

COMMERCIAL LICENSING REGULATIONS ~~2015~~
(CONDITIONS OF LICENCE AND BRANCH REGISTRATION)
RULES ~~2021~~2022

Date of Adoption: ~~17 March~~
~~2021~~[_____]

The Board of Directors of the Abu Dhabi Global Market, in implementation of section 10(1) and 16(4) of the Commercial Licensing Regulations 2015, hereby makes the following rules:-

1. Citation, commencement and interpretation

(1) These Rules may be cited as the Commercial Licensing Regulations—~~2015~~ (Conditions of Licence and Branch Registration) Rules ~~2021~~2022.

(2) In these Rules—

"accountancy services" means the controlled activity specified in Rule 5 of the Commercial Licensing Regulations ~~2015~~ (Controlled Activities) Rules 2021,

"applicant" means an applicant for a licence,

"approved accountancy regulatory body" means a body designated as such by the Registrar,

"approved healthcare regulatory body" means a body designated as such by the Registrar,

"approved insolvency practitioner regulatory body" means a body designated as such by the Registrar,

"approved legal regulatory body" means a body designated as such by the Registrar,

"authorised signatory" means an individual authorised to represent the ~~licensee~~licence holder as a permanent representative in the Abu Dhabi Global Market,

"body corporate" has the meaning given in the Regulations,

"branch" means each location in the Abu Dhabi Global Market, not being (in the case of an applicant incorporated under the laws of the Abu Dhabi Global Market) the applicant's registered office, from which the applicant proposes to carry on the controlled activity or controlled activities to which an application for a licence relates,

"business activity" has the meaning given to that expression in Rule 2(d),

"company services" means the controlled activity specified in Rule 7 of the Commercial Licensing Regulations ~~2015~~ (Controlled Activities) Rules 2021,

"connected person" has the meaning given to that expression in Part 1 of the Schedule to the Regulations,

"jurisdiction of incorporation" means, in respect of any non-ADGM body corporate, the jurisdiction in which such body corporate is incorporated (including upon being continued into such jurisdiction),

"insolvency practitioner services" means the controlled activity specified in Rule 6 of the Commercial Licensing Regulations ~~2015~~ (Controlled Activities) Rules 2021,

"legal services" means the controlled activity specified in Rule 4 of the Commercial Licensing Regulations ~~2015~~ (Controlled Activities) Rules 2021,

"licence holder" a person ~~to whom a licence has been~~ who holds a valid licence issued by the Registrar,

"non-ADGM body corporate" means a body corporate that is not incorporated (including upon continuation under the Companies Regulations ~~2015~~2022) under the laws of the Abu Dhabi Global Market,

"other economic activities" means the controlled activity specified in Rule 8 of the Commercial Licensing Regulations ~~2015~~ (Controlled Activities) Rules 2021,

"Regulations" means the Commercial Licensing Regulations 2015, and

"UAE Economic Substance Regime" means the federal economic substance regime comprising Cabinet Resolution No. (57) of 2020 Concerning Economic Substance Requirements and Ministerial Decision No. 100 of 2020 on the Issuance of Directives for the Implementation of the Provisions of the Cabinet Resolution No. (57) of 2020, issued pursuant to Article 20 of Cabinet Resolution No. (57) of 2020, as amended or re-enacted from time to time, and any other rule or regulations of the United Arab Emirates made pursuant to the foregoing.

- (3) Terms used in these Rules which are defined in the Regulations shall have the meanings given to them in the Regulations.
- (4) These Rules come into force on ~~12 April 2021~~ the date of their publication.

