

Fund Rules Rulebook (FUNDS)

*In this attachment underlining indicates new text and striking through indicates deleted text.



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- 1.1.1 These Rules apply to every Person who carries on, or intends to carry on, in or from ~~the Abu Dhabi Global Market~~ ADGM the Regulated Activities of:

...

- 1.1.3 These Rules also apply to an Authorised Person that:

- (a) carries on a Regulated Activity; or
- (b) undertakes a Transaction in or from ~~the Abu Dhabi Global Market~~ ADGM;

in relation to a Domestic Fund or Foreign Fund.

Guidance

1. These Rules regulate Fund Managers.
2. These Rules also apply to marketing and selling of Units of Foreign Funds in or from ~~the Abu Dhabi Global Market~~ ADGM and to the carrying on of a Regulated Activity in relation to a Foreign Fund where any such activity is undertaken by an Authorised Person. In that regard, the COBS Rules also apply to the carrying on of Regulated Activities by an Authorised Person.
3. If a Domestic Fund or Foreign Fund intends to list its Units on a Recognised Body, it will need to comply with the relevant Rules in the MKT Rulebook and the MIR Rulebook in respect of Domestic Funds.
4. For the purposes of these Rules, an oversight provider is any person that would conduct oversight of a Public Fund, as permitted in accordance with FUNDS Rules 13.3.2.

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PART 2: DEFINITIONAL PROVISIONS

Guidance

In these Rules, a reference to a "Fund" is a reference to a Collective Investment Fund as defined in Section 106 of ~~the~~ FSMR. The definition under Section 106 is very wide. However, Rule 2.1 below sets out certain excluded arrangements which do not fall within the definition of a Fund.

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Certificates or Options

- 2.1.8 An arrangement does not constitute a Fund if the rights or interests of the participants in the arrangement are Investments of the kind specified under Sections 92 or 94 of Schedule 1 of ~~the~~ FSMR.

Time-share and other 'property-enjoyment' related arrangements

- 2.1.9 An arrangement does not constitute a Fund:
- (a) if the rights or interests of each of the participants in the arrangement are time share rights; or
 - (b) if:
 - (i) the predominant purpose of the arrangement is to enable the participants to share in the use or enjoyment of property or to make its use or enjoyment available gratuitously to others; and
 - (ii) the property to which the arrangement relates does not consist of or include the currency of any country or territory or Investments, as defined in Part 3 of Schedule 1 of the FSMR or, which would be such Investments if not for any applicable exclusion.

...

- 3.1.1 (1) A Fund is either a Domestic Fund or a Foreign Fund.
- (2) A Fund is a Domestic Fund if it is established or domiciled in ~~the Abu Dhabi Global Market~~ ADGM.

...

- 4.1.1 (1) A Domestic Fund that falls within one or more of the criteria specified in Rules 4.1.2 to 4.1.7 is hereby prescribed to be a Domestic Fund of that specialist class or classes.
- (2) A Foreign Fund that falls within one or more of the criteria specified in Rules 4.1.2 to 4.1.7 is hereby prescribed to be a Foreign Fund of that specialist class or classes for the purposes of:
- (a) managing that Fund in ~~the Abu Dhabi Global Market~~ ADGM;
 - (b) marketing of the Units of that Fund in or from ~~the Abu Dhabi Global Market~~ ADGM; or
 - (c) determining whether a Domestic Fund investing in such a Fund continues to meet any criteria or other requirements applicable to that Domestic Fund.

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ADGM Climate Transition Fund

- 4.1.9 A Fund is an ADGM Climate Transition Fund only if it complies with the ADGM ~~Green Fund~~ Climate Transition Rules, as set out in Part 8 of these Rules.

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5.1.1 The activities specified in Rules 5.1.2, 5.1.3 and 5.1.4 are hereby prescribed as not constituting an Offer, of a Unit, for the purposes of ~~the~~FSMR and these Rules.

5.1.2 A Person does not make an Offer of a Unit by offering to sell or transfer a Unit that is owned by that Person if the offer to sell or transfer:

- (a) is capable of acceptance only by the Person to whom that offer is made; and
- (b) is not made by way of a financial promotion as defined in Schedule 2 of ~~the~~FSMR.

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6.1.1 (1) An application pursuant to Section 107 of ~~the~~FSMR for the registration of a Public Fund must be made to the Regulator by the legal Person which is to be the Fund Manager of a Domestic Fund. If the Fund is an Investment Trust, then the Trustee and Fund Manager must jointly apply.

