

**FINAL NOTICE ISSUED UNDER SECTION 251 OF
THE FINANCIAL SERVICES AND MARKETS REGULATIONS 2015**

To: **Emirates Advocates LLP**
Cubicle C01, 15th floor
Al Sarab Tower
Abu Dhabi Global Market Square
Al Maryah Island
Abu Dhabi
United Arab Emirates

Date: 27 February 2025

1. ACTION

- 1.1. This Final Notice (“Notice”) is given to Emirates Advocates LLP (“Emirates Advocates”) (Registration No. 000001769) pursuant to section 251 of the *Financial Services and Markets Regulations 2015* (“FSMR”).
- 1.2. For the reasons given in this Notice, and pursuant to Rule 15.7.1(2)(c) of the Anti-Money Laundering and Sanctions Rules and Guidance (the “AML Rules”), the Financial Services Regulatory Authority (the “Regulator”) has decided to withdraw the registration of Emirates Advocates as a Designated Non-Financial Business or Profession (“DNFBP”) (the “Action”).
- 1.3. On 21 January 2025, the Regulator gave Emirates Advocates a Decision Notice which notified the firm that the Regulator had decided to withdraw its DNFBP registration and the reasons for that decision. Pursuant to section 225(1) of FSMR, Emirates Advocates had the right to refer that decision to the Appeals Panel. Emirates Advocates has not referred the decision to the Appeals Panel within 30 days of the date on which the Decision Notice was given to it.
- 1.4. Accordingly, the Regulator has withdrawn the registration of Emirates Advocates as a DNFBP with effect from the date of this Notice.

2. DEFINED TERMS

- 2.1. 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 a Rulebook, Glossary, 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. SUMMARY OF REASONS FOR THE ACTION

3.1. The Regulator has decided to take the Action because it considers that Emirates Advocates:

- a. has been in breach, and remains in breach, of the AML Rules by having failed to submit to the Regulator its AML Return for the 2019, 2020, 2021, 2022 and 2023 calendar years; and
- b. no longer meets the criteria for DNFBP registration, in that it does not have, and has not had, adequate systems and controls, including policies and procedures, to comply with all applicable Anti-Money Laundering (“AML”) / Targeted Financial Sanctions (“TFS”) requirements under the Federal AML Legislation, FSMR and the AML Rules.

3.2. Given the extent of Emirates Advocates’ failings, the Regulator considers it appropriate in the circumstances to withdraw Emirates Advocates’ registration as a DNFBP.

4. FACTS AND MATTERS RELIED ON

Background

- 4.1. On 14 January 2019, Emirates Advocates was registered with the Abu Dhabi Global Market (“ADGM”) Registration Authority (“RA”) as a limited liability partnership. Emirates Advocates holds a commercial licence to carry on non-financial (Category B) business activities as a “Legal Consultancy”.
- 4.2. By carrying on the business of a law firm, Emirates Advocates is classified as a DNFBP as defined in AML Rule 3.2.1.
- 4.3. Accordingly, Emirates Advocates was required under AML Rule 15.1.1 to be registered as a DNFBP to conduct its activities in or from ADGM. On 14 January 2019, Emirates Advocates was registered as a DNFBP.

Breach of FSRA Regulations and Rules

Failure to submit 2019, 2020, 2021, 2022 and 2023 AML Returns

- 4.4. In the period between 1 May 2021 to date, Emirates Advocates has not submitted its AML Returns for the following calendar years:
 - a. 2019, which was due by 30 April 2020;
 - b. 2020, which was due by 30 April 2021;
 - c. 2021, which was due by 30 April 2022;
 - d. 2022, which was due by 30 April 2023; and

- e. 2023, which was due by 30 April 2024.
- 4.5. As a DNFBP and thus a Relevant Person, Emirates Advocates was required by AML Rule 4.6.1 to complete and submit the respective AML Return to the Regulator by the end of April each year for the period 1 January to 31 December for the preceding year.
- 4.6. In the period from 15 to 28 April 2021, the Regulator sent reminders to Emirates Advocates to submit its 2020 AML Return.
- 4.7. On 10 May 2021, the Regulator imposed a financial penalty of US\$10,000 on Emirates Advocates for failing to submit its 2019 AML Return to the Regulator by 30 April 2020, in breach of the AML Rules, in spite of having been reminded of its obligation to do so.
- 4.8. In the period from 25 October 2022 to 18 May 2023, the Regulator sent numerous reminders to Emirates Advocates to submit its 2021 AML Return.
- 4.9. On 6 June 2023, the Regulator sent a reminder to Emirates Advocates to submit its 2022 AML Return.
- 4.10. Between January and April 2024, the Regulator sent three reminders to Emirates Advocates to submit its 2023 AML Return.
- 4.11. To date, Emirates Advocates has failed to submit its AML Return for each calendar year from 2019 to 2023. Emirates Advocates' failure to submit the AML Returns referenced in paragraph 4.4 above meant that between 2020 and 2024, the Regulator was not provided with important information concerning Emirates Advocates' performance as a DNFBP and its level of compliance with Federal AML Legislation, FSMR and the AML Rules.
- 4.12. Accordingly, the Regulator considers that Emirates Advocates has contravened Rules that apply to it as a DNFBP, and that it remains in contravention of AML Rule 4.6.1.

