

Money Laundering & Terrorist  
Financing Risk Assessment of

## **ADGM Legal Persons & Arrangements**

May 2026





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His Excellency  
Ahmed Jasim Al Zaabi  
Chairman, ADGM

# Foreword from the Chairman

Clarity on risk is fundamental to how financial centres sustain trust, enable growth, and maintain global competitiveness. I am pleased to present the 2026 update of ADGM's Money Laundering and Terrorist Financing (ML/TF) Risk Assessment of Legal Persons and Arrangements.

As a leading International Financial Centre, ADGM remains firmly committed to safeguarding the integrity of its jurisdiction and to mitigating financial crime risks through robust regulation, effective supervision and close coordination with national and international partners.

ADGM's legal framework provides a diverse range of legal person types to serve the evolving needs of the business community, including public and private companies, partnerships, branches and foundations. This diversity, while supporting economic growth and investment, also requires a clear and well-informed understanding of the money laundering and terrorist financing risks associated with different legal structures.

In line with this responsibility, ADGM maintains a granular and evidence-based assessment of the money laundering and terrorist financing risks associated with the Legal Persons and arrangements available in the jurisdiction. This assessment is reviewed and updated periodically to ensure it remains current, proportionate and

aligned with evolving national and international risks and standards.

ADGM applies a rigorous and structured risk assessment methodology informed by research and international benchmarking of Legal Persons and arrangements risk-rating methodologies frameworks. This report outlines the methodology applied and presents the money laundering and terrorist financing risk ratings of ADGM Legal Persons and arrangements. This assessment is intended to complement and support the United Arab Emirates' national LPA risk assessment and to contribute to a coherent, integrated and effective national AML/CFT framework.

The findings of this assessment support ADGM's risk-based approach across the authorities, including the registration and incorporation of legal persons as well as, ongoing supervision, monitoring and enforcement. It also provides a practical guidance to regulated entities that engage with ADGM legal persons, such as financial institutions and designated non-financial business and professions, as well as to relevant UAE authorities, including law enforcement.

This report reinforces a clear objective: a financial centre that scales with discipline, operates with clarity, and sustains trust.



"I am pleased to present the 2026 update of ADGM's Money Laundering and Terrorist Financing Risk Assessment of Legal Persons and Arrangements."



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His Excellency  
Rashed Abdulkarim Al Blooshi  
CEO of ADGM Registration Authority

# Foreword from the Registration Authority (RA) – CEO

As Chief Executive Officer of ADGM’s Registration Authority, I am pleased to present the 2026 update of the Money Laundering and Terrorist Financing (ML/TF) Risk Assessment of ADGM Legal Persons and Arrangements.

This assessment provides an ADGM specific view of ML/TF risks across different legal structures, and translates that understanding into practical inputs for our risk-based approach.

Within the RA, the findings will be used to inform (i) upfront assessment of incorporation and licensing applications, (ii) ongoing monitoring and risk reviews of the existing population, and (iii) the prioritisation of inspections, thematic work and enforcement activity where indicators warrant closer scrutiny.

For ADGM Legal Persons and arrangements, and for those who engage with them, the report should be treated as a practical reference point to calibrate customer due diligence, understand higher-risk structures and behaviours, and support well-governed use of ADGM vehicles.

The assessment also supports coordinated action: it informs our engagement with the FSRA, UAE authorities (including the UAE Financial Intelligence Unit (FIU) and law enforcement) and international counterparts, and it underpins our continued focus on transparency, beneficial ownership integrity and effective gatekeeper controls across the ADGM ecosystem.

The 2026 update strengthens consistency and comparability through alignment to a five-point risk scale and reflects operational insights from our supervisory work, including monitoring outcomes, inspection findings and enforcement experience. Movements in ratings should be read in that context, alongside the methodology set out in this report.

I encourage stakeholders to use this assessment to inform day-to-day decisions, to engage proactively with the RA where issues are identified, and to maintain robust controls that deter misuse of ADGM Legal Persons and arrangements as risks evolve.



“This assessment provides an ADGM-specific view of money laundering and terrorist financing risks and translates that insight into practical inputs for a strong, risk-based supervisory approach.”



## Executive Summary

ADGM is the international financial centre (“IFC”) of the United Arab Emirates’ capital, operating under a legal framework based on the direct application of English Common Law. ADGM is the commercial and financial free zone for Al Maryah Island and Al Reem Island and hosts a diverse population of Legal Persons and arrangements, including public and private companies, professional services structures, foundations and trusts.

As part of the UAE’s Anti-Money Laundering and Counter-Terrorist Financing (“AML/CFT”) framework, ADGM is required to identify, assess and understand the money laundering (“ML”) and terrorist financing (“TF”) risks associated with Legal Persons and arrangements established in its jurisdiction. **This Legal Persons and Arrangements Risk Assessment (“ADGM LPA”) supports and supplements the UAE National Legal Persons and Arrangements Risk Assessment** and informs ADGM’s risk-based supervisory, monitoring and enforcement approach.

The ADGM LPA is underpinned by a structured risk assessment model that considers ML/TF threats, inherent vulnerabilities, likelihood of misuse and the effectiveness of mitigants to determine a residual risk rating for each legal person and arrangement type. Consistent with the updated UAE National Risk Assessment (NRA) published in 2024, the ADGM LPA methodology has been recalibrated from a four-point to a five-point risk scale. This change enhances alignment with the national framework and improves analytical granularity, rather than reflecting a fundamental change in ADGM's underlying risk exposure.

Overall, the 2026 assessment indicates that the ML/TF risk profile of ADGM Legal Persons and arrangements remains broadly stable compared to 2024. While the recalibration of the national threat component marginally increases average threat scores, this has been largely offset within ADGM by strengthened mitigants. These include enhancements to the company service provider ("CSP") supervisory regime, increased inspection activity, the introduction of licence conditions, and continued improvements in beneficial

ownership transparency and enforcement powers. The objective of the 2026 update has been to ensure that changes in ratings are proportionate, evidence-based and analytically sound.

