



**FINAL NOTICE GIVEN UNDER SECTION 251 OF
THE FINANCIAL SERVICES AND MARKETS REGULATIONS 2015**

To: **Mr. Babar Abbas**
[Redacted]

Date: 2 November 2022

1. DECISION

- 1.1. This final notice ("Notice") is given to Mr. Babar Abbas ("Mr. Abbas") under section 251 of the Financial Services and Markets Regulations 2015 ("FSMR").
- 1.2. For the reasons given in this Notice, the Financial Services Regulatory Authority (the "Regulator") has decided to:
- a) impose on Mr. Abbas a financial penalty of US\$ 2,381,798 under section 232 of FSMR, for the contraventions set out below (the "Financial Penalty"); and
 - b) prohibit Mr. Abbas from performing any function in relation to any Regulated Activity carried on by an Authorised Person in the Abu Dhabi Global Market ("ADGM"), because the Regulator has concluded that Mr. Abbas is not a fit and proper person to perform those functions (the "Prohibition Order"),
- together the "Action".
- 1.3. The Prohibition Order takes effect from the date of this Notice.

2. DEFINED TERMS

- 2.1. Terms defined in the Notice are defined at the first instance the term is used in parentheses. Other capitalised terms are defined in FSMR, the Glossary, or in a Rulebook published from time to time by the Regulator, and shall bear the meaning given therein. Unless the context otherwise requires, where capitalisation of the initial word is not used, an expression has its natural meaning.

3. SUMMARY OF REASONS FOR THE ACTION

- 3.1. The Regulator has decided to take the action set out in this Notice because it has found that Mr. Abbas contravened a number of provisions of FSMR, as described below. Further, the Regulator has concluded that the conduct of Mr. Abbas demonstrates that he is not a fit and proper person



to perform any function in relation to any Regulated Activity carried on by an Authorised Person in the ADGM.

- 3.2. The Action follows an investigation by the Regulator under section 205 of FSMR (the “Investigation”) into Mr. Abbas and Elia Investments Limited (“Elia”), a private company incorporated in the ADGM since 12 September 2017. Mr. Abbas was the sole shareholder and director of Elia.
- 3.3. Despite having held a commercial license between 12 September 2017 and 11 September 2021, Elia has never been granted, or even applied for, a Financial Services Permission (“FSP”) by the Regulator. As such, Elia is not and has never been licensed or authorised by the Regulator to conduct any Regulated Activity in or from the ADGM. At all times from around July 2019 to around June 2021 Mr. Abbas was the sole shareholder, Managing Director and was the sole controller of all of Elia’s bank accounts and business operations.
- 3.4. The Investigation found that, over the period from around July 2019 to around June 2021, Elia:
 - a) carried on, and purported to carry on a Regulated Activity by way of business in the ADGM;
 - b) described itself as an Authorised Person; and
 - c) behaved, or otherwise held itself out, in a manner which indicated (or which is reasonably likely to be understood as indicating) that it is an Authorised Person,when it was not an Authorised Person. In doing so, Elia contravened sections 16 and 20 of FSMR.
- 3.5. The Investigation found that Mr. Abbas directed and was personally involved in the conduct of Elia described in paragraph 3.4 above, and was otherwise responsible for Elia’s activities as its sole shareholder and director.
- 3.6. Accordingly, by reason of section 220 of FSMR, Mr. Abbas was Knowingly Concerned in Elia’s contraventions therefore liable to be proceeded against accordingly.
- 3.7. The Investigation also found that, during the course of an interview conducted as part of the Investigation, Mr. Abbas knowingly or recklessly provided information to the Regulator that was materially false or misleading.
- 3.8. Therefore, the Regulator considers that Mr. Abbas has contravened section 214(4) of FSMR by knowingly or recklessly providing information to the Regulator that was false or misleading in purported compliance with a requirement imposed on him under Part 17 of FSMR.

