



ABU DHABI GLOBAL MARKET
سوق أبوظبي العالمي

INSOLVENCY (AMENDMENT) REGULATIONS 2015

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Amendments to the Insolvency Regulations 2015 1

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Regulations amending the Insolvency Regulations 2015.

Date of Enactment: **4 October 2015**

The Board of Directors of the Abu Dhabi Global Market, in exercise of its powers under Article 6(1) of Law No. 4 of 2013 concerning the Abu Dhabi Global Market issued by His Highness the Ruler of the Emirate of Abu Dhabi, hereby enacts the following—

Amendments to the Insolvency Regulations 2015

- (1) The Insolvency Regulations 2015 are amended as follows.
- (2) In section 51(1)(a), for the word "Civil", the words "ADGM Court" shall be substituted.
- (3) In section 53(10), for the word "Civil", the words "ADGM Court" shall be substituted.
- (4) In section 58(10), for the word "Civil", the words "ADGM Court" shall be substituted.
- (5) In section 107(1)(i), following the words "corporation tax" insert the words "or any similar tax applicable to Limited Liability Partnerships".
- (6) In section 165(1)(a), for the word "Civil", the words "ADGM Court" shall be substituted.
- (7) In section 167(9), for the word "Civil", the words "ADGM Court" shall be substituted.
- (8) Following section 198, a new subsection 198A shall be inserted as follows:

"198A. Acceptance of shares, etc. as consideration for sale of company property

- (1) This Section applies, in the case of a Company proposed to be, or being, wound up voluntarily, where the whole or part of the Company's business or property is proposed to be transferred or sold to another company whether or not it is a Company within the meaning of the Companies Regulations 2015 ("the transferee company").
- (2) With the requisite sanction, the liquidator of the Company being, or proposed to be, wound up ("the transferor company") may receive, in compensation or part compensation for the transfer or sale, shares, policies or other like interests in the transferee company for distribution among the members of the transferor company.
- (3) The sanction required under subsection (2) is –
 - (a) in the case of a members' voluntary winding up, that of a special resolution of the company conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, and
 - (b) in the case of a creditor's voluntary winding up, that of either the Court or the Liquidation Committee.
- (4) Alternatively to subsection (2), the liquidator may (with the sanction) enter into any other arrangement whereby the members of the transferor company may, in lieu of receiving

cash, shares, policies or other like interests (or in addition thereto), participate in the profits, or receive any other benefit from the transferee company.

(5) A sale or arrangement in pursuance of this Section is binding on members of the transferor limited liability partnership.

(6) A special resolution is not invalid for purposes of this Section by reason that it is passed before or concurrently with a resolution for voluntary winding-up or for appointing liquidators; but, if an order is made within a year for winding-up of the Company by the Court, the special resolution is not valid unless sanctioned by the Court.

(7) If a special resolution of the Company has provided the sanction requisite for the liquidator under this Section, a member of the transferor company who did not vote in favour of providing the sanction required for the liquidator under this Section may express his dissent from it in writing addressed to the liquidator and left at the registered office of the Company within 7 days after the date on which that sanction was given, and require the liquidator either to abstain from carrying the arrangement so sanctioned into effect or to purchase his interest at a price to be determined by agreement or arbitration under this Section.

(8) If the liquidator elects to purchase the member's interest, the purchase money must be paid before the Company is dissolved and be raised by the liquidator in such manner as may be determined by special resolution."

- (9) In section 204(3), for the words "is a person authorised under the Financial Market Regulations", the words "is an Authorised Person or Recognised Body" shall be substituted.
- (10) In section 207(1), for the words "a person authorised under the Financial Market Regulations", the words "an Authorised Person or Recognised Body" shall be substituted.
- (11) In section 215(3)(a), for the words "in accordance with the Financial Market Regulations if the Company is a person authorised pursuant to such Regulations", the words "in accordance with provision made by or under the Financial Services and Markets Regulations 2015 if the Company is an Authorised Person" shall be substituted.
- (12) In section 215(7)(a) and (c), for the words "Section 95", the words "Section 114 (*Charging orders*)" shall be substituted.
- (13) In section 215(8)(b), for the words "Section 95", the words "Section 122 (*Enforcement agents*)" shall be substituted.
- (14) In section 217(10)(b), for the words "Section 95", the words "Section 122 (*Enforcement agents*)" shall be substituted.
- (15) In section 225, for the words "authorised market institution", the words "Recognised Bodies" shall be substituted.
- (16) In section 232(1)(a), for the word "Civil", the words "ADGM Court" shall be substituted.
- (17) In section 233(3)(a), for the word "Civil", the words "ADGM Court" shall be substituted.
- (18) In section 235(9), for the word "Civil", the words "ADGM Court" shall be substituted.
- (19) In section 260(2)(d), the word "and" shall be deleted.