Consistent with the 2024 assessment, the ADGM LPA continues to draw on aggregate FIU information relating to ADGM legal persons. This distribution broadly reflects the scale, usage and economic role of these entities within ADGM and supports the continued risk focus applied to this population, rather than indicating a material change in underlying ML/TF risk.

The ADGM LPA provides a granular understanding of ML/TF risks specific to ADGM and supports effective information-sharing with regulated entities, the UAE FIU and UAE law enforcement authorities. It also informs ADGM's risk-based supervision, inspection planning and policy development. The assessment will continue to be reviewed and updated periodically to ensure it remains current, proportionate and aligned with national and international standards.

## The ML/TF risk ratings for ADGM Legal Persons and Arrangements (“ADGM LPA”) are as follows.

| Legal Person / Arrangement Type                   | 2026        | 2024        |
|---|-------------|-------------|
| Risk Rating                                       |             | Risk Rating |
| Public Company Limited by Shares                  | Low         | Low         |
| Private Company Limited by Shares                 | Medium-High | Medium-High |
| Private Company Limited by Guarantee              | Medium-Low  | Low         |
| Restricted Scope Company                          | Medium      | Medium      |
| Private Company Unlimited with Shares             | Medium-Low  | Low         |
| Private Company Unlimited without Shares          | Medium-Low  | Low         |
| Branch of a Foreign Company                       | Medium      | Medium      |
| Limited Liability Partnership                     | Medium-Low  | Low         |
| Branch of a Foreign Limited Liability Partnership | Medium-Low  | Low         |
| General Partnership                               | Medium      | Medium      |
| Branch of a Foreign Partnership                   | Medium-Low  | Low         |
| Limited Partnership                               | Medium      | Medium      |
| Limited Partnership with Legal Personality        | Medium-Low  | Medium      |
| Branch of a Foreign Limited Partnership           | Medium-Low  | Low         |
| General Foundation                                | Medium-High | Medium-High |
| DLT Foundation                                    | Medium-Low  | Low         |
| Trust   | Medium      | Medium      |

### Important note on interpretation of risk ratings

The transition to a five-point risk scale in 2026 improves analytical precision and alignment with the UAE NRA. Movements between risk categories, particularly from Low (2024) to Medium-Low (2026), should be interpreted as reflecting enhanced granularity rather than a deterioration in controls or a material increase in ML/TF risk.



# Introduction

Chapter



## Overview

The UAE is committed to combatting financial crime. Identifying and assessing ML and TF risk is an essential step to ensuring an effective AML/CTF system. This includes identifying and assessing the ML/TF risks associated with a jurisdiction's Legal Persons and Arrangements.

To reduce the possibility of criminals misusing legal persons and legal arrangements, the Financial Action Task Force ("FATF") established standards on transparency in its Recommendations 24 and 25. The interpretive note to Recommendation 24 states that, to ensure that there is adequate transparency concerning legal persons, countries should have mechanisms that assess ML/TF risks associated with domestic legal persons.

The UAE has in place a comprehensive National Risk Assessment ("NRA") as well as the UAE LPA risk assessment.

ADGM is a federal financial free zone, established in 2015 and located in the UAE's capital, Abu Dhabi. As a financial free zone, ADGM has its own legal framework, based on the direct application of English common law. ADGM regulations provide for the types of Legal Persons and arrangements that are available within its jurisdiction and which set out the requirements for registration, operation and de-registration of such legal persons.

For example, the ADGM Companies Regulations 2020 ("CR 2020") makes provision for the types of companies available in ADGM.

ADGM's legal framework is separate and distinct from UAE civil and commercial law. Hence the types of Legal Persons and arrangements available in ADGM differ (in some cases, significantly) from the Legal Persons and arrangements available either in the UAE 'mainland' or other free zones. As a result, the ML/TF risks of ADGM Legal Persons and arrangements also differ. ADGM's legal framework also provides for a wide range of different legal person types, including public and private companies, partnerships, and foundations.

Therefore, to ensure an effective AML/CFT system in the ADGM and to contribute accurately and effectively to the UAE LPA, it is necessary and important for ADGM to identify and assess at a granular level, the specific ML/TF risks associated with ADGM Legal Persons and arrangements.



## Purpose

Legal Persons and arrangements play an important role in any economy. They are useful tools for organising, managing and conducting legitimate business. However, there are characteristics of Legal Persons and arrangements that make them attractive to criminals who may wish to use them as vehicles for criminal activity or for laundering the proceeds of crime.

In relation to ML and TF, the key vulnerability of Legal Persons and arrangements is their use in the obfuscation of the identity of the beneficial owners or controlling individuals and/or concealing the true purpose of the legal person, the source and value of any assets or property it holds, and the true economic substance of the transactions carried out using that legal person. This can occur, for example, by using legal persons to create complex corporate structures to hamper transparency and create anonymity.

The purpose of this ADGM LPA is to set out the RA methodology and findings from its identification, analysis and assessment of the ML/TF risks specific to the types of Legal Persons and arrangements available in ADGM.


The findings of this report will assist the RA registry and supervision staff, in particular, to risk assess applications for registration of legal persons more effectively, monitor existing legal persons and enhance policies, procedures and controls to mitigate and manage ML/TF risk within ADGM.

**The findings of the ADGM LPA are intended to supplement and support the UAE LPA.**

The ADGM LPA will also assist in ensuring greater detailed knowledge and understanding of the specific ML/TF risks associated with ADGM legal persons and arrangements. This will benefit ADGM RA staff, regulated entities that deal with ADGM legal persons, i.e., Financial Institutions (“FIs”), Virtual Asset Service Providers, and DNFBPs, the UAE FIU and UAE Law Enforcement.

Notably, the ML/TF risk assessment of each type of ADGM legal person and arrangement should not be considered a judgment of any individual businesses established in ADGM.

The findings of this report will assist the RA registry and supervision, in particular, to risk assess applications for registration of legal persons more effectively, monitor existing legal persons and enhance policies, procedures and controls to mitigate and manage ML/TF risk within ADGM.



# Overview of Relevant Legal Frameworks and Resources

Chapter



To provide context to the identification, analysis and evaluation of the ML/TF risks posed by ADGM Legal Persons and arrangements, the following provides an outline of the relevant UAE and ADGM AML/CFT legislation as well as highlighting the RA's resources.

