



Registration Authority

CSP Outreach Session



13 November 2025

Welcome Address

Tim Land

Executive Director, Monitoring and Enforcement

Partnering for Excellence: Professional Services Regulation in ADGM

Talal Samad FCA

Associate Director – Monitoring (Acting)



Why Professional Services Matter

Professional services underpin the growth, integrity and competitiveness of **Abu Dhabi's International Financial Centre**



Professional Services in ADGM

- **+12,000** entities licensed in ADGM
- **+350** professional services firms
- **+200** individuals registered (insolvency & audit)
- Professional services supports financial services
- Quality professional services in ADGM drives:
 - the center's standing and reputation locally and internationally
 - promotes public trust and confidence in ADGM

What are Controlled Activities?

Licensing of controlled activities

“An activity is a controlled activity for the purposes of these Regulations if it falls within a description of activity specified as a controlled activity in rules made by the Board.”

Section 2(1) of the Commercial Licensing
Regulations 2025

Controlled Activities include:

- **Financial** Services
- **Legal** Services
- **Accountancy** Services
- **Audit** Services
- **Company** Services
- **Tax** Services

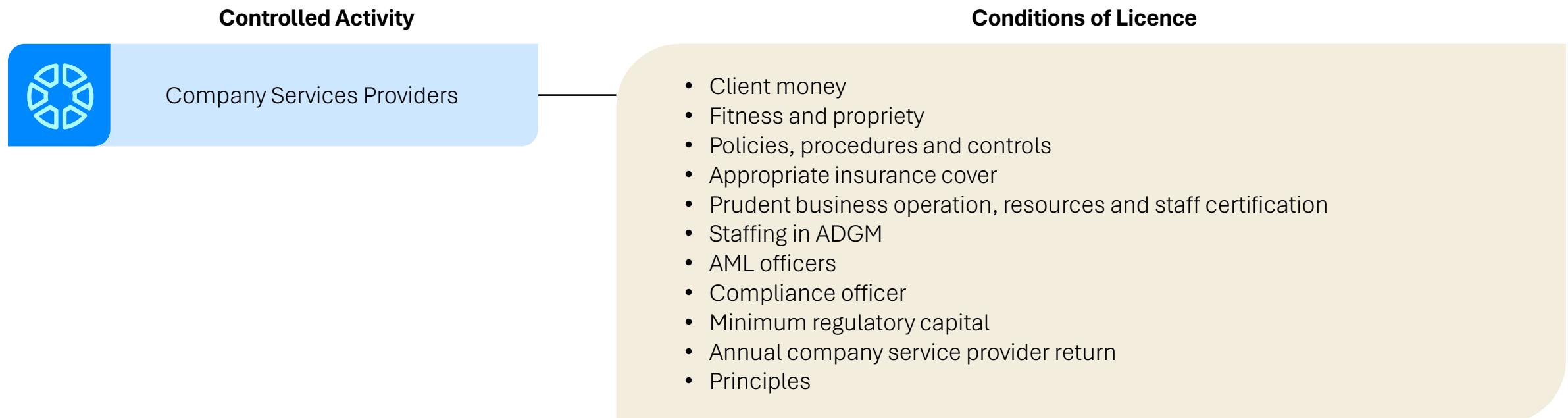


Example: Company Services

Definition and requirements

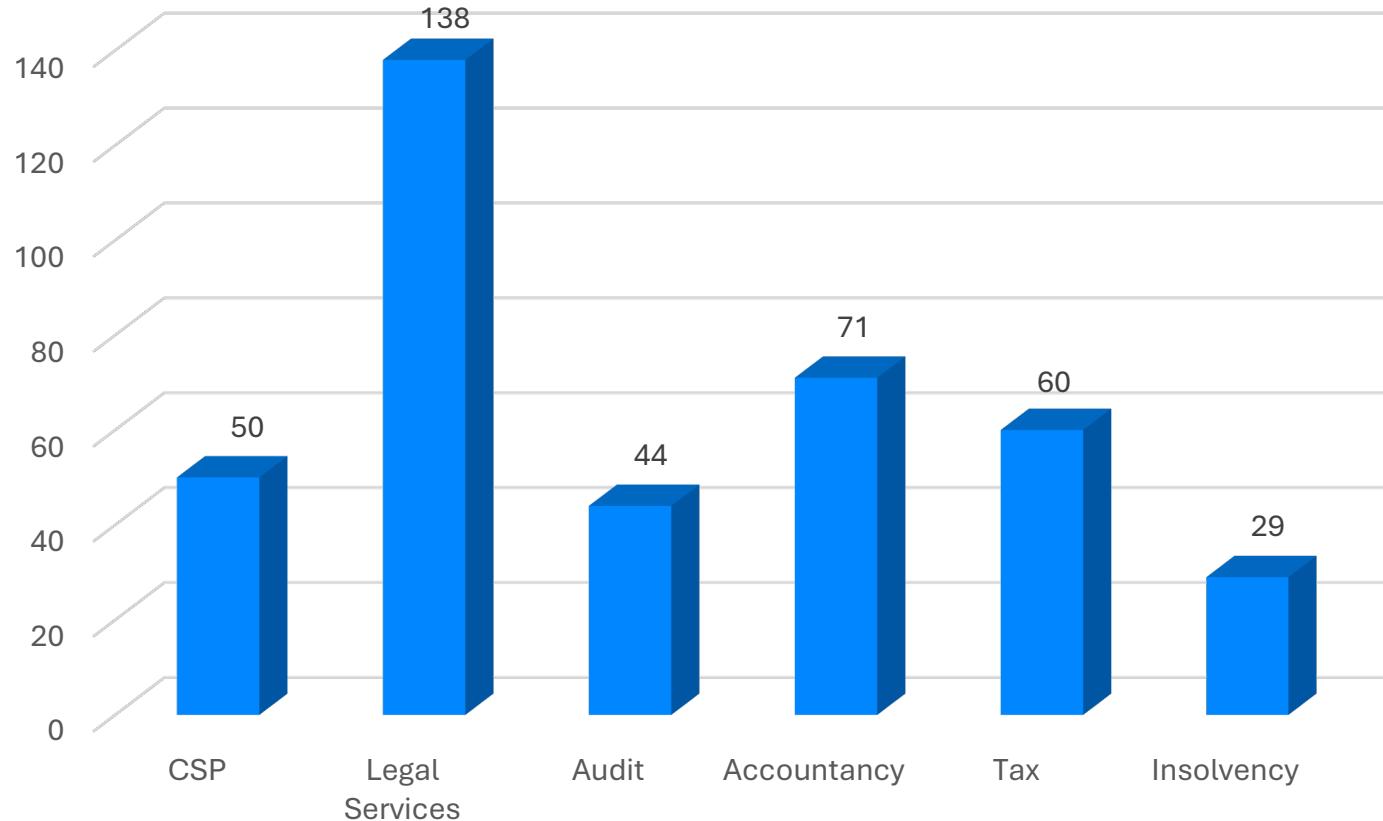
Controlled Activities Rules: defines controlled activities, e.g. 'Company Services' definition, see **Rule 7**

Conditions of Licence and Branch Registration Rules: sets out the conditions of licence generally, and specifically for controlled activities.
e.g. 'Company Services' see **Rule 12** and **Schedule 1**



The Professional Services Ecosystem

The Registration Authority is the single regulator of professional services in ADGM*



* An ADGM entity can be licensed to conduct one or more of the Professional Services activities

The ADGM Ecosystem

- Breadth and depth of sectors and firms creates value proposition for clients and investors
- Single professional services regulator provides:
 - fewer rule books,
 - consistency of regulatory approach,
 - simplified relationship management,
 - fewer portals,
 - improved regulatory intelligence and risk management,
 - streamlined supervision,
 - shared professional community, and
 - greater regulatory agility

Regulatory Journey

ADGM has strengthened professional services licensing requirements over time...