Failure to meet the criteria for DNFBP registration

Requirement to have adequate systems and controls

- 4.13. As a DNFBP, Emirates Advocates is required under AML Rule 15.2.1(1)(b) to satisfy the Regulator that it meets the criteria for DNFBP registration. In particular, Emirates Advocates is required to demonstrate that it has adequate resources, systems and controls, including policies and procedures, to comply with all applicable AML/TFS requirements under Federal AML Legislation, FSMR and the AML Rules.
- 4.14. On 13 September 2023, the Regulator imposed a financial penalty of US\$26,000 on Emirates Advocates for failing to register on the goAML reporting system. The Regulator found that, among other things, Emirates Advocates had failed to:
 - a. maintain effective AML policies, procedures, systems and controls by failing to complete its registration for the goAML reporting system;

- b. ensure that its policies, procedures, systems and controls were in compliance with Federal AML Legislation; and
- c. ensure that its policies, procedures, systems and controls are enabled for suspicious Persons and Transactions to be detected and reported.

4.15. The final notice issued by the Regulator on 13 September 2023 sets out the numerous reminders sent to Emirates Advocates to register for goAML. On 24 July 2024, Emirates Advocates registered for goAML after a delay of approximately five (5) years. Emirates Advocates had contravened Federal AML Legislation as well as the AML Rules.

4.16. The Regulator's findings in paragraph 4.14 demonstrate Emirates Advocates' lack of policies, procedures, systems and controls, which caused its delay in registering for goAML and its continued failure to submit its AML Returns for the 2019 to 2023 calendar years.

4.17. Therefore, the Regulator considers that Emirates Advocates no longer meets the criteria for DNFBP registration in AML Rule 15.2.1(1)(b).

5. CONTRAVENTIONS

5.1. Based on the facts and matters, and for the reasons set out in paragraphs 4.4 to 4.17 above, the Regulator considers that Emirates Advocates:

- a. has breached Federal AML Legislation, and continues to be in breach of the Regulator's Rules; and
- b. no longer meets the criteria for DNFBP registration.

5.2. Accordingly, circumstances arise under AML Rules 15.7.2(1)(a) and 15.7.2(1)(b) in which the Regulator may withdraw DNFBP registration on its own initiative.

6. OPPORTUNITY FOR REPRESENTATIONS AND APPEAL

6.1. In a Warning Notice dated 27 November 2024, the Regulator advised Emirates Advocates of the contraventions set out in section 5 of this Notice, and that it proposed to withdraw Emirates Advocates' registration pursuant to AML Rule 15.7.1(2)(c). Emirates Advocates had until 11 December 2024 to make representations in relation to the proposed Action.

6.2. By way of a letter dated 10 December 2024, Emirates Advocates made the following representations ("Representations") in relation to the proposed Action:

- a. The failure to submit AML Returns for the years 2019-2023 (inclusive) was an oversight and unintentional. Emirates Advocates represented that it had taken immediate steps to ensure the submission of the outstanding returns and expressed its commitment to do so as soon as possible. Emirates Advocates also represented that it would implement additional interim measures to ensure that all future returns are submitted in a timely manner.

