



ABU DHABI GLOBAL MARKET  
سوق أبوظبي العالمي

# CONSULTATION PAPER NO.3 OF 2018

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31 MAY 2018

**REGISTRATION AUTHORITY DECISION  
PROCEDURES AND ENFORCEMENT MANUAL**

## INTRODUCTION

### WHY ARE WE ISSUING THIS PAPER?

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1. The Abu Dhabi Global Market ("**ADGM**") and the Registration Authority ("**RA**") have issued this Consultation Paper to invite public comment on its proposed Decision Procedures and Enforcement Manual (the "**Manual**").
2. The Manual sets out the Registration Authority's policy and procedures in relation to the exercise of its enforcement powers and related decision making, under the Commercial Licensing Regulations 2015 ("**CLR**").
3. The proposed draft Manual is set out at **Annex A** to this Consultation Paper.

### WHO SHOULD READ THIS PAPER?

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4. The proposals in this Consultation Paper are intended for individuals, organisations and investors with an interest in establishing a presence in ADGM, for licensed persons doing business in ADGM, and their professional advisors.

### HOW TO PROVIDE COMMENTS

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5. All comments should be in writing and sent to the address or email specified below. If sending your comments by email, please use the Consultation Paper number in the subject line. You may, if relevant, identify the organisation you represent in providing your comments.
6. The Registration Authority reserves the right to publish, including on its website, any comments you provide, unless you expressly request otherwise at the time of making comments. Comments supported by reasoning and evidence will be given more weight by the Registration Authority.

### WHAT HAPPENS NEXT?

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7. The deadline for providing comments on this proposal is **30 June 2018**. Once we receive your comments, we will consider whether any modifications are required to the proposed Manual.
8. The Manual will then be finalised and published with a copy provided to the ADGM Board of Directors, in accordance with the requirements under the CLR. We shall issue a notice on our website telling you when this happens.

**COMMENTS TO BE ADDRESSED TO:**

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Consultation Paper No. 3 of 2018  
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## BACKGROUND

9. As per Article 11 of Abu Dhabi Law No. 4 of 2013, the Registration Authority's responsibilities include the registration, licensing, control and supervision of licensed persons.
10. To ensure the integrity, effectiveness and reputation of ADGM's commercial environment, as well as to maintain the confidence of participants, a framework that enables the Registration Authority to take appropriate enforcement action against contraventions of ADGM's commercial legislation, is required.
11. ADGM's 'commercial legislation' refers to the regulations and rules administered by the Registration Authority, which primarily involve the registration and de-registration of legal entities as well as ongoing (non-financial services) operating requirements and licence conditions.
12. The commercial legislation does not include ADGM's regulations and rules administered by the ADGM Financial Services Regulatory Authority or ADGM Courts.
13. The CLR provides certain information gathering, investigation and enforcement powers to the Registration Authority in respect of licensed persons. For example, the power to impose fines and to restrict or suspend a licence for contraventions of relevant requirements under the Regulations.
14. The Registration Authority is committed to risk-based and proportionate enforcement. Where contraventions occur, the Registration Authority's approach is to act fairly and transparently as well as consistently with its policies and procedures.
15. The purpose of the proposed Manual is to set out the Registration Authority's policies and procedures in relation to the exercise of its enforcement powers (and related decision making) under the CLR, in order to provide an understanding of how the Registration Authority operates in that regard.
16. This Consultation Paper aims to gather the views of licensed firms, interested parties, advisors and stakeholders on the manner in which the Registration Authority intends to exercise its enforcement powers under the CLR, as set out in the proposed Manual.
17. Comments will be taken into account before the final version of the Manual is issued and made publically available.

## PROPOSED MANUAL

18. The proposed Manual is organized into seven (7) chapters, which, following an introduction, sets out the Registration Authority's approach to enforcement, decision making, use of enforcement powers, settlement, use of own-initiative action powers and publicity.
19. The approach to enforcement chapter includes an overview of the enforcement process as well as the receipt and assessment of allegations of misconduct or contraventions.
20. The chapter on decision making describes the procedures established to ensure procedural fairness and consistency in decision making, including details of the Registry Decisions Committee ("**RDC**") established by the Registration Authority.
21. The enforcement powers chapter sets out the Registrations Authority's considerations and approach to imposing fines, suspending, limiting or restricting a licence.
22. The chapter on settlement, covers the Registration Authority's approach and considerations in respect of settlement of enforcement actions, including timing.
23. Under the CLR, the Registration Authority has two types of own-initiative action powers, 1) own-initiative variation power to vary or cancel a licence, and 2) own-initiative requirement power to impose requirements on a licence, which are detailed in this chapter.
24. The last chapter of the proposed Manual describes the Registration Authority's approach to publicity of enforcement action.

### ISSUES FOR CONSIDERATION

Q1: IS THE REGISTRATION AUTHORITY'S APPROACH TO ENFORCEMENT MADE CLEAR IN THE PROPOSED MANUAL?

Q2: IS THE PROPOSED MANUAL COMPREHENSIVE? IF NOT, WHAT AREAS NEED TO BE ADDRESSED?

Q3: DO YOU HAVE ANY CONCERNS WITH THE REGISTRATION AUTHORITY'S APPROACH TO ENFORCEMENT? IF SO, WHAT ARE THESE CONCERNS AND HOW SHOULD THEY BE ADDRESSED?

Q4: DO YOU HAVE ANY OTHER COMMENTS OR SUGGESTIONS?

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**ANNEX A: PROPOSED DECISION PROCEDURES AND ENFORCEMENT MANUAL**