## Legislation

The UAE has a comprehensive AML/CFT and sanctions legal and regulatory framework, which is complemented by ADGM enactments, summarised as follows.

### UAE Federal AML/CFT and sanctions-related legislation

UAE Federal AML/CFT and sanctions legislation applies in ADGM and consists of the following:

1. Federal Decree Law No. (10) of 2025 Regarding Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation Financing;
2. Cabinet Resolution No. (134) of 2025 Concerning the Implementing Regulation of Federal Decree-Law No. (10) of 2025 Regarding Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation Financing;
3. Cabinet Decision No. (74) of 2020 Regarding Terrorism Lists Regulation and Implementation of United Nations Security Council Resolutions on the Suppression and Combating of Terrorism, Terrorist Financing, Countering the Proliferation of Weapons of Mass Destruction and its Financing and Relevant Resolutions.
4. Federal Law No. (7) of 2014 on Combatting Terrorism Offences;
5. Federal Decree Law No. (31) of 2021 Promulgating the Crimes and Penalties Law; and
6. Federal Decree Law No. (38) of 2022 Promulgating the Criminal Procedures Law.
7. Cabinet Resolution No. (109) of 2023 on Regulating the Beneficial Ownership Procedures (not applicable to ADGM Legal Persons and arrangements).
8. Cabinet Decision No. (132) of 2023 Concerning the Administrative Penalties Imposed on Violators of the Provisions of Cabinet Resolution No. (109) of 2023 Concerning the Regulation of Real Beneficiary Procedures (not applicable to ADGM Legal Persons and arrangements).

Of particular relevance to this report, notably the UAE AML/CFT framework imposes obligations on the Registrars of legal persons in the UAE, including the RA, to:

- Publish information on the types of legal persons and legal arrangements that may be established in the relevant underlying jurisdiction, the procedures for establishing legal persons and the framework for collection of basic and beneficial ownership information;
- Obtain, maintain and keep updated basic information on registered legal persons through an official registry;
- Ensure the collection, maintenance and timely availability of accurate beneficial ownership information on registered legal persons, including making such information available to competent authorities; and
- Ensure basic and beneficial ownership information is retained for a minimum period following the dissolution or cessation of a legal person.
- ADGM publishes information on the types of legal persons and arrangements available in ADGM and the registration procedures at its website: [www.adgm.com](http://www.adgm.com).

### ADGM AML/CFT and sanctions-related legislation

As noted above, ADGM has AML/CFT and sanctions legislation that complements the UAE’s federal AML legislation.

The relevant ADGM enactments are summarised as follows. Note that the ADGM enactments providing for the types of Legal Persons and arrangements in ADGM, their features and requirements, e.g., CR 2020, are explained in **Chapter 3**.

### **FSRA Anti-Money Laundering and Sanctions Rules and Guidance (“AML Rules”)**

The FSRA’s AML Rules apply to all ADGM registered authorised persons, DNFBPs and Non-Profit Organisations (“NPOs”) (collectively “Relevant Persons”). Nothing in the AML Rules affects the operation of UAE Federal AML legislation.

The AML Rules sets out the AML requirements imposed on Relevant Persons by the FSRA. It provides a single reference point for all Relevant Persons who are supervised by the FSRA for AML and sanctions compliance. The AML Rules cover all internationally recognised AML/CFT and sanctions requirements including:

- applying a risk-based approach;
- customer due diligence;
- correspondent banking;
- MLROs;
- AML training; and
- suspicious activity and transaction reports.

**Note:** the FSRA’s AML Rules do not apply to the RA, nor to the registration of ADGM legal persons.

### **ADGM Beneficial Ownership and Control Regulations 2022 (“BOCR 2022”)**

Under BOCR 2022, ADGM legal persons are required to identify, maintain and file accurate beneficial ownership information with the RA, including notifying the RA of any relevant changes within **15 days**. Amendments to BOCR 2022 made in 2024 clarified the cascade approach to determining beneficial ownership and introduced enhanced obligations to maintain records of nominee directors and the individuals on whose behalf they act.

The RA maintains a non-public beneficial ownership register and may request information, share information with competent authorities, where permitted by law, and take enforcement action for non-compliance.

Where non-compliance with BOCR 2022 requirements is identified, the ADGM RA has access to a range of administrative enforcement sanctions, including:

- Financial penalties not exceeding the amount specified for a level 9 fine on the standard fines scale (i.e., up to USD 54 million) as set out in Schedule 1 of the ADGM Administrative Regulations 2025 (“Administrative Regulations”).
- Range of nonfinancial administrative sanctions included under the Administrative Regulations based on the nature and severity of the contravention, such as:
  - » private or public censures;
  - » imposition of requirements;
  - » variation of licence;
  - » suspension or restriction of licences;
  - » cancellation of licence;
  - » issue prohibition orders;
  - » strike-off entities if false/misleading information were contained in the application for registration of the entity; and
  - » disqualification of persons.

The BOCR 2022 does not apply to branches of foreign entities or to ADGM trusts. Existing ADGM entities were provided with a transition period to update their beneficial ownership and nominee-director records in line with the amended requirements.

However, providing trustee services in ADGM by way of business is a regulated activity requiring authorisation by the FSRA. In such cases, the FSRA’s AML Rules apply, including requirements for trustees to conduct customer due diligence and to identify and verify the relevant natural persons connected to a trust, in line with the applicable beneficial ownership and control requirements.

### ADGM’s Auditors’ Framework

The enhanced ADGM Auditors’ Framework (“Auditors’ Framework”) came into effect on 1 December 2021 and, as at the date of publication of this report, is set out in the [Companies Regulations \(Auditors\) Rules 2025\(A\)](#).

The RA has a statutory responsibility to oversee the regulated area of audit within the jurisdiction of ADGM.

As ADGM’s audit regulator, the RA plays a key role in monitoring and supervising auditors with the primary focus of ensuring stakeholders, particularly investors, have access to reliable, transparent and timely financial information.