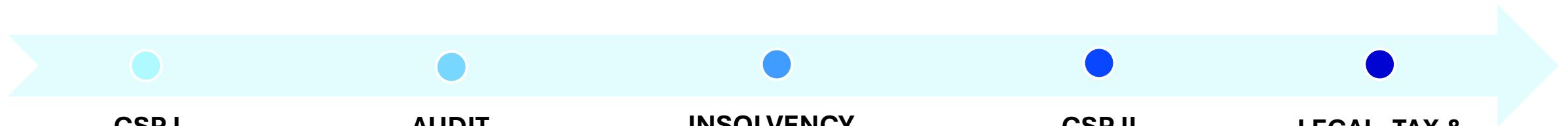
April 2021

December 2021

August 2022

February 2023

October 2025



CSP I

ADGM introduces company services as a controlled activity with specific conditions of licence.

All existing firms must re-register (no grandfathering)

AUDIT

ADGM introduces comprehensive regulatory framework for provision of audit services

All existing firms must re-register (no grandfathering)

INSOLVENCY

ADGM introduces detailed registration requirements for insolvency practitioners

CSP II

Additional requirements for CSPs introduced

LEGAL, TAX & CSP III

ADGM introduces detailed requirements for legal services and tax consultancy services providers

Additional requirements for CSPs also introduced

Our Approach: Partnership + Expectation

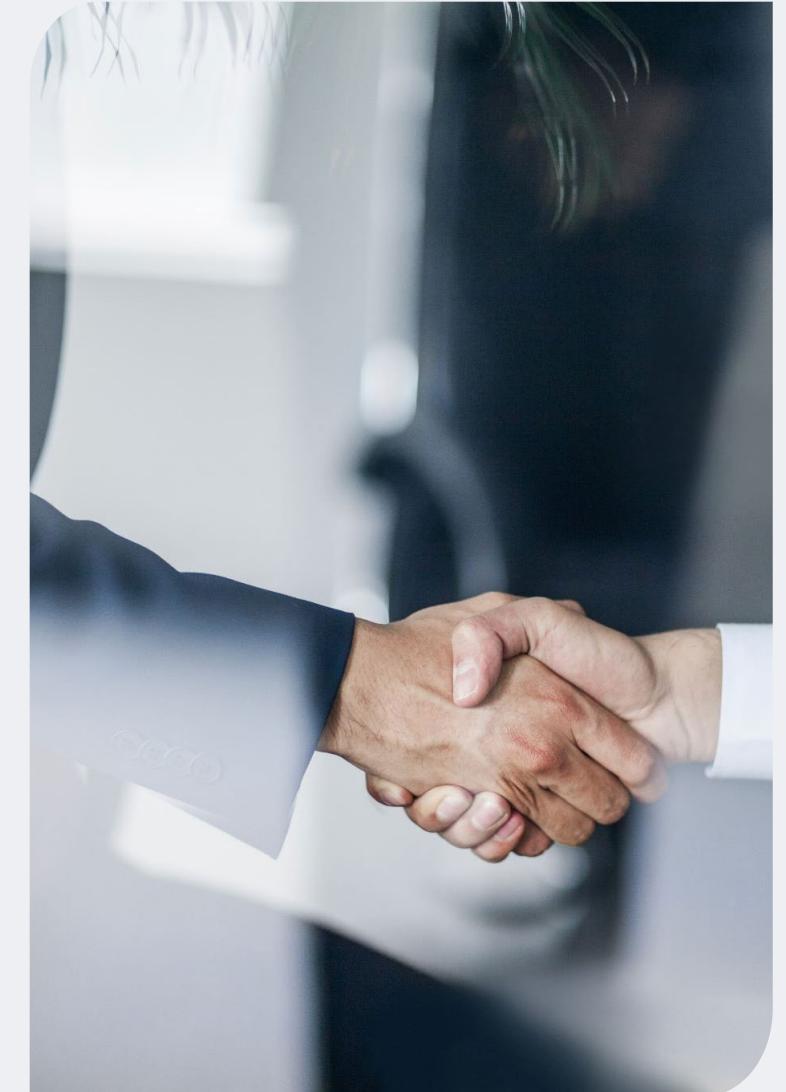
Working together to raise standards and deliver excellence

Partnership

CSPs and other professionals are allies, bringing expertise, serving the market, enabling growth and supporting compliance

Expectation

We expect high levels of service, professionalism, integrity, transparency and cooperation with the Registrar



Registration & Licensing Division

Salem Al Jneibi – Analyst, Registration &
Licensing

Registration & Licensing Division

Our Foundation

Legal Mandate

Established under the ADGM Founding Law to provide a robust legal and regulatory environment for business.

Abu Dhabi Law No 4 of 2013

Amended by Law No. 12 of 2020. Article 11 prescribes the scope and mandate of the ADGM Registration Authority.

What we do



Registration and Licensing

Register ADGM legal entities, arrangements, and issue commercial licenses



Public Transparency and Records

Maintain accurate records and make information about registered entities publicly available