4. FACTS AND MATTERS RELIED ON

Background

- 4.1. On 12 September 2017, Elia was incorporated and registered in ADGM as a private company limited by shares, and assigned the registration number 000000751. Elia held a commercial license to carry on non-financial business activities including “*professional, scientific and technical activities*” as a special purpose vehicle only. The commercial license of Elia expired on 11 September 2021.



- 4.2. From 12 September 2017 to the date of this Notice, Mr. Abbas was the sole shareholder and director of Elia. Mr. Abbas was the signatory to all contractual arrangements entered into by Elia, and was also the sole controller of all of the bank accounts held in the name of Elia.
- 4.3. Despite having held a commercial license, Elia has never been granted, or even applied for, a FSP by the Regulator. As such, Elia is not and has never been licensed or authorised by the Regulator to conduct any Regulated Activity in or from the ADGM.
- 4.4. Elia maintained a registered address in the ADGM but at no time had physical premises in the ADGM from which it could operate a business.

Publication of False or Misleading Statements concerning Elia's Activities

- 4.5. Over the period from around August 2020 to on or about 1 June 2021, Elia maintained and operated a website, at URL: <http://elia-group.com/> (the "Website"), on which it published representations about the services it purported to provide. Mr. Abbas directed and was responsible for the content of the website.
- 4.6. The Website stated:

- a) under the heading 'About Us,' that:

*"Elia Investments Group is one of the world's leading independent, pure-play asset managers. **We provide active investment solutions and products for institutions, financial intermediaries and private investors**";*

[Emphasis added]

- b) under the heading 'Chairman's Message', that:

*"Elia Group Limited is a global investments company dedicated to helping **its clients manage and service their financial assets throughout the investment lifecycle**";*

***"We manage \$ 2.8 billion in assets for institutional and individual investors. We are the trusted asset of choice for investors globally. We serve Corporations / Investors / Institutions Asset Managers, Banks, Broker-Dealers, Central Banks, Corporations, Family Offices, Financial Intermediaries, Governments, High-Net-Worth Individuals, Insurance Companies, Investment Advisors, Nonprofit Organizations, Pension Funds, Sovereign Institutions"**;*

*"Thank you for working with Elia Group Limited / **Elia Investments Limited**";* and

[Emphasis added]

- c) under the heading 'Our Services', that it provides services in:

- i. "Project financing":

"Our core expertise is found in project financing and in particular the financing of innovative ideas backed by strategic mindset and tactical planning";

- ii. "Private Placement Programs":



“Elia Group realizes the needs of private equity investors and offers them to participate in the Private Placement Programmes (PPP) designed specifically for them”;

iii. Asset Management:

“Elia’s Asset Management offers all common services such as fund management, portfolio management, brokerage and portfolio advisory”;

iv. Corporate Finance:

“Elia Group structures and arranges corporate financing and capital market transactions for listed and private medium-sized enterprises and medium-sized corporations across industries and throughout all classes of capital”; and

“Depending on the level of a company’s capital market maturity, the types of financing comprise equity financing, equity-related forms of financing such as hybrid or mezzanine financing, as well as debt financing. The form of financing appropriate for the company is determined and realised through bank financing or instruments suitable for the capital market. Furthermore, Elia Group also supports its clients with its own sales activities and its own sales team”; and

[Emphasis added]

4.7. Further, in 2020 and early 2021, Mr. Abbas maintained, and made publicly available, a “LinkedIn” social media profile under his name. The profile described Mr. Abbas as the “CEO, *Elia Capital Investments Limited, ADGM, UAE*” (the “Profile”). The Profile published several posts containing representations to the effect that Elia carried on Regulated Activities by way of business in ADGM. In particular:

- a) Around November 2020, the Profile published a post, with heading “INVESTMENTS” which stated that *“Elia Investment group An Asset Management company private equity and alternative asset manager is looking to invest \$1billion on property acquisitions in the United Arab Emirates and Europe over the next two years, according to a top executive of the firm”;* and
- b) Around March 2020, the Profile published a post, with heading “UAE SMART LOAN” which stated that *“Elia is focused on providing a suite of correspondent banking relationships, Trade finance, and Asset Management within capital markets and brokerage services to bring together our resources, and leverage our assets to offer the effective solutions that help our clients manage their risk, capital and liquidity needs to finance their projects”*. In or around October 2020, the Profile reposted this post with a further heading “UAE BEST LOAN”.

