

2 October 2025

PraxisIFM Trust Limited  
Suite #408, 15<sup>th</sup> floor  
Al Sarab Tower  
Abu Dhabi Global Market Square  
Al Maryah Island  
Abu Dhabi  
United Arab Emirates

Attention:

[REDACTED]

Sent by e-mail:

[REDACTED]

Dear Sirs

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

1. On 13 June 2025 the FSRA of ADGM gave PraxisIFM Trust Limited (“PTL”) written notice (“June Notice”) of its decision to impose a penalty pursuant to subsection 9(1) of the CRS Regulations.
2. On 14 July 2025, PTL submitted an appeal against the penalty set out in the June Notice.
3. The FSRA has considered PTL’s appeal and decided to impose an amended penalty as set out in this notice. Accordingly, this notice is issued pursuant to Article 7(5) of the CRS Cabinet Resolution which applies pursuant to the CRS Regulations.

**DEFINED TERMS**

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

**SUMMARY**

5. The FSRA considers that PTL has classified itself as a CRS RFI for the purposes of the CRS Regulations.
6. The FSRA considers that PTL has:
  - a. opened accounts without collecting a valid Self-Certification from four (4) Account Holders; and

**FINANCIAL SERVICES REGULATORY AUTHORITY**  
سلطة تنظيم الخدمات المالية

- b. failed to report information as required by the CRS Regulations in a complete and accurate manner.
7. Accordingly, the FSRA has decided to impose a penalty of AED 24,000 on PTL pursuant to subsection 9(1) of the CRS Regulations and the penalties set out in the CRS Cabinet Resolution.

## **BACKGROUND**

- 8. On 21 June 2023, PTL registered as a CRS RFI and FATCA RFI on the AEOI Portal.
- 9. On 27 June 2024, PTL submitted Annual Returns for the purposes of the CRS Regulations and FATCA Regulations.
- 10. On 13 August 2024, the FSRA sent a letter to PTL, informing PTL that it had been selected for a Review. The letter detailed the information that PTL would be required to provide during the Review. The FSRA requested PTL's acknowledgement of the FSRA's email by 16 August 2024.
- 11. On 29 October 2024, the FSRA conducted the Review.

## **FAILURE TO COLLECT VALID SELF-CERTIFICATIONS FOR CRS**

- 12. 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.
- 13. 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 Self-Certification from an Account Holder at account opening.
- 14. 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 that are Reportable Persons (as defined in the CRS) and determine the residence of such Reportable Persons. In determining whether a Controlling Person is a Reportable Person, section VI subparagraph A(2)(c) of the CRS sets out that an RFI may rely on a self-certification form from the Account Holder or such Controlling Person.
- 15. Subsection 3(1) of the CRS Regulations applies any commentary published by the OECD for the purposes of assisting with the interpretation of the CRS. Paragraph 18 of Section VI of the OECD's Commentaries on the Common Reporting Standard<sup>1</sup> provides (by reference to earlier sections of the Commentary) that self-certifications of the Controlling Person are only valid if they contain the jurisdiction of residence for tax purposes and TIN with respect to each Reportable Jurisdiction.

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<sup>1</sup> OECD (2017), *Standard for Automatic Exchange of Financial Account Information in Tax Matters, Second Edition*, OECD Publishing, Paris

## **Client 2**

16. Client 2, as identified in Annexure B to the June Notice, is a trust with one (1) settlor, one (1) protector and four (4) beneficiaries. PTL had opened an account for Client 2 on 24 October 2022. The Review found that PTL had collected a personal details form from both the settlor and the protector of Client 2 without collecting the information on the jurisdiction(s) of tax residence and TIN(s) as required for a valid Self-Certification with respect to those two (2) Controlling Persons.

## **Clients 4 and 5**

17. Clients 4 and 5 are trusts with one (1) settlor, one (1) protector and three (3) beneficiaries. PTL opened an account for Client 4 on 5 September 2022 and opened an account for Client 5 on 24 October 2022. The Review found that PTL had collected a personal details form from the protector of Clients 4 and 5 that did not contain the information on the protector's jurisdiction(s) of tax residence as required for a valid Self-Certification with respect to that one (1) Controlling Person.
18. Accordingly, the FSRA considers that PTL has contravened subsection 6(1) of the CRS Regulations.

