

Law No (12) of 2020

Amending Some of the Provisions of Law No. 4 of 2013

Concerning the Abu Dhabi Global Market

We, Khalifa Bin Zayed Al Nahyan, Ruler of Abu Dhabi;

Having reviewed:

- Law No. (1) of 1974 concerning the reorganisation of the Governmental body in the Emirate of Abu Dhabi and its amendments;
- Law No. (2) of 1971 concerning the National Advisory Council and its amendments;
- Law No. (4) of 2013 concerning the Abu Dhabi Global Market;
- Law No. (7) of 2018 concerning the Reorganisation of the Department of Economic Development;
- Federal Law No. (11) of 1992 Issuing Civil Procedures Law and its amendments;
- The executed Memorandum of Understanding between the Judicial Department of the Emirate of Abu Dhabi and Abu Dhabi Global Market Courts concerning the Reciprocal Enforcement of Judgements dated 11 February 2018; and
- Based on what was presented to and approved by the Executive Council;

Issued the following Law:

First Article

The following definition shall be added to Article (1) of Law No. 4 of 2013 referred to:

Netting Agreement: Any agreement or master agreement between two parties which provides for the netting of present or future payment or delivery obligations or entitlements and any related margin, collateral or security arrangements, in connection with those types of qualified financial contracts as the Board of Directors may designate.

Second Article

Articles (6/ Sub-Paragraph 4 and 5), (6/Second Paragraph), (11/Fourth Paragraph), (12/Second Paragraph), (12/Fourth Paragraph/Sub-Paragraphs 2, 10, 11), (12/Sixth Paragraph), (13), (14/ Sub-Paragraph 3), (22/Sub-Paragraphs 5, 10, 11) and (23) of Law No. (4) of 2013 referred to shall be replaced with the following:

Article (6 /Sub-Paragraphs 4 and 5)

4. Form from amongst its members one or more committees. form advisory committees of local and international experts for the Global Market to enable it to achieve its objectives.

5. Establish the needed administrative bodies, sole establishments, bureaus, and councils for the realization of the objectives of the Global Market, specify their powers and duties, and to cancel, merge and restructure any

of them. Also, to establish, own and participate in companies for the Global Market and any of the Global Market Authorities within or outside the Global Market and to co-ordinate between the Global Market Authorities.

Article (6/Second Paragraph)

The Board of Directors may delegate any of its competencies provided for in this law or any of the Global Market Regulations to any of its committees, employees or to any of the Global Market Authorities or their employees. The Board of Directors may delegate any of its functions or competencies to any governmental entity in the Emirate or State

Article (11/Fourth Paragraph)

-Subject to the provisions of this law and the Global Market Regulations, the Global Market Registration Bureau may after obtaining the approval of the Board of Directors delegate any of its duties and powers to any governmental entity in the Emirate or State or to any of the other Global Market Authorities, excluding the Global Market Courts, and may after obtaining the approval of the Board of Directors accept a delegation of duties or powers from any governmental entity in the Emirate or State or duties or powers delegated to it by any of the other Global Market Authorities, excluding the Global Market Courts.

Article (12/Second Paragraph)

-The Financial Services Regulations Bureau shall have a head or a board of management representing it before the courts and third parties. The head or the board of management shall be appointed by a resolution of the Board of Directors, such resolution shall also determine their remuneration.

Article (12/Fourth Paragraph/Sub-Paragraphs 2, 10, 11)

2. Control and supervise Licensed Financial Global Market Establishments, detect contraventions and determine penalties and administrative sanctions in accordance with the provisions of this law and the Global Market Regulations.

10. Enter into contracts and agreements, acquire and own assets related to the Financial Services regulatory bureau and dispose of the same in accordance with the Global Market Regulations.

11. Establish sections and departments that are ancillary to the Financial Services regulatory bureau, specify their duties and delegate to them any of the powers vested in the bureau by the Global Market's Regulations.

Article (12/Sixth Paragraph)

- Subject to the provisions of this law and the Global Market Regulations, the head or the board of management of the Financial Services Regulations Bureau, as the case may be, may after obtaining the approval of the Board of Directors delegate any of its duties and powers to any governmental entity in the Emirate or State or to any of the other Global Market Authorities, excluding the Global Market Courts, and may after obtaining the approval of the Board of Directors accept a delegation of duties or powers from any governmental entity in the Emirate or State or duties or powers from any of the other Global Market Authorities excluding the Global Market Courts.

