

**FINAL NOTICE ISSUED UNDER
SECTION 50 OF THE
COMMERCIAL LICENSING REGULATIONS 2015**

To: AC HOLDING LIMITED

Attention: Mr. Christopher Flinos

Email: [REDACTED]

Date: 20 March 2025

1. ACTION

1.1 This Final Notice ("Notice") is issued under section 50 of the Commercial Licensing Regulations 2015 ("CLR 2015").

1.2 For the reasons given in this Notice, the Registrar of Abu Dhabi Global Market ("ADGM") Registration Authority ("RA") has decided to impose on AC Holding Limited with ADGM Registration No. 000001566 ("ACH ADGM") a financial penalty of:

USD 15,000 for a contravention of section 4 of CLR 2015 - carrying on a controlled activity or purporting to do so otherwise than in accordance with the licence.

1.3 This Notice is issued to ACH ADGM only. Other persons may be referred to in this Notice due to their factual connection to the matter under the Notice. This Notice does not construct a determination by the Registrar or ADGM that any other person other than ACH ADGM has committed contraventions of ADGM's enactments or subordinate legislation, nor is it a reflection upon any other person or entity.

2. EXECUTIVE SUMMARY

2.1 The RA has decided to take the action set out in this Notice as it considers that ACH ADGM exceeded the scope of its ADGM Special Purpose Vehicle ("SPV") licence by:

2.1.1 Acting as a payment facilitator for hundreds of clients and processing wire transactions for the purpose of converting of cryptocurrencies to fiat and vice versa;

2.1.2 Purporting to be an investment company offering financial services and concealing its relationship to cryptocurrency by maintaining a misleading website and creating/providing falsified company documents with false information about the scope of ACH ADGM's business to third parties; and

REGISTRATION AUTHORITY
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- 2.1.3 Entering into a referral agreement contract with a real property company and purporting to operate an over the counter (OTC) and custody platform for digital currencies/coins.
- 2.2 Given the nature of the contravention, the RA considers it appropriate in the circumstances to impose financial penalties on ACH ADGM.

3. DEFINED TERMS AND RELEVANT REGULATIONS

- 3.1 Defined terms are identified in the Notice in parentheses, using the capitalisation of the initial letter of a word or of each word in a phrase, and are either defined in the Regulations, or in the body of this Notice at the first instance the term is used. Unless the context otherwise requires, where capitalisation of the initial word is not used, an expression has its natural meaning.
- 3.2 Extracts of Regulations and Rules referred to in this Notice are attached in **Annexure A**. Complete copies of the Regulations and Rules are accessible on the ADGM website www.adgm.com/legal-framework/rules-and-regulations.

4. FACTS AND MATTERS SUPPORTING THE ACTION

A. Background

- 4.1 On 8 August 2018, ACH ADGM was incorporated in ADGM and licensed to undertake business activities as an SPV.
- 4.2 From 8 August 2018 to 20 April 2020, Mr. Christopher Flinos (“Mr Flinos”) and Director A¹ were the registered directors of ACH ADGM. On 20 April 2020, Director A ceased to be a director of ACH ADGM and Mr. Flinos is currently the sole director of ACH ADGM.
- 4.3 Mr Flinos is also the current sole beneficial owner and shareholder of ACH ADGM.
- 4.4 AC Limited is a Financial Services Regulatory Authority (“FSRA”) regulated entity with Financial Services Permission (“FSP”) 190016 (“AC Limited”). AC Limited obtained its FSP on 23 December 2021 for the Regulated Activities of Arranging Deals in Investments and Providing Custody with respect to Accepted Virtual Assets, as defined in the Financial Services and Markets Regulations 2015 (“FSMR 2015”).
- 4.5 Mr. Flinos is the Senior Executive Officer and Licensed Director of AC Limited.

¹ Anonymised term has been used throughout the Notice

- 4.6 AC Limited forms part of a group of companies, beneficially owned by an entity domiciled in the Cayman Islands (“Cayman Entity²”). Cayman Entity is beneficially owned by Mr Flinos (34.256%) and by Director A (11.379%). Cayman Entity is the 100% shareholder of AC Limited and Mr Flinos is a shareholder, director and the Chief Executive Officer of the Cayman Entity.
- 4.7 The Cayman Entity was the body corporate shareholder of ACH ADGM from 7 January 2019 to 20 April 2020.
- 4.8 AC Limited provides fiat currency to virtual asset conversion services.
- 4.9 Cayman Entity is a virtual assets provider allowing the conversion of cryptocurrencies to fiat and vice versa for clients.

B. Exceeding the Scope of Licence

ACH ADGM – Scope of Licence

- 4.10 ACH ADGM was incorporated in ADGM as an SPV. An ADGM SPV is a passive entity and not an operational one.
- 4.11 ACH ADGM’s permitted business activity under its ADGM commercial licence fall under Category B classification - Non-Financial, Special purpose vehicle (activity code: 7017).
- 4.12 As part of its registration application, ACH ADGM submitted a business plan to the RA dated 1 August 2018, which was signed by Mr Flinos and contained the following:
- a. An acknowledgement signed by Mr Flinos confirming that *“the proposed SPV will only be used as a passive entity and will not be used as an operational entity to conduct economic or commercial business activities.”*
 - b. The description of the reason for the establishment of the SPV is indicated as: *“to own an ADGM regulated entity with a ‘Operating a Crypto Asset Business (OCAB) License. The ADGM regulated entity is yet to be established and the license will be applied for.”*
 - c. A signed declaration stating ACH ADGM will *“undertake to comply with the licensed activities and undertake not to exceed the licensed activities and engage in any commercial operational activities throughout the lifecycle of the legal entity”,*

² Anonymised term has been used throughout the Notice

“undertake to convert this SPV into operational legal entity should the business concept require so” and “under no circumstances this SPV would conduct any other business activities apart from those stated in the license issued by ADGM Registration Authority without prior authorization obtained from ADGM Registration Authority.”

- 4.13 Since its incorporation in August 2018, ACH ADGM has not applied for any variations of its ADGM commercial licence.