(2) The Fund Manager and, if applicable, the Trustee must complete and submit the appropriate form or forms (which shall be in such form as the Regulator may prescribe).

(3) In addition to the requirements of Section 107 of ~~the~~FSMR, the application must be accompanied by:

- (a) copies of the Fund's Constitution and Prospectus; and
- (b) certification by the Fund Manager and (where applicable) the Trustee to the effect that:
 - (1) the Constitution of the Fund complies with the requirements prescribed under these Rules and ~~the~~FSMR;
 - (2) the Prospectus complies with the requirements prescribed under these Rules and ~~the~~FSMR; and
 - (3) if the Fund is managed by a Foreign Fund Manager, the requirements in Rule 7.1 are met.

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6.1.4 Subject to the provisions of these Rules, a Fund will only be registered by the Regulator if it satisfies the following conditions:

- (a) the incorporation or other legal formalities relating to the formation of the Fund are completed;

...

- (c) the Fund, if it is an Investment Trust, has a Trustee which meets the requirements in these Rules and ~~the~~FSMR;

...

- (e) the Fund Manager has made satisfactory arrangements in relation to the oversight function of the Fund and the delegation of the Regulated Activity of Providing Custody as required under ~~the~~FSMR and these Rules;

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Rejection of an application

Guidance

Under Section 109 of ~~the~~FSMR, the Regulator may refuse to grant an application for the registration of a Fund if it is not satisfied that the requirements referred to in Section 107 of ~~the~~FSMR have been met.

Granting registration

Guidance

1. Under Section 110 of ~~the~~FSMR, once the Regulator grants registration of a Fund, it will without undue delay inform the relevant applicant in writing of:

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Withdrawal of registration

Guidance

Under Section 111 of ~~the~~FSMR, the Regulator may withdraw the registration of a Fund in specified circumstances.

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- 6.2.1 A Fund Manager of an Exempt Fund, when notifying the Regulator pursuant to Section 112 of ~~the~~FSMR, must also include:

...

- 6.2.2 A Fund Manager of a Qualified Investor Fund, when notifying the Regulator pursuant to Section 112 of ~~the~~FSMR, must also include a general description of the Fund including the nature of its investments and the intended size of the Fund in monetary terms, and such other information as the Regulator may from time to time request.

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- 6.3.1 A Protected Cell Company and an Incorporated Cell Company cannot be established in ~~the Abu Dhabi Global Market~~ADGM without the consent of the Regulator.

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6.3.6 (1) The Regulator may:

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The procedures in Part 21 of ~~the~~ FSMR apply to a decision of the Regulator under (1)(b) and (c).

(2) If the Regulator decides to exercise its power under (1)(b) and (c), the Domestic Fund may refer the matter to the ~~Regulatory Committee~~ Appeals Panel for review.

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7.1 **Authorisation Requirements for Foreign Fund Managers of Domestic Funds****Subjecting to the ~~Abu Dhabi Global Market~~ADGM jurisdiction / Equivalence**

7.1.1 A Foreign Fund Manager to whom this Chapter applies must:

- (a) be subject to regulation by, or registration with, a Financial Services Regulator in a Recognised Jurisdiction or a jurisdiction otherwise acceptable to the Regulator with respect to its activity of managing Funds; and
- (b) either:
 - (1) subject itself to the ~~Abu Dhabi Global Market~~ADGM laws and regulations and the jurisdiction of the ~~Abu Dhabi Global Market~~ADGM Courts so far as they apply to its activities relating to the Domestic Fund; or
 - (2) be subject to the laws and regulations of a Zone 1 jurisdiction or Recognised Jurisdiction as they apply to managing Funds; or
 - (3) be subject to laws and regulations that are otherwise, in the opinion of the Regulator, reasonably equivalent to those of the ~~Abu Dhabi Global Market~~ADGM as they apply to management of Domestic Funds,

and, in each case, sign the appropriate declaration for that purposes as may be required by the Regulator.

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PART 4: MARKETING OF DOMESTIC AND FOREIGN FUNDS**Guidance**

1. Section 18 of ~~the~~ FSMR contains the restrictions on the financial promotion of Units in a Fund by any person other than an Authorised Person, and Schedule 2 of ~~the~~ FSMR specifies the limited circumstances in which such a person may market Units in a way that does not breach the general prohibition. In addition, these Rules prescribe that an Authorised Person may not market a Unit in ~~the~~ Abu Dhabi Global MarketADGM unless:

- a. a Prospectus that complies with any relevant requirements in the FSMR and these Rules is made available to the person to whom the Offer is made;
- b. a notification is provided to the Regulator in compliance with these Rules;
- c. the Person marketing the Unit is an Authorised Person whose Financial Services Permission authorises it to do so; and
- d. the Offer of a Unit is made in accordance with the applicable requirements in the FSMR or these Rules.

