

FINANCIAL SERVICES AND MARKETS (AMENDMENT NO. [])
REGULATIONS 2025



FINANCIAL SERVICES AND MARKETS (AMENDMENT NO. []) REGULATIONS 2025

Regulations to amend the Financial Services and Markets Regulations 2015.

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 concerning the Abu Dhabi Global Market issued by His Highness the Ruler of the Emirate of Abu Dhabi, hereby enacts the following Regulations—

1. Amendments to the Financial Services and Markets Regulations 2015

...

Part 1 The Regulator
Chapter 1 Powers, Functions and Objectives
1. Powers, Functions and Objectives of the Regulator

- (1) The Regulator has such functions and powers as are conferred on it by or under the ADGM Founding Law and any enactment, including these Regulations.
- (2) The Regulator may do whatever it considers necessary for or in connection with, or reasonably incidental to, performing its functions and exercising its powers.
- (3) In performing its functions and exercising its powers in relation to the financial services industry in the Abu Dhabi Global Market, the Regulator shall pursue the following objectives—
 - (a) to foster and maintain fairness, transparency and efficiency in the Abu Dhabi Global Market;
 - ...
 - (k) to pursue any other objectives as the Board may set for the Regulator pursuant to the ADGM Founding Law.
- (3A) In pursuing the objectives referred to in (3)(e) and (f), the Regulator shall seek to protect the financial services industry of the Abu Dhabi Global Market against being used for a purpose connected with Financial Crime, and in the context of money laundering shall:
 - (a) monitor and enforce, or assist other appropriate authorities to monitor and enforce, compliance with Federal AML Legislation as well as relevant legislation administered by the Regulator; and
 - (b) prevent, detect and restrain conduct in so far as it relates to Relevant Persons.

...

5B. General Direction power relating to Virtual Assets and Fiat-Referenced Tokens

...

(4) The written notice under subsection (3) must—

- (a) give details of the prohibition;
- (b) state the Regulator's reasons for ~~issuing~~ issuing the Direction and for choosing the date on which the prohibition took effect or takes effect;
- (c) inform A that he may make representations to the Regulator within such period as may be specified in the Direction (whether or not he has referred the matter to the Appeals Panel);
- (d) inform A of the date on which the prohibition took effect or will take effect; and
- (e) inform A of his right to refer the matter to the Appeals Panel.

...

19. Regulated Activities

An activity is a Regulated Activity if it is specified as a Regulated Activity in Schedule 1.

19A. Prohibition against misconduct

A person must not, in or from the Abu Dhabi Global Market, engage in conduct in relation to a Specified Investment, Virtual Asset, Spot Commodity, Fiat Currency or Fiat-Referenced Token or a Regulated Activity that is:

- (a) misleading or deceptive or likely to mislead or deceive;
- (b) fraudulent; or
- (c) dishonest.

...

28. The Threshold Conditions

- (1) In giving or varying a Financial Services Permission, or imposing or varying a requirement under any provision of this Part, the Regulator must ensure that the person concerned will satisfy, and continue to satisfy, in relation to all of the Regulated Activities for which the person has or will have a Financial Services Permission, any Threshold Conditions specified by the Regulator in Threshold Condition Rules made under section 7(2).
- (2) The duty imposed by subsection (1) does not prevent the Regulator, having due regard to that duty, from imposing additional requirements or taking such steps as it considers are necessary, in relation to a particular person, in order to further one or more of its objectives.

...

30. Granting a Financial Services Permission

- (1) This section applies in relation to an Application for a Financial Services Permission under section 27.
- (2) The Regulator may grant a Financial Services Permission for the Applicant to carry on the Regulated Activity or Regulated Activities to which the Application relates or such of them as may be specified in the Financial Services Permission.
- (3) If it grants a Financial Services Permission, the Regulator must specify the permitted Regulated Activity or Regulated Activities, described in such manner as the Regulator considers appropriate.
- (3A) The Regulator may grant a Financial Services Permission under section 30(2) subject to such conditions, restrictions or limitations as the Regulator considers appropriate.

...

Variation, suspension and cancellation of a Financial Services Permission

32. Variation by the Regulator at the request of an Authorised Person

- (1) The Regulator may, on the application of the Authorised Person, vary its Financial Services Permission by—

...

