

## **ADMINISTRATIVE REGULATIONS 2025**

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## **ADMINISTRATIVE REGULATIONS 2025**

Regulations to make provision for investigative powers, information gathering powers and administrative enforcement procedures.

Date of Enactment: [●]

The Board of Directors of the Abu Dhabi Global Market, in exercise of its powers under Article 6(1) of Law No. 4 of 2013, as amended, concerning the Abu Dhabi Global Market issued by His Highness the Ruler of the Emirate of Abu Dhabi, hereby enacts the following Regulations—

### **PART 1**

#### **SUBJECT MATTER AND OBJECTIVES**

##### **1. Subject Matter**

- (1) These Regulations make provision for investigative powers, information gathering powers and administrative enforcement procedures in the Abu Dhabi Global Market.
- (2) These Regulations apply to the Commercial Legislation.
- (3) These Regulations apply to any Person who is subject to or in scope of the Commercial Legislation.

##### **2. Powers and Statutory Objectives of the Registration Authority**

- (1) The Registration Authority may do whatever it considers necessary for or in connection with, or reasonably incidental to or in furtherance of, performing its functions and exercising its powers whether arising under the ADGM Founding Law, any enactment, these Regulations or otherwise.
- (2) Except as specified otherwise in Part 5, powers of the Registration Authority set out in these Regulations may be exercised by the Registration Authority acting through its Registrar, CEO or any duly authorised Officer. Any references to a power of the Registration Authority in these Regulations includes the Registration Authority acting in such manner.
- (3) In performing its functions and exercising its powers, the Registration Authority shall have regard to and where possible pursue the following objectives —
  - (a) to foster an environment of continuous compliance by Persons in the Abu Dhabi Global Market;
  - (b) to promote and enhance the integrity of the Abu Dhabi Global Market, including its financial system;
  - (c) to promote fairness, transparency and efficiency in the Abu Dhabi Global Market;

- (d) to build and maintain commercial and regulatory stakeholder relationships;
- (e) to prevent, detect and restrain conduct that causes or may cause damage to the reputation of the Abu Dhabi Global Market through appropriate means including the imposition of sanctions;
- (f) to secure an appropriate degree of protection for direct and indirect users, and prospective users of the Abu Dhabi Global Market;
- (g) to promote public understanding of the regulation of the Abu Dhabi Global Market;
- (h) to foster and maintain confidence in corporate and sustainability reporting by companies incorporated or active in the Abu Dhabi Global Market;
- (i) to promote that users of reports and accounts have access to timely, meaningful and credible information;
- (j) to promote a level playing field and consistency in the quality of Controlled Activities in the jurisdiction through monitoring activities, including by means of onsite inspections;
- (k) to foster and maintain the resilience and high quality of the Abu Dhabi Global Market audit and assurance market;
- (l) to promote that Persons are held accountable by initiating enforcement action where there is a breach of relevant requirements;
- (m) to promote that the information contained in the Register is accurate and that the Register contains the information that it ought to contain, including by requiring businesses in the Abu Dhabi Global Market to accurately report and update information in the Register and by imposing sanctions where this is not done properly;
- (n) to promote transparency and prevent records kept by the Registration Authority from creating a false or misleading impression to members of the public;
- (o) to take steps against Persons from carrying out unlawful activities, or facilitating the carrying out by others of unlawful activities, including through detection, enforcement and imposition of sanctions;
- (p) to further the interests and objectives of the Abu Dhabi Global Market; and
- (q) to pursue any other lawful objectives as the Board of Directors may set.

## **PART 2**

### **CONTRAVENTIONS**

#### **3. General Contravention**

- (1) A Person who—
- (a) does an act or thing that the Person is prohibited from doing by or under these Regulations, or the Commercial Legislation;
  - (b) omits to do an act or thing that the Person is required to do by or under these Regulations, or the Commercial Legislation;
  - (c) fails to comply with a requirement or condition imposed by or under these Regulations, or the Commercial Legislation; or
  - (d) otherwise contravenes a provision of these Regulations, or the Commercial Legislation,
- commits a Contravention and may be liable to a Fine and/or any other enforcement action, as applicable, set out in Part 8 of these Regulations, or the relevant Commercial Legislation.

#### **4. Tier 1 Contraventions**

- (1) A Tier 1 Contravention means a contravention of the Commercial Legislation that is categorised as level 1 or level 2 on the Fine Scale.
- (2) Any Person who commits a Tier 1 Contravention is liable to a Fine not exceeding USD 2,000.

#### **5. Tier 2 Contraventions**

- (1) A Tier 2 Contravention means a contravention of the Commercial Legislation pursuant to which any Person found to have committed such contravention shall be liable to:
- (a) a Fine categorised as level 3 or above on the Fine Scale where such Fine shall not exceed USD 54,000,000; and/or
  - (b) any of the other enforcement actions set out in Part 8 or the relevant Commercial Legislation.

## **PART 3**

### **INFORMATION GATHERING AND INVESTIGATION POWERS**

#### **6. Information gathering powers**

- (1) If it appears to the Registration Authority that there is good reason for doing so, the Registration Authority may use the powers conferred under this Part 3 as reasonably required as well as any other investigative or information gathering powers conferred under any other Commercial Legislation (as applicable).
- (2) The Registration Authority may, by notice in writing, given to a Person, or given to any person connected with the Person require that person to —
  - (a) provide specified information or information of a specified description; and/or
  - (b) produce specified documents or documents of a specified description.
- (3) A notice given by the Registration Authority under subsection (2) shall set out a reasonable period in which, and such place, as the specified information or specified documents must be produced.
- (4) The Registration Authority may require any information and documents provided under this section to be provided in such form as it may reasonably require.
- (5) The Registration Authority may require—
  - (a) any information provided, whether in a document or otherwise, to be verified; and/or
  - (b) any document produced to be authenticated,in such manner as it may reasonably require.
- (6) For the purposes of this section 6, a person is connected with another Person if the person is or has at the relevant time been —
  - (a) a member of the Person's group;
  - (b) a Controller of the Person;
  - (c) any other member of a partnership of which the Person is a member; or
  - (d) in relation to the Person, a person mentioned in Part 1 of the Schedule of the Commercial Licensing Regulations 2025 reading references in that Part to the licensed person as references to Person.

## **7. Appointment of a Skilled Person**

- (1) The Registration Authority may at any time (whether or not a Warning Notice or Decision Notice has been issued) –
  - (a) require a Person to appoint a Skilled Person nominated or approved by the Registration Authority; or
  - (b) itself appoint a Skilled Person,to-
  - (i) provide the Registration Authority with a report on any matter (the Matter Concerned), in any written format specified by the Registration Authority where the Registration Authority has required or could require a Person to whom Part 3 applies to provide information or produce documents with respect to the Matter Concerned; and/or
  - (ii) collect or update information where the Registration Authority considers that a Person has contravened such a requirement to collect, and keep up to date, information of a description specified under the relevant Commercial Legislation.
- (2) The Registration Authority must give written notice of an appointment of a Skilled Person under subsection (1) (b) to the Person.
- (3) The Person or any person who is providing (or who has at any time provided) services in relation to the Matter Concerned has a duty to provide all such assistance as the Skilled Person may reasonably require to prepare a report on the Matter Concerned under subsection (1) (i).
- (4) The obligation imposed under subsection (3) is enforceable, on application brought by the Registration Authority, by an order of the ADGM Courts.
- (5) The Skilled Person may require any person to provide all such assistance as the Skilled Person may reasonably require for collecting or updating the information under subsection (1) (ii).
- (6) A requirement imposed under subsection (5) is enforceable, on application brought by the Registration Authority, by an order of the ADGM Courts.
- (7) A contractual or other requirement imposed on a person to keep any information in confidence does not apply if —
  - (a) the information is or may be relevant to anything required to be done as a result of this section;
  - (b) the Person or a Skilled Person requests or requires a person to provide the information for the purpose of securing anything required to be done as a result of this section is done; and

(c) the Registration Authority has approved the making of the request or the imposition of the requirement before it is made or imposed.

- (8) A Person may provide information (whether received under subsection (7) or otherwise) that would otherwise be subject to a contractual or other requirement to keep it in confidence if it is provided for the purposes of anything required to be done as a result of this section.
- (9) The Registration Authority may require that expenses incurred by it in relation to an appointment of a Skilled Person under subsection (1)(b) be payable as a fee by the Person to whom a Skilled Person has been appointed.

