

**Insolvency Regulations  
(Insolvency Practitioner) Rules 2022**

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**INSOLVENCY REGULATIONS  
(INSOLVENCY PRACTITIONER) RULES 2022**

Date of Adoption: 29 August 2022

**GENERAL INTRODUCTORY PROVISIONS**

The Registrar, in exercise of the powers conferred by section 292 of the Insolvency Regulations 2022, hereby makes the following Rules.

**PART 1**

**APPLICATION AND DEFINITIONS**

**1. Citation, Commencement and Interpretation**

- (1) These Rules may be cited as the Insolvency Regulations (Insolvency Practitioner) Rules 2022.
- (2) These Rules will come into force on the date of publication (the “**Commencement Date**”).
- (3) In these Rules, the “**Insolvency Regulations**” means the Insolvency Regulations 2022.
- (4) Defined terms used in these Rules and their meanings are contained in Schedule 1.
- (5) Unless the context otherwise requires:
  - (a) references to sections are to sections of the Insolvency Regulations;
  - (b) a reference to “**Rules**” is a reference to these Rules and a reference to a numbered Rule, Part or Schedule is to the relevant Rule, Part or Schedule of these Rules;
  - (c) words in the singular include the plural and vice versa; and
  - (d) references to any regulations of the Abu Dhabi Global Market shall be deemed to include all applicable subordinate legislation.
- (6) Nothing in these Rules affects the powers of the ADGM Courts.

**2. Application of these Rules**

These Rules apply to:

- (a) an Insolvency Practitioner Applicant; and
- (b) an Insolvency Practitioner.

## PART 2

### REGISTRATION

#### 3. Registration Requirement

- (1) In accordance with section 289 of the Insolvency Regulations, a natural person must be registered as an Insolvency Practitioner in accordance with these Rules in order to be appointed as a receiver, administrative receiver, administrator, liquidator or provisional liquidator or an administrator of a Deed of Company Arrangement under the Insolvency Regulations.
- (2) Neither a firm, partnership nor body corporate can be appointed as a receiver, administrative receiver, administrator, liquidator or provisional liquidator or an administrator of a Deed of Company Arrangement under the Insolvency Regulations, nor is it required to be registered under these Rules.

#### 4. Transition Period

- (1) An insolvency practitioner registered with the Registrar prior to the Commencement Date (a “**Transitional Insolvency Practitioner**”) must apply for registration under the Rules within 6 months from the Commencement Date (the “**Transition Period**”).
- (2) During the Transition Period, a Transitional Insolvency Practitioner shall be eligible to be appointed, and may continue any existing appointments, as a receiver, administrative receiver, administrator, liquidator or provisional liquidator or an administrator of a Deed of Company Arrangement under the Insolvency Regulations.
- (3) A Transitional Insolvency Practitioner that fails to register under these Rules prior to the expiry of the Transition Period shall:
  - (a) not be listed on the Register;
  - (b) make appropriate arrangements with respect to the termination of any existing appointment under which the Transitional Insolvency Practitioner is providing Insolvency Practitioner Services and discontinue its performance thereof;
  - (c) promptly notify the Registrar or the ADGM Courts (as applicable) of the arrangements that it has made in accordance with Rule 4(3)(b); and
  - (d) not be eligible for appointment as a receiver, administrative receiver, administrator, liquidator or provisional liquidator or an administrator of a Deed of Company Arrangement under the Insolvency Regulations.
- (4) A Transitional Insolvency Practitioner who fails to comply with the requirements in Rule 4(3)(b) or (3)(c) will be in contravention of these Rules and is liable to a fine not exceeding Level 3 on the Abu Dhabi Global Market’s standard fines scale.

## 5. Application for Registration

- (1) An Insolvency Practitioner Applicant must:
  - (a) complete and sign an application in the form provided by the Registrar from time to time in accordance with the requirements of these Rules and submit to the Registrar that application form and such other information in writing as may be required by the Registrar; and
  - (b) pay such fee or fees in connection with the Insolvency Practitioner Applicant's application as set out in the Insolvency Regulations (Insolvency Practitioner Fees) Rules 2022.
- (2) Subject to the conditions and requirements in these Rules, the registration of an Insolvency Practitioner under these Rules is valid until the Insolvency Practitioner is removed from the Register by the Registrar or as a result of the Insolvency Practitioner's notification to cancel the registration in accordance with Rule 5(3).
- (3) If an Insolvency Practitioner intends to cancel their registration, they must notify the Registrar or the ADGM Courts (as applicable) of their intention and of the steps that the Insolvency Practitioner proposes to take to terminate and discontinue the performance of any Insolvency Practitioner Services, including the proposed timing to complete such steps.
- (4) An Insolvency Practitioner who fails to successfully conclude the steps necessary to terminate and discontinue the performance of any Insolvency Practitioner Services within the time required under Rule 5(3) (or such other time period as the Registrar or the ADGM Courts may determine), is in contravention of these Rules and is liable to a fine not exceeding Level 3 on the Abu Dhabi Global Market's standard fines scale.

## 6. Insolvency Practitioner Registration Criteria

- (1) An Insolvency Practitioner Applicant must be able to demonstrate to the Registrar's satisfaction that the Insolvency Practitioner Applicant or their Employer (as applicable) satisfies the following criteria (the "**Insolvency Practitioner Registration Criteria**"):
  - (a) the Insolvency Practitioner Applicant is in continued employment with, or a member, director or partner of, a firm, partnership or body corporate registered within or outside the ADGM capable of supporting the Insolvency Practitioner with the provision of Insolvency Practitioner Services (the "**Employer**");
  - (b)
    - (i) the Insolvency Practitioner Applicant holds a current membership with a Recognised Professional Body; or
    - (ii) in the event that the Insolvency Practitioner Applicant is not a member of a Recognised Professional Body at the time of the Insolvency Practitioner Applicant's application, the Insolvency Practitioner Applicant provides a written explanation to the

