



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

To: Mr. Mohammed Wasim Nazir

[REDACTED]

Email:

[REDACTED]

Date:

20 June 2023

1. DECISION

1.1 This Final Notice (“Notice”) is issued under section 44 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”) decides to impose on Mr. Mohammed Wasim Nazir (“Nazir”) the following financial penalties:

- i. **USD 10,000** for contravention of section 39 of CLR 2015 (concealment of information in response to requirement notice) in relation to HSQ Holdings Ltd (“HSQ”); and
- ii. **USD 10,000** for contravention of section 39 of CLR 2015 (concealment of information in response to requirement notice) in relation to PL1 Holdings Ltd (“PL1”).

1.3 This Notice is issued to Nazir 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 RA or ADGM that any other person other than Nazir has committed a contravention of ADGM’s enactments or subordinate legislation, nor it is a reflection upon any other person or entity.

2. DEFINED TERMS AND RELEVANT REGULATIONS

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 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.



- 2.2 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.

3. SUMMARY OF EVIDENCE SUPPORTING THE DECISION

Incorporation and Licensing

- 3.1 On 11 June 2019, HSQ and PL1 were each incorporated as ADGM private companies limited by shares. Specifically, each were incorporated as a Special Purpose Vehicle (“SPV”). Their permitted business activities under their respective ADGM commercial licences both fall under Category B classification - Non-Financial, Special purpose vehicle (activity code: 7017) described as:

A Body Corporate whose sole purpose, either generally or when acting in a particular capacity, is to carry out one or more of the following functions:

- *issuing Investments;*
- *redeeming or terminating or repurchasing, whether with a view to re issue or to cancellation, an issue, in whole or part, of Investments; or*
- *entering into transactions or terminating transactions involving Investments in connection with the issue, redemption, termination or re purchase of Investments; and*

And has been explicitly established for the purpose of:

- *securitising assets; or*
- *investing in Real Property*

- 3.2 The directors of both HSQ and PL1 are Nazir and ONYX Investments Holding Ltd (“ONYX”). Nazir is also the ultimate beneficial owner of HSQ and PL1.

- 3.3 HSQ and PL1 each submitted business plans to the RA dated 25 February 2019 as part of their registration applications, both of which contained the following:

- a. An acknowledgement signed by Nazir 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 SPVs is indicated as “*Holding Company of Property Investment Agreements*”.
- c. A signed declaration stating HSQ and PL1 will “*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*”, “*undertake to convert this SPV into operational legal entity should the business concept requires 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*”.



- 3.4 Since their incorporation and registration in June 2019, HSQ and PL1 have not applied for any variations of their ADGM commercial licenses.
- 3.5 On 27 September 2020, HSQ and PL1 filed their annual accounts separately for the year ending 31 December 2019 (collectively, the “2019 Annual Accounts”). These filings are largely identical and indicate Fixed Assets of USD 50,000 and Net Liabilities of USD (1,260) for “Creditors: amounts falling due within one year” for both HSQ and PL1.
- 3.6 On 21 September 2021 and 30 September 2021 respectively, PL1 and HSQ filed their annual accounts for the year ending 31 December 2020 (collectively, the “2020 Annual Accounts”). As per the 2020 Annual Accounts, PL1 and HSQ purportedly had fixed assets of USD 50,000 and no liabilities. As with the 2019 Annual Accounts, these account filings of PL1 and HSQ appear largely identical.

HSQ and PL1 – Voluntary Strike-Off Applications

- 3.7 On 8 June 2021, HSQ and PL1 each filed applications to voluntarily strike-off the register pursuant to section 867A of CR 2020. The following information was submitted to the RA as part of these applications:
- pursuant to section 867A and 867C of CR 2020, Nazir signed and submitted two prescribed statements dated 6 June 2021 for each HSQ and PL1 (collectively, the “Nazir Prescribed Statements”). The Nazir Prescribed Statements confirmed the following for each of HSQ and PL1:

That all creditors of the company have been paid or otherwise discharged in full and the company has no other liabilities (including contingent or prospective liabilities and liabilities in respect of current or former Directors, employees or clients).
 - pursuant to section 867A of CR 2020, as the authorised signatory of ONYX, Nazir signed and submitted two shareholders’ resolutions dated 6 June 2021 for each of HSQ and PL1.

HSQ and PL1 Objections

- 3.8 On 10 June 2021, a public notice was issued on ADGM’s website for PL1 (Notice ID 00203/2021), as per section 876A of CR 2020, stating that “*The company has applied for voluntary striking off under section 867A of the Companies Regulations 2020. The Registrar of companies may strike the company’s name off the register when two months have passed since the publication of this notice*”.
- 3.9 On 20 June 2021, a public notice was issued on ADGM’s website for HSQ (Notice ID 00212/2021), as per section 876A of CR 2020, stating that “*The company has applied for voluntary striking off under section 867A of the Companies Regulations 2020. The Registrar of companies may strike the company’s name off the register when two months have passed since the publication of this notice*”.

