

FOUNDATIONS REGULATIONS (AMENDMENT No. 1) 2022

Regulations to amend the Foundations Regulations 2017

Date of Enactment: [●] 2022

The Board of Directors of the Abu Dhabi Global Market, in exercise of its powers under Article 6(1) of Law No. 4 of 2013 concerning the Abu Dhabi Global Market issued by his Highness the Ruler of the Emirate of Abu Dhabi enacts the following Regulations:

1. Amendments to the Foundations Regulations 2017

The Foundations Regulations 2017 shall be amended by –

- (1) In the Table of Contents:
 - (a) Insert new sections 7A, 7B and 7C immediately after section 7.
 - (b) Delete “SCHEDULES” and “Schedule 1 – Fees”.
- (2) In section 4, replace the first word in subsection 4(3) with “Subsections”.
- (3) After section 7, insert new sections 7A, 7B and 7C as follows:

“7A. Fees payable to the Registrar

- (1) The Board may make rules requiring the payment to the Registrar of fees in respect of:
 - (a) the performance of any of the Registrar’s functions, or
 - (b) provision by the Registrar of services or facilities for purposes incidental to, or otherwise connected with, the performance of any of the Registrar’s functions.
- (2) The matters for which fees may be charged include–
 - (a) the performance of a duty imposed on the Registrar or the Board,
 - (b) the receipt of documents delivered to the Registrar, and
 - (c) the inspection, or provision of copies, of documents kept by the Registrar.
- (3) The rules may-
 - (a) provide for the amount of the fees to be fixed by or determined under the rules,
 - (b) provide for different fees to be payable in respect of the same matter in different circumstances,
 - (c) specify the person by whom any fee payable under the rules is to be paid;

(d) specify when and how fees are to be paid.

(4) Fees received by the Registrar are to be paid into such account as the Registrar may direct, from time to time.

7B. Fines

(1) If all or any of the amount of a fine payable under these Regulations is outstanding 30 days after notice of that fine has been issued, the Registrar may recover that amount as a debt due to it.

(2) This section is subject to any direction of the Court.

7C. Fines for late filings

(1) Where a person commits a contravention of any relevant section of these Regulations, the Registrar may impose a fine of up to level 4.

(2) For the purpose of this section, “relevant section” means any provision under these Regulations where:

(a) a filing must be sent to the Registrar by the filing deadline stated in the relevant section; and

(b) a delay in meeting the filing deadline attracts a late filing fee.”

(4) In section 10:

(a) Delete subsection 10(8) in its entirety and replace it in full with the following:

“(8) Where a Foundation amends its Charter or changes the information contained in its Confidential Disclosure, it must send to the Registrar a copy of the updated document not later than 14 days after the amendment takes effect or the information changes, as applicable (“filing deadline”).”

(b) After subsection 10(8), insert new subsections 10(9) and 10(10) as follows:

“(9) Where a Foundation defaults in complying with subsection (8) by the filing deadline, the Foundation must pay a late filing fee up to the maximum amount prescribed in rules made by the Board.

(10) If a Foundation fails to comply with subsection (8), a contravention of

these Regulations is committed by-

- (a) the Foundation, and
- (b) every Councillor of the Foundation who is in default.”

(5) In section 18:

(a) In subsection 18(7):

- (i) insert the words “(“filing deadline”)” immediately after the words “Company Service Provider of the Non-Exempt Foundation”; and
- (ii) insert the words “, in a form that complies with the requirements of this section” immediately after the words “the date on which it occurred”.

(b) After subsection 18(7), insert a new subsection 18(7A) as follows:

“Where a Non-Exempt Foundation defaults in complying with subsection (7) by the filing deadline, the Non-Exempt Foundation must pay a late filing fee up to the maximum amount prescribed in rules made by the Board.”

(c) In subsection 18(11) replace the words “If default is made in complying” with the words “If a Non-Exempt Foundation fails to comply”.

(d) Delete subsection 18(12) in its entirety.

(6) Delete section 24 in its entirety and replace it in full with the following:

“24. Notice of Appointment of Councillors”

(1) A Foundation must give written notice of the appointment of a Councillor, including the full name and address of the Councillor, to:

- (a) its Company Service Provider, if any, and
- (b) the Registrar,

within 14 days of such appointment (“filing deadline”).

(2) Where a Foundation defaults in complying with subsection (1)(b) by the filing deadline, the Foundation must pay a late filing fee up to the maximum amount prescribed in rules made by the Board.

(3) If a Foundation fails to comply with subsection (1)(a), a contravention of these Regulations is committed by-

- (a) the Foundation, and
- (b) every Councillor of the Foundation who is in default.

- (4) If a Foundation fails to comply with subsection (1)(b), a contravention of these Regulations is committed by-
- (a) the Foundation, and
 - (b) every Councillor of the Foundation who is in default.
- (5) A Foundation that commits the contravention referred to in subsection (3) is liable for a level 1 fine.”
- (7) In section 30:
- (a) Delete subsection 30(3) in its entirety and replace it in full with the following:

“(3) Where a Foundation defaults in complying with subsection (2) by the filing deadline specified in section 10(8), the Foundation must pay a late filing fee up to the maximum amount prescribed in rules made by the Board.”
 - (b) After subsection 30(5), insert a new subsection 30(6) as follows:

“(6) If a Foundation fails to comply with subsection (2), a contravention of these Regulations is committed by-

 - (a) the Foundation, and
 - (b) every Councillor of the Foundation who is in default.”
- (8) In section 42:
- (a) In subsection 42(2), immediately after the words “does not within” replace “one month” with “14 days”.
 - (b) In subsection 42(2), immediately after the words “the expiration of that” replace the word “month” with “period”.
 - (c) In subsection 42(2)(b), immediately after “second communication within” replace “one month” with “14 days”.
 - (d) In subsection 42(3), immediately after “if, within” replace “one month” with “14 days” and immediately after “a notice that at the expiration of” and before “months from the date of the notice” replace “three” with “two”.
- (9) Delete Schedule 1 in its entirety.

2. Short title, extent and commencement

- (1) These Regulations may be cited as the Foundations Regulations (Amendment No. 1) 2022.
- (2) These Regulations shall apply in the Abu Dhabi Global Market.

- (3) These Regulations come into force on the date of their publication.