



FINAL NOTICE ISSUED UNDER
SECTION 936 OF THE
COMPANIES REGULATIONS 2020

To: Mr. Abdulazeez S J A Altheifeeri
Director, DAR AL TEEB PERFUMES LTD



Email:



Date: 15 November 2023

1. DECISION

1.1 This Final Notice ("Notice") is issued under section 936 of the *Companies Regulations 2020* ("CR 2020").

1.2 For the reasons given in this Notice, the Registrar of Abu Dhabi Global Market ("ADGM") has decided to impose the following financial penalties on Abdulazeez S J A Altheifeeri ("Altheifeeri") – sole director of Dar Al Teeb Perfumes Ltd with ADGM Registration No. 000001451 ("Dar Al Teeb"):

- i) **USD 4,000** as per section 426 of CR 2020 (*default in filing accounts and reports: contraventions*), for the failure of Altheifeeri as a director of Dar Al Teeb to file its accounts and reports for the financial year ending 31 December 2019, in accordance with section 415 of CR 2020 (*Duty to file accounts and reports with the Registrar*), before the end of the period for filing those accounts, namely 30 September of 2020;
- ii) **USD 4,000** as per section 426 of CR 2020 (*default in filing accounts and reports: contraventions*), for the failure of Altheifeeri as a director of Dar Al Teeb to file its accounts and reports for the financial year ending 31 December 2020, in accordance with section 415 of CR 2020 (*Duty to file accounts and reports with the Registrar*), before the end of the period for filing those accounts, namely 30 September of 2021; and
- iii) **USD 4,000** as per section 426 of CR 2020 (*default in filing accounts and reports: contraventions*), for the failure of Altheifeeri as a director of Dar Al Teeb to file its accounts and reports for the financial year ending 31 December 2021, in accordance with section 415 of CR 2020 (*Duty to file accounts and reports with the Registrar*), before the end of the period for filing those accounts, namely 30 September of 2022.

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2. EXECUTIVE SUMMARY

- 2.1 CR 2020 requires Dar Al Teeb to deliver to the Registrar its annual accounts and reports:
- for the year ending 31 December 2019 by 30 September 2020 ("2019 Accounts");
 - for the year ending 31 December 2020 by 30 September 2021 ("2020 Accounts"); and
 - for the year ending 31 December 2021 by 30 September 2022 ("2021 Accounts").
- 2.2 Dar Al Teeb had failed to file its annual accounts since incorporation. Dar Al Teeb failed to deliver the 2019 Accounts, 2020 Accounts and 2021 Accounts by the statutory deadline.
- 2.3 Therefore, Althefeeri, in his capacity as a director of Dar Al Teeb, failed to file accounts and reports in accordance with section 415 of CR 2020 before the end of the period for filing those accounts and reports.
- 2.4 Various reminders, communications and timeline extensions were provided by the ADGM Registration Authority ("RA") to Dar Al Teeb to ensure that they comply with the filing requirements under CR 2020. However, Dar Al Teeb failed to file the outstanding annual accounts by the specified timelines.
- 2.5 Given the nature of the contravention and the repeated failure to comply with section 415 of CR 2020, the RA considers it appropriate in the circumstances to impose a financial penalty on Althefeeri.

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 DECISION

Background

- 4.1 On 6 September 2018, Dar Al Teeb was registered in ADGM to carry out the business activities of Retail (Category C). Dar Al Teeb is leasing unit 208 in the Galleria Mall and trading perfumes from its retail store.

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- 4.2 Althefeeri is the sole director, sole authorised signatory and sole shareholder of Dar Al Teeb since its incorporation in ADGM.