33. Variation, suspension or cancellation on initiative of the Regulator

- (1) The Regulator may exercise its power under this section in relation to an Authorised Person with a Financial Services Permission ("A") if it appears to the Regulator that—
 - (a) A is failing, or is likely to fail, to satisfy the Threshold Condition Rules;
 - (b) A has committed a contravention of these Regulations or any Rules made under these Regulations;
 - (c) A has failed, during a period of at least 12 months, to carry on a Regulated Activity to which the Financial Services Permission relates; or
 - (d) it is necessary or desirable to exercise the power in order to further one or more of the Regulator's objectives.
- (2) The Regulator's power under this section is the power—
 - (a) to vary the Financial Services Permission by—
 - (i) adding a Regulated Activity to those to which the Financial Services Permission relates;

- (ii) removing a Regulated Activity from those to which the Financial Services Permission relates; or
- (iii) varying the description of a Regulated Activity to which the Financial Services Permission relates in a way which does not, in the opinion of the Regulator, widen the description; or
- (b) to cancel the Financial Services Permission; or
- (c) to suspend the Financial Services Permission of an Authorised Person for a period not exceeding 12 months.

(3) If, as a result of a variation of a Financial Services Permission under this section, there are no longer any Regulated Activities for which the Authorised Person concerned has a Financial Services Permission, the Regulator must, once it is satisfied that it is no longer necessary to keep the Financial Services Permission in force, cancel it.

(4) The power of the Regulator to vary a Financial Services Permission under this section extends to including in the Financial Services Permission as varied any provision that could be included if a fresh Financial Services Permission were being given in response to an Application to the Regulator under section 27.

(5) Where the Regulator:

- (a) is conducting an investigation under section 205; and
- (b) in the course of such investigation, the Regulator believes on reasonable grounds that an Authorised Person has engaged in misconduct that may form grounds for variation, suspension or cancellation of the firm's Financial Services Permission under this section;

it may suspend or vary the Financial Services Permission of such firm for the duration of the investigation and related proceedings insofar as such investigation or proceedings relate to the Authorised Person.

(56) The power of the Regulator under ~~this section~~ subsection (2)(a) is referred to in these Regulations as its Own-Initiative Variation Power.

(7) The power of the Regulator under subsections (2)(c) and (5) is referred to in these Regulations as its Own-Initiative Suspension Power.

...

42. Exercise of Own-Initiative Power: procedure

(1) This section applies to an exercise of the Regulator's Own-Initiative Variation Power, Own-Initiative Suspension Power or Own-Initiative Requirement Power in relation to an Authorised Person ("A").

(2) A variation or suspension of a Financial Services Permission or the imposition or variation of a requirement takes effect—

- (a) immediately, if the notice given states that that is the case;
- (b) on such date as may be specified in the notice; or
- (c) if no date is specified in the notice, when the matter to which the notice relates is no longer open to review.

(3) A variation or suspension of a Financial Services Permission, or the imposition or variation of a requirement, may be expressed to take effect immediately (or on a specified date) only if the Regulator, having regard to the ground on which it is exercising its Own-Initiative Variation Power or Own-Initiative Requirement Power, reasonably considers that it is necessary for the variation, suspension or the imposition or variation of the requirement, to take effect immediately (or on that date).

(4) If the Regulator proposes to vary or suspend a Financial Services Permission or to impose or vary a requirement, or varies or suspends a Financial Services Permission or imposes or varies a requirement, with immediate effect, it must give A written notice.

(5) The notice must—

- (a) give details of the variation or suspension of the permission or the requirement or its variation;
- (b) state the Regulator's reasons for the variation or suspension of the permission or the imposition or variation of the requirement;
- (c) inform A that A may make representations to the Regulator within such period as may be specified in the notice (whether or not A has referred the matter to the Appeals Panel);
- (d) inform A of when the variation or suspension of the permission or the imposition or variation of the requirement takes effect; and
- (e) inform A of A's right to refer the matter to the Appeals Panel.

(6) The Regulator may extend the period allowed under the notice for making representations.

(7) If, having considered any representations made by A, the Regulator decides—

- (a) to vary or suspend the permission, or impose or vary the requirement, in the way proposed; or
- (b) if the permission has been varied or suspended, or the requirement imposed or varied, not to rescind the variation or suspension of the permission or the imposition or variation of the requirement;

it must give A written notice.

(8) If, having considered any representations made by A, the Regulator decides—

- (a) not to vary or suspend the permission, or impose or vary the requirement, in the way proposed;
- (b) to vary or suspend the permission or requirement in a different way, or impose a different requirement; or
- (c) to rescind a variation or suspension or requirement which has effect;

it must give A written notice.

(9) A notice under subsection (7) must inform A of A's right to refer the matter to the Appeals Panel.

(10) A notice under subsection (8)(b) must comply with subsection (5).

(11) For the purposes of subsection (2)(c), whether a matter is open to review is to be determined in accordance with section 252(7).

...