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8.1 Regulator Notification

(1) An Authorised Person must, within 30 days of commencing marketing any Fund in or from ~~the Abu Dhabi Global Market~~ ADGM, notify the Regulator of certain details relating to the Fund, being:

...

9. MARKETING OF DOMESTIC FUNDS AND PROSPECTUS DISCLOSURE

9.1 Prospectus disclosure for Domestic Funds

Guidance

1. While an Authorised Person is required by virtue of these Rules when making an Offer of a Unit of a Domestic Fund to another Person to make available to that other Person a Prospectus, the obligation to produce a Prospectus is imposed under Rule 9.2 on the Fund Manager of a Domestic Fund.

...

4. The requirements relating to Domestic Funds do not apply to a Foreign Fund managed by an Authorised Fund Manager, unless otherwise provided in the FSMR or these Rules. As a result, the general Prospectus requirements set out in these Rules do not apply to Foreign Funds, except that:

- a. any offering document prepared in connection with the Foreign Fund is regarded as a Prospectus for the purposes of the requirements relating to the Offer of Units of such a Fund in or from ~~the Abu Dhabi Global Market~~ ADGM; and
- b. the Regulator has the power to prescribe any additional disclosure to be included in such a document.

Those requirements are specified in Rules 10.1.1 to 10.1.7.

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Publicity

9.3.2 (1) A person undertaking a financial promotion in respect of a Prospectus shall ensure that:

- (a) the information contained in the Prospectus complies with this Rule and the FSMR;
- (b) the Fund Manager, in the case of a Public Fund, has filed a copy of the Prospectus with the Regulator in accordance with Rule 9.2.1(b); and
- (c) the financial promotion states a Prospectus has been published and gives an address where a copy may be collected in ~~the Abu Dhabi Global Market~~ ADGM.

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Supplementary and Replacement Prospectuses

Guidance

1. Rule 9.3.1(3) requires a Fund Manager to issue, if, at any time after the issue of a Prospectus there is a material change affecting any matter contained in the Prospectus or a significant new matter arises, a Supplementary or a Replacement Prospectus in the manner prescribed in these Rules.
2. Any reference in ~~the FSMR~~ and these Rules to a Prospectus includes an offering document of an Exempt Fund or of a Qualified Investor Fund and any Supplementary or Replacement Prospectus, unless otherwise provided. Accordingly, all requirements that apply to a Prospectus apply equally to each of those documents except where stated otherwise.

...

9.7.3 A Fund Manager and an Authorised Person making an Offer of a Unit of a Fund meet the requirement in Rule 9.7.1 or Rule 9.7.2 as is relevant by:

- (a) maintaining at its place of business in ~~the Abu Dhabi Global Market~~ ADGM copies of the relevant Prospectus for inspection by Clients and by the Regulator during normal business hours; or
- (b) being able to advise readily of a location in ~~the Abu Dhabi Global Market~~ ADGM where copies of the Prospectus are available.

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10.1 Access to Foreign Funds and availability of Prospectus

Guidance

1. An Authorised Fund Manager or other Authorised Person may offer Units of a Foreign Fund in or from ~~the Abu Dhabi Global Market~~ ADGM in accordance with this Rule 10.
2. The Regulator has the power to prescribe any additional criteria, requirements or conditions that apply to the Offer of Units of a Foreign Fund, including

disclosure that must be included in a Prospectus and the legal form and structure of the Fund such as being open-ended or closed ended or listed or not.

Clients to whom Offers of Units of Foreign Funds can be made

- 10.1.1 An Authorised Fund Manager or other Authorised Person must not, in or from the ~~Abu Dhabi Global Market~~ ADGM, Offer a Unit of a Foreign Fund to a Retail Client unless the Units of the Foreign Fund can be offered, under the home jurisdiction regulation applying to that Fund, to retail investors.

Prospectus disclosure relating to Foreign Funds

- 10.1.2 Where an Authorised Fund Manager or other Authorised Person Offers a Unit of a Foreign Fund to a Person in the ~~Abu Dhabi Global Market~~ ADGM, it must make available to that Person at the time of the Offer a copy of a current Prospectus relating to the Fund which complies with the additional requirements in Rule 10.1.3 and Rule 10.1.4.