## **8. Appointment of Investigators to carry out Investigations**

- (1) If it appears to the Registration Authority that there is good reason for doing so, the Registration Authority may appoint one or more Investigators to conduct an Investigation on its behalf into—
  - (a) the nature, conduct or state of the Business of a Person;
  - (b) a particular aspect of that Business; and/or
  - (c) the ownership or control of a Person.
- (2) The powers conferred by subsections (1)(a) to (1)(c) may be exercised in relation to a former Person but only in relation to the time when it was a Person.
- (3) If the Registration Authority reasonably suspects that a Person may have committed a Contravention of these Regulations or any Commercial Legislation, the Registration Authority may appoint an Investigator or Investigators to conduct an Investigation on its behalf into the matter.
- (4) If an Investigator deems it necessary for the purposes of an Investigation, the Investigator may also investigate the Business of a person who is or has at any relevant time been—
  - (a) a member of the group of which the Person under Investigation is part; or
  - (b) a partnership of which the Person under Investigation is a member.
- (5) Subject to subsection (7), the Registration Authority must give written notice of the appointment of an Investigator to the Person who is the subject of the Investigation.
- (6) A notice under subsection (5) must specify the provisions under which, and as a result of which, the Investigator was appointed and state the reason for the Investigator's appointment.
- (7) Subsection (5) does not apply if the Investigator under subsection (3) and the Registration Authority believes that the notice required by subsection (5) would likely—

- (a) result in the Investigation or any investigation of any other Relevant Authority being frustrated, compromised or prejudiced in any manner; or
- (b) have an adverse effect on the objectives of the Abu Dhabi Global Market as set out in Part 1.

## **9. Direction of an Investigation**

- (1) The Registration Authority may, by a direction to an Investigator, control —
  - (a) the scope of the Investigation;
  - (b) the period during which the Investigation is to be conducted;
  - (c) the conduct of the Investigation; and/or
  - (d) the reporting of the Investigation.
- (2) A direction may, in particular—
  - (a) confine the Investigation to particular matters;
  - (b) extend the Investigation to additional matters;
  - (c) require the Investigator to discontinue the Investigation or to take only such steps as are specified in the direction; and/or
  - (d) require the Investigator to make such interim reports as specified.
- (3) If there is a change in the scope or conduct of the Investigation and, in the opinion of the Registration Authority, a Person is likely to be significantly prejudiced by not being made aware of it, that Person must be given written notice of the change.
- (4) Subsection (3) does not apply if the Investigator appointed under section 8(3) and the Registration Authority believes that the notice required by subsection (3) would likely—
  - (a) result in the Investigation or any investigation of any other Relevant Authority being frustrated, compromised or prejudiced in any manner; or
  - (b) have an adverse effect on the objectives of the Abu Dhabi Global Market as set out in Part 1.

## **10. Powers of Investigators**

- (1) An Investigator may require the Person under Investigation, or any person connected with the Person under Investigation –
  - (a) to attend before the Investigator at a specified time and place and answer questions;

- (b) to provide such information as the Investigator may require;
- (c) to produce at a requested time and place any requested documents or documents of a specified description; and/or
- (d) to give it any assistance in relation to the Investigation which the person is able to give,

only so far as the Investigator concerned reasonably considers the question, provision of information or production of the document to be relevant to the Investigation.

- (2) Where the Investigator exercises its power to conduct an Investigation under section 8(3), an Investigator may require any person who is neither the Person under Investigation nor a person connected to the Person under Investigation –

- (a) to attend before the Investigator at a specified time and place and answer questions; and/or
- (b) to provide such information as the Investigator may require,  
provided the investigator is satisfied that the requirement is necessary or expedient for the purposes of the investigation;

And/or

- (c) to produce at a requested time and place any requested documents or documents of a specified description which appear to the Investigator to relate to any matter relevant to the Investigation; and/or
- (d) to give it any assistance in relation to the Investigation which the person is able to give.

- (3) Where the Investigator exercises its power under subsection (1) (a) and subsection (2) (a) to conduct an interview, it may give a direction—

- (a) concerning who may be present;
- (b) preventing any person present during any part of the interview from disclosing to any other person any information provided to the interviewee or questions asked by the interviewer during the interview;
- (c) concerning the conduct of any person present, including as to the manner in which they will participate in the interview;
- (d) requiring the interviewee to give an affirmation that the answers of the interviewee will be true; and/or

(e) requiring the interviewee to answer any questions relevant to the Investigation.

- (4) All interviews conducted pursuant to subsection (1) (a) and subsection (2) (a) will be recorded, and the interviewee shall have the right to request a copy of the recording or a

transcript of the interview, if available. The provision of a recording or transcript may be subject to any reasonable conditions imposed by the Investigator. The Investigator may make directions to protect the confidentiality of information and documents which are part of an interview.

- (5) Where a person makes a statement in response to any question asked or produces information or documents in compliance with a requirement made under subsection (1) and subsection (2), the Registration Authority must maintain confidentiality of such statement, information or documents, unless disclosure is required by law or an order of the ADGM Court to disclose the information.
- (6) Where the Investigator reasonably considers that the Person who is under Investigation or any person connected with the Person under Investigation is or may be able to give information or produce a document which is or may be relevant to an Investigation, it may—
  - (a) enter the business premises of such person during normal business hours for the purpose of inspecting and copying information or documents stored in any form on such premises; and/or
  - (b) require such person to give it any assistance in relation to the Investigation which the person is able to give.
- (7) Where the Investigator exercises its power under subsection (6) (a) to enter the business premises, it may —
  - (a) require any appropriate person to make available any relevant information stored at those premises for inspection or copying;
  - (b) require any appropriate person to convert any relevant information into a form capable of being copied; and/or
  - (c) use the facilities of the occupier of the premises, free of charge, to make copies of relevant information.
- (8) A person shall not without reasonable excuse engage in any conduct, including without limitation the —
  - (a) destruction of documents;
  - (b) failure to give or produce information or documents specified by the Investigator;
  - (c) failure to attend before the Investigator at a specified time and place to answer questions;
  - (d) giving of information that is false or misleading; and/or
  - (e) failure to give any assistance in relation to an Investigation which the person is able to give,

that is intended to obstruct the Investigator in the exercise of any powers under this Part 3.

- (9) It is not a reasonable excuse for the purpose of subsection (8) for a person to refuse or fail to —
- (a) permit inspection and copying of any information or document;
  - (b) give or produce, or procure the giving or production of, any information or document; or
  - (c) answer questions;  
on the grounds that any such information or document or answer, as the case may be —
    - (i) might tend to incriminate the person; or
    - (ii) is, or contains, or might reveal a communication made in confidence.
- (10) Where the Investigator considers that, if disclosed, the fact of the issuing of a notice requiring a person to —
- (a) produce documents;
  - (b) give information;
  - (c) attend a compulsory interview; and/or
  - (d) give assistance,
- may hinder the Investigation to which it relates, the Investigator may direct a person who receives a direction under this section 10 not to disclose the receipt of a notice or any information relating to compliance therewith to any other person, other than his legal representative under a duty of confidentiality.
- (11) A statement made to an Investigator by a person in compliance with a requirement under this section 10 is admissible in evidence in any proceedings, so long as it complies with any requirements governing the admissibility of evidence in the circumstances in question.
- (12) For the purposes of this section 10, a person is connected with a Person under Investigation if the person is or has at the relevant time been —
- (a) a member of the Person under Investigation's group;
  - (b) a Controller of the Person under Investigation;
  - (c) any other member of a partnership of which the Person under Investigation is a member; or

- (d) in relation to the Person under Investigation, a person mentioned in Part 1 or Part 2 of the Schedule of the Commercial Licensing Regulations [2025] reading references in Part 1 to the licensed person and references in Part 2 to 'A' as references to the Person under Investigation.

## **11. Additional provisions in relation to information and documents**

- (1) If a document is produced in response to a requirement imposed under this Part 3, the person to whom it is produced may —
  - (a) take copies or extracts from the document; and/or
  - (b) require the person producing the document, or any relevant Person, to provide an explanation of the document.
- (2) A document so produced may be retained for so long as the person to whom it is produced considers that it is necessary to retain it (rather than copies of it) for the purposes for which the document was requested.
- (3) If the person to whom a document is so produced has reasonable grounds for believing—
  - (a) that the document may have to be produced for the purposes of any legal proceedings; and
  - (b) that it might otherwise be unavailable for those purposes,it may be retained until the proceedings are concluded.
- (4) If a person who is required under this Part 3 to produce a document fails to do so, the Registration Authority or an Investigator may require him to state, to the best of his knowledge and belief, where the document is.
- (5) No person may be required under this Part 3 to disclose information or produce a document in respect of which the person owes a duty of confidentiality unless —
  - (a) he is the Person under Investigation or a member of that Person's group;
  - (b) the person to whom the duty of confidentiality is owed is the Person under Investigation or a member of that Person's group;
  - (c) the person to whom the duty of confidentiality is owed consents to the disclosure or production; or
  - (d) the imposing on a person of a requirement with respect to such information or document has been specifically authorised by the Registration Authority.