Elia Unauthorised Provision of Credit

4.8. Section 16 of FSMR states that no person may carry on a Regulated Activity by way of business in the ADGM, or purport to do so, unless he is an Authorised or Exempt Person.

4.9. Over the period from around July 2019 to around June 2021, Mr. Abbas caused Elia to:

- a) market itself as a Provider of Credit;



- b) engage in informal introducer relationships to obtain introductions to companies and individuals in the ADGM and the UAE that were seeking Credit;
 - c) represent itself as a Provider of Credit in the ADGM to at least four (4) entities and individuals; and
 - d) enter into loan agreements with at least four (4) entities and individuals, with each agreement being signed by Mr. Abbas on behalf of Elia.
- 4.10. Under the loan agreements it entered into, Elia purported to Provide Credit of a total amount of circa US\$ 37,000,000
- 4.11. Under each loan agreement Elia entered into, Elia:
- a) purported to Provide Credit; and
 - b) solicited and obtained payments of an upfront payment (which it described as a “*Margin Deposit*” or, in one case, as a “*Processing Fee*”). In most cases, this involved payment of a “*Margin Deposit*” of an amount of ten percent of the amount of the purported loan.
- 4.12. However, with respect to each loan agreement it entered into, Elia:
- a) did not provide the Credit purported under the loan agreement and, in fact, did not hold or have access to funds of an amount sufficient to provide the Credit purported under the loan agreement; and
 - b) failed to return the total amount of upfront payments it had received.
- 4.13. Mr. Abbas directed and was intrinsically involved in Elia’s conduct. Mr. Abbas signed each loan agreement Elia entered into. The payments solicited by Elia under each agreement were received in a bank account held under Elia’s name which was controlled by Mr. Abbas as the sole signatory.
- 4.14. Further, the Regulator considers that Mr. Abbas did not genuinely intend, nor provide any evidence of the means, for Elia to perform its obligations under the loan agreements it had entered into.
- 4.15. Through Elia, Mr. Abbas obtained an amount totalling approximately US\$ 2,590,245 from four (4) entities and individuals, as “*margin deposit*” payments or “*processing fees*” associated with purported loan agreements it was not authorised or permitted to offer or provide. Of that amount, approximately US\$ 1,881,798 was not repaid.
- 4.16. Rather, the Regulator found, in respect of each loan agreement Elia entered into, that once Elia had obtained upfront payments, Mr. Abbas quickly withdrew and dissipated the money Elia had received for his own benefit.
- 4.17. As stated in paragraph 4.3 above, Elia has at no time been granted, or even applied for, a FSP. As such, Elia is not and has never been licensed or authorised by the Regulator to conduct any Regulated Activity in the ADGM, including Providing Credit.
- 4.18. Elia’s conduct constituted the carrying on of the Regulated Activity of Providing Credit, as defined under Schedule 1, Part 2, Chapter 7, section 48 of FSMR. Elia entered into at least four (4) Credit Agreements and exercised its rights as the Lender under each agreement to solicit and receive



payments of fees or deposits. Elia's failure to perform under each Credit Agreement it entered into does not mean that it did not carry on the Regulated Activity.

4.19. Further, Elia's activities, which constitute the Regulated Activity of Providing Credit, were carried on "by way of business", as defined under Schedule 1, Part 1, section 3 of FSMR. In particular, Elia:

- a) enlisted other persons to engage in transactions constituting the provision of Credit;
- b) held itself out as being willing and able to engage in the provision of Credit; and
- c) conducted the activity in a manner which in itself constitutes the carrying on of a business (including by soliciting fees and publishing a website on which it marketed its activities).