48. Variation or suspension of Approval on initiative of Regulator

- (1) The Regulator may vary an Approval given under section 45 if the Regulator considers that it is necessary or desirable to do so in order to further one or more of its objectives.
- (2) The Regulator may vary an Approval by—
 - (a) imposing a condition;
 - (b) varying a condition;
 - (c) removing a condition; or
 - (d) limiting the period for which the Approval is to have effect.
- (3) A condition may, in particular, be imposed so as to require any person to take, or refrain from taking, specified action.
- (4) The Regulator may suspend an Approval given under section 45, for a period not exceeding 12 months, if the Regulator—
 - (a) has reasonable grounds to believe that the person is not a fit and proper person to perform the Controlled Function in question; or
 - (b) considers it necessary or desirable to do so in order to further one or more of its objectives.
- (5) Where the Regulator:
 - (a) is conducting an investigation under section 205; and

(b) in the course of such investigation believes on reasonable grounds that an Approved Person has engaged in misconduct that may form grounds for the withdrawal of the individual's Approved Person status;

it may, suspend the Approved Person status of such individual for the duration of the investigation or related proceedings insofar as such investigation or proceedings relate to the Approved Person.

49. Exercise of power under section 48: procedure

- (1) This section applies to an exercise by the Regulator of the power to vary or suspend an Approval under section 48.
- (2) A variation or suspension takes effect—
 - (a) immediately, if the notice given states that that is the case;
 - (b) on such date as is specified in the notice; or
 - (c) if no date is specified in the notice, when the matter to which the notice relates is no longer open to review.
- (3) A variation or suspension may be expressed to take effect immediately (or on a specified date) only if the Regulator reasonably considers that it is necessary for the variation or suspension to take effect immediately (or on that date).
- (4) If the Regulator proposes to vary or suspend an Approval or varies an Approval with immediate effect, it must give each of the Interested Parties written notice.
- (5) The notice must—
 - (a) give details of the variation or suspension;
 - (b) state the Regulator's reasons for the variation or suspension;
 - (c) inform the Interested Parties that each of them may make representations to the Regulator within such period as may be specified in the notice (whether or not any of the Interested Parties has referred the matter to the Appeals Panel);
 - (d) inform the Interested Parties of when the variation or suspension takes effect; and
 - (e) inform the Interested Parties of the right of each of them to refer the matter to the Appeals Panel.
- (6) The Regulator may extend the period allowed under the notice for making representations.
- (7) If, having considered the representations made by the Interested Parties, the Regulator decides to vary or suspend the Approval, or if the variation or suspension has taken effect, not to rescind it, it must give each of the Interested Parties written notice.

(8) If, having considered the representations made by the Interested Parties, the Regulator decides—

- (a) not to vary or suspend the Approval;
- (b) to vary or suspend the Approval in a different way; or
- (c) if the variation or suspension has taken effect, to rescind it;

it must give each of the Interested Parties written notice.

(9) A notice under subsection (7) must inform the Interested Parties of the right of each of them to refer the matter to the Appeals Panel.

(10) A notice under subsection (8)(b) must comply with subsection (5).

(11) For the purposes of subsection (2)(c), whether a matter is open to review is to be determined in accordance with section 252(7).

...

106A. Restrictions on offering Units in a Fund

(1) A person shall not make an Offer of a Unit in the Abu Dhabi Global Market except as provided for under these Regulations and the Rules made for the purposes of these Regulations.

(2) For the purposes of this Part and the Rules made under these Regulations, the Regulator may by Rules prescribe when an offer to sell or transfer a Unit does not constitute an Offer.

106B. Stop orders

(1) If the Regulator is satisfied that an Offer of a Unit would contravene or has contravened these Regulations or it is in the interests of the Abu Dhabi Global Market, the Regulator may issue a stop order to a person or class of persons directing that no Offer, issue, sale or transfer of the Unit be made by such person or persons for such a period of time as it thinks appropriate.

(2) Upon making a decision under subsection (1), the Regulator shall, without undue delay, inform the relevant person or class of persons in writing of its decision.

(3) An order under subsection (1) takes effect—

- (a) immediately, if the notice under subsection (4) states that that is the case;
- (b) in any other case, on such date as may be specified in that notice.

(4) If the Regulator—

- (a) proposes to exercise the power in subsection (1) in relation to a person; or

(b) exercises any of those powers in relation to a person with immediate effect; it must give that person written notice.