## **12. Protected Items**

- (1) A person may not be required by or under these Regulations or any other Commercial Legislation to produce, disclose or permit the inspection of Protected Items.

- (2) "Protected Items" means—
- (a) communications between professional legal advisers and their client or any person representing a client which fall within subsection (c);
  - (b) communications between professional legal advisers and their client or any person representing a client and any other person which fall within subsection (c) (as a result of paragraph (c) (ii) of that subsection);
  - (c) items which—
    - (i) are enclosed with, or referred to in, such communications;
    - (ii) are made in connection with the giving of legal advice to the client or in the connection with, or in contemplation of, legal proceedings and for the purposes of those proceedings; and
    - (iii) are in the possession of a person entitled to possession of them;and/or
  - (d) in the case of any information held by the Registration Authority, information which—
    - (i) is supplied by or relating to bodies dealing with security matters;
    - (ii) is held by public authorities in the exercise of their functions;
    - (iii) relates to national security or international relations;
    - (iv) relates to the reputation of Abu Dhabi Global Market or to its financial stability; and/or
    - (v) constitutes trade secrets.
- (3) A communication or item is not a Protected Item if it is held with the intention of furthering a criminal purpose.

### **13. Entry of premises under warrant**

- (1) The ADGM Courts may issue a warrant under this section if satisfied on information on oath given by or on behalf of the Registration Authority or an Investigator that there are reasonable grounds for believing that the first or second set of conditions as set out in subsections (2) and (3) respectively is satisfied or any other conditions that the ADGM Courts sees fit is satisfied.
- (2) The first set of conditions is —
- (a) that a person on whom an information requirement has been imposed has failed (wholly or in part) to comply with it; and

- (b) that on the premises specified in the warrant —
    - (i) there are documents which have been required; or
    - (ii) there is information which has been required.
- (3) The second set of conditions is —
  - (a) that the premises specified in the warrant are premises of a Person;
  - (b) that there are on the premises documents or information in relation to which an information requirement could be imposed; and
  - (c) that if such a requirement were to be imposed —
    - (i) it would not be complied with; or
    - (ii) the documents or information to which it related would be removed, tampered with or destroyed.
- (4) A warrant under this section shall authorise the person executing it —
  - (a) to enter the premises specified in the warrant;
  - (b) to search the premises and take possession of any documents or information appearing to be documents or information of a kind in respect of which a warrant under this section was issued or to take, in relation to any such documents or information, any other steps which may appear to be necessary for preserving them or preventing interference with them;
  - (c) to take copies of, or extracts from, any documents or information appearing of a kind in respect of which a warrant under this section was issued;
  - (d) to require any person on the premises to provide an explanation of any document or information appearing to be of a kind in respect of which a warrant under this section was issued or to state where it may be found;
  - (e) to use such force as may be reasonably necessary; and/or
  - (f) to do any other act or thing that the ADGM Courts sees fit.
- (5) A warrant under this section may be executed by any person authorised by the ADGM Courts to execute it.
- (6) The warrant may authorise persons to accompany any person who is executing it.

#### **14. Retention of Seized Documents**

- (1) Any Seized Document may be retained so long as it is necessary to retain it (rather than copies of it) in the circumstances.

- (2) A person claiming to be the owner of a Seized Document may apply to the ADGM Courts for an order for the delivery of the Seized Document to the person appearing to the ADGM Courts to be the owner.
- (3) If on an application under subsection (2) the ADGM Courts cannot ascertain who is the owner of the Seized Document the ADGM Courts may make such order as the courts sees fit.
- (4) An order under subsections (2) or (3) does not affect the right of any person to take legal proceedings against any person in possession of a Seized Document for the recovery of the Seized Document.

#### **15. Injunctions in cases of Investigations and proceedings**

- (1) If it appears to the Registration Authority that there is good reason for doing so, the Registration Authority may apply to the ADGM Courts to make one or more of the orders set out in subsection (2).
- (2) The ADGM Courts may, in accordance with subsection (1), make one or more of the following orders —
  - (a) an order restraining the Person from engaging in certain conduct, including but not limited to, engaging in the conduct that may constitute a Contravention of these Regulations or any other Commercial Legislation;
  - (b) an order requiring the Person to do any act or thing including, but not limited to, acts or things to remedy the Contravention or to minimise loss or damage;
  - (c) an order restraining the Person from paying, transferring, disposing of, or otherwise dealing with, any assets which the Person is reasonably likely to dispose of or otherwise deal with;
  - (d) an order restraining any other person holding assets on behalf of the Person from paying, transferring, disposing of, or otherwise dealing with, any assets of the Person which are reasonably likely to be disposed of or otherwise dealt with;
  - (e) an order prohibiting the Person or any other person from taking or sending out of the jurisdiction of the ADGM Courts or out of the Abu Dhabi Global Market any assets of the Person or held on a person's behalf; and/or
  - (f) any other order as the ADGM Courts sees fit.

#### **16. Appointment of managers**

- (1) The Registration Authority may on application to the ADGM Courts require a Person to appoint one or more individuals to act as managers of the business of the Person on such terms as the Registration Authority may specify and the ADGM Courts shall order. Such terms may be varied from time to time, subject to further order from the ADGM Courts, by notice in writing given by the Registration Authority to the Person.

- (2) The Registration Authority may impose a requirement under subsection (1) where it considers it necessary or desirable to appoint a manager—
- (a) for the orderly transition of the Person from one set of owners or controllers to a new set of owners or controllers;
  - (b) to wind down the operations of the Person for the protection of customers of the Licensed Person;
  - (c) to ensure that customers or other Persons are not adversely affected; or
  - (d) to maintain the integrity of the Abu Dhabi Global Market.

**17. Costs of an Investigation**

- (1) Subject to subsection (2) or otherwise agreed in writing with the Person, the Registration Authority shall be responsible for the costs and expenses of an Investigation.
- (2) Where, as a result of an Investigation under this Part 3, a Person is found by the Registration Authority or ADGM Courts to have committed a Contravention of these Regulations, the ADGM Courts may order, on application brought by the Registration Authority, that the Person pay or reimburse the Registration Authority in respect of the whole, or a specified part of, the costs and expenses of the Investigation, including the remuneration of any person involved in the Investigation or any other order the ADGM Courts sees fit.
- (3) The ADGM Courts may make an order under subsection (2), on an application by the Registration Authority, whether or not the person has commenced, or intends to commence, a reference, appeal or other proceeding in relation to a decision of the Registration Authority.

**18. Contraventions**

- (1) A Person who knows or suspects that an Investigation is being or is likely to be conducted under this Part 3 commits a Contravention of these Regulations if-
- (a) the Person falsifies, conceals, destroys or otherwise disposes of a document which the person knows, or suspects is, or would be relevant to such an Investigation; or
  - (b) the Person causes or permits the falsification, concealment, destruction or disposal of such a document, unless the person shows that there was no intention of concealing facts disclosed by the documents from the Investigator.
- (2) A Person who, in purported compliance with a requirement imposed on him under this Part 3 -
- (a) provides information which he knows to be false or misleading in a material particular; or

(b) recklessly provides information, which is false or misleading in a material particular,

commits a Tier 2 Contravention of these Regulations.

- (3) Any Person who commits any of the Tier 2 Contraventions set out in subsections (1) to (2) shall be liable to a Fine not exceeding level 8 on the Fine Scale.
- (4) If the Registration Authority considers that a Person has contravened a relevant requirement imposed on the Person under this Part 3, the Registration Authority may impose on them a Fine, of such amount as it considers appropriate, provided such Fine shall not exceed level 8 on the Fine Scale.
- (5) If a person other than the Investigator fails to comply with a requirement imposed on a person under this Part 3, the Registration Authority may apply to the ADGM Courts for a declaration.
- (6) If the ADGM Courts are satisfied that the person failed without reasonable excuse to comply with the requirement, it may issue any order that the ADGM Courts sees fit.

