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

To: H Reserve Management LTD
Floor 25 & 29
Al Sila Tower
Abu Dhabi Global Market Square
Al Maryah Island
Abu Dhabi, United Arab Emirates

Attention: **Mrs. Sarah Zhang, Director**

Email: [redacted]

Date: 23 April 2024

1. DECISION

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") has decided to cancel the licence of H Reserve Management LTD with ADGM registration number 000008245 ("H Reserve") in the exercise of the Registrar's power pursuant to section 13 of CLR 2015.

2. EXECUTIVE SUMMARY

2.1 The Registrar has decided to take the action set out in this Notice as it considers that H Reserve failed to meet the general conditions of its licence and that cancellation of H Reserve's licence is in the interests of ADGM, as demonstrated by the following facts:

2.1.1 H Reserve carried out the business activities of software development for its client ("Company A"), over the period from around October 2022 to around June 2023 without obtaining the appropriate commercial licence from ADGM in contravention of section 4 of Part 1 of CLR 2015. Accordingly, failing to meet Rule 6 (General conditions of licence for all licence holders) of the Commercial Licensing Regulations (Conditions of Licence and Branch Registration) Rules 2023 ("CLR Rules 2023").

2.1.2 The Registrar further considers that H Reserve poses significant risk to ADGM due to its connection with other high-risk entities, concerns and alerts raised by other authorities, complaints received by the RA and various adverse media in relation to H Reserve's operations.

2.2 Given the facts, circumstances and the seriousness of the contravention concerning H Reserve, the Registrar considers it appropriate in the circumstances to cancel H Reserve's ADGM licence to conduct any business activities in or from 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 DECISION

Background – Involved Parties

4.1 On 2 September 2022, H Reserve was incorporated in ADGM and licensed to conduct the non-financial (Category B) business activities of *7020 Management consultancy activities* and *7490 Other professional, scientific and technical activities*.

4.2 Business activities of 7020 and 7490 are described as follows[1]:

7020 - Management consultancy

The provision of advice, guidance and operational assistance to businesses and other organizations on management issues, such as strategic and organizational planning; decision areas that are financial in nature; marketing objectives and policies; human resource policies, practices and planning; production scheduling and control planning.
This provision of business services may include advice, guidance or operational assistance to businesses and the public service regarding:

- *public relations and communication*
- *design of accounting methods or procedures, cost accounting programmes, budgetary control procedures*
- *advice and help to businesses and public services in planning, organization, efficiency and control, management information etc.*

[1] category-b-non-financial-permitted-business-activities.pdf (adgm.com)

7490 - Other professional, scientific and technical activities n.e.c

A great variety of service activities generally delivered to commercial clients. It includes those activities for which more advanced professional, scientific and technical skill levels are required, but does not include ongoing, routine business functions that are generally of short duration.

- *translation and interpretation activities*
- *business brokerage activities, i.e. arranging for the purchase and sale of small and medium-sized businesses, including professional practices, but not including real estate brokerage*
- *patent brokerage activities (arranging for the purchase and sale of patents) • appraisal activities other than for real estate and insurance (for antiques, jewellery, etc.)*
- *bill auditing and freight rate information activities of quantity surveyors*
- *weather forecasting activities*
- *security consulting*
- *agronomy consulting*
- *environmental consulting*
- *other technical consulting*
- *activities of consultants other than architecture, engineering and management consultants*
- *activities carried on by agents and agencies on behalf of individuals usually involving the obtaining of engagements in motion picture, theatrical production or other entertainment or sports attractions and the placement of books, plays, artworks, photographs etc., with publishers, producers etc.*

4.3 Mr Kun Ma ("Kun Ma") was the sole director, sole shareholder and ultimate beneficial owner ("UBO") at the time of H Reserve's incorporation. On 21 February 2023, Kun Ma ceased to be a director, a shareholder and UBO of H Reserve. Kun Ma, continued to act as 'interim' CEO to assist in the transition and daily operations until November 2023.

4.4 The current UBO of H Reserve, following a share transfer which occurred on 21 February 2023, is Ms Le Qiao ("Le Qiao").