4.20. The Regulator has therefore found that Elia carried on unauthorised Regulated Activities by way of business in the ADGM, in breach of section 16 of FSMR.

4.21. Mr. Abbas was the sole shareholder and director of Elia at all relevant times. Mr. Abbas directed and was personally involved in Elia's conduct, as described in paragraphs 4.9 to 4.20 above. In particular, Mr. Abbas:

- a) held Elia out as a provider of Credit and enlisted several associates to introduce entities and individuals to Elia as a provider of Credit;
- b) signed each of the loan agreements that Elia entered into;
- c) controlled all of Elia's bank accounts; and
- d) was directly responsible for the non-repayment and dissipation of the money Elia had wrongfully obtained from its unauthorised activities.

Purporting to Carry on a Regulated Activity by way of Business in the ADGM

4.22. The Regulator has also found that Elia purported to carry on activities which constituted a Regulated Activity.

4.23. Over the period from around August 2020 to on or about 1 June 2021, the statements described in paragraph 4.6 above were published on the Website.

4.24. The Website described Elia as being, amongst other things, a provider of corporate finance and project financing and described various activities which would constitute Regulated Activities if conducted in the ADGM, including the Provision of Credit.

4.25. By publishing these statements, the Regulator found that Elia purported to carry on Regulated Activities by way of business in ADGM, in breach of section 16 of FSMR.

4.26. As the sole shareholder and director of Elia at all relevant times, Mr. Abbas directed, controlled and was responsible for the representations made by Elia on the Website.

4.27. In addition, Mr. Abbas was responsible for making representations under the Profile in which Elia purported to carry on Regulated Activities by way of business in ADGM as described in paragraph 4.7.



False Claims to be Authorised

4.28. Section 20 of FSMR provides:

“A person who is neither an Authorised Person nor, in relation to the Regulated Activity in question, an Exempt Person must not-

a) describe himself (in whatever terms) as an Authorised Person; or

...

c) behave, or otherwise hold himself out, in a manner which indicates (or which is reasonably likely to be understood as indicating) that he is an Authorised Person.”

4.29. Elia was at no time an Authorised Person or an Exempt Person (in relation to any Regulated Activity, including the Provision of Credit). It was therefore prohibited from describing itself (in whatever terms) as an Authorised Person, or behaving or otherwise holding itself out, in a manner which indicated (or which is reasonably likely to be understood as indicating) that it was an Authorised Person.

4.30. As set out above, over the period from in and around July 2019, to in and around June 2021, Mr. Abbas caused Elia to enter into loan agreements with at least four (4) entities or individuals, and in doing so purported to provide a total of US\$ 36,938,692 in Credit. On each occasion, Abbas held Elia out as a Provider of Credit.

4.31. In addition, over the period from around August 2020 to on or about 1 June 2021, Mr. Abbas caused Elia to publish statements on the Website describing itself as, amongst other things, a provider of corporate finance and project financing and described various activities which would constitute Regulated Activities if conducted in the ADGM. Mr. Abbas also made representations to similar effect under the Profile.

4.32. The Regulator has therefore found that Mr. Abbas was Knowingly Concerned in Elia having described itself in such terms that would have led others to believe it was an Authorised Person; and Elia behaving and holding itself out in a manner which indicated, or which would reasonably be understood as indicating, that it was an Authorised Person, when it was not. Therefore, in doing so, Mr. Abbas contravened subsections 20(a) and (c) of FSMR.

Provision of False or Misleading Information to the Regulator

4.33. Section 214(4) of FSMR provides:

“A person shall not, in purported compliance with a requirement imposed on him under [Part 17 of FSMR]:

(a) provide information which he knows to be false or misleading in a material particular; or

(b) recklessly provide information which is false or misleading in a material particular.”