Guidance

A Prospectus includes, in the case of a Foreign Fund the Units of which are marketed in or from the ~~Abu Dhabi Global Market~~ ADGM, any prospectus or other disclosure document prepared in accordance with the laws applicable to that Foreign Fund.

- 10.1.3 (1) The Prospectus of a Foreign Fund made available by an Authorised Fund Manager or other Authorised Person must be available in the English language.

(2) The Prospectus must contain in a prominent position, or have attached to it, a statement that clearly:

- (a) describes the foreign jurisdiction and the legislation in that jurisdiction that applies to the Fund;

...

- (d) includes the following warning:

"The Financial Services Regulatory Authority of the ~~Abu Dhabi Global Market~~ ADGM accepts no responsibility for reviewing or verifying any Prospectus or other documents in connection with this Fund.

The Units to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Units.

If you do not understand the contents of this document you should consult an authorised financial adviser."; and

...

- 10.1.5 An Authorised Fund Manager or other Authorised Person which makes an Offer of a Unit of a Foreign Fund must maintain at its place of business or other designated location in the ~~Abu Dhabi Global Market~~ ADGM copies of the relevant Prospectus for inspection by Clients and by the Regulator during normal business hours.

...

General requirements

- 11.1.2 (1) Every Domestic Fund shall have:
- (a) a written Constitution which complies with these Rules;
- ...
- (d) if it is an Investment Trust, a Trustee appointed to the Fund in accordance with the requirements in ~~the~~FSMR and these Rules;
- ...
- (2) Any provision in the Constitution of a Domestic Fund is void in so far as it would have the effect of exempting the Fund, the Fund Manager and, if appointed, the Trustee from liability for any failure to discharge their obligations under these Rules, ~~the~~FSMR, or any rules made for the purposes of these laws.

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Name of the Fund

- 11.1.5 The Fund Manager and, if appointed, the Trustee of a Fund must ensure that the name of the Fund or any Sub-Fund or class of Units in the Fund or Sub-Fund, is not undesirable, misleading or in conflict with the name of another Fund or another Sub-Fund or class of Units in the Fund or Sub-Fund.

Guidance

1. Pursuant to Section 117 of FSMR, the Regulator has the power to make a direction if a name of a Fund, Sub-Fund or class of Units in a Fund is undesirable, misleading or conflicts with a name used by another Fund, Sub-Fund or class of Units of a Fund.
2. In determining whether to make a direction under these powers, the matters that the Regulator may take into account include whether the name of the Fund, Sub-Fund or class of Units as the case may be:
 - a. implies that the Fund, Sub-Fund or class of Units has merits which are not, or might not be, justified;
 - b. is inconsistent with the Fund's investment objectives or policy;
 - c. might mislead Unitholders or prospective Unitholders into thinking that a Person other than the Fund Manager is responsible for the Fund, Sub-Fund or class of Units of the Fund;

- d. is substantially similar to the name of another Fund in the ~~Abu Dhabi Global Market~~ ADGM or elsewhere; or
- e. is in the opinion of the Regulator likely to offend the public.

...

Application

- 12.1.1 (1) This Chapter applies to a Fund Manager and, if appointed, the Trustee of a Fund, except as provided in (3) or where otherwise provided in this Chapter.

...

Guidance

1. Rule 12.2.1 requires the Fund Manager to manage the Fund in accordance with the Fund's Constitution and its most recent Prospectus and to perform the functions conferred on it by the Constitution, these Rules and ~~the FSMR~~. In doing so, the Fund Manager is required under this Rule to comply with any conditions or restrictions on its Financial Services Permission as well as any limitations or requirements imposed by or under these Rules and ~~the FSMR~~.

...

- 12.2.2 (1) In exercising its powers and carrying out its duties, a Fund Manager shall:

- (a) act honestly;

...

- (j) carry out or comply with any other duty, not inconsistent with any enactment or rule of law in ~~the Abu Dhabi Global Market~~ ADGM, that is conferred on the Fund Manager by the Fund's Constitution.

- (2) Every officer, employee or agent of the Fund Manager shall:

- (a) not make improper use of information acquired through being such an officer, employee or agent of the Fund Manager in order to:

...