(5) The notice must—

- (a) give details of the Regulator's action or proposed action;
- (b) inform them of the date on which the action took effect or takes effect;
- (c) state the Regulator's reasons for taking the action in question and choosing the date on which it took effect or takes effect;
- (d) inform the recipient that they may make representations to the Regulator within such period as may be specified by the notice (whether or not they have referred the matter to the Appeals Panel); and
- (e) inform them of their right to refer the matter to the Appeals Panel.

(6) The Regulator may extend the period within which representations may be made to it.

(7) If, having considered any representations made to it, the Regulator decides to maintain, vary or revoke its earlier decision, it must give written notice to that effect to the person mentioned in subsection (4).

(8) A notice given under subsection (7) must inform that person, where relevant, of their right to refer the matter to the Appeals Panel.

...

111. Withdrawal of registration

...

(2) The Regulator may withdraw the registration of a Fund under subsection (1) only if it considers that—

- (a) the withdrawal is in the interests of the Unitholders of the Fund; or
- (b) appropriate steps have not been taken or may are not reasonably expected to be taken to protect the interests of the Unitholders.

...

124C. Exercise of Own-Initiative Requirement Power: Procedure

(1) This section applies to an exercise of Own-Initiative Requirement Power by the Regulator in relation to a Recognised Body ("A").

...

Power to issue directions for prudential purposes

202. Power to issue directions for prudential purposes

...

- (4) A direction issued under this section comes into force on the date specified in it and remains in force, subject to subsection (614), until it is revoked or varied in writing by the Regulator pursuant to subsection (513).
- (5) A direction may be expressed to take effect immediately (or on a specified date) only if the Regulator reasonably considers that it is necessary for the direction to take effect immediately (or on the date specified).
- (6) If the Regulator proposes to issue a direction, or decides to issue a direction with immediate effect, under this section, it must give the subject or subjects of the direction written notice.
- (7) The notice under subsection (6) must—
 - (a) give details of the direction;
 - (b) state the Regulator's reasons for the direction;
 - (c) inform the subject, or subjects of the direction, that they may make representations to the Regulator within such period as may be specified in the notice (whether or not they have referred the matter to the Appeals Panel);
 - (d) inform the subject or subjects of the direction when the direction takes effect; and
 - (e) inform the subject or subjects of the direction of their right to refer the matter to the Appeals Panel.
- (8) The Regulator may extend the period allowed under the notice for making representations.
- (9) If, having considered any representations made to the Regulator by the subject or subjects of the direction, the Regulator decides—
 - (a) to issue the direction in the way proposed; or
 - (b) if the direction has been issued with immediate effect, not to rescind the direction;

it must give the subject or subjects of the direction written notice.
- (10) If, having considered any representations made to the Regulator by the subject or subjects of the direction, the Regulator decides—
 - (a) not to issue the direction in the way proposed;

- (b) to issue the direction in a different way, or issue a different direction; or
- (c) to rescind the direction which has effect;
it must give the subject or subjects of the direction written notice.

(11) A notice under subsection (9) must inform the subject or subjects of the direction of their right to refer the matter to the Appeals Panel.

(12) A notice under subsection (10)(b) must comply with subsection (7).

(513) The Regulator may, by notice, revoke or vary any direction given pursuant to this section.

(614) A direction issued to Authorised Persons or Recognised Bodies within a specified class under subsection (1), including any variation made to such a direction pursuant to subsection (513), shall not remain in force for a period longer than 12 months from the date specified in the initial direction issued pursuant to subsection (1).

...

Part 21 Enforcement Procedure

246. Requirement to give warning notices

(1) If the Regulator proposes to exercise any of the following powers, it must give a warning notice to any person in relation to whom the power is proposed to be exercised—

- (a) refusing an application for DNFBP registration under the Rules made under section 7(6)(c);
- (b) exercising its power to suspend or withdraw the registration of a DNFBP on its own initiative under the Rules made under section 7(6)(c);
- (c) exercising its power under section 30(2) to refuse a Financial Services Permission and section 30(4)(a) or (b) on granting a Financial Services Permission;
- (d) exercising its power under section 33(2)(b) to cancel a Person's Financial Services Permission other than at the Person's request;
- (e) refusing an Application for Approval or granting the Application subject to any conditions or for a limited period (or both) under section 45(2);
- (f) withdrawing ~~approval~~ Approval to perform a Controlled Function under section 46;
- (g) refusing an Application under section 47 or granting the Application subject to any conditions or for a limited period (or both) under section 47(1);
- (h) refusing an Application for Listing under section 52(1);