## PART 4

### SUPERVISORY POWERS

#### 19. Supervisory powers of the Registration Authority

- (1) The Registration Authority may, on its own initiative, immediately upon issuing a Supervisory Notice to a Person and without following the procedure for Tier 2 Contraventions as set out in Part 7, exercise any of the powers set out in:
  - (a) Part 8, section 36 (*Imposition of requirements*) provided a relevant ground under section 36(1) is satisfied; and
  - (b) Part 8, section 37 (*Variation of a Licence*) provided a relevant ground under section 37(1) is satisfied.
- (2) Where the Registration Authority exercises its supervisory powers under this section 19, the Supervisory Notice must specify—
  - (a) the relevant grounds under Part 8, section 36(1) or 37(1) on which the supervisory powers are being exercised;
  - (b) the supervisory action being taken;
  - (c) that the supervisory action will take immediate effect or take effect on the date specified in the notice;
  - (d) the Person's right to make representations;
  - (e) the timeframe for making such written Statement of Representations; and
  - (f) the right of the Person to refer the matter to the ADGM Courts for Judicial Review under Part 9.
- (3) The relevant Person against whom the Supervisory Notice is issued may make written representations to the Registration Authority to address whether the original Supervisory Notice should stand by submitting a Statement of Representations, in the same way as a person may submit a Statement of Representations to make representations in relation to a Warning Notice under Part 7, section 27. A Person has a right to make oral representations but may only do so after giving notice that it seeks to make such oral representations to the Registration Authority.
- (4) When a Supervisory Notice takes effect, the Registration Authority may publish such information about the matter to which the Supervisory Notice relates as it considers appropriate in accordance with Part 7, section 33 as if the Supervisory Notice were a type of notice listed in that section.
- (5) A Person has the right to refer the matter that is the subject of a Supervisory Notice to the ADGM Courts for Judicial Review in accordance with Part 9 immediately on receipt of a Supervisory Notice without being required to first submit a Statement of Representations to the Registration Authority.

- (6) Notwithstanding that a Person may exercise their rights to refer the matter to the ADGM Courts for Judicial Review under Part 9, as soon as it receives a Supervisory Notice, the Registration Authority may follow the procedure for Tier 2 Contraventions under Part 7 as if the Supervisory Notice were a Warning Notice and will issue a Decision Notice or a Discontinuance Notice to either reconfirm or revoke the supervisory action taken under this Part 4, in accordance with that process.

## PART 5

### EXCEPTIONAL POWERS

#### 20. Exceptional powers of the CEO

- (1) The Registration Authority, acting through its CEO, may on its own initiative, immediately upon issuing an Exceptional Notice to a Person, and without following the procedure for Tier 2 Contraventions as set out in Part 7, exercise any of the powers set out in Part 8, sections 38 (*Licence Suspension or Restriction*), 39 (*Cancellation of Licence*) and 40 (*Prohibition Orders*).
  - (2) The Registration Authority, acting through its CEO, may not delegate any of the exceptional powers set out in subsection (1) to any Officer, agent, employee or other person.
  - (3) The Registration Authority, acting through its CEO, may exercise its power set out in Part 8, sections 38, 39 and 40 in relation to a Person:
    - (a) if it appears to the Registration Authority that –
      - (i) it has reasonable grounds to suspect a serious Contravention of any Commercial Legislation;
      - (ii) the Registration Authority's objectives set forth in Part 1 are likely to be prejudiced or placed in material jeopardy unless the powers are exercised;
      - (iii) the Registration Authority assesses that there is a reasonable likelihood of criminal activity; and/or
      - (iv) the Registration Authority concludes there is:
        - (1) a reasonable risk of imminent material harm to consumers or businesses;
        - (2) a reasonable risk to the Abu Dhabi Global Market or the United Arab Emirates; or
        - (3) a reasonable likelihood of a threat to public health or safety or property;
- And
- (b) the Registration Authority has reason to believe that issuing an Exceptional Notice would materially mitigate a risk specified under subsection (a).
- (4) Where the Registration Authority, acting through its CEO, exercises its exceptional powers under this section 20, the Exceptional Notice must specify—
  - (a) the relevant grounds under subsection (3) on which the exceptional powers are being exercised;

- (b) the enforcement action being taken;
  - (c) that the enforcement action will take immediate effect or take effect on the date specified in the notice;
  - (d) the Person's right to make representations to address whether the Exceptional Notice should stand by submitting a Statement of Representations;
  - (e) the timeframe for making such written Statement of Representations; and
  - (f) the right of the Person to refer the matter to the ADGM Courts for Judicial Review under Part 9.
- (5) The relevant Person against whom the Exceptional Notice is issued may make written representations to the Registration Authority to address whether the original Exceptional Notice should stand by submitting a Statement of Representations, in the same way as a person may submit a Statement of Representations to make representations in relation to a Warning Notice under Part 7, section 27. A Person has a right to make oral representations but may only do so after giving notice that it seeks to make such oral representations to the Registration Authority.
- (6) When an Exceptional Notice takes effect, the Registration Authority may publish such information about the matter to which the Exceptional Notice relates as it considers appropriate in accordance with Part 7, section 33 as if the Exceptional Notice were a type of notice listed in that section.
- (7) A Person has the right to refer the matter that is the subject of an Exceptional Notice to the ADGM Courts for Judicial Review in accordance with Part 9 immediately on receipt of an Exceptional Notice without being required to first submit a Statement of Representations to the Registration Authority.
- (8) Notwithstanding that a Person may exercise their rights to refer the matter to the ADGM Courts for Judicial Review under Part 9, as soon as it receives an Exceptional Notice, the Registration Authority may follow the procedure for Tier 2 Contraventions under Part 7 as if the Exceptional Notice were a Warning Notice and will issue a Decision Notice or a Discontinuance Notice to either reconfirm or revoke the enforcement action taken under this Part 5, in accordance with that process.

## **PART 6**

### **PROCEDURE FOR TIER 1 CONTRAVENTIONS**

#### **21. Financial Penalty Notice**

- (1) When the Registration Authority asserts that a Person has committed a Tier 1 Contravention, the Registration Authority shall issue a Financial Penalty Notice to that Person.

- (2) The Registration Authority shall not be required to issue a Warning Notice in relation to a Tier 1 Contravention, as a precondition of issuing a Financial Penalty Notice or otherwise.
- (3) A Financial Penalty Notice shall be in the form prescribed by the Registration Authority, and shall set out –
  - (a) the provision of the relevant Commercial Legislation under which the Tier 1 Contravention is alleged to have been committed;
  - (b) particulars of the Tier 1 Contravention, where available;
  - (c) the applicable Fine for that Tier 1 Contravention and the due date by which the Person must pay the Fine, being the date that is 28 Days from the date of issuance of the Financial Penalty Notice;
  - (d) the amount of the reduced Fine if a 30% discount is applied, due to the Person making payment within 14 Days from the date of issuance of the Financial Penalty Notice;
  - (e) the period in which a Person may submit a Statement of Representations in accordance with section 22 in relation to the Financial Penalty Notice, being the date that is no later than 28 Days from the date of issuance of the Financial Penalty Notice; and
  - (f) the right of the Person to refer the matter to the ADGM Courts for Judicial Review under Part 9.
- (4) The amounts of standard Fines for each Tier 1 Contravention shall be on the Fine Scale as set out in Schedule 1 of these Regulations.
- (5) A Financial Penalty Notice issued more than 6 years after the date on which the Registration Authority became aware, or ought reasonably to have become aware, of the relevant Tier 1 Contravention shall be invalid.

## **22. Objection process for Financial Penalty Notices**

- (1) A Person who receives a Financial Penalty Notice may raise an objection to the Fine with the Registration Authority by filing a Statement of Representations in the form prescribed by the Registration Authority, within 28 Days of the issuance of the Financial Penalty Notice.
- (2) Provided that no action has been taken by the Registration Authority under section 23 (Review process for Statement of Representations), a Person may withdraw its Statement of Representations filed under subsection (1) by written notice to the Registration Authority. In such instances, the terms of the issued Financial Penalty Notice shall continue to apply.
- (3) A Person shall not be entitled to file a Statement of Representations if the due date for payment of the Fine as set out in the Financial Penalty Notice has already passed or the payment of the Fine has already been paid.

- (4) In order to be valid, a Statement of Representations must state at least one of the following grounds of objection, specifying the particulars and evidence for that ground—
- (a) the Person did not commit the Tier 1 Contravention;
  - (b) the Registration Authority acted in error in imposing the Fine;
  - (c) a significant event beyond the Person's control made it impossible to comply with the provision of the relevant Commercial Legislation; and/or
  - (d) the circumstances surrounding the Tier 1 Contravention warrant leniency from the Registration Authority.

