive NFFE. The Review found that Sarwa failed to collect Self-Certification Forms from or in relation to five (5) of the Controlling Persons of Client 9.

Client 10

55. As mentioned in paragraph 38, Client 10 had self-declared as a Passive NFFE. The Review found that Sarwa failed to collect the Self-Certification Form for one (1) of the two (2) Controlling Persons of Client 10.
56. Accordingly, the FSRA alleged that Sarwa had contravened subsection 6(1) of the FATCA Regulations.

FAILURE TO CONDUCT DUE DILIGENCE PROCEDURES FOR CRS AND FATCA

57. Subsection 6(2) of the CRS Regulations requires every CRS RFI to establish and implement appropriate systems and internal procedures to enable its compliance with the CRS, the CRS Cabinet Resolution and the CRS Regulations. Subsection 7(1) of the CRS Regulations requires every CRS RFI to keep records of the steps undertaken and any evidence relied upon for the performance of the due diligence procedures and the measures to obtain those records that the CRS RFI obtains or creates to comply with the CRS Cabinet Resolution and CRS Regulation.
58. Subsection 6(2) of the FATCA Regulations requires every FATCA RFI to establish and implement appropriate systems and internal procedures to enable its compliance with the FATCA Cabinet Resolution and the FATCA Regulations. Subsection 7(1) of the FATCA Regulations requires FATCA RFIs to keep records of steps undertaken and any evidence relied upon for the performance of the due diligence procedures and the measures to obtain those records that the FATCA RFI obtains or creates to comply with the FATCA Cabinet Resolution and the FATCA Regulations.

59. The FSRA considers that the failings set out in paragraphs 27 to 56 may indicate a broader issue regarding compliance with due diligence procedures, including the undertaking of validity and reasonableness checks of self-certification forms.
60. Given the scope of the Review, the FSRA has determined on this occasion not to make a finding of a contravention of subsections 6(2) and 7(1) of the CRS Regulations, and subsections 6(2) and 7(1) of the FATCA Regulations.
61. However, Sarwa should review its procedures and processes, including how effectively they have been implemented, to ensure compliance with the Regulations.

CONSIDERATION OF APPEAL

62. In the January Notice, the FSRA imposed a penalty of AED 50,000 on Sarwa.
63. Under subsection 9(2) of the CRS Regulations and Article 7(1) of the CRS Cabinet Resolution, and subsection 9(2) of the FATCA Regulations and Article 9(1) of the FATCA Cabinet Resolution, Sarwa had the opportunity to appeal against the FSRA's decision set out in the January Notice.
64. On 20 February 2025, Sarwa submitted its Appeal.
65. In its Appeal, Sarwa asked the FSRA to take certain matters into consideration, as follows:

Failure to collect valid self-certifications for CRS

- a. In relation to Client 1, the TIN was validated through a TIN validation software. Any inaccuracies were inadvertent and not indicative of failure in due diligence procedures. The TIN was sourced from data provided by the client, and reliance was based on the self-certification provided by the client. Sarwa's due diligence procedures are contained in its CRS/FATCA policy.
- b. In relation to Clients 2 and 3, as per the OECD information on TINs for the UK, not all resident taxpayers are issued with the equivalent of a TIN. Accordingly, it should be possible for a client with a declared tax jurisdiction of the UK not to be issued with a TIN. Any inaccuracies were inadvertent and not indicative of failure in due diligence procedures. The TIN reported was sourced from data provided by the client, and reliance was based on the self-certification made by the client.
- c. In relation to Client 4, as per the OECD information on TINs for Lebanon, Lebanon does not automatically issue TINs. Therefore, in principle, it should be possible for a client with a declared tax jurisdiction of Lebanon not to be issued a TIN. Any inaccuracies were deemed inadvertent and not indicative of failure in due diligence procedures. The data was sourced from data provided by the client, and reliance was based on the client's self-certification.
- d. In relation to Client 5, as per OECD information on TINs for India, the equivalent of a TIN is not mandatorily issued to all residents or all nationals, therefore, in principle, it should be possible for a client with a declared tax jurisdiction of India, not to be issued with the equivalent of a TIN. Any inaccuracies were inadvertent and not indicative of failure in its due diligence procedure. The TINs reported were sourced from data provided by the client and reliance was based on the self-certification made by the client.