- 3.10 Since 13 July 2021, the RA received notices of objection to the HSQ strike-off from 77 persons (“HSQ Objectors”).
- 3.11 Since 25 July 2021, the RA received notices of objection to the PL1 strike-off from 25 persons (“PL1 Objectors”).
- 3.12 Below is a summary of key information based on information and documents provided by HSQ Objectors and PL1 Objectors:
- a) HSQ was the Resort Manager of an investment property under the name of Hanover Square and located in Jumeirah Village in Dubai (“Hanover Square Investment Property”).
 - b) PL1 was the Resort Manager of an investment property under the name of Platinum One and located in Arjan in Dubai (“Platinum One Investment Property”).
 - c) HSQ and PL1 are still keeping and renting apartment units despite having applied for strike-off.
 - d) HSQ and PL1 failed to pay investment returns to a number of apartment owners and other creditors.
 - e) Legal cases have been initiated by apartments owners against HSQ and PL1.
- 3.13 As a result of receiving the objections, the RA suspended the de-registration process for both HSQ and PL1. On 30 November 2021, [REDACTED], the company service provider acting for HSQ and PL1, was advised that the strike-off applications would, “remain on hold pending enquiries being conducted by the Registration Authority”.

RA Investigation

- 3.14 On 18 April 2022, pursuant to section 31 of CLR 2015 an investigation commenced into the conduct of HSQ, PL1 and Nazir (the “Investigation”).
- 3.15 On 25 April 2022, HSQ, PL1 and Nazir received notices of Appointment of Investigators which were acknowledged by Nazir via phone and email on 11 May 2022.
- 3.16 During the course of the Investigation, the investigators:
- a. Obtained information and documents from twelve selected objectors on a sample basis from HSQ Objectors and PL1 Objectors (“Selected Objectors”);
 - b. Interviewed some Selected Objectors;
 - c. Obtained documents and information from HSQ, PL1 and Nazir via four requirement notices issued on 2 June 2022 (“2 June Requirement Notices”) and 30 June 2022 (“30 June Requirement Notices”) pursuant to section 33(1)(b) and section 33(2) of Part 3 of CLR 2015; and
 - d. Multiple attempts were made to interview Nazir pursuant to section 33(1) of CLR 2015. Three interview requirement notices were issued from 8 August 2022 to 19 September

2022 as part of these efforts to interview Nazir. However, Nazir did not attend any of these compulsory interviews.

Findings of the Investigation

3.17 The following facts were established during the Investigation:

- 3.17.1 From 8 July 2019 to 1 August 2021, HSQ was the Resort Manager of Hanover Square Investment Property.
- 3.17.2 From 8 July 2019 to 1 August 2021, PL1 was the Resort Manager of Platinum One Investment Property.
- 3.17.3 Apartment owners entered into a Sale and Purchase Agreement (“SPA”) with the properties developer [REDACTED] (“[REDACTED]”) which is registered in Dubai with Real Estate Regulatory Authority as a property developer¹. As per the SPA, [REDACTED] is incorporated and registered in the British Virgins Islands with a Dubai address as well. As part of the SPA, a Management and Income Pooling Agreement (“MIPA”) was also signed by apartment owners with [REDACTED].
- 3.17.4 As per the SPA and MIPA:
- The purchase price was paid in instalments by apartment owners to [REDACTED] till the completion date of the investment properties.
 - The developer [REDACTED] would assign a Resort Manager to manage the investment property².
 - The primary purpose of MIPA is to “create investment returns for Owners by maximising occupancy by rent-paying tenants..”.
 - The apartment owner agreed to grant the Resort Manager the right to manage the apartment for 20 years.
 - 60% of the Net Operating Profit (“NOP”) generated by the Resort Manager is payable to owners and the remaining 40% shall belong to the Resort Manager.
- 3.17.5 As per MIPA, Resort Manager responsibilities include the following:
- Pay apartment owners their sums due (percentage of the NOP).
 - Perform all management and operational obligations necessary to operate the investment property.
 - Responsible for repair/maintenance of the apartments.
 - Pay the operating cost and expenses associated with the operation and management of an executive residence out of the gross revenue.
 - Authorised to demand, receive and receipt for gross revenue from the occupancy of the apartment.
 - Terminate MIPA by 90 days’ notice in writing from the Resort Manager. Only the Resort Manager is entitled to terminate MIPA.

¹ [REDACTED]

² The name of the Resort Manager is not mentioned under the SPA. The SPA gives the developer [REDACTED] the right to appoint any management company as the Resort Manager.



3.18 Various documents and copies of correspondence exist evidencing that HSQ and PL1 were conducting operational activities beyond the scope of their passive ADGM SPV commercial licence and purporting and/or carrying out the role of Resort Manager. Further, various documents exist evidencing that HSQ and PL1 were carrying out the Resort Manager obligations and rights stipulated under the SPA and MIPA signed with the apartment owners.

