

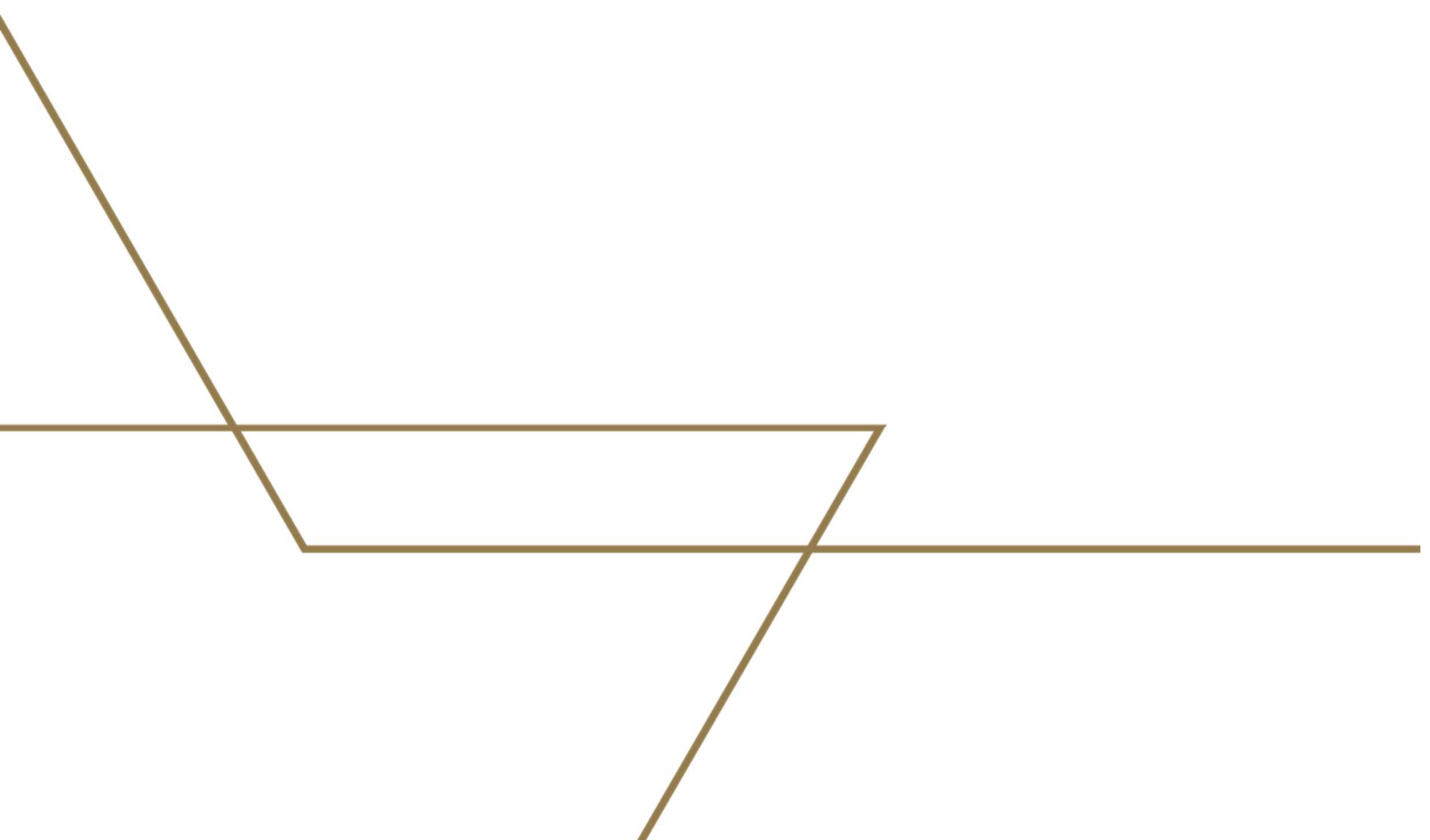


ABU DHABI GLOBAL MARKET
سوق أبوظبي العالمي

CONSULTATION PAPER
NO. 8 OF 2024

**PROPOSAL FOR A COMMERCIAL PERMITS
FRAMEWORK**

5 September 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 a proposal to introduce a comprehensive regulatory framework for the issuance of commercial permits, as well as the introduction of new subordinate rules concerning commercial permits for the sale of alcohol and shisha within ADGM.

