

16 September 2025

Wahed Invest Limited
Cloud Suite 213, 15th floor
Al Sarab Tower
Abu Dhabi Global Market Square
Al Maryah Island
Abu Dhabi
United Arab Emirates

Attention:

[REDACTED]

[REDACTED]

Sent by e-mail:

[REDACTED]

Dear Sir/Madam

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 Wahed Invest Limited (“WIL”) 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 WIL on 15 July 2025 in response to a notice from the FSRA dated 16 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 WIL has classified itself as a CRS RFI for the purposes of the CRS Regulations.
4. The FSRA considers that WIL:
 - a. having classified itself as a CRS RFI for the purposes of the CRS Regulations:

- i. opened accounts without collecting a valid Self-Certification from fourteen (14) Account Holders; and
 - ii. failed to report information as required by the CRS Regulations in a complete and accurate manner.
5. The FSRA has decided to impose a penalty of AED 74,000 on WIL pursuant to subsection 9(1) of the CRS Regulations and the penalties set out in the CRS Cabinet Resolution.

BACKGROUND

6. On 4 June 2024, WIL registered as a CRS RFI and FATCA RFI on the AEOI Portal.
7. On 5 September 2024 and 10 September 2024, WIL 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 12 August 2024, the FSRA sent an email with a letter to WIL, informing WIL that it had been selected for a Review. The letter detailed the information that WIL would be required to provide during the Review. The FSRA requested WIL's acknowledgement of the FSRA's email by 16 August 2024. On 15 August 2024, WIL acknowledged the FSRA's email.
9. Between 26 August 2024 and 3 September 2024, the FSRA and WIL communicated on arrangements for the Review.
10. On 24 September 2024, the FSRA conducted the Review.

FAILURE TO COLLECT VALID SELF-CERTIFICATIONS FOR CRS

11. Subsection 6(1) of the CRS Regulations requires CRS RFIs to collect and report all information in accordance with the CRS Regulations, the CRS Cabinet Resolution and the CRS.
12. Section IV subparagraph A of the CRS (New Individual Accounts) requires an RFI to obtain a valid Self-Certification from an Account Holder at account opening.

Clients 1 and 2

13. In their Self-Certifications, Clients 1 and 2 (as identified in Annexure B to the June Notice) had each declared that their country of tax residence was India. Accordingly, the accounts of Clients 1 and 2 were Reportable Accounts. The Review found that the TINs provided on the Self-Certifications by Clients 1 and 2 clearly did not conform to the TIN format for India. WIL therefore failed to undertake reasonableness checks to validate the Self-Certification provided by each of Clients 1 and 2.

Client 3

14. The Review found that the Self-Certification for Client 3, as identified in Annexure B to the June Notice, had declared their country of tax residence as the United Arab Emirates. However, Client 3 had a residential address in Kyrgyzstan on file with WIL, which is inconsistent with being a tax resident in the United Arab Emirates. WIL therefore failed to undertake reasonableness checks to validate the Self-Certification provided by Client 3.

Client 4

15. In its Self-Certification, Client 4, as identified in Annexure B to the June Notice, had declared that their country of tax residence as Switzerland. However, the TIN provided in Client 4's Self-Certification clearly did not conform with the format for a TIN in Switzerland. Accordingly, WIL failed to undertake reasonableness checks to validate the Self-Certification of Client 4.

Clients 5 and 7

16. In their Self-Certifications, Clients 5 and 7 (as identified in Annexure B to the June Notice) had each declared their country of tax residence as the United Arab Emirates. However, Clients 5 and 7 each had a residential address in Nigeria on file with WIL, which is inconsistent with being a tax resident in the United Arab Emirates. The Review found that WIL had failed to undertake reasonableness checks to validate the Self-Certifications of Clients 5 and 7.

Client 6

17. In its Self-Certification, Client 6 (as identified in Annexure B to the June Notice) had declared their country of tax residence as Pakistan. However, the TIN provided in Client 6's Self-Certification clearly did not conform with the format of a TIN for Pakistan. Accordingly, WIL failed to undertake reasonableness checks to validate the Self-Certification of Client 6.

Clients 8, 9 and 16

18. The Review found that WIL had opened New Individual Accounts for each of Clients 8, 9 and 16 (as identified in Annexure B to the June Notice) on 1 January 2019, 2 May 2019 and 20 August 2019 respectively. In each of their Self-Certifications, Clients 8, 9 and 16 had each declared their country of tax residence as the United Arab Emirates. However, each had a residential address in another country on file with WIL, which is inconsistent with being a tax resident in the United Arab Emirates. Accordingly, WIL failed to undertake reasonableness checks to validate the Self-Certification from Clients 8, 9 and 16.

Client 11, 12 and 13

19. Clients 11, 12 and 13 (as identified in Annexure B to the June Notice) had each declared their country of tax residence as the United Arab Emirates in their Self-Certifications. However, each had a residential address in Singapore on file with WIL, which is inconsistent with being

a tax resident in the United Arab Emirates. Accordingly, WIL failed to undertake reasonableness checks to validate Self-Certifications from Clients 11, 12 and 13.

Client 15

20. The Review found that WIL had opened a New Entity Account for Client 15, as identified in Annexure B to the June Notice, on 4 June 2019. In his Self-Certification, Client 15 had declared their country of tax residence as the United Arab Emirates. However, Client 15 had a residential address in Hong Kong on file with WIL, which is inconsistent with being a tax resident in the United Arab Emirates. Accordingly, WIL had failed to undertake reasonableness checks to validate Client 15's Self-Certification.
21. Accordingly, the FSRA considers that WIL has contravened subsection 6(1) of the CRS Regulations.