2. Applications for licence (all applicants)

An applicant for a licence must apply to the Registrar on the form prescribed by the Registrar from time to time and provide the following information—

- (a) full legal name of the applicant,
- (b) the applicant's legal form, including its jurisdiction of incorporation and the legislation under which it is formed and registered,

- (c) the controlled activity or controlled activities which the applicant proposes to carry on in or from the Abu Dhabi Global Market,
- (d) the specific business activity or business activities by reference to the classification adopted by the Registrar, in accordance with Rule 2 of the Commercial Licensing Regulations 2015 (Controlled Activities) Rules 2021,
- (e) the address or addresses in the Abu Dhabi Global Market from which the applicant proposes to carry on the controlled activity, being:
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 - i. in the case of an applicant incorporated under the laws of the Abu Dhabi Global Market, the applicant's registered office, one or more branches located in the Abu Dhabi Global Market or both, or
 - ii. in other cases, one or more branches located in the Abu Dhabi Global Market,
- (f) the name and address in the Abu Dhabi Global Market of every individual authorised to accept service of documents ~~on behalf of the applicant's branch,~~
- (g) a list of every individual who is to be appointed an authorised signatory of the applicant containing the following particulars with respect to each such individual—
 - i. name,
 - ii. any former name,
 - iii. service address, which must be an address with the Abu Dhabi Global Market,
 - iv. extent of the authority of any person falling within this paragraph (g), including whether that person is authorised to act severally or jointly, and
 - v. if an individual falling within this paragraph (g) is not authorised to act severally, the name of any individual with whom they are authorised to act, and
- (h) such other information as the Registrar may require for the purpose of deciding whether to grant a licence.

3. Applications for licence (additional information for branch registration)

- (1) In addition to the information set out in Rule 2 a non-ADGM body corporate applying for a licence and to register a branch must provide to the Registrar the following information on the form prescribed by the Registrar from time to time—

- (a) if the applicant is registered in its jurisdiction of incorporation, the number under which it is registered,
 - (b) a list of the applicant's directors and partners, as applicable, and the information required by paragraph (3),
 - (c) the applicant's corporate objects or any other limitation on its legal capacity, if any,
 - (d) in respect of the branch, the extent of the powers of the directors, officers and partners to represent the applicant in dealings with third parties and in legal proceedings, together with a statement as to whether they may act severally or must act jointly and, if jointly, the name of any other person concerned,
 - (e) the full names and addresses of any shareholders of the applicant, including evidence acceptable to the Registrar, except if the applicant is a listed entity, and
 - (f) a statement of the financial reporting obligations to which the applicant is subject under the laws of the applicant's jurisdiction of incorporation, including the period for which the non-ADGM body corporate is required by law to prepare accounts and reports, the period allowed for their preparation and whether such accounts and reports are required by law to be publicly available free of charge.
- (2) An applicant for a licence that is a non-ADGM body corporate must also provide the following documents to the Registrar—
- (a) either—
 - i. if the applicant is registered in its jurisdiction of incorporation and the registry in which the applicant is so registered issues certificates of good standing to registered bodies corporate that are in good standing, a certificate of good standing in respect of the applicant issued by such registry and dated no more than three months prior to the date on which the application for a licence is made, or
 - ii. in other cases, such evidence as the Registrar may require that the applicant is in good standing in its jurisdiction of incorporation,
 - (b) a certified copy of the applicant's certificate of incorporation and any certificate amending the applicant's certificate of incorporation,
 - (c) a certified copy of the applicant's constitutional documents, and
 - (d) a certified copy (acceptable to the Registrar) of the applicant's most recent accounts and reports, including a balance sheet, profit and loss account

and (if the applicant is required by applicable law to have an auditor audit its accounts and reports) the auditor's statement thereon, or

- (e) if the applicant is not required by applicable law to prepare financial statements and reports thereon (including an auditor's report) such other evidence of financial credit worthiness as the Registrar may require,

together with, if any of the above documents are wholly or partly written in a language other than English, translations into English certified by a translator acceptable to the Registrar.

