

2 September 2025

Investcorp Islamic Saudi Pre-IPO Growth Fund LP
805, 8th floor
Al Sila Tower
Abu Dhabi Global Market Square
Al Maryah Island
Abu Dhabi
United Arab Emirates

Attention:



Sent by e-mail:



Dear Sirs

CONFIRMATION 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. The FSRA of ADGM hereby confirms its decision to impose a penalty on Investcorp Islamic Saudi Pre-IPO Growth Fund LP (“IISP”) under subsection 9(1) of the CRS Regulations and subsection 9(1) of the FATCA Regulations. This notice is issued under Article 7(5) of the CRS Cabinet Resolution which applies pursuant to the CRS Regulations and Article 9(5) of the FATCA Cabinet Resolution which applies pursuant to the FATCA Regulations, following due consideration of an appeal submitted by IISP on 11 July 2025 in response to a notice from the FSRA dated 13 June 2025 (“June Notice”).

DEFINED TERMS

2. The meaning of any defined term used in this notice is provided either at its first occurrence in parentheses or in Annexure A.

SUMMARY

3. The FSRA considers that IISP has classified itself as a CRS RFI for the purposes of the CRS Regulations.
4. The FSRA considers that IISP:
 - a. having classified itself as a CRS RFI for the purposes of the CRS Regulations:
 - i. opened an account without collecting a valid Self-Certification from an Account Holder;

- ii. failed to report information as required by the CRS Regulations in a complete and accurate manner; and
 - b. having classified itself as a FATCA RFI for the purposes of the FATCA Regulations, opened an account without collecting a valid Self-Certification from an Account Holder.
5. Accordingly, the FSRA has decided to impose a penalty of AED 57,000 on IISP pursuant to subsection 9(1) of the CRS Regulations and subsection 9(1) of the FATCA Regulations, and the penalties set out in the CRS Cabinet Resolution and FATCA Cabinet Resolution.

BACKGROUND

6. On 9 August 2024 and 6 June 2024, IISP registered as a CRS RFI and FATCA RFI on the AEOI Portal.
7. On 28 June 2024 and 5 September 2024, IISP submitted a Nil Return for the purposes of the FATCA Regulations and an Annual Return for the purposes of the CRS Regulations, respectively.
8. On 13 August 2024, the FSRA sent an email with a letter to IISP, informing IISP that it had been selected for a Review. The letter detailed the information that IISP would be required to provide during the Review. The FSRA requested IISP's acknowledgement of the FSRA's email by 16 August 2024.
9. On 31 October 2024, the FSRA conducted the Review.

FAILURE TO COLLECT VALID SELF-CERTIFICATIONS FOR CRS

10. 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.
11. Section IV subparagraph A of the CRS (New Individual Accounts) and Section VI subparagraph A of the CRS (New Entity Accounts) requires an RFI to obtain a valid Self-Certification from an Account Holder at account opening.

Client 1

12. The Review found that IISP had opened a New Entity Account for Client 1, as identified in Annexure B to the June Notice, on 30 May 2022. In its Self-Certification, Client 1 failed to complete the section confirming Client 1's CRS status and country(s) of tax residence. Accordingly, IISP failed to obtain a valid Self-Certification.
13. The FSRA considers that IISP has contravened subsection 6(1) of the CRS Regulations.

FAILURE TO REPORT IN A COMPLETE AND ACCURATE MANNER FOR CRS

14. Section I subparagraph A(1) of the CRS requires each CRS RFI to report the name, address, jurisdiction(s) of residence, TIN(s), date and place of birth (in the case of an individual), of each Reportable Person that is an Account Holder of a Reportable Account.

Client 1

15. The Review found that IISP reported Client 1 as an entity with the British Virgin Islands as its country of tax residence. The British Virgin Islands does not issue TINs and Client 1 did not provide a TIN. However, the Review found that IISP had included an incorrect TIN generated by IISP in relation to Client 1 in its Annual Return.

Client 2

16. Client 2, as identified in Annexure B to the June Notice, opened two (2) New Entity Accounts with IISP on 13 January 2022. In its Self-Certification, Client 2 had declared its jurisdiction of tax residence as Saudi Arabia. As such Client 2 was a Reportable Account. However, the Review found that IISP failed to report these accounts in its Annual Return.

