



FINAL NOTICE
ISSUED UNDER SECTION 50
OF THE COMMERCIAL LICENSING REGULATIONS 2015

Reference: ME-2020-01

To: Coral Holdings Limited

Address: 3507 Campus 02, 35
Al Maqam Tower
Abu Dhabi Global Market Square
Al Maryah Island, Abu Dhabi
UNITED ARAB EMIRATES

Date: 5 October 2020

1. DECISION

- 1.1 This Final Notice (“Final Notice”) is issued under section 50 of the *Commercial Licensing Regulations 2015* (the “Regulations”).
- 1.2 For the reasons given in this Final Notice, the Registrar of the Registration Authority (the “Registrar”) has decided to cancel the licence of Coral Holdings Limited (“CHL”).

2. DEFINED TERMS AND RELEVANT REGULATIONS

- 2.1 Defined terms are identified in the Final Notice in parentheses, using the capitalisation of the initial letter of a word or of each word in a phrase, and are either defined in the Regulations, or in the body of this Final Notice at the first instance the term is used. Unless the context otherwise requires, where capitalisation of the initial word is not used, an expression has its natural meaning.

REGISTRATION AUTHORITY
سلطة التسجيل

2.2 Extracts of Regulations and Rules referred to in this Final Notice are attached in **Annexure A**. Complete copies of the Regulations and Rules are accessible on the Abu Dhabi Global Market website www.adgm.com/legal-framework/rules-and-regulations.

3. SUMMARY OF REASONS

3.1 On 19 March 2020, the Registration Authority's Monitoring and Enforcement Division ("M&E") conducted an onsite assessment of CHL, via a conference call due to COVID-19 protocols (the "Assessment"). CHL was represented by its company service provider, [REDACTED]

3.2 During the Assessment and on review of further responses received following the Assessment, M&E observed that:

- a. CHL's sole authorised signatory, [REDACTED] does not hold a UAE residency visa;
- b. CHL does not maintain a register of directors or register of members; and
- c. CHL does not maintain a record of beneficial ownership.

3.3 These observations have led the Registrar to believe CHL has failed to comply with a number of conditions of its licence since its incorporation in February 2018.

3.4 Additionally, during the Assessment [REDACTED] confirmed that:

- a. CHL's shareholders and directors are all Nigerian nationals with no UAE residency visas; and
- b. CHL has not held any assets or conducted any transactions connected to the UAE since its incorporation in February 2018.

3.5 Pursuant to section 13 of the Regulations, the Registrar has the power to vary or cancel a licence if it appears to the Registrar that:

- a. a licensed person is failing, or is likely to fail, to satisfy the conditions of its licence;
- b. that person has failed, during a period of at least 12 months, to carry on a controlled activity to which the licence relates; or
- c. it is desirable to exercise the power in the interests of the Abu Dhabi Global Market.

- 3.6 Based on the above, the Registrar considers that CHL is failing to satisfy the conditions of its licence and has failed to carry on a controlled activity for more than 12 months.
- 3.7 Accordingly, the Registrar has decided to cancel CHL's licence.

4. FACTS AND MATTERS RELIED UPON

Background

- 4.1 CHL was incorporated in the Abu Dhabi Global Market on 27 February 2018, as a private company limited by shares, licensed to conduct the activities of:
- (#7014) Proprietary investment company;
 - (#7015) Proprietary asset management company; and
 - (#7016) Special purpose company.
- 4.2 CHL's registered office address, as recorded on the Abu Dhabi Global Market public register, is:
- 3507Campus 02, 35
Al Maqam Tower
Abu Dhabi Global Market Square
Al Maryah Island, Abu Dhabi
UNITED ARAB EMIRATES
- 4.3 The business case submitted with the incorporation application notes that the objectives and activities of CHL include holding shares and investing in real estate.

The Assessment

- 4.4 By letter dated 30 January 2020, and delivered to [REDACTED] M&E notified CHL that it had been selected for an Assessment, during which a specified list of documents would be required to be produced to M&E ("Assessment Notification Letter").
- 4.5 On 19 March 2020, M&E conducted the Assessment of CHL with [REDACTED] [REDACTED] from [REDACTED] on behalf of CHL.

- 4.6 During the Assessment, [REDACTED] confirmed that [REDACTED], the sole authorised signatory of CHL, does not hold or maintain a UAE residency visa.
- 4.7 Additionally, [REDACTED] was unable to provide the requested company documents for the Assessment as had been listed in the Assessment Notification Letter, including copies of CHL’s register of members, register of directors and record of beneficial ownership. [REDACTED] confirmed to M&E that CHL does not hold or maintain any such registers or records.
- 4.8 [REDACTED] also confirmed that CHL’s shareholders and directors are all Nigerian nationals with no UAE residency visas, and that CHL has not held any assets or conducted any transactions connected to the UAE since its incorporation in February 2018.
- 4.9 [REDACTED] statements are consistent with CHL company filings [REDACTED] submitted with the Registration Authority, including annual returns and management accounts.

