

# Application for Financial Services Permission

## Financial Services Regulatory Authority (FSRA) Credit Rating Agency (CRA) form

This is the only form that must be submitted by Applicants<sup>1</sup> applying solely for permission to conduct the Regulated Activity of Operating a Credit Rating Agency.<sup>2</sup> If you<sup>3</sup> are applying to conduct any other Regulated Activity then you are required to also complete the FSRA – General Information-Regulated Activities (GIRA) form.

To assist you in completing this form we occasionally make reference to certain ADGM Rules and chapters, etc. However, these are provided only as a guide and are not an exhaustive list to other Rules that may be applicable. It is your responsibility to research our Rulebook modules for any Rules that might be pertinent to your particular application.

Do not leave any response-cells empty. If a question we ask does not pertain to your intended Regulated Activities respond to that effect in the cell. If it is more appropriate to answer certain questions in an attachment then indicate in the cell that that is the case. The use of acronyms is to be avoided. If you do need to use acronyms then they must be defined.

Ensure that that you are using the latest versions of the application forms at time of submission. Abu Dhabi Global Market (ADGM) FSRA will only accept out-of-date application forms if they are submitted within one-month of the latest versions available on our web site.

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<sup>1</sup> Terms defined in the ADGM FSRA Glossary (GLO) Rulebook or the glossary sections in other Rulebooks are identified by the capitalisation of the initial letter of a word or of each word in a phrase, unless the context otherwise requires the word to have its natural meaning.

<sup>2</sup> This financial service is defined in Schedule 1 of the Financial Services and Market Regulations (FSMR) module of the ADGM Rulebook.

<sup>3</sup> The terms “you” and “your” as used throughout are not implied in the personal sense, but rather refer to the firm applying for a Financial Services Permission. The terms “we” and “our” refer to the ADGM FSRA.

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# 1 General information about the Applicant

1.1 Full name of the firm applying for authorisation:

1.2 Legal nature of the Applicant:<sup>4</sup>

1.3 What is the name and contact details of the lead contact person for this application? Provide telephone, e-mail, mailing address, and web site?<sup>5</sup>

1.4 Will your firm be, at the time of authorisation, an ADGM entity or a non-ADGM entity?<sup>6</sup>

1.5 For a non-ADGM entity, what is the date and place of incorporation of your Parent?

1.6 If you are a non-ADGM entity or if you are a Subsidiary, is your Parent regulated? If yes, provide contact details of the regulator responsible for the authorisation and ongoing supervision of your firm or your Parent.<sup>7</sup> Provide also the date that your Parent was authorised:

1.7 What is or will be the financial year-end (day and month) of your firm?

<sup>4</sup> We require details about the legal nature of your firm. Refer to ADGM Registration Authority, Companies Regulations 2015.

<sup>5</sup> This person named will have the responsibility for the application during the authorisation process and who will liaise with the Regulator. He or she must be a representative of the company. It is helpful to also provide a second contact name as back-up.

<sup>6</sup> There are generally two high-level categories of firms applying to be Authorised Persons: ADGM entities and non-ADGM entities, or Branches. ADGM entities are firms that have been created under ADGM legislation. Non-ADGM entities are firms that have been created outside of the ADGM under the laws of another jurisdiction, but who want to establish a place of business in the ADGM. Such firms are commonly referred to as Branch offices. Note that legally, a Branch is not a separate legal Person to the firm.

<sup>7</sup> Give the name of the supervisory contact person from the relevant regulator including postal address, telephone number, and e-mail address.

- 1.8 What will be the trading name of your firm (if different from legal name)?
- 1.9 Provide the name and contact details of any professional adviser(s) that may be assisting your firm with this application:
- 1.10 Would you like us to copy in your adviser identified above on any correspondence?
- 1.11 What is the name and contact details of your auditor:
- 1.12 When was the last time your auditor was reviewed by its overseeing body?
- 1.13 List any applications being made for waivers or modifications of ADGM Rules:<sup>8</sup>

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<sup>8</sup> If you are requesting any of the ADGM Rules to be waived or modified you must also submit the ADGM FSRA Waivers or Modifications (WM) form detailing the reasons and rationale for such.