4.5 The current sole director of H Reserve (since 4 April 2023) is Mrs. Xinfang Zhang ("Zhang").

4.6 The business application submitted by H Reserve to the ADGM Registration Authority ("RA") on 17 August 2022 for the purpose of incorporating H Reserve in ADGM (the "Business Application") disclosed the following under 'Proposed Business Activities' section:

> *"The proposed entity will conduct the following activities: 1) Management Consultancy Activities; and 2) Other Professional, Scientific and Technical Activities."*
>
> ....
>
> *"Provide non-regulated management consultancy support to start-up businesses in ADGM. As FinTech grows in the UAE, this will create opportunities for management consultancy companies to provide such businesses advice, guidance and operational assistance on management issues, such as strategic and organizational planning; decision areas that are financial in nature. One of the challenges is the potential global economic recession."*

4.7 H Reserve acknowledged the following under the Business Application form filed with the RA on 17 August 2022:

> *"I confirm, if after the application has been submitted, I become aware that the information submitted has changed or if I become aware of any material fact that affects the information submitted, I must inform the ADGM immediately".*
>
> *"I declare that the information in this application is true and complete as at the date of signing and that all the requirements of the relevant regulations and rules in respect of this application and of matters precedent and incidental to it have been complied with".*

[redacted]

RA's Preliminary Enquiries

4.10 Between February 2023 and April 2023, RA Monitoring & Enforcement division ("M&E") carried out a preliminary review into concerns that H Reserve may have carried on, and be continuing to carry on, business activities outside of the scope of its ADGM commercial license. In this respect, RA M&E gathered information from different sources and obtained information and documents from H Reserve pursuant to section 29 of CLR 2015.

4.11 Based on the review, the RA M&E found that:

4.11.1 [redacted]

4.11.2 H Reserve stated that Company A was not connected to H Reserve via ownership but only by way of business.

[redacted]

[redacted]

4.11.5 H Reserve had sponsored 35-45 UAE residency visas for its employees[4] in the ADGM.

[redacted]

4.11.7 H Reserve maintained a relatively large office space located in the ADGM at the 25th and 29th floors in Al Sila Tower – ADGM Square ("ADGM Offices").

4.11.8 According to an organisation chart, at the time of the RA investigation, H Reserve had a team of 16 IT developers led by a Chief Technology Officer.

4.12 An outsourcing agreement was entered into on 21 November 2022 between H Reserve and Company A ("Outsourcing Agreement"). Under the terms of that agreement, H Reserve agreed to provide to Company A several services, including but not limited to:

a. *Customer onboarding;*
b. *Anti-Money Laundering and Know Your Customer checks;*
c. *Accounting and Tax support;*
d. *Customer complaints handling;*
e. *Data protection and GDPR compliance;*
f. *Market surveillance;*
g. *Software and licence (including provision/facilitations, installation and hosting of any platforms, solutions, back office functions, risk management).*
h. *Audit; and*
i. *Cyber and Infrastructure services.*

4.13 These services fall outside the scope of H Reserve's licensed activities of management consultancy, and other professional, scientific and technical activities, as described below.

4.14 The Outsourcing Agreement appears to have been signed approximately three (3) months after filing the Business Application (i.e., in mid-November 2022).

[4] As of 24 July 2023, H Reserve had 39 staff under the employment visa of ADGM and as of 23 October 2023 H Reserve has 29 staff.

4.15 The information gathered during the RA's preliminary review raised further concerns that H Reserve may have carried on, and may be continuing to carry on, business activities exceeding the scope of its commercial licence.

RA's Investigation

4.16 On 8 May 2023, the RA commenced an investigation pursuant to section 31 of the CLR 2015 (the "Investigation") into H Reserve for a suspected contravention of section 4 of Part 1 of CLR 2015 - *exceeding the scope of licence*.

4.17 On 7 June 2023, in accordance with subsection 32(2) of CLR 2015 a notice was served on H Reserve advising that Investigators have been appointed by the RA under section 31(2) of CLR 2015 as there are circumstances suggesting that H Reserve may have committed a contravention of section 4 of Part 1 of CLR 2015.

4.18 The following was identified during the Investigation:

4.18.1 H Reserve employees were assigned to Company A and were primarily using Company A email accounts and shared drive accounts.

4.18.2 H Reserve had permitted two companies to occupy and operate from their ADGM Offices. The sub-lease agreements were only registered with the RA post RA's notification to H Reserve about the commencement of the Investigation.

i. [redacted] - sublease agreement was registered with the RA on 2 August 2023 (the "[redacted] Sublease Agreement").

ii. [redacted] - sublease agreement was registered with the RA on 4 August 2023 (the "[redacted] Sublease Agreement").

4.19 From 13 to 22 June 2023, the RA conducted eight (8) interviews with current and former H Reserve employees. These interviews comprised of:

a. three (3) interviews conducted on a voluntary basis; and
b. five (5) compulsory interviews conducted pursuant to section 33(1) of CLR 2015 of current H Reserve employees, of which four (4) compulsory interviews were of H Reserve employees within the H Reserve "Tech Development" department.

4.20 The Investigation found that H Reserve carried out the business activities of software development for its client Company A, [redacted] from the

[redacted]

period around October 2022 to around June 2023 without obtaining the appropriate commercial licence[7] from ADGM in contravention of section 4 of Part 1 of CLR 2015.