M&E Communications and Time Extensions

- 4.3 In addition to reminder emails sent from the Registrar's online registry solution, a staff member from the M&E division ("M&E Staff") sent multiple communications to Dar Al Teeb in an attempt to urge Dar Al Teeb to file the outstanding 2019 Accounts, 2020 Accounts and 2021 Accounts and provide time extensions. Below is the chronology of the communications:
- 4.3.1 On 10 February 2023, phone call was attempted by M&E Staff to Althefeeri. However, Althefeeri did not answer.
- 4.3.2 On 10 February 2023, M&E Staff sent an email to the Data Protection Contact Person ("DPCP") at Dar Al Teeb communicating that Dar Al Teeb did not file its annual accounts since incorporation and requesting a call for discussion.
- 4.3.3 On 14 February 2023, M&E Staff called the DPCP who advised that he resigned from Dar Al Teeb and could not answer any questions.
- 4.3.4 On 14 February 2023, M&E Staff called the person who submitted the most recent filing on the RA's registry ("MF"). MF indicated that he was under the assumption that a small company is not required to prepare and file financials. Filing requirement was explained by M&E Staff.
- 4.3.5 On 14 February 2023, M&E Staff sent an email to MF providing him with guidance on filing annual accounts and requesting him to advise when the outstanding 2019 Accounts, 2020 Accounts and 2021 Accounts will be filed.
- 4.3.6 On 12 April 2023, the RA issued a circular to all ADGM licensed persons ("RA Circular") as a reminder to file annual accounts and non-compliance may result in regulatory action including financial penalties.
- 4.3.7 On 22 May 2023, M&E Staff sent an email to MF following up on the outstanding annual accounts, referring to the RA Circular and requesting submission of the annual accounts "as soon as possible".
- 4.3.8 On 24 May 2023, MF replied to the email under 4.3.7 stating "I am already working on it and in a few days, I will submit financial reports for 2019 and then other years".
- 4.3.9 On 3 June 2023, 2019 accounts were filed with the RA. However, the submitted accounts did not comply with the requirements under CR 2020 as only Profit & Loss account was filed.
- 4.3.10 Accordingly, on 5 June 2023, the 2019 accounts referred to under 4.3.9 were returned for revision. Dar Al Teeb were advised to submit a balance sheet with certain disclosures, provided again with the link to ADGM guidance and reminded that 2019 Accounts, 2020 Accounts and 2021 Accounts are overdue.
- 4.3.11 On 6 June 2023, telephone call was held between MF and M&E Staff during which MF advised that Dar Al Teeb is not able to create a balance sheet as it does not have a



bank account. M&E Staff suggested appointing an accounting firm to assist in preparing annual accounts in compliance with the requirements under CR 2020.

- 4.3.12 On 16 June 2023, email was sent by M&E Staff to MF providing Dar Al Teeb with a timeline of 30 June 2023 to file the outstanding annual accounts. The email further stated *“non-compliance with the requirement to file annual accounts could result in regulatory action, including financial penalties of up to USD 15,000 against the company and director, and / or commercial licence cancellation”*.
- 4.3.13 On 16 June 2023 further email communications took place between M&E Staff to MF in which MF advised that he contacted *“audit offices and we will begin to prepare the balance sheet”* and confirming the template.
- 4.3.14 On 5 July 2023, M&E Staff sent an email to MF providing Dar Al Teeb with another time extension of no later than 12 July 2023 to file the outstanding 2019 Accounts, 2020 Accounts and 2021 Accounts. This email further stated *“Should the financial statements not be received by this due date, please note that the Registration Authority reserves the right to refer this matter of non-compliance for enforcement action without further notice. This may include, but is not limited to, the imposition of financial penalties”*.

- 4.4 In addition, a total number of nine system generated reminders were sent to Dar Al Teeb from the period 6 March 2019 to 30 September 2021 to file its annual accounts.
- 4.5 Although the 2019 Accounts, 2020 Accounts and 2021 Accounts were filed with the Registrar on 14 September 2023, 5 October 2023, and 6 October 2023, respectively, a contravention of section 415 of CR 2020 still occurred as the filings were not made within the statutory deadline.

5. CONTRAVENTIONS

- 5.1 Section 426 of CR 2020 states that *“If the requirements of section 415 (duty to file accounts and reports) are not complied with in relation to a company’s accounts and reports for a financial year before the end of the period for filing those accounts and reports, the company and every person who immediately before the end of that period was a director of the company, commits a contravention of these Regulations [emphasis added]”*.
- 5.2 Based on the facts and matters noted above, the Registrar considers that Altheifeeri has contravened section 415 of CR 2020 by failing to file Dar Al Teeb’s 2019 Accounts, 2020 Accounts and 2021 Accounts before the end of the period for filing those accounts and report.

6. SANCTIONS

Financial Penalties

- 6.1 In reaching its decision to impose financial penalties, the Registrar has considered the factors and considerations below.

Determination to impose a financial penalty

- 6.2 The Registrar considers the following factors to be of relevance in imposing financial penalties against Althefeeri:
- 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 financial penalties, given the seriousness of the contravention and the circumstances.

Determination of the level of financial penalty

- 6.4 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 The contraventions are serious for several reasons. Filing accounts with the Registrar is a key legal obligation for ADGM companies. The Registrar has a responsibility to ensure that the UAE adheres to international commitments and standards concerning the provision of accounts to the Registrar, such as the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes.
- 6.6 Dar Al Teeb had failed to file annual accounts since its incorporation at ADGM. Dar Al Teeb was required to file the 2019 Accounts, 2020 Accounts and 2021 Accounts by no later than 30 September 2020, 30 September 2021 and 30 September 2022, respectively. However, the 2019 Accounts, 2020 Accounts and 2021 Accounts were not filed until 14 September 2023, 5 October 2023, and 6 October 2023, respectively, with the Registrar.
- 6.7 Dar Al Teeb and Althefeeri have failed to adhere to ADGM's accounts obligations for three consecutive years, which suggests a lack of appropriate care, skill and diligence.
- 6.8 Althefeeri, in his capacity as a director of Dar Al Teeb, has failed to adhere to ADGM's accounts obligations.

