

16 September 2025

Freedom Advantage Funds OEIC PCC Limited
Office 2406, 24th floor
Tamouh Tower
Al Reem Island
Abu Dhabi
United Arab Emirates

Attention:

[REDACTED]

[REDACTED]

Sent by e-mail:

[REDACTED]

Dear Sirs

CONFIRMATION OF DECISION IN RELATION TO PENALTY IMPOSED FOR CONTRAVENTIONS OF THE COMMON REPORTING STANDARD REGULATIONS 2017

1. The FSRA of ADGM hereby confirms its decision to impose a penalty on Freedom Advantage Funds OEIC PCC Limited (“FAF”) under subsection 9(1) of the CRS Regulations. This notice is issued under Article 7(5) of the CRS Cabinet Resolution which applies pursuant to the CRS Regulations, following consideration of an appeal submitted by FAF on 14 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 FAF has classified itself as a CRS RFI for the purposes of the CRS Regulations.
4. The FSRA considers that FAF has failed to report information as required by the CRS Regulations in a complete and accurate manner.
5. Accordingly, the FSRA has decided to impose a penalty of AED 25,000 on FAF pursuant to subsection 9(1) of the CRS Regulations and the penalties set out in the CRS Cabinet Resolution.

BACKGROUND

6. On 10 June 2024, FAF registered as a CRS RFI and FATCA RFI on the AEOI Portal.
7. On 25 June 2024 and 6 September 2024 respectively, FAF submitted a Nil Return under the FATCA Regulations and an Annual Return under the CRS Regulations.
8. On 13 August 2024, the FSRA sent an email with a letter to FAF, informing FAF that it had been selected for a Review. The letter detailed the information that FAF would be required to provide during the Review. The FSRA requested FAF's acknowledgement of the FSRA's email by 16 August 2024. On 16 August 2024, FAF acknowledged the FSRA's email.
9. Between 22 August 2024 and 22 October 2024, the FSRA and FAF communicated on the documents required for the Review.
10. On 22 October 2024, the FSRA conducted the Review.

FAILURE TO REPORT IN A COMPLETE AND ACCURATE MANNER FOR CRS

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

Client 1

12. In his Self-Certification, Client 1 (identified in Annexure B to the June Notice) reported that he had two (2) jurisdictions of tax residence, i.e. Nigeria and the UK. However, the Review found that FAF only reported the UK as Client 1's jurisdiction of tax residence in its Annual Return.

Clients 2 to 5

13. The accounts held by each of Clients 2 to 5 (identified in Annexure B to the June Notice) were opened by trustees on behalf of trust with a beneficiary that is a minor. In the Self-Certification for Clients 2 to 5, the trustees of the trusts benefitting Clients 2 to 5 declared their jurisdiction of tax residence as the UK. Clients 2 to 5 and their trustees constitute Controlling Persons of the relevant trust pursuant to the CRS. As Reportable Persons, the relevant account is a Reportable Account. FAF did not include Clients 2 to 5 in its Annual Return.
14. Upon enquiry from the FSRA, FAF stated that the accounts were not reported because they were held by minors and as such were not eligible for reporting and were not required to obtain TINs in the UK. However, the CRS does not exclude minors from its definition of Reportable Persons, in any event the trustees were Reportable Persons. Therefore, FAF was required to report the accounts of Clients 2 to 5 as Reportable Accounts, which it failed to do.

15. FAF failed to report information in a complete and accurate manner for Clients 1 to 5. Accordingly, the FSRA considers that FAF has contravened subsection 6(1) of the CRS Regulations.

