

17 January 2024

Access Bridge Ventures Fund LP
DD-14-124-019, 14th Floor, Wework Hub71
Al Khatem Tower
ADGM Square
Al Maryah Island
Abu Dhabi
United Arab Emirates

Attention:

[REDACTED]

[REDACTED]

Sent by e-mail:

[REDACTED]

Dear Sirs

AMENDMENT OF DECISION IN RELATION TO PENALTY IMPOSED FOR CONTRAVENTIONS OF THE COMMON REPORTING STANDARD REGULATIONS 2017

1. The Financial Services Regulatory Authority (“FSRA”) of the Abu Dhabi Global Market (“ADGM”) hereby confirms its decision to impose a penalty on Access Bridge Ventures Fund LP (“ABV”) pursuant to subsection 9(1) of the *Common Reporting Standard Regulations 2017* (the “Regulations”). This notice is issued pursuant to Article 7(5) of Cabinet Resolution No. 93 of 2021 (“Cabinet Resolution”), which applies pursuant to the Regulations, following due consideration of an appeal submitted by ABV on 24 October 2023 in response to the notice from the FSRA dated 28 September 2023.

Defined Terms

2. Terms defined in the notice are defined at the first instance the term is used in parentheses. Other capitalised terms are defined in the Regulations and shall bear the same meaning in this notice, unless the context otherwise requires.

SUMMARY

3. The FSRA considers that ABV, having classified itself as a Reporting Financial Institution (“RFI”) for the purposes of the Regulations, failed to:

FINANCIAL SERVICES REGULATORY AUTHORITY
سلطة تنظيم الخدمات المالية

ADGM Authorities Building, ADGM Square, Al Maryah Island, PO Box 111999, Abu Dhabi, UAE
مبنى سلطات سوق أبوظبي العالمي، مربعة سوق أبوظبي العالمي، جزيرة الماريه، ص ب 111999، أبو ظبي، الإمارات العربية المتحدة

T +971 2 333 8888 adgm.com

- a. apply due diligence procedures as required by the Regulations, in contravention of Schedule 1, Part 4, paragraph A and Schedule 1 Part 6, paragraph A(1)(a) (as applicable) of the Regulations in force at the time of the contraventions (“2021 Regulations”)¹; and
 - b. keep records of the steps undertaken and any evidence relied upon for the performance of the due diligence procedures performed, in contravention of subsection 6(1) of the 2021 Regulations.
4. Following due consideration of ABV’s appeal submitted pursuant to subsection 9(2) of the Regulations, the FSRA has decided to:
- a. impose a total penalty of AED 35,000 on ABV, pursuant to subsection 9(1) of the Regulations; and
 - b. direct ABV to undertake and complete remedial actions, as approved by the FSRA, to ensure compliance with the Regulations, pursuant to subsection 10(1) of the Regulations.

BACKGROUND

5. The Organisation for Economic Co-operation and Development (“OECD”) developed the Common Reporting Standard (“CRS”), which came into force in October 2014. The CRS was established in the United Arab Emirates (“UAE”) with effect from 1 January 2017 pursuant to the ratification of various conventions and declarations by the UAE, and publication of Federal Law No. 54 of 2018.
6. The CRS sets out the required information to be exchanged, the types of entities required to report, the different types of financial accounts and account holders in scope and the common due diligence procedures to be followed by RFIs.
7. Appropriate legislation to support the implementation of the CRS in the UAE has been issued at both a federal level in the UAE and in the ADGM. This includes the enactment of the Regulations by the Board of Directors of ADGM in 2017. The Regulations apply the Cabinet Resolution in the ADGM pursuant to subsection 2(1) of the Regulations, and the CRS and any explanatory material and commentary published by the OECD in relation to the CRS pursuant to subsection 3(1) of the Regulations.
8. On 27 January 2017, the ADGM published the ‘*Notification of collection of information under the Common Reporting Standards*’ prepared by the UAE’s Ministry of Finance, setting out the requirements for implementation of the CRS across all jurisdictions within the UAE.
9. On 28 July 2020, ABV was registered as a non-financial company to carry on the business of an Investment Partnership.
10. On 19 August 2021, the FSRA sent an email to Senior Executive Officers (“SEOs”) and Money Laundering Reporting Officers (“MLROs”), attaching Notice 19 of 2021, informing them that the UAE was under review by the OECD regarding the implementation of the CRS and all relevant