**23. Review process for Statement of Representations**

- (1) After receipt of a Statement of Representations, the Registration Authority shall inform the Person in writing if it intends to revoke, reduce or uphold the Fine.
- (2) If the Registration Authority reduces or upholds the Fine, a new Financial Penalty Notice shall be sent to the Person informing the Person of the Registration Authority's decision:
  - (a) which may not be the subject of a further Statement of Representations; and
  - (b) subject to subsection (3), the Person must pay the Fine within 14 Days of the issuance of the new Financial Penalty Notice.
- (3) If within 28 Days from the date of issuance of the Financial Penalty Notice under section 21(1) a new Financial Penalty Notice is issued under subsection (2), the Person must pay the Fine no later than the date which is the latter of-
  - (a) 14 Days of the date of issuance of a new Financial Penalty Notice under subsection (2); and
  - (b) 28 Days of the issuance of the Financial Penalty Notice under section 21(1).
- (4) No discount for early payment shall be applied to a Fine that is reduced or upheld under subsection (2).
- (5) If the Registration Authority revokes a Fine, in accordance with subsection (1), or otherwise, the Registration Authority must issue a Discontinuance Notice.
- (6) A Discontinuance Notice under this Part 6 must be given in writing and shall set out—
  - (a) the Financial Penalty Notice to which it relates, including the date of issue and any reference number; and
  - (b) the relevant Fine which is to be revoked.

## **PART 7**

### **PROCEDURE FOR TIER 2 CONTRAVENTIONS**

#### **24. Warning Notices**

- (1) If the Registration Authority asserts that a Person has committed a Tier 2 Contravention, including as a result of the outcome of an Investigation, it may issue a Warning Notice.
- (2) Prior to issuing a Warning Notice, the Registration Authority may decide to appoint one or more independent Decision Makers to assess the circumstances and decide whether or not a Warning Notice will be issued to the relevant Person in respect of the alleged Tier 2 Contravention.
- (3) Notwithstanding the standard Fine applicable to the relevant Tier 2 Contravention, the Registration Authority may apply any of the enforcement powers set out in Part 8 or referred to in the relevant Commercial Legislation, in addition to or instead of a standard Fine.
- (4) A Warning Notice issued more than 6 years after the date on which the Registration Authority became aware, or ought reasonably to have become aware, of the relevant Tier 2 Contravention shall be invalid.

#### **25. Content of a Warning Notice**

A Warning Notice must be made in writing and shall set out—

- (a) the provision of the relevant Commercial Legislation under which the Tier 2 Contravention is alleged to have been committed;
- (b) particulars of the Tier 2 Contravention;
- (c) the enforcement action which the Registration Authority proposes to take;
- (d) in relation to the disqualification of Persons under Part 8, section 42, the proposed period of disqualification;
- (e) a reasonable deadline (which must be at least 14 Days from the date of issuing the Warning Notice) for submission of a Statement of Representations by the Person to challenge the proposed enforcement action; and
- (f) whether or not section 26 applies.

#### **26. Access to material**

- (1) If the Registration Authority issues a Person a Warning Notice, it must –
  - (a) allow that Person access to the material on which it relied upon taking the decision which gave rise to the obligation to issue the Warning Notice; and

- (b) allow that Person access to any other material held, received or reviewed by the Registration Authority in connection with the matter (where such material was not relied upon by the Registration Authority in determining and reaching its decision).
- (2) Notwithstanding subsection (1) the Registration Authority is not required to grant the Person issued with a Warning Notice access to material under subsection (1) if the material—
  - (a) relates to a matter involving a person other than the Person issued with the Warning Notice; and
  - (b) was taken into account by the Registration Authority in that Person's matter only for the purposes of comparison with other matters.
- (3) The Registration Authority may refuse the Person issued with a Warning Notice access to particular material which it would otherwise allow that Person access to if, in its opinion, allowing that Person access to the material—
  - (a) would not be in the public interest; and/or
  - (b) would potentially prejudice a person other than the Person issued with the Warning Notice which would be caused by the material's disclosure.
- (4) If the Registration Authority does not allow the Person issued with a Warning Notice access to material because it is excluded material consisting of a Protected Item, it must give that Person written notice of —
  - (a) the existence of the Protected Item; and
  - (b) the Registration Authority's decision not to allow them access to it.
- (5) If the Registration Authority refuses under subsection (3) to allow the Person issued with a Warning Notice access to material, it must give them written notice of the reasons for the refusal.

## **27. Responding to a Warning Notice**

- (1) A Person who receives a Warning Notice may respond in writing, by submitting a Statement of Representations. A Person may make oral representations, but may only do so after giving notice that it seeks to make such oral representations to the Registration Authority.
- (2) A Statement of Representations submitted in response to a Warning Notice may, without limitation, —
  - (a) specify the grounds of such objection to include—
    - (i) the Person did not commit the Tier 2 Contravention;

- (ii) the Registration Authority acted in error in determining the proposed sanctions;
  - (iii) a significant event beyond the Person's control made it impossible to comply with the provision of the relevant Commercial Legislation; and/or
  - (iv) the circumstances of the case warrant leniency from the Registration Authority; and
- (b) specify the Person's request for the Registration Authority to (without limitation)-
  - (i) discontinue or vary the enforcement action;
  - (ii) reduce the level of Fine; or
  - (iii) include proposals for remedial undertakings that it can offer in order to reduce the proposed enforcement action.
- (3) The Registration Authority shall have the discretion to extend the time period for receiving the Statement of Representations from the Person beyond the period specified in the Warning Notice.
- (4) The Registration Authority must decide within a reasonable timeframe following receipt of the representations, to issue either a Decision Notice or Discontinuance Notice on the recipient, or to enter into settlement discussions in accordance with section 31.
- (5) A Person has no rights to make representations to the Registration Authority in relation to any findings of fact by the ADGM Courts.

## **28. Decision Notices**

- (1) The Registration Authority may issue a Decision Notice in relation to the proposed enforcement action set out in a Warning Notice either –
  - (a) once the deadline for receiving a Statement of Representations from a Person has passed; or
  - (b) if a Statement of Representations is submitted by a Person under section 27, within a reasonable period after receiving such Statement of Representations.
- (2) A Decision Notice must be made in writing and shall set out –
  - (a) if preceded by a Warning Notice, the Warning Notice to which the Decision Notice relates, including the date of issue and any reference number;
  - (b) the provision of the relevant Commercial Legislation under which the Tier 2 Contravention is decided to have been committed;
  - (c) particulars of the Tier 2 Contravention;
  - (d) the enforcement action decided to be taken;

- (e) reasons for the enforcement action decided including the measures considered in determining the appropriate level of Fine or other chosen enforcement actions;
- (f) if the enforcement action varies from that set out in a preceding Warning Notice following any Statement of Representation submitted by the recipient, the reasons for such variation;
- (g) the due date for payment of any Fine (which may not be less than 28 Days from the date on which the Decision Notice is issued);
- (h) the deadline for and right of the Person to refer the matter to the ADGM Courts for Judicial Review under Part 9; and
- (i) that the Decision Notice shall be deemed final and may be published if the Person does not refer the matter to the ADGM Courts for Judicial Review under Part 9 in accordance with subsection (h).

## **29. Discontinuance Notices**

- (1) The Registration Authority must issue a Discontinuance Notice under this section 29 if –
  - (a) it has issued a Warning Notice and decides not to take the enforcement action proposed in that Warning Notice (other than in accordance with section 28(2)(f); or
  - (b) it has issued a Decision Notice and decides not to take any part of the enforcement action to which that Decision Notice relates.
- (2) A Discontinuance Notice must be given in writing and shall set out —
  - (a) the Warning Notice or Decision Notice to which it relates, including the date of issue and any reference number; and
  - (b) the relevant enforcement action which is to be discontinued or varied;

## **30. Consent Process**

- (1) A Person may, at any time after receiving a Warning Notice but before receiving a Decision Notice, give notice in writing to consent to —
  - (a) admission of liability for the Tier 2 Contravention;
  - (b) the application of the proposed enforcement action; and
  - (c) the waiving of that Person's right to make any further representations or objections to the Registration Authority or to the ADGM Courts in relation to the enforcement action, except as otherwise provided by law.
- (2) If the relevant Person provides its consent in such format as is specified by the Registration Authority and on such terms as are acceptable to the Registration Authority

at its discretion, the Registration Authority shall issue a Decision Notice on the consented terms.

- (3) A Decision Notice issued under subsection (2) must be made in writing and shall set out —
- (a) an acknowledgement of the consent by the Person;
  - (b) the enforcement action to be taken;
  - (c) the date on which the enforcement action will take effect; and
  - (d) if the Registration Authority imposes a Fine, the amount of the Fine and the manner in which, and the period within which, the Fine is to be paid (which may not be less than 28 Days from the date on which the Decision Notice is issued).
- (4) Any Person who agrees to the consent process under this section 30 waives the right to make any representations or objections to the Registration Authority or to the ADGM Courts in relation to the decision, except as otherwise provided by law.

