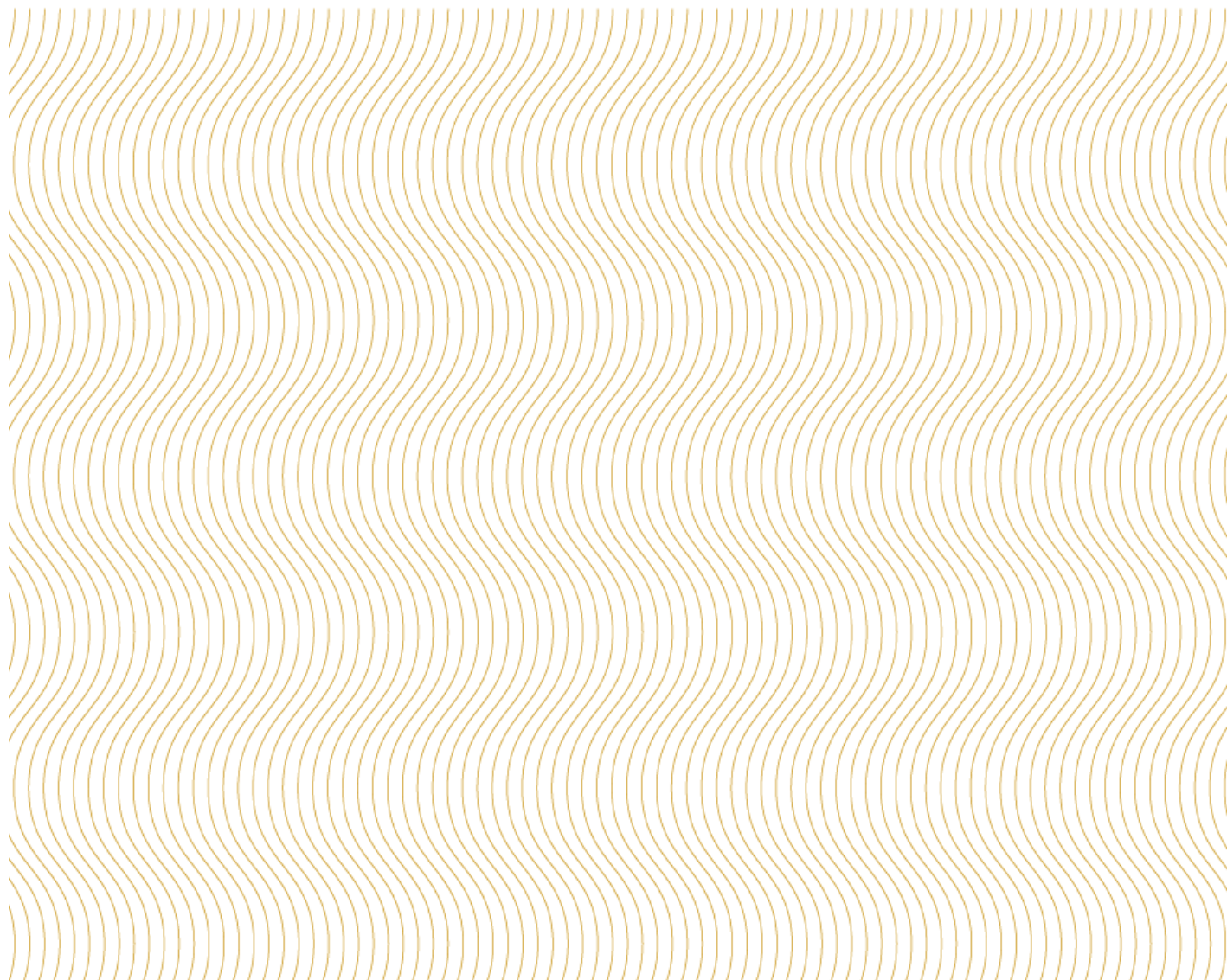


Registration of Charges
Guidance



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 has been prepared as an indicative and non-binding guidance to guide clients through the process of registering a charge in ADGM.

This document gives a step-by-step guide to the practicalities and provides a greater understanding of what is required. Unless otherwise expressly stated, the laws referred to in this document are to the law of the ADGM, which can be found at <https://www.adgm.com/doing-business/adgm-legal-framework/>.

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.

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

- 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 office hours at +971 2 3338888 or by email at ra@adgm.com.