ACH ADGM Facilitating Payments for Group of Companies

- 4.14 The RA’s investigation found that ACH ADGM was used to obtain and maintain bank accounts and act as a payment processor for Cayman Entity clients beyond its SPV licence. ACH ADGM was maintaining bank accounts and was processing wire transactions into the UAE for the Cayman Entity’s group.
- 4.15 Further, false information and documents were provided to the UAE based banks in order to open and maintain bank accounts for ACH ADGM. Such information and documents presented ACH ADGM as an investment company that was unrelated to cryptocurrency.
- 4.16 A minimum number of 245 clients settled transactions via ACH ADGM banks accounts.
- 4.17 During its incorporation at ADGM, ACH ADGM maintained bank accounts with the following banks:
- a. [REDACTED]
- An [REDACTED] bank account was open from 19 September 2018 to 18 October 2022. The bank account was closed by [REDACTED] due to concerns regarding the account.
 - During the period the [REDACTED] account was open:
 - a) Through the [REDACTED] AED account: total amount of USD 14,727,128.44 was credited and USD 14,691,660.00 was debited; and
 - b) Through the [REDACTED] USD account: total amount of USD 17,272,911.34 was credited and USD 16,879,539.48 was debited.

The [REDACTED] account was mainly used for the following reasons during its operation period:

- a) To pay for Cayman Entity’s group of companies employees’ salaries: USD 366,772.72 was paid out for employees’ salaries.
- b) Processing transactions for Cayman Entity’s clients: in total, USD 15,904,782.18 was credited and USD 10,921,762.37 was debited in settling clients’ transactions.
- c) Payment of regulatory fees: total amount of USD 55,221.37 was transferred.

- d) Transfers to the shareholders (Mr Flinos and Director A): total amount of USD 341,794.77 was credited and USD 1,312,979.57 was debited to the shareholders.
- b. [REDACTED]
- Subsequently to the closure of the [REDACTED] account, a bank account was opened with [REDACTED] in AED and in USD. The account was opened in November 2022 and closed by Mr Flinos in November 2023. The bank account was closed after being subject to compliance monitoring review by [REDACTED].
 - The [REDACTED] account was mainly used to process payments for the Cayman Entity's clients and to allow the conversion of cryptocurrencies to Fiat and vice versa for clients.
 - During the period the [REDACTED] accounts were open:
 - o A total amount of USD 227,820,138 was received via [REDACTED] accounts.
 - o A total amount of USD 227,819,906 was paid via [REDACTED] accounts.
 - o Out of the USD 227,819,906 paid out of the [REDACTED] accounts, USD 87,464,821 was used for real property transactions through different real estate companies and USD 29,022,162 was transferred to a client based in Columbia.
 - The [REDACTED] accounts were used to process transactions for approximately 245 clients.
- c. [REDACTED]
- Based on available bank statements, the bank account was maintained in December 2021 till February 2023. A Signet wallet account was maintained with [REDACTED] that enables the conversion from/to cryptocurrencies. A sample analysis of a single month's bank account statement for the month February 2023 indicates that a total amount of USD 65,720,852.68 was credited in the [REDACTED] Bank account maintained by ACH ADGM and USD 65,720,852.68 was debited.
 - Based on a review of the [REDACTED] statements maintained by ACH ADGM from December 2021 to February 2023, it appears that a total of USD 344,344,134 was received and a total of USD 344,379,099 was paid out of the [REDACTED] account.

Agreements Entered into by ACH ADGM

4.18 The Investigation further identified the following agreements entered into by ACH ADGM:

- 4.18.1 A referral agreement dated 30 March 2022 between ACH ADGM and a property development company incorporated in the UAE ("Real Estate Company C"). As per the referral agreement, ACH ADGM was purporting to operate an over the counter (OTC) and custody platform for digital currencies/coins. Further, as per the agreement, ACH ADGM would facilitate payments for customers who sought

to purchase properties or pay financial obligations to Real Estate Company C through cryptocurrency. Real Estate Company C's customers would be able to convert their cryptocurrency deposits into fiat money and ACH ADGM would subsequently make the relevant USD or AED payment directly to Real Estate Company C's bank account.

- 4.18.2 Master Services Agreement dated 16 April 2021 between ACH ADGM and a software solution Singapore company ("Software Company"). The agreement offers software with authentication, risk assessment and other solutions related to Blockchain transactions to ACH ADGM.
 - 4.18.3 Service agreement dated 12 May 2022 with a marketing consultancy company based in the UAE ("Marketing Company"). The agreement offers a 12-month performance media package to ACH ADGM including among other things, social media advertisement management, Google advertisements, website content management and periodic reporting of advertisements.
- 4.19 The following order forms and payments were made by ACH ADGM:
- 4.19.1 Order form dated 23 June 2023 (confirmation of relationship) with a UK based company offering background screening tool service.
 - 4.19.2 Payment confirmation (confirmation of relationship) to a global remote company which is a provider of help desk software and is headquartered in Boston, Massachusetts.

Maintaining Misleading Website

- 4.20 In 2021, Mr Flinos published a website, www.acholdingltd.com, detailing misleading information about the operation and nature of ACH ADGM's business (the "Website").
- 4.21 The Website included the following:
- a. ACH ADGM name and its ADGM registered address of "24th Floor, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, UAE".
 - b. ACH ADGM is misleadingly referred to as "[a]n investment company based in Abu Dhabi".
 - c. "info@acholdinglimited.com" was provided as the email contact point, which was used to correspond with a UAE based bank.
 - d. The following misleading information was included on the Website:
 - ACH ADGM's vision is to "make investment in projects, fintech businesses, public equity, real estate, trading activities and other companies that provide this opportunity for our clients."

- ACH ADGM's mission is to "[t]o build and grow a technology based Investment company that builds wealth by buying and selling any public equities, US equities, Bonds, by buying FX, or by making investments in companies and new technologies."
- ACH ADGM "deals in the provision of Internet Protocol services for Android and iOS applications globally focusing on the African market."
- ACH ADGM offers "subscriptions for VOIP to vendors for the global VOIP market."
- ACH ADGM's current investments include: "Food processing facilities in Latin America, Cold storage infrastructure business for fresh produce on its way to retail grocers, value-added processors (Production of new food crops) in Southern Europe, Green energy production (on-farm commercial wind power) in Germany and Netherlands and MultiFamily Residences in Mid Western USA."
- "No investments into cannabis, weapons, cryptocurrency, or other high-risk industries."
- "Our investment committee approves all decisions providing the controls needed before making an investment."
- "We create a series of mutual fund or pooled investment funds."
- "We offer financial information to local investors so they can make informed investment decisions."

