

Enforcement and Disqualification Manual

Registration Authority
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CHAPTER 1 – INTRODUCTION

Introduction

- 1.1 This Enforcement and Disqualification Manual (the “Manual”) provides information on the policies, processes and procedures of ADGM’s Registration Authority in relation to the exercise of its disqualification and enforcement powers and related decision making.
- 1.2 The Manual contains various policies and procedures and is intended to be both a reference for staff of the Registration Authority as well as to provide guidance to Persons operating, or intending to operate, as Licensed Persons in the ADGM. However, the information in this Manual is general and non-binding. Decisions about particular matters or investigations are made based on the specific facts of the case.
- 1.3 The Manual is not an exhaustive source of the Registration Authority’s policy and procedures on the exercise of its disqualification, enforcement and disciplinary powers and related decision making (refer to the ‘Application’ section below for further detail on the scope of this Manual).
- 1.4 This Manual should be read in conjunction with ADGM’s commercial legislation, in particular, the Administrative Regulations 2025 (“AR 2025”), Commercial Licensing Regulations 2025 (“CLR 2025”) and Companies Regulations 2020 (“CR 2020”). A link to ADGM’s commercial legislation is available [here](#).
- 1.5 The disqualification powers of the Registrar are set out in Chapters 9 and 10 of Part 10 of CR 2020.

Legal Basis

- 1.6 This Manual is published in accordance with ADGM Commercial Legislation including, but not limited to:
 - a. section 46 of AR 2025;
 - b. sections 249 and 258 of CR 2020; and
 - c. section 24 of the Beneficial Ownership and Control Regulations 2022 (“BOCR 2022”).

Application

- 1.7 This Manual is relevant to Licensed Persons in ADGM and other Persons including potential applicants, advisors, directors, receivers and promoters of companies, insolvency practitioners and interested parties. This Manual sets out:
 - a. the Registration Authority’s decision-making procedure for issuing Financial Penalty Notices, Warning Notices, Decision Notices, Exceptional Notices and Supervisory Notices pursuant to ADGM’s Commercial Legislation (collectively referred to as “statutory notices”);
 - b. the Registration Authority’s policy with respect to exercising own initiative action to vary (narrow) the scope of a commercial licence (“Licence”);

- c. the Registration Authority's policy with respect to the imposition of financial penalties under ADGM's Commercial Legislation;
 - d. the Registration Authority's policy with respect to suspending, limiting or restricting a Licence; and
 - e. the Registration Authority's policy with respect to cancellation of a Licence.
- 1.8 This Manual does not apply to the exercise of powers pursuant to the Data Protection Regulations 2021 and any subordinate rules made thereunder.

Purpose

- 1.9 The purpose of this Manual is to provide readers with an understanding of how the Registration Authority operates in relation to the exercise of its disqualification and enforcement powers and related decision making, as well as its expectations of Licensed Persons and directors.
- 1.10 The Manual is publicly available at [Guidance & Policy Statements - Enforcement and Disqualification Manual](#).

Updating the Manual

- 1.11 This Manual will be subject to periodic review and updated as appropriate in the light of any amendments to relevant regulations and changes in policy.

Defined Terms

- 1.12 The terms used in this Manual, have the same meaning in AR 2025 unless stated otherwise.

Statutory Notices

- 1.13 The types of statutory notices and related notices, and the principal references to them in AR 2025 are set out in Table 1, below.

Table 1: Summary of statutory and related notices

Notice	Description	Regulation reference
Supervisory Notice	Provides the Person with notice of action that the RA is taking without following the procedure for Tier 2 Contraventions, to exercise a power to impose requirements on the Licensed Person or the variation of a Licence.	Section 19 of AR 2025
Exceptional Notice	Provides the Person with notice of action that the RA, acting through its CEO, is taking in exceptional circumstance without following the procedure for Tier 2 Contraventions, to suspend, restrict or cancel a Licence or issue a Prohibition Order.	Section 20 of AR 2025

Warning Notice	Provides the Person with notice about action that the RA proposes to take where the RA asserts that a Person has committed a Tier 2 Contravention and includes details about the right of the Person to make representations challenging the proposed enforcement action.	Sections 24, 25 and 27 of Part 7 of AR 2025
Decision Notice	Provides the Person with notice about action that the RA has decided to take in relation to the proposed enforcement action set out in a prior issued Warning Notice and includes details about the right of the Person to refer the matter to the ADGM Courts for Judicial Review.	Section 28 of AR 2025
Notice of Discontinuance	Provides notice to the Person that the enforcement action set out in a relevant Warning Notice or Decision Notice to which it relates is to be discontinued or varied.	Section 29 of AR 2025

- 1.14 For a list of actions that prescribe the issuance of a Warning or Decision Notice, please refer to the [Schedule of Contraventions](#).
- 1.15 Where the Registration Authority proposes or decides to take enforcement action for contraventions of ADGM's Commercial Legislation not otherwise listed in the [Schedule of Contraventions](#), it will follow the guidance and processes set out in this Manual.

Service of Statutory Notices

- 1.16 In accordance with section 48 of AR 2025, the Registration Authority may send or serve any document, notice or other required information physically or electronically.
- 1.17 A document is delivered in electronic or physical form by the Registration Authority to a Person if it is sent to the registered email address of that Person or the registered address of that Person.
- 1.18 For a document, notice or other required information sent electronically, that item 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.

CHAPTER 2 – APPROACH TO ENFORCEMENT

Introduction

- 2.1 The purpose of this Chapter is to set out how the Registration Authority:
- a. commences and conducts investigations;
 - b. collects information; and
 - c. exercises its enforcement powers and the considerations that apply to the exercise of those powers.

Enforcement Principles

- 2.2 The Registration Authority's approach to enforcement is based on the following principles:
- a. **Risk Based Approach:** the Registration Authority follows a risk-based approach to the monitoring and enforcement of ADGM's Commercial Legislation. The risk-based approach ensures that the Registration Authority's resources are focused on those areas that it perceives as posing the greatest risk to the achievement of its objectives as more specifically set out in section 1 of AR 2025.
 - b. **Acting Decisively:** the Registration Authority acts decisively and swiftly to stop conduct which may cause reputational damage to, or threatens the integrity of, the ADGM, to minimise its effects, and prevent such conduct re-occurring.
 - c. **Procedural Fairness and Proportionality:** the Registration Authority takes enforcement action in accordance with its policies and procedures. In the exercise of its enforcement powers the Registration Authority acts fairly, transparently and proportionally.
 - d. **Transparency:** the Registration Authority ordinarily publicises outcomes arising from an enforcement action taken in order to maintain the integrity of the ADGM and deter further contraventions. The commencement and progress on investigations will not generally be publicised.
 - e. **Cooperation:** the Registration Authority works closely with relevant U.A.E. Government Authorities to ensure the comprehensive, effective and efficient oversight of all non-financial business sectors in ADGM.

Summary of Enforcement Powers

- 2.3 In accordance with AR 2025, the Registration Authority has a range of mechanisms and remedies available to it in order to achieve its objectives, including:
- a. Information Gathering and Investigation Powers (Part 3 of AR 2025) – see below **Chapter 2 – Approach to Enforcement**.
 - b. Supervisory Powers (Part 4 of AR 2025) - see **Chapter 3 – Supervisory Powers** of this Manual.

- c. Enforcement Powers (Part 8 of AR 2025) – see **Chapter 4 – Enforcement Measures** of this Manual.
- d. Enforceable undertakings (section 32 of AR 2025) – see **Chapter 5** of this Manual.
- e. Financial penalties (Fines) (section 44 of AR 2025) – see **Chapter 6 – Fines** of this Manual.
- f. Exceptional Powers of the CEO (Part 5 of AR 2025) – see **Chapter 9** of this Manual.
- g. Disqualification of Persons (section 42 of AR 2025) – see **Chapter 10 – Disqualification** of this Manual.

2.4 The Registration Authority will follow the guidance set out in this Manual in relation to the use of enforcement powers. The Registration Authority does not have jurisdiction of criminal matters. Therefore, should criminal conduct be identified, it can be referred to the relevant law enforcement agency.

Levels of contraventions

2.5 The Registration Authority applies a two-tier approach to the classification of contraventions of Commercial Legislation and the related enforcement action. The following is a summary of the two-tier approach:

- a. **Tier 1 Contraventions** – in accordance with section 4 of AR 2025, a Tier 1 Contravention means a contravention of the Commercial Legislation that is categorised as level 1 or level 2 on the Fines Scale. Any Person who commits a Tier 1 Contravention is liable to a Fine not exceeding USD 2,000 as follows.

Tier	Level on Fine Scale	Amount of Fine (in US Dollars)
1	1	Up to 1,000
	2	Up to 2,000

- b. **Tier 2 Contraventions** – in accordance with section 5 of AR 2025, 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:
 - i. a Fine categorised as level 3 or above on the Fines Scale where such Fine shall not exceed USD 54,000,000 as follows;

Tier	Level on the scale	Amount of Fine (in US Dollars)
2	3	Up to 10,000
	4	Up to 50,000
	5	Up to 100,000
	6	Up to 250,000
	7	Up to 500,000
	8	Up to 1,000,000
	9	Up to 54,000,000

and/or

- ii. any of the other non-monetary enforcement actions set out in Part 8 of AR

2025 or the relevant Commercial Legislation including:

- Licence suspension or restriction;
- cancellation of a Licence;
- prohibition orders;
- strike-off;
- disqualification of Persons; and
- censure statements.

Enforcement process

2.6 When taking enforcement action, the Registration Authority will generally adopt the enforcement process described in this Manual. The enforcement process consists of the following elements:

- a. Awareness of potential issue;
- b. Assessment of potential issue;
- c. Investigation;
- d. Decision making;
- e. Statutory Notices and representations; and
- f. Referral to the ADGM Courts (if appealed).

2.7 A diagram of the Registration Authority's enforcement process is set out at **Annex 1**.

Awareness of potential issue

2.8 The Registration Authority becomes aware of complaints, allegations of misconduct, suspected contraventions of ADGM's Commercial Legislation or matters that warrant investigation or taking enforcement action in a number of ways, including:

- a. reports of misconduct or complaints from members of the public or other ADGM Persons;
- b. through the Registration Authority's monitoring operations;
- c. referrals from the FSRA and other regulatory or law enforcement authorities; and
- d. reports submitted by Licensed Persons as required under ADGM's Commercial Legislation.

Complaints

2.9 The scope of this Manual covers complaints received by the Registration Authority regarding Licensed Persons, that are made by third parties in relation to ADGM's Commercial Legislation, as follows:

- a. any conduct by or dissatisfaction with a Licensed Person;

- b. any alleged contravention of ADGM's Commercial Legislation; or
 - c. any conduct that causes, or may cause, damage to the reputation of the ADGM.
- 2.10 A Person wishing to lodge a complaint with the Registration Authority should do so in writing. Complaints can be lodged via [RA Complaints - Submit a Complaint](#)
- 2.11 When a complaint is received, the Registration Authority will send a written acknowledgement to the complainant.
- 2.12 All complaints lodged with the Registration Authority are held in confidence and in accordance with ADGM's Commercial Legislation, including the Data Protection Regulations 2021.
- 2.13 However, to assess a complaint properly, the Registration Authority may need to contact third parties including the Person who is the subject of the complaint. Where the Registration Authority contacts third persons it will not disclose the identity of the complainant without the prior written consent of the complainant.

Referrals

- 2.14 Referrals or allegations of misconduct arise both from other divisions within the Registration Authority, or from the FSRA and other government or regulatory authorities.