Asset Security

Register charges created against company assets to secure interests

Who we serve

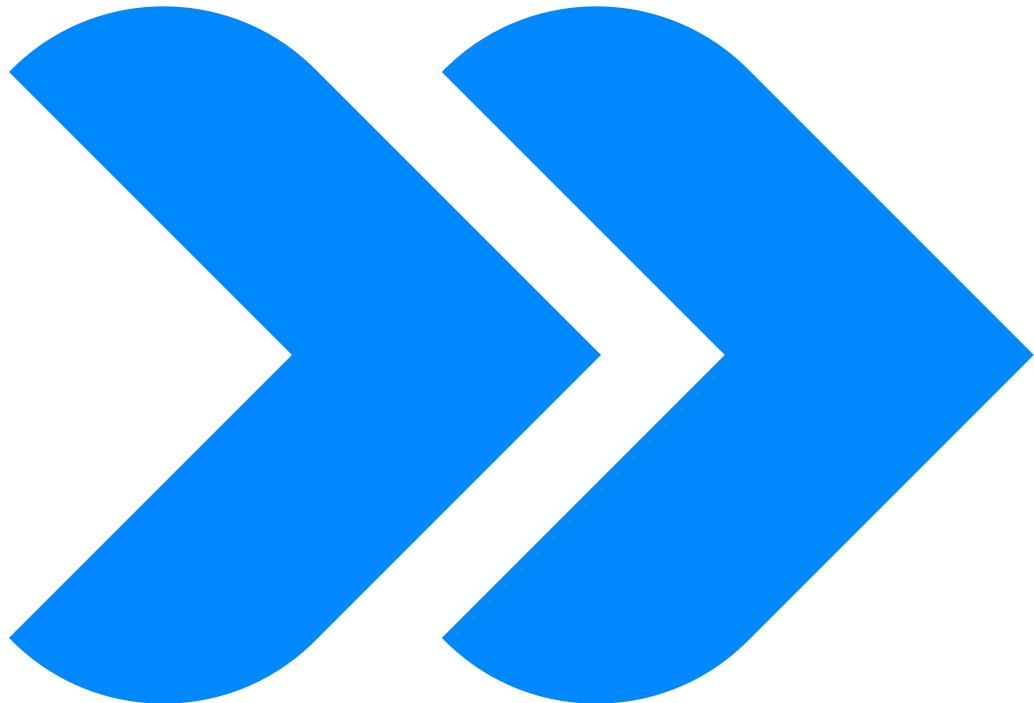
The Business Community

Facilitating business setup and providing a stable regulatory framework.

Our Value Proposition

We foster a transparent, predictable, and robust business environment based on the direct application of English common law, enabling companies to thrive within ADGM.

Agenda



- 01 Service delivery by ADGM RA**
- 02 Role of a licensed CSP in a client journey and obligations of a CSP in dealings with ADGM RA**
- 03 ADGM RA public register**
- 04 Role of ADGM RA in administering ADGM legislation**
- 05 Obligations of ADGM entities**
- 06 Do's and Dont's**

ADGM RA Value Chain

A modernized framework delivering world-class business infrastructure through key strategic pillars

Legal Framework

- Direct application of English Common Law
- Independent judiciary modeled on international standards
- Enforceable judgments across UAE and globally

Operational Excellence

- Target operating model for optimal efficiency
- Standardized processes and procedures
- Single point of contact for all services

Digital Capabilities

- Fully digital registry
- Automated workflows and real-time access
- Next-generation platforms

Regulatory Technology

- Leverages modern technology to support regulatory compliance and streamline processes
- First regional digital assets regulations

ADGM RA Client Journey

Role of CSP in dealings with the Registrar



Discovery and pre-application stage

- Appointment of ADGM licensed CSP for a non-exempt SPV or Foundation
- Acting as an incorporation agent in connection with incorporation of a legal entity in ADGM
- Providing registered office address in ADGM



Registration and Incorporation

- Acting as an incorporation agent in connection with incorporation of a legal entity in ADGM
- Providing registered office address in ADGM



Annuities and recurring filings

- Multiple obligations to maintain entity's records with ADGM RA



Ad hoc statutory filings

- Obligations of CSP (S296B) of Companies Regulations



De-registration

- CSP and liquidator relationship
- CSP lodging voluntary strike off

ADGM RA Public Register

Public Register maintained by ADGM Registration Authority

Public Accessibility

Openly available on the ADGM website, ensuring full transparency for stakeholders and the general public

UBO Confidentiality

While promoting transparency, the Register of UBOs remains confidential and non-public, protecting sensitive ownership information

Verified Data Integrity

ADGM RA actively verifies all received information to guarantee accuracy and reliability, maintaining up-to-date records

Digital Reporting Capabilities

A fully digital platform enables the creation of customized reports and efficient data analysis, supporting regulatory compliance

National Collaboration Framework

Integration with relevant authorities in Abu Dhabi and information sharing:

- National Economic Register
- ADGM Registration Authority is a member of Sub-Committee of UAE Registrars (Ministry of Economy)



Role of ADGM Registration Authority in administering ADGM commercial legislation

Collection of Data

Registration of legal entities and arrangements

- Requirement in the legislation to lodge information with ADGM RA at the time of registration

Changes of details, control and ownership

- Requirement to lodge statutory notifications with ADGM RA when changes occur within given timeframe

Verification of Data

ADGM RA receives the data and verifies it. ADGM RA does not accept information as filed.

- When application for registration of a legal entity is lodged, each data component is verified
- Application can be returned for clarifications or questions. Registrar may ask for further information, if required. This power is contained in the legislation.
- Same principle applies for post incorporation statutory filings

Guidance, Awareness, Education

- Educating businesses in ADGM on UBO requirements
- ADGM RA publishes guidance notes to assist businesses in understanding their obligations
- ADGM RA works closely with licensed Company Services Providers in the jurisdiction
- ADGM RA publishes webinars
- ADGM RA holds outreach sessions on the topic of UBOs

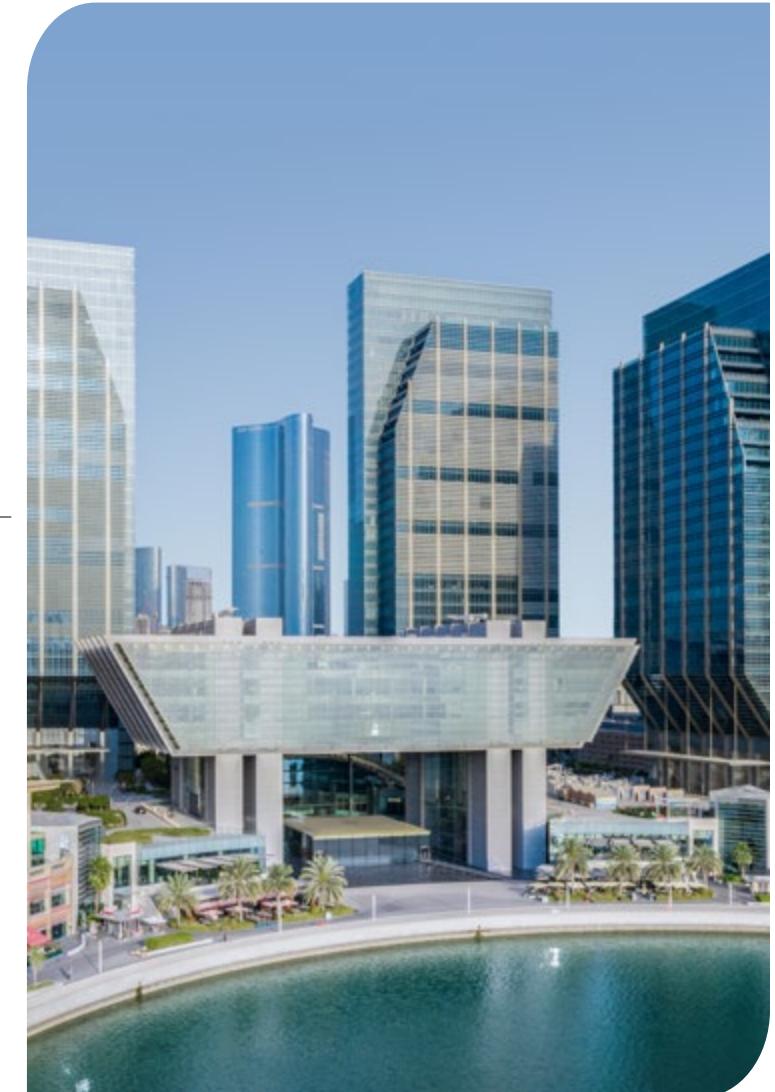
ADGM legal entities' obligations

Upon registration

- Duty to identify each UBO and to keep the records of 'required particulars' of UBOs
- Duty to keep records of nominee directors, and to keep UBO register and nominee directors register up-to-date
- Duty to submit the record of UBOs and record of nominee directors to the Registrar

