



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

To: Amicorp Advisory Limited

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Email:

[REDACTED]

Date: 6 February 2023

1. DECISION

1.1 This Final Notice (“Notice”) is issued under section 50 of the *Commercial Licensing Regulations 2015* (“CLR 2015”).

1.2 For the reasons given in this Notice, the Registrar of Abu Dhabi Global Market (“ADGM”) has decided to impose financial penalties on Amicorp Advisory Limited (“Amicorp”) of:

- i) **USD 11,000** for a contravention of section 80A(1)(b) of CLR 2015 - *General false statement contravention*; and
- ii) **USD 7,000** for a contravention of a relevant requirement imposed by the *Commercial Licensing Regulations 2015 (Conditions of Licence and Branch Registration) Rules 2021* (the “Rules”) pursuant to section 41(1) of CLR 2015, specifically Schedule 1, Condition 2 - Policies, Procedures and Controls.

2. DEFINED TERMS AND RELEVANT REGULATIONS

2.1 Defined terms are identified in the 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 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.

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

3. SUMMARY OF EVIDENCE SUPPORTING THE DECISION

3.1 Amicorp is a ADGM licensed company service provider (“CSP”).

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3.2 During the material time, it employed an account manager (the “Amicorp Employee”) who is also implicated in the contraventions set out below.

Contravention of section 80A(1)(b) of CLR 2015

3.3 In late January of 2022, the Amicorp Employee submitted a number of documents to the Registration & Incorporation Division (“R&I”) of the Registration Authority (“RA”) on behalf of a client of Amicorp (the “Client”) in support of an incorporation application under *Companies Regulations 2020* (“CR 2020”) and a licensing application under CLR 2015 (collectively, the “Application”).

3.4 As part of any company’s ADGM incorporation or licensing application, R&I requires proof that a proposed director of the company resides in the UAE. This is commonly achieved by the submission of a recent UAE utility bill associated with the proposed director’s residence.

3.5 As part of the Application, the Amicorp Employee submitted a Dubai Electricity & Water Authority (“DEWA”) bill issued on “29/09/2021” for the month “September 2021” (the “September Bill”). The address of the September Bill is associated with the Dubai residential address for a proposed director (the “Director”) of the Client. The period for the September Bill was “26/08/2021 to 25/09/2021”.

3.6 On 2 February 2022, pursuant to section 16(5) of CLR 2015, a staff member of R&I (the “Staff Member”) reviewing the Application requested that the Client provide further information considered necessary to enable her to determine the Application.

3.7 Specifically, the Staff Member requested a valid proof of residential address for the Director “that was not more than three months old” (the “Residency Requirement”). The date of issue on the September Bill was approximately four months prior to the date that the Application was submitted.

3.8 On 3 February 2022, the Amicorp Employee submitted another DEWA bill (the “December Bill”) associated with the residence of the Director.

3.9 However, less than 15 minutes before delivering the December Bill to the Registrar, the Amicorp Employee used an Adobe Pro software tool on the September Bill to change certain dates on its first page to create the December Bill.¹

3.10 Specifically, the Amicorp Employee altered the following:

- a) the issue date of “29/09/2021” on the September Bill to “09/01/2022” on the December Bill;
- b) the period from “26/08/2021 to 25/09/2021” on the September Bill to “01/12/2021 to 31/12/2021” on the December Bill; and

¹ Both the September Bill and the December Bill were provided to the Registrar electronically in PDF format

- c) the month on the September Bill was changed from “September 2021” to “December 2021” on the December Bill.²
- 3.11 The Director’s address on the December Bill remained the same as the September Bill as did other information such as the invoice number and due date.
- 3.12 These alterations made by Amicorp Employee (as described in paragraph 3.10) during the course of her employment meant that the December Bill contained information that was false, misleading or deceptive in a material particular when submitted to the Registrar.
- 3.13 Accordingly, the Registrar is concerned that Amicorp, through the Amicorp Employee, recklessly delivered a document to the Registrar containing information that was be false, misleading or deceptive in a material particular in contravention of section 80A(1)(b) of CLR 2015.

Contravention of a Relevant Requirement Imposed by the Rules

- 3.14 In February of 2022, shortly after review of the December Bill, the Staff Member referred this apparent misconduct to the Monitoring & Enforcement Division of the RA (“M&E”).
- 3.15 Investigators (“Investigators”) were subsequently appointed by the Registrar pursuant to Part 3 of CLR 2015 to conduct an investigation on behalf of the Registrar (the “Investigation”).
- 3.16 On 25 February 2022, pursuant to section 33(2) of CLR 2015, the Investigators sent emails separately to Amicorp and the Amicorp Employee attaching notices of the appointment of the Investigators (the “Notice of Appointment of Investigators”). These notices stated the reasons for the appointment of the Investigators and provided both Amicorp and the Amicorp Employee with some particulars about the scope of the Investigation.
- 3.17 However, the Notice of Appointment of Investigators provided to Amicorp did not reference any alleged involvement of the Amicorp Employee.
- 3.18 Later, on 25 February 2022, the Amicorp Employee sent an email to the Investigators acknowledging her receipt of the email attaching the Notice of Appointment of Investigators.
- 3.19 The cover letter to the Notice of Appointment of Investigators to the Amicorp Employee made specific reference to section 39(3) of CLR 2015 which states that it is a contravention to falsify, conceal or otherwise dispose of a document which a person knows, or suspects would be relevant to an investigation.
- 3.20 On 1 March 2022, the Investigators issued a requirement to Amicorp under Part 3 of CLR 2015 (the “Document Requirement”) which mandated that Amicorp provide certain documents and information to the Investigators by 9 March 2021, including emails and documents related to the Application.