Assessment of potential issue

- 2.15 The assessment of allegations of suspected misconduct or contraventions of the ADGM's Commercial Legislation is a core aspect of the Registration Authority's monitoring and control function. Every allegation, regardless of the source, is assessed to determine whether an investigation should take place.
- 2.16 The Registration Authority's Monitoring & Enforcement Division ("Enforcement Division") is responsible for assessing complaints and allegations of misconduct, and the Division Head decides whether a matter should be investigated.
- 2.17 The Registration Authority may request further information from the complainant or source of an allegation to help it assess the allegation. The Person that is the subject of an allegation may also be contacted to obtain further information.
- 2.18 At the assessment stage the Registration Authority generally obtains information voluntarily. However, as per section 6 of AR 2025, the Registration Authority does have non-investigative information gathering powers, which may be used at the allegation assessment phase where necessary.
- 2.19 To ensure consistency and transparency in determining whether to commence an investigation, the Registration Authority considers allegations against certain criteria. The application of the criteria depends on the particular circumstances of a matter and include:
- a. whether the Registration Authority has jurisdiction in relation to the alleged misconduct;
 - b. the seriousness of the alleged misconduct, its duration and whether it is ongoing;

- c. the nature of the alleged misconduct including whether it was deliberate, reckless, routine or minor;
 - d. the effect of the misconduct, including whether it resulted in a benefit to a Person, or detriment or loss to others;
 - e. the compliance history of the Person, and likelihood of cooperation;
 - f. the likelihood of the alleged misconduct being proven, and if so, the remedies available;
 - g. the Person's conduct after the alleged misconduct, including whether they brought it to the Registration Authority's attention;
 - h. whether another authority has sought the Registration Authority's cooperation, or is able to take its own action against the alleged misconduct;
 - i. whether the alleged misconduct is by nature a commercial dispute and if so, whether the complainant is able to take their own action (and has the resources) to seek relief; and
 - j. whether the alleged misconduct undermines or damages the integrity, transparency, confidence in, or reputation of, the ADGM.
- 2.20 Not every allegation of misconduct received by the Registration Authority will result in an investigation. This may occur where, for example, the facts and contraventions are not in dispute and the Person has confirmed at an early stage that it is willing to resolve an issue by way of settlement; or where the matter can be investigated sufficiently without the need to exercise formal powers beyond the Registration Authority's information gathering powers.
- 2.21 Based on the assessment of the alleged misconduct against the criteria set out at paragraph 2.19 (above), the Enforcement Division will determine what action should be taken or recommended to be taken by the relevant decision maker.
- 2.22 The range of actions that may follow the assessment of an allegation of misconduct vary depending on the facts and circumstances and may include:
- a. taking no further action;
 - b. referring the alleged misconduct to another authority;
 - c. commencing an investigation;
 - d. taking immediate supervisory/enforcement action; or
 - e. taking other action such as a letter of concern issued to the Person.

Information Gathering Powers

- 2.23 Under section 6 of AR 2025, if it appears to the Registrar that there is good reason for doing so, the Registration Authority may, by written notice 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.
- 2.24 The Registration Authority will provide a reasonable period for compliance with the requirement to give information. The period of time will depend on the circumstances of a particular case.
- 2.25 Section 6 of AR 2025 also provides the Registration Authority with powers to require any information provided to be verified and any document to be authenticated in such manner as it reasonably requires.

Appointment of a Skilled Person

- 2.26 To gather further information from a Person, the Registration Authority may require any Person subject to the Commercial Legislation to provide it with a report from a Skilled Person on specified matters, in circumstances where (amongst other things) the Registration Authority:
- a. has concerns about the adequacy of systems and controls (such as compliance, internal audit, anti-money laundering, risk management and record keeping);
 - b. seeks verification of information submitted by the Person; or
 - c. requires remedial action to ensure the Person complies with the Commercial Legislation.
- 2.27 In accordance with section 7 of AR 2025, the various requirements relating to the appointment of a Skilled Person are set out, including the requirement of:
- a. the Registration Authority to give written notice to the Person requiring them to appoint a Skilled Person nominated or approved by the Registration Authority or itself appoint a Skilled Person;
 - b. the Person or any Person who is providing (or who has at any time provided) services to the Person of the matter where the report is being prepared to provide all such assistance as the Skilled Person may reasonably require; and
 - c. the Skilled Person to:
 - i. provide a written report to the Registration Authority on the Concerned Matter; 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.
- 2.28 Where the Registration Authority requires a Skilled Person review, the costs associated with any related work are borne by the Person. This applies irrespective of whether the Skilled Person is engaged directly by the Licensed Person with the Registration Authority's approval, or appointed by the Registration Authority itself.
- 2.29 Where it deems it appropriate, the Registration Authority may require that expenses

incurred by it in relation to an appointment of a Skilled Person be payable as a fee by the Person to whom a Skilled Person has been appointed.

Investigation

- 2.30 Following the assessment of an issue, the Registration Authority may decide to commence an investigation.
- 2.31 Where the Registration Authority decides to commence an investigation, it will not generally disclose to any party that an investigation has commenced or is ongoing, except to the Person who is the subject of an investigation, unless such disclosure to the Person who is subject of an investigation is likely to compromise, prejudice or frustrate the investigation or have an adverse effect on the objectives of the ADGM.
- 2.32 Following a decision to commence an investigation, the Registration Authority will decide whether it is appropriate to appoint investigators in accordance with section 8 of AR 2025.
- 2.33 Where the Enforcement Division decides to investigate a matter, it may exercise the Registration Authority's information gathering powers under Part 3 of AR 2025.

Appointment of Investigators

- 2.34 The Registration Authority may decide to appoint investigators if it appears that there is good reason for doing so. In determining whether there is "good reason" in a particular case, the Registration Authority takes into consideration the same assessment criteria that it applies when considering allegations of misconduct (see '**Assessment of potential issues**' section, above).
- 2.35 Section 8 of AR 2025 specifies that an investigator may conduct an investigation into the following:
- a. the nature, conduct or state of the Business of a Person;
 - b. a particular aspect of that Business; or
 - c. the ownership or control of a Person.
- 2.36 In addition, the investigator appointed may, by written notice given to a Person, extend the scope of the investigation to include 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.
- 2.37 Furthermore, the power conferred under section 8(1) of AR 2025 may be exercised in relation to a former Person, but only in relation to the time when it was a Person.
- 2.38 Following the appointment of an investigator, the Registration Authority may by direction given to the investigator, extend the investigation to additional matters.

Notice of appointment of investigators

- 2.39 Section 8(5) of AR 2025 requires the Registration Authority to give written notice of the appointment of an investigator to the Person who is the subject of an investigation unless the Registration Authority believes that giving the notice to the Person who is subject of an investigation is likely to compromise, prejudice or frustrate the investigation or have an adverse effect on the objectives of the ADGM. This written notice must specify the provisions under which the investigator is appointed and the reason for their appointment.
- 2.40 Section 9 of AR 2025 enables the Registration Authority to control the scope and conduct of the investigation by issuing directions to the investigator.
- 2.41 Where there is a change in the scope or conduct of an investigation and, in the opinion of the Registration Authority, a Person is likely to be significantly prejudiced by not being made aware of the change, that Person must be given written notice of the change.
- 2.42 However, if the Investigator and Registration Authority believes that the notification of or a subsequent change of the scope or conduct of an investigation would likely:
- a. result in the investigation (or any investigation of any other Relevant Authority) being compromised, frustrated or prejudiced, or
 - b. have an adverse effect of the objectives of the ADGM,
- the Registration Authority may decide not to give written notice of the change of the scope or conduct of an investigation.
- 2.43 Where the Registration Authority has notified a Person that they are under investigation and subsequently decides to discontinue an investigation without taking any action, the Registration Authority will notify the Person subject to the investigation that it is being discontinued.
- 2.44 However, in cases where a Person has not been notified that they are subject to an investigation and the Registration Authority has decided to discontinue the investigation, it is not required to notify the Person(s) concerned that the investigation is being discontinued.

Investigation powers

- 2.45 In addition to the general information gathering powers of the Registration Authority as described in paragraphs 2.23 to 2.25 above, the powers of an investigator are set out at section 10 of AR 2025.
- 2.46 In support of an investigation, an investigator may require the Person investigation or any person connected with the Person under Investigation to:
- a. attend one or more compulsory interviews before the investigator at a specified time and place and answer questions;
 - b. provide such information or specified documents as the investigator may require; and/or
 - c. give any assistance in relation to the investigation which the person is able to give.

2.47 Additionally, if an investigation is being conducted in relation to a potential contravention of the Commercial Legislation, an investigator may also require any person who is neither the Person under investigation nor a person connected to the Person under investigation to:

- a. attend one or more compulsory interviews before the investigator at a specified time and place and answer questions; and/or
- b. 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. produce specific documents; and/or
- d. give any assistance in relation to the investigation which the person is able to give.

2.48 All interviews conducted under Part 3 of AR 2025 will be recorded and the interviewee 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.

Warrants issued by ADGM Courts

2.49 The Registration Authority will enforce compliance with its information gathering and investigative powers where required by seeking orders in the ADGM Courts.

2.50 Section 13 of AR 2025 allows the Registration Authority to apply to the Court for the issuance of a warrant in order to enforce compliance with information requirements. An application to the Court will be made in circumstances where there are reasonable grounds for believing that the first or second set of conditions (set out below) is satisfied or any other conditions that the ADGM Courts sees fit is satisfied.

2.51 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.

2.52 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.

2.53 A warrant under section 13 of AR 2025 authorises the person executing it to:

- a. enter the premises specified in the warrant;
- b. to search the premises and take possession of any documents or information appearing to be of a kind in respect of which the warrant was issued;
- c. to take copies of, or extracts from, any documents or information appearing of a kind in respect of which the warrant was issued;
- d. to require any person on the premises to provide an explanation of any document or information appearing to be relevant;
- e. to use such force as may reasonably be necessary; and
- f. to do any other act or thing that the ADGM Courts sees fit.

Retention and return of documents

2.54 Any document seized by the Registration Authority under an investigation or under a warrant may be retained so long as it is necessary to retain it in the circumstances.

Obstruction of the Registration Authority

2.55 The Registration Authority expects Persons and individuals that are subject/connected to an investigation to cooperate fully with the Registration Authority.

2.56 However, in accordance with section 18(5) of AR 2025, if a person fails to comply with a requirement imposed under the Registration Authority's information gathering and investigation powers, the Registration Authority may apply to the ADGM Courts for a declaration. If the Court is satisfied that the person has failed without reasonable excuse to comply, it may issue any order that the ADGM Courts sees fit.

2.57 Furthermore, conduct intended to obstruct the Registration Authority in exercising its investigative powers includes:

- a. falsifying, concealing, destroying or otherwise disposing of documents which the person knows, or suspects is, or would be relevant to an investigation;
- b. causing or permitting the falsification, concealment, destruction or disposal of such documents;
- c. providing information which he knows to be false or misleading in a material particular; or
- d. recklessly providing information which is false or misleading in a material particular.

- 2.58 Any person who carries out the conduct set out in paragraph 2.58 commits a contravention under sections 18(1) and 18(2) of AR 2025 and shall be liable to a Fine not exceeding level 8 on the Standard Fines Scale. Where such contraventions are committed, the Registration Authority will take action accordingly, which may include additional enforcement action in respect of the person.
- 2.59 Any Person who does not comply with a requirement imposed under the information gathering and investigation powers (Part 3) of AR 2025, commits a contravention under section 18(4) of AR 2025 and the Registration Authority will, where appropriate, take action accordingly.

Conclusion of an investigation

- 2.60 The Registration Authority will conclude an investigation when it determines to take no further action in response to an allegation or suspected contravention of the Commercial Legislation subject of the investigation, or all remedies imposed as a result of an investigation are concluded and fulfilled.