(3) The particulars referred to in paragraph (1)(b) are—

(a) in the case of an individual—

- i. name,
- ii. any former name,
- iii. a service address,
- iv. usual residential address (should the registrar require),
- v. the country or state in which the individual is usually resident,
- vi. nationality,
- vii. business occupation (if any),
- viii. date of birth, and
- ix. date of appointment,

(b) in the case of a body corporate—

- i. corporate or firm name,
- ii. registered or principal office,
- iii. the legal form of the body corporate and the law by which it is governed,
- iv. if applicable, the register in which it is entered (including details of the jurisdiction) and its registration number in that register, and
- v. date of appointment.

4. Application for licence variation ~~or renewal~~ by existing licence holder

A licence holder that is applying for a licence variation either in respect of a new controlled activity or a new business activity, ~~or to renew his licence in anticipation of the licence holder's existing licence expiring~~ shall be subject to these Rules as a new applicant but shall not be obliged to provide the documents required by paragraph (2)(b) to (e) of Rule 3 if an officer of the licence holder provides to the Registrar, written confirmation that the documents previously filed with the Registrar and remain complete and current.

4A. Application for renewal of licence

The Registrar may apply any provision of these Rules to a licence holder that is applying to renew its licence under the Regulations.

For the purpose of this Rule, a licence holder includes a licence holder whose licence has expired.

5. Granting of licences

- (1) For the purposes of the Regulations, a licence may be granted in respect of a controlled activity if the applicant satisfies the Registrar that—
 - (a) the proposed controlled activity is consistent with the objectives of the Abu Dhabi Global Market,
 - (b) the applicant is sufficiently capitalised, skilled and qualified to carry on the controlled activities which the applicant proposes to carry on in for from the Abu Dhabi Global Market,
 - (c) the legal form of the applicant is suitable to the controlled activities which the applicant proposes to carry on in or from the Abu Dhabi Global Market,
 - (d) the registered office or branch from which the applicant proposes to carry on the controlled activity is suitable for such purposes, and
 - (e) in the case of applicants who hold or have previously held a licence, the applicant has complied in all material respects with the conditions of such licence,
- (2) Applicants must also satisfy the conditions of licence specified in Rules 6 to 13, as applicable.
- (3) If the Registrar is satisfied that the requirements of the Regulations and these Rules are complied with, the Registrar may issue a certificate granting a licence to an applicant. The certificate shall state—
 - (a) the name of the licence holder,
 - (b) the legal form of the licence holder,

- (c) the name(s) of the authorised signatories of the licence holder, together with a statement as to whether they may act severally or must act jointly,
 - (d) the controlled activity for which the licence holder is licensed and, where applicable, the business activity or business activities for which the licence holder is licensed,
 - (e) the registered address from which the controlled activity may be carried on, and
 - (f) the dates on which the licence is issued and expires.
- (4) Where a licence holder proposes to carry on a controlled activity from a branch in the Abu Dhabi Global Market, the Registrar may issue a certificate stating it has registered a branch in the Abu Dhabi Global Market.
- (5) The Registrar must cause to be published—
- (a) on its website, or
 - (b) in accordance with section 988 of the Companies Regulations ~~2015~~2022,

notice of the certificates issued pursuant to this Rule.

6. General conditions of licence for all licence holders

A licence holder must—

- (a) only carry out the controlled activity or business activity to which its licence relates from the address stated on its licence and maintain the right to use such premises for that purpose,
- (b) maintain compliance with—
 - i. any obligation imposed from time to time upon him or his connected persons by or under any enactment (including the Regulations and these Rules) or any other law applicable in the Abu Dhabi Global Market, and
 - ii. any licence, authorisation or approval requirement imposed by any Federal Law having application in the Abu Dhabi Global Market and to which the licence holder is subject in relation to his activities in the Abu Dhabi Global Market,
- (c) at all times put in place suitable arrangements to ensure that he will comply with the obligations referred to in paragraph (1)(b),
- (d) at all times maintain at least one (1) authorised signatory who holds a residency visa issued by a competent authority in the United Arab Emirates,
- (e) comply with the Business and Company Names Rules ~~2016~~2021,

- (f) comply with any other conditions and requirements specified in writing by the Registrar, and
- (g) have paid any fees and dues owed to the Registrar pursuant to the Regulations or any rules made thereunder.