4.22 The Website was created and published to give the fictitious appearance that ACH ADGM is providing financial products that are not provided by any of the Cayman Entity's group of companies and that ACH ADGM's business activities are not related to virtual assets or cryptocurrency.

4.23 The Website was used to mislead the following:

- a. [REDACTED] in connection with account openings.
- b. The banks of clients of the Cayman Entity's group of companies.
- c. An introducing broker based in Kenya ("Introducing Broker") requested adding the fictitious services of "Internet Protocol services for Android and iOS applications. Computer to computer, domestic and mobile VOIP services" and "digital marketing, software development, and user experience design" on the Website to give the misleading impression that the business of ACH ADGM was unrelated to the Cayman Entity's group.

4.24 Mr Flinos, during his compulsory interview with the RA, stated that the Website was being used by the Introducing Broker to help the Introducing Broker "win business".

- 4.25 Based on a chain of emails between the Introducing Broker and Mr Flinos from 19 October 2022 to 1 February 2023, Mr Flinos and the Introducing Broker were making additional changes and adding additional fictitious products to mislead different parties including a governmental authority.

Falsified Invoices, Agreements and Other Documents Purporting ACH ADGM is an Investment Company

- 4.26 Mr Flinos caused the creation of hundreds of falsified client agreements and invoices bearing the name of ACH ADGM and provided them to certain banks, including [REDACTED] in order to conceal cryptocurrency related wire transactions (which were Cayman Entity's clients' deposits and withdrawals) and to present them as transactions related to financial investments.
- 4.27 The falsified documents, including invoices bearing the name of ACH ADGM, were also created and provided to the Cayman Entity's clients/introducing broker in order to assist the clients/broker in concealing that the transaction activity undertaken relate to virtual assets or cryptocurrency. The falsified invoices make it appear as though the transactions relate to equity investments and Service Subscription for Voice Over Internet Protocol, which are not services provided by ACH ADGM, nor is ACH ADGM licensed to provide such services.
- 4.28 Examples of such falsified documents include:
- Client Deposit Confirmation letters falsely claiming that the deposits relate to financial products.
 - Client Redemption Payment Invoices falsely claiming that the invoices relate to financial products.
 - Invoices for the introducing Broker with fake products that ACH ADGM does not offer. The products match the description on the Website.
 - ACH ADGM payment invoices. Falsified invoices for various clients of the Cayman Entity. The fake invoices include fake financial products.
 - Investment reports and monthly statement of accounts to match the transaction amounts that appear under the respective client's bank statement.
 - Client investment management agreements between various clients and ACH ADGM, which include forged signatures of major real property companies in the UAE.
 - Asset management agreements between ACH ADGM and various clients. The clients' signatures were forged.
 - User agreement dated 16 August 2021 between ACH ADGM and an introducing broker. This user agreement omitted the word "cryptocurrency" and the trading name of the Cayman Entity was replaced with ACH ADGM.

Falsified Business Plans

- 4.29 A falsified business plan, dated 16 August 2021, signed by Mr Flinos and bearing the name (including header and footer) of ACH ADGM, with its ADGM registered address. Misleading claims included in this business plan were as follows:
- i. ACH ADGM is an investment company in Abu Dhabi to *“create a technology based Regional Investment company that builds wealth by buying any of Abu Dhabi and Dubai public equities, US equities, Bonds, by buying FX, or by making investments in companies and new technologies”*.
 - ii. ACH ADGM’s goals include *“[providing] an equity investment vehicle that local businesses will use”, “[building] wealth for shareholders and for local companies across the region” and “[making] exciting and innovative investments in new technology businesses”*.
- 4.30 The business plan was shared with an introducing broker to be shared with the Introducing Broker’s banks.
- 4.31 Another business plan dated February 2022, bearing the name of ACH ADGM and containing false information was submitted to [REDACTED] for the purpose of opening a bank account. The business plan included the following misleading information:
- a. Under “vision” the following was stated: *“I will make investment in projects, public equity, trading activities and companies that provide this opportunity”*.
 - b. Under “mission of my company” the following was stated: *“AC Holding Limited is a regional Investment company that builds wealth by buying any of Abu Dhabi public equities, companies, bonds, US equities, Bonds, or by making investments in real estate projects, technology and industrial companies and new technologies. It has existed for nearly 4 years now and is becoming a very successful company with many clients. I have made an excellent return for most of my clients through some good investments”*.
 - c. Under “Strategic Plan”, the following was stated: *“1. Locally owned businesses, especially small/medium-sized firms, need equity financing*
 - a) requires investors willing to accept lower than market rate returns (at the time, this was considered 8 to 15%), and*
 - b) requires investors who will make longer-term (3-5 years or more) investments*
 - c) equity financing is especially needed in retail, service, and agricultural processing industries.”*
 - d. Under “Goals of AC Holding Limited” the following was stated:
 - 1. Build wealth for shareholders and for local companies across the region.*
 - 2. Create a pool of investment that helps transform investments in the region.*
 - 3. Make exciting and innovative investments in new technology businesses.*
 - 4. Connect investment companies.*
 - 5. Extend equity financing to locally owned businesses.*

6. *Provide an equity investment vehicle that local businesses will use.*
7. *Offer investment vehicle to local investors who wish to invest locally.*

4.32 Mr Flinos admitted to the RA during the RA Investigation that he provided the falsified business plan to [REDACTED] to open a bank account with them and to give the misleading impression that ACH ADGM carries out financial services.