CHAPTER 3 – SUPERVISORY POWERS

Introduction

- 3.1 The Registration Authority has supervisory powers that it may exercise on its own initiative and without following the procedure for Tier 2 Contraventions where it appears to the Registration Authority that a Licensed Person is failing or is likely to fail to satisfy the conditions of licence applicable to them and where it is considered necessary to protect the Registration Authority's statutory objectives and mitigate potential or actual harm. The supervisory powers that the Registration Authority can exercise under such circumstances are the imposition of requirements in relation to a Licensed Person or vary a Licence in relation to a Licensed Person; such action can take effect immediately or from a future specified date.
- 3.2 The supervisory powers allow the Registration Authority to take action in a timely and proportionate manner in response to emerging issues, with the purpose of taking action to strengthen compliance and maintain confidence in the integrity of the regulatory framework.
- 3.3 Circumstances where the Registration Authority may exercise its supervisory powers include, but are not limited to:
- a. A Licensed Person submits inaccurate, false or misleading information to the Registrar.
 - b. It appears to the Registration Authority that a Licensed Person demonstrates limited governance or internal controls that if not addressed would lead to non-compliance.
 - c. A Licensed Person fails to implement adequate processes to ensure compliance with applicable regulatory requirements.
 - d. A Licensed Person's actions or inactions poses or could pose a risk to other businesses, consumers, or the market environment.
 - e. There is a reasonable likelihood of harm to the integrity, reputation, or functioning of ADGM.
 - f. Emerging issues indicate a need for proactive intervention to maintain confidence and regulatory integrity.
- 3.4 This list is not exhaustive and is provided for guidance by way of example only. The Registration Authority may consider exercising its supervisory powers in other circumstances where it is appropriate to do so

Imposition of requirements

- 3.5 In accordance with section 36 of AR 2025, the Registration Authority may impose requirements in relation to a Licensed Person (either on application of a Licence or application to vary a Licence) where it considers that it is necessary to do so. This supervisory power may be used if it appears to the Registration Authority that:

- a. the Licensed Person is failing or likely to fail to meet its licence conditions;
 - b. the Licensed Person has not carried on a Controlled Activity for at least 12 months, and/or
 - c. if it is desirable in the interests of ADGM to take such supervisory action.
- 3.6 The Registration Authority may impose new requirements, vary previously imposed requirements, or cancel such requirements.

Variation of a licence

- 3.7 In accordance with section 37 of AR 2025, the Registration Authority may vary a Licence in relation to a Licenced Person on its own initiative where it considers that it is necessary to do so. This supervisory power may be used if it appears to the Registration Authority that:
- a. the Licensed Person is failing, or is likely to fail, to meet its licence conditions;
 - b. if the Licensed Person has not carried on the Controlled Activity for at least 12 months; and/or
 - c. where variation of the licence is otherwise desirable in the interests of ADGM. A licence may be varied by adding or removing a controlled activity, changing the description of an existing activity, or imposing new conditions.

Supervisory Notices

- 3.8 The Registration Authority must issue a Supervisory Notice to a Person when it exercises its supervisory powers.
- 3.9 A Supervisory Notice will set out the grounds for the action, the specific supervisory measures being taken, and the date on which the action will take effect, which may be immediate or a specified future date.
- 3.10 A Supervisory Notice also informs the Person of their right to make written representations through a Statement of Representations to challenge the supervisory action being imposed, the timeframe for doing so, and the Person's right to refer the matter to the ADGM Courts for judicial review.
- 3.11 Once a Supervisory Notice takes effect, the Registration Authority may publish details about the notice as appropriate.

CHAPTER 4 – ENFORCEMENT MEASURES

Introduction

- 4.1 The Registration Authority has a range of enforcement measures that enable it to take proportionate and effective action where misconduct, non-compliance, or risks to the statutory objectives are identified.
- 4.2 Enforcement measures may include the issuance of censure statements, the imposition of prohibition orders, the striking-off of entities from the Register, the appointment of managers to oversee business operations, and the suspension, restriction, or cancellation of Licences. Collectively, these powers provide the Registration Authority with the necessary tools to protect market participants, maintain public confidence, and deter future contraventions.

Licence Suspension or Restriction

- 4.3 The Registration Authority may suspend a Licence, in whole or in part, for a period not exceeding 12 months. A suspension may apply only to the carrying on of a controlled activity in specified circumstances, and may cover all or only some of the activities authorised under the Licence. A suspension may be withdrawn by way of a Discontinuance Notice or varied by way of a further Decision Notice.
- 4.4 The Registration Authority may also impose restrictions on a Licence for such period as it considers appropriate, up to a maximum of 12 months. A restriction may limit or prevent the carrying on of one or more, or all, of the controlled activities under the Licence. It may also include requirements on the Licensed Person to take, or refrain from taking, specified actions. Like a suspension, a restriction may be withdrawn through a Discontinuance Notice or varied by a further Decision Notice.

Cancellation of a Licence

- 4.5 The Registration Authority may cancel a Licence held by a Licensed Person where it appears that the Person is failing, or is likely to fail, to meet the conditions of the Licence, where the licensed activity has not been carried on for at least 12 months, or where cancellation is otherwise considered desirable in the interests of the ADGM.
- 4.6 Cancellation permanently removes the Person's authority to carry on the controlled activity or activities authorised by the licence. This measure ensures that Licences are held only by Persons who continue to meet regulatory requirements.

Appointment of Managers

- 4.7 The Registration Authority has the power to require a Person to appoint one or more individuals to act as managers of the business, subject to approval by the ADGM Courts.
- 4.8 Such appointments are made on terms specified by the Registration Authority and confirmed by the ADGM Court, and those terms may be varied from time to time by further order of the ADGM Court following written notice from the Registration Authority.
- 4.9 The Registration Authority may exercise this power where it considers it necessary or desirable in circumstances including, but not limited to:

- a. ensuring the orderly transition of a Person from one set of owners or controllers to another;
 - b. winding down the operations of a Person in order to protect its customers;
 - c. preventing adverse impacts on customers or other affected Persons; or
 - d. safeguarding the integrity and reputation of the ADGM.
- 4.10 Any individual appointed as a manager must be nominated or approved by the Registration Authority and formally approved by the ADGM Courts.

Prohibition Orders

- 4.11 The Registration Authority has the power to issue a Prohibition Order that prevents a person from carrying out, or being involved in, certain activities within ADGM. This may include, but is not limited to, Controlled Activities and may be subject to specific conditions.
- 4.12 A Prohibition Order may be issued where the Registration Authority considers that there is:
- a. a reasonable likelihood that a person will breach a legal or regulatory requirement in ADGM;
 - b. a reasonable likelihood that such conduct would adversely affect ADGM's objectives; or
 - c. evidence that the person is involved in financial crime and that such involvement has caused, or could cause, material loss or harm to ADGM, its reputation, customers, or any other person.
- 4.13 Where appropriate, the Registration Authority may also publish details of a Prohibition Order in a manner it considers suitable.

Censure statements

- 4.14 The Registration Authority may issue a censure statement where it determines that a person has contravened a requirement under the ADGM's commercial legislation. A censure may be issued as either private or public, depending on the seriousness of the contravention and the circumstances of the case.
- 4.15 A censure statement will set out the nature and details of the contravention and may include guidance or directions on remedial steps the person should take to prevent a recurrence or further contraventions.
- 4.16 Where the Registration Authority issues a public censure, it will publish the statement in a manner it considers appropriate and will provide a copy of the statement to the person concerned.
- 4.17 Public censures serve to promote transparency, accountability, and deterrence, while private censures may be used where public disclosure would not further the objectives of the ADGM's regulatory framework.

Power to strike off company

- 4.18 The Registration Authority has the power to strike-off a company from the Register in specific circumstances to preserve the accuracy, integrity, and reliability of the public record.
- 4.19 Strike-off may be used where a Person is no longer carrying on business or where the Registration Authority has reason to believe that false, misleading, or deceptive information was provided in connection with a registration or restoration application.
- 4.20 These powers ensure that only compliant entities remain registered within the ADGM.

Strike-Off for Defunct Company and Failure to Appoint CSP

- 4.21 Where the Registration Authority has reasonable cause to believe that a company is not carrying on business or otherwise not in operation, the Registrar may begin the process of striking the company's name off the Register. This process involves a series of communications designed to give the company an opportunity to confirm its status and, if applicable, to remedy any non-compliance.
- 4.22 The Registration Authority will first contact the company (Initial Communication) to confirm whether it is still carrying on business or in operation. The company is expected to respond promptly and clearly within 14 days of the date of this communication.
- 4.23 If the Registration Authority does not receive a response within 14 days, a further communication (Second Communication) will be sent. This communication will:
 - a. refer to the first communication, noting that no response was received; and
 - b. state that, unless a reply is received within 14 days, the Registrar intends to publish a notice on the Registrar's website indicating that the company's name may be struck off the Register.
- 4.24 The same process may also apply if a non-exempt company has failed to appoint a Company Service Provider ("CSP") as required.
- 4.25 If the Registration Authority either receives confirmation that the company is no longer carrying on business or fails to receive any response after the second communication, the Registration Authority may proceed to publish a strike-off notice on the Registration Authority's website. This notice will specify that, after two months from the date of publication, the company's name will be struck off the Register and the company will be dissolved, unless the company provides cause to the contrary within that period.
- 4.26 Once the strike-off process is complete, the Registration Authority will publish a notice on the Registration Authority's website confirming that the company's name has been struck off the Register. Upon publication of this notice, the company is formally dissolved and ceases to exist as a legal entity.

Strike-Off for Misleading or False Information

- 4.27 The Registration Authority may strike a person's name off the Register where it has reasonable cause to believe that information or statements provided in connection with an application for registration or restoration are misleading, false, or deceptive in a

material respect. This includes any inaccuracies contained in documents submitted alongside the application.

- 4.28 Such action may be taken where the Registration Authority determines that the integrity of the Register has been compromised, or that the person's presence on the Register was secured through the submission of false or misleading information. The Registration Authority will ordinarily seek to confirm the facts and provide the person with an opportunity to respond before finalising a strike-off decision.

CHAPTER 5 – ENFORCEABLE UNDERTAKINGS

Introduction

- 5.1 An Enforceable Undertaking (“EU”) is a formal written undertaking, given by a Person or legal entity, in which that Person or legal entity agrees to take, or refrain from taking, specific actions.
- 5.2 An EU is used as both a supervisory and enforcement tool. Through an EU, concerns about compliance or potential contraventions can be addressed in a way that promotes remediation and supports the Registration Authority’s wider statutory objectives, that would not otherwise be available under a Decision Notice.

Entering into an EU

- 5.3 An EU may be proposed by a Person and accepted by the Registration Authority at any stage, whether before, during, or after an investigation, or the commencement of proceedings in court.
- 5.4 Participation in an EU is wholly voluntary. The Registration Authority does not compel a Person to propose an EU, and similarly, a Person cannot compel the Registration Authority to accept one.
- 5.5 A Person offering an EU may also agree within the EU to pay a financial penalty and/or the Registration Authority’s costs, including any costs associated with ensuring compliance with the terms of the EU.
- 5.6 An EU will only be considered where it is necessary or desirable to achieve regulatory objectives. In such cases, the EU is expected to include:
 - a. an admission or acknowledgement of the contraventions or regulatory concerns;
 - b. undertakings designed to address those concerns;
 - c. an agreement that the EU may be made public; and
 - d. an undertaking not to make public statements that contradict or undermine the EU.
- 5.7 Where appropriate, the RA may also publish details of an EU to ensure transparency and reinforce market confidence.
- 5.8 Where there is evidence of a contravention, the Registration Authority will generally pursue settlement leading to the issuance of a Decision Notice, rather than an EU.