- (20) Following section 260(2)(d) a new subsection (e) shall be inserted as follows: "(e) the modifications set out in Schedule 13 (*Modifications to the Insolvency Regulations for Limited Liability Partnerships*); and".
- (21) The current section 260(2)(e) shall be re-named as 260(2)(f).
- (22) In section 263, the words "authorised market institutions" in the heading of that section shall be substituted by the words "Recognised Bodies" and wherever that section heading is referred to in the Insolvency Regulations such substitution shall also be made.
- (23) In section 263(1), for the words "market institution", the words "Recognised Body" shall be substituted and the words "authorised by Financial Market Regulations" shall be omitted.
- (24) In section 263(2), for the words "persons authorised pursuant to the Financial Market Regulations", the words "Authorised Persons" shall be substituted.
- (25) In section 264, for the words "Financial Market Regulations", the words "Financial Services and Markets Regulations 2015" shall be substituted.
- (26) In section 274(a), for the words "the Financial Market Regulations or the business rules of any market institution authorised under the Financial Market Regulations", the words "the Financial Services and Markets Regulations 2015 or the rules of any Recognised Body" shall be substituted.
- (27) Chapter 2 of Part 7 shall be renamed "Netting and Collateral".
- (28) In section 276(4), in each place after the words "qualified financial contracts", the words "or other contracts or transactions" shall be inserted. The words "or in connection with a netting agreement" shall be replaced by the words "pursuant to a netting agreement or to which a netting agreement shall apply".
- (29) In section 276(5), after the words "qualified financial contracts", the words "or other contracts or transactions" shall be inserted.
- (30) In section 277, in each place after the words "in connection with a netting agreement", the words "or a collateral arrangement" shall be inserted. The final reference to "non-insolvent party" shall be replaced by the words "other party".
- (31) In section 278(1), after the words "otherwise enforceable netting agreements", the words "or collateral arrangements" shall be inserted and after the words "otherwise enforceable netting agreement", the words "or collateral arrangement" shall be inserted.
- (32) In section 278(2), for the words "Chapter 2 (*Netting*)", the words "Chapter 2 (*Netting and Collateral*)" shall be substituted.
- (33) In section 278(2)(a), after the words "insolvent party to a netting agreement", the words "or a collateral arrangement" shall be inserted. In each place after the words "under a netting agreement", the words "or a collateral arrangement" shall be inserted.
- (34) In section 278(2)(b), after the words "netting agreement", the words "or a collateral arrangement" shall be inserted.

- (35) In section 278(2)(c), after the words "shall not apply to a netting agreement", the words "or a collateral arrangement" shall be inserted and after the words "insolvent party to such netting agreement", the words "or such collateral arrangement" shall be inserted.
- (36) In section 278(2)(e)(iv), after the words "100 (*Charged property*)";, the word "and" shall be deleted.
- (37) Following section 278(2)(e)(v) a new subsection (vi) shall be inserted as follows: "(vi) Section 226(1) (*General rule as to priority of expenses*)";.
- (38) Following section 278(2)(f) a new subsections (g) and (h) shall be inserted as follows:
- (39) "(g) Section 692 (*Priorities where debentures secured by floating charge*) of the Companies Regulations 2015 shall not apply to debentures creating a collateral arrangement by way of floating charge.
- (h) (i) Where any of the events specified in sub-paragraph (ii) occur on the day of, but after the moment of the making of a winding-up order by the Court or the appointment of an administrator, those arrangements, obligations or other events shall be legally enforceable and binding on third parties if the collateral-taker can show that he was not aware, nor should have been aware of such making of the winding-up order or the appointment of an administrator.
- (ii) The events referred to in sub-paragraph (i) are –
- (a) a collateral arrangement coming into existence;
- (b) a relevant obligation secured by a collateral arrangement coming into existence; or
- (c) the delivery, transfer, holding, registering or other designation of collateral so as to be in the possession or under the control of the collateral-taker."
- (40) In section 282(5), after the words "applicable netting agreement", the words "or collateral arrangement" shall be inserted.
- (41) In section 283(1), after the words "collateral arrangement", the words "which is by way of security over collateral" shall be inserted. The words "netting agreement" shall be replaced with the words "collateral arrangement". The words "and setting off" shall be replaced with the words ". The collateral-taker shall on such realisations, set".
- (42) Section 285 shall be deleted and replaced in full by the following:
- "285. Control**
- A collateral taker who has taken collateral by way of security shall be treated as having control of collateral for the purposes of these Regulations notwithstanding:
- (1) its exercise of a right of use as described in Section 282(1) (*Right of use of collateral-taker in collateral and obligation to return equivalent assets*);

- (2) any right of the collateral-provider to substitute collateral of the same or greater value, withdraw excess collateral or collect the proceeds of, or otherwise service, a credit claim until further notice."

For the purposes of these Regulations "possession" of collateral in the form of cash or securities includes the case where collateral has been credited to an account in the name of the collateral-taker or a person acting on his behalf (whether or not the collateral-taker, or person acting on his behalf, has credited the collateral to an account in the name of the collateral-provider on his, or that person's, books) provided that any rights to the collateral-provider may have in relation to that collateral are limited to the right to substitute collateral of the same or greater value or to withdraw excess collateral.