4.21 In particular, based on the compulsory interviews conducted of H Reserve's 'Tech Development' department, examples of software development activities [redacted] included the following:

a. Development of software for a mobile application-based payment solution [redacted] (i.e., deposits and withdrawals of payments);
b. Development of blockchain software related to managing accounts and wallets [redacted]
c. Back-end software support such as fixing bugs [redacted]
d. Development of software to enable a new crypto currency system [redacted]
e. Development of mobile based applications;
f. Automated KYC features for onboarding [redacted]
g. Managing setting and admin rights and access [redacted]
h. Back-end server functions [redacted]
i. Web User Interface functions [redacted] and
j. Database design and scheming work.

4.22 The business activities listed under paragraph 4.21 do not fall under H Reserve's current permitted business activities of *7020 Management consultancy activities* and *7490 Other professional, scientific and technical activities.*

4.23 Software development activities fall under the category of Computer programming, consultancy and related activities of Category B Permitted Business Activities including *6201 - Computer programming activities*, 6202 - *Computer consultancy and computer facilities management activities*, 6209 - *Other information technology and computer service activities* and 6210 - *Innovation – Tech Start up.*

4.24 The Investigation further identified the following concerns:

4.24.1 [redacted]

4.24.2 [redacted]

[7] Software development business activities fall under activity code *6201 - Computer programming activities of* Category B - Non-Financial Permitted Business Activities.
[8] Activity code *7023- Compliance Consultancy of* Category B - Non-Financial Permitted Business Activities.

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4.25 Based on the voluntary interviews conducted and open-source information gathered, it also appears that H Reserve is recruiting for job roles that fall outside its ADGM commercial licence. Such job roles postings include but are not limited to Compliance Officer, Compliance Manager, Transaction Monitoring Analyst and Transaction Monitoring & Trade Surveillance Analyst roles.

4.26 The business activities of concern identified and referred to under paragraphs 4.24 and 4.25 fall outside the scope of H Reserve's current permitted business activities. Such business activities require additional permitted Category B Business Permitted Activities including but not limited to the following:

- 7023 - Compliance Consultancy;
- 7810 - Activities of employment placement agencies; and
- 7830 - Other human resources provision.

[redacted]

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[redacted]

[redacted]

[redacted]

5 CONCLUSION

5.1 The Registrar considers that H Reserve contravened section 4 of Part 1 of CLR 2015 by conducting the business activity of software development including database, writing, modifying, testing and supporting of software without holding the appropriate commercial licence from ADGM.

5.2 The relevant extract of section 4 of Part 1 of CLR 2015 is set out in **Annexure A** to this Notice. As per section 4(2) of Part 1 of the CLR 2015, H Reserve would be liable to a fine not exceeding level 5 on the standard fines scale, which is up to USD15,000.

5.3 However, based on the facts and matters noted above, the Registrar has decided to exercise its own initiative powers under section 13 of CLR 2015 **to cancel the licence of H Reserve**, based on the following grounds:

A. Section 13(1)(a) of CLR 2015 – Failing to Satisfy the Conditions of Licence

5.4 As per section 13(1)(a) of CLR 2015 the Registrar may exercise its power to cancel the licence of a licensed person if that person is failing, or is likely to fail, to satisfy the conditions of licence applicable to him.

5.5 Rule 6 of CLR Rules 2023 states, among other things, that a licence holder must only carry out the controlled activity or business activity to which its licence relates from the address stated on its licence and maintain the right to use such premises for that purpose.

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5.6 The Registrar considers that H Reserve failed to meet Rule 6 (a) of CLR Rules 2023 due to carrying out controlled activities beyond its scope of licence and in contravention of section 4 of CLR 2023.

B. Section 13(1)(c) of CLR 2015 – Desirable in the interests of ADGM

5.7 As per section 13(1)(c) of CLR 2015, the Registrar may exercise its power to cancel the licence of a licensed person if it is desirable to exercise the power in the interests of the Abu Dhabi Global Market.

[redacted]

[redacted]

6 PROCEDURAL MATTERS

Representations

6.1 On 28 November 2023, the Registrar issued H Reserve with a Warning Notice in which it proposed to cancel H Reserve's commercial licence.

6.2 H Reserve was provided with an opportunity to make written representations regarding the Registrar's concerns and the actions proposed.

6.3 On 22 January 2024, H Reserve made representations in response to the Warning Notice.

6.4 It is understood that the response to the Warning Notice consists of the following 'key' representations, to which the Registrar responded in the Decision Notice issued on 7 March 2024 with its view included immediately under each 'key' representation as follows:

[redacted]

(b) Not all of the services listed under the outsourcing agreement was in actual fact provided.

i. The Registrar is of the view that the Warning Notice does not state or allege that the services listed under the outsourcing agreement in fact were provided by H Reserve to its client.

ii. Further, Section 4 of CLR 2015, states that it is contravention 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. Accordingly, regardless of whether the services listed under the outsourcing agreement were in fact provided to Company A, H Reserve by entering into an outsourcing agreement that included a list of services that are outside of its scope of licence, did purport to carry on activities that are beyond the scope of its ADGM commercial licence which constitute a contravention of section 4 of CLR 2015.