- b. The Regulator's concerns about Emirates Advocates' failure to meet DNFBP registration criteria and its insufficient AML/TFS systems and controls were acknowledged by Emirates Advocates and were being taken seriously. Emirates Advocates represented that it had initiated a comprehensive review of its AML/TFS compliance framework in order to ensure its policies and procedures comply with applicable regulatory requirements. Emirates Advocates advised in its Representations that it was working to re-establish its eligibility for registration by meeting the relevant criteria.
- 6.3. On 21 January 2025, the Regulator gave Emirates Advocates a Decision Notice pursuant to section 248 of FSMR, having given due consideration to the Representations made by Emirates Advocates as follows.
- a. In relation to the Representation set out at 6.2(a), the Regulator understood that, having made due enquiry, the relevant AML Returns had not been submitted as at the date of the Decision Notice. The Regulator further noted that the failure to submit AML Returns has persisted since April 2020, notwithstanding that Emirates Advocates received numerous reminders of its obligation to make the relevant submissions as set out in paragraphs 4.6 – 4.10 of the Decision Notice and this Notice. Emirates Advocates did not explain how the “oversight” occurred, what steps had been taken to remedy the failings, or why it failed to respond to the numerous reminders over the period from April 2021 to April 2024.
 - b. Accordingly, the Regulator did not accept that the failure to submit AML Returns for the years 2019-2023 (inclusive) could reasonably be considered either an oversight or unintentional, given the protracted and continuing nature of the failing and having been on notice by the Regulator. The Regulator was not presented with any substantive basis upon which it could reasonably conclude that the failure to submit the AML Returns has, or will be, remedied or that such failings will not recur.
 - c. In relation to the Representation set out in 6.2(b), the Regulator noted Emirates Advocates' acknowledgement of its failure to meet the relevant DNFBP registration criteria and its insufficient AML/TFS systems and controls. The Regulator further noted the extended period of time during which Emirates Advocates has failed to meet such registration criteria or have appropriate systems and controls in place.
 - d. Given that Emirates Advocates did not dispute that it has not met and did not meet the relevant DNFBP registration criteria, or that it does not have sufficient AML/TFS systems and controls in place, or the duration of such failings, the Regulator did not consider that the Representation set out at 6.2(b) addressed the contraventions identified.
 - e. The Regulator further noted that the Representations were not accompanied by any evidence or documents to substantiate Emirates Advocates' claims that it had taken steps to resolve the issues with its submission of AML Returns and its AML/TFS compliance framework.

- 6.4. The Regulator therefore considered that the Representations did not contain any substantive basis upon which the Action proposed in the Warning Notice should be reconsidered. Accordingly, on 21 January 2025, the Regulator gave Emirates Advocates a Decision Notice informing Emirates Advocates that it had decided to withdraw its registration as a DNFBP.
- 6.5. The Decision Notice set out Emirates Advocates' right to refer the decision to the Appeals Panel pursuant to section 225(1) of FSMR within 30 days of the decision. Emirates has not referred the decision to the Appeals Panel. Accordingly, this Final Notice is given to Emirates Advocates pursuant to section 251(1) of FSMR.

7. ACTION

- 7.1. Based on the matters set out above, the Regulator has decided to withdraw Emirates Advocates' registration as a DNFBP pursuant to AML Rule 15.7.1(2)(c).
- 7.2. The withdrawal of Emirates Advocates' registration as a DNFBP takes effect on the date of this Notice.
- 7.3. In deciding to take the action set out in this Notice, the Regulator has taken into account the factors and considerations set out in section 8.2 of the Regulator's Guidance & Policies Manual ("GPM").

Factors considered in withdrawing Emirates Advocates' registration

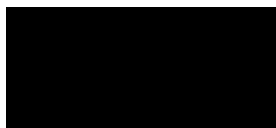
- 7.4. With reference to section 8.2 of GPM, the Regulator considers the following factors to be of particular relevance in proposing to withdraw Emirates Advocates' registration:
- a. 8.2.1(a) - the Regulator's objectives under section 1(3) of FSMR, including to:
 - i. prevent, detect and restrain conduct that causes or may cause damage to the reputation of ADGM through appropriate means including the imposition of sanctions; and
 - ii. promote public understanding of the regulation of ADGM;
 - b. 8.2.1(b) - the deterrent effect of the withdrawal of DNFBP registration and the importance of deterring other DNFBPs from committing similar contraventions;
 - c. 8.2.1(c) – in terms of nature, seriousness, duration and impact of the contravention:
 - i. Emirates Advocates has committed numerous contraventions of the Regulator's rules and regulations;
 - ii. Emirates Advocates has still not brought itself into compliance not having submitted its regulatory returns for each of the calendar years from 2019 to 2023;

- iii. Emirates Advocates was in breach of Federal AML Legislation, having registered on the goAML reporting system on 24 July 2024, after a delay of approximately five (5) years; and
 - iv. Emirates Advocates is a registered DNFBP and a professional firm engaged in the provision of legal services. It should therefore be aware of the consequences of its contravening the Regulator's rules and regulations.
- d. 8.2.1(f)(iv) - The Regulator considers there is a high likelihood that Emirates Advocates will continue to be in breach of the Regulator's Rules if no action is taken; and
- e. 8.2.1(i) – the Regulator has previously taken disciplinary action twice against Emirates Advocates for non-compliance with AML Rules.

8. PUBLICITY

- 8.1. Pursuant to section 252(3) of FSMR, the Regulator may publish this Notice and details about the matter to which this Notice relates, at the Regulator's discretion.
- 8.2. Pursuant to section 252(4) of FSMR, Emirates Advocates is not permitted to publish this Notice or any details concerning it unless the Regulator has published this Notice or those details in accordance with section 252(3).
- 8.3. The Regulator will publish on its website:
- a. this Final Notice; and
 - b. subject to section 252(5) of the FSMR, a press release in a form and manner the Regulator considers appropriate.

Signed:



Simon O'Brien
Executive Director - Markets
Delegate of the Financial Services Regulatory Authority