#### **The Auditors’ Framework includes the following key features:**

- international equivalence to competent authorities in the developed world,
- a robust registration criteria for both audit firms and individuals who wish to sign off on audit reports, and
- significantly increased powers for the RA over auditors when it comes to supervision, monitoring, enforcement, and sanctions.

**Note:** The Auditors’ Framework forms part of ADGM’s commercial legislation and is administered, monitored and enforced by the RA. The provision of external financial audit services is a regulated activity which requires a separate licensing, in addition to the steps required to become an ADGM legal person.

### **ADGM’s Company Service Provider Framework**

ADGM’s Company Service Provider framework (“CSP Framework”) came into force on 12 April 2021.

The CSP Framework is designed to ensure a robust regulatory regime for company service providers in ADGM that is in line with international best practices and addresses the challenges and risks associated with the increasing growth of Special Purpose Vehicles (“SPVs”) and foundations structures in ADGM.

**The CSP Framework includes the following two key features:**

1. Persons providing or intending to provide company services in or from ADGM must meet the strengthened regulatory requirements set out in ADGM commercial legislation and subordinate rules; and
2. Setting up and maintaining a “non-exempt” SPV or foundation in ADGM requires the appointment of an RA licensed Company Service Provider to carry out regulatory obligations on behalf of the non-exempt SPV or foundation as prescribed under ADGM commercial legislation.

“Providing company services” under the Commercial Licensing Regulations (Controlled Activities) Rules 2025(A) means providing any one or more of the following services:

- acting as an incorporation agent in connection with the incorporation or registration of ADGM body corporates;
- providing company services to any body corporate incorporated or registered under the Companies Regulations 2020 or the Foundations Regulations 2017;
- acting as a Registered Office Provider;
- providing directors, secretaries, councillors, registered agents, or other officers to any body corporate in ADGM; or
- providing nominee shareholders of companies to any body corporate in ADGM.
- Note: the CSP Framework forms part

of ADGM’s commercial legislation and is administered, monitored and enforced by the RA. The provision of trustee services is a regulated activity which requires authorisation from the FSRA. An RA-licensed CSP may also provide trustee services, but it will require authorisation from the FSRA to do so.

**ADGM RA Nexus Policy**

ADGM RA’s Nexus Policy was published in March 2020.

To address and mitigate ML/TF risks posed by the popularity and the increasing number of SPVs being incorporated in ADGM, the RA introduced a Nexus Policy.

The Nexus Policy requires SPV applicants to demonstrate that the SPV will have an appropriate connection or ‘nexus’ to the ADGM, the UAE and/or the GCC Region (known as the “Nexus Requirement”). A connection or ‘nexus’ may be demonstrated in several ways, including documentary evidence that:

1. The SPV is owned or controlled by a UAE or GCC-based private company, family/family office or individual;
2. The SPV holds assets that are located in the UAE or the GCC Region;
3. The SPV facilitates transactions connected, or provides a real or economic benefit, to the UAE; or
4. The SPV’s purpose includes the issuance of Securities that will be admitted to the Official List maintained by the Financial Service Regulatory Authority (FSRA), and/or admitted to trading on a Recognised Investment Exchange, MTF, OTF or other licensed platforms including a PFP that is established in ADGM.

For example, UAE sovereign and state-owned entities will have the requisite connection to the UAE and would therefore satisfy the requirements of the Nexus Requirement. Conversely, an SPV wholly owned by a foreign non-resident person that solely holds assets located outside the UAE or the GCC Region would not meet the requirements of the Nexus Requirement.

**Note:** an SPV that is intended for a purpose that would otherwise have no connection to the UAE or GCC region, would not meet the Nexus Requirement simply by appointing an ADGM (or UAE-based) Company Service Provider.

### ***ADGM RA Registry and Supervision Staff***

To facilitate the administration of ADGM's commercial legislation effectively, the RA has an experienced team of over thirty (30) registration, monitoring and enforcement staff.

Registration staff review and verify key details in applications for registration and licensing and perform background checks on natural persons in key positions, such as beneficial owners and management.

Monitoring staff apply a risk-based approach to the supervision of ADGM licensed persons that is linked to the RA's key regulatory priorities, such as on-time filing and beneficial ownership compliance. This is in addition to desk-based reviews of filings such as annual accounts.

Enforcement department receive and assess referrals. These referrals can be internal or external. In some cases, Enforcement may commence investigations and where appropriate, make recommendations to impose sanctions for non-compliance with ADGM's commercial legislation.

### ***ADGM RA Registry System***

To process, administer and maintain information relating to all applicable ADGM legal persons, the RA has a sophisticated digital registry system.

This registry system's online portal can be accessed by authorised individuals for various legal person types to submit registration applications, maintain their information and lodge event-driven filings, such as annual accounts.

It is through this system that the RA publishes limited information in the public domain about ADGM legal persons, such as private companies limited by shares.

### ***ADGM's Public Register***

For transparency and access to information, the RA maintains a public register of legal persons registered in its jurisdiction. The public register contains basic information on ADGM legal persons and is free to access online at this [link](#).



# Overview of ADGM Legal Persons and Arrangements

Chapter



## ADGM Legal Persons

There are a number of legal person types available in ADGM including companies, partnerships and foundations.

Table 1, below, provides a list of the legal person types and their primary legislation.

**Table 1 – Overview of Legal Persons in ADGM**

| Legal Person Type  | Primary Legislation  |
|--|--|
| <b>Companies</b>   |  |
| Public Company Limited by Shares<br>Private Company Limited by Shares, including: <ul style="list-style-type: none"> <li>• Restricted Scope Companies (“RSCs”)</li> <li>• Protected Cell Companies (“PCCs”)</li> <li>• Incorporated Cell Companies (“ICCs”)</li> <li>• Open and Closed Investment Companies (“ICs”)</li> </ul> Private Company Limited by Guarantee<br>Private Company Unlimited with Shares<br>Private Company Unlimited without Shares | Companies Regulations 2020   |
| <b>Partnerships</b>  |  |
| Limited Liability Partnership  | Limited Liability Partnership Regulations 2015   |
| Limited Partnership with Legal Personality   | Application of English Law Regulations 2015  |
| <b>Foundations</b>   |  |
| General Foundation   | Foundations Regulations 2017   |
| Distributed Ledger Technology (“DLT”) Foundation   | DLT Foundations Regulations 2023   |
| <b>Branches</b>  |  |
| Branch of a Foreign Company  | Commercial Licensing Regulations (Conditions of Licence and Branch Registration) Rules 2025(B) |
| Branch of a Foreign Limited Liability Partnership  | Commercial Licensing Regulations (Conditions of Licence and Branch Registration) Rules 2025(B) |
| Branch of a Foreign Limited Partnership  | Commercial Licensing Regulations (Conditions of Licence and Branch Registration) Rules 2025(B) |
| Branch of a Foreign Partnership  | Commercial Licensing Regulations (Conditions of Licence and Branch Registration) Rules 2025(B) |