- (i) refusing an application by the Issuer of Financial Instruments for the Discontinuance or Suspension of the Listing of the Financial Instruments under section 55;
- (j) refusing an application by the Issuer of Financial Instruments for the cancellation of a Suspension of Listing under section 55(4);
- (k) refusing approval to a Prospectus under Rules made under section 61;
- (l) refusing an application under section 72(4);
- (m) refusing an Application for registration of a Public Fund under section 109;
- (n) withdrawing the registration of a Public Fund under section 111;
- (o) giving direction under section 111(3);
- (p) giving a Direction under section 117;
- (q) ~~exercising its powers to issue directions for prudential purposes under section 202;~~
- (rq) publishing a statement under section 231;
- (sr) imposing a financial penalty under section 232;
- (ts) exercising its powers under section 233;
- (ut) imposing a Prohibition Order under section 234 or refusing an application for variation or revocation of such an order made under subsection (5) of that section; or
- (u) exercising its power under section 241(5).

(2) In the case of an exercise of powers under section 111, a warning notice shall also be given to the Fund Manager and Trustee of the Public Fund concerned.

(3) The requirement to give a warning notice in this section 246 does not apply to a decision by the Regulator:

- (a) to withdraw a direction, requirement or restriction;
- (b) to withdraw a condition, limitation or restriction imposed in relation to a Financial Services Permission, authorisation or approval; or
- (c) in relation to a person, if the person has requested, or consented in writing to, the making of the decision.

(4) In the cases referred to in subsection (3), the Regulator must notify the person in writing of the decision and the date on which it is to take effect.

247. Warning notices

...

- (3) If the Regulator concludes that any delay likely to arise as a result of complying with the procedures in this section 247 and section 254 would be prejudicial to the interests of direct or indirect users of the ADGM Financial System or otherwise prejudicial to the interests of the ADGM Financial System:
 - (a) the requirements in section 247 and section 254 do not apply; and
 - (b) instead the Regulator must provide the person or Third Party, as applicable, with an opportunity to make representations after it has made the decision.
- (4) If the Regulator made a decision under subsection (3) it must give the person concerned a decision notice in accordance with section 249 and specify how and by when any representations may be made to the Regulator.
- (5) If the Regulator does not receive any representations within the period specified in the decision notice under subsection (4), it must inform the person in writing that the decision is to stand (subject to any right of the person to refer the matter to the Appeals Panel for review).
- (6) If the Regulator receives representations within the period specified in the decision notice, it must consider the representations in deciding whether to confirm, withdraw or vary the decision.
- (7) If after considering representations received the Regulator decides:
 - (a) to confirm the decision, it must as soon as practicable notify the person in writing that the decision is to stand (subject to any right of the person to refer the matter to the Appeals Panel for review);
 - (b) to withdraw the decision, it must as soon as practicable notify the person in writing that the decision has been withdrawn; or
 - (c) to vary the decision, it must as soon as practicable give the person an amended decision notice in accordance with section 249.

...

249. Decision notices

- (1) A decision notice, must, to the extent applicable—
 - (a) state the action which the Regulator has decided to take;
 - (b) be in writing;
 - (c) give the reasons of the Regulator for taking the action to which the notice relates;

- (d) state whether—
 - (i) section 255 applies;
 - (ii) if that section applies, describe its effect and state whether any Secondary Material exists to which the person concerned must be allowed access under it; and
- (e) inform the person concerned of its right to have the matter referred to the Appeals Panel which is given by these Regulations;
- (f) state the amount of any financial penalty to be ~~made paid~~;

...

251. Final notices

...

- (4) A final notice must, to the extent applicable—

- (a) state the amount of any financial penalty to be ~~made paid~~ and the date by which it is to be paid;

...

253. Application of sections 254 and 255

Sections 254 and 255 apply to—

- (a) a warning notice given in accordance with section 246(1)(d), (f), (l), (n), (o), (p), (q), (r), (s), (t); or (u) or (v); and
- (b) a decision notice given following a warning notice falling within paragraph (a) and in relation to the same matter as the warning notice.

...

258. Definitions

- (1) In these Regulations, unless the context otherwise requires—

Own-Initiative Powers	means the Regulator's Own-Initiative Variation Power, Own-Initiative Suspension Power and its Own-Initiative Requirement Power.
Own-Initiative Suspension Power	means the Regulator's power specified in sections 33(2)(c) and 33(5).

Recognised Clearing House	means a clearing house which provides <u>clearing and</u> Clearing Services in the Abu Dhabi Global Market in relation to which a Recognition Order is in force.
----------------------------------	--

...

2. **Short title, extent and commencement**

- (1) These Regulations may be cited as the Financial Services and Markets (Amendment No. []) Regulations 2025.
- (2) These Regulations shall apply in the Abu Dhabi Global Market.
- (3) These Regulations come into force on the date of their publication.