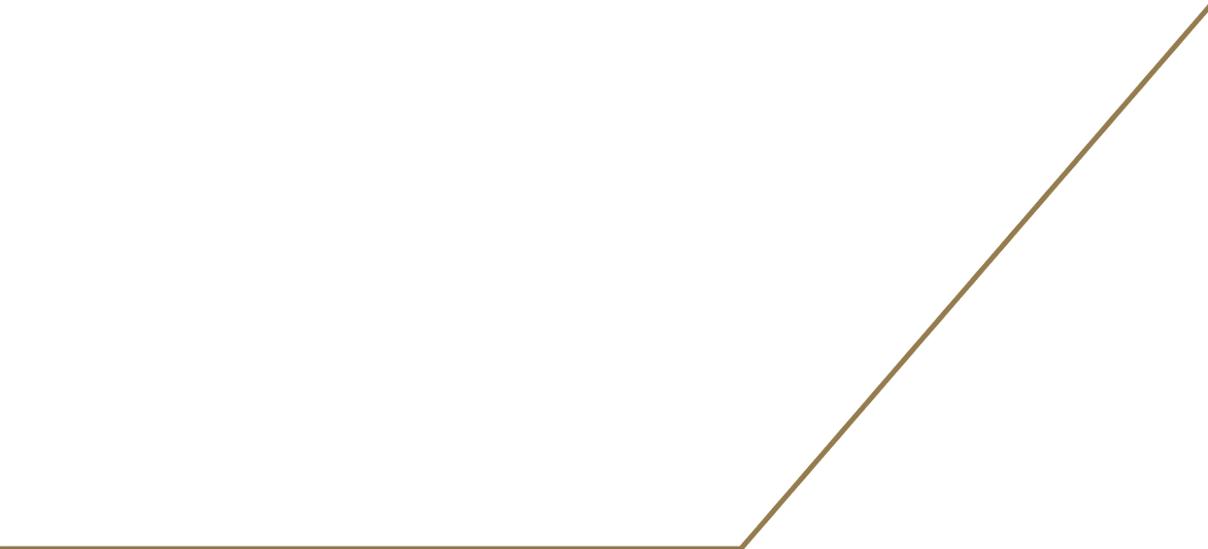




**COMPANIES REGULATIONS (AMENDMENT No X) 2023**



## **COMPANIES REGULATIONS (AMENDMENT NO X) 2023**

Regulations to amend the Companies Regulations 2020.

Date of Enactment: [•] 2023

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, hereby enacts the following Regulations–

### **1. Amendments to the Companies Regulations 2020**

...

## **CHAPTER 4A**

### **ENVIRONMENTAL, SOCIAL AND GOVERNANCE DISCLOSURES**

#### *General*

#### **399A. Scope of requirements in this chapter**

- (1) A company shall be subject to the provisions of this Chapter where the conditions of subsection (2) are met in that year.
- (2) The conditions are met by a company in each financial year following the second anniversary of the issuance of its certificate of incorporation or continuance where:
  - (a) a company has turnover of more than 68 million US dollars, or
  - (b) a company is a financial institution which:
    - (i) has a Financial Services Permission to carry on the Regulated Activity of:
      - (A) Managing a Collective Investment Fund, or
      - (B) Managing Assets, and
    - (ii) has assets under management of more than 6 billion US dollars at any time during such financial year.
- (3) A company meeting the conditions in subsection (2) shall not be required to comply with this chapter for a successive financial year where it has ceased to meet the conditions of subsection 399A(2)(a) or 399A(2)(b), as applicable, for two or more consecutive financial years.
- (4) A company not meeting the conditions of subsection (2) may choose to comply with the provisions of this Chapter on a voluntary basis.

#### **399B. Environmental, social and governance (“ESG”) disclosures**

- (1) Subject to subsection (5), a company meeting the conditions specified in subsection 399A(2) must include the information required by this section in the company’s annual

accounts, or in a separate document which accompanies the company's annual accounts submitted to the Registrar.

- (2) The information required is –
  - (a) where the company meets the condition under subsection 399A(2)(a), information necessary for an understanding of the company's position in terms of development, strategy, performance and position by reference to an international framework relating to environmental, social and governance matters; or
  - (b) where the company meets the conditions under subsection 399A(2)(b), information to the extent necessary for an understanding of the development, performance and position of the overall assets managed or administered by the Company relating to environmental, social and governance matters.
- (3) The information required by this section must specify the international framework relied upon.
- (4) The Board may make rules prescribing the ESG disclosures undertaken by a company, including the national or international frameworks that may be adopted for the purposes of providing the information required under subsection (2).
- (5) A company meeting the conditions specified in subsection 399A(2) may choose not to provide the information required under subsection (2), so long as the company submits to the Registrar a clear and reasoned written explanation for not doing so.

### **399C. Exemption for a company included in the group accounts of a larger group**

- (1) Subject to (2), a company is exempt from the requirement to provide the information in section 399B(2) where it is a subsidiary undertaking and equivalent information is included in the consolidated group accounts or associated reports.
- (2) Exemption is conditional upon compliance with all the following conditions –
  - (a) the consolidated group accounts or associated reports must be broadly equivalent to the ESG disclosure requirements in this Chapter;
  - (b) the company must disclose in its individual annual accounts that it is exempt from the obligation to provide the information required under subsection 399B(2); and
  - (c) the company must state in its individual annual accounts the name of the parent undertaking that draws up the consolidated group accounts or associated reports referred to in subsection (1) above.
- (3) If requested by the Registrar, the company must, within such time period as specified by the Registrar, deliver to the Registrar copies of the consolidated group accounts or associated reports referred to in subsection (1) above.

### **399D. Companies exempted from the provisions in this Chapter**

- (1) A company which satisfies the conditions in subsection 399A(2) is exempt from the requirement to provide information under section 399B where it is:
  - (a) listed on an investment exchange and ESG disclosure is a requirement of the company to maintain its listing on that investment exchange; or

(b) a Restricted Scope Company; or

(c) an Investment Company.

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**2. Short title, extent and commencement**

- (1) These Regulations may be cited as the Companies Regulations (Amendment No X) Regulations 2023.
- (2) These Regulations shall apply in the Abu Dhabi Global Market.
- (3) These Regulations come into force on the date of their publication.