

**COMPANIES REGULATIONS (AUDITORS) RULES 2021**

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# COMPANIES REGULATIONS (AUDITORS) RULES 2021

Date of Adoption: 25 August 2021

## PART 1

### GENERAL INTRODUCTORY PROVISIONS

The Registrar, in exercise of the powers conferred by section 1032A of the Companies Regulations 2020, hereby makes the following Rules.

### APPLICATION AND DEFINITIONS

#### 1. Citation, Commencement and Interpretation

- (1) These Rules may be cited as the Companies Regulations (Auditors) Rules 2021.
- (2) These Rules will come into force on 1 December 2021 (the "Commencement Date") save for Rules 8, 11, 16 and Parts 9 and 10, which come into force on the date of publication, and the Rules will only apply as set out in Schedule 2.
- (3) In these Rules, the "Companies Regulations" means the Companies Regulations 2020 (as amended).
- (4) Defined terms used in these Rules and their meanings are contained in Schedule 1.
- (5) Unless the context otherwise requires-
  - (a) references to sections are to sections of the Companies Regulations;
  - (b) a reference to a "Rule" or "Rules" is a reference to these Rules and a reference to a numbered Rule, Part or Schedule is to the relevant Rule, Part or Schedule of these Rules; and
  - (c) words in the singular include the plural and vice versa and a reference to a gender includes references to all genders.
- (6) The repeals of subordinate legislation set out in Schedule 2 takes effect as so set out.

#### 2. Application of these Rules

These Rules apply in respect of:

- (a) an Auditor Applicant;
- (b) a Registered Auditor;
- (c) an Audit Principal Applicant; and

- (d) a Registered Audit Principal.

### **3. Transitional and Saving Provisions**

Transitional and saving provisions in respect of the commencement of these Rules are set out in Schedule 2 to these Rules.

## **PART 2**

### **THE REGISTERS**

#### **4. Registered Auditors**

- (1) The Registrar must keep a Register of Registered Auditors in electronic form which will contain in respect of each Registered Auditor:
  - (a) its name and registered address;
  - (b) its registered number and the date of its entry in such register;
  - (c) the address of each of its offices (other than its registered address) from which it carries out audit work in the Abu Dhabi Global Market;
  - (d) information as to how the Registered Auditor is to be contacted and the primary contact person at the Registered Auditor;
  - (e) its website address;
  - (f) any Additional Permits held by the Registered Auditor;
  - (g) the name and business address of each Registered Audit Principal appointed by the Registered Auditor who is responsible for any audit work to be carried out by the Registered Auditor in the Abu Dhabi Global Market and any Additional Permits held by each such Registered Audit Principal;
  - (h) the name and address of the Recognised Professional Body or Bodies of which the Registered Auditor is recorded as being a member and any registration number which such body has allocated to it; and
  - (i) the name and address of any authority or body outside of the Abu Dhabi Global Market which has authorised or licensed the Registered Auditor to conduct any audit work.
- (2) The Registrar must keep a Register of Registered Audit Principals in electronic form which may be combined with, or form a part of, the Register of Registered Auditors kept by the Registrar under Rule 4 and will contain in respect of each Registered Audit Principal:
  - (a) the Registered Audit Principal's name;

- (b) the name, address and registered number recorded in the Register kept under Rule 4 (1)(a) and (b) in respect of the Registered Auditor which has appointed the Registered Audit Principal to be responsible for any audit work in the Abu Dhabi Global Market;
- (c) any Additional Permits held by the Registered Audit Principal;
- (d) the name and address of the Recognised Professional Body of which the Registered Audit Principal is a member and any registration number which such body has allocated to the Registered Audit Principal; and
- (e) the name and address of any authority or body outside of the Abu Dhabi Global Market which has authorised the Registered Audit Principal to conduct any audit work.

## **5. Maintenance and Inspection of the Register**

- (1) The Registrar has responsibility for keeping the Registers in accordance with these Rules and making them available for inspection by electronic means.
- (2) The Registrar must update the Register to reflect:
  - (a) any change in the details of a Registered Auditor or Registered Audit Principal notified to the Registrar in respect of that Registered Auditor or Registered Audit Principal;
  - (b) any withdrawal of the registration or Additional Permits under these Rules of a Registered Auditor or Registered Auditor Principal; and
  - (c) such other matters as the Registrar may determine to be appropriate for entry on the Register.
- (3) Each Registered Auditor and each Registered Audit Principal must co-operate with the Registrar for the purpose of ensuring that the Registrar enters on the Register the information required by these Rules in respect of such Registered Auditor or Registered Audit Principal.
- (4) Each Registered Auditor and each Registered Audit Principal must:
  - (a) send to the Registrar (in electronic form as prescribed by the Registrar from time to time) for entry on the Register any changes to the information referred to in Rule 5.3 above; and
  - (b) take reasonable care to ensure that the information provided by it or him to the Registrar under these Rules is accurate and correct and that, in the case of information required under Rule 5.3 0above, it is sent to the Registrar within the period of 10 business days beginning with the day on which it, he or she becomes aware of the relevant change.

- (5) The Registrar must provide facilities by which any person may inspect the Register by electronic means, at any reasonable time during a business day.
- (6) Any person inspecting the Register through the facilities referred to in Rule 5.5 above may require a copy of any entry on the Register relating to a particular individual or firm on the payment of such fee as prescribed in Schedule 3.