Deliberate or reckless

- 6.9 As a director of Dar Al Teeb, Althefeeri is expected to understand and be aware of the importance of ensuring that all legal obligations must be fulfilled diligently, competently and in accordance with all relevant technical and professional standards.
- 6.10 Althefeeri's contraventions appear to be reckless and demonstrate lack of care, skill and diligence.

Whether the person is an individual

- 6.11 Althefeeri is an individual. As a director of Dar Al Teeb, he bears significant responsibility for the contraventions set out in this notice.

Effect on third parties

- 6.12 This factor was not considered.

Deterrence

- 6.13 Deterrence is one of the main purposes of taking enforcement action. That is, deterring persons who have committed contraventions from committing further contraventions.
- 6.14 The penalty imposed must deter Althefeeri and other ADGM licensed persons or company directors generally, from failing to file accounts and reports on time.
- 6.15 Any sanction must send a message of deterrence that companies must submit all accounts to the Registrar in a timely manner.

Financial gain or loss avoided

- 6.16 This factor was not considered.

Subsequent conduct

- 6.17 The Registrar notes that following the Registrar issuing a Warning Notice on 13 September 2023 proposing to impose financial penalties for accounts filing contraventions, Dar Al Teeb filed the outstanding 2019 Accounts, 2020 Accounts and 2021 Accounts.

Disciplinary record and compliance history

- 6.18 Apart from the contravention related to accounts and reports, Althefeeri has no disciplinary record nor is the Registrar aware of any other concerns in relation to Althefeeri.

Maximum Penalty

- 6.19 The maximum penalty for a contravention of section 426 of CR 2020 is level 5 (i.e., USD 15,000).

7. PROCEDURAL MATTERS

Representation

- 7.1 On 13 September 2023, the Registrar issued Althefeeri with a Warning Notice in which it proposed to impose on Althefeeri financial penalties in the total amount of USD 15,000.
- 7.2 Althefeeri was provided with an opportunity to make written representations regarding the Registrar's concerns and the actions proposed.
- 7.3 To date, Althefeeri has not made any written representations.
- 7.4 Having considered the facts, matters and circumstances of the contraventions above, in particular, noting that the 2019 Accounts, 2020 Accounts and 2021 Accounts have now been filed, the Registrar has decided to impose on Althefeeri financial penalties in the total amount of USD 12,000.

Opportunity to Have the Matter Referred to the ADGM Courts

- 7.5 On 13 October 2023, the Registrar issued a Decision Notice to Althefeeri pursuant to section 936 of CR 2020.
- 7.6 Althefeeri 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 Althefeeri to the ADGM Courts.
- 7.7 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

- 7.8 The financial penalty imposed by this Notice is to be paid by Althefeeri on or before the date stated in the invoice attached with this Notice.
- 7.9 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.

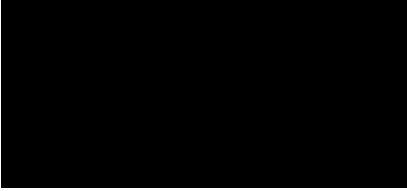


- 7.10 Payment of the financial penalty can be made by electronic funds transfer. The account details are listed in the invoice attached with this Notice.

Confidentiality and publicity

- 7.11 As this Notice has now been issued, the Registrar may, at his discretion, publish the details about the matter to which this Notice relates.

Signed:



Tim Land
Executive Director, Monitoring & Enforcement, Registration Authority
Delegate of the Registrar, Registration Authority

ANNEXURE A

EXTRACTS OF THE REGULATIONS AND RULES REFERRED TO IN THIS NOTICE

EXTRACT OF THE *COMPANIES REGULATIONS 2020*

PART 14: ACCOUNTS AND REPORTS

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415. Duty to file accounts and reports with the Registrar

- (1) The directors of a company must deliver to the Registrar for each financial year the accounts and reports required by—

section 418 (filing obligations of companies subject to small companies regime),
section 419 (filing obligations of companies entitled to small companies exemption: additional requirements),
section 420 (filing obligations of medium-sized companies), and
section 421 (filing obligations of companies generally).

- (2) This is subject to—
section 422 (unlimited companies exempt from filing obligations), and
section 423 (dormant subsidiaries exempt from filing obligations).
- (3) Subject to section 411(7), this Chapter shall not apply to a company that is a restricted scope company unless the Registrar has given notice to any restricted scope company that this Chapter applies to it and following notice such restricted scope company shall deliver to the Registrar all accounts required to be prepared by it under these Regulations.
- (4) Accounts of restricted scope companies will not be subject to public disclosure by the Registrar.

