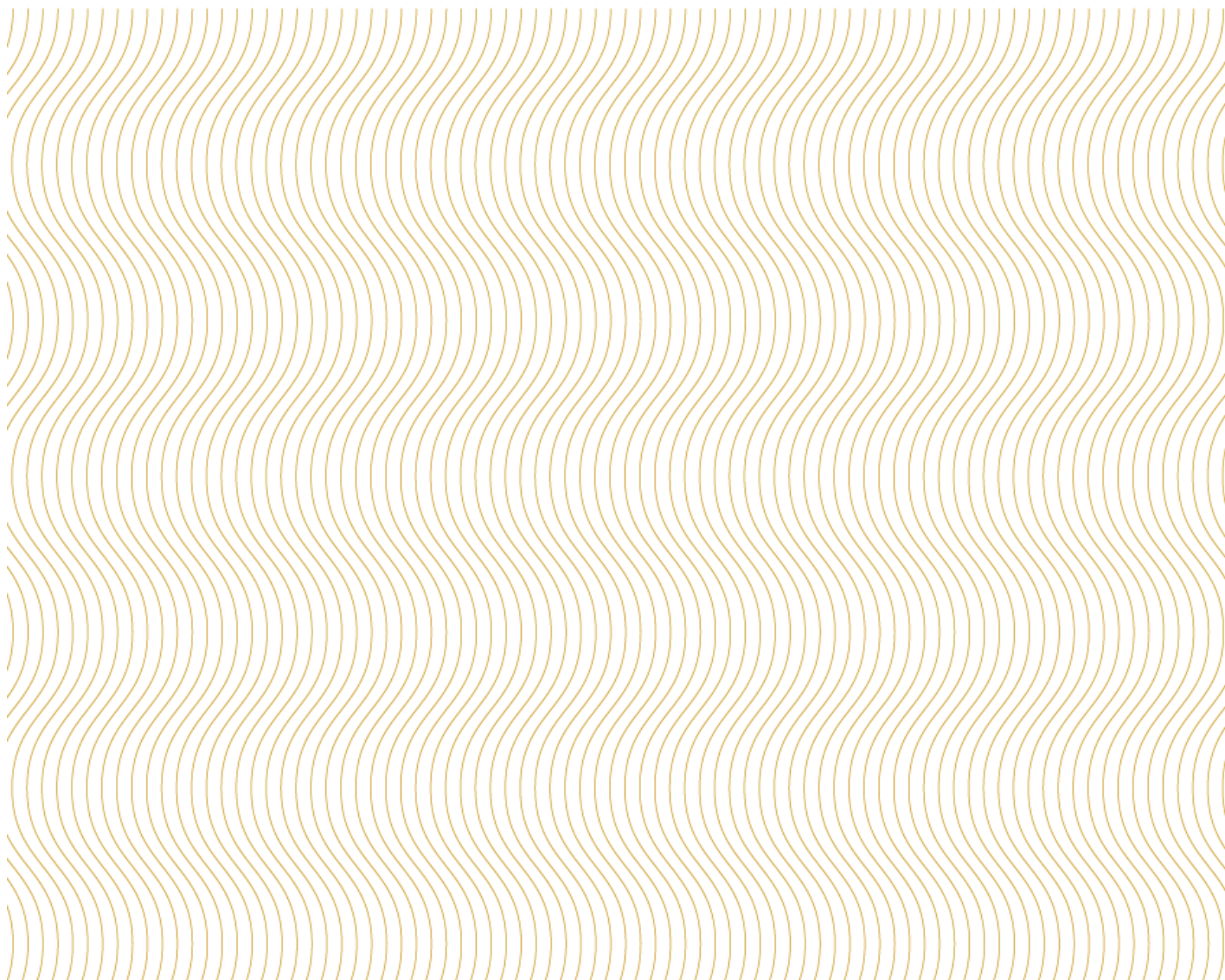


Legal Entity Types
Guidance



ABU DHABI GLOBAL MARKET
سوق أبوظبي العالمي



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Introduction

Abu Dhabi Global Market (“ADGM”) is established pursuant to Abu Dhabi Law No. 4 of 2013 as a financial free zone in the Emirate of Abu Dhabi, with its own civil and commercial laws. ADGM offers market participants a world-class legal system and regulatory regime.