FAILURE TO REPORT IN A COMPLETE AND ACCURATE MANNER FOR CRS

22. Section I subparagraph A(1) of the CRS requires each CRS RFI to report 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 for each Reportable Account.

Client 1

23. As mentioned in paragraph 13 above, the Review found that WIL had failed to validate the TIN provided for Client 1. WIL therefore reported an incorrect TIN for Client 1 in its Annual Return.

Client 4

24. As mentioned in paragraph 15 above, the Review found that WIL had failed to validate the TIN provided for Client 4. The Review found that WIL then reported Client 4 without a TIN in its Annual Return.

Client 6

25. As mentioned in paragraph 17 above, WIL had failed to validate the TIN provided. The Review found that WIL then reported Client 6 without a TIN in its Annual Return.

Clients 8 and 16

26. As mentioned in paragraph 18 above, the Review found that Clients 8 and 16 had each failed to provide their country of tax residence as Singapore and their TIN in their respective Self-Certifications. WIL confirmed during the Review that the TINs of Clients 8 and 16 were available in WIL's due diligence documents. However, WIL failed to report the TINs for Clients 8 and 16 in its Annual Return.

Client 9

27. As mentioned in paragraph 18 above, the Review found that Client 9 failed to provide their country of tax residence as Pakistan and their TIN in the Self-Certification. WIL confirmed during the Review that it had Client 9's TIN on file. The Review found that WIL did report the country of tax residence of Client 9 as Pakistan in its Annual Return, but failed to report Client 9's TIN.

Client 10

28. The Review found that WIL reported the country of tax residence of Client 10, as identified in Annexure B to the June Notice, as Trinidad and Tobago in its Annual Return. The Review further found that Client 10 had provided his TIN to WIL via email. However, WIL failed to report the TIN for Client 10 in its Annual Return.

Clients 11, 12 and 13

29. As mentioned in paragraph 19 above, the Review found that Clients 11, 12 and 13 failed to provide their country of tax jurisdiction as Singapore and their TINs in their respective Self-Certifications. The Review found that WIL held Client 11, 12 and 13's TIN on file. The Review further found that WIL failed to report the TINs of Clients 11, 12 and 13 in its Annual Return.

Client 14

30. In her Self-Certification, Client 14 (as identified in Annexure B to the June Notice) had declared their country of tax jurisdiction as the Philippines and provided their TIN to WIL. The Review found that WIL failed to report Client 14's TIN in its Annual Return.

Client 15

31. As mentioned in paragraph 20 above, the Review found that Client 15 failed to provide their country of tax residence as Hong Kong and their TIN in their Self-Certification. The Review further found that WIL reported Client 15's jurisdiction of tax residence as Hong Kong but failed to report a TIN for Client 15 as required by the CRS.
32. Accordingly, the FSRA considers that WIL has contravened subsection 6(1) of the CRS Regulations.

CONSIDERATION OF APPEAL

33. In the June Notice, the FSRA imposed a penalty of AED 74,000 on WIL.
34. Under subsection 9(2) of the CRS Regulations and Article 7(1) of the CRS Cabinet Resolution, WIL had the opportunity to appeal the FSRA's decision set out in the June Notice.
35. On 15 July 2025, WIL submitted its appeal to the FSRA.
36. In its appeal, WIL asked the FSRA to take certain matters into consideration as follows:

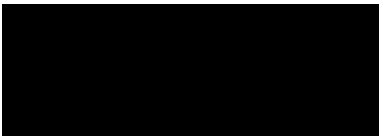
- a. It was WIL's first CRS audit and WIL had not yet completed one full year of business operations. WIL understands and appreciates the importance of adherence to CRS obligations and is committed to maintaining high standards of compliance.
 - b. WIL has consistently maintained meticulous records of due diligence procedures in line with CRS requirements. WIL had obtained self-certifications from all of its clients at onboarding prior to the establishment of a customer relationship. As part of its onboarding process, WIL implemented robust validity checks of self-certifications including verification of the following data fields: Full name, residential address, date of birth, country of tax residency, TIN, confirmation and date of self-certification.
 - c. WIL reported 1,033 accounts in its 2024 CRS Submission, out of which the Review identified 16 with discrepancies, representing an accuracy rate of 98.5%. Any inaccuracies were inadvertent and not reflective of deficiencies in its due diligence procedures. TINs reported were sourced from the data provided by its clients based on their self-certifications. In addition, the validation of TINs using OECD guidelines is recommended practice rather than a regulatory requirement.
 - d. WIL has enhanced its alignment with CRS requirements and initiated a comprehensive CRS project, which reflects its proactive stance towards compliance and dedication to adopting best practices beyond the minimum requirements.
37. The FSRA has considered the grounds in support of WIL's appeal.
38. In relation to WIL's representations in paragraph 36 above, the FSRA notes that:
- a. In response to paragraph 36(a), WIL's representation is noted. However, the CRS Regulations do not provide concessions for firms in their first year of business operations.
 - b. In response to paragraph 36(b), the FSRA notes the efforts WIL has taken in its due diligence procedures, including validity checks. WIL should revisit its processes in light of the FSRA's findings in this notice.
 - c. In response to paragraph 36(c), WIL's representations are noted. The findings referenced in this notice concern contraventions of Article 5(2) and/or Article 5(4)(a) of the CRS Cabinet Resolution in relation to Clients 1 to 16 only. While WIL is entitled to rely on self-certifications provided by its clients, it is required to undertake reasonable checks and make the necessary enquiries to validate the self-certifications of its clients.
 - d. In response to paragraph 36(d), WIL's representation is noted.
39. Given the facts and matters set out above, and having given due consideration to WIL's appeal, the FSRA has decided to confirm its decision in this matter to impose a penalty of AED 74,000 on WIL.

46. 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

47. 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 -

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).