Throughout lifecycle of legal entity

- Duty to report changes in relation to statutory roles
- Duty to report change of name, address, economic activities change
- Duty to notify the Registrar of changes within 15 days
- Duty to ensure security of information
- Duty to keep documents following dissolution, strike off



Do's and Don'ts

Include Explanatory Notes

Provide comprehensive explanatory notes wherever clarification would be helpful to the reviewing authority. Clear documentation facilitates faster processing

Verify Information Before Submission

Conduct rigorous verification of all information before including it in the application form. Accuracy is paramount to avoid delays and maintain credibility

Maintain Complete Documentation

Keep comprehensive records of all application materials, supporting documents, and correspondence for future reference and audit purposes

Name Reservation

Ensure that the entity name selected by the client is not similar or identical to an existing entity name in the National Economic Register unless it's a related entity

Do Not Upload Signed Paper Nominee Forms

The nominee component was digitized. Use only the current digital submission process to ensure compliance with updated procedures

Do Not Request Return of Recently Lodged Applications

Such requests indicate that the CSP is not conducting business in a prudent manner as prescribed in license rules and conditions

Do Not Upload Obsolete UBO Declaration Forms

This section was digitized and is no longer required. Retain voluntarily collected forms in your records but do not upload them to the portal

Do Not Send Premature Email Notifications

Applications are received on the dashboard and will not be missed. Premature notifications create unnecessary administrative burden

Business Operations Division

Reham Madani – Senior Officer,
Digital Products and Business Intelligence

Enhancing Your Experience on the ADGM Online Registry Solution

Key updates and new features for portal users

1. New Digital Services

- The CSP appointment, cessation and resignation process.
- Changing the exemption status of a SPV or Foundation.

2. New Supporting Functionality

- Reporting tools.
- Application document uploads.



CSP Appointment Process

New service for disclosure appointment, cessation or resignation as a CSP for Non-Exempt SPVs or Foundations

Appointment

Cessation

Resignation

End-to-end online process for appointment, resignation, and cessation of a CSP through the Online Registry Solution.

- Automated address removal when CSP ceased.
- Authority request process built in.
- Automatic notifications.
- Reduced manual correspondence and faster turnaround times.

Exemption Status of SPVs and Foundations

Apply directly through the portal for a change in exemption status

Key Features

- Applicants can upload supporting documentation and track application progress in real time.
- Integrated validation ensures complete submissions before review.
- Notifications provided upon decision, eliminating the need for separate email exchanges.
- Greater transparency, efficiency, and audit trail for both applicants and the RA.



Enhanced Reporting and Visibility Tools

Real-time insights into your managed entities.

Entity Management Overview Report:

- Consolidated view of all entities managed under your profile.
- Available on the Entity Tab from the dashboard.

Payments Report (by entity):

- View all payments made for specific entities.
- Available on the payments tab of the dashboard.

Filings Report:

- Generate a report to view all accepted filings for a specific entity.
- Available on the filings tab for each entity.

Key Features:

- **Reports are exportable in both PDF and Excel.**

Reporting capabilities are available where you see the following button:

Generate Report 

Streamlined Document Uploads – Proof of Concept

Upload once, reuse throughout your application

Key Features

- Users can now upload all supporting documents at the start of selected registration and incorporation applications.
- Files can be renamed, reviewed, and checked for size before submission.
- Once uploaded, documents can be selected from existing files throughout the application, eliminating the need to re-upload.
- Faster, simpler, and more accurate submissions with reduced repetitive steps.
- Supports smoother application experience and streamlines day-to-day processes.

Available on the following application types:

Incorporate a Private Company Limited by Shares as an SPV

Incorporate a Private Company Limited by Shares

Incorporate a Restricted Scope Company as an SPV.

Register a Branch of an Entity

Incorporate Reglab Participant

Application Document Folder

To make completing your application easier, we have introduced this Application Document Folder. This feature allows you to upload all required documents at the beginning of your application. You can then easily attach these documents to the relevant sections of the form without needing to upload them multiple times.

- **Single upload, multiple use:** Upload each document once, and reuse it throughout your application where required.
- **Name your documents:** You can give each document a clear name, so it is easily identifiable when selecting it later in the application.
- **File size limit:** Each file must not exceed 5MB.
- **Format restrictions apply:** Some sections only accept specific document formats (for example, only PDF files). In these cases, only documents in the correct format will appear as available for selection.

This is an additional feature added to support your application process; however, the standard document upload feature remains available.

 **Upload Files**

Upload Files

 **Upload Files**  **Or drop files**

Select From Existing Files

What's next?

More exciting features are in the pipeline improving how you interact with the Registration Authority.

Your input has shaped the platform to date:

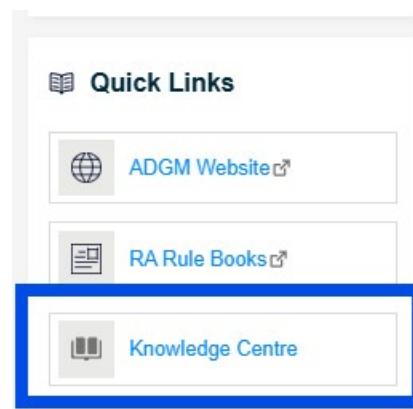
Some recent features and tools have been developed due to ideas and suggestions submitted you.

- SPV application Cloning Function.
- Streamlined document upload.
- Reporting functionality.

We want to hear more ideas and suggestions:

We encourage you to continue submitting your feedback on any pain-points or ideas on how we can improve.

- Suggestion box link is available on the Knowledge Center on the portal dashboard.