Client 3

17. Client 3, as identified in Annexure B to the June Notice, declared its country of tax residence as Saudi Arabia in its Self-Certification and provided a TIN. The Review found that IISP reported a TIN different from the TIN provided by Client 3 in its Annual Return.

Client 4

18. Client 4, as identified in Annexure B to the June Notice, declared that its country of tax residence was Saudi Arabia in its Self-Certification and did not provide a TIN. However, the Review found that IISP had reported a TIN in relation to Client 4 that was different from the TIN set out in the Self-Certification or the Saudi National ID number it held on file for Client 4 in its Annual Return.

Clients 5 and 7

19. Clients 5 and 7, as identified in Annexure B to the June Notice, each declared their country of tax residence as the British Virgin Islands in their Self-Certifications. The British Virgin Islands does not issue TINs. However, the Review found that IISP reported an incorrect TIN generated by IISP for Clients 5 and 7 in its Annual Return.

Client 6

20. Client 6, as identified in Annexure B to the June Notice, declared that its country of tax residence was Saudi Arabia. However, the Review found that IISP reported a TIN different from the TIN provided by Client 6 in its Annual Return.

Clients 8 and 10

21. Clients 8 and 10, as identified in Annexure B to the June Notice, declared their country of tax residence as Bahrain in their Self-Certifications. Bahrain does not issue TINs. However, the Review found that IISP reported an incorrect TIN that IISP had generated for Clients 8 and 10 in its Annual Return.

Client 9

22. Client 9, as identified in Annexure B to the June Notice, declared that its country of tax residence was Saudi Arabia in its Self-Certification. The Review found that IISP reported a TIN that was different from the TIN provided by Client 9 in its Annual Return.
23. Accordingly, the FSRA considers that IISP has contravened subsection 6(1) of the CRS Regulations.

FAILURE TO COLLECT VALID SELF-CERTIFICATIONS FOR FATCA

24. 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. Article 5 of the FATCA Cabinet Resolution requires each FATCA RFI to collect and validate a Self-Certification for each New Entity Account (as defined in the FATCA Cabinet Resolution).

Client 10

25. The Review found that Client 10 had self-classified as both a 'Financial Institution' and an Active NFFE in its Self-Certification. As such, IISP failed to validate the Self-Certification of Client 10 and confirm its reasonableness.
26. Accordingly, the FSRA considers that IISP has contravened subsection 6(1) of the FATCA Regulations.

CONSIDERATION OF APPEAL

27. In the June Notice, the FSRA imposed a penalty of AED 57,000 on IISP.
28. 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, IISP had the opportunity to appeal against the FSRA's decision as set out in the June Notice.
29. On 11 July 2025, IISP submitted its appeal to the FSRA.
30. In its appeal, IISP asked the FSRA to consider certain matters, as follows:
 - a. IISP requested for a waiver of the penalties relating to the self-generation of TINs for Clients 1, 5, 7, 8 and 10. IISP entered self-generated TINs for clients where their jurisdiction of tax residence does not issue TINs because at the time of submission,

IISP's understanding was that the TIN field was mandatory to complete, and there was no clear guidance on how to handle cases without TINs. For RY2024, MOF has updated the CRS submission file to allow for explanations regarding the absence of a TIN, and that the change suggested recognition by MOF of the previous lack of clarity.