5 CONTRAVENTIONS

- 5.1 Based on the facts and matters noted above, the Registrar considers that ACH ADGM committed a contravention of RA administered legislation.
- 5.2 Based on the evidence listed above, ACH ADGM exceeded its scope of licence by intentionally holding itself out as an entity providing financial services to third parties, when in fact it was licensed only for passive SPV activities.
- 5.3 Section 4 of Part 1 of CLR 2015 states that if a licensed person carries on a controlled activity, or purports to do so, otherwise than in accordance with a licence given to that person, he commits a contravention and shall be liable to a fine not exceeding level 5 on the standard fines scale, which is up to USD 15,000.
- 5.4 Section 4 of Part 1 of CLR 2015 further states that, *"it is a defence for the person accused of the contravention to show that he took all reasonable precautions and exercised all due diligence to avoid committing the contravention"*.
- 5.5 The act of exceeding the scope of licence was intentional by Mr Flinos. As per his statements to the RA during the RA's investigation, the reason for facilitating payments through the SPV and creating a fake website purporting to be an investment company providing financial services was to conceal the real nature of the transactions being related to cryptocurrency, which is considered high risk for banks. Mr Flinos further stated the following:
 - He was trying to grow the business of the Cayman Entity's group and the business was not "strong" at the time, and due to the UAE being on the FATF grey list, banks would not send wires to the UAE. Accordingly, he used [REDACTED] accounts maintained by ACH ADGM to process payments for the Cayman Entity's clients.
 - *"We were using an SPV that didn't have the power to be a Remitter." "It was born out of a necessity because banks wouldn't send wires to the UAE. We had to find a way to [do that]. Or I wanted to find a way to get the wires to the clients. And that's when I made the mistake of having the toast to bank accounts."*
 - The [REDACTED] bank account already existed at the time of setting up the SPV, so it was used to facilitate payments for Cayman Entity's group clients, but the [REDACTED] account was created for the sole purpose of facilitating payments.

- There was no formal agreement put in place between ACH ADGM and the Cayman Entity's group to process the wire transactions.

5.6 Accordingly, ACH ADGM may be held liable to a fine not exceeding level 5, which is up to USD 15,000.

6 SANCTIONS

Financial Penalties

6.1 In deciding to impose the financial penalty, the Registrar has considered the factors and considerations in the Registrar's Decision Procedures, Disqualification and Enforcement Manual (the "Manual").

Determination to impose a financial penalty

6.2 The Registrar considers the following factors to be of relevance in deciding to impose financial penalties against ACH ADGM:

- a. To promote compliance with the Regulations and achieve the Registrar's objectives by:
 - i. penalising persons who have committed contraventions;
 - ii. deterring persons that have committed or may commit similar contraventions; and
 - iii. depriving persons of any benefit that they may have gained as a result of their contraventions.

6.3 The Registrar has decided to impose the financial penalty, given the seriousness of the contravention and the circumstances.

6.4 With reference to paragraph 4.8 of the Manual, the Registrar has considered the factors and considerations for determining the appropriate level of the financial penalty that it has decided to impose, which are set out as follows.

The seriousness of the contraventions

6.5 It is a serious contravention for a licensed person to purport or to carry on a controlled activity otherwise than in accordance with its ADGM licence.

6.6 It is highly aggravating for a licensed person such as ACH ADGM to exceed the scope of its passive SPV licence by acting as a payment facilitator and purporting to be an investment company via a website and across hundreds of documents, in order to mislead multiple third parties.

Deliberate or reckless

6.7 Based on Mr Flinos statements to the RA during the RA's investigation, Mr Flinos was fully aware of the limitations of ACH ADGM's SPV licence and deliberately put in place a

misleading Website and opened/maintained multiple bank accounts based on false information and falsified documents to give the misleading impression that ACH ADGM offers financial services beyond its ADGM commercial licence.

Whether the person is an individual

6.8 ACH ADGM is not an individual. Therefore, this factor was not considered.

Effect on third parties

6.9 The fake Website and falsified documents were sent to various parties, including clients, banks, and an introducing broker.

6.10 The misconduct of ACH ADGM misled various third parties, including banks. It is probable that the banks would not have offered bank accounts to ACH ADGM had its true purpose been fully disclosed.

Deterrence

6.11 Deterrence is one of the main purposes of taking enforcement action. That is, deterring persons who have committed contraventions from committing further contraventions, and deterring other licensed persons from committing similar contraventions.

6.12 The penalty imposed must deter ACH ADGM and other ADGM licenced companies, in particular SPVs, from submitting or attempting to submit misleading information and making false statements to the Registrar to the greatest extent possible during the incorporation process, as well as from exceeding the limited scope of ADGM's passive SPV licence.

6.13 ACH ADGM's contraventions are serious, and any sanction will send a strong and meaningful message of deterrence to other ADGM licenced companies and their employees.

Financial gain or loss avoided

6.14 Maintaining bank accounts and presenting ACH ADGM as an investment company supported the business of the Cayman Entity's group. Mr Flinos admitted to the RA that the business of the group would not have survived if the bank accounts were closed.

6.15 A minimum number of 245 clients settled transactions via the bank accounts maintained by ACH ADGM, and approximately over USD 600,000,000 was processed through bank accounts maintained by ACH ADGM.

6.16 Further, the total approximate value of the transactions included in the falsified documents amount to USD 111,524,396.36.

- 6.17 Mr Flinos is a shareholder and beneficial owner in the Cayman Entity's group. Accordingly, he directly benefited from maintaining clients and the business of the Cayman Entity's group.

Subsequent conduct

- 6.18 During the compulsory interview, Mr Flinos admitted to the contravention of ACH ADGM exceeding the scope of its licence. Mr Flinos was also willing to cooperate with the investigation.

Disciplinary record and compliance history

- 6.19 At the time of the contravention and to the knowledge of the RA, ACH ADGM has no disciplinary record nor is the Registrar aware of any other concerns in relation to ACH ADGM.

Maximum Penalty

- 6.20 Pursuant to section 4(1) of Part 1 of CLR 2015, a person who commits a contravention of section 4 of CLR 2015 is liable to a fine not exceeding level 5 on the standard fines scale.
- 6.21 Level 5 on the standard fines scale equals USD 15,000.
- 6.22 ACH ADGM purported to be an investment company to mislead banks and the public, by maintaining the fake Website and falsifying multiple documents. The number of falsified documents containing misleading information about ACH ADGM as an operational company is, at a minimum, 264 documents. Such documents were confirmed to have been falsified and bore the name of ACH ADGM³.
- 6.23 The scale of the deception by ACH ADGM is significant and deterring the misuse of ADGM SPVs is important. Therefore, the Registrar considers that the maximum financial penalty of USD 15,000 would be wholly appropriate in order to reflect the seriousness of the contravention.

7 PROCEDURAL MATTERS

Representations

- 7.1 On 24 October 2024, the Registrar issued ACH ADGM with a Warning Notice in which it proposed to impose on ACH ADGM financial penalties in the amount of USD 15,000 (the "Warning Notice").