Variation and Withdrawal

- 5.9 Once an EU has been accepted by the Registration Authority, it may only be withdrawn or varied with prior written consent of the Registration Authority.
- 5.10 A request to vary an EU will only be considered where:
 - a. the variation does not alter the spirit or purpose of the original undertaking;

- b. compliance with one or more terms of the undertaking is subsequently found to be impractical or impossible; or
- c. there has been a material change in the circumstances that led to the undertaking being given.

Failure to comply with an EU

- 5.11 If the Registration Authority considers that a Person who has provided an EU has failed to comply with any of its terms, the Registration Authority may take such further action as it deems appropriate. This may include, without limitation, imposing any other sanction available under the relevant Commercial Legislation and taking any other action within its powers, including applying to the ADGM Courts for an order or other relief to enforce the undertaking or secure an appropriate remedy in respect of the non-compliance.

CHAPTER 6 – FINES

Financial penalties

- 6.1 The Registration Authority may impose financial penalties on a Person whom it considers has contravened ADGM Commercial Legislation. The financial penalty may be of any amount considered appropriate up to the maximum amount specified on the Fines Scale in respect of the relevant Contravention. The maximum fines that may be imposed under the Commercial Legislation is an amount not exceeding level 9 on the Fines Scale, which is USD 54,000,000.
- 6.2 There are two categories under which financial penalties issued by the Registration Authority fall under; these are Tier 1 Contraventions and Tier 2 Contraventions. The process of imposing fines for each category is different and described below:
- a. A Tier 1 Contravention means a contravention of the Commercial Legislation that is categorised as level 1 or level 2 on the Fines Scale. The Registration Authority will issue the Fine at the relevant specified amount, and it retains discretion to reduce the Fine if appropriate to do so.
 - b. 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 Fine categorised as level 3 or above on the Fines Scale.
- 6.3 This Manual does not include the process for imposing late filing penalties which is system generated. Guidance on late filing penalties is available here: [Late Filings to the Registrar](#).

Purpose of fines

- 6.4 The purpose of imposing financial penalties on Persons is to promote compliance with the Commercial Legislation and achieve the Registration Authority's objectives by:
- a. penalising persons who have committed Contraventions;
 - b. deterring persons that have committed or may commit similar Contraventions; and
 - c. depriving persons of any benefit they may have gained as a result of their Contraventions.

Determining the appropriate amount of a financial penalty

- 6.5 In determining the appropriate amount of a financial penalty, the Registration Authority will consider all the relevant circumstances of the Contravention. As such, the following factors are not exhaustive. Not all of the factors described below may be applicable in a particular case and there may be other factors, not listed, that are relevant.
- 6.6 There are a number of key factors that may guide the amount of Fine that is imposed for all Tier 2 Contraventions:
- a. Financial gain or loss avoided
 - b. Seriousness of the contravention(s)

- c. Aggravating and mitigating circumstances
 - i. deliberate or reckless;
 - ii. subsequent conduct;
 - iii. whether the person is an individual;
 - iv. effect on third parties; and
 - v. any other relevant circumstances
- d. deterrence
- e. disciplinary record and compliance history
- f. serious financial hardship

Financial gain or loss avoided

- 6.7 The Registration Authority will take into account any economic benefit gained, or loss avoided as a result of the Contravention, where it is practicable to quantify the amount. Notwithstanding the amount of any economic benefit, the Registration Authority will also have regard to the need to ensure that the amount of the Fine acts as a deterrent.

Seriousness of the Contravention(s)

- 6.8 The Registration Authority will have regard to the seriousness of the Contravention, and may consider the following where appropriate:
- a. whether the Contravention had an adverse effect on the orderliness of, or confidence in, the Commercial Legislation, if so, how serious that effect was.
 - b. whether the Person, in committing the Contravention, took any steps to comply with Commercial Legislation, and the adequacy of those steps.
 - c. whether the Contravention occurred because of weak corporate governance, absent or deficient policies and procedures or inadequate resources.
 - d. whether the Contravention revealed serious or systemic weaknesses in the Person's procedures or in the management systems or internal controls relating to all or part of the Person's business.
 - e. the duration of the Contravention and the period that has elapsed since.
 - f. the scope for any potential financial crime to be caused or facilitated by the Contravention.

Aggravating and mitigating circumstances

- 6.9 The Registration Authority will have regard to any aggravating and mitigating circumstances, including but not limited to:
- a. Deliberate or reckless

- i. the Person appreciated that there was a risk that their actions or inaction could result in a Contravention and failed to adequately mitigate that risk.
 - ii. the Contravention was intentional, in that the Person intended, could reasonably have foreseen, or foresaw that the likely or actual consequences of their actions or inaction would result in a Contravention.
 - iii. the Person knew that their actions or inaction would result in a Contravention.
 - iv. the Person sought to conceal their misconduct.
 - v. the Person committed the Contravention in such a way as to avoid or reduce the risk that the Contravention would be discovered.
 - vi. the Person was influenced to commit the Contravention by the belief that it would be difficult to detect.
 - vii. the Contravention was repeated.
- b. Subsequent conduct
 - i. the Person's conduct in bringing, or failing to bring, the Contravention to attention of the Registration Authority, the remedial steps taken to address or mitigate the Contravention, and the degree of cooperation demonstrated by the Person during the investigation or enforcement process.
- c. Whether the person is an individual
 - i. the appreciation that individuals typically have fewer financial resources than companies, and that enforcement action is likely to have a greater personal impact. Accordingly, effective deterrence may, in some cases, be achieved through the imposition of a smaller penalty on an individual than would be appropriate for a company.
- d. Effect on third parties
 - i. the impact of the Contravention on clients, customers, or other affected parties, including any loss or risk of loss suffered by such persons as a result of the conduct.
- e. Any other relevant circumstances that the Registration Authority considers appropriate.

Deterrence

- 6.10 The Registration Authority will have regard to the need for deterrence. That is, deterring Persons who have committed Contraventions from committing further Contraventions, and deterring others from committing similar Contraventions.
- 6.11 In this regard, the Registration Authority considers the extent to which it is necessary to impose a fine of an appropriate amount in order to ensure that the deterrent effect of the action is not diminished.

Disciplinary record and compliance history

- 6.12 The Registration Authority may consider a Person's disciplinary record and compliance history. These factors assist in assessing the Person's overall conduct, in particular:
- a. the person's general compliance history;
 - b. whether the Registration Authority has previously taken any disciplinary action resulting in adverse findings against the Person;
 - c. whether the Registration Authority has previously exercised its supervisory powers; and
 - d. whether the Registration Authority has previously issued a notice to the Person
- 6.13 The existence of an adverse disciplinary record or a poor compliance history may justify the imposition of a higher financial penalty. This includes where a Person has committed the same Contravention(s) previously.
- 6.14 When assessing the relevance and weight of prior Contraventions or compliance issues, the Registration Authority will generally regard older matters as less significant, particularly where there is evidence of subsequent compliance and remedial behaviour.

Serious financial hardship

- 6.15 Where a Person claims that payment of a Fine proposed by the Registration Authority will cause them serious financial hardship, the Registration Authority will consider the following:
- a. the Person provides verifiable evidence that payment of the proposed Fine would cause them to suffer serious financial hardship; and
 - b. the Person provides full and timely disclosure of the verifiable evidence and cooperates fully with any enquiries the Registration Authority may make about their financial position.
- 6.16 It is the responsibility of the Person concerned to satisfy the Registration Authority that payment of the proposed Fine would cause them to suffer serious financial hardship. It is not the Registration Authority's responsibility to establish that the Person has the means to pay the proposed Fine.
- 6.17 However, in some cases, even where a Person has demonstrated that a proposed Fine would cause serious financial hardship, the Registration Authority may consider the Contravention to be so serious that it is not appropriate to reduce the Fine.
- 6.18 Such circumstances include, providing false or misleading information to the Registration Authority, deliberate and repeated breaches of licensing requirements or where previous action by the Registration Authority has not been successful in bringing about a change in behaviour by the Person involved.

Issuance of notice of penalty

- 6.19 For further information on the process on the issuance of the relevant penalty notice of a

Tier 1 or Tier 2 Contravention please refer to the relevant section in **Chapter 7 – Decision Making**.

CHAPTER 7 – DECISION MAKING

Introduction

- 7.1 The purpose of this Chapter is to set out the Registration Authority's approach and procedure for making decisions which give rise to an obligation to issue statutory notices – in accordance with the Tier 1, Tier 2, Supervisory and Exceptional CEO procedures i.e. a Financial Penalty Notice, Warning Notice, Decision Notice, Supervisory Notice, Exceptional Notice or Discontinuance Notice.
- 7.2 The Registration Authority makes decisions based on all relevant information available to it by applying the relevant statutory tests, having regard to the context and nature of the matter, that is, the relevant facts, law and the Registration Authority's priorities and policies.
- 7.3 The Registration Authority will make and retain appropriate records of those decisions, including records of meetings and the representations (if any) and materials considered by the Registrar.
- 7.4 Examples of the types of decisions which give rise to an obligation to issue a Warning Notice, and Decision Notice are explained in Chapter 3 (Supervisory Powers), Chapter 4 (Enforcement Measures) and Chapter 10 (Disqualification). They include decisions made by the Registration Authority to make a Disqualification Order, to impose a Fine for a contravention of ADGM's Commercial Legislation and to exercise its own-initiative action to cancel or suspend a licence.
- 7.5 The types of decisions which give rise to an obligation to issue a Supervisory Notice are explained in **Chapter 3 – Supervisory Powers**. They include decisions made by the Registration Authority to vary or impose a requirement on a licence.
- 7.6 The Registration Authority's exercise of certain powers may affect the rights, interests and liabilities of a Person or Persons on whom those powers are being exercised. As a result, decisions made by the Registration Authority to exercise those powers require the Registration Authority to give an affected Person notice of the proposed action and offer them the right to make representations before a final decision is made. The procedures for these types of decisions are covered in this Chapter.
- 7.7 The Person subject to a Financial Penalty Notice, Decision Notice, Supervisory Notice or Exceptional Notice have the right to refer the matter to the ADGM Courts.
- 7.8 In accordance with section 2(2) of AR 2025, the issuance of Supervisory Notices, and any other powers (other than exceptional powers outlined in Part 5 of AR 2025) of the Registration Authority set out in AR 2025 may be exercised by the Registration Authority acting through its Registrar, CEO or any duly authorised Officer, employee or representative.

Purpose of taking action

- 7.9 When deciding whether to take enforcement action, the Registration Authority will consider all relevant facts and circumstances, which could include (but are not limited to) the following:

- a. the deterrent effect on:
 - i. Persons that have committed or may commit the Contraventions; and
 - ii. other Persons that have committed or may commit similar Contraventions;
- b. the nature, seriousness, duration and impact of the Contravention, including:
 - i. whether the Contravention was deliberate or reckless;
 - ii. the duration and frequency of the Contravention;
 - iii. whether the Contravention reveals serious or systemic weaknesses of the management systems or internal controls relating to all or part of a Person's business;
 - iv. the impact (actual or potential) of the Contravention on the orderliness of the ADGM Commercial Legislation, including whether confidence in the Commercial Legislation has been damaged or put at risk;
- c. if the Contravention involved a number of Persons, the degree of involvement and the specific role of each Person;
- d. the benefit gained (whether direct or indirect, pecuniary or non-pecuniary) or loss avoided as a result of the Contravention;
- e. the conduct of the Person after the Contravention;
- f. the difficulty in detecting and investigating the Contravention that is the subject of the enforcement action;
- g. whether the Person committed the Contravention in such a way as to avoid or reduce the risk that the Contravention would be discovered. The Registration Authority may impose a more significant penalty where it considers that a Person committed a Contravention in such a way as to avoid or reduce the risk that the contravention would be discovered;
- h. the disciplinary record and compliance history of the Person on whom the penalty is imposed, including whether the Registration Authority has taken any previous disciplinary action against the Person;
- i. where the Person reasonably believed that their behaviour did not amount to a contravention and whether they undertook reasonable precautions and diligence to avoid committing such a Contravention;
- j. whether the Person acted in accordance with the Registration Authority's guidance and other publications;
- k. action taken by the Registration Authority in previous similar cases;
- l. action taken by other domestic or international regulatory authorities in similar cases; and

- m. action taken by other domestic or international regulatory authorities involving the Person(s) concerned. Where other regulatory authorities propose to take action in respect of the contravention which is under consideration by the Registration Authority, or one similar to it, the Registration Authority will consider whether the other authority's action would be adequate to address our concerns, or whether it would be appropriate for the Registration Authority to take our own action.

