



REGISTRATION AUTHORITY

ABU DHABI GLOBAL MARKET

MONETARY PENALTY NOTICE ("NOTICE")

ISSUED PURSUANT TO SECTION 19(2) OF THE

BENEFICIAL OWNERSHIP AND CONTROL REGULATIONS 2018 ("BOCR 2018")

To: **IN'P – IBRAHIM AND PARTNERS LTD (ADGM Registration No. 000002204) ("IN'P")**

Overview

1. The Registration Authority (the "RA") of Abu Dhabi Global Market ("ADGM") has determined that IN'P has contravened sections 2 and 3 of Part 1 of BOCR 2018 for the reasons set out below.
2. This Notice issued by the RA requires IN'P to pay a fine of **USD 1,500** by no later than 22 July 2023 pursuant to section 19 of Part 4 of BOCR 2018.

Failure to Comply with Sections 2 and 3 of Part 1 of BOCR 2018

3. Below is the relevant extract of section 2 of Part 1 of BOCR 2018:

2. Record of beneficial owners

- (1) *Each ADGM Person must keep a record of the required particulars of its beneficial owners in a record referred to in these Regulations as the "record of beneficial owners".*
.....
- (5) *The "required particulars" means,*
 - (a) *in respect of a natural person:*
 - (i) *full name, including any former names;*
 - (ii) *country of residence;*
 - (iii) *date of birth;*
 - (iv) *nationality;*
 - (v) *occupation;*
 - (vi) *the date on which that person became a beneficial owner; and*
 - (vii) *the grounds on which that person is considered to be a beneficial owner.*



4. Below is the relevant extract of section 3 of Part 1 of BOCR:

3. Duty of ADGM Person to keep record of beneficial owners up-to-date

- (1) *An ADGM Person must take reasonable steps to ensure that the particulars recorded in its record of beneficial owners are true, accurate, complete and up to date.*
 - (2) *If an ADGM Person knows or has reasonable cause to believe that a relevant change has occurred to the required particulars recorded in its record of beneficial owners then, subject to subsection (3), the ADGM Person must request in writing details of the relevant change from each person whose required particulars are recorded in its record of beneficial owners and may be affected by the relevant change.*
5. As a company incorporated under Companies Regulations 2020, IN’P is an “ADGM Person” as defined in section 27 of Part 5 of BOCR 2018.
6. On 24 May 2022, the RA informed IN’P that it was conducting an assessment of IN’P’s compliance with specified areas of ADGM’s commercial legislation. One of the areas assessed was the firm’s compliance with BOCR 2018.
7. IN’P submitted to the RA a copy of its Record of Beneficial Ownership, which is attached as **Annexure A**.
8. The RA found that IN’P’s Record of Beneficial Ownership did not include the following particulars of its beneficial owner (“BO”) as required under section 2 of Part 1 of BOCR 2018:
- a. consideration for former name of the BO;
 - b. nationality of the BO;
 - c. occupation of the BO; and
 - d. grounds on which a person is considered a BO.

IN’P Representations

9. On 13 April 2023, the RA issued IN’P with a Monetary Penalty Notice pursuant to section 19(2) of the BOCR 2018 in which it stated the proposed fine amount.
10. On 5 May 2023, IN’P provided the RA with written representations in response to the Monetary Penalty Notice issued on 13 April 2023.
11. It is understood that IN’P’s response consists of the following ‘key’ representations (along with the RA’s response to each):



- a) The BO does not have former names and IN'P is of the view that 'former name' particular has been complied with.
 - RA's Response: in the RA's view, consideration for former name of the BO must be included under the Record of Beneficial Ownership as per the required particulars in section 2 of BOCR 2018. IN'P's Record of Beneficial Ownership did not include whether the BO did or did not have any former names.
- b) Nationality, occupation and grounds on which a person is considered a BO were inadvertently omitted from IN'P's Record of Beneficial Ownership and this was not intentional to mislead the RA or the public.
 - RA's Response: the contravention under the Notice is in relation to sections 2 and 3 of Part 1 of BOCR 2018 which relate to missing particulars under the firm's own Record of Beneficial Ownership, which it is required to maintain.
- c) There was no explicit prior notification about the missing details in the IN'P's Record of Beneficial Ownership from the RA. Further, there was a confusion that the findings under the RA's Assessment Findings Report dated 14 March 2023 was about IN'P's clients as a CSP and not IN'P Ibrahim & Partners' own records.
 - RA's Response: the RA disputes the assertion about unclarity that the RA's assessment findings were in relation to IN'P's clients due to the following:
 - The RA's assessment letter dated 24 May 2022 was addressed to IN'P and IN'P's own records were required for review.
 - A meeting took place on 29 November 2022 between IN'P representatives and the RA in which deficiencies in IN'P own records was communicated.
 - The RA reserves the right to take enforcement action for contraventions of RA administered legislation without prior notice to the subjects of such actions. This disclaimer was also included under the RA's Assessment Findings Report dated 14 March 2023 and acknowledged by IN'P on 28 March 2023.



Imposition of Fine

12. Section 17 of BOCR 2018 states the following:

An ADGM Person who fails to comply with these Regulations or any rules made under these Regulations is guilty of an offence and liable to a fine as prescribed under section 19.

13. Under section 19(4) of BOCR 2018, the amount of any fine determined by the RA must not exceed a level 7 fine, i.e. up to USD 25,000.

14. Given the facts and circumstances set out above in paragraphs 6 to 11, the RA has determined that IN'P has failed to comply with sections 2 and 3 of BOCR 2018.

15. Accordingly, the following fine is imposed on you by the RA considering the facts and circumstances set out under this Notice:
USD 1,500.

Review by the Court

16. Section 19(7) of BOCR 2018 states the following:

(7) A person, who receives a monetary penalty notice under this section, may refer the matter to the Court for review of–

(a) the issue of the monetary penalty notice;

(b) the amount of the fine specified in the notice.

17. If IN'P chooses to refer this Notice to the ADGM Court (the "Court"), please refer to the ADGM Court Procedure Rules (as directed by section 19(8) of BOCR 2018) using this link:

<https://www.adgm.com/documents/courts/legislation-and-procedures/court-procedure-rules/adgm-court-procedure-rules-2016-01092021.pdf>

18. Further, please be advised that any referral to the Court pursuant to section 19(7) of BOCR 2018 must be made on or before 22 July 2023.



Payment of the Fine and Publication

19. This fine may be paid at any time before 5:00 pm on 22 July 2023, by forwarding payment to the RA (please refer to the invoice attached as Annexure B to this Notice for details on making payment).
20. Should you pay this fine prior to 5:00 pm on 22 July 2023, pursuant to section 19(9)(a)(i) of BOCR 2018, no proceedings will be commenced by the RA against IN'P in respect of the contravention set out in this Notice.
21. Should IN'P not pay the full amount of the fine prior to 5:00 pm on 22 July 2023 nor make a referral to the Court under section 19(7), then the RA may apply to the Court to take any necessary steps to recover that part of the fine that remains unpaid to the RA pursuant to section 19(9)(b) of BOCR 2018.
22. The RA may publish details of the matter to which this Notice relates in accordance with section 19(11) of BOCR 2018.



Tim Land

Delegate of the CEO of the RA

22 June 2023

Abu Dhabi Global Market Registration Authority

Annexure A – IN'P Record of Beneficial Ownership

Annexure B – Invoice

REGISTRATION AUTHORITY
سلطة التسجيل