7. General conditions of licence for branches

- (1) A licence holder must, in any written communication originating in or from the Abu Dhabi Global Market or related to any activity of the body corporate carried on in or from the Abu Dhabi Global Market, state after its full legal name either the words "(ADGM branch of non-ADGM body corporate)" or the words "(ADGM branch)".
- (2) A licence holder must—
 - (a) ensure that any obligation imposed from time to time upon him or his connected persons by or under any enactment (including the Regulations and these Rules), any other law applicable in the Abu Dhabi Global Market are complied with, and
 - (b) at all times put in place suitable arrangements to ensure that he will comply with the obligations referred to in paragraph (2)(a).
- (3) A branch shall keep adequate accounting records with respect to all sums of money received and expended by the branch and all sales and purchases of goods and services and other transactions by the branch and the assets and liabilities of the branch. Such Records shall be sufficient to show and explain all transactions by the branch and must be such as to—
 - (a) disclose with reasonable accuracy the financial position of the branch at any time, and
 - (b) enable the directors to ensure that any accounts prepared by the branch comply with the requirements of these Rules.
- (4) The branch's accounting Records shall be—
 - (a) kept at the branch's registered office,
 - (b) preserved by the branch for at least ten years from the date on which they are made, and
 - (c) at all reasonable times open to inspection by the directors of the relevant non-ADGM body corporate.

- (5) Not later than 14 days after the Registrar sends a written request to the branch's registered office, the branch must deliver to the Registrar a copy of all requested accounting records.
- (6) A licence holder must within 14 days notify the Registrar of any decision to cease to carry on any controlled activity to which its licence relates from any address stated on its licence, by filing a branch deregistration application containing the prescribed information.
- (7) A licence holder must within one month of the change deliver to the Registrar a return containing details of any alteration to the information delivered under Rule 2(a), (b), (e), (f) and (g) and Rule 3(1).

7A. Power to strike off branch on initiative of Registrar

- (1) If the Registrar has reasonable cause to believe that a branch has not been carrying on business or in operation, the Registrar may send to the licence holder and, if it is possible to do so, the branch, a communication inquiring whether the branch is carrying on business or in operation.
- (2) The communication must state that:
 - (a) the licence holder or, if applicable, the branch have 14 days to respond to the Registrar; and
 - (b) if an answer is not received, a notice will be published on the Registrar's website stating that the Registrar proposes to strike off the branch from the register.
- (3) If, within 14 days after sending the communication, the Registrar:
 - (a) receives a response to the effect that the branch is not carrying on business or in operation, or
 - (b) does not receive any response,

the Registrar may publish on the Registrar's website a notice that, at the expiration of ~~14 days~~two months from the date of the notice, the name of the branch mentioned in it will, unless cause is shown to the contrary by representations made to the Registrar, be struck off the register.
- (4) At the expiration of ~~14 days~~two months from the date of the notice on the Registrar's website, the Registrar may, unless cause to the contrary is shown by representations made to the Registrar, strike the branch's name off the register.
- (5) The liability (if any) of every director, managing officer and member of the licence holder continues and may be enforced as if the branch's name had not been struck off the register.