The Decision Maker

- 7.10 The principal decision maker at the Registration Authority is the Registrar. The Registrar may delegate his decision-making power to an independent person(s) in accordance with the Commercial Legislation and the ADGM Founding Law.
- 7.11 For the purposes of this Chapter, a reference to the Registrar is also a reference to a delegated decision maker, if any.

Tier 1 Contraventions

Financial Penalty Notice

- 7.12 In accordance with section 21(1) of AR 2025, the Registration Authority is required to issue a Financial Penalty Notice to the Person who has committed Tier 1 Contravention. The Financial Penalty Notice shall be in the form prescribed by the Registration Authority, and outlines:
 - a. details of the Contravention committed;
 - b. Provision of the relevant Commercial Legislation;
 - c. applicable Fine and due date to pay the Fine;
 - d. period to submit a Statement of Representations (i.e. no later than 30 calendar days from the date of issuance of the Financial Penalty Notice); and
 - e. rights of the Person being issued a Financial Penalty Notice to refer the matter to ADGM Courts.

Statement of Representations

- 7.13 In accordance with section 22(1) of AR 2025, a Person may raise an objection to the Fine for a Financial Penalty Notice with the Registration Authority by filing a Statement of Representations in the form prescribed by the Registration Authority, within 30 Days of the issuance of the Financial Penalty Notice.
- 7.14 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.
- 7.15 In order for the Statement of Representations for a Financial Penalty Notice to be valid, they 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.
- 7.16 The Registration Authority shall have no obligation whatsoever to accept or consider a Statement of Representations on the grounds of leniency or to change a Financial Penalty Notice in response to such a Statement of Representations.
- 7.17 There is no provision for requesting an extension of the time allowed for submitting Statement of Representations related to a Financial Penalty Notice.

Review process for Statement of Representations

- 7.18 In accordance with section 23(1) of AR 2025, 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.
- 7.19 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 which may not be the subject of a further Statement of Representations.
- 7.20 The Person must pay the Fine no later than the latter of:
- a. 14 Days of the issuance of the new Financial Penalty Notice; and
 - b. 30 Days of the issuance of the original Financial Penalty Notice.
- 7.21 If the Registration Authority decides to revoke a Fine for a Tier 1 Contravention, it will issue a Discontinuance Notice.
- 7.22 A flowchart of the Tier 1 Contravention Fine process can be found at **Annex 2**.

Tier 2 Contraventions

- 7.23 In accordance with section 24(2) of AR 2025, in relation to Tier 2 Contraventions and 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.

Supervisory Notice and Warning Notice

- 7.24 A Warning Notice is issued in relation where the Registration Authority asserts that a Person has committed a Tier 2 Contravention, including as a result of the outcome of an Investigation. Please refer to Annex 1 to this Manual for further information.
- 7.25 Supervisory Notices are issued in relation to supervisory actions, namely varying a Licence, imposing or varying a requirement and/or imposing conditions on a Licence. For further information on Supervisory Notices please refer to **Chapter 3 – Supervisory**

Powers.

- 7.26 If Registration Authority staff consider that action is appropriate, they will make a recommendation to the Registrar that a Warning Notice or a Supervisory Notice should be given.
- 7.27 If the Registrar considers it relevant to his consideration, he may ask Registration Authority staff to explain or provide the following:
- a. additional information about the matter (which Registration Authority staff may seek by further investigation); or
 - b. further explanation of any aspect of the Registration Authority staff recommendation or supporting documents.
- 7.28 The Registrar will consider whether the circumstances warrant a Warning Notice or Supervisory Notice being issued, having regard to the following considerations:
- a. whether the material on which the recommendation is based is adequate to support it – the Registrar may seek additional information about or clarification of the recommendation from Registration Authority staff; and
 - b. whether the recommendation is appropriate in the circumstances.
- 7.29 If the Registrar decides that he should give a Warning Notice setting out details of the action he proposes to take, then he will:
- a. ensure that the notice complies with section 24 of AR 2025;
 - b. determine:
 - i. the period for making representations (which may not be less than 14 days);
 - ii. whether to give a copy of the notice to any third party and, if so, the period for the third party to make representations; and
 - iii. whether to refuse access to Registration Authority material, relevant to the Notice (under section 26(3) of AR 2025).
 - c. ensure that the relevant Registration Authority staff make appropriate arrangements for the Notice to be given.

Written Representations

- 7.30 Warning Notice or Supervisory Notice will specify the time allowed for the recipient to respond in writing to the Registration Authority.
- 7.31 In accordance with section 19(1) of AR 2025 (for a Supervisory Notice) and section 24(1) of AR 2025 (for a Warning Notice), a Person 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.
- 7.32 In all instances (whether a submission is made in writing or in person), the Registration

Authority shall have no obligation whatsoever to accept or consider a Statement of Representations on the grounds of leniency.

Oral Representations

- 7.33 If the recipient of a Warning Notice or a Supervisory Notice indicates that they wish to make oral representations, the Registration Authority will fix a date or dates for a meeting at which the Registration Authority will receive those representations. The Registration Authority will ensure that the meeting is conducted so as to enable:
- a. the recipient of the notice to make representations;
 - b. the relevant Registration Authority staff to respond to those representations;
 - c. the Registration Authority to raise with those present any points or questions about the matter; and
 - d. the recipient of the notice to respond to any points made by Registration Authority staff or the Registrar.
- 7.34 The Registrar may ask the recipient of the notice or Registration Authority staff to limit their representations or response in length or to particular issues arising from the Warning Notice or Supervisory Notice.
- 7.35 The recipient of the Warning Notice or Supervisory Notice may elect to be legally represented at the meeting, but this is not a requirement.
- 7.36 Where the Registrar deems appropriate, he may ask those present at the meeting to provide additional information in writing after the meeting. If the Registrar does so, he will specify the timeframe within which that information is to be provided.
- 7.37 Registration Authority staff responsible for making a recommendation to the Registrar will continue to assess its appropriateness in the light of any new information or representations they receive and any material change in the facts or circumstances relating to a particular matter.

Request for extension for Representations

- 7.38 The recipient of a Warning Notice or a Supervisory Notice may request an extension of the time allowed for making representations.
- 7.39 If a request for an extension of time is made Warning Notice or a Supervisory Notice, the Registration Authority will decide whether to allow the extension, and if so, how much additional time is to be allowed for making representations. In reaching its decision the Registration Authority will take into account all relevant factors including any factors outside the control of the recipient of the notice that would impact on their ability to respond within the period set out in the Warning Notice or Supervisory Notice, as well as any comments from the relevant Registration Authority staff.

Decision Notices

- 7.40 In accordance with section 28(1) of AR 2025, if the Registration Authority receives no response or representations within the period specified in a Warning Notice or

Supervisory Notice, the Registration Authority may regard as undisputed the matters in the Notice and a Decision Notice may be given accordingly.

- 7.41 In any case in which representations are made for a Warning Notice or Supervisory Notice, the Registration Authority will consider whether it is right in the circumstances to give the Decision Notice. In doing so, the Registration Authority will:
- a. consider all material before it;
 - b. consider all representations made (whether written, oral or both) and any comments by Registration Authority staff or others in respect of those representations; and
 - c. decide whether to give the notice and the terms of any notice given.
- 7.42 If the Registration Authority decides to give a Decision Notice, the Registration Authority will ensure that:
- a. the Notice complies with section 28 of AR 2025;
 - b. the Notice includes a summary of the key representations made and how they have been taken into account (where applicable); and
 - c. the Registration Authority staff make appropriate arrangements for the Notice to be given.
- 7.43 If applicable, the Registration Authority will determine whether the Registration Authority is required to give a copy of the Notice to a third party and, if so, facilitate the giving of the Notice.

Consent Process

- 7.44 The consent process allows a Person, after receiving a Warning Notice but before the Registration Authority issues a Decision Notice, to agree to the outcome of an enforcement action. By providing written consent, the Person admits liability for the Contravention, accepts the proposed enforcement action, and waives the right to make further representations or objections in relation to the matter, except where the law otherwise provides.
- 7.45 Where consent is given in the format specified by the Registration Authority, and on terms acceptable to it, the Registration Authority will issue a Decision Notice on those terms. This notice records the acknowledgement of consent, confirms the enforcement action to be taken, and specifies when that action takes effect. If a financial penalty is imposed, the notice will also set out the amount, how it must be paid, and the timeframe for payment, which will be no less than 30 days.
- 7.46 The consent process provides a streamlined and efficient means of resolving enforcement matters. It enables early closure of cases, reduces the need for further proceedings, and offers certainty to the Person involved while ensuring that the Registration Authority can take proportionate action in a timely manner.

Notice of Discontinuance

- 7.47 In accordance with section 29 of AR 2025, if the Registration Authority decides not to take the action proposed in a Warning Notice, Supervisory Notice, Exceptional Notice or to which a Decision Notice given by it relates, the Registration Authority will issue a Notice of Discontinuance to the Person to whom the Warning Notice, Supervisory Notice, Exceptional Notice or Decision Notice was given.

Exceptional Notices

- 7.48 The Registration Authority, acting through its CEO, may on its own initiative and in emergency circumstances immediately exercise its exceptional powers without following the usual Tier 2 Contravention process. There is a high threshold to be met for the use of the exceptional powers as explained in **Chapter 9** of this Manual.
- 7.49 In accordance with section 20(4) of AR 2025, if the Registration Authority decides to give an Exceptional Notice, the Registration Authority will ensure that it specifies:
- a. the relevant grounds 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.
- 7.50 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. 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.

Right to refer matters to the Court

- 7.51 In accordance with section 47 of AR 2025, a recipient of a Financial Penalty Notice, Decision Notice, Supervisory Notice or Exceptional Notice may refer the matter to the ADGM Court for Judicial Review.
- 7.52 A flowchart of the Tier 2 Contravention Fine process can be found at **Annex 3**.

CHAPTER 8 – SETTLEMENT

Introduction

- 8.1 Settlement is an important tool in the Registration Authority's enforcement framework, allowing matters to be resolved efficiently without the need for prolonged proceedings. Through settlement, a Person may agree to admit liability and accept proposed enforcement action on agreed terms, providing certainty of outcome while saving time and resources for both parties.
- 8.2 Settlement supports the Registration Authority's statutory objectives by encouraging early cooperation, enabling timely remediation, and reinforcing confidence in the integrity and effectiveness of the regulatory framework.