³ The number excludes documents that do not include the name of ACH ADGM entity such as the agreements sent to ██████ bank

- 7.2 ACH ADGM was provided with an opportunity to make written representations regarding the Registrar's concerns and the actions proposed. The deadline for making representations was 17 November 2024.
- 7.3 On 17 November 2024, the RA received an email response from Mr Flinos addressed to the [REDACTED] in response to the Warning Notice, which stated that he had not received the 'information packs', that the RA's emails are being rejected as spam, and that he required access to information and evidence [REDACTED]
- 7.4 In response to the 17 November email, the RA extended the deadline for making representations to 8 December 2024 and emphasised that the Warning Notice is issued by the RA, which is an independent authority responsible for ADGM's commercial legislation. [REDACTED]
- 7.5 The RA granted Mr Flinos the right to access the Primary Material. To accommodate Mr Flinos' statement that he 'does not use OneDrive', the RA on the following dates requested Mr Flinos to provide his preferred delivery address and method (e.g., printed copies or usb stick) for the materials to be delivered to him: 25 October 2024, 19 November 2024, 22 November 2024, 26 November 2024, 28 November 2024, 5 December 2024, 11 December 2024, and 8 January 2025. No delivery address or method was provided by Mr Flinos. The relevant materials, however, were shared with Mr Flinos through a OneDrive folder.
- 7.6 In response to email requests from Mr Flinos to extend the deadlines for making representations, the RA further extended the deadline to 8 January 2025 and finally to 27 January 2025. However, as of the date of this Notice, no representations have been made.

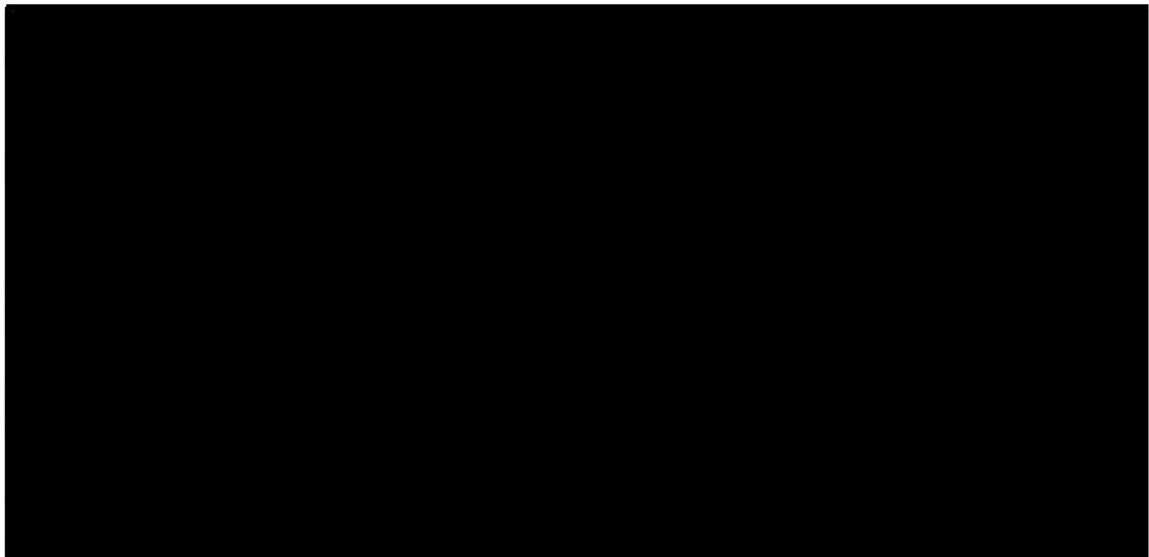
Opportunity to Have the Matter Referred to the ADGM Courts

- 7.7 On 30 January 2025, the Registrar issued a Decision Notice to ACH ADGM pursuant to section 44 of CLR 2015.
- 7.8 ACH ADGM had the opportunity to refer the Decision Notice to the ADGM Courts. As of the date of this Notice, no referral has been made by ACH ADGM to the ADGM Courts.
- 7.9 As a referral was not made to the ADGM Courts for a review of the Decision Notice within the time period specified in the Decision Notice, the Registrar has proceeded to issue this Notice.

Payment of the financial penalty

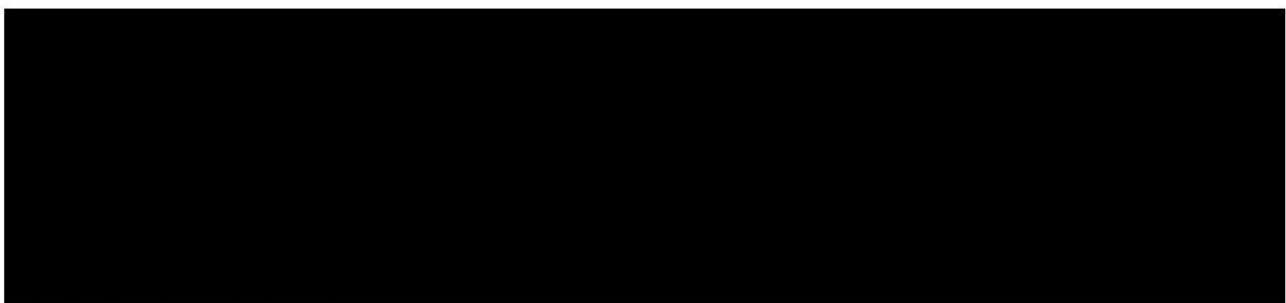
- 7.10 The financial penalty imposed by this Notice is to be paid by ACH ADGM on or before **30 days from the date of this Notice**, unless varied or otherwise agreed by the Registrar.
- 7.11 In the event that any part of the financial penalty remains outstanding on the date by which it must be paid, the obligation to make the payment is enforceable as a debt by the Registrar.

- 7.12 Payment of the financial penalty can be made by electronic funds transfer according to the instructions set out in the table below:



Publicity

- 7.13 As this Notice now has been issued, the Registrar may under section 51 of CLR 2015, at his discretion, publish the details about the matter to which this Notice relates.



Delegate of the Registrar
Registration Authority

Delegate of the Registrar
Registration Authority

ANNEXURE A

EXTRACTS OF THE REGULATIONS AND RULES REFERRED TO IN THIS NOTICE

EXTRACT OF THE *COMMERCIAL LICENSING REGULATIONS 2015*

PART 1: LICENSING OF CONTROLLED ACTIVITIES

...