### **PART 3**

#### **REGISTRATION OF REGISTERED AUDITORS**

##### **6. Application for Registration**

- (1) An application for registration as a Registered Auditor may only be made to the Registrar by:
  - (a) a body corporate; or
  - (b) a partnership.
- (2) An Auditor Applicant must:
  - (a) complete an application in the form provided by the Registrar from time to time in accordance with the requirements of these Rules and submit to the Registrar that application and such other information in writing as may be required by the Registrar; and
  - (b) pay such fee or fees in connection with the application as set out in Schedule 3 to these Rules.
- (3) The Registrar may, in the course of the application:
  - (a) require the Auditor Applicant to answer any enquiries the Registrar considers necessary, and may make such other enquiries in connection with the application, including enquiries independent of the Auditor Applicant, as the Registrar considers desirable;
  - (b) require the Auditor Applicant to provide additional information;
  - (c) take into account any information the Registrar considers relevant;
  - (d) require the Auditor Applicant to provide information on how the Auditor Applicant intends to ensure compliance with these Rules or the Companies Regulations or any other applicable law or regulation relevant to the provision of any Audit Service in the Abu Dhabi Global Market; and
  - (e) require any information provided by or on behalf of the Auditor Applicant to be verified in any way that the Registrar specifies.

##### **7. Criteria for Registration**

- (1) An Auditor Applicant must be able to demonstrate to the Registrar's satisfaction that it satisfies the following criteria (the "**Registered Auditor Criteria**"), namely that it:
- (a) is fit and proper to be registered and to act as a Registered Auditor;
  - (b) has professional indemnity insurance as required under Rule 22(1);
  - (c) has adequate systems, procedures and controls to ensure due compliance with, and to the extent that it has already carried out any work as an auditor, has complied with (as applicable):
    - (i) the International Standards on Auditing;
    - (ii) the International Standards on Quality Control;
    - (iii) the Code of Ethics;
    - (iv) the Principles for Registered Auditors; and
    - (v) any other relevant international standards and norms as specified by the Registrar from time to time;
  - (d) has clear and comprehensive policies and procedures relating to compliance with all applicable legal requirements, including those in the Companies Regulations 2020, these Rules, Anti-Money Laundering and Sanctions Rules and Guidance (AML) and other relevant regulations and rules, when providing audit services;
  - (e) has adequate resources to implement those policies and procedures and monitor that they are operating effectively at all times and as intended;
  - (f) is controlled by a majority of individuals who hold Recognised Professional Qualifications;
  - (g) has identified at least one or more appropriate individuals, who will be appointed by it to undertake the responsibilities of a Registered Audit Principal and in respect of whom an application for registration as an Audit Principal is also being made in conjunction with the application for registration of the Auditor Applicant as a Registered Auditor; and
  - (h) has complied with any other requirement specified by the Registrar.
- (2) For the purposes of Rule (f) "majority" means:
- (a) where under the Registered Auditor's constitution matters are decided on by the exercise of voting rights, a majority of the rights to vote on all, or substantially all, matters; or



- (b) in any other case a majority of the persons having rights under the constitution of the Auditor Applicant to enable them to direct its overall policy or alter its constitution.
- (3) For the purposes of assessing whether an Auditor Applicant satisfies the Registered Auditor Criteria, the Registrar may consider:
- (a) the Auditor Applicant's:
    - (i) application and submissions;
    - (ii) background and history;
    - (iii) ownership and Group structure;
    - (iv) resources, including human and technological;
  - (b) whether the Auditor Applicant's affairs are likely to be conducted and managed in a sound and prudent manner; and
  - (c) any other matter considered relevant by the Registrar.

## **8. Registrar's Powers with respect to Registration**

The Registrar may:

- (a) grant registration as a Registered Auditor;
- (b) grant registration as a Registered Auditor subject to such restrictions and conditions as it may determine; or
- (c) refuse to grant registration as a Registered Auditor. A refusal to grant registration as a Registered Auditor is deemed to constitute a refusal to grant any Additional Permit applied for at the same time as the application for registration.

## **PART 4**

### **REGISTRATION OF REGISTERED AUDIT PRINCIPALS**

#### **9. Application for Registration**

- (1) An application for registration as a Registered Audit Principal may only be made to the Registrar by a natural person.
- (2) When applying for registration as a Registered Audit Principal, the Audit Principal Applicant and the relevant Registered Auditor or Auditor Applicant must:
  - (a) complete and submit applications in the form provided by the Registrar from time to time in accordance with the requirements of these Rules, supported by such additional materials as may be required by the Registrar;

- (b) and pay such fee or fees in connection with such applications as may be prescribed by the Registrar.
- (3) The Registrar may, in the course of the application:
- (a) require the Audit Principal Applicant, relevant Registered Auditor or Auditor Applicant to answer any enquiries the Registrar considers necessary, including enquiries independent of the Audit Principal Applicant and the relevant Registered Auditor or Auditor Applicant;
  - (b) require the Audit Principal Applicant and the relevant Registered Auditor or Auditor Applicant to provide additional information;
  - (c) take into account any information the Registrar considers relevant;
  - (d) require the Audit Principal Applicant and the relevant Registered Auditor or Auditor Applicant to provide information on how they intend to ensure compliance with these Rules or the Companies Regulations or any other applicable law or regulation relevant to the provision of any Audit Service in the Abu Dhabi Global Market; and
  - (e) require any information provided by the Audit Principal Applicant or the relevant Registered Auditor or Auditor Applicant to be verified in any way that the Registrar specifies.