3.19 Below is a summary of the evidence that HSQ and PL1 were conducting operational activities.

HSQ

3.20 On 8 July 2019, HSQ was announced as the new Resort Manager on the investor portal of Hanover Square Investment Property, (access to the portal via unique username and password is provided to the investors/apartment owners). The screenshots of the investor portal were provided by different HSQ Selected Objectors.

3.21 On 1 August 2019, an Assignment Agreement (“HSQ Assignment Agreement”) was entered into between HSQ, [REDACTED] and Hanover Square DWC – which is a Dubai based company that was the Resort Manager from 3 January 2016 to 8 July 2019 (“Hanover Square DWC”). In summary, the HSQ Assignment Agreement indicated that HSQ would assume Hanover Square DWC rights, duties, liabilities and obligations in relation to the execution, implementation and performance of the pooled investment scheme. The HSQ Assignment Agreement was provided by Nazir in response to the RA’s HSQ 2 June Requirement Notice.

3.22 On 2 August 2019, a License Agreement (“HSQ License Agreement”) was entered into between HSQ and Oryx Property Management (“Oryx”) - licensed by the Dubai Department of Economic Development (DDED), License No. 609259. The beneficial owner and managing director of Oryx is Nazir³. In summary, the HSQ License Agreement indicated that HSQ “licensed” “certain rights and obligations” in relation to the pooled investment scheme to Oryx with the exception of the allocation of 40% of the NOP which would be retained by HSQ. The “licensed” right/obligations to Oryx included dealing with the management and operation of the pooled investment scheme on behalf of HSQ, managing the apartments, renting the apartments, receiving rents and dealing with apartment owners and relevant authorities. Oryx would charge a fee of 15% of gross rental income billed each month to HSQ. It is noted that the HSQ License Agreement was signed by Nazir on behalf of both parties (HSQ and Oryx). The HSQ License Agreement was provided by Nazir in response to the RA’s HSQ 2 June Requirement Notice.

3.23 On 20 October 2020, HSQ and PL1 appointed a law firm [REDACTED] to advise it in relation to its dealings with Hanover Square Investment Property and Platinum One Investment Property. The legal representative was [REDACTED] (“[REDACTED]”). The letter of engagement with this law firm was signed by Nazir on behalf of HSQ. The engagement letter was sent to the Investigators by Nazir in response to the 30 June Requirement Notices.

³ [ORYX_202203301454585196.pdf](#)



- 3.24 Two different return statements received from an HSQ Selected Objector that were issued on 24 February 2020 for the period 1 January 2019 to 31 December 2019 for two different apartment units bearing a stamp with HSQ name and reference to ADGM.
- 3.25 Based on other copies of similar previous return statements that were issued to the apartment owners, it appears that, prior to HSQ assuming the role of Resort Manager, the previous Resort Manager was issuing similar return statements to apartment owners (i.e. return statements issued prior to 8 July 2019 were issued under the name of Hanover Square DWC).
- 3.26 As per seven different written communications submitted by five different HSQ Selected Objectors to the Investigators and one letter sent by Nazir himself, HSQ (as the Resort Manager) decided to terminate the investment scheme under the SPA effective 1 July 2020 due to COVID19 pandemic. The formal letters include the following extract:

"We are writing to inform you that due to the COVID19 pandemic and dramatic increase in the supply of the rental properties in the market the "Managed Apartment Pooled Rental Income Scheme" that in the current market conditions the scheme has ceased to be profitable. In accordance with Clause 6.3.3 of the Sale & Purchase Agreement [SPA] HSQ Holdings Ltd is exercising its right to terminate the contract for your unit contract as the scheme is no longer economically viable.

.....
.....

The termination of the pooled income will come into effect from 01st July 2020 after which you can let your apartment directly in the market."

- 3.27 The termination letters were from HSQ bearing its ADGM registration number and registered address. Further, the content of the letters clearly stated that HSQ was exercising its rights as the Resort Manager under the MIPA.
- 3.28 On 27 July 2020 and following the investment scheme termination communications sent by HSQ to the apartment owners, HSQ sent further letters informing the apartment owners about the appointment of a third party () for the handover of properties. Two of these letters were sent to the RA by two different HSQ Selected Objectors. The letters included HSQ's name, ADGM registration number and address.
- 3.29 On 27 July 2020, additional letters were sent by a company called () stating that they had been appointed by "M/s HSQ Holdings Ltd as the Owners Association Management company for Hanover Square". A total number of four letters were sent to the Investigators by four different HSQ Selected Objectors.
- 3.30 On 21 April 2021, a letter was sent by () to an HSQ objector referring to recent correspondence and stating that the only means of cancelling the SPA and MIPA is by mutual agreement or by court/arbitration order. Further, their "client" will defend any court action and another option to exit the income pooling scheme is to market the investment unit for sale.