Registrar, which must be to the Registrar's satisfaction (in its discretion):

- (1) as to why the Insolvency Practitioner Applicant is not a member of a Recognised Professional Body, together with evidence of the last membership held by the Insolvency Practitioner Applicant (if any); and
    - (2) which demonstrates that the Insolvency Practitioner Applicant is fit and proper to be registered and to act as an Insolvency Practitioner and provide Insolvency Practitioner Services;
  - (c) the Insolvency Practitioner Applicant or the Insolvency Practitioner Applicant's Employer (as applicable) has professional indemnity insurance relating to the Insolvency Practitioner as required under Rule 12; and
  - (d) the Insolvency Practitioner Applicant has complied with any other requirement specified by the Registrar from time to time.
- (2) For the purpose of assessing an application for registration as an Insolvency Practitioner, or whether an Insolvency Practitioner Applicant satisfies the Insolvency Practitioner Registration Criteria, the Registrar may:
- (a) take into account any information that the Registrar considers relevant, including:
    - (i) the Insolvency Practitioner Applicant's:
      - (1) application and submissions to the Registrar;
      - (2) insolvency experience; and
      - (3) Employer's ability to support the Insolvency Practitioner with the provision of Insolvency Practitioner Services;
  - (b) consider whether the Insolvency Practitioner Applicant's and the Insolvency Practitioner Applicant's Employer's affairs are likely to be (or continue to be) conducted and managed in a sound and prudent manner;
  - (c) require the Insolvency Practitioner Applicant to answer any enquiries or provide any information that the Registrar considers necessary, and may make such other enquiries in connection with the application, including enquiries of people other than the Insolvency Practitioner Applicant, as the Registrar considers desirable; and
  - (d) require any information provided by or on behalf of the Insolvency Practitioner Applicant to be verified in any way that the Registrar specifies and consider any other matter considered relevant by the Registrar in its discretion.

## **7. Registrar's Powers with respect to Registration**

The Registrar may in its discretion and at any time:

- (a) require an Insolvency Practitioner Applicant to revise or update their application for registration as an Insolvency Practitioner;
- (b) grant an application for registration as an Insolvency Practitioner;
- (c) grant an application for registration as an Insolvency Practitioner subject to such restrictions and conditions as the Registrar may determine;
- (d) refuse to grant an application for registration as an Insolvency Practitioner; or
- (e) modify the terms of any existing registration of an Insolvency Practitioner.

## **PART 3**

### **THE REGISTER**

## **8. Register of Insolvency Practitioners**

The Registrar must keep and maintain a Register of Insolvency Practitioners in accordance with these Rules.

## **9. Content of the Register**

The Register must be in electronic form and contain, in respect of each Insolvency Practitioner:

- (a) the Insolvency Practitioner's name;
- (b) the Insolvency Practitioner's Insolvency Practitioner number;
- (c) the following information in respect of the Insolvency Practitioner's Employer:
  - (i) name;
  - (ii) legal form;
  - (iii) registered number;
  - (iv) correspondence or business address; and
  - (v) website address;
- (d) the address to which notices in respect of the Insolvency Practitioner may be served in the Abu Dhabi Global Market;
- (e) the Insolvency Practitioner's contact information;
- (f) details of any professional indemnity insurance and security bond that the Insolvency Practitioner or the Insolvency Practitioner's Employer (as applicable) has in place;

- (g) details of the Insolvency Practitioner's prior experience, including a record of prior cases; and
- (h) the name and address of any Recognised Professional Body and/or other authority or body outside of the Abu Dhabi Global Market to which the Insolvency Practitioner is recorded as being a member and any registration number which such body has allocated to the Insolvency Practitioner.

#### **10. Maintenance, Publication and Inspection of the Register**

- (1) The Registrar shall publish a list of the information contained in Rules 9(a)-(e) on the Register.
- (2) The Registrar must promptly update the Register to reflect:
  - (a) any change in the information set out in Rule 9 as notified by the Insolvency Practitioner to the Registrar;
  - (b) any suspension or cancellation of the registration of an Insolvency Practitioner under these Rules; and
  - (c) such other matters as the Registrar may determine to be appropriate for entry on the Register.
- (3) An Insolvency Practitioner must co-operate with the Registrar for the purpose of ensuring that the Registrar enters on the Register the information required by these Rules in respect of the Insolvency Practitioner and the Insolvency Practitioner's Employer.
- (4) An Insolvency Practitioner must:
  - (a) send to the Registrar (in electronic form as prescribed by the Registrar from time to time) for entry on the Register any changes to the information referred to in Rule 10(2)(a); and
  - (b) take reasonable care to ensure that the information provided by the Insolvency Practitioner to the Registrar under these Rules is accurate and correct and that, in the case of information required to be provided by the Insolvency Practitioner in this Rule 10, such information is sent to the Registrar as soon as reasonably practicable after the Insolvency Practitioner becomes aware of the relevant change.
- (5) The Registrar may, in its discretion, provide any person, by electronic means, with an extract of all or any part of the Register upon request and subject to the payment by such person of the fee prescribed in the Insolvency Regulations (Insolvency Practitioner Fees) Rules 2022.