## 10. **Criteria for Registration**

An Audit Principal Applicant must be able to demonstrate to the Registrar's satisfaction that he or she satisfies the following criteria (the "**Registered Audit Principal Criteria**"):

- (a) is fit and proper to be registered and to act as a Registered Audit Principal;
- (b) holds a Recognised Professional Qualification recognised by the Registrar;
- (c) is a member in good standing of a Recognised Professional Body;
- (d) is willing to comply with, and to the extent that he or she has already carried out any work as a Registered Audit Principal, has complied with, the Registered Audit Principal Principles; and
- (e) has at least 5 years of relevant post qualification audit experience in the past 7 years, including at least 2 years of experience in a managerial role supervising and finalising audits of the type he or she is applying for.

## 11. **Registrar's Powers with respect to Registration**

The Registrar may:

- (a) grant registration as a Registered Audit Principal;

- (b) grant registration as a Registered Audit Principal subject to such restrictions and conditions as it may determine; or
- (c) refuse to grant registration as a Registered Audit Principal. A refusal to grant registration as a Registered Audit Principal is deemed to constitute a refusal to grant any Additional Permit applied for at the same time as the application for registration.

## **PART 5**

### **ADDITIONAL PERMITS**

#### **12. Public Audit Permits**

- (1) No Registered Auditor may be appointed or act as an auditor of a public interest entity, and no Registered Audit Principal may be appointed or act as an Audit Principal of a public interest entity, unless such Registered Auditor or Registered Audit Principal holds a Public Audit Permit.
- (2) An application for a Public Audit Permit may only be made to the Registrar by a:
  - (a) Registered Auditor, or by an Audit Applicant at the same time as the application for registration as a Registered Auditor; or
  - (b) Registered Audit Principal, or by an Audit Principal Applicant at the same time as the application for registration as a Registered Audit Principal.

#### **13. FI Audit Permits**

- (1) No Registered Auditor may be appointed or act as an auditor of a Financial Institution, and no Registered Audit Principal may be appointed or act as an Audit Principal of a Financial Institution unless the Registered Auditor or Registered Audit Principal holds a FI Audit Permit.
- (2) An application for an FI Audit Permit may only be made to the Registrar by a:
  - (a) Registered Auditor that holds a Public Audit Permit, or by a Registered Auditor at the same time as it applies for a Public Audit Permit, or by an Auditor Applicant at the same time as it applies for registration as a Registered Auditor provided that it is also simultaneously applying for a Public Audit Permit; or
  - (b) Registered Audit Principal that holds a Public Audit Permit, or by a Registered Audit Principal at the same time as he or she applies for a Public Audit Permit, or by an Audit Principal Applicant at the same time he or she applies for registration as a Registered Audit Principal provided that he or she is also simultaneously applying for a Public Audit Permit.
- (3) An FI Audit Permit may only be held by a Registered Auditor or Registered Audit Principal that also holds a Public Audit Permit.

#### **14. Additional Permit Application Process**

- (1) A Permit Applicant must:
  - (a) complete an application in the form provided by the Registrar from time to time in accordance with the requirements of these Rules and submit to the Registrar that application and such other information in writing as may be required by to the Registrar; and
  - (b) pay such fee or fees in connection with the application as set out in Schedule 3 to these Rules.
- (2) The Registrar may, in the course of the application:
  - (a) require the Permit Applicant to answer any enquiries the Registrar considers necessary, and may make such other enquiries in connection with the application, including enquiries independent of the Permit Applicant, as the Registrar considers desirable;
  - (b) require the Permit Applicant to provide additional information;
  - (c) take into account any information the Registrar considers relevant;
  - (d) require the Permit Applicant to provide information on how the Permit Applicant intends to ensure compliance with these Rules or the Companies Regulations or any other applicable law or regulation relevant to the provision of any Audit Service in the Abu Dhabi Global Market; and
  - (e) require any information provided by or on behalf of the Permit Applicant to be verified in any way that the Registrar specifies.

#### **15. Criteria for granting an Additional Permit**

- (1) An Additional Permit may only be granted if the Permit Applicant is able to demonstrate to the Registrar's satisfaction that it, he or she satisfies the following criteria (the "**Additional Permit Criteria**"):
  - (a) it is fit and proper to be registered and to act as a Registered Auditor or a Registered Audit Principal for public interest entities or Financial Institutions, as appropriate;
  - (b) it has professional indemnity insurance as required under Rule 0 at a level appropriate for Registered Auditors and Registered Audit Principals of public interest entities or Financial Institutions, as appropriate;
  - (c) where the Permit Applicant is a Registered Auditor or Auditor Applicant:
    - (i) it has adequate systems, procedures and controls to ensure due compliance with, and to the extent that it has already carried out any work as an auditor for public interest entities or Financial Institutions,

as appropriate, has complied with any other relevant international standards and norms appropriate for auditors of public interest entities or Financial Institutions, as appropriate, as specified by the Registrar from time to time,