8. Specific conditions of licence - legal services

- (1) This Rule sets out the conditions for an applicant to carry on the controlled activity of legal services and the ongoing requirements applicable to persons holding a licence to provide legal services.
- (2) The applicant must—
 - (a) be licensed or authorised by an approved legal regulatory body to carry on activities of the kind which the applicant intends to carry on in the Abu Dhabi Global Market,
 - (b) at all times maintain such licence or authorisation,
 - (c) ensure that any obligation imposed from time to time upon him or his connected persons by or under any enactment (including the Regulations and these Rules), any other law applicable in the Abu Dhabi Global Market and any law applicable outside the Abu Dhabi Global Market to which he is subject, are complied with, and
 - (d) at all times put in place suitable arrangements to ensure that he will comply with the obligations referred to in paragraph (2)(c).
- (3) The applicant and any connected person must not be subject to any of the following events—
 - (a) imprisonment or any other penalty in criminal proceedings,
 - (b) becoming and continuing to be unable to attend to the business of the applicant, and
 - (c) abandonment of his business in the Abu Dhabi Global Market.
- (4) The applicant must comply with any other conditions and requirements specified in writing by the Registrar from time to time.

9. Specific conditions of licence - accountancy services

- (1) This Rule sets out the conditions for an applicant to carry on the controlled activity of accountancy services and the ongoing requirements applicable to persons holding a licence to provide accountancy services.
- (2) The applicant must—

- (a) be licensed or authorised by an approved accountancy regulatory body to carry on activities of the kind which the applicant intends to carry on in the Abu Dhabi Global Market,
 - (b) at all times maintain such licence or authorization,
 - (c) ensure that any obligation imposed from time to time upon him or his connected persons by or under any enactment (including the Regulations and these Rules), any other law applicable in the Abu Dhabi Global Market and any law applicable outside the Abu Dhabi Global Market to which he is subject, are complied with, and
 - (d) at all times put in place suitable arrangements to ensure that he will comply with the obligations referred to in paragraph (2)(c).
- (3) The applicant and any connected person must not be subject to any of the following events—
- (a) imprisonment or any other penalty in criminal proceedings,
 - (b) becoming and continuing to be unable to attend to the business of the applicant, and
 - (c) abandonment of his business in the Abu Dhabi Global Market.
- (4) The applicant must comply with any other conditions and requirements specified in writing by the Registrar from time to time.

10. Specific conditions of licence - insolvency practitioner services

- (1) This Rule sets out the conditions for an applicant to carry on the controlled activity of insolvency practitioner services and the ongoing requirements applicable to persons holding a licence to provide insolvency practitioner services.
- (2) The applicant must—
- (a) be licensed or authorised by an approved insolvency practitioner regulatory body to carry on activities of the kind which the applicant intends to carry on in the Abu Dhabi Global Market,
 - (b) at all times maintain such licence or authorisation,
 - (c) ensure that any obligation imposed from time to time upon him or his connected persons by or under any enactment (including the Regulations and these Rules), any other law applicable in the Abu Dhabi Global Market and

any law applicable outside the Abu Dhabi Global Market to which he is subject, are complied with, and

- (d) at all times put in place suitable arrangements to ensure that he will comply with the obligations referred to in paragraph (2)(c).
- (3) The applicant and any connected person must not be subject to any of the following events—
 - (a) imprisonment or any other penalty in criminal proceedings,
 - (b) becoming and continuing to be unable to attend to the business of the applicant, and
 - (c) abandonment of his business in the Abu Dhabi Global Market.
- (4) The applicant must comply with any other conditions and requirements specified in writing by the Registrar from time to time.

11. Specific conditions of licence - other economic activities: healthcare

- (1) This Rule sets out the conditions for an applicant to carry on other economic activities, encompassing any one or more of the following business activities, and the ongoing requirements applicable to persons holding a licence to provide healthcare services: provision of health services, including the practice of medicine and dentistry, operation of hospitals, clinics, care homes, nursing homes and other establishments providing health or social care services, and any other business activity related to healthcare governed by any Federal Law having application in the Abu Dhabi Global Market which requires the performance of the activity to be subject to licensing, authorisation or approval.
- (2) The applicant must—
 - (a) be licensed or authorised by an approved healthcare regulatory body to carry on activities of the kind which the applicant intends to carry on in the Abu Dhabi Global Market,
 - (b) at all times maintain such licence or authorisation,
 - (c) ensure that any obligation imposed from time to time upon him or his connected persons by or under any enactment (including the Regulations and these Rules), any other law applicable in the Abu Dhabi Global Market and any law applicable outside the Abu Dhabi Global Market to which he is subject, are complied with, and