- (d) carry out or comply with any other duty, not inconsistent with any enactment or rule of law in ~~the Abu Dhabi Global Market~~ ADGM, that is conferred on him by the Fund's Constitution.

- (3) A Fund Manager shall take reasonable steps to ensure that its officers, employees and agents comply with their obligations referred to above.

- 12.2.3 Subject to compliance with any duties conferred on the Trustee by the Trust Deed which are not inconsistent with these Rules and ~~the FSMR~~, Rules 12.2.2(1)(a), (b), (c) and (e) and 12.2.2(2)(a) through (c) shall apply equally to Trustees as to Fund Managers.

- 12.2.4 Where the Fund Manager is required to obtain the prior consent or approval of the Trustee before it is able to carry out any of its functions outlined herein or under ~~the~~ FSMR, the Trustee shall provide such consent or approval to the Fund Manager without any unnecessary delay. If the Trustee decides to withhold such consent or approval, it shall also notify the Fund Manager of that decision and the reasons without any unnecessary delay.

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Alternative arrangements for safekeeping

- 12.3.3 (1) A Fund Manager of a Domestic Fund is not required to appoint an Eligible Custodian for the Fund pursuant to Rule 12.3.2 where it meets the requirements in either (2) and (3), or (4).

...

(3) If the Fund Manager or, in the case of an Investment Trust, the Trustee, implements arrangements in accordance with (2), it must satisfy the Regulator that the arrangements have the effect specified in (2) and are legally effective in ~~the Abu Dhabi Global Market~~ **ADGM** and in the jurisdiction where the Real Property is situated.

...

Trustee

- 12.3.4 A Person proposing to act as a Trustee does not breach the prohibition in Section 113(1) of ~~the~~ FSMR merely by entering into a Trust Deed for the creation of an Investment Trust prior to obtaining a Financial Services Permission with the appropriate authorisations referred to in Section 114 of ~~the~~ FSMR. However, that Person must not carry out functions under the Trust Deed prior to obtaining that Financial Services Permission.

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Removal and retirement of the Trustee

- 12.3.6 (1) A Trustee may not retire, or be removed, except as provided in this Rule.

...

(3) The Regulator may grant approval for the replacement of a Trustee only where it has received:

- (a) a written notice from the Fund Manager of its intention to remove the Trustee and either:
 - (i) a certification that the removal of the Trustee will not adversely affect the interests of the Unitholders and the Fund Manager's ability to comply with its obligations under the Trust Deed, Prospectus, these Rules and ~~the~~ FSMR; or

...

- (b) the written consent of the person who agrees to be the replacement Trustee, and that person meets the requirements for a Trustee in Section 114(2) of the FSMR to be able to act as the replacement Trustee.

...

- (5) The Regulator or the Fund Manager may apply to the Court for an order for the removal of the Trustee and any other appropriate orders including, but not limited to, the appointment of a replacement Trustee where the Trustee is, or is believed to be, in breach of its obligations under the Trust Deed, its Financial Services Permission, these Rules, ~~the FSMR or any other enactment or rule of law in the Abu Dhabi Global Market~~ ADGM.

...

- (7) Subject to the terms of the Trust Deed, these Rules, ~~the FSMR~~ and the rules made for the purposes of ~~the FSMR~~, a Trustee appointed as a replacement Trustee shall have the same powers, discretions and duties as the previous Trustee.

...

- 12.7.1 (1) A Fund Manager or, where applicable, Trustee must maintain a register of Unitholders.

...

- (4) A Fund Manager or, if applicable, the Appointed Fund Administrator, must, subject to (5), make the Unitholder register in electronic or hard copy form available for inspection by Unitholders during normal business hours at the Fund Manager's or Appointed Fund Administrator's place of business in ~~the Abu Dhabi Global Market~~ ADGM or otherwise in a designated location in ~~the Abu Dhabi Global Market~~ ADGM.

- (5) Where a Fund is structured as an Investment Trust, the Trustee must make the register in electronic or hard copy form available for inspection by Unitholders during normal business hours at the Trustee's place of business in ~~the Abu Dhabi Global Market~~ ADGM or otherwise in a designated location in ~~the Abu Dhabi Global Market~~ ADGM. The Trustee shall make the register available to the Fund Manager during office hours and allow the Fund Manager to make copies of the register for its purposes.

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- 12.8.2 (1) The Fund Manager and if appointed the Trustee of a Public Fund:

...

(5) Where no Special Resolution is specifically required or permitted by these Rules, any resolution of Unitholders required under these Rules or ~~the~~FSMR is passed by a simple majority of the votes validly cast for and against the resolution at a general meeting of Unitholders.