- (ii) has clear and comprehensive policies and procedures relating to compliance with all applicable legal requirements, including those in the Companies Regulations, these Rules, Anti-Money Laundering and Sanctions Rules and Guidance (AML) and other relevant regulations and rules, when providing audit services, in each case at a level appropriate for auditors of public interest entities or Financial Institutions, as appropriate;
  - (iii) it has adequate resources to implement those policies and procedures and monitor that they are operating effectively at all times and as intended at a level appropriate for auditors of public interest entities or Financial Institutions, as appropriate;
  - (iv) it has appointed one or more Registered Audit Principals that holds, or has applied at the same time for, that same Additional Permit;
- (d) where the Permit Applicant is a Registered Audit Principal or Audit Principal Applicant:
- (i) it is willing to comply with, and to the extent that he or she has already carried out any work as a Registered Audit Principal, has complied with, the Registered Audit Principal Principles at a level appropriate for audit principals of public interest entities or Financial Institutions, as appropriate;
  - (ii) it has at least 5 years of relevant post qualification audit experience in the past 7 years, including at least 2 years of experience in a managerial role supervising and finalising audits of public interest entities or Financial Institutions, as appropriate; and
- (e) it has complied with any other requirement specified by the Registrar.

(2) For the purposes of assessing whether a Permit Applicant satisfies the requirements Additional Permit Criteria, the Registrar may consider:

- (a) the Permit Applicant's:
  - (i) application and submissions;
  - (ii) background and history;
  - (iii) ownership and Group structure;
  - (iv) resources, including human and technological;

- (b) whether the Permit Applicant's affairs are likely to be conducted and managed in a sound and prudent manner; and
- (c) any other matter considered relevant by the Registrar.

**16. Registrar's Powers with respect to granting Additional Permits**

The Registrar may:

- (a) grant an Additional Permit;
- (b) grant an Additional Permit subject to such restrictions and conditions as it may determine; or
- (c) refuse to grant an Additional Permit. A refusal to grant a Public Audit Permit is deemed to constitute a refusal to grant any FI Audit Permit applied for simultaneously.

**PART 6**

**PRINCIPLES**

**17. Principles for Registered Auditors and Registered Audit Principals**

- (1) These principles apply to every Registered Auditor and Registered Audit Principal:
  - (a) **Integrity** – a Registered Auditor and a Registered Audit Principal must be straightforward and honest in all professional and business relationships, behaving with integrity and fairness in all their dealings, maintain high standards of ethical behavior and professional practice and take care to avoid any behavior or actions that might reasonably be expected to risk bringing discredit to their profession.
  - (b) **Due skill, care and diligence** – a Registered Auditor and Registered Audit Principal must always:
    - (i) be objective in all professional and business judgments reached when carrying out any audit work;
    - (ii) only undertake work that they are competent and qualified to perform; ensure that they maintain and regularly update their professional knowledge and skill, by providing or attending appropriate training and development or accessing appropriate professional and technical knowledge resources;
    - (iii) ensure that all work carried out by them is performed diligently, competently and in accordance with all relevant technical and professional standards; and

- (iv) ensure that they behave and act in a way that is fully compliant with all applicable or relevant laws and regulations professionally.
- (c) **Confidentiality** - a Registered Auditor and Registered Audit Principal must respect the confidentiality of information acquired as a result of professional and business relationships and not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor must they use the information for the personal advantage of the Registered Auditor, Registered Audit Principal or third parties.
- (d) **Conflicts of Interest** – a Registered Auditor and a Registered Audit Principal must not accept any appointment or engagement with respect to any Audit Service or otherwise perform any audit work if they have, or may reasonably be perceived to have, any interest that is likely to conflict with, or prevent them, providing any Audit Service or conducting any audit in accordance with the Code of Ethics and otherwise in accordance with the requirements of these Rules and all other applicable legal requirements.
- (e) **Relations with the Registrar** - Registered Auditors and Registered Audit Principals must deal with the Registrar in an open and co-operative manner and must promptly disclose to the Registrar any information which the Registrar requires or which the Registrar would otherwise reasonably expect to be notified.

## 18. **Additional Principles for Registered Auditors**

These additional principles apply to every Registered Auditor:

- (a) **Management, systems and controls** – a Registered Auditor must at all times have in place such members of a senior management team with appropriate experience and competence and a management structure (taking into account the relative size of such Registered Auditor) and such internal control, monitoring, compliance and risk management systems, controls and policies as are reasonably required to enable the Registered Auditor to act in compliance with these Rules.
- (b) **Resources** – a Registered Auditor must at all times ensure that it has access to all such resources, whether financial, professional, IT, security or otherwise, as may be required to enable it to perform or conduct any audit work and otherwise to act in compliance with and to the standard required by, these Rules.

## 19. **Principles for Additional Permit Holders**

- (1) In assessing whether a Registered Auditor or Registered Audit Principal that holds one or both Additional Permits has complied with the principles contained in Rules 17 and 18 (as applicable), the Registrar may have regard to the higher standards

that are expected of an auditor or audit principal carrying out the type of work associated with the Additional Permit(s) held.

- (2) In addition to those principles contained in Rules 17 and 18, a Registered Auditor or Registered Audit Principal (as applicable) who holds one or both Additional Permits is prohibited from providing to any person to whom it provides an Audit Service, any of the following services:
- (a) tax services;
  - (b) management, compliance, finance or risk functions;
  - (c) the internal audit function;
  - (d) the preparation of accounting records or financial statements; and
  - (e) valuation, legal or human resources services.