### **31. Settlement Process**

- (1) The Registration Authority may, at any time before or after issuing a Warning Notice or Decision Notice, enter into settlement discussions with the relevant Person on such terms as the Registration Authority at its discretion considers appropriate.
- (2) Settlement may take place on the basis there has been an admission of wrongdoing by the Person, and on such terms as the Registration Authority at its discretion considers appropriate.
- (3) The Registration Authority may appoint a Decision Maker to exercise its decision-making powers and discretions under this section 31.
- (4) The Registration Authority may withdraw from settlement discussions entered into under subsection (1) and continue the process for a Tier 2 Contravention provided the Registration Authority is satisfied that—
- (a) it is not likely that the terms of the Settlement Agreement will be agreed within a reasonable time period;
  - (b) the Person has provided false, misleading or incomplete information in relation to the settlement discussions;
  - (c) there is a material change in circumstances that affects the settlement discussions; or
  - (d) it is necessary to do so to further any of the objectives set out in Part 1 or to protect the integrity of the Abu Dhabi Global Market or the United Arab Emirates.

- (5) For settlement to be applicable, a Settlement Agreement between the Registration Authority and the relevant Person must be agreed in writing and shall be legally binding.
- (6) The Registration Authority may apply to the ADGM Courts for an order to enforce the Settlement Agreement or any part of it.

### **32. Enforceable Undertakings**

- (1) The Registration Authority may, at any time, whether or not a Warning Notice or Decision Notice is issued appoint a Decision Maker to exercise its decision-making powers and discretions under this section 32.
- (2) The Registration Authority may accept Enforceable Undertakings from the relevant Person on such terms as the Registration Authority at its discretion considers appropriate in the pursuit of its statutory objectives as set out in Part 1, section 2.
- (3) The Person may withdraw or vary the Enforceable Undertakings at any time, but only with the prior written consent of the Registration Authority.
- (4) The Registration Authority may, if it considers it appropriate or desirable, publish details of any such Enforceable Undertakings in such manner as the Registration Authority determines.
- (5) If the Registration Authority considers that any Person who has given such an undertaking has not complied with any of its terms, the Registration Authority may take such further action as it considers appropriate, including without limitation, imposing any other sanction and taking any other action available to the Registration Authority under the Commercial Legislation and applying to the ADGM Courts for an order or other relief to enforce or provide a remedy in respect of any such non-compliance.

### **33. Publication of Notices**

- (1) Neither the Registration Authority nor a Person to whom it is given or copied may publish a Warning Notice or any details concerning it, without the written consent of the other.
- (2) The Registration Authority may at its discretion publish any Decision Notice or Discontinuance Notice. In doing so, the Registration Authority may, but other than as set out in subsection (5) shall not be required to, redact the name of any individual named in such notice. The Registration Authority shall not be required to make any redaction of an individual's identifiable information in any such publication if a finding is made against such individual or a finding is made against the Person as a result in whole or in part of any action or omission of that individual.
- (3) A Person to whom a Decision Notice, or Discontinuance Notice is given or copied may not publish the notice or any details concerning it, unless the Registration Authority has already published the notice or those details or consents in writing to such publication.
- (4) The Registration Authority may publish statistical data, anonymised information or market or thematic findings about any Warning Notice, Decision Notice, or Discontinuance Notice or such notices in general, as it considers appropriate.

- (5) The Registration Authority may not publish information under this section if, in its opinion, publication of the information would be—
- (a) detrimental to any person who would be named or with respect to whom the action was taken (or was proposed to be taken);
  - (b) detrimental to the interests of participants of the Abu Dhabi Global Market; or
  - (c) detrimental to the interests of the Abu Dhabi Global Market or the United Arab Emirates.
- (6) Information is to be published under this section in such manner as the Registration Authority considers appropriate and may function as public censure of the relevant Person.
- (7) A Person, other than the Registration Authority, who contravenes subsections (1) or (3) shall be liable to a Fine not exceeding Level 3 on the Fine Scale.

#### **34. Third party rights**

- (1) If any of the reasons contained in a Warning Notice relates to a matter which -
- (a) identifies a person ("the third party") other than the Person to whom the notice is given; and
  - (b) is prejudicial to the third party,
- a copy of the Warning Notice must be given to the third party.
- (2) Subsection (1) does not require a copy to be given to the third party if the Registration Authority has given the third party a separate Warning Notice in relation to the same matter.
- (3) The Warning Notice copied to a third party under subsection (1) must specify a reasonable period (which may not be less than 14 Days) within which the third party may make representations to the Registration Authority relating to information, interests and statements in the Warning Notice concerning, related to or made by the third party only.
- (4) If any of the reasons contained in a Decision Notice to which this section applies relates to a matter which -
- (a) identifies a person ("the third party") other than the Person to whom the Decision Notice is given; and
  - (b) in the opinion of the Registration Authority, is prejudicial to the third party,
- a copy of the Decision Notice must be given to the third party.
- (5) If the Decision Notice was preceded by a Warning Notice, a copy of the Decision Notice must (unless it has been given under subsection 4) be given to each person to whom the Warning Notice was copied.

- (6) Subsection 4 does not require a copy to be given to the third party if the Registration Authority has given the third party a separate Decision Notice in relation to the same matter.
- (7) Neither subsection (1) nor subsection 4 requires a copy of a notice to be given to a third party if the Registration Authority considers it detrimental to the Person under Investigation, any other person or the Abu Dhabi Global Market to do so.
- (8) Subsections 9 to 11 apply if the third party to whom a Decision Notice is given has a right to refer the matter to the ADGM Court.
- (9) A third party to whom a copy of the notice is given under this section may refer to the ADGM Court-
  - (c) so far as it is based on a reason of the kind mentioned in subsection (3); or
  - (d) any opinion expressed in the notice by the Registration Authority in relation to them.
- (10) The copy must be accompanied by a statement of the third party's right to make a reference under subsection 9 and of the procedure on such a reference.
- (11) A third party who alleges that a copy of the notice should have been given to them, but was not, may apply to the ADGM Courts for an order that the ADGM Courts sees fit so far as the application is based on-
  - (e) a reason of the kind mentioned in subsection (3); or
  - (f) any opinion expressed in the notice by the Registration Authority in relation to the person.
- (12) Section 26 applies to a third party as it applies to the Person to whom the notice to which this section applies was given, in so far as the material to which access must be given under that section relates to the matter which identifies the third party.
- (13) A copy of a notice given to a third party under this section shall be accompanied by a description of the effect of section 26 as it applies to them.
- (14) Any person to whom a Warning Notice or Decision Notice was copied under this section must be given a copy of a Discontinuance Notice applicable to the proceedings to which the Warning Notice or Decision Notice related.

## **PART 8**

### **ENFORCEMENT POWERS**

#### **35. Exercising of enforcement powers**

- (1) If the Registration Authority considers that a Person has committed a Tier 2 Contravention of any Commercial Legislation, it may impose on the Person any enforcement actions set out in this Part 8 as well as any applicable enforcement power set out in the relevant Commercial Legislation.
- (2) The powers set out in sections 36 and 37 may also be exercised in accordance with the procedure for the Registration Authority exercising its Supervisory Powers as set out in Part 4 by the issuance of a Supervisory Notice.
- (3) The powers set out in sections 38, 39 and 40 may also be exercised in accordance with the procedure for the Registration Authority's CEO exercising its Exceptional Power as set out in Part 5 by the issuance of an Exceptional Notice.

#### **36. Imposition of requirements**

- (1) Where a Person applies for a Licence or the variation of a Licence, the Registration Authority may exercise its power to impose requirements under this section in relation to a Licensed Person on its own initiative, if it appears to the Registration Authority that –
  - (a) the Licensed Person is failing, or is likely to fail, to satisfy the conditions of Licence applicable to him;
  - (b) the Licensed Person has failed, during a period of at least 12 months, to carry on a controlled activity to which the Licence relates; and/or
  - (c) it is desirable to exercise the power in the interests of the Abu Dhabi Global Market.
- (2) The Registration Authority has the power under this section to —
  - (a) impose a new requirement;
  - (b) vary a requirement imposed by the Registration Authority under this section; or
  - (c) cancel such a requirement.