This document provides overview of the different legal entity types that are available pursuant to relevant provisions of ADGM Regulations.

Registration Authority Office

The Registration Authority (the “Registrar”) is an independent authority, which has the powers granted to it under the Abu Dhabi Law No. 4 of 2013. The Registrar’s office is located at 3rd floor, ADGM Building, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

The Registrar’s main functions under Companies and Commercial Licensing Regulations, Foundation Regulations 2017 are:

- Registration of ADGM establishments
- Registration of business names and maintenance of register
- Registration of post-incorporation documentation and event-driven filings
- Registration of changes in business name particulars
- Registration of changes in directors, officers, shareholders and share capital
- Enforcement, prosecution and strike off, dissolution or restoration of ADGM establishments
- Cancellation of Commercial Licenses, amendment, suspension, etc.

Opening Hours

The Registrar’s office is open from Sunday to Thursday, 9:00am to 3:00pm and may be contacted during normal working hours at +971 2 3338777 or by email at adgm.registration@adgm.com

Legal Entity Types

ADGM Companies Regulations 2015

Section	Type of legal entity	Notes
Part 1, Sections 1-4 and Part 2 Sections 5-14	Private Company Limited by Shares Private Company Limited by Guarantee Private Company Unlimited with Shares Private Company Unlimited without Shares Restricted Scope Company Public Company Limited by Shares	
Part 36 Sections 1047- 1068	Protected Cell Company Incorporated Cell Company Incorporate Cell	
Part 7, sections 76-99	Re-registration as a means of altering a company's status from/to: Private company as public Public company as private Private limited company as unlimited Unlimited company as limited Public company as private and unlimited Restricted Scope Company as a non-restricted scope company	
Part 7, Sections 100- 116	Continuance of a foreign company into ADGM from another jurisdiction	If a company is unlimited in the foreign jurisdiction it may continue in ADGM only as unlimited company.

ADGM Companies (Amendment) Regulations 2015

Section	Type of legal entity	Notes
Section 1068B	Open Ended Investment Company Closed Ended Investment Company	

ADGM Limited Liability Partnership Regulations 2015

Section	Type of legal entity	Notes
Section 1-2	Limited Liability Partnership	

ADGM Commercial Licensing Regulations 2015

Section	Type of legal entity	Notes
Section 9	Branch of a foreign company Branch of a foreign limited liability partnership Branch of a foreign general partnership Branch of a foreign limited partnership	

Application of English Law in ADGM

Section	Type of legal entity	Notes
Limited Partnerships Act 1907	Limited Partnership	
Partnership Act 1890	General Partnership	

Company

Public Company Limited by Shares

A Public Company Limited by Shares (PLC) is a company, which has offered shares to the general public and has limited liability. Only PLCs may be listed on the stock exchanges.

Shares and Share Capital	It may offer shares or any securities of the company for sale to the general public. It may be quoted on the stock exchange, but not all public companies are listed companies. Has a share capital and the liability of the shareholder is limited to the amount paid or unpaid (if any) on their shares.
Liabilities	The shareholder is not personally liable for any of the debts of the company. The liability is limited to the amount of shares held by.
Minimum amount of share capital	US\$50,000
Authorised Signatory	Minimum one; individual
Director	Minimum two; individual or body corporate; one must be individual
Secretary	Minimum one; individual or body corporate; can be joint secretary.
Shareholder	Minimum one; individual or body corporate

Private Company Limited by Shares

A Private Company Limited by Shares (LTD) is a company with private ownership. LTDs may issue shares and have shareholders, but their shares do not trade on public exchanges and are not issued through an initial public offering (IPO).

This is a very popular type of company. It is used for various types of business venture, small and large.

Shares and Share Capital	Cannot offer its securities / shares for sale to the general public. Has a share capital and the liability of the shareholder is limited to the amount paid or unpaid (if any) on their shares.
Liabilities	The shareholders is not personally liable for any of the debts of the company. His liability is limited to the amount of shares held by him.
Minimum amount of share capital	-
Authorised Signatory	Minimum one; individual

Director	Minimum one; individual or body corporate; if more than one directors are appointed, one must be individual
Secretary	Not mandatory; individual or body corporate; can be joint.
Shareholder	Minimum one; individual or body corporate

Private Company Limited by Guarantee

A Private Company Limited by Guarantee (LTG) is designed to protect members from liability, but which typically does not distribute profits to its members and does not divide assets into shares. Members of LTGs are obligated to pay a specific sum of money – a guarantee – if the company is wound up. This amount of money can vary by member, but is typically very small.