Article (13)

The Global Market's Courts:

1. The Global Market's Courts shall be of two degrees, first instance (formed of a single judge) and appeal (formed of three judges). Without prejudice to the provisions of this law and the Global Market Regulations,

the Global Market's Courts shall be considered as courts of the Emirate, with jurisdiction over disputes and matters in accordance with the provisions of this law and the Global Market Regulations.

2. The judgments made by the Global Market's Courts shall be issued in the name of the Ruler of Abu Dhabi.

3. The Global Market's Courts shall have a Chief Justice who shall represent it before third parties, and shall be appointed and his remuneration determined by a Board of Directors resolution which shall become effective upon the expiry of 15 days of notifying the Chairman of the Judicial Department of Abu Dhabi of such resolution and receiving no objections thereto.

4. The judges of the Global Market's Courts shall be appointed by resolutions issued by the Board of Directors based on the proposal of the Chief Justice of the Global Market's Courts.

5. The management of the Global Market's Courts, and the procedures for the litigation and judgments and any other mechanisms of dispute resolution procedures shall be determined by regulations issued by the Board of Directors

6. The Chief Justice of the Global Market's Courts shall have the following duties and powers:

a) Propose draft Global Market's Regulations related to regulations of the Global Market's Courts and submit the same to the Board of Directors for approval.

b) Prepare and approve strategies, policies and objectives of the Global Market's Courts, prepare the necessary reports on the implementation of these strategies, policies and objectives and present the same to the Board of Directors.

c) Propose fees and financial considerations for services rendered by the Global Market's Courts and present the same to the Board of Directors for approval.

d) Prepare the draft annual budget for the Global Market's Courts and submit the same to the Board of Directors for approval in preparation for submission to the Executive Council for endorsement.

e) Review and approve the financial statements and accounts of the Global Market's Courts and submit the same to the Board of Directors for approval.

f) Open, operate and manage bank accounts of the Global Market's Courts in accordance with the approved competencies by the Board of Directors.

g) The appointment and seek assistance of whomsoever is deemed appropriate to assist the Global Market's Courts in exercising its competencies and functions.

h) Issue the Executive Decisions required to carry out any of the above duties and powers.

7. The Court of First Instance and shall have exclusive jurisdiction to consider and decide on matters according to the following:

a) Civil or commercial claims and disputes involving the Global Market or any of the Global Market Authorities or any of the Global Market Establishments;

b) Civil or commercial claims and disputes arising out of or relating to a contract entered into, executed or performed in whole or in part in the Global Market, or a transaction entered into or performed in whole or in part in the Global Market, or to an incident that occurred in whole or in part in the Global Market;

c) Any appeal against a decision or a procedure issued by any of the Global Market Authorities according to the Global Market Regulations;

d) Any request, claim or dispute which the Global Market's Courts has the jurisdiction to consider under the Global Market Regulations;

e) Any issues concerning the interpretation of any articles of the Global Market Regulations.

8. The Global Market's Courts may hear and adjudicate any civil or commercial claim or dispute where the parties agree in writing to file such claim or dispute with them whether before or after the claim or dispute arises.

9. Notwithstanding the provisions of paragraph (7) of this Article, the parties may agree to refer their claims or disputes to arbitration, or, in relation to the issues specified in sub-paragraphs 7(a) and (b), may agree in their commercial contracts and transactions to submit to the jurisdiction of any other court other than the Global Market's Court of First Instance.

10. The Court of Appeal shall have exclusive jurisdiction to consider and decide on appeals made against the judgments or orders issued by the Court of First Instance.

11. Judgments of the Court of Appeal are final and may not be challenged by any method of appeal.

12. The Chief Justice shall deputise one or more of the Global Market's Courts judges as execution judge. The deputised execution judge shall have jurisdiction over the execution of the judgments and orders rendered by the Global Market's Courts and arbitral awards recognised by the Global Market's Courts, and such execution shall be in accordance with the Global Market's Regulations.

13. Judgments and orders rendered by the Global Market's Courts and arbitral awards recognised by the Global Market's Courts shall be enforced by the competent entities outside the Global Market in accordance with the procedures and rules adopted by such entities, as well as any memoranda of understanding between the Board of Directors or the Global Market's Courts and those entities.