## Companies

The ADGM [Companies Regulations 2020](#) (“CR 2020”) and subordinate rules provides for the incorporation, operation and strike-off of companies in ADGM. CR 2020 is modelled on the UK Companies Act 2006. As can be seen in Table 1, above, CR 2020 provides for several company types, both public and private, limited and unlimited.

The Registrar issues a certificate of incorporation to companies under section 12 of CR 2020. The certificate states the name and registered number of the company, the date of its incorporation, whether it is a limited or unlimited company, if it is a limited company, whether it is limited by shares or limited by guarantee, whether it is public or private, and if it is a private company, whether it is a Restricted Scope Company (“RSC”).

Incorporation certificates are signed and authenticated by the Registrar’s seal. The certificate is evidence that the Registrar has approved the application to incorporate, and that the company is duly registered.

RSCs are a sub-type of a private company limited by shares. RSCs have fewer compliance and disclosure requirements, for example, there is no requirement to file accounts with the Registrar. However, eligibility criteria apply (as set out in CR 2020) to RSC applications.

Part 36 of CR 2020 contains provisions for the incorporation of cell companies. There are two types of cell companies available in ADGM, namely, Protected Cell Companies (“PCCs”) and Incorporated Cell Companies (“ICCs”). A cell company may create one or more cells for the purpose of segregating and protecting cellular assets.

Section 1068B of CR 2020 contains provisions for setting up open-ended and closed-ended Investment Companies (“ICs”). CR 2020 also provides for the continuation of companies into and out of ADGM.

## Partnerships

The ADGM [Limited Liability Partnership Regulations 2015](#) (“LLPR 2015”) and subordinate rules provide the legal framework for the incorporation of limited liability partnerships in ADGM.

LLPR 2015 is aligned with the UK Limited Liability Partnerships Act 2000 and other related UK limited liability partnerships regulations. In addition to making provisions for incorporation, LLPR 2015 and its subordinate rules provide procedural guidance to members and other concerned parties regarding the operation of a limited liability partnership in ADGM.

Similar certificates of incorporation and registration described in the previous section in relation to companies are issued by the Registrar upon completion of requirements for incorporation of an ADGM partnership or registration of a branch of a partnership.

An application for incorporation must contain, amongst other things, the name and address of each member, whether or not the member is designated or not, their residential addresses, a statement of initial beneficial ownership and control, and other information.

The Registrar maintains a register of limited liability partnerships, limited partnerships with legal personality and branches of foreign partnerships containing information on current partners and former partners. In the case of a foreign partnership, information on the countries in which such partnerships are formed.

General partnerships qualify as legal arrangements in ADGM but are not required to be registered with ADGM RA.

## Foundations

In 2017, ADGM introduced a foundations regime as an alternative to trusts for financial and wealth management planning and structuring. The regime was prepared following a substantive benchmarking exercise across a variety of civil and common law jurisdictions. ADGM's [Foundations Regulations 2017](#) ("FR 2017") provides a robust regulatory framework for the establishment and operation of foundations in ADGM.

As per Section 1 of FR 2017, in order to be established and registered, a foundation must, amongst other things, provide a declaration of compliance affirming that all requirements under the FR 2017 relating to registration have been met, including the provision of a charter with information such as the names and addresses of the founders, a description of initial assets, and provisions for the establishment of a council. An application to register a foundation must also contain a statement of initial beneficial ownership and control. Further, the Registrar may at any time request such further information as it considers necessary to consider a foundation registration application.

Changes in details relating to a registered foundation also require notification to the Registrar.

For example, the Registrar must be notified in writing of the appointment of a councilor within 14 days of such appointment (see Section 24 of the Foundations Regulations).

### Distributed Ledger Technology ("DLT") Foundations

In 2023, ADGM introduced the Distributed Ledger Technology Foundations Regulations 2023 ("DLT Foundations Regulations") to provide a purpose-built legal framework that enables a legal personality for DLT projects including blockchain protocols.

The primary objective of DLT Foundations is to facilitate activities related to the use,

deployment, development, facilitation and/or support of DLT or the issuance of utility tokens. ADGM DLT Foundations are generally non-commercial and are restricted from engaging in activities that require a Financial Services Permission from the ADGM FSRA.

The regulatory framework is designed to address the complexities of DLT, such as blockchain. This framework places emphasis on the identification and mitigation of ML/TF risks. It aims to ensure that DLT Foundations operate in compliance with both local and international reporting standards.

ADGM DLT Foundations are subject to various mandatory disclosure requirements, including comprehensive information about the founders, beneficiaries, annual financial statements, and their activities in relation to the objectives of the foundation. Much of the information concerning a DLT foundation are subject to public disclosure on the RA's public register as a transparency measure.

Further, any changes in the structure of a DLT Foundation must be promptly disclosed to the ADGM Registrar. This strict protocol for transparency and timely disclosures is vital for monitoring and mitigating ML/TF risks. Subject to the narrow exception provided in section 11(2) of the DLT Foundations Regulations, DLT Foundations must appoint and maintain an ADGM licensed Company Service Provider (CSP).

### Branches

Branches of foreign companies and foreign partnerships can be registered under the Commercial Licensing Regulations (Conditions of Licence and Branch Registration) Rules 2025(B) ("Branch Registration Rules").

The application of the UK Partnership Act 1890 and UK Limited Partnerships Act 1907 in ADGM, through the Application of English Law Regulations 2015, permit the establishment of general partnership and limited partnerships.

