



Special Purpose Vehicles (SPVs)





Registration Authority

ADGM's SPV regime caters to a broad range of business types, uses and industry sectors. These include corporates, sovereign wealth funds, subsidiary undertakings of a body corporate that is incorporated by federal law or by a law of any Emirate in the UAE, ADGM single family offices, trustees and individual investors.

SPVs are corporate vehicles private companies established for a variety of purposes, including to isolate financial and legal risk by ring-fencing assets and liabilities. SPVs can be established as subsidiaries, project or joint venture vehicles to ensure that only those assets linked to a related transaction are exposed to the liabilities associated with that transaction. The key feature of an SPV is its separate legal personality, therefore claims by the SPV's creditors cannot be attached to the assets of the SPV's shareholders or any related companies.

The ADGM SPV regime has been designed to be flexible, robust, simple and efficient. It involves a quick, easy-to-use and fully digital registration process. The straightforward ongoing reporting requirements and a cost-effective and transparent fee structure makes ADGM a preferred jurisdiction choice for those with SPV requirements and a nexus to the UAE and region. ADGM's SPV incorporation process is highly efficient

both in terms of process and fees, with a fast turnaround time. The use of ADGM registered Company Services Provider for Non-exempt SPVs is mandatory. For more details, see page 5.

ADGM practices a thorough yet efficient due diligence process whilst valuing transparency for clients that meet certain criteria. ADGM also provides the option of the discreet 'Restricted Scope Company' SPV where public disclosure is limited. This is subject to meeting qualifying criteria and Registrar's approval.

ADGM offers a platform to fulfil narrow, specific or temporary corporate objectives. ADGM SPVs are incorporated pursuant to the relevant provisions of ADGM Companies Regulations 2020. This offers consistency across ADGM's corporate vehicles. SPVs are granted a commercial licence specifying that the company is undertaking Special Purpose Vehicle activities.

Why ADGM for SPVs?

- ✔ Common law jurisdiction
- ✔ Independent ADGM Courts
- ✔ Best-in-class independent regulatory framework
- ✔ Access to broad UAE double tax treaty network
- ✔ Variety of legal structures available to set up
- ✔ Quick and easy, fully digital registration process
- ✔ No attestation required for corporate documents

Key Highlights of ADGM SPV Regime

Migration Or Continuance of Existing Corporate Entities

ADGM Companies Regulations contain detailed provisions for continuance of companies to ADGM from other jurisdictions. A company which is incorporated outside ADGM may apply under section 102 (application to Registrar for continuance within ADGM) for the issuance of a certificate confirming that it continues as a company registered pursuant to ADGM Companies Regulations. The company must be authorised to make such an application by the laws of the jurisdiction under which it is currently incorporated.

Can My Company Migrate Into ADGM?

If you are interested in migrating your company into ADGM, you should first verify whether your current jurisdiction allows for outbound migration. Jurisdictions which permit continuance into another jurisdiction include: BVI, Cayman Islands, Jersey and Guernsey, amongst others.

ADGM SPV Types

Type	Uses
Private Company (Limited by Shares) – LTD	<ol style="list-style-type: none"> 1. Standard private limited company 2. Passive holding company
Restricted Scope Company – RSC	<p>A unique ADGM legal structure offering limited information disclosure on the public register but full disclosure to the ADGM Registrar. RSCs must be incorporated as the following:</p> <ol style="list-style-type: none"> 1. A subsidiary of another body corporate that prepares and publishes group accounts 2. A subsidiary of a company formed by Emiri decree 3. A subsidiary of a Single Family Office



Setting up an SPV in ADGM

The entire application and fee payment are fully digital and can be completed through ADGM's online registry solution www.registration.adgm.com

There are no requirements for personal visits to ADGM during the setup process or for the delivery of original hard copies of any documents.

SPV applicants will fall under one of two categories, which will dictate the means by which their applications can be submitted, that is, "Exempt" or "Non-exempt" applicant. In summary, Exempt applicants will not have to appoint a Company Service Provider for the application and management of the SPV, whereas Non-exempt applicants are required to appoint an ADGM Company Service Provider to submit the SPV application and provide company services (such as registered address and filings) on the SPV's behalf.