Registrable Charges

Under section 784 of the ADGM Companies Regulations 2015 (“**Companies Regulations**”), a company that has created a charge, or any person interested in that charge, may, subject to certain exceptions, submit an application to the Registrar to register a charge.

In order to avoid sanctions for non-registration of a charge created by a company (see consequence of failure to deliver charges in section 791 before the end of the period allowed for delivery), a prudent charge holder will deliver to the Registrar for registration a charge filing statement in accordance with part 24 of the Companies Regulations.

Exceptions

The following charges cannot be registered:

- a charge in favour of a landlord on a cash deposit given as a security in connection with the lease of land; or
- a charge excluded from the application of the section 784 of the Companies Regulations 2015 or any other law of the ADGM.

Who can register a charge?

One of the following may register the charge with the Registrar:

- the company that created the charge; or
- any person interested in the charge.

To file electronically (that is, through ADGM Online Registry solution), lenders (or anyone other than the company who created the charge) have to apply to register a charge filing statement as a user online. This is a one-off registration to enable them to send future charge documents for registration.

Period allowed for delivery of the charge

The application to register a charge must be delivered before the end of the period allowed for delivery, which is **21 days beginning with the day after the date of creation** of the charge, unless a Court order allowing an extended period is made.

Requirements for registration of charges

The Registrar shall register a charge if, before the end of the period allowed for delivery, the company, or any person interested in a charge, has delivered all of the following to the Registrar:

- an application to register a charge, which can be filed electronically;
- a certified copy of the instrument creating or evidencing the charge, if the charge is created or evidenced by an instrument;

- in the case of a charge in respect of which a court order has been made to extend the period allowed for delivery, a copy of that court order; and
- the registration fee of USD300.

For the purposes of Part 24 of ADGM Companies Regulations 2015, a charge of the type described in column 1 of the table below is taken to be created on the date given in relation to it in column 2 of that table.

1. Type of charge	2. When charge created
Charge created or evidenced by an instrument	If the instrument is a deed that has been executed and has immediate effect on execution and delivery, the date of delivery
	If the instrument is a deed that has been executed and held in escrow, the date of delivery into escrow
	If the instrument is a deed that has been executed and held as undelivered, the date of delivery
	If the instrument is not a deed and has immediate effect on execution, the date of execution
	If the instrument is not a deed and does not have immediate effect on execution, the date on which the instrument takes effect
Charge not created or evidenced by an instrument	The date on which the charge comes into effect.

Where a charge is created or evidenced by an instrument made between two or more parties, references in the table above are to execution by all the parties to the instrument whose execution is essential for the instrument to take effect as a charge.

The Registrar is entitled without further enquiry to accept a charge as created on the date given as the date of creation of the charge in a charge filing statement.

“Deed” means a deed governed by the law of the ADGM, or an instrument governed by a law other than the law of the ADGM which requires delivery under that law in order to take effect.

References to delivery, in relation to a deed, include delivery as a deed where required.

Evidence of registration

If the application to register a charge has been submitted and paid, the Registrar shall accept it as filed and the Registrar will:

- allocate a unique reference code to the charge and place a note on the register recording that reference code; and
- issue a certificate of registration of the charge signed by the Registrar (or authenticated by the Registrar’s seal) that states:
 - ✓ the registered name of the company in respect of which the charge was registered; and

- ✓ the unique reference code allocated to the charge.

The certificate is conclusive evidence that the documents that must have been delivered to the Registrar before the end of the relevant period allowed for delivery, were delivered.

Effect of valid registration of a charge

A correctly registered charge is valid against the liquidator, administrator and any creditor of the company that created the charge. A charge could still be challenged on other grounds, for example, as a preference or transaction at an undervalue.

Registration may also give notice of the existence of the charge to third parties and so assist in establishing the priority of the charge by posting the register of charges on the ADGM public register.

Effect of failure to deliver registration of charge before the end of period allowed for delivery

If a charge is not registered within the period allowed for delivery, or is not registered at all, the security will be considered void (as far as any security is conferred by it) against the liquidator, the administrator, any creditor of the company.

When the company that created the charge goes into liquidation or administration, the holder of the unregistered charge will rank as an unsecured creditor. The charge is only void against a liquidator, administrator or creditor insofar as any security on the company's property or undertaking that is conferred by it. It does not render void any contract or obligation for repayment of the money secured by that charge.

Options available to a charge holder if charge is not registered within the 21-day time limit

A charge holder has the following two options if the application to register a charge is not delivered to the Registrar before the end of the period allowed for delivery:

- Submit an application to register a charge along with a court order approving an extension of the period allowed for delivery.
- Re-execute the instrument to create the charge again, and register within the 21-day time limit applicable to that charge.