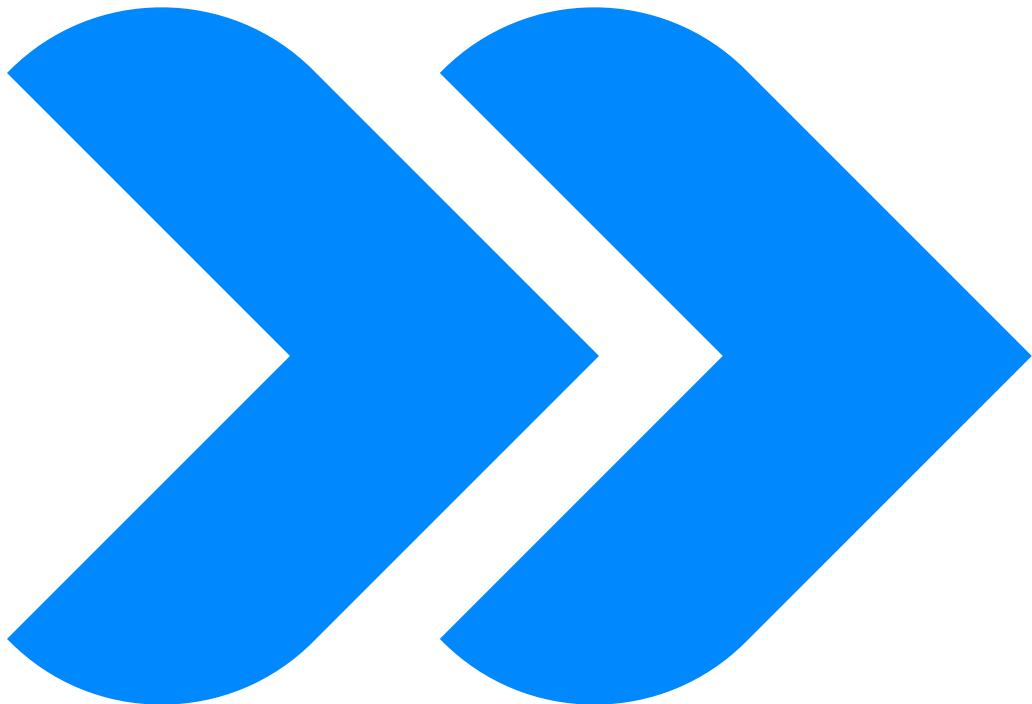
Access the suggestion box here



Monitoring & Enforcement Division

Asma Niaz – Senior Specialist, DNFBP and
CSP Monitoring

Agenda



01 RA Regulatory Priorities

02 Supervisory Approach

03 Onsite Assessment Process

04 Scope of Onsite Assessments

05 RA Enforcement Powers

The RA's Regulatory Priorities for 2025-2026



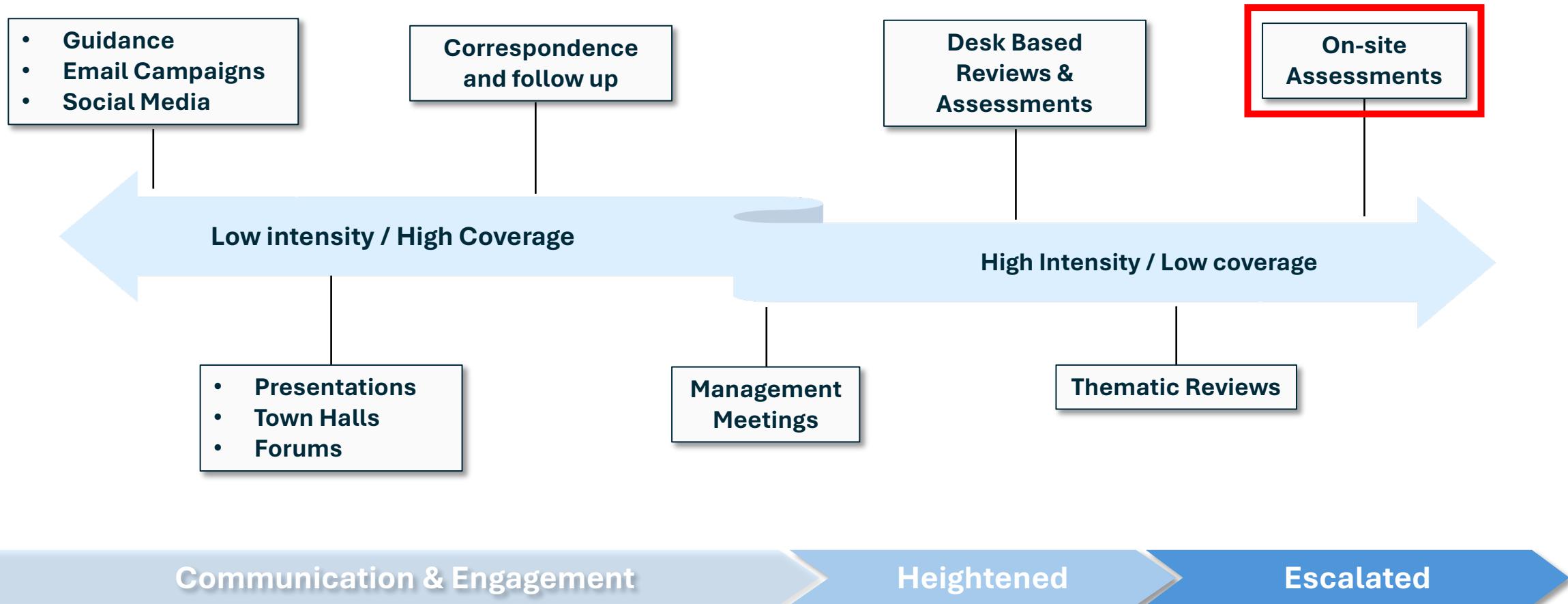
Our Priorities



1. Promote accuracy, timeliness and quality of annual filings and licence renewals.
2. Promote high standards of audit quality and corporate reporting in the ADGM.
3. Conduct risk-based supervision on ADGM licensed persons, including technology driven assessment of risks and compliance.
4. Promote high standards of beneficial ownership compliance among ADGM licensed persons.
5. Champion a forward-looking regulatory environment for emerging technologies, fostering responsible innovation and market integrity utilizing technology driven oversight
6. Promote fair, transparent and responsible retail business practices and uphold consumer rights
7. Deliver effective supervision of ADGM licensed DNFBPs to promote high standard of AML and TFS compliance.
8. Identify potential or actual contraventions of operating or purporting to operate without a valid licence, exceeding the scope of ADGM licence and false claims about the licence status/type.
9. Ensure timely, decisive and proportionate enforcement action is taken, including those in partnership with relevant authorities.

