



ABU DHABI GLOBAL MARKET  
سوق أبوظبي العالمي

# CONSULTATION PAPER NO.9 OF 2018

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20 DECEMBER 2018

**REGISTRATION AUTHORITY  
LATE RENEWAL PENALTY GUIDE –  
COMMERCIAL LICENSES**

## 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 Late Renewal Penalty Guide – Commercial Licenses (the "**Late Renewal Penalty Guide**").
2. The Late Renewal Penalty Guide sets out the Registration Authority's policy and procedures in relation to the application of financial penalties (fines) for the late renewal of a person's commercial licence under the ADGM Commercial Licensing Regulations 2015 ("**CL Regulations**"), whilst continuing to conduct business activities.
3. The proposed draft Late Renewal Penalty Guide 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.
5. This Consultation Paper is most relevant to all ADGM licensed persons.

### HOW TO PROVIDE COMMENTS

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6. 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.
7. 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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8. The deadline for providing comments on this proposal is **31 January 2019**. Once we receive your comments, we will consider whether any modifications are required to the proposed Late Filing Penalty Guide.

9. The Late Renewal Penalty Guide will then be finalised and published. 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. 9 of 2018  
Registration Authority  
Abu Dhabi Global Market Square  
Al Maryah Island  
PO Box 111999  
Abu Dhabi, UAE  
Email: [ra@adgm.com](mailto:ra@adgm.com)

## BACKGROUND

10. 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.
11. In accordance with the ADGM's objectives to ensure the integrity and reputation of ADGM's commercial environment, as well as the protection and confidence of its participants, the CL Regulations contains a general prohibition against conducting any business activities in or from ADGM without a valid commercial licence.
12. A licensed person wishing to continue to carry on, in or from the ADGM, the controlled activities for which it has a licence must, prior to the expiry of such licence, apply for and obtain a new licence in respect of such activities.
13. Failure to renew a commercial licence prior to its expiry, and continuing to conduct business activities, is a contravention of the general prohibition, which shall attract a fine of up to level 6 on the standard fines scale (i.e. up to USD 20,000).
14. Seeking to apply a proportionate approach to the imposition of fines for late renewal of a commercial licence, the Registration Authority proposes to implement a graduated penalty scheme, whereby the longer a commercial licence is expired before renewal, the higher the penalty, up to the maximum.
15. The Registration Authority has prepared a Late Renewal Penalty Guide to set out its policy and procedures on the imposition of fines for late renewal of a commercial licence, the determination of the amount of the fine imposed, how fines must be paid and appeals.
16. The Registration Authority is committed to being consultative in relation to its proposed policy and procedures for taking disciplinary action under the Rules and Regulations that it administers.
17. This Consultation Paper aims to gather the views of licensed persons, interested parties, advisors and stakeholders on the Registration Authority's approach to the application of fines for late renewal of a commercial licence under the CL Regulations.
18. All comments will be taken into account before the final version of the Late Renewal Penalty Guide is published and takes effect.

## PROPOSED LATE RENEWAL PENALTY GUIDE

19. The proposed Late Renewal Penalty Guide is organised into several sections, including setting out why fines are imposed for late renewal of a commercial licence, the determination of the amount of a fine, how a fine shall be paid and appealing a fine.

### ISSUES FOR CONSIDERATION

Q1: IS THE REGISTRATION AUTHORITY'S APPROACH TO THE APPLICATION OF FINES FOR LATE RENEWAL OF A COMMERCIAL LICENCE MADE CLEAR IN THE PROPOSED GUIDE?

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

Q3: DO YOU HAVE ANY CONCERNS WITH THE REGISTRATION AUTHORITY'S APPROACH TO APPLICATION OF FINES FOR LATE RENEWAL OF A COMMERCIAL LICENCE? 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 LATE RENEWAL PENALTY GUIDE – COMMERCIAL LICENSES**