Registration of a charge after the period allowed for delivery has ended

The company or a person interested in a charge can apply to the court for an extension of the period allowed for delivery if the application to register a charge is not delivered to the Registrar within that period. Note that there is no guarantee that a court will agree to extend the period allowed for delivery.

The court will extend the period allowed for delivery, on such terms and conditions as the court deems just and expedient, if it is satisfied that one of the following applies:

- the failure to deliver before the end of the period allowed for delivery was accidental, due to inadvertence or to some other sufficient cause, or is not of a nature to prejudice the position of creditors or shareholders of the company;
- that on other grounds it is just and equitable to grant relief.

The priority of the charge will generally be determined from the date of its late registration and the charge

will rank **behind** any security registered before that date.

Replacement of an instrument creating a charge

The court may order the copy of an instrument be removed from the register and replaced if it is satisfied as to one of the following:

- the copy of the instrument delivered to the Registrar contains material that could have been omitted;
- the wrong instrument was delivered to the Registrar; or
- the copy of the instrument delivered to the Registrar was defective.

The company, or any person interested in a charge, may apply to the court for an order. The court may make an order on such terms and conditions as it deems just and expedient.

If an order is obtained, the person who applied for the order must submit a Notice of Replacement of Instrument or Debenture to the Registrar for registration.

Rectification of statements and notices

If there is an omission or mis-statement in any statement or notice delivered to the Registrar, the court may order that the omission or mis- statement be rectified if it is satisfied as to one of the following:

- The omission or mis- statement was accidental, due to inadvertence or to some other sufficient cause, or is not of a nature to prejudice the position of creditors or shareholders of the company.
- On other grounds it is just and equitable to grant relief.

The company, or any person interested in a charge, may apply to the court for an order. The court may make an order on such terms and conditions as it deems just and expedient. If an order is obtained, a Notice of Rectification must be sent to the Registrar for registration. The Registrar will then rectify the error on the register as required by the order and place the order on the company record so that anyone searching the register will be able to read it and understand the effect of the rectification.

Notification of addition to or amendment of charge

If, after a charge is created, it is amended by adding or amending a term that does one of the following:

- prohibits or restricts the creation of any fixed security or any other charge having priority over, or ranking with, the charge (essentially a negative pledge);
- varies, or otherwise regulates the order of, the ranking of the charge in relation to any fixed security or any other charge,

then either the company or the holder of an affected charge can deliver to the Registrar for registration a Notice of Rectification along with a certified copy of the document effecting the amendment or variation .

Satisfaction or release of charge

There is no statutory requirement for a company to inform the Registrar that:

- the debt secured by a registered charge has been satisfied in whole or part;
- a registered charge has been fully or partly released;

- the charged property no longer belongs to the company.

However, it is in a company's own interests to inform third parties, such as potential investors and lenders, that these events have occurred. Therefore, if a company wants to have these events noted on the register, it must submit a notice of satisfaction or release of charge. There is no fee for filing such notification.

How to complete the Application to register a Charge

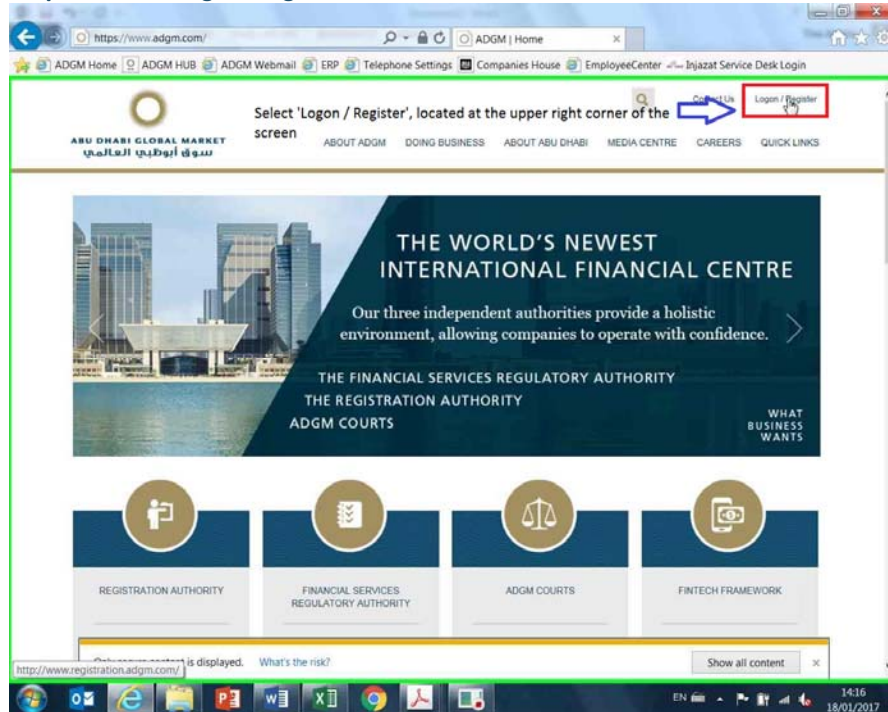
The application to register a Charge is available on ADGM Online Registry Solution. www.registration.adgm.com. Before you begin, please create an account by following the steps on 'How to create an account' (access to this form is available to all registered user(s)), prepare the supporting documents in digital format and have your credit card information handy. Please refer to 'Available Payment Methods' for more payment options.