#### **37. Variation of a Licence**

- (1) The Registration Authority may exercise its power under this section to vary a licence in relation to a Licensed Person on its own initiative, if it appears to the Registration Authority that –
  - (a) the Licensed Person is failing, or is likely to fail, to satisfy the conditions of Licence applicable to him;

- (b) the Licensed Person has failed, during a period of at least 12 months, to carry on a controlled activity to which the Licence relates; and/or
  - (c) it is desirable to exercise the power in the interests of the Abu Dhabi Global Market.
- (2) The Registration Authority has the power under this section to vary the Licence of a Licensed Person by —
  - (a) adding a Controlled Activity to those to which the Licence relates;
  - (b) removing a Controlled Activity from those to which the Licence relates;
  - (c) varying the description of a Controlled Activity to which the Licence relates; and/or
  - (d) imposing certain conditions on the Licence;
- (3) The power of the Registration Authority to vary a Licence under this section extends to including in the Licence as varied any provision that could be included as if a new Licence were being granted.

### **38. Licence Suspension or Restriction**

- (1) The Registration Authority may —
  - (a) suspend, for such period as it considers appropriate, any Licence which the person has to carry on a Controlled Activity; and/or
  - (b) impose, for such period as it considers appropriate, such limitations or other restrictions in relation to the carrying on of one or more or all Controlled Activities by the Licensed Person as it considers appropriate.
- (2) The period for which a suspension or restriction is to have effect may not exceed 12 months.
- (3) A suspension may relate only to the carrying on of an activity in specified circumstances.
- (4) A restriction may, in particular, be imposed so as to require the person concerned to take, or refrain from taking, specified action.
- (5) The Registration Authority may —
  - (a) withdraw a suspension or restriction by way of a Discontinuance Notice; or
  - (b) vary a suspension or restriction by way of a further Decision Notice.
- (6) The powers under this section 38 may but need not be exercised so as to have effect in relation to all the controlled activities that a Licensed Person carries on. The powers under

this section may include a partial or complete restriction on an activity of any kind, either in the Abu Dhabi Global Markets or by the Licensed Person.

**39. Cancellation of a Licence**

- (1) The Registration Authority may exercise its power in relation to a Licensed Person to cancel the Licence if it appears to the Registration Authority that –
  - (a) the Licensed Person is failing, or is likely to fail, to satisfy the conditions of Licence applicable to him;
  - (b) the Licensed Person has failed, during a period of at least 12 months, to carry on a controlled activity to which the Licence relates; and/or
  - (c) it is desirable to exercise the power in the interests of the Abu Dhabi Global Market.

**40. Prohibition Orders**

- (1) The Registration Authority may issue an order prohibiting a Person from providing or otherwise being involved in the provision of any activities, including but not limited to Controlled Activities, in the Abu Dhabi Global Market as may be specified in the order and subject to such conditions as may be specified in the order.
- (2) The Registration Authority may issue a Prohibition Order —
  - (a) where there is a reasonable likelihood that a Person will contravene a requirement that applies to it under the legislation of the Abu Dhabi Global Market;
  - (b) where there is reasonable likelihood that the Registration Authority will not meet its objectives as set out in Part 1; or
  - (c) on receipt of information evidencing that a Person is involved in financial crime,And  
where there is a material loss or the risk of a material loss or any adverse effect on—
  - (a) Abu Dhabi Global Market, including any adverse effect on the reputation of Abu Dhabi Global Market;
  - (b) customers of a Person; or
  - (c) any other person.
- (3) The Registration Authority may, if it considers appropriate or desirable, publish details of a Prohibition Order in such manner as the Registration Authority determines.

**41. Strike Off**

- (1) The Registration Authority may strike a Person's name off a Register if the Registration Authority has reasonable cause to believe that —
    - (a) any information contained in the application for the registration of the Person, or in any application for restoration of the Person to the Register, is misleading, false or deceptive in a material particular; or
    - (b) any statement made to the Registration Authority in connection with such an application is misleading, false or deceptive in a material particular.
  - (2) In subsection (1) the reference to an application includes any documents delivered to the Registration Authority in connection with the application.
  - (3) In addition to the procedural requirements for a Tier 2 Contravention set out in Part 7, the Registration Authority may not exercise the power in subsection (1) unless —
    - (a) the Registration Authority has published a notice on its website that, at the end of the period of two (2) months beginning with the date of the notice, the name of the Person mentioned in the notice will, unless cause is shown to the contrary, be struck off the Register and if applicable, the Person will be dissolved; and
    - (b) the period mentioned in paragraph (a) of this subsection has expired.
  - (4) Once the period set out in subsection (3) has expired, the Registration Authority must publish a notice on the website of the Person's name having been struck off the Register.
  - (5) On the publication of the notice set out in subsection (4), if applicable, the Person is dissolved.
  - (6) However—
    - (a) The liability (if any) of every director, managing officer or member of the company continues and may be enforced as if the company had not been dissolved; and
    - (b) Nothing in this section affects the power of the ADGM Courts to wind up a company the name of which has been struck off the Register.
  - (7) In the event that the Person who is struck off is a Licensed Person, all relevant Licenses held by the Person will be automatically and immediately cancelled.
  - (8) This section 41 applies in addition to and without prejudice to the separate process under the Companies Regulations.
- 42. Disqualification of Persons**
- (1) The Registration Authority may issue a Disqualification Order to a Person for a Tier 2 Contravention provided the relevant Commercial Legislation allows for such disqualification.

- (2) The Warning Notice shall set out the proposed period of disqualification.
- (3) Any Decision Notice issued to the relevant Person shall set out the decided period of disqualification.

**43. Censure statements**

- (1) If the Registration Authority considers that a Person has contravened a relevant requirement under these Regulations or any other Commercial Legislation, it may issue a private or public censure in relation to such Contravention.
- (2) A censure statement must describe in such detail as the Registration Authority may determine the nature of the Contravention and may include such details as to any remedial action that the Person should consider taking to avoid any repetition of such Contravention or any other Contravention taking place, as the Registration Authority may see fit to specify.
- (3) A public censure statement must be published in such manner as the Registration Authority determines and a copy of the censure statement must be sent by the Registration Authority to the Person.

**44. Fines**

- (1) The Registration Authority may impose a Fine as set out in Schedule 1.
- (2) The Registration Authority may impose a Fine through the issuance of a Decision Notice, of up to one scale higher than the standard applicable to the relevant category of Tier 2 Contravention, if the relevant Person has committed the same Tier 2 Contravention, within 12 months from the issuance of the previous Decision Notice.
- (3) If all or any of the amount of a Fine payable under these Regulations is outstanding 28 Days after notice of that Fine has been issued, the Registration Authority may recover the outstanding amount as a debt due to it, subject to any direction of the ADGM Courts.
- (4) The Registration Authority may apply to the ADGM Courts for the payment of a Fine to be recovered from assets restrained or otherwise restricted by the ADGM Courts in an injunction.

**45. Annulment of Fines**

- (1) The Registration Authority may, annul a Fine imposed under these Regulations or imposed under any other Commercial Legislation if—
  - (a) it is satisfied that the Fine was invalidly imposed or was issued in error;
  - (b) following receipt of a written request with evidence by a Person who has received a Fine or charged under these Regulations, the Registration Authority, in its' sole discretion, is satisfied that there were exceptional circumstances that made it impossible for the Person to comply with the relevant Commercial Legislation pursuant to which the Fine was imposed; or

(c) for any other reason that the Registration Authority considers appropriate in order to meet its objectives under Part 1.

- (2) The Registration Authority shall have the discretion to determine what constitutes an exceptional circumstance for the purposes of subsection (1)(b) on a case-by-case basis.
- (3) The Registration Authority may publish details of any annulled Fines, including the reasons for the annulment, in accordance with these Regulations and in such manner as the Registration Authority deems appropriate

#### **46. Statements of Policy**

- (1) The Registration Authority must prepare and issue a policy with respect to the imposition of enforcement actions under this Part 8.
- (2) The Registration Authority's policy in determining enforcement actions, must include having regard to —
  - (a) the seriousness of the Tier 2 Contravention in question in relation to the nature of the relevant requirement or provision of the relevant Commercial Legislation contravened;
  - (b) the extent to which that Tier 2 Contravention was deliberate or reckless; and
  - (c) whether the person against whom action is to be taken is an individual.
- (3) The Registration Authority may at any time alter or replace a policy issued by it under this section.
- (4) If a policy issued under this section is altered or replaced by the Registration Authority, the Registration Authority must issue the altered or replacement policy.
- (5) The Registration Authority must, without delay, give the Board of Directors a copy of any policy which it publishes under this section.
- (6) A policy issued under this section by the Registration Authority must be published by the Registration Authority in the way appearing to the Registration Authority to be best calculated to bring it to the attention of the public.
- (7) The Registration Authority's failure in a particular case to follow its procedure as set out in the latest published policy does not affect the validity of a notice issued in respect of any enforcement action taken under the Commercial Legislation.
- (8) Subsection (7) does not prevent the ADGM Courts from taking into account any such failure in considering a matter referred to it.
- (9) In exercising, or deciding whether to exercise, its power under this Part 8 in the case of any particular Contravention, the Registration Authority must have regard to the Commercial Legislation in force at the time when the Contravention in question occurred

and in such instances, the enforcement procedure set out in Part 4, Part 5 or Part 7 shall apply (as applicable).