Further details on the conditions of an Exempt and Non-exempt applicant can be found on the following pages.

Exempt Applicants

- (1) A body corporate that is a subsidiary undertaking of any of the following need not have a company service provider:
 - (a) persons Exempt under the Commercial Licensing Regulations 2015 (Exemptions) Order 2020;
 - (b) an authorised person within the meaning of the Financial Services and Markets Regulations 2015;
 - (c) persons licensed or regulated by the Central Bank of the United Arab Emirates;
 - (d) a company whose shares are admitted to trading on a regulated market in the United Arab Emirates, including in Abu Dhabi Global Market; or
 - (e) a company that has demonstrated to the satisfaction of the Registrar to have:
 - (i) substantial assets, turnover and employees in the United Arab Emirates, and
 - (ii) adequate governance policies and procedures, in each case as may be specified by rules made by the Board or guidance issued by the Registrar.
- (2) For the purposes of assessing whether a company has demonstrated adequate presence in the United Arab Emirates, the Registrar:
 - (a) may have regard to, among other things:
 - (i) the company's assets, turnover and employees in the United Arab Emirates,
 - (ii) the company's governance policies and procedures,
 - (iii) any rules made by the Board or guidance issued by the Registrar in this regard; and
 - (b) may require such further information and supporting documentation as it considers appropriate.



Substantial resources, experience and personnel

Applicants seeking Exempt status are required to include supporting documents demonstrating substantial resources, experience and personnel of the legal entities directly or indirectly owned and/or controlled by the incorporating shareholder of the ADGM SPV. A non-exhaustive list of evidence acceptable to the Registrar is set out below:

- Copies of the current commercial licenses (or similar document) issued by the local relevant regulatory authorities of operational legal entities currently operating in the UAE.
- List of the assets – physical assets, buildings, machinery, factories.
- Information on the number of personnel employed by the operating legal entities and annual turnover.
- Copies of the current 'establishment card' (also known as 'immigration card') of each operating legal entity along with the list of the UAE residency visas issued for each legal entity/commercial license holder.
- Organization structure for each operating legal entity clearly demonstrating governance structure and number of full time employees in each operating entity within the group chart.
- Links to the company's website where information on the board of directors and board committee can be found. Alternatively, please provide information indicating board of directors' composition and board committees' structure, including members of the committees, governance of the decisions and reporting lines within the structure.
- Detailed description of the resources available in the compliance and/or in-house legal department or company secretarial division showing number of full time employees, along with their professional qualifications and roles held.
- Other information which may demonstrate substantial assets.

Adequate governance policies and procedures

Please see below non-exhaustive list of evidence acceptable to the Registrar:

- Business ethics policy;
- Corporate Governance policy or statement/structure;
- Compliance policy;
- Bribery and corruption policy;
- Economic substance policy;
- Risk management policy;
- Anti-Money Laundering Policy;
- Others (please specify).

The Registrar reserves the right to request additional information to assess whether or not the applicant should be Exempt from appointing a company service provider.

Non-exempt Applicants

Non-exempt applicants are those who do not meet the conditions listed in the section above entitled 'Exempt applicants'. Non-exempt applicants must appoint an ADGM licensed company service provider prior to lodging application with ADGM RA. The CSP will be responsible for both the formation and administration of the SPV.

Please refer to the list of ADGM licensed company service providers at adgm.com

Application information and documentation

Submit a brief business plan including structure, shareholders and purpose and provide application documentation to the Registrar via the online registry solution www.registration.adgm.com

Completion

Provided all information is accurately submitted, the application will be approved and the SPV commercial licence will be issued electronically.