How to create an account

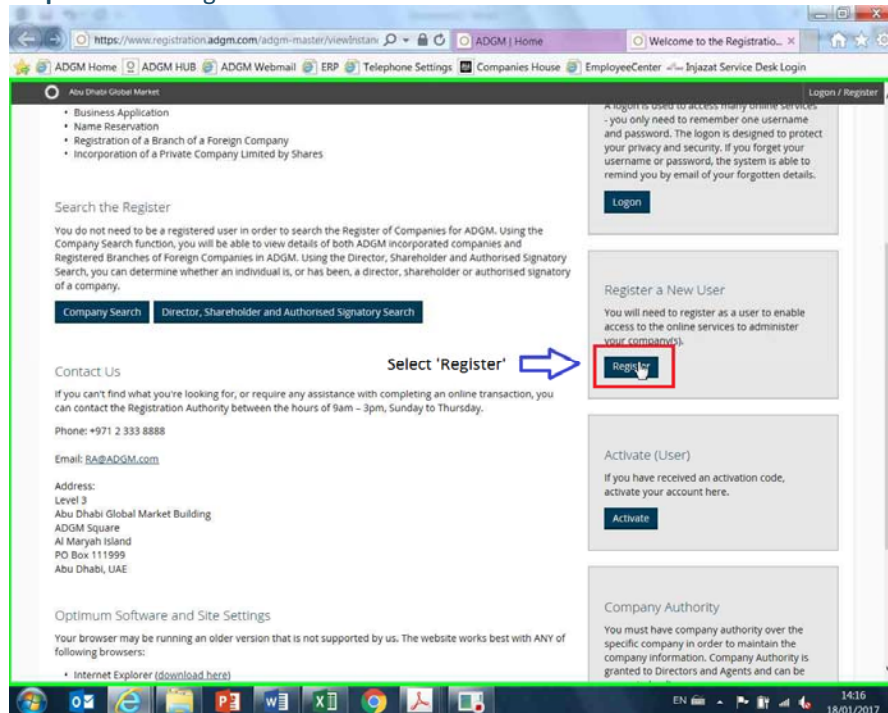
Step 1: Go to www.registration.adgm.com



Step 2: Select 'Logon/Register'



Step 3: Select 'Register'



Step 4: Complete the form.

The screenshot shows a web browser window with the URL <https://www.registration.adgm.com/adgm-security/viewInstance/view.html?id=b12c1a06f140712e0d472f275be987>. The page title is "Register User". Below the title is a blue banner that says "I also want to create an Organisation". The main form is divided into two sections: "Account details" and "User Details". The "Account details" section includes fields for Username (Leese.User), Password (masked with asterisks), Repeat Password (masked with asterisks), Secret Question (Favorite Color?), and Secret Answer (Red). The "User Details" section includes fields for Title (Ms.), First Name (Tina), Middle Name, Last Name (Austria), Gender (Female), Date Of Birth (01-Apr-1980), and a dropdown for navigation (Standard (i.e. keyboard & mouse)). A red rectangular box highlights the entire form area. A blue arrow points from the text "Complete all the information" to the right side of the form.