### **PART 4**

#### **PRINCIPLES**

#### **11. Principles**

- (1) **Integrity** – an Insolvency Practitioner must always:

- (a) be straightforward and honest in all professional and business relationships;
  - (b) behave with integrity and fairness in all their dealings;
  - (c) maintain high standards of ethical behaviour and professional practice;
  - (d) to the extent applicable, act in a manner appropriate to the Insolvency Practitioner's position as an officer of the ADGM Courts and in accordance with any quasi-judicial, fiduciary or other duties that they may be under; and
  - (e) take care to avoid any behaviour or actions that might reasonably be expected to risk bringing discredit to themselves or their profession.
- (2) **Due skill, care and diligence** – an Insolvency Practitioner must always:
- (a) be objective and not allow bias, conflict of interest or undue influence of others to override professional and business judgments reached when carrying out (or assisting with) any Insolvency Practitioner Services;
  - (b) only undertake work that they are competent and qualified to perform;
  - (c) ensure that all work is performed diligently, competently and in accordance with all relevant technical and professional standards; and
  - (d) ensure that they behave and act in a way that is fully compliant with all applicable or relevant laws and regulations professionally.
- (3) **Confidentiality** – an Insolvency Practitioner must respect the confidentiality of information acquired as a result of professional and business relationships and not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor must they use this information for their personal advantage or the personal advantage of any third party.
- (4) **Transparency** – an Insolvency Practitioner has a professional duty to report openly to those with an interest in the outcome of the insolvency and should always report as comprehensively as possible given the circumstances of the case, in a way that is transparent and understandable.
- (5) **Conflict of Interest** – an Insolvency Practitioner must not perform, nor must an Insolvency Practitioner accept, any appointment or engagement with respect to any Insolvency Practitioner Services if there exists, or there may reasonably be perceived to exist, any interest that is likely to conflict with, or prevent the Insolvency Practitioner from providing Insolvency Practitioner Services in accordance with the requirements of these Rules and all other applicable legal requirements.

## PART 5

### PROFESSIONAL INDEMNITY INSURANCE AND SECURITY

#### 12. Professional Indemnity Insurance

- (1) An Insolvency Practitioner, or the Insolvency Practitioner's Employer on the Insolvency Practitioner's behalf, must:
  - (a) at all times hold adequate and appropriate professional indemnity insurance, which covers all types of civil liability arising in connection with the conduct of the Insolvency Practitioner or the Insolvency Practitioner's Employer's business carried out by the Insolvency Practitioner (as applicable); and
  - (b) arrange to hold appropriate run off cover that covers a period of two years after the Insolvency Practitioner's registration as an Insolvency Practitioner is cancelled.
- (2) An Insolvency Practitioner, or the Insolvency Practitioner's Employer on the Insolvency Practitioner's behalf, must maintain proper records of all relevant information relating to:
  - (a) the professional indemnity insurance relating to the Insolvency Practitioner, including the terms of cover and its duration; and
  - (b) any insurance claims made under the Insolvency Practitioner's professional indemnity insurance policy.
- (3) An Insolvency Practitioner must, upon request by the Registrar, promptly provide to the Registrar the information referred to in Rule 12(2).

#### 13. Security Bonding

- (1) Subject to Rule 13(3), the requirements for the appointment of an Insolvency Practitioner to provide Insolvency Practitioner Services under the Insolvency Regulations and these Rules shall include security for the proper performance of the Insolvency Practitioner's duties, and Schedule 2 shall have effect in respect of that requirement for security.
- (2) Where two or more persons are appointed jointly to act as Insolvency Practitioners in relation to any Insolvent Party, the provisions of these Rules shall apply to each of them individually.
- (3) Where an Insolvency Practitioner is appointed to provide Insolvency Practitioner Services under section 178 of the Insolvency Regulations, the requirement in Rule 13(1) shall not apply.

## PART 6

### GENERAL OBLIGATIONS OF INSOLVENCY PRACTITIONERS

#### 14. Continuing Obligations of Insolvency Practitioners

- (1) An Insolvency Practitioner must comply on a continuing basis with these Rules, including the Insolvency Practitioner Registration Criteria and the Principles.
- (2) An Insolvency Practitioner must provide to the Registrar, in such form as the Registrar may require, an “**Annual Insolvency Practitioner Return**” by the end of April each year and in connection therewith pay such fee as set out in the Insolvency Regulations (Insolvency Practitioner Fees) Rules 2022. The Annual Insolvency Practitioner Return must include:
  - (a) details of all persons for whom the Insolvency Practitioner has been appointed or acted as an Insolvency Practitioner or provided Insolvency Practitioner Services to during the period of 12 months preceding the date of such Annual Insolvency Practitioner Return;
  - (b) information relating to the professional indemnity insurance policy relating to that Insolvency Practitioner, including the terms and duration of, and any claims made under, the policy;
  - (c) confirmation that, to the best of the Insolvency Practitioner’s information, knowledge and belief, and save as may be disclosed in such Annual Insolvency Practitioner Return, the Insolvency Practitioner and, to the extent applicable, its Employer and any connected persons have complied with all applicable requirements of these Rules, including the Insolvency Practitioner Registration Criteria and the Principles; and
  - (d)
    - (i) confirmation that the Insolvency Practitioner remains a member of a Recognised Professional Body; or
    - (ii) in the event that (A) the Insolvency Practitioner is not a member of a Recognised Professional Body; or (B) the Insolvency Practitioner’s membership with a Recognised Professional Body has ceased, terminated or otherwise come to an end, confirmation (along with any evidence that the Registrar may require (in its discretion)) that the Insolvency Practitioner is fit and proper to remain registered and to act as an Insolvency Practitioner and provide Insolvency Practitioner Services.
- (3) The Registrar may, in its discretion, require an Insolvency Practitioner to provide examples of services that the Insolvency Practitioner has provided outside of the Abu Dhabi Global Market which are analogous to Insolvency Practitioner Services in order to demonstrate to the Registrar that the Insolvency Practitioner is still able to meet their continuing obligations under these Rules.
- (4) Notwithstanding anything contained in the Insolvency Practitioner Registration Criteria or the Principles, in order to remain registered, neither an Insolvency

Practitioner, the Insolvency Practitioner's Employer nor any of the Insolvency Practitioner's connected persons (as applicable) must be subject of any of the following events or circumstances at any time:

- (a) bankruptcy or insolvency;
- (b) imprisonment or conviction of any serious criminal offence whether or not under the laws of the Abu Dhabi Global Market;
- (c) becoming and continuing to be unable to attend to the business of the Insolvency Practitioner or becoming and continuing to be unable to provide Insolvency Practitioner Services; or
- (d) abandonment of the Insolvency Practitioner's business.