[redacted]

[redacted]

6.5 Having taken into consideration the facts, matters and circumstances of the contraventions above, the Registrar has decided to cancel H Reserve's licence effective 1 May 2024.

Opportunity to Have the Matter Referred to the ADGM Courts

6.6 On 7 March 2024, the Registrar issued a Decision Notice to H Reserve pursuant to section 20 of the CLR 2015.

6.7 Under section 44(4) of the CLR 2015, H Reserve 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 H Reserve to the ADGM Courts.

6.8 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.

Confidentiality and publicity

6.9 As this Notice has now been issued, pursuant to section 51 of CLR 2015, the Registrar must publish such information about the matter to which this Notice relates as it considers appropriate.

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ABU DHABI GLOBAL MARKET
سوق أبوظبي العالمي

[redacted]

Sami Mohammed
ADGM Commissioner of Data Protection
Delegate of the Registrar, Registration Authority

ANNEXURE A

EXTRACTS OF THE REGULATIONS AND RULES REFERRED TO IN THIS FINAL 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.

13. Variation or cancellation on initiative of Registrar

(1) The Registrar may exercise its power under this section in relation to a licensed person if it appears to the Registrar that –

(a) that person is failing, or is likely to fail, to satisfy the conditions of licence applicable to him;

(b) that person has failed, during a period of at least 12 months, to carry on a controlled activity to which the licence relates; or

(c) it is desirable to exercise the power in the interests of the Abu Dhabi Global Market.

(2) The Registrar's power under this section is the power –

(a) to vary the licence by –

(i) adding a controlled activity to those to which the licence relates;
(ii) removing a controlled activity from those to which the licence relates; or
(iii) varying the description of a controlled activity to which the licence relates; or

(b) to cancel the licence

(3) If, as a result of a variation of a licence under this section, there are no longer any controlled activities for which the licensed person concerned has a licence, the Registrar must, once it is satisfied that it is no longer necessary to keep the licence in force, cancel it.

(4) The power of the Registrar to vary a licence under this section extends to including in the licence as varied any provision that could be included if a fresh licence were being granted in response to an application under section 9.

(5) The power of the Registrar under this section is referred to in these Regulations as its own-initiative variation power.

20. Cancellation of licence: procedure

(1) If the Registrar proposes to cancel a licensed person's licence otherwise than at the person's request, it must give the person a warning notice.

(2) If the Registrar decides to cancel a licensed person's licence otherwise than at the person's request, it must give the person a decision notice.

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").

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(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.

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

(3) A requirement under subsections (1) or (2) 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.

(4) 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.

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

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

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

(1) An investigator has 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.

...

PART 4: ENFORCEMENT

47. Warning notices
(1) A warning notice must

(a) state the action which the Registrar proposes to take;

(b) be in writing;

(c) give reasons for the proposed action;

(d) state whether section 53 applies; and

(e) 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.

(2) A warning notice must specify a reasonable period (which may not be less than 14 days) within which the person to whom it is given may make representations to the Registrar.

(3) The Registrar may extend the period specified in the notice.

(4) The Registrar must then decide, within a reasonable period, whether to give the person concerned a decision notice.

(5) In this Part, "warning notice" means a notice under sections 18(1), 18(2), 20(1) or 43(1).

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.

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(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).

EXTRACT OF THE COMMERCIAL LICENSING REGULATIONS (CONDITIONS OF LICENCE AND BRANCH REGISTRATION) RULES 2023

6. General conditions of licence for all licence holders A licence holder must—

(a) only carry out the controlled activity or business activity to which its licence relates from the address stated on its licence and maintain the right to use such premises for that purpose,

(b) maintain compliance with—

- (i) any obligation imposed from time to time upon him or his connected persons by or under any enactment (including the Regulations and these Rules) or any other law applicable in the Abu Dhabi Global Market, and
- (ii) any licence, authorisation or approval requirement imposed by any Federal Law having application in the Abu Dhabi Global Market and to which the licence holder is subject in relation to his activities in the Abu Dhabi Global Market,

(c) at all times put in place suitable arrangements to ensure that he will comply with the obligations referred to in paragraph (1)(b),

(d) at all times maintain at least one (1) authorised signatory who holds a residency visa issued by a competent authority in the United Arab Emirates,

(e) comply with the Business and Company Names Rules 2021,

(f) comply with any other conditions and requirements specified in writing by the Registrar, and

(g) have paid any fees and dues owed to the Registrar pursuant to the Regulations or any rules made thereunder.