- (43) In section 298, the following definitions shall be inserted—

""**ADGM Court Procedure Rules**" means any rules, procedures, practice or guidance relating to the Court that is issued by the Chief Justice of the Court from time to time.

- (44) In section 298, in the definition of "**cash**", after the words "money market deposit" the words "and sums due or payable to, or received between the parties in connection with the operation of a collateral arrangement or a netting agreement" shall be inserted.

- (45) In section 298, the definition of "**Civil Procedure Rules**" shall be deleted.

- (46) In section 298, the definition of "**collateral**" shall be deleted and replaced in full by the following words:

""**collateral**" means any of the following—

- (a) cash in any currency;
- (b) securities of any kind, including (without limitation) debt and equity securities and sukuk, units of a collective investment fund, money market instruments, claims relating to or rights in or in respect of any of the financial instruments included in this definition and any rights, privileges or benefits attached to or arising from any such financial instruments;
- (c) guarantees, letters of credit and obligations to reimburse;
- (d) pecuniary claims which arise out of an agreement whereby an Authorised Person grants credit in the form of a loan ("**credit claims**"); and
- (e) any asset commonly used as collateral in the Abu Dhabi Global Market."

- (47) In section 298, the definition of "**collateral arrangement**" shall be deleted and replaced in full by the following words:

""**collateral arrangement**" means any margin, collateral or security arrangement or other credit enhancement or other agreement or arrangement, evidenced in writing, the purpose of which is to secure, cover or provide credit support in respect of, the relevant obligations owed to the collateral-taker and where the collateral-provider and the collateral-taker are both non-natural persons, where—

- (a) security in collateral where the collateral is delivered, transferred, held registered or otherwise designated so as to be in the possession or under the control of the collateral-taker or a person acting on its behalf is created or arises to secure the relevant obligations;
 - (b) there is a title transfer collateral arrangement; or
 - (c) there is any guarantee, letter of credit or reimbursement obligation by or to a party to one or more qualified financial contracts, in respect of one or more of those qualified financial contracts."
- (48) In section 298, in the definition of "**netting**", after the words "qualified financial contracts" the words "or other transactions" shall be inserted.
- (49) In section 298, in the definition of "**netting agreement**", after the words "qualified financial contracts", the words "or other contracts or transactions" shall be inserted. For the words "and (c) any", the words ", (c) any other agreement between two or more parties which incorporates netting and (d)" shall be substituted.
- (50) In section 298, in the definition of "**official interest rate**", for the word "Civil", the words "ADGM Court" shall be substituted.
- (51) In section 298, in the definition of "**qualified financial contract**", the word "swap" where it first appears in paragraph (a) shall be deleted. In paragraph (h), the word "option" shall be deleted. The same word shall be inserted after the words "profit rate" in paragraph (h). In paragraph (i), after the words "equity index option", the words "or total return swap" shall be inserted.
- (52) In section 298, in the definition of "**receiver**", for the word "Civil", the words "ADGM Court" shall be substituted.
- (53) In section 298, in the definition of "**relevant obligations**", after the words "netting agreement", the words "or collateral arrangement" shall be inserted.
- (54) In section 298, in the definition of "**seal**" or "**sealed**", for the word "Civil", the words "ADGM Court" shall be substituted.
- (55) In section 298, in the definition of "**service**", in each place where the word "Civil" appears, the words "ADGM Court" shall be substituted.
- (56) In section 298, in the definition of "**statement of truth**", for the word "Civil", the words "ADGM Court" shall be substituted.
- (57) In section 298, the definition of "**title transfer collateral arrangement**" shall be deleted and replaced in full by the words:

""**title transfer collateral arrangement**" means an agreement or arrangement, evidenced in writing, where the collateral-provider and the collateral-taker are both non-natural persons the purpose of which is to secure or otherwise cover the relevant obligations owed to the collateral-taker based on the transfer of title to collateral to a collateral-taker on terms that when the relevant obligations are discharged, the collateral-taker must transfer title to equivalent collateral to the collateral-provider, including (without limitation) a sale and

repurchase agreement, securities lending agreement, securities buy/sell-back agreement or an irregular pledge."

(58) In section 298, in the definition of "**witness statement**", for the word "Civil", the words "ADGM Court" shall be substituted.

(59) The definition of "Financial Market Regulations" in section 298 shall be omitted.

(60) In section 298, the following definitions shall be inserted—

"**Authorised Person**" has the meaning given to that term in the Financial Services and Markets Regulations 2015;

"**Financial Services and Markets Regulations 2015**" means the Financial Services and Markets Regulations 2015, issued by the Board.

"**Recognised Body**" has the meaning given to that term in the Financial Services and Markets Regulations 2015."

(61) Following section 300(9), a new subsection (10) shall be inserted as follows:

"(10) In this Section, "Company" includes any body corporate (whether incorporated in the Abu Dhabi Global Market or elsewhere); and references to Directors and other officers of a Company and to voting power at any general meeting of a Company have effect with any necessary modifications."