- (d) at all times put in place suitable arrangements to ensure that he will comply with the obligations referred to in paragraph (2)(c).
- (3) The applicant and any connected person must not be subject to any of the following events—
 - (a) imprisonment or any other penalty in criminal proceedings,
 - (b) becoming and continuing to be unable to attend to the business of the applicant, and
 - (c) abandonment of his business in the Abu Dhabi Global Market.
- (4) The applicant must comply with any other conditions and requirements specified in writing by the Registrar from time to time.

12. Specific conditions of licence - providing company services

- (1) This Rule sets out the conditions for an applicant to carry on the controlled activity of providing company services and the ongoing requirements applicable to persons holding a licence to provide company services.
- (2) Applicants for a license to provide company services must satisfy the Registrar that they meet, or upon grant of a licence will meet, the conditions set out in Schedule 1 to these Rules.
- (3) Licensed company service provider must comply with—
 - (a) the conditions set out in Schedule 1 to these Rules,
 - (b) all regulations and rules that are applicable to it, including but not limited to—
 - (i) chapter 2 of Part 12 of the Companies Regulations ~~2020~~2022,
 - (ii) sections 18, 18A and 18B of the Foundations Regulations 2017, and
 - (iii) the Commercial Licensing Regulations 2015 (Client Money) Rules 2021,
 - (c) the terms of its license and any other conditions, requirements or directions specified in writing by the Registrar from time to time, and
 - (d) its policies, controls and procedures adopted to ensure compliance with such regulations, rules, requirements and directions.

- (4) Where a licensed company service provider is conducting activities outsourced to it under the UAE Economic Substance Regime, the licensed company service provider must have in place such additional policies, controls and procedures as are necessary or desirable as a consequence of that regime.
- (5) A company service provider must promptly notify the Registrar of an appointment of a director, partner or manager, who will manage the applicant’s affairs.
- (6) A company service provider may resign by-
 - (a) giving notice in accordance with the relevant contractual obligations, or;
 - (b) in the absence of any express contractual notice provision, by giving a minimum of 30 days’ notice of its intention to resign; and
 filing a copy of ~~such~~ the notice in paragraph (a) or (b) with the Registrar within 14 days of its delivery.
- (7) Where a company service provider ceases to act as the company service provider of a body corporate incorporated or registered in Abu Dhabi Global Market (whether because the company service provider has resigned or been replaced, its license to provide company services has been suspended or cancelled by the Registrar or otherwise), the company service provider must—
 - (a) provide copies of all of its records related to such body corporate to the company service provider appointed by such body corporate as its company service provider (the “successor company service provider”), and
 - (b) do all things necessary to –
 - i. facilitate the appointment of the successor company service provider; and
 - ii. enable the successor company service provider to transition into and commence discharging its duties and obligations as the company service provider of the body corporate.
- (8) The Registrar may require the licensed company service provider and such person (referred to in paragraph (5) above) to provide it with such further information as the Registrar reasonably considers necessary.

13. Specific conditions of licence - special conditions for partnerships

- (1) Where persons propose to establish a partnership governed by the laws of the Abu Dhabi Global Market; either—
 - (a) such persons, in the case of a partnership that does not have separate legal personality; or

(b) the partnership, in the case of a partnership that has separate legal personality, shall apply for a licence in the name of the partnership.

- (2) No licence may be granted to a partnership that does not have separate legal personality unless the partnership has been formed pursuant to a written partnership agreement and the agreement has been registered with the Registrar by filing an application for registration in the form specified by the Registrar at the same time as the applicant submits an application for a licence under the Regulations. The partners of a partnership that does not have separate legal personality shall be jointly liable for compliance with these Rules and any applicable conditions of licence.
- (3) This Rule does not apply to an applicant which is a non-ADGM body corporate who shall be subject to the Regulations and these Rules as a non-ADGM body corporate.