## **PART 7**

### **GENERAL OBLIGATIONS OF REGISTERED AUDITORS AND REGISTERED AUDIT PRINCIPALS**

#### **20. Continuing Obligations of Registered Auditors and Registered Audit Principals**

- (1) To remain registered, and (if applicable) to continue holding one or both Additional Permits, a Registered Auditor and Registered Audit Principal must comply on a continuing basis with:
- (a) the Registered Auditor Criteria or Registered Audit Principal Criteria as appropriate;
  - (b) with respect to Registered Auditors or Registered Audit Principals holding one or both Additional Permits, the relevant Additional Permit Criteria; and
  - (c) the applicable Principles as set out in Rule 17.
- (2) The Registrar may require a Registered Auditor that has not recently conducted any audit work under its registration to provide other examples of audit work it has carried out, including outside the Abu Dhabi Global Market, if appropriate, in order to demonstrate to the Registrar that it is still able to meet its continuing obligations.

#### **21. Employees' Suitability and Continuing Professional Development**

- (1) A Registered Auditor must at all times maintain the appointment of at least one individual employed by it, or otherwise working for it, to undertake the responsibilities of a Registered Audit Principal.
- (2) A Registered Auditor holding one or more Additional Permits must at all times appoint at least one individual employed by it, or otherwise working for it, who holds the same



category of Additional Permit(s) to undertake the responsibilities of a Registered Audit Principal with respect to Audit Services provided by the Registered Auditor pursuant to its Additional Permit(s).

- (3) A Registered Auditor must ensure that all Employees, including its Registered Audit Principal(s), engaged in audit work:
  - (a) remain fit and proper to carry out their role; and
  - (b) undertake continuing professional development in accordance with the requirements of:
    - (i) the Recognised Professional Body of which the Employee is a member;
    - (ii) any applicable internal standards of the Registered Auditor; and
    - (iii) any direction given by the Registrar.
- (4) A Registered Auditor must maintain records of continuing professional development undertaken by Employees, including its Registered Audit Principals.

## **22. Professional Indemnity Insurance**

- (1) A Registered Auditor must:
  - (a) at all times hold adequate and appropriate professional indemnity insurance, which covers all types of civil liability arising in connection with the conduct of the Registered Auditor's business by Employees, including its Registered Audit Principals and which is acceptable to the Registrar.
  - (b) arrange to hold appropriate run off cover that covers a period of 2 years after its registration as a Registered Auditor is withdrawn.
- (2) A Registered Auditor must, annually, provide to the Registrar information relating to the Registered Auditor's professional indemnity insurance policy, including the terms and duration of, and any claims made under, the policy.
- (3) A Registered Auditor must maintain proper records and all relevant information relating to:
  - (a) its professional indemnity insurance, including the terms of cover and its duration;
  - (b) how it established the adequacy and appropriateness of the cover for the purposes of Rule 22(1); and
  - (c) insurance claims made under its professional indemnity insurance policy.
- (4) A Registered Auditor must, upon a request by the Registrar, provide to the Registrar promptly the information referred to in Rule 22(3).

## **23. Working Papers**

- (1) A Registered Auditor must, subject to Rule 23(2), maintain sufficient Working Papers, for every audit conducted pursuant to its registration (whether or not an auditor's opinion is issued) to:
  - (a) facilitate the proper performance of its functions and duties under these Rules; and
  - (b) be able to demonstrate to the Registrar that it properly performed its functions and duties and that the audit was carried out in accordance with these Rules.
- (2) If a Registered Auditor:
  - (a) provides Audit Services to a company which is part of a Group; and
  - (b) in providing those Audit Services, relies on Working Papers relating to the Group or to another member of the Group, including Working Papers prepared by another auditor,

it is not required to maintain a copy of the Working Papers referred to in Rule 23(2)(b) but must ensure that a copy of those Working Papers is readily accessible to it.
- (3) A Registered Auditor must, upon request by the Registrar, provide to the Registrar promptly copies of Working Papers referred to in Rule 23(1) and Rule 23(2).

## **24. Records**

- (1) A Registered Auditor must maintain the records referred to in this chapter for a period of at least 7 years from the date of completion of each audit carried out. These records include, but are not limited to:
  - (a) documents used to demonstrate to the Registrar that the Auditor Applicant has satisfied the Registered Auditor Criteria and the Principles for Registered Auditors.
  - (b) employees' suitability and continuing profession development obligations as set out in Rule 21(3);
  - (c) professional indemnity obligations;
  - (d) Working Papers;
  - (e) all correspondence between an audit client and any other party in relation to providing audit services; and
  - (f) all opinions of the auditor.
- (2) The records, however stored, must be capable of production in English, on paper, and within 3 business days, if requested by the Registrar.