1. The general prohibition

(1) No person may carry on a controlled activity in or from the Abu Dhabi Global Market, or purport to do so, unless he is –

(a) a licensed person; or

(b) an exempt person.

(2) The prohibition is referred to in these Regulations as the general prohibition.

(3) For the purposes of these Regulations, a "licensed person" is a person who has a valid licence to carry on one or more controlled activities.

4. Licensed persons exceeding scope of licence

(1) If a licensed person carries on a controlled activity in the Abu Dhabi Global Market, or purports to do so, otherwise than in accordance with a licence given to that person under these Regulations he commits a contravention of these Regulations and shall be liable to a fine not exceeding level 5 on the standard fines scale.

(2) In proceedings in respect of a contravention under subsection (1), it is a defence for the person accused of the contravention to show that he took all reasonable precautions and exercised all due diligence to avoid committing the contravention.

PART 3: INFORMATION GATHERING AND INVESTIGATIONS

30. Appointment of persons to carry out general investigations

(1) If it appears to the Registrar that there is good reason for doing so, it may appoint one or more competent persons to conduct an investigation on its behalf into –

(a) the nature, conduct or state of the business of a licensed person;

(b) a particular aspect of that business; or

(c) the ownership or control of a licensed person.

(2) If a person appointed under subsection (1) thinks it necessary for the purposes of his investigation, he may also investigate 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 ("A") is part; or

(b) a partnership of which A is a member.

(3) If a person appointed under subsection (1) decides to investigate the business of any person under subsection (2) he must give that person written notice of his decision.

- (4) The power conferred by this section may be exercised in relation to a former licensed person but only in relation to –
- (a) business carried on at any time when he was a licensed person; or
 - (b) the ownership or control of a former licensed person at any time when he was a licensed person.

(5) "Business" includes any part of a business even if it does not consist of carrying on controlled activities.

31. Appointment of persons to carry out investigations in particular cases

(1) Subsection (2) applies if it appears to the Registrar that there are circumstances suggesting that a person may have committed a contravention of any enactment or subordinate legislation where such contravention is punishable by a fine.

(2) The Registrar may appoint one or more competent persons to conduct an investigation on its behalf.

32. Investigations: general

(1) This section applies if the Registrar appoints one or more competent persons ("investigators") under sections 30 or 31 to conduct an investigation on its behalf.

(2) The Registrar must give written notice of the appointment of an investigator to the person who is the subject of the investigation ("the person under investigation").

(3) Subsections (2) and (9) do not apply if the investigator is appointed as a result of section 31 and the Registrar believes that the notice required by subsections (2) or (9) would be likely to result in the investigation being frustrated.

(4) A notice under subsection (2) must –

- (a) specify the provisions under which, and as a result of which, the investigator was appointed; and
- (b) state the reason for his appointment.

(5) Nothing prevents the Registrar from appointing a person who is a member of its staff as an investigator.

(6) An investigator must make a report of his investigation to the Registrar.

(7) The Registrar may, by a direction to an investigator, control –

- (a) the scope of the investigation;
- (b) the period during which the investigation is to be conducted;
- (c) the conduct of the investigation; and
- (d) the reporting of the investigation.

(8) A direction may, in particular –

- (a) confine the investigation to particular matters;
- (b) extend the investigation to additional matters;
- (c) require the investigator to discontinue the investigation or to take only such steps as are specified in the direction;
- (d) require the investigator to make such interim reports as are so specified.

(9) If there is a change in the scope or conduct of the investigation and, in the opinion of the Registrar, the person subject to investigation is likely to be significantly prejudiced by not being made aware of it, that person must be given written notice of the change.

33. Powers of persons appointed under section 30

(1) An investigator may require the person who is the subject of the investigation ("the person under investigation") or any person connected with the person under investigation -

- (a) to attend before the investigator at a specified time and place and answer questions; or
- (b) otherwise to provide such information as the investigator may require.

(1) An investigator may also require any person to produce at a specified time and place any specified documents or documents of a specified description.

(2) Where the investigator considers that the person who is the subject of the investigation ("the person under investigation") or any person connected with the person under investigation is or may be able to give information or produce a document which is or may be relevant to an investigation, it may —

- (a) enter the business premises of such person during normal business hours for the purpose of inspecting and copying information or documents stored in any form on such premises;
- (b) require such person to give it any assistance in relation to the investigation which the person is able to give.

(4) A requirement under subsections (1), (2) or (3) may be imposed only so far as the investigator concerned reasonably considers the question, provision of information or production of the document to be relevant to the purposes of the investigation.

(5) Where the investigator exercises its power under subsection (3)(a) to enter the business premises, it may—

- (a) require any appropriate person to make available any relevant information stored at those premises for inspection or copying;
- (b) require any appropriate person to convert any relevant information into a form capable of being copied; and
- (c) use the facilities of the occupier of the premises, free of charge, to make copies.

(6) Where the investigator exercises its power under subsection (1)(a) to conduct an interview, it may give a direction—

- (a) concerning who may be present;
- (b) preventing any person present during any part of the interview from disclosing to any other person any information provided to the interviewee or questions asked by the interviewer during the interview;
- (c) concerning the conduct of any person present, including as to the manner in which they will participate in the interview;
- (d) requiring the interviewee to give an affirmation that the answers of the interviewee will be true; and
- (e) requiring the interviewee to answer any questions relevant to the investigation.

(7) All interviews conducted pursuant to subsection (1)(a) will be recorded, and the interviewee generally will be given the opportunity to request a copy of the recording or a transcript of the interview, if available.

(8) The provision of a recording or transcript pursuant to subsection (7) may be subject to any reasonable conditions imposed by the investigator.

(9) A person shall not without reasonable excuse engage in any conduct, including without limitation the—

- (a) destruction of documents;
- (b) failure to give or produce information or documents specified by the investigator;
- (c) failure to attend before the investigator at a specified time and place to answer questions;
- (d) giving of information that is false or misleading; or
- (e) failure to give any assistance in relation to an investigation which the person is able to give; that is intended to obstruct the investigator in the exercise of any powers under this Part.

(10) Where a person makes a statement in response to any question asked or produces information or documents in compliance with a requirement made under subsection (1), the Registrar must maintain confidentiality of such statement, information or documents, unless disclosure is required by law or court order to disclose the information.