² The Investigators employed the Adobe Pro software tool to review the December Bill which indicated that these alterations were associated with the Amicorp Employee and noted the time that each of these alterations were made.

- 3.21 Following the receipt of the Notice of Appointment of Investigators and issuance of the Document Requirement, the Amicorp Employee’s manager at the time (the “Manager”) asked this employee to assist with the collection of documents as requested in the Document Requirement. The Manager claims that, at that time, she did not suspect the Amicorp Employee of any misconduct.
- 3.22 However, it is evident that after receipt of the Notice Appointment of Investigations, the Amicorp Employee took steps to conceal, destroy or otherwise dispose of documents which this employee knew or suspected were or would be relevant to the Investigation.
- 3.23 Specifically, the Amicorp Employee deleted a key email from the general email account of Amicorp that the Staff Member used to communicate with Amicorp (the “CSP Email Account”). This email was sent by the Staff Member on 4 February 2022, the day after the December Bill was submitted (the “R&I Email”). In the R&I Email, the Staff Member noted that the December Bill “*appears to have been tampered with*”.
- 3.24 Commencing on 16 March 2022, Amicorp conducted an internal investigation (the “Internal Investigation”) and ultimately shared the report of the Internal Investigation with the Investigators on 25 March 2022. The Internal Investigation determined that the Amicorp Employee deleted the R&I Email on 1 March 2022 at 7:53:42 a.m.
- 3.25 The R&I Email was sent to the CSP Email Account on 4 February 2022, but the Amicorp Employee did not delete the R&I Email until 1 March 2022, after receipt the Notice of Appointment of Investigators.
- 3.26 Further, on 2 March 2022, the Amicorp Employee went on the portal used by Amicorp to file documents with the Registrar and took steps to remove the December Bill.
- 3.27 On 9 March 2022, Amicorp provided many emails and documents in response to the Document Requirement but neither the R&I Email nor the December Bill were provided by the CSP. The Internal Investigation revealed the Amicorp Employee’s actions had concealed or otherwise attempted to dispose of these items.
- 3.28 On 21 March 2022, the Amicorp Employee attended an interview with the Investigators as result of an issuance of a requirement under Part 3 of CLR 2015 (the “Amicorp Employee Interview”). During the Amicorp Employee Interview, this employee admitted to attempting, on 2 March 2022, to remove the December Bill from the portal used by Amicorp to file documents with the Registrar.
- 3.29 On 21 March 2022, Amicorp terminated the Amicorp Employee shortly after the Amicorp Employee Interview.
- 3.30 After receipt of the report of the Internal Investigation, the Investigators made inquiries regarding the training that the Amicorp Employee completed at Amicorp including any training respecting ethical obligations expected of Amicorp employees and /or Amicorp’s code of conduct.
- 3.31 In an email of 19 May 2022, in response to a follow-up email from the Investigators, the Managing Director of Amicorp noted that Amicorp did not have a specific training program



on ethics. However, as part of its “Welcome to Amicorp” program, Amicorp had a course called “Your Amicorp Guide” containing “mandatory policies” that were required reading for employees. One of these policies is Amicorp’s “Code of Business Conduct and Ethics.” Amicorp provided version 1.5 of this policy dated 1 September 2019.

- 3.32 Section 3.1.1 of the “Code of Business Conduct and Ethics” is entitled “Behavior Compliant with the Law” which states –

Observance and compliance with the rules of law are a fundamental principle for Amicorp. Every employee shall obey the laws and regulations of the legal systems within which they are acting. Violating the law must be avoided under all circumstances, especially violations punishable by jail, monetary penalties, or fines.

Regardless of the sanctions foreseen by the law, any employee guilty of a violation will be liable to disciplinary consequences because of the violation of his/her employment duties.

- 3.33 The “Code of Business Conduct and Ethics” also includes a section entitled “3.1.4 Management, Responsibility, and Supervision” which states –

Every manager bears responsibility for the employees entrusted to him/her. Every manager must earn their respect by exemplary personal behaviour, performance, openness, and social competence. The manager shall set clear, ambitious, and realistic goals lead by trust and confidence and leave the employees as much individual responsibility and leeway as possible. Every manager shall also be accessible in case employees wish to discuss a professional or personal problem.

Every manager must fulfil duties of organization and supervision.

It will be the responsibility of every manager to see to it that there is no violation of laws within his/her area of responsibility which proper supervision could have prevented or rendered more difficult. The manager still remains responsible, if he/she delegates particular tasks.

The following shall, in particular, apply:

- *The manager must carefully select the employees for their personal and professional qualifications. The duty of care increases with the importance of the obligation to be entrusted to the employee (duty of selection).*
- *The manager must formulate the obligations in a precise, complete, and binding manner, especially with a view to compliance with provisions of the law (duty of instruction).*
- *The manager must see to it that compliance with provisions of the law is monitored on an ongoing basis (duty of monitoring).*
- *The manager must clearly communicate to the employees that violations of the law are disapproved and will have employment consequences. [emphasis added].*

- 3.34 Accordingly, Amicorp recognises in its own “Code of Business Conduct and Ethics” that responsibility for an employee’s violation of the law extends beyond the employee.