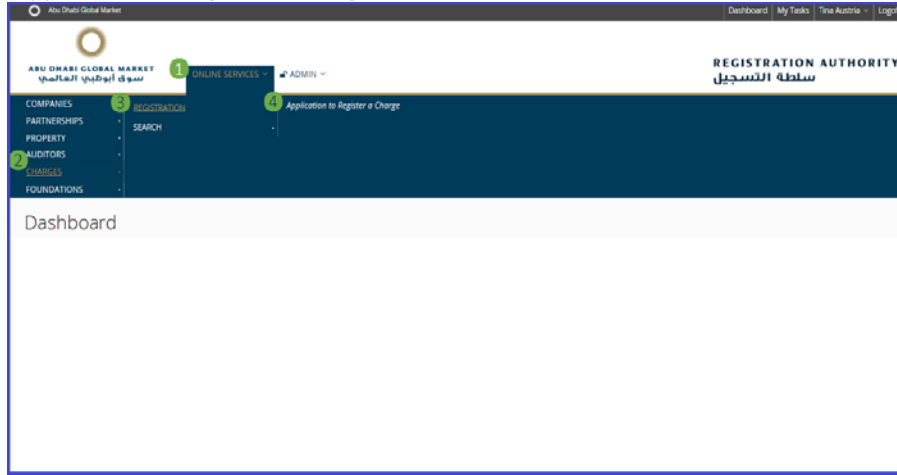
Step 5: Select 'Create'

The screenshot shows the continuation of the registration form. It includes fields for Telephone Number, Fax, and Mobile Number, each with Country, Area, and Number sub-fields. The Address section includes a text field for the address (Al Maryah Island), a text field for the Postcode (Abu Dhabi), and a dropdown for Country (United Arab Emirates). There is a checkbox labeled "Postal address is the same as physical address" which is checked. Below the form is a section titled "Important Information" with a note: "Please note that you are responsible for keeping your details up to date. You can access your details at any time by selecting My User Details from the My Tools menu." At the bottom of the form, there are two buttons: "Cancel" and "Create". The "Create" button is highlighted with a red rectangular box. A blue arrow points from the text "Select 'Create'" to the "Create" button.

Application to register a charge

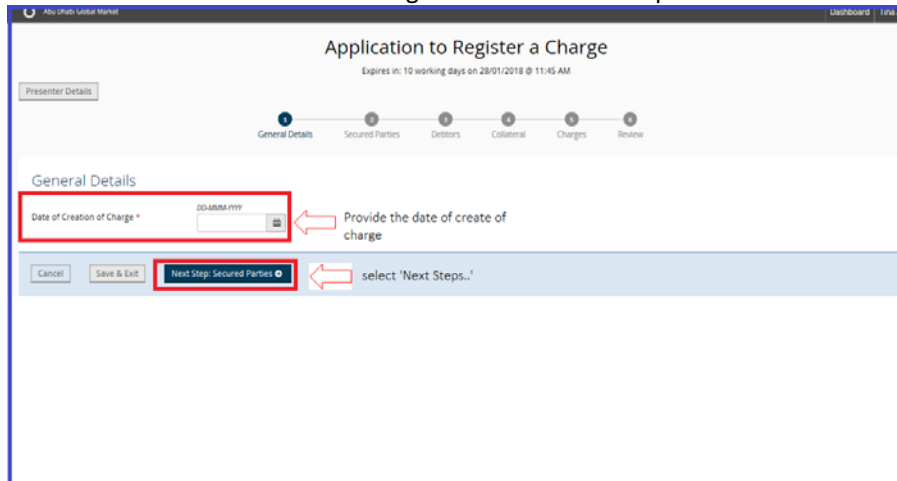
Step 1: Log in to your account.

Log in to your account and access the form by selecting 'Online Services' > 'Charges' > 'Registration' and 'Application to Register a Charge'.