5. CONTRAVENTIONS

- 5.1 As a result of the failures identified during the Assessment, the Registrar considers that CHL is in contravention of:
- a. Rule 6(d) of the *Commercial Licensing Regulations (Conditions of Licence and Branch Registration) Rules 2019*, which requires that:

“A licence holder must at all times maintain at least one (1) authorised signatory who holds a residency visa issued by a competent authority in the United Arab Emirates”
 - b. Article 35(3) of *Cabinet Decision No. (10) of 2019 Concerning the implementing regulation of decree law no. (20) of 2018 on anti- money laundering and combating the financing of terrorism and illegal organisations*, which requires that:

“Companies shall have one or more natural persons residents of the State and authorised to disclose to the Registrar all information”.
 - c. Section 118(1) of the *Companies Regulations 2015*, which requires that:

“Every company must keep a register of its members.”
 - d. Section 153 (1) of the *Companies Regulations 2015*, which requires that:

“Every company must keep a register of its directors.”

- e. Section 2(1) of the *Beneficial Ownership and Control Regulations 2018*, which requires that:

“Each ADGM Person must keep a record of the required particulars of its beneficial owners in a record referred to in these Regulations as the “record of beneficial owners”.

- f. Rule 6(b) of the *Commercial Licensing Regulations (Conditions of Licensing and Branch Registration) Rules 2019*, which requires a licence holder to:

“maintain compliance with—

- (i) *any obligation imposed from time to time upon him or his connected persons by or under any enactment (including the Regulations and these Rules) or any other law applicable in the Abu Dhabi Global Market;”.*

6. OWN INITIATIVE ACTION

- 6.1 In deciding to cancel CHL’s licence, the Registrar has taken into account section 13(1) of the Regulations, which are that:

- a. the licensed person is failing, or is likely to fail, to satisfy the conditions of its licence;
- b. the licensed person has failed, during a period of at least 12 months, to carry on a controlled activity to which the licence relates; or
- c. it is desirable to exercise the power in the interests of the Abu Dhabi Global Market.

Failing to satisfy applicable licence conditions

- 6.2 Due to the failures identified during the Assessment (as set out in paragraphs 4.6 to 4.8 above) and the resulting contraventions set out in Section 5 of this Final Notice, the Registrar considers that CHL has failed, and is likely to continue to fail, to satisfy the conditions of its licence.

Failure to carry on a controlled activity during a period of at least 12 months

- 6.3 During the Assessment, M&E requested clarification on the purpose of incorporating CHL in Abu Dhabi Global Market and its current status. ■■■ responded that the purpose of establishment is to hold shares and invest in real estate. However, ■■■ confirmed that since its incorporation, CHL has not conducted any business activities, whether controlled activities or otherwise.
- 6.4 Accordingly, CHL has not carried on a controlled activity for over 24 months (i.e. since incorporation in February 2018).

Interests of the Abu Dhabi Global Market

- 6.5 Given that CHL is both failing to meet the conditions of its licence and has failed to carry on a controlled activity for over 12 months, the Registrar considers that it is not in the interests of the Abu Dhabi Global Market for CHL to remain licenced.

7. CHL'S REPRESENTATIONS

- 7.1 On 6 July 2020, the Registrar issued CHL with a Warning Notice in which it stated that it proposed to cancel its licence.
- 7.2 CHL was provided with an opportunity to make written representations regarding the Registrar's concerns and the action proposed.
- 7.3 As at the date of this Final Notice, no representations have been submitted by CHL.
- 7.4 On 19 July 2020, the Registrar received from ■■■ an application for the voluntary strike-off of CHL under Section 867A of the Regulations. As CHL is currently subject to administrative proceedings, it is the Registrar's policy to refuse to process the voluntary strike-off application until the conclusion of the current proceedings.

8. PROCEDURAL MATTERS

Issuance of Decision Notice

- 8.1 On 17 August 2020, the Registrar issued a Decision Notice to CHL pursuant to section 20(2) of the Regulations.
- 8.2 Under section 21(2) of the Regulations, CHL had the opportunity to refer the Decision Notice to the ADGM Courts.
- 8.3 CHL acknowledged the receipt of the Decision Notice on the same day of issuing the Decision Notice (17 August 2020) and as at the date of this Final Notice, no referral have been made by CHL to the ADGM Courts.
- 8.4 As a referral was not made to the ADGM Courts for a review of the Decision Notice within 28 days of CHL's receipt of the Decision Notice, the Registrar has proceeded to issue this Final Notice pursuant to section 50 of the Regulations.

Publicity

- 8.5 As this Final Notice has now been issued, pursuant to section 51(5) of the Regulations, the Registrar must publish the details about the matter to which the Final Notice relates as it considers appropriate.

Signed:

Natella Safar Ali
Executive Director, Registration & Incorporation
Delegate of the Registrar
Registration Authority