**PART 9**  
**JUDICIAL REVIEW**

**47. Scope of Judicial Review**

- (1) Without prejudice to any legal rights under Abu Dhabi Global Market legislation, a Person may apply for Judicial Review –
- (a) in relation to a decision in a notice relating to a Tier 1 Contravention –
    - (i) where that Person does not submit a Statement of Representations in relation to the Financial Penalty Notice, within 28 Days of the end of the time period for submitting a Statement of Representations under Part 6, section 22 in relation to the relevant Financial Penalty Notice; or
    - (ii) where that Person submits a Statement of Representations in relation to the Financial Penalty Notice, within 28 Days of receiving the decision from the Registration Authority under Part 6, section 23; and
  - (b) in relation to a decision in a notice relating to a Tier 2 Contravention –
    - (i) within 28 Days of receiving a Decision Notice under Part 7, section 28 in relation to that Tier 2 Contravention; or
    - (ii) where that Person is a Licensed Person and where the Registration Authority exercises its supervisory powers under Part 4 or the Registration Authority's CEO exercises his exceptional powers under Part 5, within 28 Days of receiving a Supervisory Notice or an Exceptional Notice, as the case may be; or
  - (c) within such other time period as the ADGM Courts may specify.

## **PART 10**

### **NOTICE INFORMATION**

#### **48. Service of notices under these Administrative Regulations**

- (1) A document, notice or other required information is validly sent or served on the Registration Authority if it is delivered in electronic form in the manner specified by the Registration Authority.
- (2) A document is delivered to a Person by any means that the Registration Authority deems fit, including electronic or physical form, if it is sent to the registered email address of that Person or the registered address of that Person.
- (3) A document, notice or other required information shall be deemed to have been delivered at time that the email is recorded as 'sent' by the Registration Authority by the Registration Authority's email server or a delivery receipt is received.

## **PART 11**

### **FINAL PROVISIONS**

#### **49. Short title and commencement**

- (1) These Regulations shall be referred to as the Administrative Regulations.
- (2) These Regulations shall enter into force on [●].
- (3) For any ongoing enforcement actions that commenced prior to the publication of these Regulations, the enforcement procedure set out in the relevant Commercial Legislation in force at that time shall apply.

## **PART 12**

### **DEFINITIONS**

#### **50. Definitions**

In these Regulations, unless otherwise defined –

"ADGM Courts"	means the first instance courts and courts of appeal of the Abu Dhabi Global Market established by Article 10 of the ADGM Founding Law and governed by Article 13 of that law;
"ADGM Founding Law"	means the Law No. (4) of 2013 Concerning Abu Dhabi Global Market;
"Board of Directors"	means the board of directors of the Abu Dhabi Global Market;
"Business"	includes any part of a business even if it does not consist of carrying on Controlled Activities;
"CEO"	means the chief executive officer of the Registration Authority;
"Commercial Legislation"	means these Regulations, the Application of English Law Regulations, Beneficial Ownership and Control Regulations, Commercial Licensing Regulations, Commercial Permits Regulations, Companies Regulations, Distributed Ledger Technology, Employment Regulations, Foundations Regulations, Healthcare Regulations, Hotel and Tourism Regulations, Insolvency Regulations, Interpretation Regulations, Limited Liability Partnerships Regulations, Off-Plan and Real Property Professionals Regulations, Off-Plan Development Regulations, Real Property Regulations, Registration of Future Interests Regulations, Strata Title Regulations, Takeover Regulations, Trusts Regulations and the Whistleblower Protection Regulations, and includes any of its subordinate legislation that is enacted which relate to the conduct of commercial activities in the Abu Dhabi Global Market ;
"Contravention"	has the meaning ascribed to it in Part 2, section 3;
"Controller" or "control"	has the meaning ascribed to it under the Beneficial Owner and Control Regulations;
"Controlled Activity"	means any activity specified as a controlled activity in Rules made by the Board of Directors under the Commercial Licensing Regulations;
"Day"	means a calendar day and should be interpreted to include every day on the calendar, inclusive of weekends and public holidays;

"Decision Maker"	means an independent decision maker (who may, or may not, have a nexus to the Abu Dhabi Global Market and the United Arab Emirates);
"Decision Notice"	means a notice issued under Part 7, section 28;
"Discontinuance Notice"	means a notice issued under Part 7, section 29;
"Disqualification Order"	means an order against a Person in respect of a Tier 2 Contravention issued in accordance with the relevant Commercial Legislation;
"Enforceable Undertakings"	means a binding and enforceable written undertaking provided by a Person on the Person's letterhead to the Registration Authority;
"Exceptional Notice"	means a notice issued by the Registration Authority, acting through its CEO, under Part 5, section 20;
"Financial Penalty Notice"	means a notice of a Fine issued under Part 6;
"Fine"	means a monetary fine issued under these Regulations in accordance with the Fine Scale;
"Fine Scale"	means the standard fine scale set out at set out at Schedule 1 of these Regulations which may be updated by the Board of Directors from time to time;
"Investigation"	means an investigation under Part 3;
"Investigators"	means one or more competent persons appointed by the Registration Authority, who may include but is not limited to a member of the Registration Authority's staff, to conduct Investigations under Part 3;
"Judicial Review"	means a review of a decision under these Regulations by the ADGM Courts in accordance with the ADGM Courts, Civil Evidence, Judgments, Enforcement and Judicial Appointments Regulations 2015;
"Licence"	means a commercial licence granted by the Registration Authority to conduct Controlled Activities;
"Licensed Person"	means a person who has been Licensed to conduct Controlled Activities by the Registration Authority, and includes a person who was at any time a Licensed Person but who has ceased to be a Licensed Person;
"Matter Concerned"	has the meaning ascribed to it in Part 3, section 7;

"Officer"	means an officer of the Registration Authority and includes a member of the Registration Authority's staff or a representative of the Registration Authority;
"Person"	means a Licensed Person or any other natural or legal person subject to the Commercial Legislation;
"Prohibition Order"	means an Order issued under Part 8, section 40;
"Protected Item"	has the meaning ascribed to it under Part 3, section 12 (2);
"Register"	includes any records kept by the Registration Authority under any enactment;
"Registration Authority"	means the Abu Dhabi Global Market Registration Authority established by Article 10 of the ADGM Founding Law and governed by Article 11 of that law;
"Regulations"	means these Administrative Regulations;
"Relevant Authority"	means any competent authority (who may, or may not, have a nexus to the Abu Dhabi Global Market and the United Arab Emirates) including but not limited to any governmental or quasi-governmental agencies or instrumentalities charged with implementing laws, regulations, rules, policies or any other applicable legislation whose subject matter falls within its authority;
"Seized Document"	means a document seized under an Investigation or under a warrant in accordance with Part 3, section 14;
"Settlement Agreement"	means an agreement entered into under Part 6, section 31;
"Skilled Person"	means a person appearing to the Registration Authority to have the necessary skills to-  (a) make a report on the Matter Concerned in accordance with Part 3, section 7(1)(i); or  (b) collect or update the Information in question in accordance with Part 3, section 7(1) (ii);
"Statement of Representations"	means a statement submitted by a Person in response to either a Financial Penalty Notice, a Warning Notice, a Supervisory Notice or an Exceptional Notice;
"Supervisory Notice"	means a notice issued by the Registration Authority under Part 4, section 19;
"Tier 1 Contravention"	has the meaning ascribed to it in Part 2, section 4;
"Tier 2 Contravention"	has the meaning ascribed to it in Part 2, section 5; and

"Warning Notice" means a notice issued under Part 7, section 24.

**SCHEDULE 1: FINE SCALE**

<b>Fine Scale Level</b>	<b>Tier of Contravention</b>	<b>Amount of Fine (in US Dollars)</b>
1	1	1,000
2		2,000
3	2	10,000
4		50,000
5		100,000
6		250,000
7		500,000
8		1,000,000
9		54,000,000