¹ See:

[https://en.adgm.thomsonreuters.com/sites/default/files/net_file_store/CRS_Regulations_2017_\(Consolidated_2020\)_v3.pdf](https://en.adgm.thomsonreuters.com/sites/default/files/net_file_store/CRS_Regulations_2017_(Consolidated_2020)_v3.pdf)

persons were instructed to complete a CRS Risk Based Questionnaire (“2021 Questionnaire”) by 26 August 2021.

11. On 29 August 2021, the FSRA sent an email to the Compliance Officer of ABV, stating that ABV was required to complete and return the 2021 Questionnaire. The 2021 Questionnaire was returned by ABV on the same day.
12. On 28 September 2021, the FSRA sent an email to ABV enclosing Notice No. 26 of 2021 and an entity self-certification form (“Entity Self-Certification”) for ABV to complete, requesting that it be returned by 7 October 2021. The FSRA stated that failure to comply may result in regulatory action. A reminder was sent by the FSRA to ABV on 29 September 2021.
13. On 7 October 2021, ABV sent its completed Entity Self-Certification dated 6 October 2021 to the FSRA. In it, ABV had self-classified as an ‘Investment Entity’ and therefore as an RFI for the purposes of CRS.
14. On 17 May 2022, the Ministry of Finance announced the go-live of the Automatic Exchange of Information (“AEOI”) reporting portal for submission of returns relating to CRS, and the Foreign Account Tax Compliance Act as implemented in the UAE (“FATCA”) by RFIs.
15. On 22 June 2022, the FSRA sent an email to ABV reminding it that all RFIs were required to submit a CRS return for the 2021 calendar year (“CRS Return”) via the AEOI portal by 20 July 2022. ABV was reminded that failure to comply may constitute a breach of the Regulations.
16. The Ministry of Finance extended the deadline for submission of CRS Returns for the 2021 calendar year to 15 August 2022.
17. On or around 12 August 2022, ABV registered as an RFI on the AEOI portal and filed its CRS Return.
18. On 9 November 2022, the FSRA sent an email to ABV enclosing Notice No. 46 of 2022, and an ‘Audit Review Questionnaire for FATCA and/or CRS’ (the “2022 Questionnaire”) for completion. The FSRA informed ABV that it had been selected for an audit review for the 2021 calendar year based on its recent CRS Return. ABV was reminded that failure to comply may constitute a breach of the Regulations.
19. On 23 November 2022, the FSRA sent an email to ABV stating that the 2022 Questionnaire needed to be submitted manually by 15 December 2022.
20. On 23 December 2022, the FSRA sent an email to ABV stating that the FSRA has not yet received the 2022 Questionnaire from ABV. ABV was reminded that failure to comply by the extended deadline of 31 December 2022 may constitute a breach of the Regulations.
21. On 29 December 2022, ABV sent an email to the FSRA attaching the completed 2022 Questionnaire.
22. On 30 January 2023, the FSRA sent an email to ABV informing ABV that the Review would include an on-site inspection (the “Inspection”) at ABV’s offices on 27 February 2023. The FSRA asked ABV to confirm its availability and to provide certain information and documents.

23. Between 13 February 2023 and 28 February 2023, ABV and the FSRA engaged in email correspondence in relation to the submission of various documents by ABV as requested by the FSRA.
24. On 27 February 2023, the FSRA conducted its Inspection as part of the Review.