(62) In section 301(1)(f), for the words "an investment which is an option, future or contract for difference", the words "an investment of a kind described in paragraphs 94 to 96 of Schedule 1 (*Restricted Activities*) of the Financial Services and Markets Regulations 2015 (options, futures and contracts for differences)" shall be substituted.

(63) The words of paragraph (a) of subsection (1) of section 302 shall be substituted by the following words—

"is within paragraphs 88 (*Instruments creating or acknowledging indebtedness*) or 89 (*Sukuk*) and does not fall within paragraph 90 (*Government and public Financial Instruments*) of Schedule 1 (*Restricted Activities*) of the Financial Services and Markets Regulations 2015 and is rated, listed or traded or designed to be rated, listed or traded"

(64) The words of paragraph (b) of subsection (1) of section 302 shall be substituted by the following words—

"is rated, listed or traded or designed to be rated, listed or traded."

(65) Subsections (2), (3) and (4) of section 302 shall be omitted.

(66) The following provisions shall be inserted in section 302—

"(2) In subsection (1)—

"**rated**" means rated for the purposes of investment by an internationally recognised rating agency;

"**listed**" means admitted to the Official List (as defined in the Financial Services and Markets Regulations 2015); and

"**traded**" means admitted to trading on a relevant market (as defined in paragraph 33(3) (*Promotions required or permitted by the rules of certain markets*) of Schedule 2 (*Financial promotions*) of the Financial Services and Markets Regulations 2015).

(3) An investment is also a capital market investment for the purposes of section 152 (*Appointment and powers of receivers and administrative receivers*) of these Regulations if it consists of a bond or commercial paper issued to a person in a territory or jurisdiction other than the Abu Dhabi Global Market who under the law of that territory or jurisdiction is not prohibited from investing in bonds or commercial paper.

(4) In subsection (3)—

"**bond**" shall be construed in accordance with paragraph 88 (*Instruments creating or acknowledging indebtedness*) of Schedule 1 of the Financial Services and Markets Regulations 2015 and includes any instrument falling within paragraph 89 (*Sukuk*) of that Schedule; and

"**commercial paper**" has the meaning given by paragraph 41(3) (*Sums received in consideration for the issue of debt financial instruments*) of Schedule 1 (*Restricted Activities*) of the Financial Services and Markets Regulations 2015."

- (67) In paragraphs 3(1), 3(3) and 7 of Part 1 (*Meetings and Time Limits*) of Schedule 1 (*Meetings, Time Limits, Notices and Documents*), for the word "Civil", the words "ADGM Court" shall be substituted.
- (68) In paragraphs 35, 37(1) and 37(2) of Part 8 (*Delivery of Documents and Opting Out*) of Schedule 1 (*Meetings, Time Limits, Notices and Documents*), for the word "Civil", the words "ADGM Court" shall be substituted.
- (69) In paragraph 28(6) of Part 3 (*Creditors' Claims*) of Schedule 5 (*Proofs and Distributions*), for the word "Civil", the words "ADGM Court" shall be substituted.
- (70) A new Schedule 13 shall be added as set out in the Schedule hereto.

Schedule

Schedule 13

(Modifications to the Insolvency Regulations for Limited Liability Partnerships)

SCHEDULE 13

**MODIFICATIONS TO THE INSOLVENCY REGULATIONS FOR
LIMITED LIABILITY PARTNERSHIPS**

Provisions	Modifications
Section 1(3)(c) <i>(Administration)</i>	For "Company or its Directors" substitute "Limited Liability Partnership"
Section 5(3)(a) <i>(General restrictions)</i>	For "resolution for voluntary winding up" substitute "determination to wind up voluntarily"
Section 8(1)(b) <i>(Administration application)</i>	Omit
Section 29(2) <i>(Power to appoint)</i>	Omit
Section 32(2) <i>(Notice of intention to appoint)</i>	Omit "or a record of the decision of the Directors (where the Directors intend to make the appointment)"
Section 33(4) <i>(Notice of appointment)</i>	For "Directors of the Company" substitute "Limited Liability Partnership"
Section 44(2) <i>(Moratorium on Insolvency Proceedings)</i>	For "resolution may be passed for the winding up of" substitute "determination to wind up voluntarily may be made by"
Section 57(1)(d) <i>(Administrator's statement of proposals)</i>	Omit
Section 66(1)(d) <i>(Contents of the administrator's revised proposals)</i>	Omit
Section 76(4) <i>(Effect of Deed of Company Arrangement on creditors)</i>	For "Section 117 (<i>The members of a company</i>) of the Companies Regulations" substitute "Section 3 (<i>Members</i>) of the Limited Liability Partnership Regulations 2015"
Section 81(1) <i>(Transfer of shares)</i>	For "shares in" substitute "interests in the property of", for "shares" substitute "interests"
Section 94(6)(b) <i>(Deed progress reports)</i>	In Section 94(6)(b) the reference to Section 470 (<i>Auditor's general right to information</i>) shall be read in respect of a Limited Liability Partnership as such provision is amended pursuant to the Limited Liability Partnerships Rules 2015
Section 95(5) <i>(General powers)</i>	For Section 95(5) substitute <p>"(5) The administrator of a Limited Liability Partnership has power to prevent any person from taking part in the management of the business of the Limited Liability Partnership and to appoint any person to be a manager of that business."</p>