## **15. Working Papers and Records**

- (1) An Insolvency Practitioner must maintain sufficient Working Papers to:
  - (a) facilitate the proper performance of the Insolvency Practitioner's functions and duties under these Rules; and
  - (b) be able to demonstrate to the Registrar that the Insolvency Practitioner has properly performed their functions and duties and carried out the Insolvency Practitioner Services in accordance with these Rules.
- (2) An Insolvency Practitioner must, upon written request by the Registrar, promptly provide to the Registrar copies of Working Papers referred to in Rule 15(1).
- (3) An Insolvency Practitioner must maintain their Working Papers and any other records relating to the provision of Insolvency Practitioner Services or otherwise referred to in these Rules for a period of at least 7 years from the date of completion of any Insolvency Practitioner Services. These Working Papers and records include, but are not limited to:
  - (a) documents used to demonstrate to the Registrar that the Insolvency Practitioner has satisfied the Insolvency Practitioner Registration Criteria and the Principles;
  - (b) documents relating to the Insolvency Practitioner's security bonding obligations;
  - (c) documents relating to the Insolvency Practitioner's professional indemnity obligations; and
  - (d) material correspondence in relation to the provision by the Insolvency Practitioner of Insolvency Practitioner Services.
- (4) If requested by the Registrar in writing, all Working Papers and any other records referred to in Rule 15(3), however stored, must be capable of being provided to the Registrar in English language within 5 days of such request.

## 16. Notification of Changes and Events

- (1) An Insolvency Practitioner must notify the Registrar immediately if the Insolvency Practitioner becomes aware, or has reasonable grounds to believe, that any of the following matters may have occurred or may be about to occur:
  - (a) the Insolvency Practitioner fails to satisfy any of the Insolvency Practitioner Registration Criteria or their continuing obligations under Rule 14;
  - (b) the Insolvency Practitioner fails to comply with any of their obligations under laws applicable in the Abu Dhabi Global Market;
  - (c) any claim is made against the Insolvency Practitioner, the Insolvency Practitioner's Employer or any of the Insolvency Practitioner's connected persons relating to the provision of Insolvency Practitioner Services (or services analogous to Insolvency Practitioner Services outside the Abu Dhabi Global Market) by the Insolvency Practitioner, including but not limited to, a claim lodged against the Insolvency Practitioner's Employer's or Insolvency Practitioner's professional indemnity insurance policy or security bonding policy, as applicable; or
  - (d) the Insolvency Practitioner or the Insolvency Practitioner's Employer (to the extent applicable) has not complied with, or has acted in breach of, any of these Rules.
- (2) An Insolvency Practitioner must notify the Registrar immediately of:
  - (a) any appointment as a receiver, administrative receiver, administrator, liquidator or provisional liquidator or an administrator of a Deed of Company Arrangement under the Insolvency Regulations;
  - (b) the grant or refusal of any application for, or revocation of, authorisation of the Insolvency Practitioner to carry on services analogous to Insolvency Practitioner Services in any jurisdiction outside the Abu Dhabi Global Market;
  - (c) the Insolvency Practitioner becoming aware that a government or other regulatory body (including a self-regulatory body) exercising powers and performing functions related to the regulation of Insolvency Practitioners has started an investigation into, or has appointed inspectors to investigate, the conduct or affairs of the Insolvency Practitioner;
  - (d) the imposition of disciplinary measures or sanctions on the Insolvency Practitioner in relation to their conduct of services analogous to Insolvency Practitioner Services by a government or other regulatory body (including a self-regulatory body) exercising powers and performing functions related to the regulation of Insolvency Practitioners;
  - (e) the details of any security bond an Insolvency Practitioner obtains or any change to any existing security bond; or

- (f) any change to the Insolvency Practitioner's Employer or any of the information relating to the Insolvency Practitioner's Employer that is required to be provided under these Rules.
- (3) The notification requirement in Rule 16(2) also applies to the extent that any of Rules 16(2)(b)-(2)(e) apply to the Insolvency Practitioner's Employer or the Insolvency Practitioner's connected persons and the application of such provisions relates to or impacts upon the affairs of the Insolvency Practitioner or the provision of Insolvency Practitioner Services.

## **17. Relation with the Registrar**

- (1) Each Insolvency Practitioner must:
  - (a) communicate with the Registrar in the English language;
  - (b) co-operate with any investigations or enquiries undertaken, and provide such information and confirmations as may be requested, by the Registrar for any of the purposes of these Rules;
  - (c) ensure that all information provided by, or on behalf of, the Insolvency Practitioner to the Registrar is not false, misleading or deceptive; and
  - (d) not conceal any information where the concealment of such information is likely to mislead or deceive the Registrar.
- (2) Each Insolvency Practitioner must not:
  - (a) misrepresent their registered status under these Rules, expressly or by implication; or
  - (b) use or reproduce the logos of the Abu Dhabi Global Market without express written permission from the Registrar and in accordance with any conditions for use imposed by the Registrar.
- (3) An Insolvency Practitioner must give the Registrar such information as the Registrar may by notice in writing require for the exercise of the Registrar's functions under these Rules.

## **PART 7**

### **POWERS OF THE REGISTRAR**

#### **18. Powers of the Registrar**

The Registrar will exercise its powers and discharge its responsibilities as set out in these Rules in each case in accordance with the established principles of natural justice, ensuring that its actions are fair and transparent.

#### **19. Registration and Supervision**

The Registrar is responsible, in its discretion, for:

- (a) the public oversight of Insolvency Practitioners under these Rules;

- (b) designating a body as a Recognised Professional Body within the Abu Dhabi Global Market;
- (c) assessing and making decisions with respect to any application under these Rules;
- (d) determining how the continuing obligations for Insolvency Practitioners are to be applied in practice (including provision for securing compliance with those standards);
- (e) determining whether Insolvency Practitioners have complied with their ongoing obligations under these Rules;
- (f) registration and renewing and modification of the registration of Insolvency Practitioners;
- (g) maintaining the Register and making it available for inspection in accordance with these Rules;
- (h) monitoring (including by means of inspections) Insolvency Practitioners;
- (i) investigating any apparent breach of these Rules; and
- (j) imposing and enforcing sanctions in accordance with these Rules.