FAILURE TO CONDUCT DUE DILIGENCE PROCEDURES AND FAILURE TO KEEP RECORDS

25. The 2021 Regulations apply to the conduct of due diligence and keeping of records because that was the version of the Regulations that was in force during the 2021 calendar year when ABV was (or ought to have been) undertaking the relevant due diligence in respect of the clients identified below.
26. Subsection 6(1) of the 2021 Regulations required every RFI to keep records of steps and measures undertaken and any evidence relied upon for the performance of the due diligence procedures and the measures to obtain those records that the RFI obtained or created for the purpose of complying with the 2021 Regulations.
27. Schedule 1, Part 4, paragraph A and Schedule 1, Part 6, paragraph A(1)(a) of the 2021 Regulations set out the review procedures that RFIs must apply for New Individual Accounts and New Entity Accounts (respectively) to determine the residence of the Account Holder and, where applicable, its Controlling Person(s)². This included obtaining a self-certification that allowed the RFI to determine the Account Holder's residence(s) for tax purposes ("Self-Certification Form") and the RFI confirming the reasonableness of such self-certification based on the information obtained by the RFI in connection with the opening of the account. Where an RFI determined that an Account Holder was a Passive NFE with one or more Controlling Persons, it was required to determine the residence of such Controlling Persons to ascertain if any of the Controlling Persons were Reportable Persons.
28. The Review was unable to establish, based on a review of the client files provided by ABV for the clients identified as Clients 2, 6, 8 and 9 in Annexure A to this notice, that ABV had undertaken the required due diligence to assess the reasonableness of the Self-Certification Forms provided by Clients 2, 6, 8 and 9 and/or establish the jurisdiction of residence of Controlling Person(s) (where relevant). Further, ABV did not have available for review any documents recording the steps undertaken, or supporting evidence relied upon, for the performance of due diligence procedures on Clients 2, 6, 8 and 9 to confirm the reasonableness of the Self-Certification Forms provided by Clients 2, 6, 8 and 9 and/or establish the jurisdiction of residence of Controlling Person(s) (where relevant).

Client 2

29. In its Self-Certification Form, Client 2 had self-classified as a 'Passive Non-Financial Entity' (or Passive NFE) and recorded four (4) Controlling Persons, identified in Annexure A as CP1 to CP4.
30. CP1 to CP4 provided a Self-Certification Form containing certain information for each of CP1 to CP4, however none of CP1 to CP4 satisfactorily completed the section provided to record their

² Where the Entity is a Passive NFE.

respective country/jurisdiction of tax residence for the purposes of the CRS, or their TIN (where applicable).

Client 6

31. The Self-Certification Form of Client 6 held on file by ABV was incomplete (last page missing) and accordingly was not signed or dated.

Client 8

32. In its Self-Certification Form dated 27 October 2021, Client 8 self-classified as a Passive NFE. During the Review, the FSRA could not identify any record of due diligence undertaken to establish the residence of the Controlling Person(s) of Client 8, despite this information being reported as part of the CRS Return.

Client 9

33. In its Self-Certification Form dated 6 December 2021, Client 9 self-classified as a Passive NFE. During the Review, the FSRA could not identify any record of due diligence undertaken to establish the jurisdictions of tax residence of the Controlling Persons of Client 9, despite this information being reported as part of the CRS Return.
34. Therefore, the FSRA considers that ABV has contravened subsection 6(1), Schedule 1, Part 4, paragraph A and Schedule 1, Part 6, paragraph A(1)(a) of the 2021 Regulations, for failing to:
 - a. carry out certain review procedures as part of the required due diligence; and/or
 - b. keep records of the due diligence procedures undertaken.
35. The FSRA's notice to ABV dated 28 September 2023 set out additional findings in relation to the clients identified as Clients 1, 3, 4, 5 and 7 in Annexure A to this notice. On consideration of ABV's appeal in this matter, the FSRA has amended its original decision by removing its findings in relation to those clients.

