



*CONSULTATION PAPER
NO.2 OF 2020*

**Proposed Amendments to the
Registration Authority's
Decision Procedures and
Enforcement Manual**

28 June 2020

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 (the "**Manual**").

The Manual 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**").

The proposed amendments to the Manual 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 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 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 **Sunday, 12 July 2020**. 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. We shall issue a notice on our website telling you when this happens.

Comments to be addressed to:

Consultation Paper No.2 of 2020
Registration Authority
Abu Dhabi Global Market Square
Al Maryah Island
PO Box 111999
Abu Dhabi, UAE
Email: 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 CLR provides certain information gathering, investigation and enforcement powers to the Registrar in respect of ADGM licensed persons. For example, the power to impose fines and to restrict or suspend a licence for contraventions of relevant requirements under ADGM's commercial legislation.

The RA's enforcement principles are to act decisively and ensure procedural fairness, proportionality and transparency when assessing and taking regulatory actions. Where contraventions occur, the RA acts consistent with its policies and procedures.

The purpose of the Manual is to set out the RA's policies and procedures in relation to the exercise of its enforcement powers and related decision-making under the CLR. This provides transparency to ADGM licensed persons and their advisors on how the RA operates.

On decision-making, the RA is required to issue a statement of its procedures in relation to decisions giving rise to an obligation to give statutory notices under CLR.

The Manual was originally published in 2018 and since then the RA has identified areas of enhancement in its policy and procedure with respect to decision-making under CLR. This is 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.

Approach to the proposed amendments

Since the Manual was published in 2018, the RA has identified enhancements in relation to its approach to decision-making on enforcement actions. Specifically, the RA proposes to disband the Registry Decisions Committee (“**RDC**”) and instead, the Registrar may choose to appoint a delegate to make decisions on a case-by-case basis. The individuals that the Registrar would delegate any decision-making to would be senior executives of the RA and not involved (directly or otherwise) in establishing the evidence on which a decision is being recommended.

This approach is expected to enhance the efficiency of the decision making process, whilst still ensuring independence of decision-making and avoidance of conflicts.

The substantive amendments to the Manual to reflect the proposed approach are set out in Chapter 3 of the Manual.

Q1: DO YOU HAVE ANY COMMENTS ABOUT THE RA’S PROPOSAL TO AMEND THE APPROACH TO DECISION MAKING BY REPLACING THE RDC WITH THE REGISTRAR APPOINTING A DELEGATE DECISION MAKER ON A CASE-BY-CASE BASIS?

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