Section 122(5)(b) <i>(Moving to creditors' voluntary liquidation)</i>	For "resolution for voluntary winding-up" substitute "determination to wind-up voluntarily"
Section 122(7)(b) <i>(Moving to creditors' voluntary liquidation)</i>	For "passing of the resolution for voluntary winding-up" substitute "determination to wind-up voluntarily"
Section 122(7)(e) <i>(Moving to creditors' voluntary liquidation)</i>	For "passing of the resolution for voluntary winding-up" substitute "determination to wind-up voluntarily"
Section 128(2)(d) <i>(Resignation of administrator)</i>	Omit
Section 134(2)(d) <i>(Administrator ceasing to be licensed)</i>	Omit
Section 137(2)(c), (7) and (8) <i>(Supplying vacancy in office of administrator)</i>	Omit
Section 137(9) <i>(Supplying vacancy in office of administrator)</i>	For "(5) or (7) substitute "or (5)"
Section 141(1)(a) <i>(Substitution of administrator appointed by Company or Directors: creditors' meeting)</i>	Omit "or Directors"
Section 147(5) <i>(Joint and concurrent administrators)</i>	Omit
Section 150 <i>(Majority decision of Directors)</i>	Omit
Section 174(1) <i>(Circumstances in which a Company may be wound up voluntarily)</i>	For Section 174(1) substitute the following: "(1) A Limited Liability Partnership may be wound-up voluntarily when it determines that it is to be wound-up voluntarily"
Section 174(2) <i>(Circumstances in which a Company may be wound up voluntarily)</i>	For "passes a resolution for voluntary winding-up" substitute "determines that it is to be wound-up voluntarily", for "passing of such resolution" substitute "making of the determination" and for "resolution" where it appears for the third time substitute "determination"
Section 175(1) <i>(Declaration of solvency)</i>	For "the directors (or, in the case of a Company having more than two Directors, the majority of them) may at a meeting of the board of Directors make a declaration in a form prescribed by the Board in rules made by the Board)" substitute "the members of the Limited Liability Partnership may make a declaration."
Section 175(2)	For the existing subsection, substitute the following:

(Declaration of solvency)	"(2) Such a declaration must be made within the five (5) weeks immediately preceding the date when the Limited Liability Partnership determined that it be wound-up voluntarily or on that date but before the making of the determination."
Section 175(3) (Declaration of solvency)	For "a Director" substitute "the members"
Section 175(4) (Declaration of solvency)	For "in pursuance of a resolution passed" substitute "voluntarily"
Section 178 (Appointment of liquidator)	Omit "at a general meeting"
Section 179 (Directors' powers)	Substitute the following: "On the appointment of a liquidator the powers of the members of the Limited Liability Partnership shall cease except to the extent that a meeting of the members of the Limited Liability Partnership summoned for the purpose or the liquidator sanctions their continuance."
Section 180 (Vacancy in office of liquidator)	For "the Company at a general meeting" substitute "a meeting of the members of the Limited Liability Partnership called for the purpose" and "a general meeting" substitute "a meeting of the members of the Limited Liability Partnership"
Section 182(1) (Final meeting prior to dissolution)	For "a general meeting" substitute "a meeting of the members"
Section 183(1) (Effect of Company's insolvency)	For "Directors" substitute "members"
Section 184(a) (Conversion to creditors' voluntary winding-up)	For "Directors" substitute "members"
Section 184(b) (Conversion to creditors' voluntary winding-up)	For "general meeting" substitute "meeting of the members"
Section 186(1) (Meetings of members and creditors)	Substitute the following: "(1) The Limited Liability Partnership shall cause a meeting of its creditors to be summoned for a day not later than the 14 th day after the day on which the Limited Liability Partnership determines that it be wound-up voluntarily."
Section 186(2) and (3) (Meeting of members and creditors)	For "Directors" substitute "members"
Section 187(1) (Appointment of liquidator)	For "The creditors and the Company at their respective meetings mentioned in Section 186 (<i>Meetings of members and creditors</i>)" substitute "The creditors at their meeting mentioned in Section 186 (<i>Meetings of members and creditors</i>) and the Limited Liability Partnership"