## **FAILURE TO REPORT IN A COMPLETE AND ACCURATE MANNER FOR CRS**

19. 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.
20. 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 for each Reportable Account.

## **Clients 1 and 3**

21. Clients 1 and 3, as identified in Annexure B to the June Notice, are trusts with the same one (1) settlor and four (4) beneficiaries each. The settlor of Clients 1 and 3 had declared his jurisdictions of tax residence as Malaysia, Singapore and the United Kingdom. However, the Review found that PTL had reported the settlor's jurisdiction of tax residence as Malaysia and had not reported the other two (2) jurisdictions of tax residence in its Annual Return.

## **Alleged failure in relation to Client 2**

22. As mentioned in paragraph 16 above, Client 2, as identified in Annexure B to the June Notice, failed to collect information on the jurisdiction(s) of tax residence and TIN(s) required for a valid Self-Certification of the settlor and protector of Client 2. PTL then reported the passport numbers of the settlor and protector of Client 2 in its Annual Return as their respective TINs.

### **Alleged failure in relation to Clients 4 and 5**

23. As mentioned in paragraph 17 above, Clients 4 and 5, as identified in Annexure B to the June Notice, had failed to collect information on the protector's jurisdiction(s) of tax residence required for a valid Self-Certification for each of Clients 4 and 5. PTL then reported the passport number of the protector of each of Clients 4 and 5 as his TIN in its Annual Return.
24. Accordingly, the FSRA considers that PTL has contravened subsection 6(1) of the CRS Regulations.

### **CONSIDERATION OF APPEAL**

25. In the June Notice, the FSRA imposed a penalty of AED 44,000 on PTL.
26. Under subsection 9(2) of the CRS Regulations and Article 7(1) of the CRS Cabinet Resolution, PTL had the opportunity to appeal against the FSRA's decision set out in the June Notice.
27. On 14 July 2025, PTL submitted its appeal.
28. In its appeal, PTL asked the FSRA to take certain matters into consideration, as follows:

#### *Failure to collect valid self-certifications for CRS*

- a. As regards Client 2, PTL opened the account on 24 October 2022. PTL classified the Trust at onboarding and once Trustees of the Trust are appointed. The settlor's personal details form competed at account opening stated their tax residence as South Africa and did not have a TIN. The settlor has been a client of the wider group since September 2008 across multiple group offices, and through this PTL was aware that the settlor never had a TIN as they have never been employed in South Africa. PTL also stated that having reference OECD guidance for South Africa, they are of the view that having collected the passport number of the settlor at the time of account opening, PTL had met its obligations under CRS.
- b. As regards Clients 4 and 5, accounts were opened on 5 September 2022 and 24 October 2022 respectively. The protector of Clients 4 and 5 have also been known to PTL since September 2008. At the time of onboarding PTL had collected a personal details form documenting the protector's residence as South Africa. PTL determined that being in possession of the protector's passport number and using the functional equivalent, this was deemed sufficient to properly identify the client.

#### *Failure to report in a complete and accurate manner for CRS*

- c. As regards Clients 1 and 3, the settlor of Clients 1 and 3 has been a client of PTL's wider group since June 2010 despite having only established account with PTL directly on 21 April 2021. PTL was aware of all of the settlor's former tax residences which was UK, Singapore and Malaysia. Whilst the settlor's personal details form was completed at the outset which noted tax residences in UK, Singapore and Malaysia, PTL was aware that the settlor's habitual residence was solely Malaysia for RY2023. In addition, the

settlor at the time of completing the form believed that PTL should be provided with every TIN that they had. The settlor has since completed an updated personal details form confirming his sole tax residence as Malaysia.