Approach to settlement

- 8.3 In its approach to settlement, the Registration Authority will consider the Enforcement Principles as set out in the Manual. These principles guide the RA in ensuring that settlement is conducted in a manner that is fair, transparent, and consistent with its statutory objectives, and that the public interest is served.
- 8.4 The Enforcement Principles include adopting a risk-based approach, taking timely and decisive action, ensuring procedural fairness, acting with transparency and cooperating with UAE government authorities to ensure effective oversight of non-financial business sectors within ADGM.
- 8.5 With these principles in mind, the Registration Authority acknowledges the potential benefits and public interest in timely and comprehensive settlement on appropriate terms, particularly early settlement, of enforcement action which it may undertake. Settlement allows enforcement matters to be resolved efficiently, reduces uncertainty for regulated Persons, and supports the Registration Authority in achieving its regulatory objectives in a manner that protects the public interest.

Benefits of Settlement

- 8.6 Settlement provides significant benefits for both the Registration Authority and the Person under investigation. It enables timely resolution of enforcement matters, encourages cooperation, reduces uncertainty, and conserves regulatory resources. Settlements also promote transparency and act as a deterrent to potential misconduct through the publication of enforcement outcomes.
- 8.7 Settlement can also support the public interest by demonstrating that breaches are addressed promptly and appropriately, thereby reinforcing confidence in ADGM's regulatory framework. The Registration Authority may consider awarding discounts for early settlement of enforcement actions involving penalties.
- 8.8 The key benefits of settlement include:
 - a. Timely resolution – settlement expedites the final determination of enforcement action, allowing prompt communication of outcomes to the Person, the regulated community, and the public;

- b. Resource efficiency – by resolving matters without lengthy contested proceedings, settlement allows the RA to conserve time and resources for other enforcement priorities;
- c. Encouragement of cooperation – settlement provides an incentive for Persons under investigation to cooperate fully, providing early and accurate information, and making admissions where appropriate;
- d. Promotion of self-reporting – the potential for settlement and associated benefits, such as penalty discounts, encourages regulated Persons to report potential breaches voluntarily;
- e. Reduction of uncertainty – settlement reduces the unpredictability inherent in contested proceedings or litigation, providing clarity to both the Registration Authority and the Person; and
- f. Potential discounts – early settlement may result in reduced financial penalties or other benefits, depending on the quality and timeliness of cooperation.

Factors to be considered before initiating settlement

- 8.9 The Registration Authority may choose to enter settlement discussions at any stage of the enforcement process. Conversely, it may also decide not to engage in or to discontinue such discussions at any point. The decision to initiate, continue, or decline settlement is entirely discretionary and will be informed by the Registration Authority's statutory objectives, guidance, and the circumstances of the matter.
- 8.10 In exercising its discretion to initiate settlement discussions or enter into a settlement agreement, the Registration Authority will consider all relevant factors including its statutory objectives, relevant guidance, and the specific facts and circumstances of the case.
- 8.11 Before engaging in settlement discussions, the Registration Authority would satisfy itself that taking enforcement action is in the public interest and appropriate in the circumstances of the matter.
- 8.12 Settlement is often appropriate where there is potential for cooperation from the Person(s) subject of the pending or proposed enforcement action. In particular, settlement may be suitable where the Person(s) is willing to admit liability.

Timing of Settlement

- 8.13 The Registration Authority will engage in substantive settlement discussions or conclude a binding settlement agreement only once it has:
 - a. developed a sufficient understanding of the nature, seriousness, and impact (or potential impact) of the suspected contravention; and
 - b. established the ability to reasonably assess any necessary actions, including remedial or disciplinary measures, ensuring that settlement discussions are informed, constructive, and capable of achieving a fair and proportionate resolution.

- 8.14 Settlement discussions will generally occur following the issuance of a Warning Notice, as this allows the Person to understand the Registration Authority's concerns and what it considers an appropriate course of action.
- 8.15 Settlement meetings should be scheduled and conducted promptly, taking into account the seriousness of the case and the necessity to resolve matters efficiently without delaying the formal enforcement process.
- 8.16 The Registration Authority will set appropriate timetables for settlement discussions to ensure that the discussions do not delay or shift focus away from the formal enforcement process. The decision to enter into or continue settlement discussions does not automatically entitle the Person to a suspension or delay in the formal enforcement process.
- 8.17 All settlement discussions will be conducted on a without prejudice basis, ensuring that discussions remain confidential and cannot be used in future proceedings. Without prejudice means that a communication between negotiating parties will not be admissible in the ADGM Courts and cannot be adduced in evidence against the interest of the party that made it, if the without prejudice privilege is attached to such communication.

Conduct of Settlement Discussions

- 8.18 Settlement discussions are intended to provide a fair and transparent opportunity for the Registration Authority and the Person subject to the potential enforcement action to discuss the potential resolution of an enforcement matter.
- 8.19 When arranging a settlement meeting, the Registration Authority will take steps to ensure that the process is transparent, properly documented, and conducted on fair terms. The Person will be informed that they may be accompanied by legal counsel or another representative of their choice, and that a formal note of the meeting will be taken. In advance of the meeting, the Registration Authority will provide details of its attendees and request confirmation of those attending on behalf of the Person, ensuring clarity and balance in representation.
- 8.20 Meetings will generally take place at the offices of the Registration Authority, to ensure a professional environment. Each meeting will begin with an introduction setting out the agenda and confirming that the discussions are conducted on a "without prejudice" basis. This means the discussions are confidential and cannot be used in any future proceedings, unless otherwise agreed.
- 8.21 The Registration Authority will then present the enforcement case in a clear and structured manner. This may include outlining the key facts, legal considerations, evidence relied upon, the nature of the alleged breaches, and any potential sanctions being considered. The Person will then be given a full opportunity to respond, present their perspective, and raise any mitigating factors they consider relevant.
- 8.22 In some cases, more than one settlement meeting may be required. For example, if an initial settlement proposal is made, the Person will be given sufficient time to consider the terms and respond. Any deadlines or timeframes for follow-up will be clearly agreed during the meeting.
- 8.23 Throughout settlement discussions, the Registration Authority will observe best

practices designed to ensure fairness, transparency, and efficiency. These include:

- a. ensuring that all parties fully understand the purpose, scope, and structure of the meeting, and that expectations are clearly communicated from the outset;
- b. maintaining a professional, respectful, and impartial tone at all times, to support constructive dialogue and mutual confidence in the process;
- c. allowing sufficient time for each party to present their case, respond to proposals, and raise questions, ensuring that no party feels rushed or unfairly constrained; and
- d. providing a clear explanation of the next steps following the meeting, including any required actions, deadlines for responses, and the process for further engagement or follow-up meetings.

8.24 If settlement discussions lead to a proposed agreement, the Registration Authority's staff will prepare a written record of the proposed terms. This will then be referred to the Registration Authority's decision maker for review. Only a formal decision by the decision maker can bind the Registration Authority to a settlement. The decision maker can settle the matter, recommend other terms or decline to settle the matter. This will be explained to the Person at the outset of discussions to ensure clarity and avoid misunderstanding.

Determining the settlement amount/sanction

8.25 When the Registration Authority and the Person subject to the enforcement action agree to settle a matter involving a proposed financial penalty, the Registration Authority will consider offering a discount on the sanction amount.

8.26 Such discounts are intended to encourage early, proactive, and meaningful engagement with the enforcement process, while still ensuring that the outcome achieves the Registration Authority's statutory objectives. Discounts are designed to reward proactive cooperation, not baseline compliance obligations.

8.27 At its discretion, the Registration Authority may apply discounts to the punitive element of a financial penalty. The level of any discount will depend on both the timing and the quality of cooperation provided by the Person subject to the enforcement action. The highest discounts will be reserved for those who demonstrate comprehensive cooperation at an early stage of the enforcement process.

8.28 Where a Fine includes an element to deprive a Person of any profits they made or losses they avoided as a result of their contravention, there is no reduction in respect of that part of the Fine. Similarly, no reduction will be applied to any restitution or compensation payable to clients or customers under the settlement agreement.

General Contents of a Settlement Agreement

8.29 Settlement agreements are the mechanism for concluding enforcement matters in a clear, fair, and final manner. They ensure that both the Registration Authority and the Person subject to the potential enforcement action have certainty over the outcome and the obligations that follow.

8.30 The Registration Authority will generally agree to settle an enforcement action only where

the terms of the settlement represent an appropriate and proportionate regulatory outcome. A settlement should normally be comprehensive enough to conclude both the enquiries and any related disciplinary or enforcement action against the Person subject to the potential action.

- 8.31 Where the settlement includes the exercise of a disciplinary power, the Registration Authority will issue the Person with a formal Decision Notice.
- 8.32 As part of the settlement, the Person will be required to accept that they have contravened relevant requirements and to agree the underlying facts related to the contraventions. Settlements are not intended to avoid findings of misconduct, but rather to provide a timely, fair, and transparent resolution to enforcement matters.
- 8.33 The terms of any settlement must be clearly documented in writing and agreed upon by both parties. The agreement will include a waiver of the Person's right to refer the matter to the ADGM Courts, thereby ensuring finality and certainty in the resolution of the case.

Publicity

- 8.34 Where a settlement is reached, the Registration Authority will issue a Decision Notice which will note that settlement was reached. This Decision Notice will ordinarily be published in accordance with Section 33 of AR 2025. Publication of such outcomes promotes transparency, accountability, and confidence in the regulatory process.

Third party rights

- 8.35 When considering a settlement, the Registration Authority will also take into account the potential impact on third party rights. In particular, where a Decision Notice has been given to a Person following the settlement of an enforcement action.
- 8.36 Generally, if a Decision Notice identifies a third party a copy of the notice must be given to the third party unless it is impractical to do so. Third parties have the right to make representations and ultimately can refer the matter to the ADGM Courts.
- 8.37 It is therefore important that any settlement reached with the Registration Authority takes account of the position of any third party.

CHAPTER 9 – EXCEPTIONAL POWERS OF THE CEO

Introduction

- 9.1 The Registration Authority, acting through its CEO, may on its own initiative and in emergency circumstances immediately exercise its exceptional powers without following the usual Tier 2 Contravention process. The exceptional powers allow the CEO to suspend or restrict a licence, cancel a licence, or issue a prohibition order in situations where immediate action is needed for example to prevent serious harm or protect the RA's statutory objectives.
- 9.2 There is a high threshold to be met for the use of the exceptional powers. The Registration Authority CEO may only act if it appears that there are reasonable grounds to suspect:
- a. Serious contraventions of the Commercial Legislation;
 - b. That the Registration Authority's objectives would be placed in material jeopardy;
 - c. Criminal activity;
 - d. Material harm to consumers and businesses, including risks to public health and safety; and/ or
 - e. Reasonable risks to the ADGM and the UAE,
- which requires immediate intervention to materially mitigate the risk.

Procedure

- 9.3 Where exceptional powers are used, the Registration Authority must issue an Exceptional Notice setting out the exceptional grounds, the immediate action imposed, and the rights of the affected Person to respond or to apply directly to the ADGM Courts for judicial review.
- 9.4 A Person who receives an Exceptional Notice has the right to respond. They may submit a Statement of Representations in writing (in the same way as a person may make representations in relation to a Warning Notice) and may also request to make oral representations. In addition, the Person has an immediate right to apply to the ADGM Courts for judicial review of the decision, without first making representations to the Registration Authority.
- 9.5 Following the issue of an Exceptional Notice, the Registration Authority may continue with the standard Tier 2 Contravention process, issuing either a Decision Notice to confirm the action or a Discontinuance Notice to revoke it.