<p>Section 188 (<i>Directors' powers</i>)</p>	<p>Substitute the following: "On the appointment of a liquidator the powers of the members of the Limited Liability Partnership shall cease, except so far as the Liquidation Committee (or if there is no such Liquidation Committee, the creditors) sanction their continuance."</p>
<p>Section 191(1) (<i>Final meeting prior to dissolution</i>)</p>	<p>For "a general meeting" substitute "a meeting of the members"</p>
<p>Section 192(1) (<i>Notice of resolution to wind up</i>)</p>	<p>For "passed a resolution for voluntary winding-up" substitute "determined that it shall be wound up voluntarily", for "passing of the resolution" substitute "determination", for "resolution" substitute "determination"</p>
<p>Section 193 (<i>Commencement of winding-up</i>)</p>	<p>Substitute the following new Section – "A voluntary winding-up is deemed to commence at the time when the Limited Liability Partnership determines that it be wound up voluntarily"</p>
<p>Section 196 (<i>Avoidance of share transfers after winding-up resolution</i>)</p>	<p>For "shares" substitute "the interests of any member in the property of the Limited Liability Partnership"</p>
<p>Section 198A (<i>Acceptance of shares, etc. as consideration for sale of company property</i>)</p>	<p>For the existing Section substitute the following: "198A. Acceptance of shares, etc. as consideration for sale of Limited Liability Partnership property</p> <p>(1) This Section applies, in the case of a Limited Liability Partnership proposed to be, or being, wound up voluntarily, where the whole or part of the Limited Liability Partnership's business or property is proposed to be transferred or sold to another company whether or not it is a Company within the meaning of the Companies Regulations 2015 ("the transferee company") or to a Limited Liability Partnership ("the transferee limited liability partnership").</p> <p>(2) With the requisite sanction, the liquidator of the Limited Liability Partnership being, or proposed to be, wound up ("the transferor limited liability partnership") may receive, in compensation or part compensation for the transfer or sale, shares, policies or other like interests in the transferee company or the transferee limited liability partnership for distribution among the members of the transferor limited liability partnership.</p> <p>(3) The sanction required under subsection (2) is –</p> <p>(a) in the case of a members' voluntary winding up, that of a determination of the Limited Liability Partnership at a meeting of the members of the Limited Liability Partnership conferring either a</p>

	<p>general authority on the liquidator or an authority in respect of any particular arrangement, and</p> <p>(b) in the case of a creditor's voluntary winding up, that of either the Court or the Liquidation Committee.</p> <p>(4) Alternatively to subsection (2), the liquidator may (with the sanction) enter into any other arrangement whereby the members of the transferor limited liability partnership may, in lieu of receiving cash, shares, policies or other like interests (or in addition thereto), participate in the profits, or receive any other benefit from the transferee company or the transferee limited liability partnership.</p> <p>(5) A sale or arrangement in pursuance of this Section is binding on members of the transferor limited liability partnership.</p> <p>(6) A determination by the Limited Liability Partnership is not invalid for the purposes of this Section by reason that it is made before or concurrently with a determination by the Limited Liability Partnership that it be wound up voluntarily or for appointing liquidators; but, if an order is made within a year for winding up the Limited Liability Partnership by the Court, the determination by the Limited Liability Partnership is not valid unless sanctioned by the Court.</p> <p>(7) If a determination of the Limited Liability Partnership has provided the sanction requisite for the liquidator under this Section, a member of the transferor limited liability partnership who did not vote in favour of providing the sanction required for the liquidator under this Section may express his dissent from it in writing addressed to the liquidator and left at the registered office of the Limited Liability Partnership within 7 days after the date on which that sanction was given, and require the liquidator either to abstain from carrying the arrangement so sanctioned into effect or to purchase his interest at a price to be determined by agreement or arbitration under this Section.</p> <p>(8) If the liquidator elects to purchase the member's interest, the purchase money must be paid before the Limited Liability Partnership is dissolved and be raised by the liquidator in such manner as may be determined by the Limited Liability Partnership."</p>
<p>Section 199(a) <i>(Circumstances in which a Company may be wound up by the Court)</i></p>	<p>For "has by Special Resolution resolved" substitute "has determined"</p>
<p>Section 199(c)</p>	<p>Omit "or"</p>

<i>(Circumstances in which a Company may be wound up by the Court)</i>	
Section 199(e) and (f) <i>(Circumstances in which a Company may be wound up by the Court)</i>	Add the following new paragraphs: <p style="margin-left: 40px;">"(e) the Limited Liability Partnership does not commence its business within a year from its incorporation or suspends its business for a whole year; or</p> <p style="margin-left: 40px;">(f) the number of members is reduced below two."</p>
Section 202(2) <i>(Application for winding-up)</i>	Omit "either"
Section 202(2)(a) <i>(Application for winding-up)</i>	Omit
Section 208(1) <i>(Commencement of winding-up)</i>	For "a resolution has been passed" substitute "a determination has been made" and for "the passing of the resolution" substitute "that determination"
Section 209(2)(b) <i>(Consequences of winding-up order)</i>	For "any transfer of shares" substitute "any transfer by a member of the Limited Liability Partnership of his interest in the property of the Limited Liability Partnership"
Section 215(6)(a) <i>(Property of the Company)</i>	For "resolution" substitute "determination"
Section 217(8) <i>(Powers of liquidator)</i>	For "a resolution passed" substitute "determination made"
Section 220(1)(a) <i>(Settling list of contributories, debts and calls)</i>	Omit "with power to rectify the register of members in all cases where rectification is required"
Section 221 <i>(Liability to contribute of past and present members)</i>	Substitute the following – <p>"When a Limited Liability Partnership is wound up every present and past member of the Limited Liability Partnership who has agreed with the other members or with the Limited Liability Partnership that he will, in circumstances which have arisen, be liable to contribute to the assets of the Limited Liability Partnership in the event that the Limited Liability Partnership goes into liquidation is liable, to the extent that he has so agreed, to contribute to its assets to any amount sufficient for payment of its debts and liabilities, and the expenses of winding up, and for the adjustment of the rights of the contributories among themselves. However, a past member shall only be liable if the obligation arising from such agreement survived his ceasing to be a member of the Limited Liability Partnership."</p>
Section 222 <i>(Limited Company formerly unlimited)</i> and 223 <i>(Unlimited Company formerly limited)</i>	Omit.