- d. As regards Client 2, given the settlor does not have a TIN, PTL used the functional equivalent of a passport number in PTL's CRS report to assist authorities with identification.
  - e. As regards Clients 4 and 5, with regard to the collection of appropriate information of the protector of Clients 4 and 5, PTL used the functional equivalent of the protector's passport number.
29. The FSRA has considered each of the representations made in support of the appeal and summarises its decision as follows:
- a. In response to PTL's representations in paragraph 28(a), whilst the FSRA accepts that PTL collected the "functional equivalent" of the TIN for South Africa by collecting the passport number of the settlor of Client 2, PTL had collected a personal details form from both the settlor and the protector of Client 2 which recorded residential address information but did not record information relating to the jurisdiction(s) of tax residence (which was left blank) which is required for a self-certification to be valid.
  - b. In response to PTL's representations in paragraph 28(b), whilst the personal details form of the protector of Clients 4 and 5 state that their residential address in South Africa, it failed to specify their jurisdiction(s) of tax residence which invalidates the self-certification of the protector.
  - c. In response to PTL's representations in paragraph 28(c), PTL was required to report all the jurisdictions of tax residence as declared by the settlor of Clients 1 and 3 which was Malaysia, Singapore and the United Kingdom for RY2023, not just the jurisdiction where PTL believed was the settlor's habitual residence. Even though the settlor had subsequently completed a new form confirming that his jurisdiction of tax residence as Malaysia, this would only be applicable for future reporting periods and not for RY2023.
  - d. In response to PTL's representations in paragraph 28(d), the FSRA accepts, as in paragraph 29(a) above, that the functional equivalent of the TIN was collected for the settlor of Client 2 and was reported in PTL's Annual Return. However, it is noted that the South Africa passport number reported by the settlor of Client 2 was different from that provided by the settlor in their self-certification, which was their Irish passport number. As the personal details form does not specify the settlor's jurisdiction of tax residence and because PTL, had both passport numbers in its possession, it would be best practice for PTL to include a note on file reflecting the means by which PTL satisfied itself as to Client 2's reportable tax jurisdictions.
  - e. In response to PTL's representations in paragraph 28(e), the FSRA accepts that the functional equivalent of the TIN of the protector of Clients 4 and 5 was reported in PTL's Annual Return.

30. In light of the foregoing, the FSRA has decided to uphold PTL's appeal in certain aspects and vary the decision set out in the June Notice by not imposing a penalty of AED 20,000 on PTL

for:

- a. failing to report information as required by the CRS Regulations in a complete and accurate manner in relation to the protector of Clients 2, 4 and 5;

31. The FSRA has decided to confirm its decision in other aspects and impose a penalty of AED 24,000 on PTL for:

- a. opening accounts without collecting a valid Self-Certification from four (4) Account Holders; and
- b. failing to report information as required by the CRS Regulations in a complete and accurate manner.

#### **PENALTY**

32. The FSRA considers that PTL contravened subsection 6(1) of the CRS Regulations and accordingly subsection 9(1)(b) of the CRS Regulations applies.

33. The penalties for the relevant contraventions are set out in Articles 5(2) and 5(4)(a) of the CRS Cabinet Resolution.

34. The total penalty imposed by the FSRA on PTL is AED 24,000.

35. The breakdown of the penalty imposed on PTL by the FSRA is as follows:

<b>Reference</b>	<b>Contravention</b>	<b>Penalty (AED)</b>
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 4
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 4

#### **PROCEDURAL MATTERS**

##### **Manner and time for payment of penalty**

36. Pursuant to Article 6(1) of the CRS Cabinet Resolution, the penalty imposed pursuant to this notice is to be paid by PTL within fifteen (15) business days after the date of this notice, i.e. on or before **17 October 2025**.

37. Payment of the penalty can be made by electronic funds transfer into the following account:

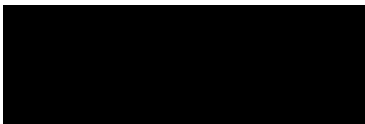
Account Name	[REDACTED]
Account Number	[REDACTED]
IBAN Number	[REDACTED]
Account Type	[REDACTED]
Bank Name	[REDACTED]
Swift Code	[REDACTED]
Reference	[REDACTED]

38. 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**

39. 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.
OECD	has the meaning set out in the CRS 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	means Taxpayer Identification Number (or functional equivalent in the absence of a Taxpayer Identification Number).