- b. As regards the penalties imposed for other contraventions, these were isolated incidences of human oversight and data interpretation at that time and IISP has implemented measures to improve its validation and review process to reduce the likelihood of similar issues occurring in the future, including that this is IISP's first offense.
31. The FSRA has considered the grounds submitted in support of IISP's appeal.
 32. In relation to IISP's representations in paragraph 30, the FSRA notes that:
 - a. In response to paragraph 30(a), the TIN field in the CRS Annual Return is classified as conditionally mandatory which meant that it was required to be completed only if the jurisdiction of tax residence issues TINs. The use of self-generated TINs is not allowed as it adversely effects the reliability and integrity of the information shared with foreign jurisdictions. The field could have been left blank and the Annual Report could still have been submitted successfully. In addition, guidance was provided on this issue. The CRS Annual Return submission template for the 2023 reporting year included a "Filing Instructions" containing guidance for RFIs for the completion of the template. In relation to the submissions of TINs, the instructions make clear that the relevant fields are "*Mandatory if jurisdiction of tax residence automatically issues TINs for tax purposes and TIN is maintained by RFI*".
 - b. In response to paragraph 30(b), IISP's representations are noted. However, the penalties for contraventions of CRS and FATCA are prescribed in the CRS and FATCA Cabinet Resolutions respectively, and do not make any allowances for first time offences.
 33. Given the facts and matters set out above, and having given due consideration to IISP's appeal, the FSRA has decided to confirm its decision in this matter to impose a penalty of AED 57,000 on IISP.

PENALTY

34. The FSRA considers that IISP 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 Article 5(2) of the FATCA Cabinet Resolution, and accordingly subsection 9(1) of the FATCA Regulations applies.
35. The penalties for the relevant contraventions are set out in Articles 5(2) and 5(4)(a) of the CRS Cabinet Resolution and Article 7(2) of the FATCA Cabinet Resolution.

Publicity

41. 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,



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

ANNEXURE A

In this notice, unless the context otherwise requires -

Active NFFE	has the meaning set out in the IGA, for the purposes of compliance with the FATCA Regulations.
ADGM	means Abu Dhabi Global Market.
AEOI portal	means the Automatic Exchange of Information portal made available by the MOF.
Account Holder	has the meaning set out in the CRS for the purposes of compliance with the CRS Regulations, and the meaning set out in the IGA, for the purposes of compliance with the FATCA Regulations.
Annual Return	means the annual information return required to be filed pursuant to the CRS Regulations or the FATCA Regulations, as applicable, and includes a Nil Return.
Controlling Person	has the meaning set out in the CRS for the purposes of compliance with the CRS Regulations, and the meaning set out in the IGA for the purposes of compliance with the FATCA Regulations.
CRS	means the Common Reporting Standard, as defined in the CRS Regulations.
CRS Cabinet Resolution	means the UAE's Cabinet of Ministers Resolution No. 93 of 2021 Implementing Certain Provisions of the Multilateral Administrative Agreement for Automatic Exchange of Information.
CRS Regulations	means the Common Reporting Standard Regulations 2017.
CRS RFI	means a Reporting Financial Institution, as defined in the CRS Regulations.
FATCA RFI	means a Reporting UAE Financial Institution, as defined in the FATCA Regulations.
FSRA	means the Financial Services Regulatory Authority.

MOF	means the Ministry of Finance.
New Entity Account	has the meaning set out in the CRS for the purposes of compliance with the CRS Regulations, and the meaning set out in the IGA, for the purposes of compliance with the FATCA Regulations.
Nil Return	has the meaning set out in the CRS Cabinet Resolution for the purposes of compliance with the CRS Regulations, and means a Nil Report, as defined in the FATCA Cabinet Resolution, for the purposes of compliance with the FATCA Regulations.
Reportable Account	has the meaning set out in the CRS for the purposes of compliance with the CRS Regulations, and means a U.S. Reportable Account (as that term is defined in the IGA) for the purposes of compliance with the FATCA Regulations.
Reportable Person	has the meaning set out in the CRS for the purposes of compliance with the CRS Regulations, and means a Specified U.S. Person (as that term is defined in the IGA) for the purposes of compliance with the FATCA Regulations.
Review	means a review of compliance with the CRS Regulations and/or FATCA Regulations, as applicable, in relation to RY2023
RY2023	means the 2023 reporting year for the purposes of compliance with the CRS Regulations or the FATCA Regulations, as applicable.
Self-Certification	means the self-certification required to be collected at account opening for the purposes of compliance with the CRS Regulations, or a Self-Certification Form as defined in the FATCA Cabinet Resolution for the purposes of compliance with the FATCA Regulations.
TIN	Taxpayer Identification Number (or functional equivalent in the absence of a Taxpayer Identification Number).