PENALTIES AND DIRECTIONS

Penalty

36. The FSRA considers ABV to have contravened the 2021 Regulations as set out above. In particular, ABV failed to:
 - a. apply due diligence procedures as required by the 2021 Regulations, by not conducting reviews to confirm the reasonableness of self-certifications received and/or by failing to ascertain the residence of Controlling Person(s) (where relevant), in contravention of Schedule 1, Part 4, paragraph A or Schedule 1 Part 6, paragraph A(1)(a) (as applicable) of the 2021 Regulations; and
 - b. keep records of the steps undertaken and any evidence relied upon for the performance of the due diligence procedures performed, including the evidence relied upon as part of due diligence and the measures undertaken to obtain those records, in contravention of subparagraph 6(1) of the 2021 Regulations.

37. The penalty for a failure to keep records of due diligence procedures performed is set out in Schedule 2, paragraph 1.2 of the 2021 Regulations. The penalty for failure to apply due diligence procedures is set out in Schedule 2, paragraph 1.3 of the 2021 Regulations.
38. The total penalty imposed by the FSRA on ABV is AED 35,000, pursuant to subsection 9(1) of the Regulations.
39. The breakdown of the penalty imposed by the FSRA on ABV pursuant to the Regulations in force at the time of the relevant contraventions is as follows:

Reference	Contravention	Penalty (AED)
Paragraph 1.2 of Schedule 2 of the 2021 Regulations	A Reporting Financial Institution fails to keep records of the due diligence procedures performed under the Regulations	10,000
Paragraph 1.3 of Schedule 2 of the 2021 Regulations	A Reporting Financial Institution fails to apply the due diligence procedures specified in Schedule 1, Part 2 through to Part 7 in Schedule 1 of the 2021 Regulations.	25,000

The Direction

40. Pursuant to subsection 10(1) of the Regulations, the FSRA directs that ABV must, within a scope and timeframe to be approved by the FSRA:
 - a. undertake a review of its systems, controls, policies and procedures relevant to compliance with the Regulations;
 - b. submit to the FSRA for its approval a plan of remedial actions required to ensure compliance with the Regulations; and
 - c. undertake and complete the remedial actions, as approved by the FSRA under b. above.
41. The directions under paragraph 40 above shall cease to have effect when ABV can demonstrate to the satisfaction of the FSRA that it has complied with the direction.

CONSIDERATION OF APPEAL

42. On 28 September 2023, the FSRA issued ABV with a notice in which it imposed on ABV a penalty of AED 35,000 and directed ABV to take remedial steps in relation to compliance with the Regulations.
43. Under subsection 9(2) of the Regulations and Article 7(1) of the Cabinet Resolution, ABV had the opportunity to appeal against the FSRA's decision set out in the notice dated 28 September 2023.
44. On 24 October 2023, ABV submitted its appeal against the penalty on the grounds that the administrative penalty was not proportionate to the violation.
45. ABV's appeal was acknowledged by the FSRA on 25 October 2023.
46. In its appeal ABV asked the FSRA to take the following matters into consideration.