## **20. Sanctions**

- (1) If the Registrar considers that an Insolvency Practitioner has contravened or not complied with any of these Rules, the Registrar may take any or all of the following courses of action in relation to the Insolvency Practitioner—
  - (a) issue a private or public censure in relation to such contravention;
  - (b) impose a financial penalty;
  - (c) issue a prohibition order;
  - (d) enter into an enforceable undertaking; or
  - (e) suspend or cancel the Insolvency Practitioner's registration in accordance with Rule 21(1)(a).
- (2) Censure statements
  - (a) A censure statement must describe, in such detail as the Registrar may determine, the nature of the contravention and may include such guidance as to any remedial action that the Insolvency Practitioner should consider taking to avoid any repetition of such contravention or any other contravention taking place, as the Registrar may see fit to specify.
  - (b) A public censure statement must be published in such manner as the Registrar determines and a copy of the censure statement must be sent by the Registrar to the Insolvency Practitioner.

(3) Financial penalties

Any financial penalty imposed by the Registrar may be in such amount, and may be payable on such terms, as the Registrar considers appropriate, provided that the financial penalty shall not exceed the amount specified for Level 8 on the Abu Dhabi Global Market's standard fines scale.

(4) Prohibition orders

(a) The Registrar may issue an order prohibiting or restricting an Insolvency Practitioner from providing or otherwise being involved in the provision of any Insolvency Practitioner Services in the Abu Dhabi Global Market as may be specified in the order and subject to such conditions as may be specified in the order.

(b) The Registrar may, if it considers it appropriate or desirable, publish details of any such order in such manner as the Registrar determines.

(5) Enforceable undertakings

(a) If the Registrar considers that this would be an appropriate way in which to address any contravention of a relevant requirement or any other concern that it may have with respect to an Insolvency Practitioner, the Registrar may accept a written undertaking from an Insolvency Practitioner on such terms as may be agreed.

(b) The Registrar may, if it considers it appropriate or desirable, publish details of any such order in such manner as the Registrar determines.

(c) If the Registrar considers that any person who has given such an undertaking has not complied with any of its terms, the Registrar may take such further action as it considers appropriate, including without limitation, imposing another sanction and taking any other action available to the Registrar under these Rules and applying to the ADGM Courts for an order or other relief to enforce or provide a remedy in respect of any such non-compliance.

(6) In this Rule 20, a “**relevant requirement**” means a requirement with which an Insolvency Practitioner must comply under these Rules or the Insolvency Regulations.

## PART 8

### SUSPENSION AND CANCELLATION OF REGISTRATION

#### 21. Right of the Registrar to Suspend or Cancel Registration

(1) The Registrar may suspend or cancel the registration of an Insolvency Practitioner on:

(a) its own initiative; or

(b) at the request of the Insolvency Practitioner.

- (2) Where the Registrar decides to suspend the registration of an Insolvency Practitioner, the Registrar may direct that such suspension:
  - (a) be for a specific period of time (which may be extended for such further periods and from time to time as the Registrar may consider desirable); or
  - (b) continue until such time as such conditions as the Registrar may consider appropriate have been met to its satisfaction.

**22. Effect of Suspension or Cancellation of Registration**

- (1) An Insolvency Practitioner that has had their registration suspended or cancelled by the Registrar must:
  - (a) make appropriate arrangements with respect to the termination of any existing appointment under which the Insolvency Practitioner is providing Insolvency Practitioner Services; and
  - (b) not provide, nor agree to provide, any Insolvency Practitioner Services to any person without the prior written consent of the Registrar.

**23. Request from an Insolvency Practitioner to Suspend or Cancel Registration**

- (1) A request for suspension or cancellation of the registration by an Insolvency Practitioner must be made in writing to the Registrar in the form specified by the Registrar from time to time in accordance with the requirements of these Rules.
- (2) The Registrar retains the discretion to determine an application made by an Insolvency Practitioner under Rule 23(1), and before granting a request for suspension or cancellation the Registrar must first be satisfied (in its discretion) that:
  - (a) the Insolvency Practitioner has made appropriate arrangements with respect to any existing person to whom the Insolvency Practitioner is providing Insolvency Practitioner Services; and
  - (b) any other matter which the Registrar expects or requires to be resolved before such suspension or cancellation takes effect has been resolved.
- (3) Once an Insolvency Practitioner has made a request for their registration to be suspended or cancelled, the Insolvency Practitioner must not:
  - (a) provide any Insolvency Practitioner Services to any person; or
  - (b) agree to provide any Insolvency Practitioner Services to any person, without the prior written consent of the Registrar.

## PART 9

### WARNING NOTICES AND DECISION NOTICES

#### 24. Warning Notices

- (1) If the Registrar proposes to impose any sanction pursuant to its powers under Rule 20(1), it must provide a warning notice (a “**Warning Notice**”) to the Insolvency Practitioner, (the “**Warning Notice Recipient**”).
- (2) A Warning Notice must:
  - (a) be in writing;
  - (b) state the action(s) which the Registrar proposes to take;
  - (c) give reasons for the proposed action(s); and
  - (d) specify a reasonable period (which may not be less than 14 days) within which the Warning Notice Recipient may make representations to the Registrar.
- (3) Following the receipt of a Warning Notice, the Warning Notice Recipient must have the amount of time specified in the Warning Notice, or such longer time as the Registrar may agree with the Warning Notice Recipient, to make representations to the Registrar in respect of the Warning Notice.
- (4) The Registrar must consider relevant materials, documentation or information relating to the matter, and consider the representations made by the Warning Notice Recipient within the permitted time (if any), and must, within two months starting on the date on which the period for making representations under Rule 24(3) ends, take one or more of the following actions:
  - (a) abandon all proposed actions set out in the Warning Notice, in which case the Registrar will notify the Warning Notice Recipient of that fact in writing as soon as practicable;
  - (b) issue a subsequent Warning Notice, proposing different or further action(s); or
  - (c) take one or more actions specified in the Warning Notice by issuing a Decision Notice.