PL1

- 3.31 On 8 July 2019, PL1 was announced as the new Resort Manager on the investor portal of Platinum One (access to the portal via unique username and password is provided to the investors/apartment owners). The screenshot was provided by different PL1 Selected Objectors.
- 3.32 On 1 August 2019, an Assignment Agreement (“PL1 Assignment Agreement”) was entered into between [REDACTED], PL1, and Platinum One DWC LLC (“Platinum One DWC”) – a Dubai based company that was the Resort Manager from 13 August 2014 to 8 July 2019. In summary, the PL1 Assignment Agreement indicated that PL1 would assume Platinum One DWC’s rights, duties, liabilities and obligations in relation to the execution, implementation and performance of the pooled investment scheme. The PL1 Assignment Agreement was provided by Nazir in response to the RA’s PL1 2 June Requirement Notice.
- 3.33 On 2 August 2019, a License Agreement (“PL1 License Agreement”) was entered into between PL1 and Oryx. In summary, the PL1 License Agreement indicated that PL1 “licensed” certain rights and obligations in relation to the pooled investment scheme to Oryx with the exception of the allocation of 40% of the NOP which was retained by PL1. The “licensed” right/obligations to Oryx included dealing with the management and operation of the pooled investment scheme on behalf of PL1, managing the apartments, renting the apartments, receiving rents and dealing with apartment owners and relevant authorities. Oryx would charge a fee of 15% of gross rental income billed each month to PL1. The PL1 License Agreement was provided by Nazir in response to the PL1 2 June Requirement Notice. It is noted that the PL1 License Agreement was signed by Nazir on behalf of both parties (PL1 and Oryx).
- 3.34 PL1 Selected Objectors provided a total of ten different copies of return statements that were issued under the name of PL1 with a stamp bearing its ADGM name. All ten return statements were issued from the period 15 July 2020 to 15 July 2021 and included return statements issued after PL1’s application to voluntarily strike-off. The return statements were sent by three different PL1 Selected Objectors.
- 3.35 Based on copies of similar return statements that were issued to the apartment owners, it appears that prior to PL1 holding the role of Resort Manager the previously announced Resort Manager was issuing return statements to apartment owners (i.e. return statements issued prior to 8 July 2019 were issued under the name of Platinum One DWC).
- 3.36 Further, PL1 Selected Objectors sent various copies of correspondence from PL1’s appointed law firm sent on behalf of PL1 and referring to PL1 as the Resort Manager “*we act on behalf of PL1 Holdings Ltd. (“Our Client”), the Resort Manager*”. The correspondence is described below:
- a. On 25 November 2020, letters were sent by [REDACTED] to a number of PL1 Selected Objectors. The letters stated “*we act on behalf of PL1 Holdings Ltd. (“Our Client”), the Resort Manager*” and claimed that their actions resulting in disconnecting DEWA to the apartment was preventing PL1 from leasing and managing the apartment.

Further, these letters claimed that disconnecting DEWA was a breach of the SPA and for one to amend or challenge the terms of the SPA, one had to follow arbitration proceedings as provided by the SPA. A total number of three similar letters were provided to the Investigators by three different PL1 Selected Objectors.

- b. From 25 November 2020 to 29 March 2021, a chain of emails between a PL1 Selected Objector and ██████ in relation to the letter of 25 November 2020 were exchanged on behalf of PL1.
- c. On 11 March 2021, further letters were sent by ██████ on behalf of PL1 to a number of PL1 Selected Objectors. The letters reiterated that their disconnection of DEWA from their apartment was a breach of SPA and that the appropriate means of challenging the terms of the SPA was through arbitration. Two copies of such letters were sent to the RA by two different PL1 Selected Objectors.

Contravention of Section 39(3) and (4) of CLR 2015 - False Information in Response to Requirement Notices

3.37 In responding to HSQ and PL1 requirement notices issued by the investigators pursuant to section 33(1) and 33(2) of Part 3 of CLR 2015, Nazir concealed the following documents and information:

HSQ and PL1 2 June Requirement Notice

3.37.1 In response to:

- Request no. 3(b) of HSQ 2 June Requirement Notice which requested:

b) Copies of all documents evidencing rights exercised by HSQ in relation to any contract entered into with third parties during the Relevant Period.

and

- Request no. 3(b) of PL1 2 June Requirement Notice which requested:

b) Copies of all documents evidencing rights exercised by PL1 in relation to any contract entered into with third parties during the Relevant Period.

Nazir concealed from the investigators the SPAs and MIPA agreements which were obtained by the investigators from HSQ Objectors and PL1 Objectors.

HSQ and PL1 30 June Requirement Notice

3.37.2 In response to request no. 2 of HSQ 30 June Requirement Notice which requested:

List of business activities carried out by HSQ during the Relevant Period

Nazir responded via a letter dated 14 July 2022 stating “please refer to HSQ Holdings Commercial License which states business activity is “Special Purpose Vehicle” and no commercial business activities carried out”.