## **25. Notification of Changes and Events**

- (1) A Registered Auditor must provide the Registrar with reasonable advance notice of any change in:
  - (a) the Registered Auditor's name;
  - (b) any business or trading name under which the Registered Auditor carries on its business;
  - (c) the legal nature of the Registered Auditor;
  - (d) its registered office or head office address;
  - (e) the details of any other branches or offices of the Registered Auditor;
  - (f) the details of any affiliated offices; and
  - (g) its Registered Audit Principals.
- (2) A Registered Auditor must notify the Registrar immediately if it becomes aware, or has reasonable grounds to believe, that any of the following matters may have occurred or may be about to occur:
  - (a) the Registered Auditor fails to satisfy any of its continuing obligations in this Rule 25;
  - (b) any of its Registered Audit Principals fails to satisfy any of its continuing obligations in this Rule 25;
  - (c) the Registered Auditor or any of its Registered Audit Principals fails to comply with their obligations under laws applicable in the Abu Dhabi Global Market;
  - (d) any claim is made against the Registered Auditor relating to the provision of Audit Services, including but not limited to, a claim lodged against the Registered Auditor's professional indemnity insurance policy;
  - (e) the Registered Auditor or any of its Employees, including its Registered Audit Principals, breaches any of these Rules or any terms of any Additional Permit;
  - (f) the Registered Auditor or any of its Employees, including its Registered Audit Principals, breaches any other requirement imposed by any applicable law relating to the provision of any Audit Services; or
  - (g) there is a significant failure in the Registered Auditor's systems or controls.
- (3) A Registered Auditor must notify the Registrar immediately of:

- (a) the grant or refusal of any application for, or revocation of, authorisation of the Registered Auditor to carry on audit services in any jurisdiction outside the Abu Dhabi Global Market;
  - (b) the Registered Auditor becoming aware that a government or other regulatory body (including a self-regulatory body) exercising powers and performing functions related to the regulation of auditors has started an investigation into the conduct of the Registered Auditor or of any of its Registered Audit Principals;
  - (c) the appointment of inspectors, however named, by a governmental or other regulatory body (including a self-regulatory body) exercising powers and performing functions related to the regulation of auditors, to investigate the affairs of the Registered Auditor or any of its Registered Audit Principals; or
  - (d) the imposition of disciplinary measures or sanctions on the Registered Auditor or any of its Registered Audit Principals in relation to its conduct of audit work by a government or other regulatory body (including a self-regulatory body) exercising powers and performing functions related to the regulation of auditors.
- (4) The notification requirement in Rule 1.1.1(a) extends to investigations relating to any Employee provided the conduct investigated relates to or impacts on the affairs of the Registered Auditor.

**26. Notice of Resignation or Removal of Registered Auditor**

A Registered Auditor must notify the Registrar in writing within seven days in writing if it of resigning or being removed as an auditor of any Financial Institution or public interest entity. Such notification must include details of the relevant Financial Institution or public interest entity and senior management involved, any significant concerns which have previously been raised by the Auditor and any failure by that Financial Institution or public interest entity to address or resolve the concerns.

**27. Communication with the Registrar**

Each Registered Auditor and Registered Audit Principal must:

- (a) communicate with the Registrar in the English language;
- (b) co-operate with any investigations or enquiries undertaken, and provide such information and confirmations as may be requested, by the Registrar for any of the purposes of these Rules or for monitoring or ensuring compliance with the terms of any Additional Permits held by it or, in the case of a Registered Auditor, held by any Registered Audit Principal appointed by it;
- (c) ensure that all information provided by, or on behalf of, it to the Registrar is not false, misleading or deceptive; and

- (d) not conceal any information where the concealment of such information is likely to mislead or deceive the Registrar.

**28. Annual Auditor Return**

By no earlier than one month before, and by no later than the date of, each anniversary of the date of its registration as a Registered Auditor, each Registered Auditor must provide to the Registrar, in such form as the Registrar may require, an "**Annual Auditor Return**", which must include:

- (a) details of all licensed persons (as such term is defined in the Commercial Licensing Regulations 2015) for whom it has been appointed or acted as an auditor during the period of 12 months preceding the date of such Annual Auditor Return; and
- (b) confirmation that, to the best of its information, knowledge and belief and save as may be disclosed in such Annual Auditor Return, the Registered Auditor and all of its Registered Audit Principals have complied with all applicable requirements of these Rules and any applicable Additional Permits.

**29. Disclosure of Regulatory Status**

A Registered Auditor must not:

- (a) misrepresent its registered status, or its Additional Permit status, under these Rules, expressly or by implication; or
- (b) use or reproduce the Registrar logo without express written permission from the Registrar and in accordance with any conditions for use imposed by the Registrar.

**30. Additional Continuing Obligations for Holders of Additional Permits**

- (1) A Registered Auditor which holds an Additional Permit, with respect to any public interest entity or Financial Institution for which it has been appointed Registered Auditor, must:
  - (a) apply for reappointment as Registered Auditor after 10 years, or such shorter period as may be provided for under the Code of Ethics; and
  - (b) not consent to an appointment or continue to act as the Registered Auditor after 20 years, or such shorter period as may be provided for under the Code of Ethics.
- (2) A Registered Audit Principal which holds an Additional Permit, with respect to any public interest entity or Financial Institution for which it has been appointed Registered Audit Principal, must not consent to an appointment or continue to act as the Registered Audit Principal after 5 years, or such shorter period as may be provided for under the Code of Ethics.