- a. ABV stated that it had changed its FATCA and CRS service provider subsequent to the Review, and that this service provider commenced a review in June 2023 to ensure ABV's full compliance with the Regulations.
- b. ABV submitted that further substantiating evidence had been provided in response to the findings set out in the notice issued by the FSRA on 28 September 2023 as evidence of certain due diligence steps carried out to verify certain information that was missing from relevant Self-Certification Forms.
- c. FATCA and CRS due diligence remediation had now been completed for most of ABV's clients.
- d. ABV had ensured that the Reportable Accounts and Reportable Persons were accurately identified and reported for the purposes of CRS for the 2022 calendar year.
- e. In relation to Client 1, the FSRA's notice included a finding that ABV had allegedly failed to demonstrate that it had carried out the required due diligence to assess the reasonableness of the Self-Certification Forms provided by this Client, as the relevant Self-Certification Form omitted tax residency and tax number information. ABV stated that it had obtained information on 6 December 2020 via Client 1's legal representative confirming the country of tax residency as the Kingdom of Saudi Arabia and its CRS classification as an 'Active Non-Financial Entity'. Furthermore, ABV advised that the account of Client 1 had been determined not to be a Reportable Account, as a Related Entity of a Government Entity. ABV obtained an updated Self-Certification Form from Client in June 2023.
- f. In relation to Client 2, ABV stated that the Self-Certification Forms for CP1, CP2, CP3 and CP4 were partially unreliable due to the missing information on tax residency and missing TINs. The CRS Return was therefore submitted using best judgment based on the AML due diligence documentation on record. In addition, Client 2 is well known to ABV. On 16 June 2023, Client 2 was contacted and remediation is ongoing to obtain the information required to update the Self-Certification Forms for CP1 to CP4.
- g. In relation to Client 3, the FSRA's notice included a finding that ABV had allegedly failed to demonstrate that it had carried out the required due diligence to assess the reasonableness of the Self-Certification Form provided by this Client, as the Self Certification was incorrectly dated. ABV stated that it had received the relevant CRS Self-Certification Form from the client as an appendix to a subscription agreement dated 30 May 2021. ABV submitted that, while the form was incorrectly dated, ABV was in a position to correctly ascertain the date the form was completed. ABV further stated that it had contacted Client 3 on 17 June 2023 to remediate the clerical error, and Client 3 has provided an updated and valid Self-Certification Form.
- h. In relation to Client 4, the FSRA's notice included a finding that ABV had allegedly failed to demonstrate that it had carried out the required due diligence to assess the reasonableness of the Self-Certification Form provided by this Client, in that the Self-Certification Form did not include the required tax residency and tax number information. ABV stated that as Client 4 is indirectly owned by the Government of Abu Dhabi with a UAE address and a self-declared status as a 'Financial Institution' for the purposes of CRS, Client 4's account was determined not to be a Reportable Account. ABV used its best judgement based on AML due diligence documentation to determine Client 4's tax residency country as the UAE.

- i. In relation to Client 5, the FSRA's notice included a finding that ABV had allegedly failed to demonstrate that it had carried out the required due diligence to assess the reasonableness of the Self-Certification Form provided by this Client, in that the Self-Certification Form provided was not dated. ABV stated that it had received the relevant CRS Self-Certification Form as an appendix to a subscription agreement dated 10 August 2021. ABV submitted that, while the form was not dated, it was reasonable to assume that the date of the Self-Certification Form for Client 5 was the same as the date of the subscription agreement. In addition, Client 5 had provided a separate Self-Certification Form dated 28 January 2021.
 - j. In relation to Client 6, ABV stated that while Client 6 had not provided the page with its signature to ABV, Client 6 had positively affirmed to the Managing Director of ABV that the information declared on the Self-Certification Form was true and correct. Client 6 was contacted for remediation on 16 June 2023 and has provided an updated and valid Self-Certification Form.
 - k. In relation to Client 7, the FSRA's notice included a finding that ABV had allegedly failed to demonstrate that it had carried out the required due diligence to assess the reasonableness of the Self-Certification Form provided, in that the Client self-classified as a Passive NFE but did not provide information on the jurisdiction of its Controlling Persons. ABV stated that a Self-Certification for Client 7's Controlling Person was provided to ABV as an appendix to a related subscription agreement. ABV further stated that the Controlling Person had declared his country of tax residency as the UAE, and a certified copy of his Emirates ID was held in ABV's records. Client 7 was contacted on 16 June 2023 and its legal counsel confirmed that the Controlling Person is tax resident in the UAE.
 - l. In relation to Clients 8 and 9, the CRS Return was completed using ABV's best judgment based on AML due diligence documentation on record. Both clients were contacted on 16 June 2023 and the remediation of their files is ongoing.
47. The FSRA has considered the grounds and documents submitted in support of ABV's appeal and concluded as follows.
- a. In relation to Client 1, the FSRA accepts ABV's representation that it had conducted due diligence on Client 1.
 - b. In relation to Client 2, ABV failed to conduct due diligence to ensure that the Self-Certification Forms submitted for CP1 to CP4 were complete.
 - c. In relation to Client 3, while the FSRA expects all RFIs to undertake the required due diligence to assess the reasonableness of Self-Certification Forms received, the FSRA accepts ABV's representation to the effect that it had received the incorrectly dated self-certification document from the client as an appendix to an agreement which was itself dated and placed reliance on that date to assess the reasonableness of the Self Certification Form.
 - d. In relation to Client 4, the FSRA accepts ABV's submission that Client 4 is a Non-Reporting Financial Institution based in the UAE, and as such Client 4's account would not be a Reportable Account.
 - e. In relation to Client 5, the Self-Certification Form was not valid if not dated. However, the FSRA accepts ABV's representation to the effect that it had received the incorrectly dated Self-Certification Form from Client 5 as an appendix to an agreement which was itself dated and placed reliance on that date to assess the reasonableness of the Self-Certification Form.