- 3.35 When it came to supervising the Amicorp Employee, Amicorp failed in its “duty of monitoring”.
- 3.36 In addition, during the Internal Investigation, Amicorp recognised that, with respect to the Amicorp Email Address, “[t]he ability to delete communication on a group email was found to be a major lapse on the infrastructure side”.
- 3.37 Amicorp recognised the need to fix this issue “avoid such instances in the future”, referring to the deletion of the R&I Email by the Amicorp Employee.

4. CONTRAVENTIONS

- 4.1 Based on the facts and matters noted above, the Registrar considers that Amicorp committed the follow contraventions -
- (i) section 80A(1)(b) of CLR 2015 - *general false statement contravention*; and
 - (ii) contravention of a relevant requirement imposed by the Rules pursuant to section 41(1) of CLR 2015, specifically Schedule 1, Condition 2 - Policies, Procedures and Controls.

5. SANCTIONS

Financial penalties

- 5.1 In deciding to impose financial penalties, the Registrar has considered the factors and considerations in the Registrar’s Decision Procedures, Disqualification and Enforcement Manual (the “Manual”).

Determination to impose a financial penalty

- 5.2 With reference to paragraph 4.7 of the Manual, the Registrar considers the following factors to be of relevance in deciding to impose financial penalties against Amicorp:
- a. To promote compliance with the Regulations and achieve the Registrar’s objectives by:
 - i. penalising persons who have committed contraventions;
 - ii. deterring persons that have committed or may commit similar contraventions; and
 - iii. depriving persons of any benefit that they may have gained as a result of their contraventions.
- 5.3 The Registrar has decided to impose financial penalties, given the seriousness of the contravention and the circumstances.

Determination of the level of financial penalty

5.4 With reference to paragraph 4.8 of the Manual, the Registrar has considered the factors and considerations for determining the appropriate level of the financial penalty that it has decided to impose, which are set out as follows.

The seriousness of the contraventions

5.5 The Registrar expects and relies on CSPs like Amicorp to take all steps to ensure that their employees are completely honest in their dealings with the RA.

5.6 CSPs must provide information to the Registrar from its clients that is accurate in all respects. The December Bill was clearly altered by the Amicorp Employee and was submitted to the Registrar without any detection by Amicorp.

5.7 The Registrar expects and relies on CSPs like Amicorp's to adequately monitor its employees to best ensure that falsified documents like the December Bill are not created and submitted to the Registrar. The granting of a licence to a CSP carries with it certain obligations and responsibilities towards the Registrar and to the CSP's clients and relationships of trust are created.

5.8 By recklessly permitting the submission of a falsified document, Amicorp did not comply with such obligations and responsibilities and further breached that trust placed in it by its client and the Registrar.

5.9 Amicorp has recognised the "major lapse" in its infrastructure that permitted the Amicorp Employee to delete the R&I Email without detection.

Deliberate or reckless

5.10 The contraventions by Amicorp were reckless and contrary to its responsibilities as a CSP.

5.11 Further, Amicorp was reckless in its monitoring of the Amicorp Employee to ensure that no falsified documents were able to be submitted to the Registrar.

Whether the person is an individual

5.12 Amicorp is not an individual, so this factor was not considered.

Effect on third parties

5.13 The Client suffered delays in its incorporation and licensing in ADGM because of the recklessness of Amicorp.

Deterrence

- 5.14 Deterrence is one of the main purposes of taking enforcement action. That is, deterring persons who have committed contraventions from committing further contraventions, and deterring CSPs from committing similar contraventions.
- 5.15 The penalty imposed must deter Amicorp, CSPs and employees of CSPs, from submitting or attempting to submit misleading information and making false statements to the Registrar to the greatest extent possible.
- 5.16 Given its position of trust as a CSP and the breach of that trust, Amicorp's contraventions are serious, and any sanction must send a strong and meaningful message of deterrence to other CSPs and their employees.

Financial gain or loss avoided

- 5.17 This factor was not considered.

Subsequent conduct

- 5.18 After receiving the Notice of Appointment of Investigators, Amicorp fully cooperated with the Investigation.

Disciplinary record and compliance history

- 5.19 At the time of the contravention and to the knowledge of the Investigators, Amicorp has no disciplinary record nor is the Registrar aware of any other concerns in relation to Amicorp.

Maximum penalty

- 5.20 The maximum penalties for each of the contraventions are as follows -
- (i) section 80A(1)(b) of CLR 2015, level 7 (i.e., USD 25,000); and
 - (ii) *contravention of a relevant requirement Imposed by the Rules* pursuant to section 41(1) of CLR 2015, level 5 (i.e., USD 20,000).

6. PROCEDURAL MATTERS

Representations

- 6.1 On 23 December 2022, the Registrar issued Amicorp with a Warning Notice in which it proposed to (i) impose a financial penalty of USD 11,000 for a contravention of section 80A(1)(b) of CLR 2015 - *General false statement contravention*; and (ii) impose a financial penalty of USD 7,000 for a contravention of a relevant requirement imposed by the *Commercial Licensing Regulations 2015 (Conditions of Licence and Branch Registration) Rules 2021* pursuant to section 41(1) of CLR 2015, specifically Schedule 1, Condition 2 - Policies, Procedures and Controls.