<p>Section 233 <i>(Statement of Company's affairs by Directors)</i></p>	<p>For "Director" substitute "member" and "Directors" substitute "members"</p>
<p>Section 242(4) <i>(Meetings to ascertain wishes of creditors or contributories)</i></p>	<p>Insert a new subsection (4) as follows – "(4) Meetings of members of a Limited Liability Partnership shall be convened and held subject to Part 13 (<i>Limited Liability Partnership Meetings</i>) of Schedule 6 (<i>Meetings and Correspondence</i>)".</p>
<p>Section 244(1) <i>(Fraud in anticipation of winding-up or insolvent administration)</i></p>	<p>For "passes a resolution for voluntary winding-up" substitute "makes a determination that it be wound-up voluntarily".</p>
<p>Section 245(1) <i>(Transactions in fraud of creditors)</i></p>	<p>For "passes a resolution for voluntary winding-up" substitute "makes a determination that it be wound-up voluntarily".</p>
<p>After Section 252 <i>(Wrongful trading)</i></p>	<p>Insert the following new Section 252A as follows – "252A Adjustment of withdrawals</p> <p>(1) This Section has effect in relation to a person who is or has been a member of a Limited Liability Partnership where, in the course of winding up of that Limited Liability Partnership, it appears that subsection (2) of this Section applies in relation to that person.</p> <p>(2) This subsection applies in relation to a person if –</p> <p>(a) within the period of two years ending with the commencement of the winding up, he was a member of the Limited Liability Partnership who withdrew property of the Limited Liability Partnership, whether in the form of a share of profits, salary, repayment of or payment of interest on a loan to the Limited Liability Partnership or any other withdrawal of property, and</p> <p>(b) it is proved by the liquidator to the satisfaction of the Court that at the time of the withdrawal he knew or had reasonable ground for believing that the Limited Liability Partnership –</p> <p>(i) was at the time of the withdrawal unable to pay its debts within the meaning of Section 200 (<i>Definition of inability to pay debts</i>), or</p> <p>(ii) would become so unable to pay its debts after the assets of the Limited Liability Partnership had been depleted by that withdrawal taken together with all other withdrawals (if any) made by any members contemporaneously with that withdrawal or in contemplation when that withdrawal was made.</p> <p>(3) Where this Section has effect in relation to any person the Court, on the application of the liquidator, may declare that that person is to be liable to make such</p>

	<p>contribution (if any) to the Limited Liability Partnership's assets as the Court thinks proper.</p> <p>(4) The Court shall not make a declaration in relation to any person the amount of which exceeds the aggregate of the amounts or values of all the withdrawals referred to in subsection (2) made by that person within the period of two years referred to in that subsection.</p> <p>(5) The Court shall not make a declaration under this Section with respect to any person unless that person knew or ought to have concluded that after each withdrawal referred to in subsection (2) there was no reasonable prospect that the Limited Liability Partnership would avoid going into insolvent liquidation.</p> <p>(6) For the purposes of subsection (5) the facts which a member ought to know or ascertain and the conclusions which he ought to reach are those which would be known, ascertained, or reached by a reasonably diligent person having both:</p> <p>(a) the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as are carried out by that member in relation to the Limited Liability Partnership, and</p> <p>(b) the general knowledge, skill and experience that that member has.</p> <p>(7) For the purposes of this section a Limited Liability Partnership goes into insolvent liquidation if it goes into liquidation at a time when its assets are insufficient for the payment of its debts and other liabilities and the expenses of the winding up.</p> <p>(8) In this section "member" includes a shadow member.</p> <p>(9) This section is without prejudice to Section 252."</p>
Section 253 (Proceedings under Sections 251 and 252)	Add after "Section 252 (<i>Wrongful trading</i>)" the following – "or Section 252A (<i>Adjustment of withdrawals</i>)"
Section 255(2)(a) (<i>Duty to co-operate with Office-holder</i>)	Omit "secretary of"
Section 255(2)(d) (<i>Duty to co-operate with Office-holder</i>)	Omit "or secretary of"