3.37.3 In response to request no. 2 of PL1 30 June Requirement Notice which requested:

List of business activities carried out by PL1 during the Relevant Period

Nazir responded via a letter dated 14 July 2022 stating “please refer to PL1 Holdings Commercial License which states business activity is “Special Purpose Vehicle” and no commercial business activities carried out”.

3.37.4 Based on the available documentation gathered during the Investigation, HSQ and PL1 were conducting commercial business activities using their ADGM SPV commercial licence.

3.37.5 Request no. 5 of HSQ 30 June Requirement Notice requested:

Copies of communications between HSQ and property owners in Hanover Square during the Relevant Period, including but not limited to:

- Any return statements issued to owners of apartments
- correspondence (including all letters, notifications and emails)
- announcements in relation to the appointment of third parties, cancellation of rental return scheme, etc.

Nazir responded via a letter dated 14 July 2022 stating, “The point of contact of property owners is the property management company assigned to manage the property which is Oryx Property Management LLC”.

3.37.6 Request no. 5 of PL1 30 June Requirement Notice requested:

Copies of communications between PL1 and property owners in Platinum One during the Relevant Period, including but not limited to:

- Any return statements issued to owners of apartments
- correspondence (including all letters, notifications and emails)
- announcements in relation to the appointment of third parties, cancellation of rental return scheme, etc.

Nazir responded via a letter dated 14 July 2022 stating “The point of contact of property owners is the property management company assigned to manage the property which is Oryx Property Management LLC”.

3.37.7 The following documents were concealed by Nazir by being withheld from the investigators:

- a. Return statements issued under the names of HSQ detailed under paragraph 3.24
- b. Return statements issued under the names of PL1 detailed under paragraph 3.34

- c. HSQ correspondence with apartment owners detailed under paragraphs 3.26 to 3.28 and 3.30
- d. PL1 correspondence with apartment owners detailed under paragraph 3.36
- e. HSQ investor portal notification detailed under paragraph 3.20
- f. PL1 investor portal notification detailed under paragraph 3.31

4 CONTRAVENTIONS

4.1 Based on the facts and matters noted above, the Registrar considers that Nazir committed contraventions of section 39 of CLR 2015 (false and concealment of information in response to requirement notice) in relation to HSQ and PL1.

4.2 Below is the relevant extract of section 39 of CLR 2015:

(3) A person who knows or suspects that an investigation is being or is likely to be conducted under this Part commits a contravention of these Regulations if –

(a) he falsifies, conceals, destroys or otherwise disposes of a document which he knows or suspects is or would be relevant to such an investigation; or

(b) he causes or permits the falsification, concealment, destruction or disposal of such a document, unless he shows that he had no intention of concealing facts disclosed by the documents from the investigator.

(4) A person who, in purported compliance with a requirement imposed on him under this Part –

(a) provides information which he knows to be false or misleading in a material particular; or

(b) recklessly provides information which is false or misleading in a material particular, commits a contravention of these Regulations.

(5) A person who commits either of the contraventions set out in subsections (3) and (4) shall be liable to a fine not exceeding level 6 on the standard fines scale.

4.3 The Registrar considers that Nazir committed a contravention of 39(3) of CLR 2015 when providing incomplete responses to the following requirement notices issued by the investigators pursuant to section 33(1) and 33(2) of Part 3 of CLR 2015:

- a. HSQ 2 June Requirement Notice;
- b. PL1 2 June Requirement Notice;
- c. HSQ 30 June Requirement Notice; and
- d. PL1 30 June Requirement Notice.

4.4 As per subsection 39(5) of CLR 2015, Nazir would be liable to a fine not exceeding level 6 for either of the contraventions set out in subsections (3) and (4). Therefore:

- a. Nazir would be liable to a fine of up to USD 20,000 for concealment of information and documents in response to HSQ 2 June Requirement Notice and HSQ 30 June Requirement Notice; and

- b. Nazir would be liable to a fine of up to USD 20,000 for concealment of information and documents in response to PL1 2 June Requirement Notice and PL1 30 June Requirement Notice.

5 SANCTIONS

Financial Penalties

- 5.1 In reaching its final decision to impose financial penalties, 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

- 5.2 With reference to paragraph 4.7 of the Manual, the Registrar considers the following factors to be of relevance in deciding to impose financial penalties against Nazir:
 - 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.
- 5.3 The Registrar has decided to impose financial penalties, given the seriousness of the contravention and the circumstances.

Determination of the level of financial penalty

- 5.4 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 decided to impose, which are set out as follows.

The seriousness of the contraventions

- 5.5 Nazir committed multiple significant and serious contraventions of ADGM commercial legislation.
- 5.6 Through HSQ and PL1, Nazir misled a large number of persons (at minimum 77 Hanover Square Investment property apartment owners and 25 Platinum One Investment property apartment owners) by using the ADGM name in various correspondences misrepresenting HSQ and PL1 as licensed by ADGM to conduct property management activities in or from the ADGM, when it is in fact not.