- 6.2 Amicorp was provided with an opportunity to make written representations regarding the Registrar’s concerns and the actions proposed.
- 6.3 On 12 January 2023, Amicorp made representations in response to the Warning Notice.
- 6.4 It is understood that Amicorp’s response to the Warning Notice consists of the following ‘key’ representation:
- The alterations made by the Amicorp Employee to the December Bill do not constitute information that was false, misleading, or deceptive in a ‘material particular’.
- 6.5 In response to the representation, the Registrar is of the view that:
- As per the English Forgery Act 1913, a document is false “*if the whole or any material part thereof purports to be made by or on behalf or on account of a person who did not make it nor authorise its making*”, and in particular a document is false “*if any material alteration, whether by addition, insertion, obliteration, erasure, removal, or otherwise, has been made*”.
 - The altered document (i.e., the December Bill) is by definition false as its content (i.e., the date and period) had been altered. The alterations were (wrongly) made by the Amicorp Employee and not by the government entity who issued the bill.
 - The December Bill is false in a material particular, as the alteration of the date and period was done with the intention to meet the Registrar’s requirement for a utility bill no more than three months old. This act, had the December Bill been accepted, would have misled the Registrar into believing that the individual was still resident at the address given, when they may not have been.
- 6.6 Having taken into the accounts the facts, matters and circumstances of the contraventions above, the Registrar decided to impose on Amicorp financial penalties in the amount of USD 18,000.

Opportunity to have the matter referred to the ADGM Courts

- 6.7 On 30 January 2023, the Registrar issued a Decision Notice to Amicorp pursuant to section 48 of the CLR 2015.
- 6.8 Under section 48 of the CLR 2015, Amicorp had the opportunity to refer the Decision Notice to the ADGM Courts.
- 6.9 On 1 February 2023, Amicorp requested the Registrar to provide it with the procedures to pay the penalties listed in the Decision Notice. On 2 February 2023, the Registrar received a written statement from Amicorp in which Amicorp agreed “*not to contest the penalty amounts in the Decision Notice; and waive its rights to refer the matter to the ADGM Courts*”. In such written statement, Amicorp further requested the Registrar to proceed with the issuance of the Final Notice, including the invoice for payment of the amount listed in the Decision Notice.

Payment of the financial penalty

- 6.10 The financial penalty imposed by this Notice is to be paid by Amicorp on or before the date stated in the invoice attached with this Notice.
- 6.11 In the event that 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 as a debt by the Registrar.
- 6.12 Payment of the financial penalty can be made by electronic funds transfer. The account details are listed in the invoice attached with this Notice.

Confidentiality and publicity

- 6.13 As this Notice has now been issued, the Registrar may, at his discretion, publish the details about the matter to which this Notice relate.



Signed:



Sami Mohamed
ADGM Commissioner of Data Protection, Registration Authority
Delegate of the Registrar, Registration Authority

REGISTRATION AUTHORITY
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ANNEXURE A

EXTRACTS OF THE REGULATIONS AND RULES REFERRED TO IN THIS NOTICE

EXTRACT OF THE *COMMERCIAL LICENSING REGULATIONS 2015*

PART 1: LICENSING OF CONTROLLED ACTIVITIES

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16. Applications under this Part

(1) An application for a licence must –

- (a) contain a statement of the controlled activity or controlled activities which the applicant proposes to carry on and for which the applicant wishes to have a licence; and
- (b) give the address of a place in the Abu Dhabi Global Market for service on the applicant of any notice or other document which is required or authorised to be served on the applicant under these Regulations.

(2) An application for the variation of a licence must contain a statement –

- (a) of the desired variation; and
- (b) of the controlled activity or controlled activities which the applicant proposes to carry on if the licence is varied.

(3) An application for the variation of a requirement imposed under section 14 or for the imposition of a new requirement must contain a statement of the desired variation or requirement.

(3A) An application under this part must, if the applicant is an “ADGM Person” within the meaning prescribed in Section 33 of the Beneficial Ownership and Control Regulations 2018, contain a statement of initial beneficial ownership and control, stating whether there are any persons who are considered a beneficial owner of the applicant.

- (a) The statement must contain the required particulars as prescribed under section 2 of the Beneficial Ownership and Control Regulations 2018.
- (b) For the purposes of this section, “beneficial owner” shall have the meaning prescribed to it in Schedule 1 (Meaning of Beneficial Owner) of the Beneficial Ownership and Control Regulations 2018.3

(4) An application under this Part must –

- (a) be made in such manner as the Registrar may direct; and
- (b) contain, or be accompanied by, such other information as the Registrar may reasonably require.

(5) At any time after the application is received and before it is determined, the Registrar may require the applicant to provide it with such further information as it reasonably considers necessary to enable it to determine the application.

(6) Different directions may be given, and different requirements imposed, in relation to different applications or categories of application.

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(7) The Registrar may require an applicant to provide information which the applicant is required to provide to it under this section in such form, or to verify it in such a way, as the Registrar may direct.