4.34. On 23 May 2021, Mr. Abbas was given a notice under section 206(1)(a) of FSMR which required him to attend an interview before appointed Investigators and answer questions. Mr. Abbas attended the interview on 1 June 2021 via video link.



4.35. During the interview, Mr. Abbas knowingly or recklessly provided information to the Regulator that was false or misleading. In particular:

- a) Mr. Abbas stated that he had caused an amount of approximately six (6) or (7) million AED to be transferred from companies he said he controlled outside of the UAE to the bank account of Elia to be used to fund the loan arrangements Elia had entered into.

This information was false. No transfers of this nature had in fact occurred.

- b) Mr. Abbas stated that the money Elia had received from one of the entities with whom it had entered into a loan agreement was still held in a fixed deposit (as had been specified under the relevant agreement).

This information was false. The relevant fixed deposit had in fact been broken at Mr. Abbas' instruction on or about 7 June 2020 and the proceeds had been transferred to an account held in Mr. Abbas' name.

When the Regulator subsequently showed Mr. Abbas the instruction letter to break the relevant fixed deposit, which he had signed, Mr. Abbas admitted that the money was no longer held by Elia as a fixed deposit, and stated that he had moved the money to another fixed deposit.

This information was also false. In fact, once the money was received in the bank account held in Mr. Abbas' name on 7 June 2020, Mr. Abbas had dissipated the money through a series of cash withdrawals (on 10 June, 14 June, 23 June, 1 July, 8 July, 21 July, 6 August, 17 August, 22 August and 9 September 2020).

When the Regulator then showed Mr. Abbas bank records demonstrating this fact, Mr. Abbas admitted that the money had not been used to establish a further fixed deposit and admitted that the money had been used by him to make certain "*wrong investments*" for himself in his home country.

- c) Mr. Abbas stated that Elia had never moved or transferred out of its bank account money that it had received from another entity with whom it had entered into a loan agreement.

This information was false. In the period shortly following the receipt of the relevant payment of money, Mr. Abbas had dissipated these funds through a series of cash withdrawals (made by him) and through transfers to a bank account held in his name in his home country (which were instructed by him).

When the Regulator subsequently showed Mr. Abbas bank records demonstrating those withdrawals and transfers, Mr. Abbas admitted that he had made them.

4.36. The Regulator has therefore found that Mr. Abbas contravened section 214(4) because he knowingly or recklessly provided information to the Regulator during the compelled interview that was materially false or misleading.

5. CONTRAVENTIONS

- 5.1. Section 220 of FSMR provides that, if a person is Knowingly Concerned in a contravention of FSMR committed by another person, the aforementioned person as well as the other person commits the contravention and is liable to be proceeded against and dealt with accordingly.



5.2. The term 'Knowingly Concerned' is defined in section 258(1) of FSMR as follows:

"Knowingly Concerned means, for the purposes of sections 220, 236, 239 and 241, a person who—

- (a) has aided, abetted, counselled or procured the contravention;
- (b) has induced, whether by threats or promises or otherwise, the contravention;
- (c) has in any way, by act or omission, directly or indirectly been knowingly involved in or been party to, the contravention; or
- (d) has conspired with another or others to effect the contravention."

5.3. For the reasons set out in above, the Regulator has found that Mr. Abbas was Knowingly Concerned in the following contraventions of FSMR by Elia:

- a) Section 16 – carrying on, and purporting to carry on, Regulated Activity by way of business in the ADGM;
- b) Subsection 20(a) – describing itself (in whatever terms) as an Authorised Person; and
- c) Subsection 20(c) – behaving or otherwise holding itself out, in a manner which indicated (or which is reasonably likely to be understood as indicating) that it is an Authorised Person.