## 2 Controllers

- 2.1 Identify all your Controllers.<sup>9</sup> Provide the full name (as it appears in their passport) and date of birth for each Controller that is an individual and for each of the board members of all corporate Controllers:

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<sup>9</sup> Refer to the ADGM FSRA GEN module, Rule 8.8.2 – Definition of a Controller. Provide a diagram (as an attachment if more convenient) that depicts how the Applicant is related to each of its Controllers (including Natural Persons), and to related entities, Subsidiaries and head office/Branch(s) (where applicable).

The chart should indicate the percentage of Shareholdings or Controller interests held by each Person, the date and place of incorporation of each entity, and the place of residency of each Natural Person. Entities which are regulated should be identified, along with their Regulator. Information on other forms of Controller interests should also be included (e.g. where Shares are held by a trust, provide details of all trustees, settlors and Beneficial Owners).

# 3 Corporate Governance

In order to assess your fitness and probity the ADGM Financial Services Regulatory Authority will review your proposed corporate governance structure. We do this in order to evaluate the size, scope, and nature of your proposed activities. Rules and guidance for your consideration are detailed in ADGM FSRA GEN, Chapter 3 – *Management, Systems, and Controls* and in ADGM FSRA COBS, Chapter 9 – *Core Rules – Operating a Credit Rating Agency*.

3.1 Provide the names of Board members and specify whether they will carry out executive or non-executive roles:

3.2 Describe the scope, remit, composition, responsibilities, and reporting lines of each of the main committees in your organisation:

3.3 Provide biographies of the senior management team. Indicate the allocation of responsibilities, whether individually or shared, among the senior management team. Include their titles and role descriptions:

3.4 Describe the management information flows within your firm and how the relevant corporate governance structures obtain the data necessary to oversee the business:

3.5 Provide a description of your firm's risk management and internal audit functions:

3.6 Provide details on the appointment of the proposed individuals who will be performing Controlled Functions<sup>10</sup> and Recognised Functions<sup>11</sup> below:<sup>12</sup>

<sup>10</sup> As described in ADGM FSRA GEN module Rule 5.3 – Controlled Functions and Approved Persons.

<sup>11</sup> As described in ADGM FSRA GEN module Rule 5.4 – Recognised Functions and Recognised Persons.

<sup>12</sup> You must submit an ADGM FSRA – Approved Person Status-1 form for each proposed individual who will be performing a Controlled Function.

## 4 The Applicant's business and intended activities in the ADGM

- 4.1 Provide a brief introduction to and history of the Applicant, including what experience it or its Group have in conducting Regulated financial services in the UAE or any other jurisdictions:<sup>13</sup>
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- 4.2 Provide an overview of your intended Regulated Activity –Operating a Credit Rating Agency, to be undertaken in or from the ADGM:
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- 4.3 What geographical areas or regions will the Applicant target and how will the marketing be conducted in the immediate term and what are the future plans?
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- 4.4 Will your firm undertake any ancillary services in the ADGM? If “Yes”, provide an overview of such:
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- 4.5 Provide a brief overview of the rating process that will be adopted:
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<sup>13</sup> Describe the core business activities, expertise, scale of business, and country of operations of the applicant / Group. The description should also include any major developments in the history of the applicant / Group (e.g. attaining listing/regulated status, strategic acquisitions, change in shareholders, change in name, etc.

# 5 Compliance

The ADGM Financial Services Regulatory Authority will review the proposed compliance framework that your firm proposes. There are a number of specific requirements that must be met.