(8) The Board may make rules requiring the payment to the Registrar of such fees, in connection with applications made under this Part, as are specified in the rules. Such rules may prescribe different levels of fees for different types of applicant or different types of controlled activity. Any fee which is owed to the Registrar under any provision made by such rules may be recovered as a debt due to the Registrar. The Registrar may reject an application which is not accompanied by the payment to the Registrar of the fees due on such application.

PART 3: INFORMATION GATHERING AND INVESTIGATIONS

30. Appointment of persons to carry out general investigations

(1) If it appears to the Registrar that there is good reason for doing so, it may appoint one or more competent persons to conduct an investigation on its behalf into –

- (a) the nature, conduct or state of the business of a licensed person;
- (b) a particular aspect of that business; or
- (c) the ownership or control of a licensed person.

(2) If a person appointed under subsection (1) thinks it necessary for the purposes of his investigation, he may also investigate the business of a person who is or has at any relevant time been –

- (a) a member of the group of which the person under investigation ("A") is part; or
- (b) a partnership of which A is a member.

(3) If a person appointed under subsection (1) decides to investigate the business of any person under subsection (2) he must give that person written notice of his decision.

(4) The power conferred by this section may be exercised in relation to a former licensed person but only in relation to –

- (a) business carried on at any time when he was a licensed person; or
- (b) the ownership or control of a former licensed person at any time when he was a licensed person.

(5) "Business" includes any part of a business even if it does not consist of carrying on controlled activities.

31. Appointment of persons to carry out investigations in particular cases

(1) Subsection (2) applies if it appears to the Registrar that there are circumstances suggesting that a person may have committed a contravention of any enactment or subordinate legislation where such contravention is punishable by a fine.

(2) The Registrar may appoint one or more competent persons to conduct an investigation on its behalf.

32. Investigations: general

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- (1) This section applies if the Registrar appoints one or more competent persons ("investigators") under sections 30 or 31 to conduct an investigation on its behalf.
- (2) The Registrar must give written notice of the appointment of an investigator to the person who is the subject of the investigation ("the person under investigation").
- (3) Subsections (2) and (9) do not apply if the investigator is appointed as a result of section 31 and the Registrar believes that the notice required by subsections (2) or (9) would be likely to result in the investigation being frustrated.
- (4) A notice under subsection (2) must –
- (a) specify the provisions under which, and as a result of which, the investigator was appointed; and
 - (b) state the reason for his appointment.
- (5) Nothing prevents the Registrar from appointing a person who is a member of its staff as an investigator.
- (6) An investigator must make a report of his investigation to the Registrar.
- (7) The Registrar may, by a direction to an investigator, control –
- (a) the scope of the investigation;
 - (b) the period during which the investigation is to be conducted;
 - (c) the conduct of the investigation; and
 - (d) the reporting of the investigation.
- (8) A direction may, in particular –
- (a) confine the investigation to particular matters;
 - (b) extend the investigation to additional matters;
 - (c) require the investigator to discontinue the investigation or to take only such steps as are specified in the direction;
 - (d) require the investigator to make such interim reports as are so specified.
- (9) If there is a change in the scope or conduct of the investigation and, in the opinion of the Registrar, the person subject to investigation is likely to be significantly prejudiced by not being made aware of it, that person must be given written notice of the change.

33. Powers of persons appointed under section 30

- (1) An investigator may require the person who is the subject of the investigation ("the person under investigation") or any person connected with the person under investigation –
- (a) to attend before the investigator at a specified time and place and answer questions; or
 - (b) otherwise to provide such information as the investigator may require.
- (2) An investigator may also require any person to produce at a specified time and place any specified documents or documents of a specified description.

(3) A requirement under subsections (1) or (2) may be imposed only so far as the investigator concerned reasonably considers the question, provision of information or production of the document to be relevant to the purposes of the investigation.

(4) For the purposes of this section, a person is connected with the person under investigation ("A") if he is or has at any relevant time been –

- (a) a member of A's group;
- (b) a controller of A;
- (c) a partnership of which A is a member; or
- (d) in relation to A, a person mentioned in Part 1 or Part 2 of the Schedule.

(5) "Investigator" means a person conducting an investigation under section 30.

(6) "Specified" means specified in a notice in writing.

34. Additional power of persons appointed as a result of section 31

(1) An investigator has the powers conferred by section 33.

(2) An investigator may also require a person who is neither the subject of the investigation ("the person under investigation") nor a person connected with the person under investigation –

- (a) to attend before the investigator at a specified time and place and answer questions; or
- (b) otherwise to provide such information as the investigator may require for the purposes of the investigation.

(3) A requirement may only be imposed under subsection (2) if the investigator is satisfied that the requirement is necessary or expedient for the purposes of the investigation.

(4) "Investigator" means a person appointed as a result of section 31.

(5) Subsections (6) to (8) apply if an investigator considers that any person ("A") is or may be able to give information which is or may be relevant to the investigation.

(6) The investigator may require A –

- (a) to attend before him at a specified time and place and answer questions; or
- (b) otherwise to provide such information as he may require for the purposes of the investigation.

(7) The investigator may also require A to produce at a specified time and place any specified documents or documents of a specified description which appear to the investigator to relate to any matter relevant to the investigation.

(8) The investigator may also otherwise require A to give him all assistance in connection with the investigation which A is reasonably able to give.

(9) "Specified" means specified in a notice in writing.