## Commercial Licensing in ADGM

It is important to note that no person may carry on a controlled activity in or from ADGM unless he is either a licensed person or an exempt person. A licensed person is one who holds a valid commercial licence authorising one or more controlled activities. An exempt person is a person who meets the criteria set out in the current Commercial Licensing Regulations Exemptions Order, which supersedes earlier exemption instruments.

All legal persons operating in the jurisdiction are required to obtain an ADGM commercial licence issued by the Registrar. Applications for incorporation and for a commercial licence are made together. When the Registrar is satisfied that all requirements have been met, the legal person is incorporated and a commercial licence is granted at the same time.

Applications for commercial licences are governed by section 9 of the Commercial Licensing Regulations 2025. The issuance and validity of a licence are determined in accordance with section 10. A commercial licence is valid for the period specified by the Registrar, and it is common for a licence to be issued for a period of twelve months.

A licensed person wishing to continue carrying on controlled activities in or from ADGM must renew their licence before the expiry of the existing one, in accordance with section 11 of the Commercial Licensing Regulations 2025.

## ADGM Legal Arrangements

ADGM also provides for the creation of common law trusts and the registration of limited and general partnerships. Table 2, below, details the primary legislation supporting the creation and operation of such legal arrangements in ADGM.

**Table 2 – Overview of Legal Arrangements in ADGM**

| Legal Arrangement Type                     | Primary Legislation   |
|--|---|
| Trust                                      | Application of English Law Regulations 2015<br>Trusts (Special Provisions) Regulations 2016 |
| Limited Partnership<br>General Partnership | Application of English Law Regulations 2015   |

## Trusts

ADGM is a common law jurisdiction and its regulations, through the direct application of English common law provided by the Application of English Law Regulations 2015, allow for the creation of trusts. In addition to English law statutes adopted in ADGM such as the Trustee Act 1925, Trustee Act 2000, Variation of Trusts Act 1958, Trusts of Land and Appointment of Trustees Act 1996 and Trustee Declaration Act 1999, ADGM also has its own [Trusts \(Special Provisions\) Regulations 2016](#) which governs heirship rights, foreign judgements, non-charitable purpose trusts and enforceability of a foreign trust.

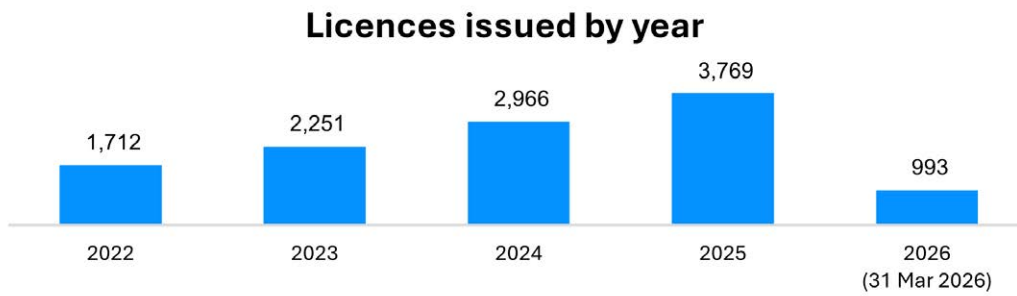
As trusts do not have legal personality, they are not eligible for being granted a commercial licence by the Registrar. Accordingly, trusts are not permitted to carry on commercial activities in or from ADGM.

In ADGM, trusts are not required to be registered with the ADGM RA.

## ADGM Population

The number of registered ADGM Legal Persons and Arrangements as at 31 March 2026 is 12,302 Legal Persons.

The below chart shows a sustained increase in the population of entities registered in ADGM over the period, providing important context for the Legal Persons Risk Assessment given the expanding scale of legal persons operating within the jurisdiction.



# Methodology

Chapter

## Methodology

The methodology in the ADGM LPA is aligned with the FATF guidance on conducting national risk assessments. The process involves three stages: identification, analysis and evaluation.

- **Identification** – develop an initial list of potential risks. These are drawn from known or suspected threats or vulnerabilities.
- **Analysis** – consider the nature, sources, likelihood and consequences of the identified risks or risk factors. This stage aims to gain a holistic understanding of each of the risks. This includes a combination of threat, vulnerability and consequence in order to work towards assigning a value to them. Risk analysis will depend on the type of risk, the purpose of the risk assessment and the availability of information or data.
- **Evaluation** – taking the risks analysed in stage two, determining priorities for addressing them, and taking into account the purpose established at the beginning of the assessment process. These priorities can contribute to the development of a strategy for their mitigation.

**Key terms used throughout this ADGM LPA are defined as follows:**

- **Threat** – the intent and capability of people to cause harm, and activities they conduct to do so. ML threats include predicate offences and criminals who commit them, whilst TF threats include those groups and individuals conducting the terrorist activity.
- **Vulnerability** – these are inherent attributes of ADGM Legal Persons and arrangements that can be exploited by threat actors: see below for the full list of vulnerabilities referred to throughout this report.
- **Consequence** – the impact or harm that money laundering or terrorist financing may cause.
- **Likelihood** – how much money laundering or terrorist financing is assessed as occurring.
- **Mitigations** – these are the actions that are taken to reduce the risk. This includes the effectiveness, capability and capacity of registry staff, supervisors, policies and regulations.