5.4. Further, for the reasons set out in paragraphs 4.33 to 4.36 above, the Regulator has found that Mr. Abbas contravened section 214(4) of FSMR by knowingly or recklessly providing information to the Regulator that was false or misleading in purported compliance with a requirement made under Part 17 of FSMR.

6. **SANCTION**

The Financial Penalty

6.1. In deciding to impose a financial penalty on Mr. Abbas, the Regulator has taken into account the factors and considerations set out in sections 6.2 to 6.4 of the Regulator's Guidance & Policies Manual ("GPM").

6.2. Annexure A sets out extracts from FSMR and Rules and guidance relevant to this Notice.

Decision to Impose a Financial Penalty

6.3. With reference to section 6.2 of GPM, the Regulator considered the following factors to be of particular relevance in deciding to impose the financial penalty on Mr. Abbas:

- a) section 6.2.1(a) - the Regulator's objectives under section 1(3) of FSMR to:
 - i. foster and maintain confidence in the ADGM;
 - ii. promote and enhance the integrity of the ADGM Financial System;



- iii. prevent, detect and restrain conduct that causes or may cause damage to the reputation of ADGM through appropriate means including the imposition of sanctions; and
 - iv. promote public understanding of the regulation of ADGM; and
 - v. secure an appropriate degree of protection for direct and indirect users, and prospective users of the ADGM;
- b) section 6.2.1(b) - the deterrent effect of the Action and the importance of deterring other persons from committing similar contraventions;
- c) section 6.2.1(c) – the nature, seriousness, duration and impact of the contravention, in particular that:
- i. Mr. Abbas’ conduct was deliberate and dishonest, or in the alternative reckless, in that he knew or reasonably ought to have known that Elia was not permitted to carry on, or purport to carry on any form of Regulated Activities in the ADGM;
 - ii. At all times Mr. Abbas was the sole shareholder, Director and controller of all of Elia activities and as a result is considered solely responsible for the contraventions conducted by Elia;
 - iii. the impact of his misconduct was significant and caused at least four (4) entities and individuals to suffer harm. This included significant financial harm caused by the up-front payments Mr. Abbas obtained and did not repay, and harm and inconvenience caused by the false commitments to Provide Credit that Mr. Abbas made;
 - iv. the conduct occurred over a period of approximately two (2) years;
- d) section 6.2.1(e) – the benefit gained (whether direct or indirect, pecuniary or non-pecuniary) or loss avoided as a result of the contravention, in that Mr. Abbas, through Elia, received a significant pecuniary benefit from his misconduct in the form of the payments he received totalling approximately US\$ 2,590,245 as “margin deposits” and “processing fees” for purported loans. Of that amount, approximately US\$ 1,881,798 was not repaid. The bulk of this money was withdrawn by Mr. Abbas in cash, transferred to accounts held in Mr. Abbas’s name or used for purchases, including for Mr. Abbas’ personal expenditure; and
- e) section 6.2.1(f)(iv) - the Regulator considers there is a high likelihood that the same type of contravention would continue and recur if no action is taken.

Determination of the Level of Financial Penalty

- 6.4. The Regulator applies a five-step framework to determine the appropriate level of financial penalty. The Regulator has taken into account the factors and considerations set out in section 6.4 of GPM as follows:

Step 1: Disgorgement

- 6.5. Mr. Abbas, through his company Elia, received approximately US\$ 2,590,245 in total from four (4) entities and individuals, as “margin deposit” payments or “processing fees” associated with



purported loan arrangements which he and Elia were not authorised or permitted to offer or provide. Of that amount, approximately US\$ 1,881,798 has not been repaid.

6.6. The Regulator considers it appropriate for this entire amount to be disgorged from Mr. Abbas. Accordingly, the figure after Step 1 is US\$ 1,881,798.