CHAPTER 10 - DISQUALIFICATION

Disqualification of Persons

- 10.1 The Registration Authority has the power to issue a Disqualification Order were permitted under the relevant Commercial Legislation.
- 10.2 A Disqualification Order prevents an individual from being a director, acting as a receiver, or from taking part in the promotion, formation, or management of a company. This power may be exercised in respect of a Tier 2 Contravention - see **Chapter 7** on Decision Making regarding Warning Notices and Decision Notices.
- 10.3 A Disqualification Order may be issued to a Person:
- a. convicted of a criminal offence in the UAE in connection with the promotion, formation, management, liquidation or striking off of a company, with the receivership of a company's property, or with being an administrative receiver of a company;
 - b. who has been persistently in default of any regulation in the ADGM requiring any return, account or other document to be given to the Registrar;
 - c. who is guilty of fraudulent trading, or other fraud in relation to the company; or
 - d. who is, or has been, a director or shadow director of a company, where the Registrar is satisfied that the Person's conduct in relation to the company makes them unfit to be concerned in the management of a company and it is in the public interest to make the order.
- 10.4 The period of disqualification imposed under a Disqualification Order must be proportionate to the circumstances of the case. In all instances, the minimum period that may be specified is two years, while the maximum period is 15 years. The period will reflect the seriousness of the conduct in question on a case-by-case basis.
- 10.5 Unless the Registrar directs otherwise, the period of a Disqualification Order will commence 21 days following the date on which the order is made.
- 10.6 Where a Disqualification Order is issued against an individual who is already subject to an existing Disqualification Order or Disqualification Undertaking, the periods of disqualification shall run concurrently. This ensures clarity regarding the effective duration of the restriction and avoids the stacking of overlapping disqualification periods.

Disqualification undertakings

- 10.7 A Disqualification Undertaking is a formal commitment given by a Person to the Registrar, in which the individual undertakes that they will not:
- a. act as a director of a company;
 - b. act as a receiver of a company's property; or
 - c. take part in the promotion, formation, or management of a company.

- 10.8 Where a Person has offered to provide a Disqualification Undertaking, the Registrar may accept the undertaking as an alternative to issuing a Disqualification Order, if it is satisfied that:
- a. the individual's conduct in relation to the company demonstrates unfitness to be involved in management; and
 - b. it is in the public interest for the Person to accept the undertaking instead of a formal disqualification order.
- 10.9 The period of a Disqualification Undertaking must be proportionate to the circumstances and seriousness of the conduct. The minimum period that may be specified is two years, while the maximum period is 15 years. This approach allows the Registrar to achieve regulatory objectives and protect the public interest while providing a degree of flexibility in addressing unfit conduct.
- 10.10 Where a Person who is already subject to a Disqualification Order or another undertaking provides a further undertaking, the periods run concurrently.

Process for Making a Disqualification Order

- 10.11 The Registration Authority's Monitoring and Enforcement Division (M&E) may become aware of actual or suspected contraventions through a range of supervisory activities. These include investigations, on-site assessments, ad-hoc inspections, management meetings with ADGM-registered entities, as well as referrals and complaints received from third parties.
- 10.12 Upon identifying a potential issue, M&E conducts a thorough assessment of the facts and circumstances of the matter and prepares a recommendation for the Registrar (or an authorised delegate). The Registrar will then determine whether it is appropriate to issue a Disqualification Order. This process ensures that any decision to disqualify is based on a careful evaluation of the evidence and the public interest, maintaining the integrity of the ADGM regulatory framework.

Disqualification On Conviction of Criminal Offence

- 10.13 A Disqualification Order may be issued against a Person who has been convicted of a criminal offence in the United Arab Emirates where that offence is connected to the promotion, formation, management, liquidation, or striking off of a company. This power also extends to offences committed in relation to the receivership of a company's property or the individual's role as an administrative receiver.
- 10.14 Such circumstances are regarded as serious, as they directly undermine confidence in the proper conduct and governance of companies, and may warrant disqualification to protect the public interest and the integrity of the ADGM framework.

Disqualification For Persistent Breaches of Companies Legislation

- 10.15 A Disqualification Order may be issued against a Person where the individual has been persistently in default of legal or regulatory obligations within the ADGM. This includes repeated failures to file, deliver, or submit any return, account, or other document required under applicable legislation, or to provide any notice that must be given to the Registrar.

- 10.16 Persistent non-compliance of this nature is a serious matter, as it undermines transparency, accountability, and the proper functioning of the regulatory framework. In such cases, disqualification may be necessary to uphold the integrity of the ADGM and protect the public interest.

Disqualification for Fraud, Etc

- 10.17 A Disqualification Order may be issued against a Person where the individual has been guilty of a breach of section 857 (fraudulent trading) of Companies Regulations 2020, or has committed any fraud or breached their duties while acting as an officer, liquidator, receiver, or administrative receiver of a company.
- 10.18 Such circumstances are regarded as serious, as they undermine confidence in the governance and management of companies, and may warrant disqualification to protect the integrity of the ADGM and the public interest.

Disqualification of Persons Unfit to be Directors

- 10.19 The Registrar may issue a Disqualification Order against a Person who is, or has been, a director or shadow director of a company where it is satisfied that their conduct in relation to the company renders them unfit to be involved in its management, and it is in the public interest to make such an order.
- 10.20 Such circumstances are considered serious, as they indicate a lack of fitness to manage or oversee a company responsibly and may pose a risk to the integrity of the ADGM.

Matters for determining unfitness of Directors

- 10.21 Where the Registrar is required to determine whether a Person's conduct as a director of one or more companies renders them unfit to be involved in the management of a company, the Registrar will assess the individual's conduct with reference to established criteria. In particular, the Registrar will have regard to:
- a. the matters set out in Part I of Schedule 2 of Companies Regulations 2020, which provide general guidance on conduct and governance obligations for directors; and
 - b. in cases where the company has become insolvent, the matters set out in Part II of Schedule 2 of Companies Regulations 2020, which address conduct relevant to insolvency and the protection of stakeholders.
- 10.22 For the purposes of this assessment, references in the Schedule to the director and the company are applied to the individual and each relevant company under consideration.
- 10.23 The Registrar must have regard to the matters mentioned in Part I of Schedule 2 of Companies Regulations 2020. These include:
- a. any misfeasance or breach of any fiduciary or other duty by the director in relation to the company, including any breach of the general duties of directors owed to the company.
 - b. Any misapplication or retention by the director of, or any conduct by the director giving rise to an obligation to account for, any money or other property of the company.

- c. The extent of the director's responsibility for any failure by the company to comply with any of the following provisions of the Companies Regulations 2020:
 - i. section 118 (register of members),
 - ii. section 119 (register to be kept available for inspection),
 - iii. section 153 (register of directors),
 - iv. section 156 (register of directors' residential addresses),
 - v. section 157 (duty to notify Registrar of changes: directors),
 - vi. section 292 (register of secretaries),
 - vii. section 293 (duty to notify Registrar of changes: secretaries),
 - viii. section 375 (duty to keep accounting records),
 - ix. section 377 (where and for how long accounting records to be kept),
 - x. section 770 (Treatment of development costs), and
 - xi. section 798 (inspection of charge instruments).
- d. The extent of the director's responsibility for any failure by the directors of the company to comply with the following provisions of the Companies Regulations 2020:
 - i. section 383 or 389 (duty to prepare annual accounts),
 - ii. section 399 or 404 (approval and signature of accounts),
 - iii. section 409 (name of signatory to be stated in published copy of accounts).

Circumstances the Registrar may disqualify a Person

- 10.24 The issuance of a Disqualification Order serves to signal to ADGM-registered entities and their stakeholders that the conduct in question is unacceptable and falls below the standards expected of individuals involved in the management of companies. Such action supports the objectives of the ADGM's regulatory framework by promoting accountability, integrity, and confidence in corporate governance, and may also act as a deterrent to others who might consider engaging in similar misconduct.
- 10.25 The decision to impose a Disqualification Order is made on a case-by-case basis, taking full account of the facts, circumstances, and seriousness of the individual's conduct, as well as the public interest in maintaining high standards of management and oversight within the ADGM.

Underlying factors

- 10.26 In determining whether to issue a Disqualification Order, the Registrar may consider a range of factors, including:

- a. whether the proposed action advances the objectives of the ADGM's regulatory framework;
- b. whether it is likely to deter future misconduct by the individual or others;
- c. the strategic importance of taking the action in the context of maintaining confidence in the market;
- d. the need to protect the interests of investors, consumers, and other stakeholders;
- e. any broader benefits that may arise from addressing the misconduct;
- f. whether the proposed action is preferable to alternative administrative measures in terms of efficiency, cost, and timeliness;
- g. in the case of directors, whether there has been a breach of the general duties owed to the company; and
- h. any other considerations specific to the facts and circumstances of the case.

10.27 These factors provide a framework for assessing whether disqualification or other regulatory intervention is appropriate, ensuring that decisions are proportionate, evidence-based, and aligned with the public interest. The factors listed above are a non-exhaustive list.

Key factors

10.28 In determining whether to issue a Disqualification Order, the Registrar will consider the following:

- a. Nature and Seriousness of the Person's Conduct
 - i. Whether the conduct involved dishonesty, or was intentional, reckless, or negligent.
 - ii. The extent of any benefit gained or detriment caused by the misconduct.
 - iii. The magnitude of any financial losses to investors, consumers, or other stakeholders.
 - iv. The impact of the misconduct on the integrity and reputation of the ADGM.
 - v. Whether the conduct is ongoing or likely to recur.
 - vi. Any history of previous misconduct.
 - vii. Any failure to manage material conflicts of interest.
- b. Conduct Following the Alleged Misconduct
 - i. The level of cooperation with the Registrar's investigation.
 - ii. Efforts made to remediate or mitigate the consequences of the misconduct.

- c. Expected Public Benefit
 - i. The protective effect for investors, consumers, and other stakeholders.
 - ii. Reinforcement of confidence in the integrity of the ADGM regulatory framework.
 - iii. Whether the disqualification is likely to assist directors, receivers, administrators, and insolvency practitioners in understanding their obligations and promoting compliance.
- d. The deterrence effect on others
 - i. Whether the behaviour of other directors, receivers, administrators and insolvency practitioners is likely to change if a disqualification order is made.

Aggravating factors

10.29 In considering whether to impose a Disqualification Order, the Registrar will also take account of aggravating factors. The Registrar may be more inclined to impose a Disqualification Order where aggravating factors are present. These may include, but are not limited to:

- a. the seriousness and impact of the conduct;
- b. whether the conduct involved dishonesty;
- c. whether the conduct was intentional, reckless, or negligent;
- d. the extent of any financial loss or harm caused to investors, consumers, or other stakeholders;
- e. whether the conduct is ongoing or poses a risk of recurrence; and
- f. any history of previous misconduct by the individual.

10.30 Such aggravating factors will be considered alongside the specific circumstances of the case to determine the appropriateness and proportionality of disqualification as a regulatory response.

Mitigating factors

10.31 In considering whether to impose a Disqualification Order, the Registrar will also take account of mitigating factors. These may include, but are not limited to:

- a. the extent to which the individual may experience personal or professional hardship as a result of the disqualification;
- b. the level of cooperation demonstrated during the investigation;
- c. whether the misconduct represents an isolated incident;
- d. efforts made by the individual to take remedial or corrective action;

- e. cooperation in compensating any losses or harm caused;
 - f. whether the misconduct was inadvertent or unintentional; and
 - g. whether the individual self-reported the misconduct.
- 10.32 Such mitigating factors will be considered alongside the specific circumstances of the case to determine the appropriateness and proportionality of disqualification as a regulatory response.

Penalties for breaching disqualification orders and undertakings

- 10.33 If an individual acts in contravention of a Disqualification Order or Disqualification Undertaking, they are liable to a fine of up to Level 7 (USD 500,000) on the Fines Scale as set out in the AR 2025.
- 10.34 Where a body corporate acts in contravention of a Disqualification Order or Undertaking, the contravention extends to its officers, including any director, manager, secretary, or other comparable positions. Such officers may also be held personally accountable for the breach, ensuring that both individuals and entities are responsible for complying with disqualification requirements and upholding the integrity of the ADGM regulatory framework.