- 5.7 Subsequently, Nazir through HSQ and PL1 had concealed material documents and information in response to the RA's requirement notices in an attempt to conceal the operational activities conducted by HSQ and PL1 during their incorporation at ADGM with only SPV commercial licences.
- 5.8 Failure to cooperate with investigators and concealing information from them is a serious contravention. It impedes investigators from carrying out their work and may delay the identification of potential misconduct and harm to persons.

Deliberate or reckless

- 5.9 The contraventions by Nazir appear to be deliberate due to the following:
- Nazir signed and submitted acknowledgments and declarations at the incorporation stage confirming that the proposed SPVs will only be used as passive entities and will not engage in any commercial operational activities.
 - As per Nazir's written response dated 14 July 2022 to the RA's requirement notice dated 30 June 2022, it also appears that Nazir is fully aware of the limited licence scope of PL1 and HSQ.
 - Had Nazir provided the SPAs and MIPA agreements, as requested by investigators, he would be providing investigators evidence that HSQ and PL1 were exceeding the scope of their passive SPV commercial licence.

Whether the person is an individual

- 5.10 Nazir is an individual and is one of two directors of each HSQ and PL1. He is also the beneficial owner of ONYX, which is the sole shareholder and second director of both HSQ and PL1. Therefore, he is entirely responsible for these serious contraventions perpetrated through HSQ and PL1.
- 5.11 Nazir has attempted to mislead the Investigators by concealing material documents relevant to the Investigation.
- 5.12 Given the circumstances of this case, there is no basis to impose a smaller penalty for the mere fact that Nazir is an individual.

Effect on third parties

- 5.13 HSQ Objectors and PL1 Objectors, claimed that their investment properties were mismanaged by HSQ and PL1 resulting in poor returns due to this.

Deterrence

- 5.14 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.
- 5.15 The penalty imposed must deter Nazir and other ADGM licensed persons from submitting false information or attempting to conceal information/documents from the RA.
- 5.16 Nazir's contraventions are serious, and any sanction must send a strong and meaningful message of deterrence to other ADGM licensed persons.

Financial gain or loss avoided

- 5.17 As per copies of HSQ and PL1 License Agreement and MIPA, HSQ and PL1 appear to have retained 40% of the NOP of the investment scheme by purporting to be the Resort Manager and without having an appropriate ADGM commercial licence.
- 5.18 The exact amount of profit made by HSQ and PL1 is not determined as apartment owners claimed that they were not receiving full information about the total returns and profit being generated from the investment scheme. Further, the NOP is not included under the 2019 Annual Accounts and 2020 Annual Accounts submitted by HSQ and PL1 to the RA as part of their periodic required submissions.

Subsequent conduct

- 5.19 There was a lack of cooperation by Nazir during the Investigation, in particular:
- Nazir concealed material documents and information from the RA in response to HSQ 2 June 2022 Requirement Notice, PL1 2 June 2022 Requirement Notice, HSQ 30 June 2022 Requirement Notice and PL1 30 June 2022 Requirement Notice; and
 - Nazir failed to attend his compulsory interview despite various communications and opportunities provided by the Investigators to Nazir to schedule the interview.

Disciplinary record and compliance history

- 5.20 At the time of the contravention and to the knowledge of the RA, Nazir has no disciplinary record with the RA.

Maximum Penalty

- 5.21 As per subsection 39(5) of CLR 2015, "A person who commits either of the contraventions set out in subsections (3) and (4) shall be liable to a fine not exceeding level 6 on the standard fines scale." which equals to USD 20,000. Multiple offences were committed by Nazir through HSQ and PL1 when responding to the following requirement notices:

- a) HSQ 2 June Requirement Notice;
 - b) PL1 2 June Requirement Notice;
 - c) HSQ 30 June Requirement Notice; and
 - d) PL1 30 June Requirement Notice.
- 5.22 The Registrar considers USD 10,000 for the contravention in relation to HSQ and USD 10,000 for the contravention in relation to PL1 would be wholly appropriate in order to reflect the seriousness of the contraventions.

6 NAZIR REPRESENTATIONS

- 6.1 On 3 April 2023, the Registrar issued Nazir with a Warning Notice pursuant to section 43 of CLR 2015 in which it stated that it proposed to impose a financial penalty.
- 6.2 Nazir was provided with an opportunity to make written representations in response to the Warning Notice and the action proposed.
- 6.3 As at the date of this Notice, no representations have been submitted by Nazir.
- 6.4 Having taken into account the facts, matters and circumstances of the contraventions above, the Registrar has decided to impose a financial penalty on Nazir.