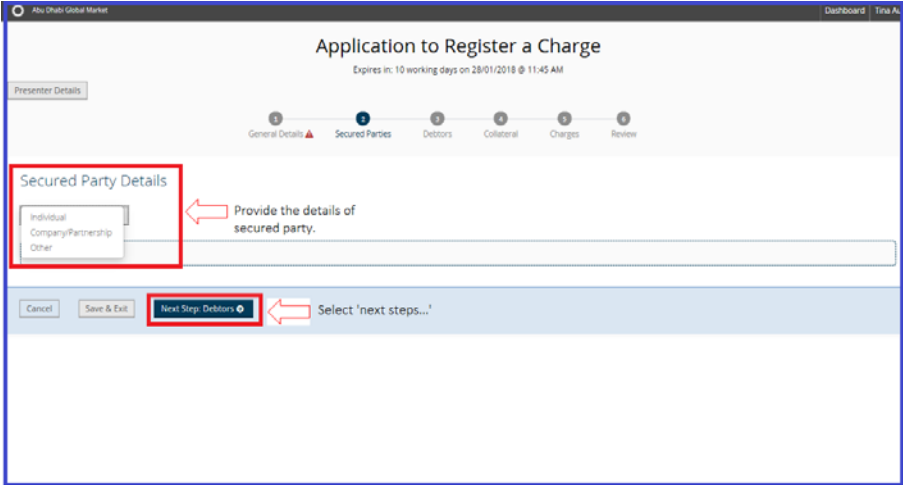
Step 2: General Details

Provide the date of creation of charge and select 'next steps..'



Step 3: Secured Party

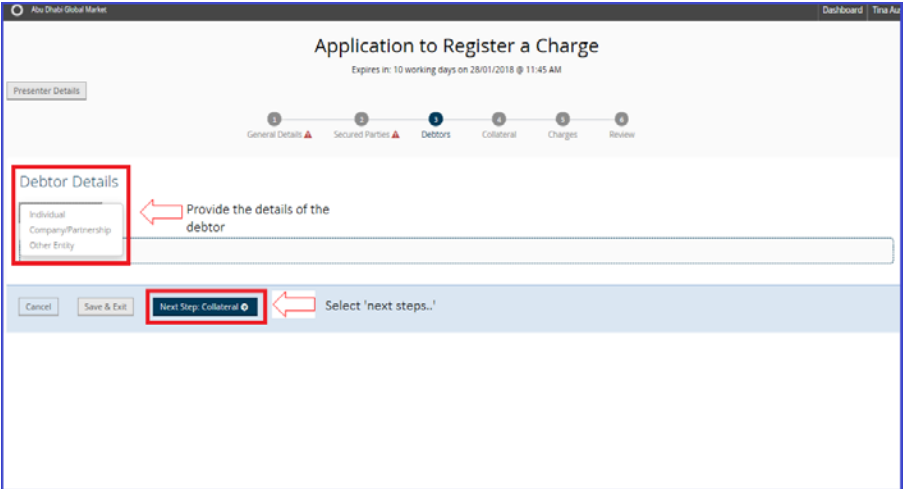
Provide the details of secured party.



Once completed, select 'Next Step:..'

Step 4: Debtors

Provide the details of debtors.



Once completed, select 'Next Step:..'

Step 5: Collateral Details

Select the type of collateral from the list and provide its details.

Once completed, select 'Next Step:..'

Step 6: Charges

Provide the details of the charge and upload a certified true copy of instrument of charge.

Once completed, select 'next steps:..'

Step 7: Review

Review all the information provided on the form. If all are in order, complete the declaration and select 'Proceed to Payment'.

Step 8: Payment

Complete the payment details. Once completed, form will be submitted for review.

Available Payment Method

ADGM Registration Authority does not accept payment in cash.

Payment to the Registrar can be made via the following channels:

Online Payments

Online credit card payment is only available to those applicants who have submitted applications through the Online Registry Solution.

Credit Card / POS

An applicant can visit our offices and pay using their credit card. Currently only Visa and MasterCard are accepted.

Bank Transfer

USD Account

Bank Name: National Bank of Abu Dhabi
Account Name: ADGM Registration Authority
Account Number: 6205791613
IBAN Number: AE28035000006205791613

AED Account

Bank Name: National Bank of Abu Dhabi
Account Name: ADGM Registration Authority
Account Number: 6205791532
IBAN Number: AE81035000006205791532

1. Please inform a member of the Registration Authority of your intention to make payment via bank transfer for the specified service.
2. When completing the transfer, where possible please include within the reference for payment field:
 - a) Company name (of applicant)
 - b) Service that is being applied for
 - c) Once the transaction has been completed, please inform a member of the Registration Authority that this transfer has been successful, and if possible provide a copy of the receipt of transfer.

The Registration Authority will not commence processing of any application until such time that payment has been successful and received within the account. By following the above steps, any potential delays in tracing payments may be avoided.

Disclaimer

This Guidance Note (the “**Note**”) provides guidance to many frequently asked questions and provides information on completing the application to register a charge. This is only a non-binding indicative guide and should be read together with the relevant legislation, in particular, ADGM Companies Regulations 2015, as may be amended from time to time, 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 Registration Authority 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 338888

Email: ra@adgm.com

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