Personal liability for company's debts

- 10.35 A Person is personally responsible for all relevant debts of a company if they, at any time, are involved in the management of the company in contravention of a Disqualification Order or Disqualification Undertaking, or if they are involved in management and act, or are willing to act, on instructions given without the permission of the Registrar by someone they know to be subject to a Disqualification Order or Undertaking, or to be an undischarged bankrupt.
- 10.36 If a Person is personally responsible for a company's debts, they are jointly and equally liable for those debts along with the company and anyone else who is also liable. The relevant debts depend on how the liability arises:
- a. For a Person who is personally responsible because they managed the company in breach of a Disqualification Order or Disqualification Undertaking, the relevant debts are those incurred while they were involved in managing the company.
 - b. For a Person who is personally responsible because they acted, or were willing to act, on instructions from someone they knew to be disqualified or an undischarged bankrupt without the Registrar's permission, the relevant debts are those incurred while acting on those instructions.
- 10.37 A Person is considered involved in the management of a company if they are a director, or if they are concerned with, participate in, or take part in the management of the company, whether directly or indirectly. A Person who, while involved in management, has at any time acted on instructions from someone they knew to be subject to a Disqualification Order or Disqualification Undertaking, or to be an undischarged bankrupt, without the Registrar's permission, is presumed to have been willing to act on any future instructions given by that Person, unless they can show otherwise.

Register of disqualification orders

- 10.38 The Registrar maintains a register recording all Disqualification Orders and Disqualification Undertakings, as well as any instances where the Registrar has granted permission for a Person subject to such an order or undertaking to take an action that would otherwise be prohibited. The register is open for inspection by members of the public, subject to any applicable fees, providing transparency and allowing stakeholders to verify the status of disqualifications and any related permissions.
- 10.39 When a Disqualification Order or Disqualification Undertaking recorded in the register ceases to have effect, the Registrar will remove the entry from the register. This ensures that the register accurately reflects only current disqualifications and related permissions.

CHAPTER 11 – PUBLICITY

Introduction

- 11.1 The Registration Authority's general position is that it will publish finalised enforcement and disciplinary actions. This will be done in the form and manner it regards as appropriate and most effective. It will include, but is not limited to, Decision Notices, Supervisory Notices, Exceptional Notices, Discontinuance Notices, and Enforceable Undertakings.
- 11.2 Publishing enforcement actions serves both as a deterrent and a learning tool. It discourages others from engaging in similar misconduct, while also helping Persons and prospective users of ADGM to better understand the registration and licensing standards. At the same time, it demonstrates how the Registration Authority exercises its disciplinary and enforcement powers to achieve its statutory objectives.
- 11.3 The Registration Authority retains full discretion over the publication of enforcement or disciplinary actions, including the timing and manner of such publications. This discretion is exercised having regard to the specific circumstances of each case and with the objective of best advancing the interests and regulatory aims of ADGM.

Publicity about ongoing matters

- 11.4 The Registration Authority's general position is that it will not publicise the fact whether, or not, its investigating, or considering enforcement action about a specified matter.
- 11.5 However, in exceptional cases, the Registration Authority may depart from this approach and issue a public announcement about an ongoing investigation or enforcement action. Such announcements may be made where it is necessary to:
- a. uphold the integrity of, and maintain confidence in, ADGM and the Registration Authority;
 - b. protect the public, for example by disclosing unlicensed activity under investigation;
 - c. prevent or restrain conduct that could harm the reputation of ADGM, such as alerting Persons that certain conduct is under investigation in order to stop and deter others from engaging in similar misconduct;
 - d. assist the investigation itself, for example by encouraging witnesses or other relevant persons to come forward; or
 - e. address public speculation or rumour, where clarification is considered necessary to contain or prevent further speculation.

Publication of Notices

- 11.6 As noted above, the general position of the Registration Authority is to publish finalised enforcement and disciplinary actions. This includes, but is not limited to, Decision Notices, Supervisory Notices, Exceptional Notices and Discontinuance Notices.

Warning Notices

- 11.7 It should be noted that Warning Notices are not published. Both the Registration Authority and any Person to whom a Warning Notice is given or copied are prohibited from publishing the notice or any details concerning it without the written consent of the other.
- 11.8 This restriction is intended to preserve the confidentiality of the enforcement process and to ensure that publication occurs only where expressly authorised.

Decision Notices and Discontinuance Notices

- 11.9 Pursuant to Section 33 of AR 2025, the Registration Authority has discretion to publish any Decision Notice or Discontinuance Notice. In exercising this discretion, the Registration Authority may choose to redact the name of any individual identified in the notice. Where a finding has been made against an individual or against a legal entity, the Registration Authority is not required to redact the identifiable information.
- 11.10 Pursuant to Section 33(3) of AR 2025, a Person to whom a Decision Notice or Discontinuance Notice has been issued, or who has been provided with a copy of such a notice, must not publish the notice or disclose any details relating to it unless the Registration Authority has already published the notice, or has provided prior written consent for such publication.
- 11.11 Where a settlement is reached, the Registration Authority will issue a Decision Notice which will note that settlement was reached. This Decision Notice will ordinarily be published in accordance with Section 33 of AR 2025.

Supervisory Notices

- 11.12 When a Supervisory Notice takes effect, the Registration Authority may, at its discretion, publish information regarding the matter to which the notice relates. Such publication will be conducted in accordance with Section 33 of AR 2025, treating the Supervisory Notice as if it were a type of notice specifically listed in that section.
- 11.13 The Registration Authority may withhold publication of information under Section 33 of AR 2025 where, in its opinion, making such information public would be:
- a. detrimental to any individual or entity identified in the notice or in respect of whom enforcement action was taken (or proposed);
 - b. detrimental to the interests of participants within the ADGM; or
 - c. detrimental to the interests of the ADGM or the United Arab Emirates.

Exceptional Notices

- 11.14 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 Section 33 of AR.

Publication about proceedings

- 11.15 Section 98 of the ADGM Courts, Civil Evidence, Judgements, Enforcement and Judicial Appointments Regulations 2015, provide that matters will be heard in public unless otherwise directed by the ADGM Courts. As publicity about proceedings is subject to such directions, the Registration Authority generally does not make any public statement about the commencement of proceedings until the ADGM Courts has given directions about publicity.
- 11.16 The Registration Authority's general position is to issue public statements regarding the outcome of enforcement proceedings before the ADGM Courts, unless otherwise directed by the Courts. Notwithstanding this position, the Registration Authority retains discretion to withhold or delay publication where it considers it appropriate to do so. Such circumstances may include, for example, where immediate publication would not serve the public interest, or where disclosure may be prejudicial to the interests of clients, customers, or other stakeholders.

DISCLAIMER

This is only a guide and should be read together with the relevant legislation, in particular, ADGM Administrative Regulations 2025, Commercial Licensing Regulations 2025, ADGM Companies Regulations 2020 and any other relevant regulations and enabling rules (which may change over time without notification). Further advice from a specialist professional may be required.

The Registration Authority makes no representations as to the accuracy, completeness, correctness or suitability of any information and will not be liable for any error or omission.

Information in this Manual is not to be deemed, considered or relied upon as legal advice and should not be treated as a substitute for specific advice concerning any individual situation. Any action taken based on the information provided in this statement is strictly at your own risk and the Registration Authority will not be liable for any loss and damages in connection with the use of or reliance on information provided in this statement of policy and procedure.

For more information, please contact the Registration Authority by:

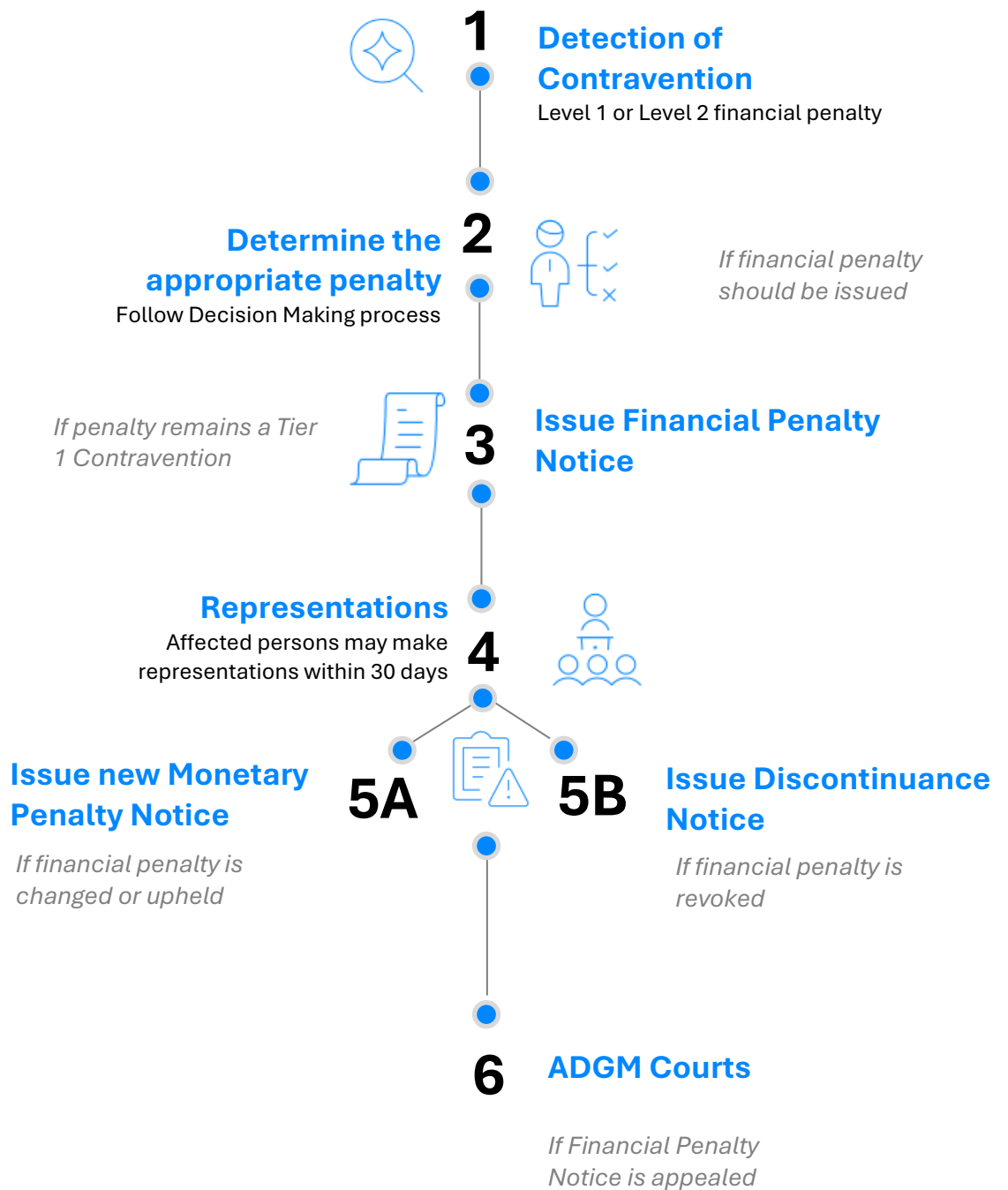
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Annex 1 – Registration Authority Investigation Process Flow Diagram



Annex 2 – Tier 1 Contravention Flow Diagram (after detection)



Annex 3 – Tier 2 Contravention Flow Diagram (after detection)