- e. In relation to Client 6, TIN validation is complex as many countries do not publish their validation algorithms, making verification challenging. Client 6's TIN was validated through TIN validator software. According to the OECD guidelines, while the TIN must include a DV, no such requirement is specified for the RUC, which can be considered a valid TIN for CRS reporting. Any inaccuracies were inadvertent and not indicative of failure in due diligence procedures. The number provided was considered sufficient for CRS compliance and was sourced from data provided by the client, and reliance was based on the self-certification made by the client.
- f. In relation to Clients 7 and 8, Sarwa had reviewed the entities' incorporation documents rather than sourcing a self-certification. While a self-certification form was not obtained in the required format at the time of account opening, Sarwa had since addressed this by requesting the self-certification for subsequent years in which the account remained open and active.
- g. In relation to Client 9, Sarwa obtained the self-certification for the trust and one of the Controlling Persons, CP7, at the time of account opening. The account was closed in December 2023.
- h. In relation to Client 10, Sarwa obtained the self-certification for the entity and the person exerting the ultimate control, CP9, at the time of account opening.
- i. Sarwa confirmed that it adhered to the stipulated due diligence procedures for New Individual Accounts and Entity Accounts.

Failure to report in a complete and accurate manner

- j. In relation to Clients 6 and 9, Sarwa acknowledged a human error during the Review. In the case of Client 6, the account was closed in December 2023.

Failure to collect valid self-certifications for FATCA

- k. In relation to Clients 3, 11 and 12, the clients have confirmed that they are not US tax residents. The self-certification submitted during the Review included two (2) FATCA questions related to two different products. If the client only availed itself of one of the products, a question relating to US tax residency would be asked, therefore the forms collected were valid.
- l. In relation to Clients 7 and 8, a W8BEN-E form dated 2020 was collected at onboarding for Client 8.
- m. In relation to Client 9, the self-certification for the trust and one of the Controlling Persons, CP7, was obtained at the time of account opening. The account was closed in December 2023.
- n. In relation to Client 10, the self-certification for the entity and the person exerting ultimate control, CP9, was obtained at the time of account opening.

Failure to conduct due diligence procedures for CRS and FATCA

- o. Sarwa acknowledged the FSRA's recommendation that Sarwa should review its procedures and processes, including how effectively they have been implemented, to ensure compliance with the Regulations.

66. The FSRA has considered the grounds and documents in support of Sarwa's appeal.
67. In relation to Sarwa's representations in paragraph 65, the FSRA notes that:
- a. In response to paragraph 65(a), the FSRA is prepared on this occasion to accept Sarwa's representations in relation to Client 1. It would be best practice to ensure that the TIN validation software Sarwa uses conforms to OECD standards.
 - b. In response to paragraph 65(b), the FSRA accepts Sarwa's representations in relation to Clients 2 and 3.
 - c. In response to paragraph 65(c), the FSRA accepts Sarwa's representations in relation to Client 4.
 - d. In response to paragraph 65(d), the FSRA accepts Sarwa's representations in relation to Client 5.
 - e. In response to paragraph 65(e), the FSRA is prepared on this occasion to accept Sarwa's representations in relation to Client 6. It would be best practice to ensure that the TIN validation software Sarwa uses conforms to OECD standards.
 - f. In response to paragraph 65(f), the FSRA notes Sarwa's representations and that corrective action was taken in due course. However, obtaining a self-certification at account opening is a requirement under the CRS Regulations.
 - g. In response to paragraph 65(g), Client 9 opened its account on 1 November 2020. While a self-certification form was obtained from Client 9 and one Controlling Person, Sarwa was required to collect self-certification forms from the other five (5) Controlling Persons. The FSRA notes Sarwa's advice that this account was closed.
 - h. In response to paragraph 65(h), having identified that Client 10 had two (2) Controlling Persons, Sarwa was required to obtain the self-certification forms for all Controlling Persons, not just the Controlling Person exerting ultimate control.
 - i. In response to paragraphs 65(i) and (j), the FSRA notes Sarwa's representations.
 - j. In response to paragraph 65(k), the FSRA accepts Sarwa's representations in relation to Clients 3, 11 and 12.
 - k. In response to paragraph 65(l), the FSRA accepts Sarwa's representations in relation to Client 8.
 - l. In response to paragraph 65(m), while Sarwa had obtained a self-certification for Client 9 and one (1) of its Controlling Persons, it was also required to obtain self-certification forms for the other five (5) Controlling Persons.
 - m. In response to paragraph 65(n), Sarwa was still required to obtain a self-certification for CP8 as a Controlling Person of the relevant account.
 - n. In response to paragraph 65(o), the FSRA notes Sarwa's response.