Supervisory Approach

Risk based supervision using range of supervisory tools



Onsite Assessment Process

Tailored to assess the compliance of a firm and if necessary, to have a direct impact on improving compliance outcomes

- Notification of assessment and visit
- Production of documents and information

- Principal Findings Record
- Firm response



CSP Conditions of Licence



Condition 1

Fit and Proper Person



Condition 2

Policies and procedures, CMP, Segregation of Fee



Condition 3

Professional Indemnity Insurance



Conditions 4 & 5

Operations, Staffing and Staff Certification



Conditions 6 & 7

MLRO and Compliance Officer



Condition 8

Regulatory Capital

1

AML systems
and controls,
policies and
procedures

2

Sanctions
monitoring

3

Business
Risk
Assessment

4

Customer
Risk
Assessment

5

Customer
Due
Diligence

6

Internal
Audit Report

7

AML and
Sanctions
Training

8

Sample Files
Review

Revised Enforcement Framework

Powers, sanctions and decision-making process

Sam Kemp – Manager, Enforcement

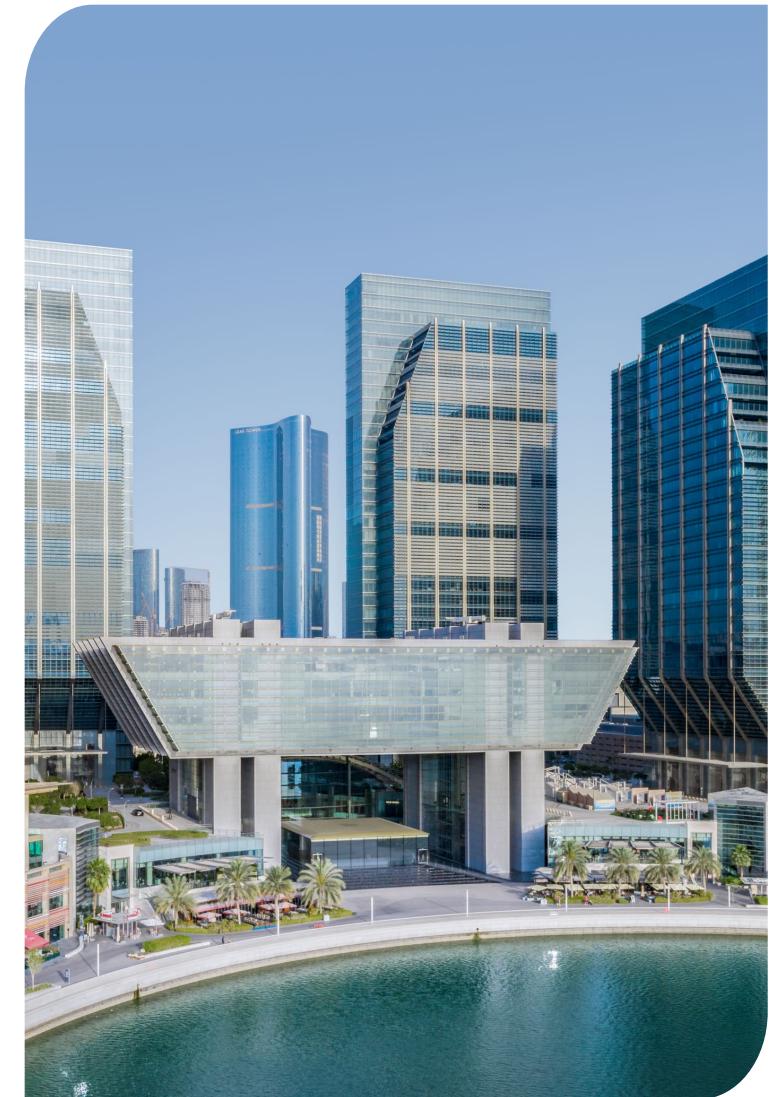
Administrative Regulations 2025

Overview

- The Administrative Regulations 2025 was published on 28 October 2025, and it introduced an overarching administrative regulation that enhances the framework concerning contraventions, sanctions and enforcement procedures.
- The enhancements improve and simplify the previous framework and promote consistency across the existing ADGM Commercial Legislation.

Key features of the Admin Regulations:

- Consolidation and enhancement of the RA's investigation powers and information gathering powers.
- Revised fine levels and additional administrative sanctions to more accurately reflect the nature and severity of contraventions.
- Introduction of a two-tiered approach to contraventions, with different enforcement processes and procedures based on the severity of the contraventions.



Tier process and Fines Scale

Tier 1:

- Contravention of the Commercial Legislation that is categorised as **level 1 or level 2** on the **Fines Scale**.
- Any Person who commits a Tier 1 Contravention is liable to a Fine **not exceeding USD 2,000**.

Tier 2:

- Contravention of the Commercial Legislation that is categorised as **level 3 or above** on the **Fines Scale**.
- Any Person found to have committed such contravention shall be liable to a Fine not exceeding USD 54,000,000; and/or
- any of the **other enforcement actions** set out in Part 8 or the relevant Commercial Legislation (disqualification, cancellation of licence, etc.).

Level	Tier of Contravention	Amount of Fine (USD)
1	1	1,000
2	1	2,000
3	1	10,000
4	1	50,000
5	1	100,000
6	2	250,000
7	2	500,000
8	2	1,000,000
9	2	54,000,000

Tier 1 contraventions – process for procedural fairness

Step 1: The RA will issue a **Financial Penalty Notice** to the Person in Contravention.

Step 2: A Person who receives a Financial Penalty Notice may **raise an objection** to the Fine by **submitting a Statement of Representations within 30 Days** of the issuance of the Financial Penalty Notice.

Step 3: If the Fine is **upheld or reduced**, a new Financial Penalty Notice will be sent to the Person informing them of the decision. However, if the Fine is **revoked**, a **Discontinuance Notice** will be issued.

Step 4: Without prejudice, a Person may **apply for Judicial Review** in relation to a **decision** in a notice relating to a **Tier 1 Contravention**.

Tier 2 contraventions – process for procedural fairness

Step 1: If the RA asserts that a Person has committed a Tier 2 Contravention, the **Enforcement department will prepare a Warning Notice** setting out the **proposed action** in respect of the Tier 2 Contravention.

Step 2: One or more **independent Decision Makers** will be appointed to **assess the circumstances** and decide whether (or not) a Warning Notice will be issued to the relevant Person.

Step 3: A Person who receives a Warning Notice may **respond in writing** by submitting a **Statement of Representations** within the specified timeframe.

Step 4: The appointed Decision Makers will decide to **issue either a Decision Notice or Discontinuance Notice**, or to enter **settlement discussions**.

Step 5: Without prejudice, a Person may **apply for Judicial Review** in relation to a **decision** in a notice relating to a **Tier 2 Contravention**.

Enforcement Sanctions

Fines <ul style="list-style-type: none">Imposition of Fines, in accordance with the schedule of contraventions.If a Fine remains unpaid 30 days, the RA may recover the outstanding amount as a debt.A Fine up to one level higher for repeated Contraventions within 12 months	Censure statements <ul style="list-style-type: none">Private or public censure.The censure statement must describe the nature of the contravention(s) in such detail as the RA determines.public censure must be published	Prohibition Orders <ul style="list-style-type: none">Prohibition Order preventing a Person from engaging in or being involved with any activities, including Controlled Activities, in ADGM.The order may specify which activities are prohibited and set conditions as determined by the RA.	Disqualification <ul style="list-style-type: none">Disqualification Order for Tier 2 Contraventions, if permitted under the relevant Commercial Legislation.The maximum period for disqualification is 15 years.
Requirement/Variation <ul style="list-style-type: none">Impose/vary/cancel a requirement in relation to a Licensed PersonAdd/remove/vary a Controlled Activities to which a Licence relates.Exercise these powers on own-initiative.	Licence Suspension or Restriction <ul style="list-style-type: none">Suspend a Licence from carry on a Controlled Activity for a period.Restrict a Licence related to the carrying on of Controlled Activities.Suspension or restriction period must not exceed 12 months.	Cancellation of Licence <ul style="list-style-type: none">Cancel a Licence:<ul style="list-style-type: none"><i>For failing or likely to fail to meet the conditions of the Licence;</i><i>Not carrying on a Controlled Activity for at least 12 months; and/or</i><i>In the interests of ADGM.</i>	Strike Off <ul style="list-style-type: none">Striking a Person's name off the company register if :<ul style="list-style-type: none">The information in the registration or restoration application is misleading, false; orAny statement made in connection with such an application is misleading, false.