14. Designation of bodies

The Registrar may specify a body as an approved accountancy regulatory body, an approved healthcare regulatory body, an approved insolvency practitioner regulatory body or an approved legal regulatory body generally or on a case-by-case basis or both.

15. Commercial Licensing Regulations 2015 (Conditions of Licence and Branch Registration) Rules ~~2019~~2021

The Commercial Licensing Regulations 2015 (Conditions of Licence and Branch Registration) Rules ~~2019~~2021 are repealed.

SCHEDULE 1

Conditions of Licence - Company service providers

Condition 1 - Fit and proper person

1. The applicant is a body corporate and is a fit and proper person to hold a licence as a company service provider and every person who is, or is to be, a director, partner or manager of the applicant is a fit and proper person to hold that position.
2. In determining whether an applicant is a fit and proper person to hold a licence as a company service provider, regard shall be had to—
 - (a) the nature, scale and complexity of the activities of the applicant and any associated risks that those activities pose to the Abu Dhabi Global Market,
 - (b) whether the applicant's business model will allow for its affairs and business to be conducted and managed in a sound and prudent manner, having regard in particular to the interests of consumers and the integrity of the Abu Dhabi Global Market,
 - (c) whether the person who is, or is to be, a director, partner or manager of the applicant is a fit and proper person to hold that position,
 - (d) any matter which may harm or may have harmed the integrity or the reputation of the Registrar or the Abu Dhabi Global Market, and
 - (e) any other relevant matters.
3. In determining whether an individual is a fit and proper person to hold a particular position with respect to the applicant, regard shall be had to—
 - (a) their probity, competence, experience and soundness of judgement for fulfilling the responsibilities of that position,
 - (b) the diligence with which they are fulfilling or likely to fulfil those responsibilities,
 - (c) whether the interests of clients of the applicant are, or are likely to be, in any way threatened by them holding that position,
 - (d) in the case of those who will manage the applicant's affairs, their skills, experience, educational and professional qualifications, membership of professional or other relevant bodies and any evidence of their continuing professional education or development,
 - (e) their knowledge and understanding of the legal and professional obligations to be assumed or undertaken, and

- (f) their record of compliance with legal obligations, with any professional obligations or with policies and procedures applicable to them.

Condition 2 – Policies, Procedures and Controls

1. The applicant must establish and maintain compliance arrangements including policies, controls, processes and procedures that ensure and evidence, as far as reasonably practicable, compliance with all regulations, rules, guidance and instructions applicable to it.
2. The applicant must have in place training to communicate those policies, controls and procedures, and any changes to them, to the applicant's employees.
3. The policies, controls and procedures must include–
 - (1) risk management,
 - (2) anti-money laundering, including customer due diligence,
 - (3) the handling and segregation of client funds and assets,
 - (4) record keeping, and
 - (5) the monitoring and management of compliance with, and the internal communication of, such policies, controls and procedures.
4. An applicant must, or upon the grant of a licence will, distinguish between the fees payable:
 - (a) to the Registrar; and
 - (b) to the applicant for its services,

in all forms of communication, including the issuing of invoices, relating to any services offered or conducted by the applicant.

Condition 3 – Appropriate insurance cover

1. An applicant must, or upon the grant of a licence will, maintain professional indemnity insurance cover that –
 - (1) is appropriate to the nature and size of the applicant's business; and
 - (2) includes cover against negligence, errors or omissions by the applicant, and any liability for the acts of the applicant's directors, officers and employees, adequate to manage the applicant's business or intended business effectively and responsibly.

Condition 4 – Prudent business operation and adequate resources

1. The applicant must conduct its business in a prudent manner.
2. The applicant must maintain and be able to demonstrate the existence of adequate resources to conduct and manage its affairs. These include adequate financial and system resources as well as adequate and competent human resources.