



ABU DHABI GLOBAL MARKET
سوق أبوظبي العالمي

CONSULTATION PAPER
NO. 1 OF 2024

**PROPOSED ENHANCEMENTS TO THE
REGISTRATION AUTHORITY'S INVESTIGATIVE
POWERS**

29 February 2024



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Introduction

Why are we issuing this paper?

The Abu Dhabi Global Market (“**ADGM**”) Registration Authority (“**RA**”) has issued this Consultation Paper to invite public feedback and comments on proposed amendments to the Commercial Licensing Regulations 2015 (“**CLR 2015**”) that will enhance the RA’s investigative powers.

The proposed amendments are set out in Annex A to this Consultation Paper.

Who should read this paper?

The proposals in this Consultation Paper would be of interest to all individuals and organisations operating or proposing to operate in the ADGM and their professional advisors.

How to provide comments

All comments should be in writing and sent to the address or email specified below. If sending your comments by email, please use the Consultation Paper number in the subject line. If relevant, please identify the organisation you represent when providing your comments.

The RA reserves the right to publish, including on its website, any comments you provide, unless you expressly request otherwise at the time of making any comments. Comments supported by reasoning and evidence will be given more weight.

What happens next?

The deadline for providing comments on this proposal is **17 March 2024**.

After receiving your comments, we shall consider whether any modifications are required to the proposals and the ADGM Board and the RA will then proceed to enact the proposals in their final form.

You should not act on these proposals until these proposals are finalised and the final Regulations enacted by the ADGM Board and published by the RA. We shall issue a notice on our website when this happens.

Comments to be addressed to:

Consultation Paper No. 1 of 2024

Registration Authority
Abu Dhabi Global Market Square Al Maryah Island
PO Box 111999
Abu Dhabi, UAE
Email: consultation@adgm.com

Enhancement of RA's Investigative Powers

Current Position

1. The RA is responsible for monitoring and enforcing non-compliance with ADGM's commercial legislation. The Commercial Licensing Regulations 2015 ("**CLR 2015**") provides the RA with the majority of its investigative powers such as appointment of investigators, information gathering and conducting interviews.
2. Over time, the nature and scope of investigations conducted by the RA has become more complex and varied, from concerns regarding fitness and propriety of directors, to beneficial ownership non-compliance and auditor oversight. The RA has encountered situations where the subjects of investigations have refused to cooperate, which has delayed and hampered some investigations.
3. The RA is therefore seeking to enhance its current powers, aligning them with the investigative powers of other comparable corporate regulatory authorities in the region and abroad. The amendments aim to improve the effectiveness and efficiency of the RA in carrying out its statutory duties and to protect ADGM's reputation from non-compliance and misconduct.
4. A draft of the proposed amendments to the CLR 2015 can be found in Annex A.

Proposed Changes

5. The RA proposes to amend the CLR 2015 to introduce provisions enhancing the RA's investigative powers as well as regarding the costs of investigations, in certain circumstances.
6. The proposed amendments will introduce the following powers:
 - a. Ability of the RA to record interviews;
 - b. Ability of the RA to give directions on the conduct of interviews, e.g., on who can be present, requiring persons to give an affirmation that their answers will be true, and requiring an interviewee to answer relevant questions;
 - c. Ability of the RA to enter the premises of a person under investigation during normal business hours to inspect and copy relevant documents stored in the premises;
 - d. Ability of the RA to apply to the ADGM Courts to recover the costs of an investigation in cases where a person is found liable of breaching ADGM rules and regulations;

- e. Making it a contravention to fail to attend an interview, destroy documents, give false or misleading information, or fail to produce required documentation / information in relation to a requirement notice;
- f. Requiring a person to give any assistance to the investigation, which the person is able to give;
- g. Making directions to protect the confidentiality of information and documents which are part of an interview, including any notices to provide assistance or attend an interview;
- h. Increasing the fine level for failure to comply with a requirement of the Registrar from level 6 to level 8; and
- i. Increasing the fine level for contravention of a relevant requirement under the CLR 2015 from level 5 to level 8.

Q1: DO YOU HAVE ANY CONCERNS WITH, OR FEEDBACK ON, THE PROPOSED POWERS DESCRIBED ABOVE?

Proposed Amendments and Enactments

Regulations

Annex A Proposed Commercial Licensing Regulations (Amendment No.1) 2024