## PART 8

### CONDUCT OF AUDITS AND PREPARATION OF AUDIT REPORTS

#### 31. Conduct of Audits and Contents of Audit Reports

- (1) An Auditor must conduct an audit, and prepare the contents of any relevant audit report, referred to in these Rules, in accordance with the standards in the following tables:

- (a) Registered Auditors:

Type of Company	Relevant Standards	Report Contents
All non-exempt companies	International Standards on Auditing  Companies Regulations 2020, Part 15	International Standards on Auditing 700  Companies Regulations 2020, Part 15, Chapter 3, sections 467 to 469

- (b) Auditors of public interest entities:

Type of Company	Additional Relevant Standards	Report Contents
Public Listed Companies	MKT 10	MKT 10.2.7

- (c) Auditors of Financial Institutions:

Type of Company	Additional Relevant Standards	Report Contents
Financial Institutions	GEN 6	GEN 6.6
Safe Custody Firms	COBS 15.10	GEN 6.6.7
Islamic Finance Firms	IFR 4	GEN 6
Insurance Firms	PIN 6.5	PIN 6.5.3
Funds	FUNDS 16	FUNDS 16.3.8

- (2) A Registered Auditor must ensure that every audit report produced by it includes the name of its Registered Audit Principal with primary responsibility for the Audit Service provided with respect to the relevant audit report and for signing such report.
- (3) An individual referred to in Rule 21(2) is not by reason of being named in an audit report in accordance with Rule 0 32(2), subject to any civil liability to which he or she would not otherwise be subject.

## **PART 9**

### **POWERS OF THE REGISTRAR**

#### **32. Registration, Licensing and Supervision**

- (1) The Registrar is responsible for:
  - (a) the public oversight of Registered Auditors and Registered Audit Principals under these Rules;
  - (b) assessing, and making decisions with respect to, any application under these Rules;
  - (c) determining how the continuing obligations for Registered Auditors and Registered Audit Principals are to be applied in practice (including provision for securing compliance with those standards);
  - (d) determining whether Registered Auditors and Registered Audit Principals have complied with their ongoing obligations under these Rules;
  - (e) registration and licensing of Registered Auditors and Registered Audit Principals, including any Additional Permits held;
  - (f) keeping the Register and making them available for inspection;
  - (g) monitoring (by means of inspections) Registered Auditors and Registered Audit Principals;
  - (h) investigating any apparent breaches of these Rules or terms of any Additional Permit; and
  - (i) imposing and enforcing sanctions.
- (2) The Registrar will publish an annual report on the monitoring activities it undertakes of Registered Auditors and Registered Audit Principals.

#### **33. Sanctions**

- (1) If the Registrar considers that a Registered Auditor or Registered Audit Principal (a "**Relevant Entity**") has contravened a relevant requirement, it may take any or all of the following courses of action in relation to the Relevant Entity—
  - (a) issue a private or public censure in relation to such contravention; or
  - (b) impose a financial penalty; or
  - (c) issue a prohibition order; or
  - (d) enter into an enforceable undertaking; or
  - (e) suspend or withdraw the Relevant Entity's registration or Additional Permit or Permits in accordance with Rule 34(1)(a).
- (2) Censure statements
  - (a) A censure statement must describe in such detail as the Registrar may determine the nature of the contravention and may include such guidance as to any remedial action that the Relevant Entity should consider taking to avoid any repetition of such contravention or any other contravention taking place, as the Registrar may see fit to specify.
  - (b) A public censure statement must be published in such manner as the Registrar determines and a copy of the censure statement must be sent by the Registrar to the Relevant Entity.
- (3) Financial penalties

Any financial penalty imposed by the Registrar may be in such amount and may be payable on such terms, as it considers appropriate, provided that the financial penalty not exceed the amount specified for level 8 on the standard fines scale.
- (4) Prohibition orders
  - (a) The Registrar may issue an order prohibiting or restricting a Relevant Entity from providing or otherwise being involved in the provision of, in the Abu Dhabi Global Market, any Audit Service of such type as may be specified in the order and subject to such conditions as may be specified in the order.
  - (b) The Registrar may, if it considers it appropriate or desirable, publish details of any such order in such manner as it determines.
- (5) Enforceable undertakings
  - (a) If the Registrar considers that this would be an appropriate way in which to address any contravention of a relevant requirement or any other concern that it may have with respect to a Registered Auditor or Registered Audit Principal, it may accept a written undertaking from a Relevant Entity on such terms as may be agreed.



- (b) The Registrar may, if it considers it appropriate or desirable, publish details of any such order in such manner as it determines.
  - (c) If the Registrar considers that any person who has given such an undertaking has breached any of its terms, the Registrar may take such further action as it considers appropriate, including without limitation, imposing another sanction and taking any other action available to him under these Rules and applying to the ADGM Courts for an order or other relief to enforce or provide a remedy in respect of any breach.
- (6) In this Rule a "relevant requirement" means a requirement with which a Registered Auditor or Registered Audit Principal must comply under—
- (a) these Rules or the Companies Regulations; and
  - (b) any Additional Permit.

## **PART 10**

### **SUSPENSION AND WITHDRAWAL OF REGISTRATION AND ADDITIONAL PERMITS OF REGISTERED AUDITORS AND REGISTERED AUDIT PRINCIPALS**

#### **34. Right of the Registrar to Suspend or Withdraw Registration or Additional Permits**

- (1) The Registrar may withdraw or suspend the registration or any Additional Permits of a Registered Auditor or Registered Audit Principal on:
  - (a) its own initiative; or
  - (b) at the request of the Registered Auditor or Registered Audit Principal.
- (2) Where the Registrar decides to suspend the registration or any Additional Permit of a Registered Auditor or Registered Audit Principal, it may direct that such suspension:
  - (a) be for a specific period of time (which may be extended for such further periods and from time to time as the Registrar may consider desirable); or
  - (b) continue until such time as such conditions as the Registrar may consider appropriate have been met to his satisfaction.