The proposed commercial permits regulations and subordinate rules are set out in Annex A and Appendices 1 to 3, respectively, to this Consultation Paper.

We have summarised the key proposed aspects of the commercial permits regulations and subordinate rules in this Consultation Paper. The summaries provided within should be read as an introduction to the provisions only – many of the precise details and specifics are contained in the draft commercial permits regulations and subordinate rules themselves.

Where terms are capitalised in this Consultation Paper, they (unless context requires otherwise) should be taken to have the definitions ascribed to such terms in the commercial permits regulations and the subordinate rules.

Who should read this paper?

The proposals in this Consultation Paper would be of interest to all licensed persons in the ADGM, their directors, officers, employees and advisors. We also welcome feedback from other stakeholders, whether based in the ADGM or beyond.

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 **29 September 2024**.

After receiving your comments, we shall consider whether any modifications are required to the proposals and the ADGM Board of Directors (“**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 commercial permits regulations, subordinate rules and guidance are issued by the Board and the RA. We shall issue a notice on our website when this happens.

Comments to be addressed to:

Consultation Paper No. 8 of 2024

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

Scope and Approach to the Proposed Amendments

1. This Consultation Paper aims to explain the proposed:
 - a. enactment of the following regulations:
 - i. Commercial Permits Regulations 2024 (the “**Regulations**”);
 - b. enactment of the following subordinate rules:
 - i. Commercial Permits Regulations (Alcohol) Rules 2024;
 - ii. Commercial Permits Regulations (Shisha) Rules 2024; and
 - iii. Commercial Permits Regulations (Fees) Rules 2024,(collectively, the “**Rules**”).
2. The proposed features of the Regulations and subordinate Rules include:
 - a. a requirement to obtain a commercial permit from the RA with respect to certain activities;
 - b. specific conditions applicable to obtaining Alcohol Permits and Shisha Permits;
 - c. the fees payable to the RA in connection with the issuance or renewal of a commercial permit; and
 - d. other miscellaneous requirements.
3. A draft of the Regulations can be found in Annex A. Drafts of the new Rules can be found in Appendices 1 to 3.

Proposed Commercial Permits Regulations

Current Position

1. The RA is responsible for issuing commercial permits to licensed persons in the ADGM or third parties licensed by onshore government authorities who wish to conduct certain activities in the ADGM. Whilst licences are issued for types of controlled activities, commercial permits are intended to be used for activities which require RA oversight but are typically ancillary to a licence for a controlled activity, or of a temporary nature (e.g., the sale of alcohol or shisha or holding events with public speakers etc.). Currently, there is a need for greater clarity with respect to the procedures surrounding obtaining, renewing and maintaining commercial permits, as well as related information pertaining to oversight of such commercial permits by the RA.
2. The RA is therefore seeking to introduce the Regulations and subordinate rules in view of such need. The RA will start by issuing subordinate rules concerning permits for the sale of alcohol and shisha, but it is envisaged that subordinate rules for other types of commercial permits will be issued over time.

Proposed Features of the Regulations

General Requirements under the Regulations

3. Under the proposed Regulations, any person licensed by the RA or by a competent authority within the UAE, or any non-licensed individual, that wishes to conduct or perform an activity or a service specified under the Regulations and its subordinate rules, such as the sale of alcohol or shisha, must apply for a commercial permit from the RA.
4. It must be noted that obtaining a commercial permit does not automatically exempt any person from the requirement to obtain a commercial licence under the ADGM Commercial Licensing Regulations 2015, or other necessary permits or approvals required under any other regulations or rules applicable in the ADGM, and any such requirements may still apply.
5. The RA will have the power to:
 - a) grant or refuse a commercial permit;
 - b) suspend or revoke a commercial permit;
 - c) maintain a commercial permits register;
 - d) collect any fees in connection with the performance of the RA's functions under the Regulations; and
 - e) issue fines for any contravention of the Regulations or any subordinate Rules.

Q1: DO YOU HAVE ANY CONCERNS WITH, OR FEEDBACK ON, THE GENERAL REQUIREMENTS UNDER THE COMMERCIAL PERMITS REGULATIONS?