(11) The investigator may make directions to protect the confidentiality of information and documents which are part of an interview.

(12) Where the investigator considers that, if disclosed, the fact of the issuing of a notice requiring a person to—
(a) produce documents;
(b) give information;
(c) attend a compulsory interview; or
(d) give assistance;
may hinder the investigation to which it relates, the investigator may direct a person who receives a notice under subsections (1), (2) or (3) not to disclose the receipt of a notice or any information relating to compliance therewith to any other person, other than his legal representative under a duty of confidentiality.

(13) For the purposes of this section, a person is connected with the person under investigation ("A") if he is or has at any relevant time been -

- (a) a member of A's group;
- (b) a controller of A;
- (c) a partnership of which A is a member; or
- (d) in relation to A, a person mentioned in Part 1 or Part 2 of the Schedule.

(14) "Investigator" means a person conducting an investigation under section 30.

(15) "Specified" means specified in a notice in writing.

34. Additional power of persons appointed as a result of section 31

(1) An investigator conducting an investigation under this section 34 shall have the powers conferred by section 33.

(2) An investigator may also require a person who is neither the subject of the investigation ("the person under investigation") nor a person connected with the person under investigation —

- (a) to attend before the investigator at a specified time and place and answer questions; or
- (b) otherwise to provide such information as the investigator may require for the purposes of the investigation.

(3) A requirement may only be imposed under subsection (2) if the investigator is satisfied that the requirement is necessary or expedient for the purposes of the investigation.

(4) "Investigator" means a person appointed as a result of section 31.

(5) Subsections (6) to (8) apply if an investigator considers that any person ("A") is or may be able to give information which is or may be relevant to the investigation.

(6) The investigator may require A —

- (a) to attend before him at a specified time and place and answer questions; or
- (b) otherwise to provide such information as he may require for the purposes of the investigation.

(7) The investigator may also require A to produce at a specified time and place any specified documents or documents of a specified description which appear to the investigator to relate to any matter relevant to the investigation.

(8) The investigator may also otherwise require A to give him all assistance in connection with the investigation which A is reasonably able to give.

(9) "Specified" means specified in a notice in writing.

35. Admissibility of statements made to investigators

(1) A statement made to an investigator by a person in compliance with an information requirement is admissible in evidence in any proceedings, so long as it also complies with any requirements governing the admissibility of evidence in the circumstances in question.

(2) "Investigator" means a person appointed under sections 30 or 31.

(3) "Information requirement" means a requirement imposed by an investigator under sections 33, 34 or 36.

36. Information and documents: supplemental provisions

(1) If the Registrar or an investigator has power under this Part to require a person to produce a document but it appears that the document is in the possession of a third person, that power may be exercised in relation to the third person.

(2) If a document is produced in response to a requirement imposed under this Part, the person to whom it is produced may –

(a) take copies or extracts from the document; or

(b) require the person producing the document, or any relevant person, to provide an explanation of the document.

(3) A document so produced may be retained for so long as the person to whom it is produced considers that it is necessary to retain it (rather than copies of it) for the purposes for which the document was requested.

(4) If the person to whom a document is so produced has reasonable grounds for believing –

(a) that the document may have to be produced for the purposes of any legal proceedings; and

(b) that it might otherwise be unavailable for those purposes, it may be retained until the proceedings are concluded.

(5) If a person who is required under this Part to produce a document fails to do so, the Registrar or an investigator may require him to state, to the best of his knowledge and belief, where the document is.

(6) A lawyer may be required under this Part to furnish the name and address of his client.

(7) No person may be required under this Part to disclose information or produce a document in respect of which he owes an obligation of confidence by virtue of carrying on the business of banking unless –

(a) he is the person under investigation or a member of that person's group;

(b) the person to whom the obligation of confidence is owed is the person under investigation or a member of that person's group;

(c) the person to whom the obligation of confidence is owed consents to the disclosure or production; or

(d) the imposing on him of a requirement with respect to such information or document has been specifically authorised by the Registrar.

(8) If a person claims a lien on a document, its production under this Part does not affect the lien.

(9) "Relevant person", in relation to a person who is required to produce a document, means a person who –

(a) has been or is or is proposed to be a director or controller of that person;

(b) has been or is an auditor of that person;

(c) has been or is an actuary, accountant or lawyer appointed or instructed by that person; or

(d) has been or is an employee of that person.

(10) "Investigator" means a person appointed under sections 30 or 31.

41. Fines

(1) If the Registrar considers that a licensed person has contravened a relevant requirement imposed on the person, it may impose on him a fine, in respect of the contravention, of such amount as it considers appropriate, provided such fine shall not exceed level 5 on the standard fines scale.

(2) If the Registrar considers that a person has committed a contravention of an enactment or subordinate legislation, it may impose on him a fine of an amount not exceeding the maximum specified for such contravention in the relevant enactment or subordinate legislation.

(3) A fine under this section is payable to the Registrar.

43. Proposal to take disciplinary measures

(1) If the Registrar proposes –

- (a) to impose a fine on a person (under section 41); or
- (b) to suspend the licence of a licensed person or impose a restriction in relation to the carrying on of a controlled activity by a licensed person (under section 42), it must give that person a warning notice.

(2) A warning notice about a proposal to impose a fine must state the amount of the fine.

(3) A warning notice about a proposal to suspend a licence or impose a restriction must state the period for which the suspension or restriction is to have effect.

44. Decision to take disciplinary measures

(1) If the Registrar decides –

- (a) to impose a fine under section 41 (whether or not of the amount proposed); or
- (b) to suspend a licence or impose a restriction under section 42 (whether or not in the manner proposed), it must without delay give the person concerned a decision notice.

(2) In the case of a fine, the decision notice must state the amount of the fine.

(3) In the case of a suspension or restriction, the decision notice must state the period for which the suspension or restriction is to have effect.

(4) If a Registrar decides to –

- (a) impose a fine on a person under section 41; or
- (b) suspend the licence of a licensed person, or impose a restriction in relation to the carrying on of a controlled activity by a licensed person, under section 42, that person may refer the matter to the court.