14. Paragraph 13 of this Article shall not apply to a judgment or order rendered by the Global Market's Courts in respect of the recognition or enforcement of:

a) a judgment or order issued by a court outside the Emirate; or

b) any arbitral award rendered by a tribunal where the seat is outside the Global Market.

15. Subject to the provisions of paragraph 13 of this Article, the following shall be taken into consideration when judgments or orders made by the Global Market's Courts, or arbitral awards recognised by the Global Market's Courts are to be enforced by the courts of the Emirate:

a) A judgment creditor may, upon direct application to any of the Emirate's courts, request that court to take any measure or action to enforce any judgments or orders made by the Global Market's Courts, or arbitral awards recognised by the Global Market's Courts;

b) The Global Market's Courts may, upon the application of a judgment creditor, deputise an enforcement judge from the courts of the Emirate to take any measure or action to enforce any judgments or orders made by the Global Market's Courts, or arbitral awards recognised by the Global Market's Courts;

c) The enforcement judge of the court of the Emirate shall apply the enforcement procedures set out in the Federal Law No. (11) of 1992 referred to without re-examining the merits of the judgment, order or recognised arbitral award.

16. Subject to the provisions of paragraph 13 of this Article, the following shall be taken into consideration when final judgments, judgments for expedited enforcement, decisions or orders made by the courts of the Emirate, or arbitral awards ratified by such courts, are to be enforced by the Global Market's Courts:

- a) A judgment creditor may, upon direct application to the Global Market's Courts, request them to take any measure or action to enforce any final judgments, judgments for expedited enforcement, decisions or orders made by the courts of the Emirate, or arbitral awards ratified by such courts;
- b) Courts of the Emirate may, upon the application of a judgment creditor, deputise an enforcement judge of the Global Market's Courts to take any measure or action to enforce any final judgments, judgments for expedited enforcement, decisions or orders made by the courts of the Emirate or arbitral awards ratified by such courts;
- c) The enforcement judge of the Global Market's Courts shall apply the enforcement procedures set out in the Global Market's Courts' procedural rules without re-examining the merits of the final judgment, judgment for expedited enforcement, decision, order or ratified arbitral award.

17. Subject to any Regulations issued by the Board of Directors, including any provisions for the protection of Netting Agreements, any judgments, decisions, orders or arbitral awards rendered, recognised or ratified by courts, or by an arbitrator or arbitrators outside the Global Market shall, upon application by the concerned party, be enforced within the Global Market in accordance with the Global Market Regulations.

Article (14/Sub-Paragraph 3)

3. Subject to federal legislations, accepting deposits and opening and maintaining bank accounts of all types for third parties.

Article (22/Sub- Paragraphs 5, 10, and 11)

5. The Global Market Establishments may conduct meetings to offer, promote and market its products and services in the Emirate. Public and private invitations and announcements shall be within and outside the boundaries of the Global Market in accordance with the applicable legislations.

10. It shall not be permissible for any Global Market Establishment to assign any license issued to it except with the approval of the head of the Global Market Registration Bureau or the head of the Financial Services Regulations Bureau, as the case may be.

11. Any of the Global Market Establishments may establish a branch, company or representative office in the Emirate without having to have a place of residence outside the Global Market.

Article (23)

- Any Person who carries out any commercial or financial activity or any other type of activity contrary to the provisions of this law or the Global Market Regulations may be punishable with an administrative penalty, which shall not exceed the higher of (200,000,000) two hundred million Dirhams or (10%) ten percent of the value of the relevant transaction.
- The Board of Directors shall issue a resolution establishing a schedule of contraventions, penalties and administrative sanctions applicable thereto provided always that such fines shall not exceed the maximum specified in the previous paragraph of this Article.
- The Global Market Authorities shall be authorised to implement the fines and administrative sanctions specified.

Third Article

Persons authorised by the Department of Economic Development to operate within the geographical area of the Global Market prior to the implementation of the provisions of this law are required to obtain the necessary

license, permit or registration from the Global Market Authorities unless exempted in accordance with the Global Market Regulations or by a resolution of the Board of Directors.

Fourth Article

Any provision or article contrary to or inconsistent with the provisions of this law shall be repealed.

Fifth Article

This law shall be published in the Official Gazette and shall be implemented from the date of its publication.

Khalifa Bin Zayed Al Nahyan

Ruler of Abu Dhabi.

Issued by us in Abu Dhabi

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