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12.10.1 (1) A Fund Manager must make and retain accounting and other records that are necessary:

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(3) A Fund Manager must make the record available for inspection by the Regulator in ~~the Abu Dhabi Global Market~~ADGM and, if applicable, the Trustee or appointed Eligible Custodian, free of charge at all times during ordinary office hours and must supply a copy of the record or any part of it.

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12.12 Delegation and outsourcing

Guidance

1. This Chapter sets out the general requirements that apply to a Fund Manager, or where appointed the Trustee, of a Domestic Fund where it delegates or outsources any Regulated Activity or function to another Person. Such a Person is defined as a "Service Provider" for the purposes of these Rules.
2. A Fund Manager or, where appointed, the Trustee of a Fund respectively may, subject to any restriction in the Constitution of the Domestic Fund and any provisions of these Rules, delegate any of its Regulated Activities or outsource any of its functions to a Service Provider, which may be located in or outside ~~the Abu Dhabi Global Market~~ADGM.

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General oversight duties

13.3.5 The Fund Manager shall ensure that each person undertaking the oversight function for the Fund is appointed with the necessary powers and resources to discharge its duties and functions and is required to:

- (a) monitor whether the Fund Manager:
 - (i) is managing the Fund in accordance with the Constitution and the most recent Prospectus of the Fund, including in particular, any investment and borrowing limitations, requirements relating to the valuation of Fund Property and any other requirements or restrictions imposed on the Fund under ~~the~~FSMR or these Rules; and

...

13.3.6 (1) Each Person appointed to provide the oversight function to a Fund shall:

(a) act honestly;

...

(g) carry out or comply with any other duty, not inconsistent with any enactment or rule of law in ~~the Abu Dhabi Global Market~~ ADGM, that is conferred on him by the Fund's Constitution.

(2) A person providing the oversight function for a Fund is to take all reasonable steps to assist the Regulator in exercising its powers under Part 17 of ~~the~~ FSMR.

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Independence

13.3.7 (1) A person providing the oversight function meets the independence criteria specified in in this Rule if, subject to Rule 13.3.7(3), he:

(a) is not, and has not been in the previous 2 years, an employee or an executive director or officer of the Fund Manager or a body corporate in the same group (a "related body corporate");

...

(f) if he is a person acting for the Trustee of the Fund where the latter is appointed for providing the oversight function, meets the independence criteria set out in Section 114 of ~~the~~ FSMR.

...

Proceedings of the oversight provider

13.3.8 The Persons providing the oversight function for a Fund must conduct and regulate their proceedings in such a manner so as to be able to discharge the duties and responsibilities relating to the oversight function efficiently and effectively in accordance with the requirements of ~~the~~ FSMR and these Rules.

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Co-operation with oversight providers

13.3.17 A Fund Manager must take reasonable steps to ensure that it and its Employees and those of the Fund:

(a) provide such assistance as the Persons providing the oversight function reasonably require to discharge their duties;

...

- (e) report to the Persons providing the oversight function any matter which may significantly affect the financial position of the Fund or which is a material breach of the Fund's Constitution, or of ~~the~~FSMR, or of these Rules.

...

14.1 Meeting the conditions to be classified as an Exempt Fund

Guidance

1. If an Exempt Fund can no longer meet the relevant conditions set out in Rule 3.3.3 to be classified as an Exempt Fund, the Fund Manager of that Fund is required, under Section 112 of ~~the~~FSMR, to apply for the winding up of that Fund. Alternatively, the Fund Manager may have that Fund moved to the classification of a Public Fund, which requires the satisfaction of the requirements and formalities specific to that type of Fund. An Exempt Fund may also, if it wishes to, convert to a Qualified Investor Fund provided it meets the conditions applicable to a Qualified Investor Fund in Rule 3.3.4.

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- 16.2.3 Accounting Records must be maintained by a Fund Manager such as to enable the Governing Body and, if appointed, the Trustee or any Persons providing the oversight function of the Fund to ensure that any financial statements prepared by the Fund Manager in relation to the Fund comply with the legislation applicable in ~~the Abu Dhabi Global Market~~ADGM.