68. In light of the foregoing, the FSRA has decided to uphold Sarwa's appeal in certain aspects and vary the decision set out in the January Notice by not imposing a penalty of AED 10,000 on Sarwa for:
- a. allegedly opening accounts without collecting a valid CRS self-certification form for six (6) Account Holders; and
 - b. allegedly opening accounts without collecting a valid FATCA self-certification form for four (4) clients.
69. The FSRA has decided to confirm its decision in other respects and impose a penalty of AED 40,000 on Sarwa for:
- a. opening accounts without collecting eight (8) valid CRS self-certifications;
 - b. failing to report information as required under the CRS Regulations in a complete and accurate manner; and
 - c. opening accounts without collecting seven (7) valid FATCA self-certifications.

PENALTY

70. The FSRA considers that Sarwa contravened:
- a. subsection 6(1) of the CRS Regulations and accordingly subsection 9(1)(b) of the CRS Regulations applies; and
 - b. subsection 6(1) of the FATCA Regulations, and accordingly subsection 9(1)(b) of the FATCA Regulations applies.
71. The penalties for the contraventions are set out in Articles 5(2) and 5(4)(b)¹ of the CRS Cabinet Resolution and Article 7(2) of the FATCA Cabinet Resolution.
72. The total penalty imposed by the FSRA on Sarwa is AED 40,000.
73. The breakdown of the penalty imposed by the FSRA on Sarwa under the CRS Cabinet Resolution and FATCA Cabinet Resolution is as follows:

| Reference | Contravention | Penalty (AED) |
|--|---|--------------------------------|
| Article 5(2) of the CRS Cabinet Resolution | A CRS RFI that opens an Account to an Account Holder or Controlling Person (as applicable) without obtaining a valid self-certification and/or failing to validate such self-certification. | 1,000 per contravention x 8 |
| Article 5(4)(b) of the CRS Cabinet | A CRS RFI that commits the violation set out in Article 5(4)(a) in the Reporting Year immediately following the Reporting | 25,000 |

¹ Having committed the violation set out in Article 5(4)(a) in the 2021 reporting year, the penalty set out in Article 5(4)(b) of the CRS Cabinet Resolution applies.

| Resolution | Year in which this violation was committed | |
|--|---|--------------------------------|
| Article 7(2) of the FATCA Cabinet Resolution | A FATCA RFI that opens a New Individual Account or New Entity Account without collecting a valid Self-Certification Form or without validating such Self-Certification Form | 1,000 per contravention x 7 |

PROCEDURAL MATTERS

Manner and time for payment of penalty

74. Pursuant to Article 6(4) of the CRS Cabinet Resolution and Article 10(2) of the FATCA Cabinet Resolution, the penalty imposed pursuant to this notice is to be paid by Sarwa within fifteen (15) business days from the date of this notice, i.e. on or before **4 June 2025**.
75. Payment of the penalty can be made by electronic funds transfer into the following account:

| | |
|----------------|------------|
| Account Name | [REDACTED] |
| Account Number | [REDACTED] |
| IBAN Number | [REDACTED] |
| Account Type | [REDACTED] |
| Bank Name | [REDACTED] |
| Swift Code | [REDACTED] |
| Reference | [REDACTED] |

76. If the penalty or any part of it remains outstanding on the date by which it must be paid, the obligation to make the payment is enforceable as a debt by the FSRA.

Publicity

77. The FSRA will generally publish, in a manner we consider appropriate and proportionate, information and statements relating to enforcement action. Accordingly, the FSRA will publish relevant information about the decision in this notice, including the notice itself, as the FSRA considers appropriate. The publication of enforcement outcomes is consistent with the FSRA's commitment to open and transparent processes and our objectives.

Yours sincerely,

[REDACTED]

Adrian Bock
 Executive Director – Enforcement
 Abu Dhabi Global Market Financial Services Regulatory Authority