35. Admissibility of statements made to investigators

(1) A statement made to an investigator by a person in compliance with an information requirement is admissible in evidence in any proceedings, so long as it also complies with any requirements governing the admissibility of evidence in the circumstances in question.

(2) "Investigator" means a person appointed under sections 30 or 31.

(3) "Information requirement" means a requirement imposed by an investigator under sections 33, 34 or 36.

36. Information and documents: supplemental provisions

(1) If the Registrar or an investigator has power under this Part to require a person to produce a document but it appears that the document is in the possession of a third person, that power may be exercised in relation to the third person.

(2) If a document is produced in response to a requirement imposed under this Part, the person to whom it is produced may –

- (a) take copies or extracts from the document; or
- (b) require the person producing the document, or any relevant person, to provide an explanation of the document.

(3) A document so produced may be retained for so long as the person to whom it is produced considers that it is necessary to retain it (rather than copies of it) for the purposes for which the document was requested.

(4) If the person to whom a document is so produced has reasonable grounds for believing –
(a) that the document may have to be produced for the purposes of any legal proceedings; and
(b) that it might otherwise be unavailable for those purposes, it may be retained until the proceedings are concluded.

(5) If a person who is required under this Part to produce a document fails to do so, the Registrar or an investigator may require him to state, to the best of his knowledge and belief, where the document is.

(6) A lawyer may be required under this Part to furnish the name and address of his client.

(7) No person may be required under this Part to disclose information or produce a document in respect of which he owes an obligation of confidence by virtue of carrying on the business of banking unless –

- (a) he is the person under investigation or a member of that person's group;
- (b) the person to whom the obligation of confidence is owed is the person under investigation or a member of that person's group;
- (c) the person to whom the obligation of confidence is owed consents to the disclosure or production; or

(d) the imposing on him of a requirement with respect to such information or document has been specifically authorised by the Registrar.

(8) If a person claims a lien on a document, its production under this Part does not affect the lien.

(9) "Relevant person", in relation to a person who is required to produce a document, means a person who –

- (a) has been or is or is proposed to be a director or controller of that person;
- (b) has been or is an auditor of that person;
- (c) has been or is an actuary, accountant or lawyer appointed or instructed by that person;
- or
- (d) has been or is an employee of that person.

(10) "Investigator" means a person appointed under sections 30 or 31.

...

39. Contraventions

(1) If a person other than the investigator ("the defaulter") fails to comply with a requirement imposed on him under this Part the person imposing the requirement may certify that fact in writing to the court.

(2) If the court is satisfied that the defaulter failed without reasonable excuse to comply with the requirement, it may deal with the defaulter (and in the case of a body corporate, any director or other officer) as if he were in contempt.

(3) A person who knows or suspects that an investigation is being or is likely to be conducted under this Part commits a contravention of these Regulations if –

- (a) he falsifies, conceals, destroys or otherwise disposes of a document which he knows or suspects is or would be relevant to such an investigation; or
- (b) he causes or permits the falsification, concealment, destruction or disposal of such a document, unless he shows that he had no intention of concealing facts disclosed by the documents from the investigator.

(4) A person who, in purported compliance with a requirement imposed on him under this Part - (a) provides information which he knows to be false or misleading in a material particular; or (b) recklessly provides information which is false or misleading in a material particular, commits a contravention of these Regulations.

(5) A person who commits either of the contraventions set out in subsections (3) and (4) shall be liable to a fine not exceeding level 6 on the standard fines scale.

(6) Any person who intentionally obstructs the exercise of any rights conferred by a warrant under section 37 commits a contravention of these Regulations and shall be liable to a fine not exceeding level 5 on the standard fines scale.

PART 4: ENFORCEMENT

40. Meaning of "relevant requirement"

In this Part, "relevant requirement" means a requirement imposed by rules made under these Regulations.

41. Fines

(1) If the Registrar considers that a licensed person has contravened a relevant requirement imposed on the person, it may impose on him a fine, in respect of the contravention, of such amount as it considers appropriate, provided such fine shall not exceed level 5 on the standard fines scale.

(2) If the Registrar considers that a person has committed a contravention of an enactment or subordinate legislation, it may impose on him a fine of an amount not exceeding the maximum specified for such contravention in the relevant enactment or subordinate legislation.

(3) A fine under this section is payable to the Registrar.

43. Proposal to take disciplinary measures

(1) If the Registrar proposes –

- (a) to impose a fine on a person (under section 41); or
- (b) to suspend the licence of a licensed person or impose a restriction in relation to the carrying on of a controlled activity by a licensed person (under section 42), it must give that person a warning notice.

(2) A warning notice about a proposal to impose a fine must state the amount of the fine.

(3) A warning notice about a proposal to suspend a licence or impose a restriction must state the period for which the suspension or restriction is to have effect.

44. Decision to take disciplinary measures

(1) If the Registrar decides –

- (a) to impose a fine under section 41 (whether or not of the amount proposed); or
- (b) to suspend a licence or impose a restriction under section 42 (whether or not in the manner proposed), it must without delay give the person concerned a decision notice.

(2) In the case of a fine, the decision notice must state the amount of the fine.

(3) In the case of a suspension or restriction, the decision notice must state the period for which the suspension or restriction is to have effect.