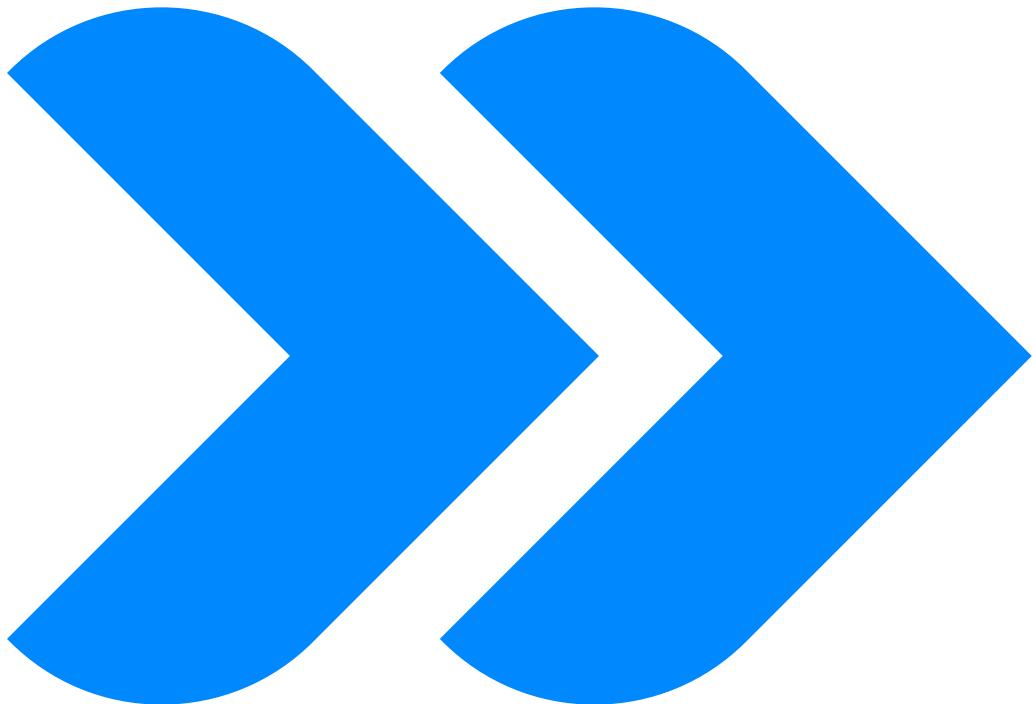
A photograph of a breakfast setup on a wooden table. In the foreground, a stack of newspapers is visible, along with the bottom of a white coffee cup. In the center, a white saucer holds a single, flaky croissant. The background is softly blurred, showing a window with a view of greenery and a vase with flowers.

Break

CSP Annual Returns and Common Findings

Saed Shaat – Head, DNFBP and CSP
Monitoring

Agenda



01 **CSP Annual Returns**

02 **CSP Common Findings**

03 **AML Common Findings**

04 **Regulatory Requirements vs Expectations**

05 **Case Studies**

2024 CSP Annual Returns Overview

Condition 2 – Policies, Procedures and Controls

- 100% staff received appropriate trainings
- 100% distinguished their fees from ADGM fees
- 2% do not have Compliance Monitoring Program
- 6% do not fully comply with ADGM Whistleblower Protection Regulations 2024

Condition 3 – Appropriate Insurance Cover

- 6% do not have appropriate PII cover

Condition 4 – Prudent Business Operation, Resources and Staff Certification

- 2% responded that not all required staff are certified

Condition 5 – Staffing in ADGM

- 100% confirmed that at least one full-time employee is physically present in the ADGM office

Condition 6 – MLRO

- 100% confirmed that they have appointed a full time MLRO

Condition 7 – Compliance officer

- 100% confirmed that they have appointed a compliance officer

Condition 8 – Minimum Regulatory Capital

- 100% confirmed that regulatory capital is maintained as per requirements

Condition 9 – Annual Return

- 100 % Submitted on or before 30 April 2025

2025 CSP Common Findings

57%

Failed to maintain adequate risk management policies and risk register

43%

Failed to distinguish between the CSP fees and ADGM fees

43%

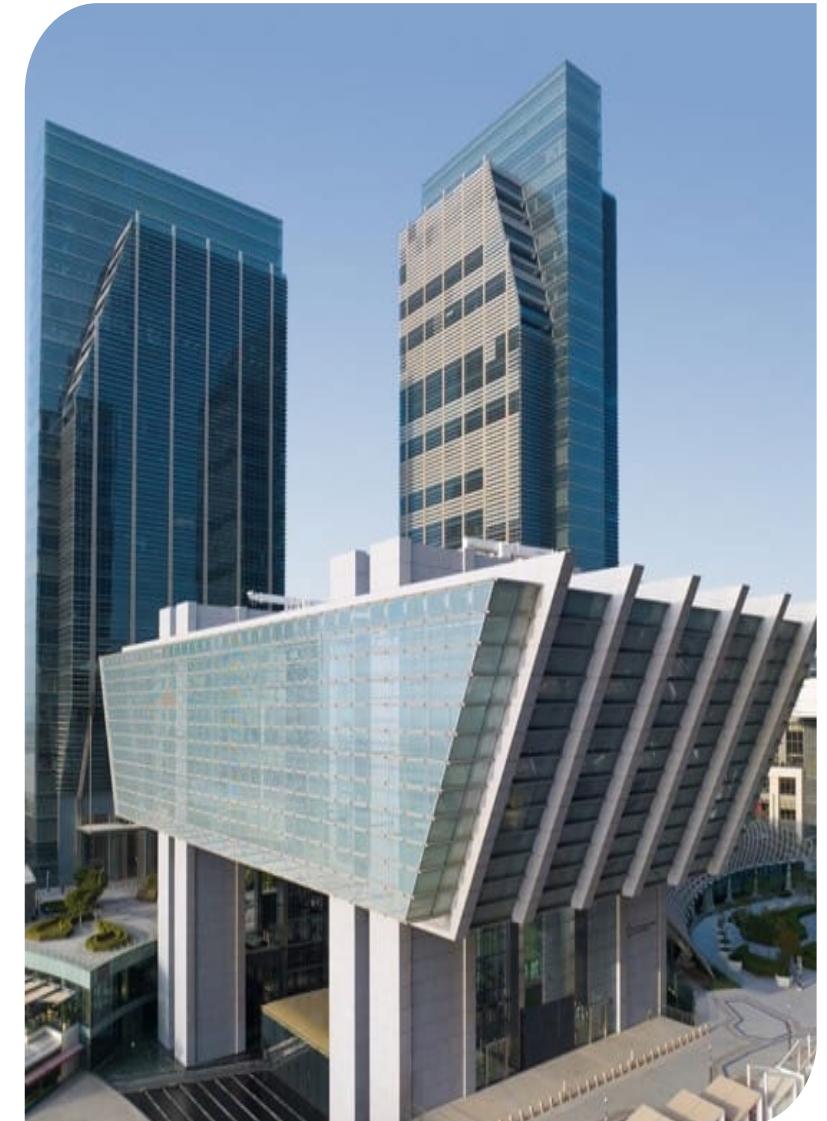
Failed to execute their Compliance Monitoring Programme (CMP) appropriately

