



ABU DHABI GLOBAL MARKET  
سوق أبوظبي العالمي

*CONSULTATION PAPER*  
*NO. 1 OF 2021*

**PROPOSED AMENDMENTS TO THE  
REGISTRATION AUTHORITY'S DECISION  
PROCEDURES AND ENFORCEMENT  
MANUAL**

**28 January 2021**



## Introduction

### Why are we issuing this paper?

The Registration Authority ("RA") of the Abu Dhabi Global Market ("ADGM") has issued this Consultation Paper to invite public feedback and comments on proposed amendments to its Decision Procedures and Enforcement Manual (proposed to be renamed as the Decision Procedures, Disqualification and Enforcement Manual) (the "**Manual**").

The Manual currently sets out the RA's policy and procedures in relation to the exercise of its enforcement powers and related decision-making, under the Commercial Licensing Regulations 2015 ("**CLR 2015**").

The proposed amendments will introduce additional policies and procedures to the Manual regarding the disqualification of directors and other persons, under the Companies Regulations 2020 ("**CR 2020**"). The proposals are set out at **Appendix 1** to this Consultation Paper.

This paper aims to gather the views of ADGM licensed persons, interested parties, advisors and stakeholders, directors of ADGM companies and insolvency practitioners, on the proposed amendments to the Manual, as set out in **Appendix 1**.

### Who should read this paper?

This paper may be of interest to individuals, organisations and investors with an interest in establishing a presence in ADGM and for ADGM RA licensed persons, company directors, insolvency practitioners and their professional advisors.

### How to provide comments

All comments should be in writing and sent to the address or email specified below. If sending your comments by email, please use the Consultation Paper number in the subject line. If relevant, please identify the organisation you represent when providing your comments. The RA reserves the right to publish, including on its website, any comments you provide, unless you expressly request otherwise at the time of making any comments.

### What happens next?

The deadline for providing comments on this proposal is **11 February 2021**. Once we receive your comments, we will consider whether any modifications are required to the proposed amendments to the Manual.

The Manual will then be finalised and published with a copy being provided to the ADGM Board of Directors, in accordance with the requirements under the CLR 2015. We shall issue a notice on our website telling you when this happens.

**Comments to be addressed to:**

Consultation Paper No. 1 of 2021  
Registration Authority  
Abu Dhabi Global Market Square  
Al Maryah Island  
PO Box 111999  
Abu Dhabi, UAE  
Email: [consultation@adgm.com](mailto:consultation@adgm.com)

**Structure of this paper**

The amendments under consideration are summarised in this paper and set out in more detail in Appendix 1 - Draft amendments to the Registration Authority's Decision Procedures and Enforcement Manual.

## Background

The Decision Procedures and Enforcement Manual (proposed to be renamed as the Decision Procedures, Disqualification and Enforcement Manual) (the “**Manual**”) was originally published in 2018 and amended in 2020.

The purpose of the Manual is to set out the Registration Authority’s (“**RA**”) policies and procedures in relation to the exercise of its enforcement powers and related decision-making under the Commercial Licensing Regulations 2015 (“**CLR 2015**”). This provides transparency to Abu Dhabi Global Market (“**ADGM**”) licensed persons and their advisors on how the RA operates.

### *Disqualifications*

Companies Regulations 2020 (“**CR 2020**”) provides enforcement powers to the Registrar in respect of the disqualification of directors of ADGM registered companies and other persons, such as insolvency practitioners. Similar to CLR 2015, CR 2020 requires the Registrar to issue a statement of policy and procedure regarding the approach and exercise of the use of these powers.

For ease of reference the RA proposes to set out these policies and procedures within the Manual, providing a single, comprehensive reference point regarding statements of policy and procedure on RA regulatory actions, including disqualifications.

The proposed additions to the Manual are outlined in the next section and is set out as proposed amendments to the Manual at **Appendix 1**.

Comments supported by reasoning and evidence may be taken into account by the RA before the updated version of the Manual is finalised and published.

*Proposed amendments*

The RA proposes to amend the Manual to include policy and procedures relating to the:

1. making of disqualification orders to directors, receivers, persons involved in the promotion, formation or management of a company and insolvency practitioners, and
2. accepting disqualification undertakings.

The amendments include:

1. setting out the circumstances where the Registrar may disqualify a person,
2. matters considered by the RA for determining unfitness of company directors,
3. examples of aggravating and mitigating factors the RA will consider when issuing a disqualification order, and
4. penalties that may arise for breaching a disqualification order.

The substantive amendments made to the Manual to reflect the proposed approach are set out in Chapter 7 of the Manual. As a result of the changes, the Manual is proposed to be renamed, “Decision Procedures, Disqualifications and Enforcement Manual”.

Q1: DO YOU HAVE ANY COMMENTS ABOUT THE RA'S POLICIES AND PROCEDURES RELATING TO THE MAKING OF DISQUALIFICATION ORDERS?

Q2: DO YOU HAVE ANY COMMENTS ABOUT THE RA'S POLICIES AND PROCEDURES RELATING TO THE ACCEPTANCE OF DISQUALIFICATION UNDERTAKINGS?

Q3: DO YOU HAVE ANY COMMENTS ABOUT THE PROPOSED MATTERS FOR DETERMINING THE UNFITNESS OF DIRECTORS?

The RA has also included some additional miscellaneous amendments to clarify the procedure for appointing a decision-maker and the publication of notices.

Q4: DO YOU HAVE ANY COMMENTS ABOUT THE RA'S POLICIES AND PROCEDURES RELATING TO THE PUBLICATION OF NOTICES?

**Appendix 1 – Draft amendments to the Registration Authority’s Decision Procedures  
and Enforcement Manual**