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16.3 Auditors of a Fund

Guidance

1. Rule 11.1.2 requires every Domestic Fund to have an auditor appointed to it in accordance with Section 189 of ~~the~~FSMR and any Rules made for the purposes of that Part.
2. Section 189 of ~~the~~FSMR sets out how an Auditor must be appointed to each Domestic Fund and ~~the~~Part 15 of ~~the~~FSMR sets out the main duties and functions of the Auditor. This Chapter sets out additional requirements that apply in relation to auditors of a Fund.

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- 16.3.4 (1) A Fund Manager must take reasonable steps to ensure that the auditor and the relevant audit staff of the auditor are independent of, and not subject to, any conflict of interest with respect to the Fund Manager, the Trustee or the Fund.

...

Guidance

1. A Fund Manager should consider whether there is any financial or personal relationship between it or any of its relevant Employees and the auditor or any of the relevant Employees of the auditor that may affect the judgement of the auditor when conducting an audit of the Fund or complying with all its legal obligations, including ~~the~~ FSMR, GEN, AML and other relevant Rulebooks made by the Regulator.

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- 16.3.6 A Trustee must take reasonable steps to ensure that it and its Employees act in compliance with Rule ~~16.3.5(a)-(f)~~ 16.3.5.

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PART 6: TRANSFER SCHEMES

18. TRANSFER SCHEMES RELATING TO DOMESTIC FUNDS

Guidance

1. Pursuant to Part 7 of ~~the~~ FSMR, a Fund may be transferred in whole or in part to another body in accordance with that Part.
2. The Regulator may make Rules for the purposes of that Part pursuant to the powers conferred thereunder.

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- 18.1.2 Pursuant to Section 91 of ~~the~~ FSMR, the Regulator prescribes the modification to Part 7 of those Regulations necessary for the purposes of transferring a Fund's property or liability to another Fund.

...

- 19.1.2 Aside from as provided under the Insolvency Regulations ~~2015~~ or as otherwise provided in any enactment, subordinate legislation or rules made by the Regulator, a Domestic Fund may also be wound up upon the happening of any of the following events:

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- 20.2.2 The Fund Manager of an ADGM Green Fund must ensure that the investment restrictions of the Fund as stated in its Constitution and/or most recently published Prospectus require:

- (a) Fund Property to comprise predominantly Eligible Green Fund Property; and
- (b) ~~A~~ a restriction on investment in Fund Property that is inconsistent with the overall green objectives of the Fund.

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APP 5 CONSTITUTION OF A DOMESTIC FUND
A5.1 Contents of Constitution

- A5.1.1 (1) The Constitution of a Domestic Fund must contain all the information prescribed in the following table except where it is an Exempt Fund, in which case, it must contain the information specified in A, C, F, G, H, K and M.
- (2) The requirements in the following table do not apply in respect of the Constitution of a Qualified Investor Fund.

A	General Information
	<p>The following information:</p> <ol style="list-style-type: none"> (1) The name of the Fund. (2) The Fund Manager's and, if the Fund is structured as an Investment Trust, the Trustee's name and the principal place of business in the Abu Dhabi Global Market <u>ADGM</u> as recorded by the Registrar of Companies. (3) That the Fund is a Domestic Fund, the Constitution of which is governed by the laws of the Abu Dhabi Global Market <u>ADGM</u>. (4) That the Fund is a Public Fund, or Exempt Fund, as the case may be. (5) The legal form of the Fund and whether it is open- or closed-ended. (6) If the Fund is managed by a Foreign Fund Manager, that fact and the fact that an Appointed Fund Administrator or Eligible Custodian of the Fund has been or (as the case may be) will be appointed by the Foreign Fund Manager, and their respective roles.
B	General Statements
	<p>The following information:</p> <ol style="list-style-type: none"> (1) The Fund Manager is responsible, pursuant to the FSMR and these Rules, for all operations concerning the Fund and may from time to time delegate activities or outsource functions, but not the responsibility for conducting those activities and functions, to another Person in accordance with these Rules. (2) That Fund Property is entrusted to an Eligible Custodian, Trustee or (as the case may be) another Person. (3) Whether the duration of the Fund is limited and, if so, for how long.