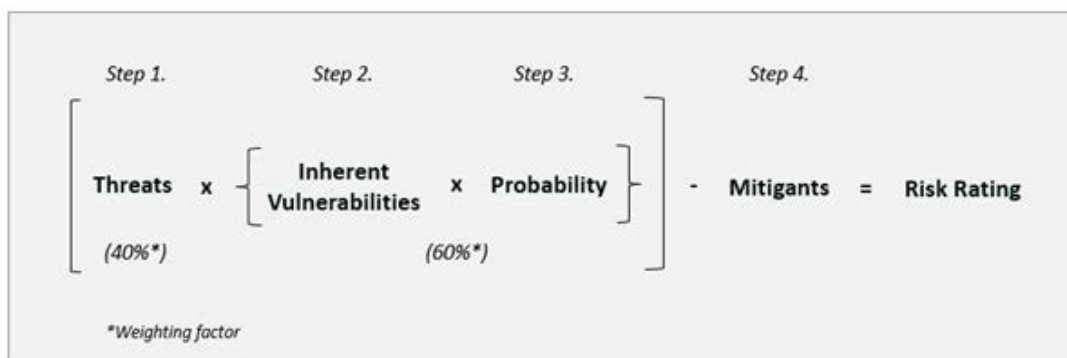
## Model for Assessing ML/TF Risk of Legal Persons and Arrangements

To ensure the validity and rigour of the LPA risk assessment and ratings, in 2024 the ADGM RA developed a comprehensive risk assessment model, which took into consideration risk assessment methodologies from various bodies and jurisdictions such as the FATF, the European Commission, United Kingdom, Luxembourg and Ireland.

The design of the ADGM LPA model remains the same as the previous LPA report (issued March 2024). However, the scoring scales for vulnerabilities, probability and mitigants have been updated in 2026 to a five-point structure to align with the UAE NRA and to allow greater differentiation. No new legal person or arrangement types have been added.

An overview of the design of ADGM’s LPA risk assessment model is set out in Diagram 1, below.

Diagram 1 – ADGM LPA Risk Assessment Model



### Step 1. Threats

Step 1 of the ADGM LPA model is to identify and assess threats. The data source for this step are the findings from the UAE’s 2024 NRA.

The UAE has in place a comprehensive NRA. The UAE’s NRA process analysed ML/TF risk across many elements including geo-political, socio-economic, governance, laws and regulations, supervision, law enforcement, and the vulnerabilities of legal entity types and specific business activities in the UAE.

In relation to threats, the NRA assessed 21 ML-related crimes specified by the FATF and assigned a risk rating to each, based on a five-point scale of, ‘Low’, ‘Medium-Low’, ‘Medium’, ‘Medium-High’ and ‘High’.

To produce a threat ‘score’ for the ADGM LPA model, a risk score was assigned to each rating scale as per the table below:

| Risk Rating | Low | Medium-Low | Medium | Medium-High | High |
|-------------|-----|------------|--------|-------------|------|
| Risk Score  | 1   | 2          | 3      | 4           | 5    |

The total number of ML crimes assigned to each risk rating (e.g., low, medium-low, medium, medium-high and high) were then multiplied by the relevant risk score as per the table above. The results were added and produced a total of 60.

60 was divided by 21 (the number of ML-related crimes risk rated in the NRA) to produce an overall ‘Threat Score’ of **2.86**.

Finally, based on benchmarking with other models, a forty per cent (40%) weighting was applied to the ‘Threat Score’ (i.e.,  $2.86 \times 0.40$ ) to result in a **‘Final Threat Score’ of 1.14**.

### **Suspicious Reporting Trends Relating to ADGM Legal Persons**

As part of this assessment, ADGM considered aggregated, non-confidential information provided by the UAE FIU relating to suspicious transaction and activity reports in which ADGM-registered legal persons were referenced. The information is suspicion-based, non-evidential and does not include entity-level or case-specific intelligence.

The information has been used at a high level as contextual and corroborative input to support ADGM’s overall understanding of money laundering and terrorist financing risk. It does not, of itself, determine the residual risk ratings assigned under this assessment.

## **Step 2. Inherent Vulnerabilities**

Step 2 of the ADGM LPA model identifies and assesses the inherent vulnerabilities of each ADGM legal person and arrangement. Inherent vulnerabilities are the attributes of ADGM Legal Persons and arrangements that can be exploited by threat actors. The RA studied the features of each ADGM legal person type and arrangement, in order to identify and assess their vulnerabilities.

The vulnerabilities identified included features such as the ability to put in place nominee arrangements (where applicable) or implement complex structures, as well as there (generally), being no minimum capital requirements in ADGM’s commercial legislation.

To provide a vulnerability score for the model, a five-point scale was used to assess the vulnerabilities identified, as follows:

| Risk Rating                  | Low | Medium-Low | Medium | Medium-High | High |
|------------------------------|-----|------------|--------|-------------|------|
| Inherent vulnerability score | 1   | 2          | 3      | 4           | 5    |

As per the table above, if an identified vulnerability was assessed as low risk, it was assigned a score of ‘1’, whereas if a vulnerability was assessed as high risk, it was assigned a score of ‘5’. The average of the individual vulnerability scores was then used in the model for each legal person.

### Step 3. Probability Factor

The ADGM LPA model factors in the probability of misuse of a legal person/arrangement. Based on benchmarking, the probability is based on the percentage of each legal person type in the total population of registered entities. ADGM’s LPA model follows this approach using percentage of each distinctive legal person or arrangement calculated over the total population figures as at 31 March 2026.

The probability factor was applied to the inherent vulnerability using the following scale (next page).

|   | Low   | Medium-Low   | Medium   | Medium-High | High |
|---|-------|--------------|----------|-------------|------|
| % of Legal Person type in the total population of registered entities | <0.5% | 0.5% - 1.99% | 2% - 25% | 26% - 49%   | >50% |
| Probability Factor  | 20%   | 40%          | 60%      | 80%         | 100% |

For example, as at 31 March 2026, there were 33 public companies limited by shares (“PLCs”) registered in ADGM which represented 0.3% of the total registered entities. Therefore, the probability factor weighting applied to the LPA model for the risk assessment of PLCs was 20%.

Based on the RA LPA Risk Assessment model (see Diagram 1), a sixty per cent (60%) weightage is applied to the combined **inherent vulnerability** and **probability** score.

### Step 4. Mitigants

Mitigants consist of measures or actions that reduce the inherent risk of a particular legal person type or arrangement. Mitigants vary depending on the type of legal person and RA staff considered and then assessed the impact of the mitigants identified for each type of ADGM legal person or arrangement.

The mitigants identified include items such as, the verification and background checks performed on each application by the Registration Team, penalties for late filings, the restriction on bearer shares in ADGM and ADGM’s beneficial ownership identification and disclosure requirements.

