



ABU DHABI GLOBAL MARKET
سوق أبوظبي العالمي

**FINANCIAL SERVICES AND MARKETS
(AMENDMENT NO 5) REGULATIONS 2018**

FINANCIAL SERVICES AND MARKETS (AMENDMENT NO 5) REGULATIONS 2018

Regulations to make provision for financial services and markets and for connected purposes.

Date of Enactment: 11 December 2018

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 Regulations—

1. Amendments to the Financial Services and Markets Regulations 2015

Part 17 Information Gathering, Prudential Directions, Skilled Person Reports, Investigations and Cooperation

Power to gather information

201. The Regulator's power to require information

- (1) If the Regulator reasonably considers that it requires information or Documents in connection with the exercise by the Regulator of any of its functions or powers, or to further one or more of its objectives, the Regulator or an Officer appointed in writing by the Regulator, may, by notice in writing given to a person specified in subsection (2), require him—
 - (a) to provide Specified information or information of a Specified description; or
 - (b) to produce Specified Documents or Documents of a Specified description;in such form as the Regulator may reasonably require.
- (2) Subsection (1) applies to any person subject to Rules made under these Regulations, including Authorised Persons, Recognised Bodies, Controllers, Approved Persons and Recognised Persons, or any person connected to such person and their employees.
- (3) The information or Documents must be provided or produced—
 - (a) before the end of such reasonable period as may be Specified; and
 - (b) at such place as may be Specified.
- (4) Nothing in this section prevents the Regulator from making a request for information to be provided on a voluntary basis, or prevents a person from responding to such a request.

Power to issue directions for prudential purposes

202. Power to issue directions for prudential purposes

- (1) For prudential purposes, the Regulator may direct that a particular Authorised Person or Authorised Persons (or Recognised Body or Recognised Bodies) within a specified class—
 - (a) comply with any specified additional capital or liquidity requirements;
 - (b) apply a specific provisioning policy or treatment of Specified assets;

- (c) comply with Specified limits on material risk exposures;
 - (d) comply with Specified limits on exposures to related parties;
 - (e) meet additional or more frequent reporting requirements; or
 - (f) take or refrain from taking such other action as is Specified.
- (2) The Regulator may direct an Affiliate of an ~~Authorised Person~~ Financial Institution or Recognised Body to take Specified steps or not to carry out Specified activities if ~~the Regulator~~—
- (a) the Regulator is the consolidated supervisor of the Financial Group to which the Authorised Person or Recognised Body belongs; ~~and~~
 - (b) the Affiliate is a Controller or, in relation to Financial Institutions that are not regulated in the Abu Dhabi Global Market, would have been a Controller had the Financial Institution been an Authorised Person; or
 - ~~(b)~~ the Regulator is satisfied that the direction is necessary or desirable for the purposes of the effective ~~prudential~~-supervision of the Financial Institution, Recognised Body, Group or Financial Group on a consolidated basis.
- (3) A direction to an Affiliate under subsection (2) may include, without limitation, a requirement that the Affiliate—
- (a) limit any activities it undertakes or may undertake (including closing any office that is outside the jurisdiction in which it has its principal place of business and head office) if the activities are reasonably likely to expose the Authorised Person, Recognised Body or its Group or Financial Group to excessive risks or risks that are not properly managed; ~~or~~
 - ~~(b)~~ submit particulars of any proposed amendment or alteration to its articles of association or any resolutions and agreements to which Chapter 3 of the Companies Regulations 2015 applies;
 - ~~(c)~~ restrict dividend payments, distributions or other payments regarding capital instruments in order to retain capital in the Group or Financial Group;
 - ~~(d)~~ maintain or raise such amount of capital as determined by the Regulator;
 - ~~(e)~~ be restricted from entering into an acquisition or divesture;
 - ~~(f)~~ ensure continuity of service between relevant entities of the Group or Financial Group;
 - ~~(g)~~ take steps to facilitate the removal from office of directors of the Affiliate who do not meet the Regulator's expectations as regards being fit and proper to direct the Affiliate;
 - ~~(h)~~ move funds or assets from entities within the Group or Financial Group to other entities within the Group or Financial Group to address risks more appropriately;

- (i) restructure the Group or Financial Group to allow for effective supervision;
- (j) improve the system of governance or controls at Group or Financial Group level and/or in relation to Subsidiary Undertakings where this is necessary for effective consolidated supervision; or
- (k) take such other measures as are necessary to remove any impediments to effective supervision of the Group or Financial Group on a consolidated basis, including a direction to take steps to restructure the Group or Financial Group.

(4) A direction issued under this section comes into force on the date specified in it and remains in force, subject to subsection (6), until it is revoked or varied in writing by the Regulator pursuant to subsection (5).

(5) The Regulator may, by notice, revoke or vary any direction given pursuant to this section.

(6) A direction issued to Authorised Persons or Recognised Bodies within a specified class under subsection (1), including any variation made to such a direction pursuant to subsection (5), shall not remain in force for a period longer than 12 months from the date specified in the initial direction issued pursuant to subsection (1).

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Part 22 General

257. Exercise of Powers

- (1) Any power which the Regulator has under any provision of these Regulations is not limited in any way by any other power which it has under any other provision of these Regulations.
- (2) The exercise of any power under a provision of these Regulations in relation to a matter shall not prejudice the Regulator's power to exercise any other powers in relation to the same matter.

258. Definitions

- (1) In these Regulations, unless the context otherwise requires—

<u>Financial Group</u>	<p><u>means a group of entities which includes an Authorised Person and—</u></p> <ul style="list-style-type: none"> (a) <u>any Holding Company incorporated in the Abu Dhabi Global Market;</u> (b) <u>any Financial Institution subsidiaries (whether direct or indirect) of the Holding Company or Holding Companies in (a) or of the Authorised Person;</u> (c) <u>any Financial Institution in which the Holding Company or Holding Companies in (a), the Financial Institution subsidiaries in (b) or the Authorised Person (whether direct or indirect)</u>
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	<p><u>hold 20% or more of the voting rights or capital; and</u></p> <p>(d) <u>any entity which the Regulator directs the Authorised Person to include in accordance with the Rules.</u></p>
<u>Financial Institution</u>	<p><u>means—</u></p> <p>(a) <u>an Authorised Person; or</u></p> <p>(b) <u>any person which carries out as its principal business an activity which would, if carried out in the Abu Dhabi Global Market, be a Regulated Activity; and</u></p> <p>(c) <u>is not one of the following—</u></p> <p>(i) <u>a governmental organisation, including the Central Bank of the United Arab Emirates or its equivalent in another country or territory; or</u></p> <p>(ii) <u>a multilateral development bank.</u></p>
<u>Holding Company</u>	<p><u>has the meaning given to that term in section 1015 of the Companies Regulations 2015.</u></p>

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2. Short title, extent and commencement

- (1) These Regulations may be cited as the Financial Services and Markets (Amendment No. 5) Regulations 2018.
- (2) These Regulations shall apply in the Abu Dhabi Global Market.
- (3) These Regulations come into force on the date of their publication.