	<p>(4) That fees, charges and other expenses of the Fund may be taken out of Fund Property and the basis for determination of the quantum of such fees, charges and other expenses.</p> <p>(5) The maximum and minimum sizes of the Fund's capital, if any.</p> <p>(6) That the Unitholders are not liable for the debts of the Fund, unless the applicable legislation prescribes otherwise and, if so, those circumstances.</p> <p>(7) That a Unitholder is not liable to make any further payment after he has paid the price of his Units and that no further liability can be imposed on him in respect of the Units he holds.</p> <p>(8) That payments to the Fund Manager, Trustee, any Eligible Custodian, or the Person providing the oversight function (including a Shari'a Supervisory Board) by way of remuneration are authorised to be paid (in whole or in part) out of the Fund Property.</p>
C	Where the Fund is a Trust
	<p>The following information:</p> <p>(1) The Trust Deed is made under and governed by these Rules and Section 114 of the FSMR and:</p> <p>(a) is binding on each Unitholder as if he had been a party to it and that he is bound by its provisions; and</p> <p>(b) authorises and requires the Fund Manager and the Trustee to do the things required or permitted of them by its terms and these Rules and the FSMR.</p> <p>(2) Subject to the provisions of these Rules:</p> <p>(a) the Fund Property (other than sums held to the credit of the distribution account) is held by the Trustee on trust for the Unitholders according to the number of Units held by each Unitholder or, where relevant, according to the number of individual shares in the Fund Property represented by the Units held by each Unitholder; and</p> <p>(b) the sums standing to the credit of any distribution account are held by the Trustee on trust to distribute or apply in accordance with these Rules relating to income.</p>
M	Responsibility statement
	A statement that nothing in the Constitution has the effect of exempting the Fund Manager and, if the Fund is structured as an Investment Trust, the

	Trustee, from any liability to Unitholders imposed under any enactment or rule of law in the Abu Dhabi Global Market ADGM and the Rules.
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APP 6 GUIDANCE ON FITNESS AND PROPRIETY FOR OVERSIGHT FUNCTIONS

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Financial soundness

3. In determining the financial soundness of the individual, the Fund Manager may have regard to any factors including, but not limited to, the following:
 - a. whether the individual is able to meet his debts as they fall due; or
 - b. whether the individual has been adjudged bankrupt, been the subject of a receiving or administration order, had a bankruptcy petition served on him, had his estate sequestrated, entered into a deed of arrangement (or any contract in relation to a failure to pay due debts) in favour of his creditors or, within the last 10 years, has failed to satisfy a judgement debt under a court order, whether in the U.A.E./UAE or elsewhere.

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APP 7 PUBLIC FUND PROSPECTUS DISCLOSURE

A7.1 Mandatory contents of a Prospectus of a Public Fund

- A7.1.1 The Prospectus for a Public Fund must contain the information prescribed in the following table.

2	Description of the Fund
	Information detailing: <ol style="list-style-type: none"> (a) the name of the Fund and that the Fund is a Public Fund established in the Abu Dhabi Global Market ADGM; (b) the effective date of commencement of the Fund's operations and, if the duration of the Fund is not unlimited, when it will or may terminate; (c) the legal structure of the Fund and whether it is a Listed Fund or intends to be Listed; (d) the basis upon which Persons are eligible to participate in the Fund and, where applicable, the minimum initial investment;

	<p>(e) that the Unitholders are not liable for the debts of the Fund, unless the applicable legislation prescribes otherwise and, if so, a statement specifying those circumstances;</p> <p>(f) the base currency of the Fund and where relevant, the maximum and minimum sizes of the Fund's capital;</p> <p>(g) the circumstances in which the Fund may be wound up under the FSMR and these Rules and a summary of the procedure for, and the rights of Unitholders under, such a winding up;</p> <p>(h) if the Fund is an Umbrella Fund, whether it is constituted as a Protected Cell Company or an Incorporated Cell Company; and</p> <p>(i) that no Units will be issued on the basis of the Prospectus after the expiry date specified in the Prospectus.</p>
6	The Fund Manager
	<p>The following particulars of the Fund Manager:</p> <p>(a) its name, whether the Fund Manager is incorporated in the Abu Dhabi Global MarketADGM or elsewhere and the date of such incorporation, and if the Fund Manager is a Foreign Fund Manager, that fact and the details of the Appointed Fund Administrator or Eligible Custodian under Rule 7.1.2;</p> <p>(b) its address, and if applicable, that of the Appointed Fund Administrator or Trustee, as the case may be, and the registered office in the Abu Dhabi Global Market;</p> <p>(c) if it is a subsidiary, the name of its ultimate Holding Company and the country or territory in which that holding company is incorporated;</p> <p>(d) the amount of its issued share capital and how much of it is paid up; and</p> <p>(e) a summary of the material provisions of the contract between the Fund and its Fund Manager which may be relevant to Unitholders, including provisions relating to termination, compensation on termination and indemnity.</p>

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