Section 256 (<i>Inquiry into Company's dealings</i>)	Omit "or secretary"
Section 298 (<i>Defined Terms</i>) (definition of "Connected Person")	<p>Replace the existing definition of Connected Person with the following –</p> <p>"Connected Person" means a person is connected with a Company (including a Limited Liability Partnership) if –</p> <p>(a) he is a Director or shadow director of the Company or an Associate of such a Director or shadow director (including a member or shadow member of a Limited Liability Partnership or an Associate of such a member or shadow member);</p> <p>(b) he is an Associate of the Company or of the Limited Liability Partnership;</p> <p>(c) he is an employee of the Company or of the Limited Liability Partnership; or</p> <p>(d) he is a trustee of a trust and the Company or the Limited Liability Partnership has an interest in the trust property or vice versa."</p>
Section 298 (<i>Defined Terms</i>) (definition of "designated member")	<p>Insert a new definition of "designated member" as follows –</p> <p>"designated member" has the same meaning as it has in the Limited Liability Partnership Regulations 2015. "</p>
Section 298 (<i>Defined Terms</i>) (definition of "Limited Liability Partnership")	<p>Replace the existing definition of Limited Liability Partnership with the following –</p> <p>"Limited Liability Partnership" means a limited liability partnership registered under the Limited Liability Partnerships Regulations 2015."</p>
Section 298 (<i>Defined Terms</i>) (definition of "Limited Liability Partnerships Regulations")	<p>Replace the existing definition of Limited Liability Partnership with the following –</p> <p>"Limited Liability Partnerships Regulations 2015" means the Limited Liability Partnerships Regulations 2015, issued by the Board."</p>
Section 298 (<i>Defined Terms</i>) (definition of "member")	<p>Replace the existing definition of member with the following –</p> <p>"member" means a member of a Limited Liability Partnership."</p>
Section 298 (<i>Defined Terms</i>) (definition of "shadow member")	<p>Insert a new definition of "shadow member" as follows –</p> <p>"shadow member", in relation to a Limited Liability Partnership, means a person in accordance with whose directions or instructions the members of the Limited Liability Partnership are accustomed to act (but so that a person is not deemed a shadow member of a Limited Liability Partnership by reason only that members of the Limited Liability Partnership act on advice given by him in a professional capacity)."</p>

<p>Section 299(2) (<i>Meaning of "liability", "into liquidation" and "into insolvent liquidation" and "in administration", "enters administration" and "enters insolvent administration"</i>)</p>	<p>For "passes a resolution for voluntary winding-up" substitute "makes a determination that it be wound up voluntarily" and for "passing such a resolution" substitute "making such a determination."</p>
<p>Section 300(3A) (<i>Meaning of "Associate"</i>)</p>	<p>Insert a new subsection (3A) as follows – "(3A) A member of a Limited Liability Partnership is an Associate of that Limited Liability Partnership and of every other member of that Limited Liability Partnership and of the spouse (including former spouse) or relative of every other member of that Limited Liability Partnership."</p>
<p>Section 300(10) (<i>Meaning of "Associate"</i>)</p>	<p>Substitute for subsection (10) the following– "(10) in this Section "Company" includes any body corporate (whether incorporated in the Abu Dhabi Global Market or elsewhere); and references to Directors and other officers of a Company and to voting power at any general meeting of a Company have effect with any necessary modifications."</p>
<p>Schedule 2, paragraph (19) (<i>Powers of the Administrator</i>)</p>	<p>For paragraph (19) substitute the following – "(19) Power to enforce any rights the Limited Liability Partnership has against the members under the terms of the Limited Liability Partnership Agreement."</p>
<p>Schedule 3, paragraph (18) (<i>Powers of the Administrative Receiver</i>)</p>	<p>For paragraph (18) substitute the following – "(19) Power to enforce any rights the Limited Liability Partnership has against the members under the terms of the Limited Liability Partnership Agreement."</p>
<p>Schedule 6, Part 9 (<i>Contributories' Voting Rights and Majorities</i>)</p>	<p>For "general meeting" substitute "meeting of the members" and for "resolution is passed" substitute "determination made"</p>
<p>Schedule 6, Part 13 (<i>Meetings and Correspondence</i>)</p>	<p>Insert a new Part 13 as follows –</p> <p style="text-align: center;">"PART 13</p> <p style="text-align: center;">LIMITED LIABILITY PARTNERSHIP MEETINGS</p> <p>48. Limited Liability Partnership meetings (<i>general</i>) Unless these regulations provide otherwise, a meeting of the members of the Limited Liability Partnership, must be called and conducted, and records of the meeting must be kept in accordance with the Limited Liability Partnership Agreement and the laws of the Abu Dhabi Global Market, including any applicable provisions in or made under the Limited Liability Partnerships Regulations 2015. The quorum required for a meeting of the members of the Limited Liability Partnership</p>

	shall be any quorum required by the Limited Liability Partnership Agreement for meetings of members of the Limited Liability Partnership and if no requirement for a quorum has been agreed upon the quorum shall be 2 members."
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