48. Decision notices

(1) A decision notice must –

- (a) be in writing;
- (b) give the reasons of the Registrar for the decision to take the action to which the notice relates;
- (c) state whether section 53 applies;
- (d) if that section applies, describe its effect and state whether any secondary material exists to which the person concerned must be allowed access under it; and
- (e) give an indication of –
 - (i) any right to have the matter referred to the court which is given by these Regulations; and
 - (ii) the procedure on such a reference.

(2) If the decision notice was preceded by a warning notice, the action to which the decision notice relates must be action under the same provision as the action proposed in the warning notice.

(3) The Registrar may, before it takes the action to which a decision notice ("the original notice") relates, give the person concerned a further decision notice which relates to different action in respect of the same matter.

(4) The Registrar may give a further decision notice as a result of subsection (3) only if the person to whom the original notice was given consents.

(5) If the person to whom a decision notice is given under subsection (3) had the right to refer the matter to which the original decision notice related to the court, he has that right as respects the decision notice under subsection (3).

(6) In this Part, "decision notice" means a notice under sections 18(3), 20(2) or 44(1).

49. Notices of Discontinuance

(1) If the Registrar decides not to take -

- (a) the action proposed in a warning notice given by it; or
 - (b) the action to which a decision notice given by it relates,
- it must give a notice of discontinuance to the person to whom the warning notice or decision notice was given.

(2) But subsection (1) does not apply if the discontinuance of the proceedings concerned results in the granting of an application made by the person to whom the warning or decision notice was given.

(3) A notice of discontinuance must identify the proceedings which are being discontinued.

50. Final notices

(1) If the Registrar has given a person a decision notice and the matter was not referred to the court within 28 days of that person receiving the notice or such other period as the court may allow, the Registrar must, on taking the action to which the decision notice relates, give the person concerned and any person to whom the decision notice was copied a final notice.

(2) If the Registrar has given a person a decision notice and the matter was referred to the court, the Registrar must, on taking action in accordance with any directions given by -

- (a) the court, or
- (b) the Court of Appeal on an appeal against the decision of the court, give that person and any person to whom the decision notice was copied the notice required by subsection (3).

(3) The notice required by this subsection is -

- (a) in a case where the Registrar is acting in accordance with a direction given by the court, or by the Court of Appeal on an appeal from a decision of the court, a further decision notice; and
- (b) in any other case, a final notice.

(4) A final notice must -

- (a) give details of the action being taken;
- (b) state the date on which the action is to be taken; and
- (c) if it imposes a fine, state the amount of the fine and the manner in which, and the period within which, the fine is to be paid.

(5) The period stated under subsection (4)(c) may not be less than 30 days beginning with the date on which the final notice is given.

(6) If all or any of the amount of a fine payable under a final notice is outstanding at the end of the period stated under subsection (4)(c), the Registrar may recover the outstanding amount as a debt due to it.

51. Publication

(1) In the case of a warning notice, neither the Registrar nor a person to whom it is given or copied may publish the notice or any details concerning it.

(2) A person to whom a decision notice is given or copied may not publish the notice or any details concerning it unless the Registrar has published the notice or those details.

(3) A notice of discontinuance must state that, if the person to whom the notice is given consents, the Registrar may publish such information as it considers appropriate about the matter to which the discontinued proceedings related.

(4) A copy of a notice of discontinuance must be accompanied by a statement that, if the person to whom the notice is copied consents, the Registrar may publish such information as it considers appropriate about the matter to which the discontinued proceedings related, so far as relevant to that person.

(5) The Registrar must publish such information about the matter to which a decision notice or final notice relates as it considers appropriate.

(6) When a supervisory notice takes effect, the Registrar must publish such information about the matter to which the notice relates as it considers appropriate.

(7) The Registrar may not publish information under this section if, in its opinion, publication of the information would be –

- (a) unfair to the person with respect to whom the action was taken (or was proposed to be taken);
- (b) detrimental to the interests of participants of the Abu Dhabi Global Market; or
- (c) detrimental to the interests of the Abu Dhabi Global Market.

(8) Information is to be published under this section in such manner as the Registrar considers appropriate.

(9) For the purposes of determining when a supervisory notice takes effect, a matter to which the notice relates is open to review if –

- (a) the period during which any person may refer the matter to the court is still running;
- (b) the matter has been referred to the court but has not been dealt with;
- (c) the matter has been referred to the court and dealt with but the period during which an appeal may be brought against the court's decision is still running; or
- (d) such an appeal has been brought but has not been determined.

(10) "Notice of discontinuance" means a notice given under section 49.

(11) "Supervisory notice" has the same meaning as in section 54.

(12) A person, other than the Registrar, who contravenes subsections (1) or (2) shall be liable to a fine not exceeding level 3 on the standard fines scale.

53. Access to material

(1) If the Registrar gives a person ("A") a warning notice or a decision notice, it must –

- (a) allow him access to the material on which it relied in taking the decision which gave rise to the obligation to give the notice;
- (b) allow him access to any secondary material which, in the Registrar's opinion, might undermine that decision.

(2) But the Registrar does not have to allow A access to material under subsection (1) if the material is excluded material or it –

- (a) relates to a case involving a person other than A; and
- (b) was taken into account by the Registrar in A's case only for purposes of comparison with other cases.

(3) The Registrar may refuse A access to particular material which it would otherwise have to allow him access to if, in its opinion, allowing him access to the material –

- (a) would not be in the public interest; or (b) would not be fair, having regard to –
 - (i) the likely significance of the material to A in relation to the matter in respect of which he has been given a notice; and
 - (ii) the potential prejudice to the commercial interests of a person other than A which would be caused by the material's disclosure.

(4) If the Registrar does not allow A access to material because it is excluded material consisting of a protected item, it must give A written notice of –

- (a) the existence of the protected item; and
- (b) the Registrar's decision not to allow him access to it.

(5) If the Registrar refuses under subsection (3) to allow A access to material, it must give him written notice of – (a) the refusal; and (b) the reasons for it.

(6) "Secondary material" means material, other than material falling within paragraph (a) of subsection (1) which –

- (a) was considered by the Registrar in reaching the decision mentioned in that paragraph; or
- (b) was obtained by the Registrar in connection with the matter to which that notice relates but which was not considered by it in reaching that decision.

(7) "Excluded material" means material which is a protected item (as defined in section 56).

(8) This section does not apply to a warning notice under section 18(1) or 18(2) or a decision notice under section 18(3).

...