Step 2: The seriousness of the contraventions

6.7. The Regulator considers the contraventions to be serious because:

- a) Mr. Abbas' conduct resulted in at least four (4) entities and individuals suffering harm, including the financial harm relating to the payments they made to Elia which were not repaid as well as the foreseeable harm caused by relying upon the commitments made by Elia in loan agreements, which Elia could not and was not authorised to fulfil;
- b) Mr. Abbas' conduct resulted in false and misleading representations being published on the Website for a period of around eleven (11) months;
- c) members of the public may have been put at risk when relying on the Website, or otherwise on Mr. Abbas' representations; and
- d) Mr. Abbas' conduct appears to be deliberate and dishonest or, at the very least, reckless in that he must have known or reasonably should have known that Elia was not permitted to carry on, or purport to carry on Regulated Activities in the ADGM.

6.8. Taking the above factors into account, the Regulator considers that a penalty element of US\$ 300,000 appropriately reflects the seriousness of the contraventions.

6.9. Accordingly, including the disgorgement of US\$ 1,881,798, the figure after Step 2 is US\$ 2,181,798.

Step 3: Mitigating and aggravating factors

6.10. The Regulator does not consider there to be any factors which have a mitigating effect on Mr. Abbas' contraventions.

6.11. The Regulator considers that the following factor has an aggravating effect on the contraventions:

- a) On each occasion in which Mr. Abbas, through his company Elia, received payments in relation to the purported loan agreements Elia entered into, Mr. Abbas then acted to withdraw these funds in cash or otherwise transfer the funds outside of the jurisdiction. The Regulator considers that this action was undertaken by Mr. Abbas to avoid repaying the parties to whom Elia had purported to offer loans to. Instead, Mr. Abbas appears to have used the money he had received through Elia's unauthorised conduct for his own benefit.

6.12. Taking the above factors into account, the Regulator considers it appropriate to increase the figure after Step 2 by US\$ 200,000 given the aggravating features of Mr. Abbas' contraventions.

6.13. Accordingly, the figure after Step 3 is US\$ 2,381,798.



Step 4: Adjustment for deterrence

- 6.14. Section 6.6.9 of GPM provides that if the Regulator considers the level of the financial penalty which it has arrived at after Step 3 is insufficient to deter the individual that committed the contravention, or others, from committing further or similar contraventions, then the Regulator may increase the financial penalty. Section 6.6.9 of GPM sets out the circumstances in which the Regulator may do this.
- 6.15. In this instance, the Regulator considers that the figure arrived at after Step 3 is sufficient for the purposes of deterring Mr. Abbas and others from committing further or similar contraventions. Accordingly, the Regulator does not consider it necessary to adjust the figure arrived at after Step 3 for the purposes of deterrence.
- 6.16. Accordingly, the figure after Step 4 is US\$ 2,381,798.

Step 5: Adjustment for cooperation/early settlement

- 6.17. Where the Regulator and the individual on which the financial penalty is to be imposed come to an agreement on the amount of the financial penalty, section 6.6.10 of GPM provides that the amount of the financial penalty which might have otherwise been payable will be reduced to reflect the stage at which the agreement is reached.
- 6.18. The Regulator and Mr. Abbas have not reached agreement on the relevant facts and matters relied on, contraventions, or the amount of fine to be imposed. Therefore, no discount for cooperation or early settlement has been applied.

The Level of the Financial Penalty

- 6.19. Given the factors and considerations set out above, and having regard to all the circumstances of this matter, the Regulator has determined that it is proportionate and appropriate to impose on Mr. Abbas a financial penalty of US\$ 2,381,798 for the contraventions.