This is mainly suitable for member associations (e.g. clubs, memberships organizations (including sports associations)). This is used primarily for professional membership and industry associations or organizations that require legal personality.

Shares and Share Capital	It that does not have a share capital and its members act as guarantors rather than shareholders.
Liabilities	The members' liability is limited to the amount they agree to contribute to the company's assets if it is wound up.
Authorised Signatory	Minimum one; individual
Director	Minimum one; individual or body corporate; if more than one directors are appointed, one must be individual
Secretary	Not mandatory; individual or body corporate; can be joint.
Shareholder	Minimum one; individual or body corporate

Restricted Scope Company

This is very similar to Private Company Limited by Shares except to the fact that it has less disclosure on public register and lighter compliance requirements.

It is use by professional investors, government entities, family offices and limited instances of institutions for whom less regulation and greater confidentiality will be appropriate.

Restricted Scope Company can only be incorporated as a subsidiary of a group which publicly files consolidated accounts, or as a subsidiary of a company formed by Emiri decree or by an individual/members of the same family

Shares and Share Capital	Cannot offer its securities / shares for sale to the general public. Has a share capital and the liability of the shareholder is limited to the amount paid or unpaid (if any) on their shares.
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Liabilities	The shareholder is not personally liable for any of the debts of the company. His liability is limited to the amount of shares held by him.
Minimum amount of share capital	-
Authorised Signatory	Minimum one; individual
Director	Minimum one; individual or body corporate; if more than one directors are appointed, one must be individual
Secretary	Not mandatory; individual or body corporate; can be joint.
Shareholder	Minimum one; individual or body corporate

Private Company Unlimited with Shares

An unlimited company is a company which does not have any limit on the liability of its members	
Shares and Share Capital	Cannot offer its securities / shares for sale to the general public. Has share capital.
Liabilities	Does not have any limit on the liability of its shareholders, hence, in the event of the company's formal liquidation, the settlement of outstanding financial liability may only be met by the assets of the company and by those of its shareholders.
Authorised Signatory	Minimum one; individual
Director	Minimum one; individual or body corporate; if more than one directors are appointed, one must be individual
Secretary	Not mandatory; individual or body corporate; can be joint.
Shareholder	Minimum one; individual or body corporate

Private Company Unlimited without Shares

An unlimited company is a company which does not have any limit on the liability of its members	
Shares and Share Capital	Cannot offer its securities / shares for sale to the general public. Without share capital.
Liabilities	Does not have any limit on the liability of its shareholders, hence, in the event of the company's formal liquidation, the settlement of outstanding financial liability may only met by the assets of the company and to those of its shareholders.
Authorised Signatory	Minimum one; individual

Director	Minimum one; individual or corporate; if more than one directors are appointed, one must be individual
Secretary	Not mandatory; individual or corporate; can be joint.
Shareholder	Minimum one; individual or corporate

Branch of Foreign Company

A company incorporated or formed outside of ADGM that would like to have a presence in ADGM.

This is very common and popular entity type. This is more suitable for establishing a small presence in ADGM or for setting up a representative office for referring business transactions to the head office or parent company.

Note that an entity incorporated as sole establishment outside ADGM cannot branch out in ADGM (because sole establishment does not have separate legal personally from the owner)

Shares and Share Capital	As per the foreign company.
Liabilities	As per the foreign company.
Minimum amount of share capital	As per the foreign company.
Authorised Signatory	Minimum one; individual
Director	As per the parent company.
Secretary	As per the parent company.
Shareholder	As per the parent company.

Partnership

Limited Liability Partnership

Limited Liability Partnership (LLP) is most commonly used by professionals such as accountants, auditors and lawyers. The LLP structure protects each partner's personal assets and each partner from debts or liability incurred by the other partners.