7 PROCEDURAL MATTERS

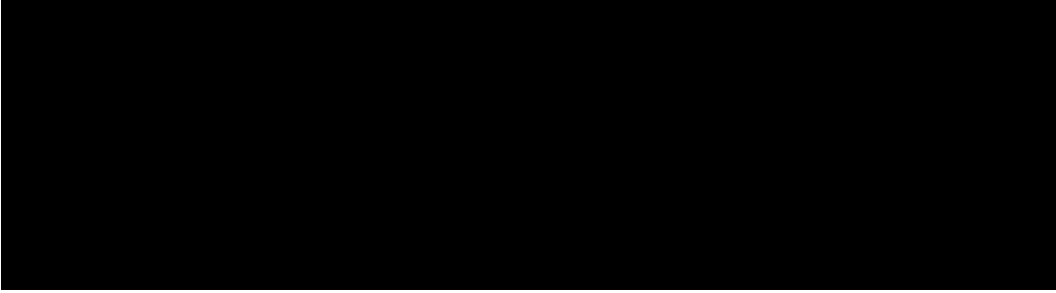
Issuance of Decision Notice

- 7.1 On 8 May 2023, the Registrar issued a Decision Notice to Nazir pursuant to section 44 of the CLR 2015.
- 7.2 Under section 44(4) of the CLR 2015, Nazir had the opportunity to refer the Decision Notice to the ADGM Courts.
- 7.3 As at the date of this Final Notice, no referral has been made by Nazir to the ADGM Courts.
- 7.4 As a referral was not made to the ADGM Courts for a review of the Decision Notice within 28 days of Nazir's receipt of the Decision Notice, the Registrar has proceeded to issue this Notice pursuant to section 50 of the CLR 2015.

Confidentiality and publicity

REGISTRATION AUTHORITY
سلطة التسجيل

7.5 This Notice has now been issued, pursuant to section 51(5) of the CLR 2015, the Registrar must publish the details about the matter to which the Final Notice relates as it considers appropriate.



Sami Mohammed

ADGM Commissioner of Data Protection, Registration Authority
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.

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

REGISTRATION AUTHORITY
سلطة التسجيل



(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.

(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.

...

39. Contraventions

- (1) If a person other than the investigator ("the defaulter") fails to comply with a requirement imposed on him under this Part the person imposing the requirement may certify that fact in writing to the court.
- (2) If the court is satisfied that the defaulter failed without reasonable excuse to comply with the requirement, it may deal with the defaulter (and in the case of a body corporate, any director or other officer) as if he were in contempt.
- (3) A person who knows or suspects that an investigation is being or is likely to be conducted under this Part commits a contravention of these Regulations if –
- (a) he falsifies, conceals, destroys or otherwise disposes of a document which he knows or suspects is or would be relevant to such an investigation; or
 - (b) he causes or permits the falsification, concealment, destruction or disposal of such a document, unless he shows that he had no intention of concealing facts disclosed by the documents from the investigator.
- (4) A person who, in purported compliance with a requirement imposed on him under this Part - (a) provides information which he knows to be false or misleading in a material particular; or (b) recklessly provides information which is false or misleading in a material particular, commits a contravention of these Regulations.
- (5) A person who commits either of the contraventions set out in subsections (3) and (4) shall be liable to a fine not exceeding level 6 on the standard fines scale.
- (6) Any person who intentionally obstructs the exercise of any rights conferred by a warrant under section 37 commits a contravention of these Regulations and shall be liable to a fine not exceeding level 5 on the standard fines scale.

PART 4: ENFORCEMENT

40. Meaning of "relevant requirement"

In this Part, "relevant requirement" means a requirement imposed by rules made under these Regulations.

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.

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).

PART 7: GENERAL

...

80A. General false statement contravention

(1) A person who, in purported compliance with a requirement imposed on him under these Regulations or any Rules made under these Regulations –

- (a) provides information which he knows to be false, misleading or deceptive in a material particular; or
- (b) recklessly provides information which is false, misleading or deceptive in a material particular, commits a contravention of these Regulations.

(2) A person who commits the contravention referred to in subsection (1) is liable to a fine of up to level 7.

Companies Regulations 2020

867A. Striking off on application by company supported by a prescribed statement

- (1) On application by an eligible company (see section 867B) under this section, the Registrar may strike the company's name off the register.
- (2) An application under this section—
- (a) must be approved by all members of the company present at a meeting of members or by written resolution signed by each member of the company,
 - (b) must be supported by a prescribed statement (see section 867C) made not more than 15 days before the date on which the resolution is passed, and
 - (c) must contain the prescribed information.
- (3) Where the resolution is proposed as a written resolution, a copy of the statement must be sent or submitted to every eligible member at or before the time at which the proposed resolution is sent or submitted to him.
- (4) Where the resolution is proposed at a general meeting, a copy of the prescribed statement must be made available for inspection by members of the company throughout that meeting.
- (5) The validity of a resolution is not affected by a failure to comply with subsection (3) or (4).
- (6) The Registrar may not strike a company off under this section until after the expiration of two months from the publication by the Registrar on the Registrar's website of a notice—
- (a) stating that the Registrar may exercise the power under this section in relation to the company, and
 - (b) inviting any person to show cause why that should not be done.
- (7) The Registrar must publish notice on the Registrar's website of the company's name having been struck off.
- (8) On the publication of the notice on the Registrar's website the company is dissolved.
- (9) However—
- (a) the liability (if any) of every director, managing officer and member of the company continues and may be enforced as if the company had not been dissolved, and
 - (b) nothing in this section affects the power of the Court to wind up a company the name of which has been struck off the register.