416. Period allowed for filing accounts

- (1) This section specifies the period allowed for the directors of a company to comply with their obligation under section 415 (duty to file accounts and reports with the Registrar) to deliver accounts and reports for a financial year to the Registrar.

This is referred to in these Regulations as the “period for filing” those accounts and reports.

- (2) The period is—
- (a) for a private company, nine months after the end of the relevant accounting reference period, and
 - (b) for a public company, six months after the end of that period. This is subject to the following provisions of this section.

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- (3) If the relevant accounting reference period is the company's first and is a period of more than twelve months, the period is—
 - (a) nine months or six months, as the case may be, from the first anniversary of the incorporation of the company, or
 - (b) three months after the end of the accounting reference period, whichever last expires.
- (4) If the relevant accounting reference period is treated as shortened by virtue of a notice given by the company under section 381 (alteration of accounting reference date), the period is—
 - (a) that applicable in accordance with the above provisions, or
 - (b) three months from the date of the notice under that section, whichever last expires.
- (5) If for any special reason the Registrar thinks fit he may, on an application made before the expiry of the period otherwise allowed, by notice in writing to a company extend that period by such further period as may be specified in the notice.
- (6) Any such extension must not have the effect of extending the period for filing to more than twelve months after the end of the relevant accounting reference period.
- (7) Whether the period allowed is that for a private company or a public company is determined by reference to the company's status immediately before the end of the relevant accounting reference period.
- (8) In this section "the relevant accounting reference period" means the accounting reference period by reference to which the financial year for the accounts in question was determined.

418. Filing obligations of companies subject to small companies regime

- (1) The directors of a company subject to the small companies regime—
 - (a) must deliver to the Registrar for each financial year a copy of a balance sheet drawn up as at the last day of that year, and
 - (b) may also deliver to the Registrar—
 - (i) a copy of the company's profit and loss account for that year, and
 - (ii) a copy of the directors' report for that year.
- (2) The directors must also deliver to the Registrar a copy of the auditor's report on the accounts (and any directors' report) that it delivers. This does not apply if the company is exempt from audit and the directors have taken advantage of that exemption.
- (3) Subject to section 419 the copies of accounts and reports delivered to the Registrar must be copies of the company's annual accounts and reports.
- (4) The copies of the balance sheet and any directors' report delivered to the Registrar under this section must state the name of the person who signed it on behalf of the board.
- (5) The copy of the auditor's report delivered to the Registrar under this section must—
 - (a) state the name of the auditor and (where the auditor is a firm) the name of the person who signed it as senior auditor, or

- (b) if the conditions in section 477 (circumstances in which names may be omitted) are met, state that a resolution has been passed and notified to the Board in accordance with that section.

426. Default in filing accounts and reports: contraventions

- (1) If the requirements of section 415 (duty to file accounts and reports) are not complied with in relation to a company's accounts and reports for a financial year before the end of the period for filing those accounts and reports, the company and every person who immediately before the end of that period was a director of the company, commits a contravention of these Regulations.
- (2) A person does not commit the contravention referred to in subsection (1) if he proves that he took all reasonable steps for securing that those requirements would be complied with before the end of that period, and for this purpose, it is not enough to prove that the documents in question were not in fact prepared as required by this Part.
- (3) A person who commits the contravention referred to in subsection (1) shall be liable to a fine of up to level 5.

PART 31: THE REGISTRAR OF COMPANIES

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936. The Registrar's functions

- (1) The Registrar shall—
- (a) perform the functions conferred on the Registrar by or under the ADGM Founding Law, these Regulations, the Commercial Licensing Regulations 2015 or any other law or regulation applicable in the Abu Dhabi Global Market, and
- (b) perform such functions on behalf of the Board, in relation to the registration of companies or other matters, as the Board may from time to time direct by resolution.
- (2) Without limiting the generality of subsection 1(a) or (b), the functions of the Registrar shall include—
- (a) the preparation indicative and non-binding guidance on these Regulations and advising the Board when any such guidance is issued;
- (b) prescribing forms to be used for any of the purposes of these Regulations, the Commercial Licensing Regulations 2015 or any other regulations administered by the Registrar;
- (c) any tasks and powers properly delegated to it by the Board or any other authority in the Abu Dhabi Global Market; and



- (d) where it considers it appropriate to do so, delegating such of its functions and powers as may more efficiently and effectively be performed by its officers or employees and, with the approval of the Board, to any other Abu Dhabi Global Market authority (other than the Court).
- (3) The Registrar shall assist the United Arab Emirates in complying with its obligations under any international treaty or other agreement to which the United Arab Emirates is a party through the exercise of its powers and functions.
- (4) In exercising its powers and performing its functions the Registrar shall act in an independent manner.
- (5) References in these Regulations to the functions of the Registrar are to functions within subsections (1) and (2).