Requirements for an Alcohol Permit or Shisha Permit

6. An Alcohol Permit will be required to sell alcohol and a Shisha Permit will be required to sell shisha in the ADGM. The sale of alcohol refers to the sale of alcohol for retail purposes or by food and beverage establishments for immediate consumption at their premises, whereas the sale of shisha refers to the sale of shisha for purposes of immediate consumption at the Shisha Permit holder's premises.
7. Applicants will need to:
 - a) hold a valid commercial licence issued by the RA or a relevant competent authority within the UAE;
 - b) apply for a commercial permit before selling alcohol or shisha;
 - c) provide the RA with information on the location from where the sale of alcohol or shisha will take place (including the serving area and exit/entry points);
 - d) provide the RA with a no objection letter issued by the landlord of any property from where the sale of alcohol or shisha will take place;
 - e) pay fees in connection with any application for or renewal of a commercial permit; and
 - f) provide the RA with any additional information it may require, which will be set out in guidance and may include a:
 - i. Certificate from the relevant competent authority in Abu Dhabi regarding preventative fire safety requirements.
 - ii. Signed agreement with an alcohol supplier or distributor.
 - iii. Certificate from the relevant competent authority in Abu Dhabi regarding CCTV requirements.

Q2: DO YOU HAVE ANY CONCERNS WITH, OR FEEDBACK ON, THE APPLICATION REQUIREMENTS FOR AN ALCOHOL OR SHISHA PERMIT?

8. Applicants are able to apply for either an annual or temporary Alcohol or Shisha Permit. The temporary permit will have a validity period of one (1) week and must be renewed on a weekly basis, if necessary.
9. In order to renew an Alcohol or Shisha Permit, the permit holder will need to provide the same information and documentation that was provided for the initial application to obtain the relevant permit. The permit holder will be responsible for renewing the Alcohol or Shisha Permit prior to its expiration if the permit holder intends to continue to sell alcohol or shisha in the ADGM after such expiration date. Any delay in filing for a renewal will result in a late filing fee, in addition to the renewal fee.

Q3: DO YOU HAVE ANY CONCERNS WITH, OR FEEDBACK ON, THE RENEWAL PROCESS FOR AN ALCOHOL OR SHISHA PERMIT?

10. In addition to the above, a commercial permit holder must always ensure it:

- a. has a valid commercial licence issued by the RA, or
- b. a valid commercial licence issued by a competent authority within the UAE and valid temporary licensing permit to conduct business in the ADGM issued by the RA, and
- c. must always comply with any conditions of the commercial permit issued by the RA.

11. Failure to comply with any requirements in the Regulations or the subordinate Rules may lead to the suspension or revocation of a commercial permit, and may lead to the imposition of fines by the RA.

Q4: DO YOU HAVE ANY CONCERNS WITH, OR FEEDBACK ON, THE ONGOING REQUIREMENTS FOR AN ALCOHOL OR SHISHA PERMIT HOLDER?

Fees Rules

12. The proposed Fees Rules set out the fees in relation to obtaining and renewing an Alcohol or Shisha Permit. The proposed fees are benchmarked against the fees charged for similar services onshore Abu Dhabi.

13. The proposed fees rules also include late filing fees in connection with any late renewal applications. Specifically, we propose a late filing fee of AED 500 per month for up to 3 months if a renewal application is filed 30 calendar days after the commercial permit's expiry date.

Q5: DO YOU HAVE ANY CONCERNS WITH, OR FEEDBACK ON, ANY OF THE FEES RELATED TO THE ISSUANCE OR RENEWAL OF ALCOHOL AND SHISHA PERMITS?

Q6: DO YOU HAVE ANY BROADER FEEDBACK ON THE PROPOSED REGULATIONS AND RULES THAT IS NOT COVERED BY THE QUESTIONS SET OUT ABOVE?

Proposed Amendments and Enactments

Regulations

Annex A Proposed Commercial Permits Regulations 2024

Rules

Appendix 1 Proposed Commercial Permits Regulations (Alcohol) Rules 2024

Appendix 2 Proposed Commercial Permits Regulations (Shisha) Rules 2024

Appendix 3 Proposed Commercial Permits Regulations (Fees) Rules 2024