CONSIDERATION OF APPEAL

16. In the June Notice, the FSRA imposed a penalty of AED 25,000 on FAF.
17. Under subsection 9(2) of the CRS Regulations and Article 7(1) of the CRS Cabinet Resolution, FAF had the opportunity to appeal the FSRA's decision set out in the June Notice.
18. On 14 July 2025, FAF submitted its appeal to the FSRA.
19. In its appeal, FAF asked the FSRA to take certain matters into consideration, as follows:
 - a. The Directors and fund administrators acted in good faith and made efforts to comply with all CRS rules. The procedure used in the preparation of the return was based on a well-established process which has been used elsewhere without issue.
 - b. No queries were raised on the RY2023 CRS filing from feedback received to date, indicating that the filing was in line with regulatory expectations for that reporting year, which suggested that the procedure was generally sound and compliant with the necessary standards.
 - c. In relation to Client 1, the tax residency reported in the RY2022 CRS Return was the result of a break in version continuity. The correct tax residency information was recorded on 15 May 2023, however, the untimely version control led to the reporting discrepancy. FAF has since identified the issue and taken steps to strengthen its internal controls to prevent this for future reporting.
 - d. Clients 2 to 5 are minors due to their age, therefore a TIN was not available for them and local laws in the jurisdiction of tax residence do not require one for minors.
 - e. FAF relied in good faith on the self-certification forms provided by Clients 2 to 5 to be correct i.e. UK resident minor with no TIN due to unavailability and not paying tax.
 - f. The internal auditors of the fund administrator will incorporate a specific FATCA and CRS test into the 2025 audit plan to ensure ongoing compliance and thorough review.
20. The FSRA has considered the grounds in support of FAF's appeal.
21. In relation to PFF's representations in paragraph 19 above, the FSRA notes that:
 - a. In response to paragraph 19(a), it is FAF's obligation to ensure that it is in compliance with the CRS Regulations.
 - b. In response to paragraph 19(b), the Review conducted by the FSRA on 22 October 2024 was not an assurance or validation exercise, nor was it intended to provide

recommendation for procedural improvements. Rather it was a supervisory review of FAF's activities and operations under CRS and FATCA for RY2023 enabling the FSRA to assess the existing procedures and identify instances of non-compliance. Further follow up queries were in fact made to FAF following Review, on 22 October 2024 and 5 November 2024. The findings of the review were considered and reviewed within the FSRA and led to the issuance to FAF of the June Notice.

- c. In response to paragraph 19(c), FAF's representations are noted.
- d. In response to paragraph 19(d), FAF's representations are noted. Even though Client 2 to 5 are minors and TINs were not issued under their jurisdiction of tax residence, Clients 2 to 5 remain reportable. The CRS does not exclude minors from its definition of Reportable Persons. Additionally, the absence of a TIN does not preclude an account from being reportable.
- e. In response to paragraph 19(e), whilst FAF is entitled to rely on the self-certifications provided by Clients 2 to 5, it was required to consider whether these clients were Reportable Persons under the CRS.
- f. In response to paragraph 19(f), the FSRA notes the actions taken by FAF to ensure compliance with CRS and FATCA.

22. Given the facts and matters set out above, and having given due consideration to FAF's appeal, the FSRA has decided to confirm its decision in this matter to impose a penalty of AED 25,000 on FAF.

PENALTY

- 23. The FSRA considers that FAF contravened subsection 6(1) of the CRS Regulations and accordingly subsection 9(1)(b) of the CRS Regulations applies.
- 24. The penalties for the relevant contraventions are set out in Article 5(4)(a) of the CRS Cabinet Resolution.
- 25. The total penalty imposed by the FSRA on FAF is AED 25,000.
- 26. The breakdown of the penalty imposed on FAF by the FSRA is as follows:

Reference	Contravention	Penalty (AED)
Article 5(4)(a) of the CRS Cabinet Resolution	A CRS RFI that fails to report any information that is required to be reported in a complete and accurate manner.	5,000 x 5

PROCEDURAL MATTERS

Manner and time for payment of penalty

27. Pursuant to Article 6(4) of the CRS Cabinet Resolution, the penalty imposed pursuant to this notice is to be paid by FAF within fifteen (15) business days after the date of this notice, i.e. on or before **8 October 2025**.
28. 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]

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

Publicity

30. 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]

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

ANNEXURE A

In this notice, unless the context otherwise requires -

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.