Answer the following seven questions with reference to ADGM FSRA GEN module, Rules 3.3.7 to 3.3.12 – *Compliance* and ADGM FSRA COBS, Chapter 9 – *Core Rules – Operating a Credit Rating Agency*:

5.1 Describe your firm’s resourcing of the compliance function:

5.2 Describe your firm’s structural oversight and reporting arrangements. These must ensure that you meet all compliance obligations under applicable legislation in the ADGM:

5.3 Describe the training arrangements that will be in place for your staff:

5.4 Describe the arrangements that you will have in place to ensure that your credit ratings will be well founded and based on a fair and thorough analysis of all relevant information which is reasonable known to, or obtainable by, your firm:

5.5 Describe how your firm will ensure that its credit-rating decisions are independent and free from political or economic pressures and not affected by conflicts of interest arising due to its ownership structure or business or other activities or conflicts of interest of its Employees:

5.6 Describe the arrangements that your firm will have in place to ensure that to conduct its credit-rating activities in a transparent, fair, and responsible manner:

5.7 Describe the arrangements that your firm will have in place to ensure that confidential information is adequately protected:



# 6 Documentation attached

6.1 In addition to the questions posed in this application form there are a number of documents that are necessary in order for us to evaluate your application. Indicate with an “X” in the appropriate cell to confirm whether or not the following required documentation is attached with this application:

<b>Documents Attached?</b>	Yes	No
<i>An organisational chart of group structure which identifies all Controllers and Close Links:<sup>14</sup></i>		
<i>An organisational chart of the Applicant firm’s structure which identifies senior management and head functions. Include staff reporting lines which show separation of the functions:<sup>15</sup></i>		
<i>A copy of the firm’s or Parent’s most recent audited accounts:</i>		
<i>The ADGM FSRA Approved Person Status-1 (APS-1) form for the Applicant’s proposed Senior Executive Officer:</i>		
<i>The ADGM Recognised Person Status-1 (RPS-1) form for the Applicant’s proposed Compliance Officer:</i>		
<i>If you are applying for a rule waiver or modification you must submit the ADGM FSRA Waivers or Modifications (WM) form:</i>		
<i>The firm’s Code of Conduct and Compliance Manuals:</i>		

6.2 If you responded with a “No” in any of the cells in 6.1 above provide an explanation. Be minded the FSRA might consider your application to be materially incomplete and return it until these documents are not presented:

<sup>14</sup> In the organisational chart of group structure identify all Controllers, ultimate beneficial owners, other shareholders, and Close Links. Include a clear breakdown of the percentage shareholding sizes, jurisdiction in which the entity or individual is based, identify any other regulated entities and specify each entity’s principal activity. Where shares are held by a trust, you must also provide details of all Trustees, settlors, and beneficiaries.

<sup>15</sup> This is to be an organisational chart of the Applicant firm’s employee-structure. Include reporting lines which demonstrate the separation of functions and independence of risk management, compliance, and internal audit. Identify senior management and head functions with significant influence, and any reporting lines to the Governing Body. Ensure that the Compliance Officer has access to both the Senior Executive Officer and Board of Directors.

# 7 Fit and proper questionnaire

In this section your openness and honesty about your firm's fitness and propriety are essential. If you answer "Yes" to any of the question provide a detailed explanation. If necessary, attach separate documentation.

It will not necessarily impair our assessment of your firm's fitness and probity if there is a positive response in any of the disclosures. However, deliberately withholding information or providing false or misleading information may prevent the success of your application.

7.1 Have you or any member of your Group been made aware, whether formally or informally, that you are the subject of a current or pending investigation, review or disciplinary procedures by any regulatory authority, professional body, Financial Services Regulator, self-regulatory organisation, regulated exchange or clearing house, government body, agency or any other officially appointed inquiry? If "Yes", provide full details:

7.2 Have you or any member of your Group in the last 10 years been convicted or found guilty by any court of a competent jurisdiction of any offence? If "Yes", provide full details:

7.3 Have you or any member of your Group in the last 10 years been the subject of disciplinary procedures by a government body or agency or any self-regulatory organisation or other professional body? If "Yes", provide full details:

7.4 Have you or any member of your Group in the last 10 years contravened any provision of financial services legislation or of rules, regulations, statements of principle or codes of practice made under it or made by a self-regulatory organisation, Financial Services Regulator, regulated exchange, or clearing house? If "Yes", provide full details:

7.5 Have you or any member of your Group in the last 10 years been refused or had a restriction placed on the right to carry on a trade, business or profession requiring a licence, registration or other permission? If "Yes", provide full details:

7.6 Have you or any member of your Group in the last 10 years received an adverse finding or an agreed settlement in a civil action by any court or tribunal of competent jurisdiction resulting in an award against or payment? If “Yes”, provide full details:

7.7 Have you or any member of your Group in the last 10 years been censured, disciplined, publicly criticised or the subject of any investigation or enquiry by any regulatory authority, Financial Services Regulator or officially appointed inquiry? If “Yes”, provide full details:

## 8 Submitting your Application and Application fees to the FSRA

This form, once duly completed and with the necessary signatures in place, can be emailed or submitted on a memory stick to the FSRA. For documents that have a signature we require both a PDF file and a Word file of the same.

We will formally acknowledge receipt of the Application and issue a payment invoice once we ascertain that it is materially complete. Details of the FSRA's bank account will be provided at that time. Incomplete submissions will be rejected.

Applications will not be processed until the relevant fees are paid in full to the FSRA.<sup>16</sup>

Confirm that the application fees remitted will be net of all service charges for both sides of the transaction:

As per FEES, Rule 1.2 – *General provisions*, and in the case of an Applicant, fees can be submitted, as the case may be, by:

- A member of the Applicant's Group;
- The Applicant's Parent;
- The Applicant's legal advisor;
- A Person who has applied to be a Controller in relation to the Applicant where the Applicant is in formation and does not have a commercial license to enable it to open a bank account in its own name; or
- By the Authorised Person.

Make the payment by bank transfer in USD. Cheques or bank drafts will not be accepted. Provide the FSRA with a soft-copy of the executed transaction at the time of remitting the fees.

Firms are advised to retain a copy of their complete submission.

<sup>16</sup> Details of the application fees are contained in the FSRA FEES Rulebook.

## 9 Declarations by the Applicant

- 9.1 I declare that, to the best of my knowledge and belief, having made due enquiry, the information given in this form, the supplements and documents attached, as well as any applicable supporting documents, is complete and correct. I understand that it is an offence under ADGM FSMR, Article 221 – *Misleading the Regulator* if you were to knowingly or recklessly provide to the ADGM FSRA any information which is false, misleading, or deceptive or to conceal information where the concealment of such information is likely to mislead or deceive the ADGM FSRA.
- 9.2 I declare my understanding that the ADGM FSRA may request more detailed information (including but not limited to, personal, educational, employment, and financial information) should it be deemed necessary to adequately assess the fitness and propriety of the firm or any person connected to the firm. I consent to the ADGM FSRA contacting any previous employers, educational institutions, professional organisations, or any other organisation, to verify any information contained in this form.
- 9.3 I confirm that I have the authority to make this application, to declare as specified above and sign this form for, or on behalf of, the Applicant. I also confirm that I have the authority to give the consent specified above.
- 9.4 I understand that any personal data provided to the ADGM FSRA will be used to discharge its regulatory functions under the Abu Dhabi Law No. 4 of 2013 and other relevant legislation and may be disclosed to third parties for those purposes, the FSRA Data Protection Laws of 2015, and other relevant legislation and may be disclosed to third parties for those purposes.
- 9.5 I confirm that all documents submitted as part of this application, whether physical or electronic, become property of the FSRA.

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Signature of Director/Partner of the Applicant<sup>17</sup>:

\_\_\_\_\_  
Date:

Printed name of the above signed Director/Partner of the Applicant and their position or title:

<sup>17</sup> Or the person who will be authorised by the entity once it has been incorporated or established within the ADGM.