If the Registrar has not taken any of the above actions within the prescribed period, the Registrar will be deemed to have abandoned all proposed actions set out in the Warning Notice.

#### 25. Decision Notices

- (1) If the Registrar decides to take an action set out in a Warning Notice, the Registrar must provide a decision notice (a “**Decision Notice**”) to the Warning Notice Recipient (the “**Decision Notice Recipient**”).
- (2) A Decision Notice must -
  - (a) be in writing;

- (b) state the decision(s) taken by the Registrar;
- (c) give the reasons for the decision(s); and
- (d) state any right for the Decision Notice Recipient to refer a Decision Notice to the ADGM Courts under Rule 27.

**26. The Registrar's Procedures**

- (1) Without prejudice to the generality of Rule 18, the Registrar must comply with the following principles in relation to the issuance of Warning Notices and Decision Notices under this Part:
  - (a) a decision to issue a Warning Notice or a Decision Notice must be taken only by:
    - (i) a person not directly involved in establishing the evidence on which the decision is based; or
    - (ii) two or more persons who include a majority of persons not directly involved in establishing the evidence on which the decision is based; and
  - (b) the procedural formalities and protections afforded to a Warning Notice Recipient or Decision Notice Recipient must be commensurate with the gravity or seriousness of the proposed action.
- (2) The ADGM Courts may take into account any failure of the Registrar in complying with these requirements in considering a matter referred to them under Rule 27.

**27. Right to refer a Decision Notice to the ADGM Courts**

- (1) A Decision Notice Recipient may, within one month of receipt of the Decision Notice, refer such Decision Notice to the ADGM Courts, which will review the matter in accordance with their own procedures.
- (2) A Decision Notice that has been referred to the ADGM Courts continues in effect until the matter has been resolved by the ADGM Courts, unless the ADGM Courts determine otherwise.

**28. Access to Material**

- (1) Subject to Rule 28(2) and Rule 28(4), if the Registrar notifies a Warning Notice Recipient that it intends to suspend or cancel the Warning Notice Recipient's registration under Rule 21(1)(a), the Registrar must:
  - (a) allow the Warning Notice Recipient access to the material on which the Registrar relied upon in taking the decision which gave rise to the obligation to give the Warning Notice; and
  - (b) allow the Warning Notice Recipient access to any other material which was considered or obtained by the Registrar in connection with determining and reaching its decision.

- (2) The Registrar may refuse the Warning Notice Recipient access to any material which it would otherwise have to allow the Warning Notice Recipient access to if, in the Registrar's opinion (in its discretion), allowing the Warning Notice Recipient access to such material:
  - (a) would not be in the public interest;
  - (b) would breach confidentiality requirements; or
  - (c) would not be fair to the Warning Notice Recipient, having regard to:
    - (i) the likely significance of the material to the Warning Notice Recipient in relation to the matter giving rise to the Warning Notice; and
    - (ii) the potential prejudice to the commercial interests of a person other than the Warning Notice Recipient which would be caused by the disclosure of the material.
- (3) If the Registrar refuses a Warning Notice Recipient to access material under Rule 28(2), the Registrar must give the Warning Notice Recipient written notice of:
  - (a) the refusal; and
  - (b) the reasons for it.
- (4) The Registrar may refuse a Warning Notice Recipient access to any material on the basis that it consists of a Protected Item in accordance with Rule 29, in which case, the Registrar must give the Warning Notice Recipient written notice of:
  - (a) the existence of the Protected Item; and
  - (b) the Registrar's decision not to allow the Warning Notice Recipient access to the material.

## **29. Protected Items**

- (1) A person may not be required under these Rules to produce, disclose or permit the inspection of any Protected Item.
- (2) **"Protected Item"** means:
  - (a) communications between a professional legal adviser and their client or any person representing their client which fall within Rule 29(3);
  - (b) communications between a professional legal adviser, their client or any person representing their client and any other person which falls within Rule 29(3) (as a result of Rule 29(3)(b)); and
  - (c) items which:
    - (i) are enclosed with, or referred to in, any communications that fall within Rule 29(2)(a) or Rule 29(3)(b);
    - (ii) fall within Rule 29(3); and

- (iii) are in the possession of a person entitled to possession of them.
- (3) A communication or item falls within this Rule 29 if it is made:
  - (a) in connection with the giving of legal advice by a professional legal adviser to a client; or
  - (b) in connection with, or in contemplation of, legal proceedings and for the purposes of those proceedings.
- (4) A communication or item is not a Protected Item if it is held with the intention of furthering a criminal purpose or in contravention of these Rules.

### **30. Publication**

- (1) A Warning Notice, including the existence and content thereof, must not be published by the Registrar, a Warning Notice Recipient, a Decision Notice Recipient or any other person.
- (2) The Registrar may publish, in such manner as it considers appropriate, a Decision Notice, part of a Decision Notice, or such information about the matter to which a Decision Notice relates as it considers appropriate, taking into account the fairness of such publication, the effect of such publication on the Decision Notice Recipient, the interests of third parties in the Abu Dhabi Global Market or the interests of the Abu Dhabi Global Market as a whole.
- (3) Except with the prior written consent of the Registrar or to the extent that the Registrar has already published such information, a Decision Notice Recipient may not publish a Decision Notice, part of a Decision Notice or information about the matter to which a Decision Notice relates.
- (4) Notwithstanding Rule 30(1) and (3), a Warning Notice Recipient or Decision Notice Recipient may disclose a Warning Notice or Decision Notice (as applicable), including the existence and content thereof, to its professional advisors.
- (5) A person who contravenes Rule 30(1) or Rule 30(3) is liable to a fine not exceeding Level 3 on the Abu Dhabi Global Market's standard fines scale.