Authorised Signatory	Minimum one; individual
Member / Partner	Minimum two; individual or body corporate; one must designated member

General Partnership

A general partnership is an arrangement by which partners conducting a business jointly have unlimited liability, which means their personal assets are liable to the partnership's obligations.

Authorised Signatory	Minimum one; individual
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Member / Partner	Minimum two; individual or body corporate; each general partner
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Limited Partnership

A limited partnership (LP) exists when two or more partners unite to jointly conduct a business in which one or more of the partners is liable only to the extent of the amount of money that partner has invested.

Authorised Signatory	Minimum one; individual
Member / Partner	Minimum two; individual or body corporate; at least one General Partner and at least one Limited Partners

Branch of Foreign Limited Liability Partnership

A Limited Liability Partnership incorporated or formed outside of ADGM that would like to have a presence in ADGM.

Authorised Signatory	Minimum one; individual
Member / Partner	As per the foreign Partnership

Branch of Foreign Partnership

A General Partnership incorporated or formed outside of ADGM that would like to have a presence in ADGM.

Authorised Signatory	Minimum one; individual
Member / Partner	As per the foreign Partnership

Branch of Foreign Limited Partnership

A Limited Partnership incorporated or formed outside of ADGM that would like to have a presence in ADGM.

Authorised Signatory	Minimum one; individual
Member / Partner	As per the foreign Partnership

Cell Company

Protected Cell Company

A Protected Cell Company (PCC) is a corporate structure in which a single legal entity is comprised of a core and several cells that have separate assets and liabilities. PCC has a similar design to a hub and spoke, with the central core organization linked to individual cells. Each cell is independent of each other and of the company's core, but the entire unit is still a single legal entity.

A hub and spoke structure is an investment structure in which several investment vehicles, while each remaining individually managed, pool their assets together by contributing to one central investment vehicle. The smaller investment vehicles are referred to as the "spokes" and the central investment

vehicle is referred to as the "hub".

This is also called a "master-feeder structure".

Note that PCC can be take a form of Public Company Limited by Shares , Private Company Limited by Shares or Private Company Unlimited with Shares .

Incorporated Cell Company

Incorporated Cell Company (ICC) is similar to Protected Cell Company but adopts a fundamentally different approach to cells. The ICC incorporates each cell as a separate legal entity without the cell company needing to have any shareholder relationship with the relevant cell. Such cell is called Incorporated Cell (IC). Each IC is a separate company as a matter of law.

Note that ICC can be Public Company Limited by Shares (, Private Company Limited by Shares or Private Company Unlimited with Shares.

Incorporated Cell

This is the cell of the Incorporated Cell Company.

Note that IC can be Public Company Limited by Shares , Private Company Limited by Shares or Private Company Unlimited with Shares .

Investment Company

Investment Company

Investment Company (IC) is a company engaged in the business of investing the pooled capital of investors in financial securities. This is most often done either through a closed-end fund or an open-end fund.

Investment companies are business entities, both privately and publicly owned, that manage, sell, and market funds to the public. They typically offer investors a variety of funds and investment services, which include portfolio management, recordkeeping, custodial, legal, accounting and tax management services.

Note that Investment Company can be Public Company Limited by Shares , Private Company Limited by Shares or Private Company Unlimited with Shares.

Disclaimer

This Guidance (the “Guidance”) provides details of different legal entity types that are available in Abu Dhabi Global Market. This is only a non-binding indicative guide and should be read together with the relevant legislation, in particular, ADGM Companies Regulations 2015 and any other relevant regulations and enabling rules, which may change over time without notice. The Note only refers to the procedures that need to be completed in relation to the Registrar. It does not cover other requirements as set out in the relevant legislation (which includes contact with the court and other obligations of an applicant). Further advice from a specialist professional may be required. The Registration Authority makes no representations as to accuracy, completeness, correctness or suitability of any information and will not be liable for any error or omission. Information in this Note is not to be deemed, considered or relied upon as legal advice and should not be treated as a substitute for a specific advice concerning any individual situation. Any action taken upon the information provided in this Note is strictly at your own risk and ADGM RA will not be liable for any losses and damages in connection with the use of or reliance on information provided in this Note.

For more information, you may contact the Registrar:

Telephone No.: 00 971 2 3338777

Email: adgm.registration@adgm.com

Address: 3rd floor, ADGM Building, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.