Registered Office Address

ADGM SPVs must have a registered office address on Al Maryah Island at all times which can be satisfied in 3 ways:

1. An appointed Company Services Provider offers the use of the registered office address to Non-exempt SPVs.
2. An Exempt ADGM SPV may use registered office address of its ADGM registered parent entity or related entity.
3. ADGM registered legal entity with the licensed business activity of 'registered office provider' may offer registered office address to Exempt SPVs.

SPV Application Documentation Requirements

Document	Form
Articles of Association	Either (1) model articles [available on ADGM website], (2) model articles with amendments or (3) bespoke
Registered office address	Copy of signed consent letter for provision of registered office by the appointed Company Services Provider for Non-exempt SPVs An Exempt ADGM SPV may use a registered office address of its ADGM registered parent entity or related entity.
Resolution of Board of Directors or Shareholders	Copy
Passport information and signature page for each Authorised Signatory, Director, Shareholder, and Beneficial Owner	Copy
UAE visa page and passport copy for each Authorised Signatory (for UAE residents)	Copy
Emirates ID for UAE/GCC national Authorised Signatories	Copy
Certificate of Incorporation / Registration for each Director and Shareholder that is a body corporate	Certified copy (certified within the last three months)



SPV Fees*

Fee Type	Initial (USD)	Ongoing Annual (USD)
Name reservation	200	
Incorporation application	400	
Commercial licence	1,000	
Data protection		100
Renewal of licence		1,000
Confirmation statement		100
Total	1,600	1,200

*Fees may be subject to change. These fees are charged by the ADGM Registration Authority and do not include professional fees charged by a Company Services Provider appointed for Non-exempt SPVs.

SPV Disclosure Requirements

Document	LTD	RSC
Full disclosure to ADGM Registrar	Yes	Yes
Publicly accessible records of Directors	Yes	No
Publicly accessible records of Shareholders	Yes	No
Beneficial ownership publicly disclosed	No	No
Confirmation statement requirement	Yes	Yes
Minimum natural person director requirement	1	1
Filing of accounts	Yes	No
Audit requirement	*Yes <i>unless the SPV qualifies for the small companies regime.</i>	No

Why ADGM?

World Class Institutions and Advisors

- ✓ Access to a strong ecosystem of finance, services and talent
 - ✓ Home to the world's leading professional advisory firms
- * Vibrant ecosystem of company service providers

Legal and Regulatory

- ✓ An independent jurisdiction with its own civil and commercial laws
- ✓ Common law directly applied providing greater legal certainty
- ✓ Independent ADGM Courts
- ✓ Use of standard form transactional documentation for increased efficiency

Tax Environment

- ✓ No withholding of taxes
- ✓ ADGM is a tax friendly environment, with 0% direct tax
- ✓ No restrictions on repatriation of profits
- ✓ Access to and extensive and growing number of Double Tax Treaties

Efficient Process and Procedures

- ✓ Fully digital application process

Infrastructure

- ✓ Grade 'A' offices and modern infrastructure
- ✓ Global connectivity through world-class airlines
- ✓ Leading hotels, healthcare and lifestyle amenities



Abu Dhabi Quick Facts



Accounts for 2/3 of the approx \$400 BN economy of UAE



More than half of GDP from non-oil & gas sectors



Average GDP growth of 11% p.a. since 2005



Owns 5% of the world's gas reserves



Stable inflation rate of 3.2%



Owns 9% of the world's proven oil reserves



Per capita GDP of \$67,000

ADGM – Award Winning International Centre

Abu Dhabi Global Market, an international financial centre in the capital of the United Arab Emirates, fully opened for business on 21st October 2015

A financial free zone, ADGM is an independent jurisdiction encompassing the entire 114 hectares (1.14 sq km) of Al Maryah Island with rules and regulations aligned with international best practice. ADGM's three independent

Authorities (Registration Authority, Financial Services Regulatory Authority and the ADGM Courts) provide a holistic environment enabling registered companies to conduct business and operate with confidence.



Require more information?

For further information on how to commence the process of registration of an SPV in ADGM, please visit relevant pages on ADGM website

<https://www.adgm.com/setting-up/special-purpose-vehicles/overview>



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