## SCHEDULE 1

### DEFINITIONS

ADGM Courts	Has the meaning given to that term in the ADGM Courts, Civil Evidence, Judgments, Enforcement and Judicial Appointments Regulations 2015
Annual Insolvency Practitioner Return	Is defined in Rule 14(2)
Commencement Date	Is defined in Rule 1(2)
Commercial Licensing Regulations	Means the Commercial Licensing Regulations 2015
connected person	Means those listed in paragraphs (1)-(3) of Part 1 of Schedule 1 to the Commercial Licensing Regulations
Decision Notice	Is defined in Rule 25(1)
Decision Notice Recipient	Is defined in Rule 25(1)
Deed of Company Arrangement	Has the meaning given to it in the Insolvency Regulations
Employer	Is defined in Rule 6(1)(a)
fit and proper	Includes, without limitation, having the ability and intention to comply with, or as the case may be, demonstrating consistent compliance with, the Principles and at all times not being subject to any of the events or circumstances set out in Rule 14(4)
General Penalty Sum	Is defined in paragraph Part 13(3)(b) of Schedule 2
Insolvency Practitioner	Means a natural person registered as an Insolvency Practitioner under these Rules
Insolvency Practitioner Applicant	Means a natural person applying for registration as an Insolvency Practitioner in accordance with these Rules
Insolvency Practitioner Registration Criteria	Is defined in Rule 6(1)
Insolvency Practitioner Services	Means services provided by an Insolvency Practitioner in connection with its appointment and role as:  (a) a receiver;  (b) an administrative receiver;

- (c) an administrator;
- (d) an administrator of a Deed of Company Arrangement;
- (e) a liquidator; or
- (f) a provisional liquidator,

in each case under the Insolvency Regulations

Insolvency Regulations	Is defined in Rule 1(3)
Insolvent Party	Has the meaning given to it in the Insolvency Regulations
Principles	Means those principles set out in Part 4
Protected Item	Is defined in Rule 29(2)
Recognised Professional Body	Means a body within or outside the Abu Dhabi Global Market that is recognised by the Registrar in accordance with these Rules and which: <ul style="list-style-type: none"> <li>a) regulates its insolvency practitioner members; and</li> <li>b) has rules which ensure that its insolvency practitioner members: (i) are fit and proper to act as an insolvency practitioner, and (ii) meet prescribed requirements as to education, practical training and experience</li> </ul>
Register	Means the register of Insolvency Practitioners required to be kept by the Registrar pursuant to Rule 8
relevant requirement	Is defined in Rule 20(6)
Specific Penalty Sum	Is defined in paragraph Part 13(3)(a) of Schedule 2
Statement of Affairs	Has the meaning given to it in the Insolvency Regulations
Transition Period	Is defined in Rule 4(1)
Transitional Insolvency Practitioner	Is defined in Rule 4(1)
Warning Notice	Is defined in Rule 24(1)
Warning Notice Recipient	Is defined in Rule 24(1)

Working Papers

Means all material information and documentation (whether in the form of data stored on paper, film electronic media, or other media or otherwise) prepared by or for, or obtained by an Insolvency Practitioner in connection with the performance of any Insolvency Practitioner Services

## SCHEDULE 2

### REQUIREMENTS FOR SECURITY AND RELATED MATTERS

#### PART 1

#### REQUIREMENTS RELATING TO SECURITY

##### 1. Requirements in respect of security

- (1) The requirements in respect of security for the proper performance of the duties of an Insolvency Practitioner prescribed under the Insolvency Regulations and these Rules shall be as set out in this Part.
- (2) Subject to paragraph 2 and Rule 13(3) of the Rules, where an Insolvency Practitioner is appointed to provide Insolvency Practitioner Services there must be in force at that time a bond in a form approved by the Registrar which complies with paragraph 3.

##### 2. Registrar's discretion as to security

The Registrar may, in its discretion, waive, modify, amend or disapply any of the requirements set out in Rule 13 of the Rules and this Schedule 2 in relation to any Insolvency Practitioner.

##### 3. Terms of the bond

- (1) The bond must:
  - (a) be in writing or in electronic form;
  - (b) contain a provision whereby a surety undertakes to be jointly and severally liable for losses in relation to each Insolvent Party for which the Insolvency Practitioner is appointed to provide Insolvency Practitioner Services caused by:
    - (i) the fraud or dishonesty of the Insolvency Practitioner whether acting alone or in collusion with one or more persons; or
    - (ii) the fraud or dishonesty of any person committed with the connivance of the Insolvency Practitioner; and
  - (c) otherwise conform to the requirements of this paragraph 3 and paragraph 4.
- (2) The terms of the bond must provide:
  - (a) that the Insolvency Practitioner has taken out the General Penalty Sum prior to any appointment to provide Insolvency Practitioner Services and maintains this General Penalty Sum for at least the duration of such appointment; and
  - (b) that the Insolvency Practitioner takes out a Specific Penalty Sum prior to, and in respect of, any appointment to provide Insolvency Practitioner Services.