- f. In relation to Client 6, to be valid the self-certification provided by each Account Holder needs to be signed or otherwise positively affirmed. ABV's Self-Certification Form required clients to provide the relevant certification in a completed form that is signed and dated for the relevant client. While ABV has submitted that Client 6 had otherwise positively affirmed to the Managing Director of ABV that the information declared on the Self-Certification Form was true and correct, this is not documented.
 - g. In relation to Client 7, the FSRA accepts ABV's submission that it had collected and validated the Self-Certification for Client 7's Controlling Person.
 - h. In relation to Clients 8 and 9, ABV did not have any records to demonstrate that due diligence had been undertaken to establish the jurisdiction(s) of tax residence of Clients 8 and 9.
48. The FSRA has also considered ABV's representations in paragraphs 46(b) to (d) above. The FSRA expects all RFI's to comply with the due diligence and reporting requirements of the Regulations. In imposing a penalty for failures to comply that have occurred, the FSRA is unable to recognise changes made to subsequently remediate those failures or the filing of correct annual returns in subsequent years.
49. The FSRA has considered the grounds submitted in support of ABV's appeal and concluded that, while they provide a sufficient basis for the FSRA to amend its original decision by removing its findings in relation to Clients 1, 3, 4, 5 and 7, they do not provide grounds to vary the amount of the penalty imposed in this matter. Accordingly, the FSRA has decided to confirm its decision in relation to the imposition of a penalty and giving of directions in this matter.

PROCEDURAL MATTERS

Manner and time for payment of penalty

50. Pursuant to Article 6(4) of the Cabinet Resolution, the penalty imposed pursuant to this notice is to be paid by ABV within fifteen (15) business days from the date of this notice, i.e. on or before **7 February 2024**.
51. Payment of the penalty can be made by electronic funds transfer into the following account:

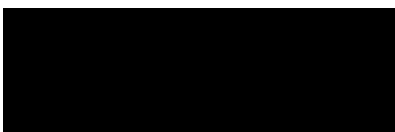
Account Name	[REDACTED]
Account Number	[REDACTED]
IBAN Number	[REDACTED]
Account Type	[REDACTED]
Bank Name	[REDACTED]
Swift Code	[REDACTED]
Reference	[REDACTED]

52. If the penalty or any part of it remains outstanding on the date by which it must be paid, the obligation to make the payment is enforceable as a debt by the FSRA.

Publicity

53. The FSRA will generally publish, in a manner we consider appropriate and proportionate, information and statements relating to enforcement action. Accordingly, the FSRA will publish relevant information about the decision in this notice, including the notice itself, as the FSRA considers appropriate. The publication of enforcement outcomes is consistent with the FSRA's commitment to open and transparent processes and our objectives.

Yours faithfully,



Mr. Adrian Bock
Director - Enforcement
Abu Dhabi Global Market Financial Services Regulatory Authority