(4) If a Registrar decides to –

- (a) impose a fine on a person under section 41; or
- (b) suspend the licence of a licensed person, or impose a restriction in relation to the carrying on of a controlled activity by a licensed person, under section 42,

that person may refer the matter to the court.

47. Warning notices

(1) A warning notice must

- (a) state the action which the Registrar proposes to take;
- (b) be in writing;
- (c) give reasons for the proposed action;
- (d) state whether section 53 applies; and
- (e) if that section applies, describe its effect and state whether any secondary material exists to which the person concerned must be allowed access under it.

(2) A warning notice must specify a reasonable period (which may not be less than 14 days) within which the person to whom it is given may make representations to the Registrar.

(3) The Registrar may extend the period specified in the notice.

(4) The Registrar must then decide, within a reasonable period, whether to give the person concerned a decision notice.

(5) In this Part, "warning notice" means a notice under sections 18(1), 18(2), 20(1) or 43(1).

48. Decision notices

(1) A decision notice must –

- (a) be in writing;
- (b) give the reasons of the Registrar for the decision to take the action to which the notice relates;
- (c) state whether section 53 applies;
- (d) if that section applies, describe its effect and state whether any secondary material exists to which the person concerned must be allowed access under it; and
- (e) give an indication of –
 - (i) any right to have the matter referred to the court which is given by these Regulations; and
 - (ii) the procedure on such a reference.

(2) If the decision notice was preceded by a warning notice, the action to which the decision notice relates must be action under the same provision as the action proposed in the warning notice.

(3) The Registrar may, before it takes the action to which a decision notice ("the original notice") relates, give the person concerned a further decision notice which relates to different action in respect of the same matter.

(4) The Registrar may give a further decision notice as a result of subsection (3) only if the person to whom the original notice was given consents.

(5) If the person to whom a decision notice is given under subsection (3) had the right to refer the matter to which the original decision notice related to the court, he has that right as respects the decision notice under subsection (3).

(6) In this Part, "decision notice" means a notice under sections 18(3), 20(2) or 44(1).

49. Notices of Discontinuance

(1) If the Registrar decides not to take -

- (a) the action proposed in a warning notice given by it; or
 - (b) the action to which a decision notice given by it relates,
- it must give a notice of discontinuance to the person to whom the warning notice or decision notice was given.

(2) But subsection (1) does not apply if the discontinuance of the proceedings concerned results in the granting of an application made by the person to whom the warning or decision notice was given.

(3) A notice of discontinuance must identify the proceedings which are being discontinued.

50. Final notices

(1) If the Registrar has given a person a decision notice and the matter was not referred to the court within 28 days of that person receiving the notice or such other period as the court may allow, the Registrar must, on taking the action to which the decision notice relates, give the person concerned and any person to whom the decision notice was copied a final notice.

(2) If the Registrar has given a person a decision notice and the matter was referred to the court, the Registrar must, on taking action in accordance with any directions given by –

- (a) the court, or
 - (b) the Court of Appeal on an appeal against the decision of the court,
- give that person and any person to whom the decision notice was copied the notice required by subsection (3).

(3) The notice required by this subsection is –

- (a) in a case where the Registrar is acting in accordance with a direction given by the court, or by the Court of Appeal on an appeal from a decision of the court, a further decision notice; and
- (b) in any other case, a final notice.

(4) A final notice must –

- (a) give details of the action being taken;
- (b) state the date on which the action is to be taken; and
- (c) if it imposes a fine, state the amount of the fine and the manner in which, and the period within which, the fine is to be paid.

(5) The period stated under subsection (4)(c) may not be less than 30 days beginning with the date on which the final notice is given.

(6) If all or any of the amount of a fine payable under a final notice is outstanding at the end of the period stated under subsection (4)(c), the Registrar may recover the outstanding amount as a debt due to it.

51. Publication

(1) In the case of a warning notice, neither the Registrar nor a person to whom it is given or copied may publish the notice or any details concerning it.

(2) A person to whom a decision notice is given or copied may not publish the notice or any details concerning it unless the Registrar has published the notice or those details.

(3) A notice of discontinuance must state that, if the person to whom the notice is given consents, the Registrar may publish such information as it considers appropriate about the matter to which the discontinued proceedings related.

(4) A copy of a notice of discontinuance must be accompanied by a statement that, if the person to whom the notice is copied consents, the Registrar may publish such information as it considers appropriate about the matter to which the discontinued proceedings related, so far as relevant to that person.

(5) The Registrar must publish such information about the matter to which a decision notice or final notice relates as it considers appropriate.

(6) When a supervisory notice takes effect, the Registrar must publish such information about the matter to which the notice relates as it considers appropriate.

(7) The Registrar may not publish information under this section if, in its opinion, publication of the information would be –

- (a) unfair to the person with respect to whom the action was taken (or was proposed to be taken);
- (b) detrimental to the interests of participants of the Abu Dhabi Global Market; or
- (c) detrimental to the interests of the Abu Dhabi Global Market.

(8) Information is to be published under this section in such manner as the Registrar considers appropriate.

(9) For the purposes of determining when a supervisory notice takes effect, a matter to which the notice relates is open to review if –

- (a) the period during which any person may refer the matter to the court is still running;
- (b) the matter has been referred to the court but has not been dealt with;
- (c) the matter has been referred to the court and dealt with but the period during which an appeal may be brought against the court's decision is still running; or
- (d) such an appeal has been brought but has not been determined.