Each mitigant was assessed for its impact in order to provide a mitigant score for the model. A five-point scale was used to assign ratings to mitigants, as follows:

| Mitigant Impact        | Very Significant | Significant | Moderate | Few | Little / None |
|------------------------|------------------|-------------|----------|-----|---------------|
| Mitigant Scoring Scale | 4                | 3           | 2        | 1   | 0             |

For example, the numerous reporting and transparency requirements applicable to PLCs were assessed as being a very significant mitigant and hence rated as a ‘4’. The average of all the individual mitigant scores for each legal person was then used in the model.

## Overall Risk Rating

After completing each of the steps above for a legal person, the model produced a final score. The final score results in a risk rating based on the five-point scale of ‘Low’, ‘Medium-Low’, ‘Medium’, ‘Medium-High’ and ‘High’, according to the following matrix.

|                         |    |     |     |     |     |     |
|-------------------------|----|-----|-----|-----|-----|-----|
| Overall threats         | H  | 2.6 | 3.2 | 3.8 | 4.4 | 5.0 |
|                         | MH | 2.2 | 2.8 | 3.4 | 4.0 | 4.6 |
|                         | M  | 1.8 | 2.4 | 3.0 | 3.6 | 4.2 |
|                         | ML | 1.4 | 2.0 | 2.6 | 3.2 | 3.8 |
|                         | L  | 1.0 | 1.6 | 2.2 | 2.8 | 3.4 |
|                         |    | L   | ML  | M   | MH  | H   |
| Overall vulnerabilities |    |     |     |     |     |     |

Table 3, below, sets out the overall risk rating produced by ADGM’s LPA model, after completing each of the steps above for each legal person type available in ADGM.

**Table 3 – Overview of Risk Assessment Results of ADGM Legal Persons & Arrangements**

| Legal Person / Arrangement Type                   | 2026 Risk Rating |
|---|------------------|
| Public Company Limited by Shares                  | Low              |
| Private Company Limited by Shares                 | Medium-High      |
| Private Company Limited by Guarantee              | Medium-Low       |
| Restricted Scope Company                          | Medium           |
| Private Company Unlimited with Shares             | Medium-Low       |
| Private Company Unlimited without Shares          | Medium-Low       |
| Branch of a Foreign Company                       | Medium           |
| Limited Liability Partnership                     | Medium-Low       |
| Branch of a Foreign Limited Liability Partnership | Medium-Low       |
| General Partnership                               | Medium           |
| Branch of a Foreign Partnership                   | Medium-Low       |
| Limited Partnership                               | Medium           |
| Limited Partnership (with Legal Personality)      | Medium-Low       |
| Branch of a Foreign Limited Partnership           | Medium-Low       |
| General Foundation                                | Medium-High      |
| DLT Foundation                                    | Medium-Low       |
| Trust   | Medium           |

# Conclusion and Application

Chapter

This 2026 update of the ADGM LPA risk assessment informs our understanding of how ADGM Legal Persons and arrangements may be exposed to money laundering and terrorist financing risks. The assessment uses the RA's structured risk model, which looks at threats, vulnerabilities, probability and mitigants for each type of legal person or arrangement. The updated risk ratings are shown in Chapter 4.

The purpose of this report is to support the UAE-level Legal Persons and Arrangements assessment by providing a clearer view of risks within ADGM. The results help the RA identify areas where certain Legal Persons or arrangements may be more likely to be misused, and where stronger oversight may be required.

The findings will be used by the RA in its day-to-day work. They will support risk-based decisions when reviewing new applications, monitoring existing entities and applying supervisory or enforcement actions where necessary. The assessment also helps the RA to improve internal procedures, guidance and controls related to ML/TF risk.

As ADGM continues to grow, the RA will continue to update this assessment periodically to reflect changes in the legal framework, the UAE's national priorities and international standards. This ensures that the RA's understanding of ML/TF risks remains current, consistent and aligned with best practice.

## Appendix A – List of Acronyms

| Acronym   | Meaning  |
|-----------|--|
| ADGM      | Abu Dhabi Global Market  |
| AML       | Anti-Money Laundering  |
| AML Rules | FSRA Anti-Money Laundering and Sanctions Rules and Guidance      |
| BO        | Beneficial Owner   |
| BOCR 2022 | Beneficial Ownership and Control Regulations 2022 (amended 2024) |
| CDD       | Customer Due Diligence   |
| CRS       | Common Reporting Standard  |
| CR 2020   | Companies Regulations 2020                                       |
| CSP       | Company Service Provider   |
| CFT       | Counter-Terrorist Financing                                      |
| DLT       | Distributed Ledger Technology                                    |
| DNFBP     | Designated Non-Financial Business or Profession                  |
| ESR       | Economic Substance Regulations                                   |
| FATF      | Financial Action Task Force                                      |
| FIU       | Financial Intelligence Unit                                      |
| FR 2017   | Foundations Regulations 2017                                     |
| FSRA      | Financial Services Regulatory Authority                          |
| GP        | General Partnership  |
| IFC       | International Financial Centre                                   |
| LP        | Limited Partnership  |
| LLP       | Limited Liability Partnership                                    |
| LLP 2015  | Limited Liability Partnership Regulations 2015                   |
| LPA       | Legal Persons and Arrangements                                   |
| ML        | Money Laundering   |
| MLRO      | Money Laundering Reporting Officer                               |
| MTF       | Multilateral Trading Facility                                    |
| NPO       | Non-Profit Organisation  |
| NRA       | National Risk Assessment 2024                                    |
| OTF       | Organised Trading Facility                                       |
| PEP       | Politically Exposed Person                                       |
| PFP       | Private Financing Platform                                       |
| PLC       | Public Limited Company   |
| RA        | Registration Authority   |
| RSC       | Restricted Scope Company   |
| TF        | Terrorist Financing  |
| UBO       | Ultimate Beneficial Owner  |

## Disclaimer

This document sets out the Registration Authority's 2026 ML/TF risk assessment of ADGM Legal Persons and arrangements. The contents of this document are a non-binding indicative guidance and should be read together with any relevant rules and regulations, which may change over time without notice, as well as applicable UAE Federal Laws.

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