867B. Eligible company

- (1) An eligible company for the purpose of section 867A (application for voluntary striking off supported by prescribed statement) is a company that
- (a) qualifies as a small company for the purpose of section 369 (companies qualifying as small) as modified by section 371 (companies excluded from small companies regime),
 - (b) meets such additional requirements as the Registrar may from time to time publish on the Registrar's website, and (c) subject to subsection (2), is not and has not been either an Authorised Person (as defined in the Financial Services and Markets Regulations 2015) or carried out a Regulated Activity (as defined in the Financial Services and Markets Regulations 2015).
- (2) Companies who:
- (a) meet the criteria in paragraphs (a) and (b) of subsection (1),

(b) are licensed pursuant to the Commercial Licensing Regulations 2015 to carry on the Controlled Activity (as defined in the Commercial Licensing Regulations 2015) of developing Financial Technology Services within the RegLab, and

(c) have ceased to be an Authorised Person (as defined in the Financial Services and Markets Regulations 2015), are eligible companies for the purpose of section 867A.

867C. Prescribed statement

(1) A prescribed statement is a statement that each of the directors has formed the opinion, as regards the company's situation at the date of the statement that-

(a) the company is an eligible company,

(b) the company is not precluded by sections 868 and 869 from making an application under section 867A (application for voluntary striking off supported by prescribed statement),

(c) that the company has no employees, and

(d) that all creditors of the company have been paid or otherwise discharged in full and the company has no other liabilities (including any contingent or prospective liabilities and liabilities in respect of current or former directors, employees or clients).

(2) In forming those opinions-

(a) the directors must take into account-

(i) any payment to members proposed to be made prior to the company being dissolved, details of which must be stated on the prescribed statement, and

(ii) all of the company's liabilities (including any contingent or prospective liabilities),

(b) the directors may take into account any arrangement made by the company for the discharge of the company's contingent or prospective liabilities by a third party following its dissolution and striking off.

(3) The prescribed statement must be in the prescribed form and must state-

(a) the date on which it is made, and

(b) the name of each director of the company.

(4) If the directors make a prescribed statement without having reasonable grounds for the opinions expressed in it, and the statement is delivered to the Registrar, a contravention of these Regulations is committed by every director who is in default.

(5) If the directors make a prescribed statement and prior to an application made under section 867A being finally dealt with cease to have reasonable grounds for the opinions expressed in the prescribed statement or the opinions expressed in the prescribed statement cease to be true, the directors shall withdraw the company's application under section 873 (circumstances in which application to be withdrawn).

(6) A person who commits a contravention of subsection (4) is liable to a fine of up to level 8.

868. Circumstances in which application not to be made: activities of company

(1) An application under section 867 (application for voluntary striking off with notice to members, employees etc.) or under section 867A (application for voluntary striking off supported by prescribed statement) on behalf of a company must not be made if, at any time in the previous three months, the company has-

(a) changed its name,

(b) traded or otherwise carried on business,

REGISTRATION AUTHORITY
سلطة التسجيل



(c) made a disposal for value of property or rights that, immediately before ceasing to trade or otherwise carry on business, it held for the purpose of disposal for gain in the normal course of trading or otherwise carrying on business, or

(d) engaged in any other activity, except one which is–

- (i) necessary or expedient for the purpose of making an application under that section, or deciding whether to do so,
- (ii) necessary or expedient for the purpose of concluding the affairs of the company,
- (iii) necessary or expedient for the purpose of complying with any statutory requirement, or
- (iv) specified by rules made by the Board by resolution for the purposes of this sub-paragraph.

(2) For the purposes of this section, a company is not to be treated as trading or otherwise carrying on business by virtue only of the fact that it makes a payment in respect of a liability incurred in the course of trading or otherwise carrying on business.

(3) It is a contravention of these Regulations for a person to make an application in contravention of this section.

(4) It is a defence to such a contravention for the person who committed the contravention to prove that he did not know, and could not reasonably have known, of the existence of the facts that led to the contravention.

(5) A person who commits a contravention under this section shall be liable to a level 3 fine.

984. General false statement contravention

(1) It is a contravention of these Regulations for a person knowingly or recklessly–

(a) to deliver or cause to be delivered to the Registrar, for any purpose of these Regulations, a document, or

(b) to make to the Registrar, for any such purpose, a statement,

that is misleading, false or deceptive in a material particular.

(2) A person who commits the contravention referred to in subsection (1) is liable to a fine of up to level 7.