The Prohibition Order

- 6.20. Given his conduct and the findings set out above, the Regulator has found that Mr. Abbas is not a fit and proper person to perform any function in relation to a Regulated Activity carried on by any Authorised Person in the ADGM. The Regulator therefore has decided to impose on Mr. Abbas the Prohibition Order to prohibit him from performing any function in relation to any and all Regulated Activities in the ADGM, pursuant to section 234 of FSMR.
- 6.21. In determining whether to exercise its power under section 234 of FSMR, the Regulator may have regard to all relevant matters including, but not limited to, its objectives in section 1(3) of FSMR and the criteria for assessing the fitness and propriety of Approved Persons, Recognised Persons and Principal Representatives as set out in section 2.3 of GPM
- 6.22. In deciding to impose the Prohibition Order on Mr. Abbas, the Regulator considered:
- a) the nature and scope of the role Mr. Abbas performed in relation to Elia. Mr. Abbas was at all relevant times the sole shareholder and director of Elia. Mr. Abbas directed and was personally involved in Elia's conduct as described in this Notice.



- b) the materiality of the issues giving rise to concerns about Mr. Abbas' fitness and propriety and the extent to which his conduct indicates a lack of integrity. In this regard, Mr. Abbas provided false or misleading information to the Regulator and carried on, and purported to carry on, unauthorised Regulated Activities in the ADGM in circumstances which caused at least four (4) entities and individuals to suffer harm. In controlling the activities of Elia as he did, Mr. Abbas entered into a series of loan agreements with third parties without genuinely intending, or demonstrating an ability, to provide the financing Elia had agreed to provide. Through his conduct, Elia and Mr. Abbas obtained upfront payments which were not repaid and in fact quickly withdrawn or transferred by Mr. Abbas for his own benefit; and
- c) the level of risk that Mr. Abbas currently poses, and may pose in the future, to regulated entities, customers and the integrity of the ADGM.

6.23. Taking all of the circumstances of this matter into consideration, the Regulator found it appropriate to impose the Prohibition Order because:

- a) it believes on reasonable grounds that Mr. Abbas is not a fit and proper person to perform any functions in relation to any Regulated Activity carried on by an Authorised Person in the ADGM; and
- b) it is necessary and proportionate to do so in support of the Regulator's objectives.

7. PROCEDURAL MATTERS

Issuance of Warning Notice and Decision Notice

- 7.1. On 25 August 2022, the Regulator gave Mr. Abbas a Warning Notice, pursuant to sections 246 and 247 of FSMR. The Warning Notice set out the Regulator's findings and proposed action, and Mr. Abbas was given the opportunity to make representations in relation to the proposed action. Mr. Abbas did not make any representations.
- 7.2. On 26 September 2022, the Regulator gave Mr. Abbas a Decision Notice pursuant to section 248 of FSMR. The Decision Notice set out the Regulator's decision and action, and Mr. Abbas was given the opportunity to refer the matter to the Appeals Panel.
- 7.3. As a referral was not made to the Appeals Panel for a review of the Decision Notice within the specified period, the Regulator has proceeded to issue this Final Notice pursuant to section 251(1) of FSMR.

Payment of Financial Penalty

- 7.4. The financial penalty imposed by this Notice is to be paid by Mr. Abbas on or before 2 December 2022.
- 7.5. Payment of the financial 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]

- 7.6. If all or any part of the financial penalty remains outstanding on the date by which it must be paid, the obligation to make the payment is enforceable by the Regulator as a debt owed by Mr. Abbas.
- 7.7. In the event that some or all of the financial penalty applied in order to effect disgorgement is recovered from Elia by the Regulator, the amount recovered from Elia will be offset against the financial penalty set out at paragraph 6.6 and the overall financial penalty to be paid by Mr Abbas will be reduced accordingly.

Publicity

- 7.8. Under section 252(3) of FSMR, the Regulator may publish this Notice at its discretion. Pursuant to section 252(4) of the Regulations, a person to whom a notice is given may not publish the notice or any details concerning it unless the Regulator has published the notice or those details in accordance with section 252(3).
- 7.9. The Regulator will publish on its website:
- a) this Final Notice (not including Annexure A); and
 - b) subject to section 252(5) of the Regulations, a press release in a form and manner the Regulator considers appropriate.

Signed:

[REDACTED]

Alan Burke
Executive Director - Supervision
Delegate of the Financial Services Regulatory Authority