(10) "Notice of discontinuance" means a notice given under section 49.

(11) "Supervisory notice" has the same meaning as in section 54.

(12) A person, other than the Registrar, who contravenes subsections (1) or (2) shall be liable to a fine not exceeding level 3 on the standard fines scale.

...

53. Access to material

- (1) If the Registrar gives a person ("A") a warning notice or a decision notice, it must –
- (a) allow him access to the material on which it relied in taking the decision which gave rise to the obligation to give the notice;
 - (b) allow him access to any secondary material which, in the Registrar's opinion, might undermine that decision.
- (2) But the Registrar does not have to allow A access to material under subsection (1) if the material is excluded material or it –
- (a) relates to a case involving a person other than A; and
 - (b) was taken into account by the Registrar in A's case only for purposes of comparison with other cases.
- (3) The Registrar may refuse A access to particular material which it would otherwise have to allow him access to if, in its opinion, allowing him access to the material –
- (a) would not be in the public interest; or (b) would not be fair, having regard to –
 - (i) the likely significance of the material to A in relation to the matter in respect of which he has been given a notice; and
 - (ii) the potential prejudice to the commercial interests of a person other than A which would be caused by the material's disclosure.
- (4) If the Registrar does not allow A access to material because it is excluded material consisting of a protected item, it must give A written notice of –
- (a) the existence of the protected item; and
 - (b) the Registrar's decision not to allow him access to it.
- (5) If the Registrar refuses under subsection (3) to allow A access to material, it must give him written notice of - (a) the refusal; and (b) the reasons for it.
- (6) "Secondary material" means material, other than material falling within paragraph (a) of subsection (1) which –
- (a) was considered by the Registrar in reaching the decision mentioned in that paragraph; or
 - (b) was obtained by the Registrar in connection with the matter to which that notice relates but which was not considered by it in reaching that decision.
- (7) "Excluded material" means material which is a protected item (as defined in section 56).
- (8) This section does not apply to a warning notice under section 18(1) or 18(2) or a decision notice under section 18(3).

PART 7: GENERAL

...

80A. General false statement contravention

(1) A person who, in purported compliance with a requirement imposed on him under these Regulations or any Rules made under these Regulations –

- (a) provides information which he knows to be false, misleading or deceptive in a material particular; or
- (b) recklessly provides information which is false, misleading or deceptive in a material particular, commits a contravention of these Regulations.

(2) A person who commits the contravention referred to in subsection (1) is liable to a fine of up to level 7.

EXTRACT OF THE COMMERCIAL LICENSING REGULATIONS 2015 (CONDITIONS OF LICENCE AND BRANCH REGISTRATION) RULES 2021

SCHEDULE 1

Conditions of Licence – Company service providers

Condition 1 - Fit and proper person

1. The applicant is a body corporate and is a fit and proper person to hold a licence as a company service provider and every person who is, or is to be, a director, partner or manager of the applicant is a fit and proper person to hold that position.
2. In determining whether an applicant is a fit and proper person to hold a licence as a company service provider, regard shall be had to—
 - (a) the nature, scale and complexity of the activities of the applicant and any associated risks that those activities pose to the Abu Dhabi Global Market,
 - (b) whether the applicant's business model will allow for its affairs and business to be conducted and managed in a sound and prudent manner, having regard in particular to the interests of consumers and the integrity of the Abu Dhabi Global Market,
 - (c) whether the person who is, or is to be, a director, partner or manager of the applicant is a fit and proper person to hold that position,
 - (d) any matter which may harm or may have harmed the integrity or the reputation of the Registrar or the Abu Dhabi Global Market, and
 - (e) any other relevant matters.
3. In determining whether an individual is a fit and proper person to hold a particular position with respect to the applicant, regard shall be had to—
 - (a) their probity, competence, experience and soundness of judgement for fulfilling the responsibilities of that position,
 - (b) the diligence with which they are fulfilling or likely to fulfil those responsibilities,
 - (c) whether the interests of clients of the applicant are, or are likely to be, in any way threatened by them holding that position,
 - (d) in the case of those who will manage the applicant's affairs, their skills, experience, educational and professional qualifications, membership of professional or other relevant bodies and any evidence of their continuing professional education or development,
 - (e) their knowledge and understanding of the legal and professional obligations to be assumed or undertaken, and

(f) their record of compliance with legal obligations, with any professional obligations or with policies and procedures applicable to them.

Condition 2 –Policies, Procedures and Controls

1. The applicant must establish and maintain compliance arrangements including policies, controls, processes and procedures that ensure and evidence, as far as reasonably practicable, compliance with all regulations, rules, guidance and instructions applicable to it.
2. The applicant must have in place training to communicate those policies, controls and procedures, and any changes to them, to the applicant's employees.
3. The policies, controls and procedures must include—
 - (1) risk management,
 - (2) anti-money laundering, including customer due diligence,
 - (3) the handling and segregation of client funds and assets,
 - (4) record keeping, and
 - (5) the monitoring and management of compliance with, and the internal communication of, such policies, controls and procedures.
4. An applicant must, or upon the grant of a licence will, distinguish between the fees payable:
 - (a) to the Registrar; and
 - (b) to the applicant for its services, in all forms of communication, including the issuing of invoices, relating to any services offered or conducted by the applicant.