71%

Failed to meet the staff certification requirement

43%

Failed to maintain adequate Record of Beneficial Owners, as required under BOCR 2022



DNFBP Findings 2024

2024 KEY FINDINGS SUMMARY:

1. Inadequate Enhanced Customer Due Diligence (**EDD**)
2. Failure to consider **TFS** in Business Risk Assessment (**BRA**)
3. Failure to document **effectiveness reviews**
4. Inadequate **ongoing screening**
5. Lack of systems for identifying cash transactions > **AED 55K**
6. Failure to obtain **certified copies** of KYC documents
7. Failure to file **MLRO changes**, update records, lack of succession planning

 ADGM

To: Designated Non-Financial Businesses and Professions (DNFBPs)

Common findings identified from DNFBP AML / TFS onsite assessments in 2024

Background

The ADGM Registration Authority ("RA") is responsible for registering and licensing all legal persons in ADGM. In addition, the RA registers and supervises Designated Non-Financial Businesses and Professions ("DNFBPs") in ADGM for compliance with the ADGM Anti-Money Laundering and Sanctions Guidance and Rules ("AML Rules"), as well as applicable Federal AML Laws (collectively referred to herein as the "applicable AML obligations").

In doing so, the RA adopts a risk-based approach to its supervision of DNFBPs where it utilizes multiple supervisory tools to assess DNFBPs compliance with the applicable AML obligations. These tools include onsite inspections, thematic reviews, desk-based reviews and outreach sessions.

This report outlines the common findings identified by the RA during onsite assessments of DNFBPs carried out in 2024.

Whilst there were a variety of findings from the 2024 assessments, this report focuses on the recurring findings that were identified across the majority of firms. While the findings may not apply to all DNFBPs, we encourage all firms to review and use this report as a self-assessment tool to strengthen compliance with applicable AML, CFT and TFS obligations.

Onsite Assessment Process

On an annual basis, the RA prepares a DNFBP supervision plan, where a number of DNFBPs are selected for an onsite assessment during the calendar year. As per the risk-based approach, selection is primarily based on risk but also includes other factors such as sector coverage and follow-up from previous assessments.

Selected firms are notified by the RA in writing prior to the assessment with the intended date of the visit, the scope of the review and documents required to be produced prior to the assessment. Onsite assessments typically range from two to four days depending on the size and activities of the firm and involves meetings with the firm's senior management and MLRO, as well as reviews and testing of documentation, systems and controls.

Upon completion of the assessment, the RA, through a closing meeting with the firm, issues a Risk Mitigation Plan (RMP) outlining the findings identified from the visit, and where gaps are identified, the firm must respond with its planned remediation actions. The firm's planned actions must be clear, precise and detailed to describe how the firm intends to close the gaps identified. This includes providing a timeline for closure of each finding.

¹ Means the following class of Persons who carry out the following businesses in the ADGM: (a) a real estate agency which carries out transactions with other Persons that involve the acquiring or disposing of real property; (b) a dealer in precious metals or precious stones; (c) a dealer in any saleable item of a price equal to or greater than USD15,000; (d) an accounting firm, audit firm, insolvency firm or taxation consulting firm; (e) a law firm, notary firm or other independent legal business; or (f) a Company Service Provider.

ADGM DNFBPs AML/TFS 2024 Onsite Assessment Common Findings Report

Page 1 of 10



DNFBP Findings 2025

Common findings from DNFBP assessments conducted in 2024 vs 2025 YTD

2024 KEY FINDINGS SUMMARY:

1. Inadequate Enhanced Customer Due Diligence (**EDD**)
2. Failure to consider **TFS** in Business Risk Assessment (**BRA**)
3. Failure to document **effectiveness reviews**
4. Inadequate **ongoing screening**
5. Lack of systems for identifying cash transactions > **AED 55K**
6. Failure to obtain **certified copies** of KYC documents
7. Failure to file **MLRO changes**, update records, lack of succession planning



2025 KEY FINDINGS SUMMARY:

1. Inadequate Business Risk Assessment (**BRA**)
2. Inadequate Customer Risk Assessment (**CRA**)
3. Inadequate Enhanced Customer Due Diligence (**EDD**)
4. Failure to consider results of the **effectiveness reviews**

Regulatory Requirements and Expectations

Regulatory Requirements*

- Continuous compliance with the ADGM's CSP Framework Conditions of Licence
- Continuous compliance with the AML obligations, including ADGM AML Rules and applicable Federal AML Laws
- Whistleblowing policy and procedure
- Conflict Management policy and procedure
- Internal Audit Reviews

Regulatory Expectations

- Professional clearance
- Effective Compliance Monitoring Plan (CMP)
- Applying a risk-based approach
- Effective Governance & Senior Management Oversight
- Clear roles and responsibilities for MLRO, Compliance Officer, and Senior Management
- Do not wait until M&E's assessment to ensure compliance with the applicable obligations

* This is a non-exhaustive list of regulatory requirements. The ultimate responsibility of compliance with all regulatory requirements remains with the directors of the Firm.

Case Study 1 – CDD and Onboarding

Firm Name – CSP X

Firm Profile - Medium-sized CSP with approximately 200 active clients

MLRO turnover - 3 different MLROs in the past 2 years

Issue – An ADGM SPV approaches CSP X as the previously appointed CSP terminated its services. CSP X sends out a letter of engagement without performing adequate due diligence or a customer risk assessment and proceeds with the onboarding of the customer



Question

As a CSP, how would you approach this?

Case Study 2 - Conflict of interest

A CSP provides corporate fiduciary roles to one of its clients. During a board meeting, the individual appointed as a director from the CSP suspects that the annual accounts prepared do not reflect the actual financial position of the client.

On further review by the CSP director it appeared that there were multiple transfers made to third parties that are not linked to the shareholders from the Company's bank account.



Question

As a CSP, how would you approach this?



Thank you