- (3) The terms of the bond must provide:
- (a) for the payment, in respect of each case where the Insolvency Practitioner acts, of claims in respect of liabilities for losses of the kind mentioned in paragraph 3(1)(b) up to an aggregate maximum sum in respect of that case (the “**Specific Penalty Sum**”) calculated in accordance with the provisions of paragraph 4;
  - (b) in the event that any amounts payable under paragraph (a) are insufficient to meet all claims arising out of any case, for a further sum of US\$ 350,000 or the equivalent amount in any other currency approved by the Registrar (the “**General Penalty Sum**”) out of which any such claims are to be met;
  - (c) for a schedule containing the name of each Insolvent Party for which the Insolvency Practitioner is appointed to provide Insolvency Practitioner Services and the value of that Insolvent Party’s assets to be submitted to the surety within such period as may be specified in the bond;
  - (d) that where, at any time before the Insolvency Practitioner obtains their release or discharge in respect of their acting in relation to an Insolvent Party, the Insolvency Practitioner forms the opinion that the value of that Insolvent Party’s assets is greater than the current Specific Penalty Sum, a revised Specific Penalty Sum shall be applicable on the submission within such time as may be specified in the bond of a cover schedule containing a revised value of the Insolvent Party’s assets;
  - (e) for the payment of losses of the kind mentioned in paragraph 3(1)(b), whether they arise during:
    - (i) the period in which the Insolvency Practitioner holds office in the capacity in which the Insolvency Practitioner was initially appointed; or
    - (ii) a subsequent period where the Insolvency Practitioner holds office in a subsequent capacity;
- (4) The terms of the bond must provide:
- (a) that total claims in respect of the acts of the Insolvency Practitioner under all bonds relating to the Insolvency Practitioner are to be limited to a maximum aggregate sum (which shall not be less than US\$ 2,500,000 or the equivalent amount in any other currency approved by the Registrar);
  - (b) for a time limit within which claims must be made which may not be less than two years from the date of discharge or replacement, whichever is the later; and
  - (c) that any costs relating to the investigation of the fraud will be no more than fifty percent (50%) of the security, unless otherwise agreed by the surety or creditors.

#### **4. Calculation of the Specific Penalty Sum**

- (1) Subject to paragraphs 4(2), 4(3), and 4(4), the amount of the Specific Penalty Sum in respect of a case in which the Insolvency Practitioner acts, shall equal at least the value of the Insolvent Party's assets as estimated by the Insolvency Practitioner as at the date of the Insolvency Practitioner's appointment but ignoring the value of any assets:
  - (a) charged to a third party to the extent of any amount which would be payable to that third party; or
  - (b) held on trust by the Insolvent Party to the extent that any beneficial interest in those assets does not belong to the Insolvent Party.
- (2) Subject to paragraphs 4(3) and 4(4), the Specific Penalty Sum shall be equal to the lesser of:
  - (a) the value of the Insolvent Party's assets; and
  - (b) US\$ 1,000,000 or the equivalent amount in any other currency approved by the Registrar.
- (3) Where the value of the Insolvent Party's assets is less than US\$ 5,000 or the equivalent amount in any other currency approved by the Registrar, the Specific Penalty Sum shall be US\$ 5,000 or the equivalent amount in any other currency approved by the Registrar.
- (4) In a case where an Insolvency Practitioner acts as an administrator of a Deed of Company Arrangement under Chapter 8 (*Deed of Company Arrangement*) of Part 1 (*Administration*) of the Insolvency Regulations, the amount of the Specific Penalty Sum shall be equal to at least the value of those assets subject to the terms of the arrangement (whether or not those assets are in the possession of the Insolvency Practitioner) including, where under the terms of the arrangement the debtor or a third party is to make payments, the aggregate of any payments to be made.
- (5) In estimating the value of an Insolvent Party's assets for the purposes of paragraph 4, unless the Insolvency Practitioner has reason to doubt their accuracy, the Insolvency Practitioner may rely upon any Statement of Affairs produced in relation to that Insolvent Party pursuant to any provision of the Insolvency Regulations.

## **PART 2**

### **RECORDS RELATING TO SECURITY AND CONNECTED MATTERS**

#### **5. Record of Specific Penalty Sums to be maintained by Insolvency Practitioners**

- (1) An Insolvency Practitioner shall maintain a record of all Specific Penalty Sums that are applicable in relation to any case where the Insolvency Practitioner is acting, and such record shall contain the name of each Insolvent Party to whom the Specific Penalty Sum relates and the amount of each Specific Penalty Sum that is in force.

- (2) Any record maintained by an Insolvency Practitioner pursuant to this paragraph shall, on the giving of reasonable notice, be made available for inspection by:
- (a) the Registrar;
  - (b) any Recognised Professional Body; and
  - (c) any Insolvent Party to whom a Specific Penalty Sum relates.

**6. Retention of bond by the Registrar or Recognised Professional Body**

The Registrar, any Recognised Professional Body or any Insolvent Party to whom a Specific Penalty Sum relates may, upon the giving of reasonable notice to the Insolvency Practitioner, request to receive a copy (which may be electronic) of the bond referred to in paragraph 3, in which case the Insolvency Practitioner must provide the requested copy within a reasonable time.

**7. Inspection and retention requirements relating to cover schedule**

- (1) The Insolvency Practitioner shall retain a copy of the cover schedule submitted by the Insolvency Practitioner in respect of their acting in relation to an Insolvent Party until the second anniversary of the date on which the Insolvency Practitioner is granted their release or discharge in relation to that Insolvent Party.
- (2) The copy of a cover schedule kept by an Insolvency Practitioner in pursuance of paragraph 7(1) shall be produced by the Insolvency Practitioner on demand for inspection by:
- (a) any creditor of the person to whom the schedule relates;
  - (b) where the schedule relates to an Insolvent Party who is an individual, that individual;
  - (c) where the schedule relates to an Insolvent Party which is a body corporate, any contributory or director or other officer of the body corporate;
  - (d) the Registrar; and
  - (e) any Recognised Professional Body.

**8. Requirements to submit cover schedule to the Registrar**

Every Insolvency Practitioner shall submit to the Registrar:

- (a) the information submitted to a surety in any cover schedule related to that month;
- (b) where no cover schedule is submitted in relation to the month, a statement either that there are no relevant particulars to be supplied or, as the case may be, that it is not practicable to supply particulars in relation to any appointments taken in that month; and
- (c) a statement identifying any case in respect of which the Insolvency Practitioner has been granted their release or discharge,

not later than 20 days after the end of each month during which the Insolvency Practitioner holds office in a case.

**9. Requirement to submit cover schedule to a Recognised Professional Body**

Upon request by a Recognised Professional Body, an Insolvency Practitioner shall submit the information submitted to a surety in a cover schedule to such Recognised Professional Body.