#### **35. Withdrawals of Registration and Additional Permits**

- (1) The withdrawal of the registration of a Registered Auditor automatically results in the withdrawal of the registration of its Registered Audit Principal(s)..
- (2) The withdrawal of a Public Audit Permit held by a Registered Auditor will automatically result in:

- (a) the withdrawal of the Public Audit Permit held by its Registered Audit Principal(s);
  - (b) the withdrawal of any FI Audit Permit held by that Registered Auditor; and
  - (c) the withdrawal of any FI Audit Permit held by its Registered Audit Principal(s).
- (3) The withdrawal of a FI Audit Permit held by a Registered Auditor automatically results in the withdrawal of the FI Audit Permit held by its Registered Audit Principal(s).

### **36. Suspensions of Registration and Additional Permits**

- (1) The suspension of the registration of a Registered Auditor will automatically result in the suspension of the registration of its Registered Audit Principal(s) for the same period of time and subject to the same conditions as the applicable suspension of the registration of the Registered Auditor, or for such other period of time or subject to such other conditions as the Registrar may notify the relevant Registered Audit Principal(s) in writing.
- (2) The suspension of a Public Audit Permit held by a Registered Auditor will automatically result in:
- (a) the suspension of the Public Audit Permit held by its Registered Audit Principal(s) in their capacity as such;
  - (b) the suspension of any FI Audit Permit held by that Registered Auditor; and
  - (c) the suspension of any FI Audit Permit held by its Registered Audit Principal(s) in their capacity as such,
- for the same period of time and subject to the same conditions as the applicable suspension of the Public Audit Permit of the Registered Auditor, or for such other period of time or subject to such other conditions as the Registrar may notify the relevant Registered Auditor or Registered Audit Principal(s) as applicable in writing.
- (3) The suspension of a FI Audit Permit held by a Registered Auditor will automatically result in the withdrawal of the FI Audit Permit held by its Registered Audit Principal(s) for the same period of time and subject to the same conditions as the applicable suspension of the FI Audit Permit of the Registered Auditor, or for such other period of time or subject to such other conditions as the Registrar may notify the relevant Registered Audit Principal(s) in writing.

### **37. Effect of Suspensions**

- (1) A Registered Auditor that has had its registration or one or both Additional Permits suspended by the Registrar must not:
- (a) in the case of a suspension of the registration of a Registered Auditor

- (i) provide any Audit Services to an existing client;
  - (ii) agree to provide any Audit Services to any new proposed client; or
  - (iii) issue or sign an audit report; or
- (b) in the case of a suspension of an Additional Permit, provide any Audit Services for which such Additional Permit is required,

in each case, without the prior written consent of the Registrar.

(2) A Registered Audit Principal that has had his registration or one or both Additional Permits suspended by the Registrar must not:

- (a) in the case of the suspension of the Registered Auditor Principal's registration;
  - (i) manage the conduct of any audit work undertaken by a Registered Auditor; or
  - (ii) sign any audit report, or other report required by the Registrar, on behalf of the Registered Auditor; or
- (b) in the case of the suspension of the Registered Auditor Principal's Additional Permit, carry out any work for which such Additional Permit is required,

in each case, without the prior written consent of the Registrar.

(3) The Registrar may exercise his powers under this Rule 37 in respect of a Registered Auditor or Registered Audit Principal where the Registered Auditor or Registered Audit Principal:

- (a) has failed to comply with any applicable condition or restriction to its registration or any term of any Additional Permits or with any provision of these Rules or any other law or regulation applicable to auditors in the Abu Dhabi Global Market; or
- (b) is no longer fit and proper for the purposes of these Rules, in the determination of the Registrar; or
- (c) has entered into any form of insolvency proceeding, whether or not in or under the laws of the Abu Dhabi Global Market; or
- (d) has been convicted of any serious criminal offence whether or not under the laws of the Abu Dhabi Global Market; or
- (e) in the case of a Registered Audit Principal, it is no longer appointed by a Registered Auditor to undertake the responsibilities of a Registered Audit Principal for such Registered Auditor.

**38. Suspension or Withdrawal of Registration or Additional Permits of a Registered Auditor at the Request of the Registered Auditor**

- (1) A request for suspension or withdrawal of registration or one or both Additional Permits by a Registered Auditor must be made in writing to the Registrar in the form specified by the Registrar from time to time in accordance with the requirements of these Rules.
- (2) Acceptance of such request remains at the discretion of the Registrar and before granting a request for suspension or withdrawal the Registrar must first be satisfied that:
  - (a) the Registered Auditor has made appropriate arrangements with respect to its existing audit clients; and
  - (b) any other matter which the Registrar reasonably expects to be resolved before such suspension or withdrawal takes effect has been resolved.
- (3) Once a Registered Auditor has made a request for its registration, or one or both of its Additional Permits, to be suspended or withdrawn, it must not:
  - (a) in the case of the suspension or withdrawal of the Registered Auditor's registration,
    - (i) accept any appointment or re-appointment as a Registered Auditor;
    - (ii) provide any Audit Service;
    - (iii) issue any audit reports; or
  - (b) in the case of the suspension or withdrawal of an Additional Permit, carry out work for which such Additional Permit is required,

in each case without obtaining the prior written consent of the Registrar.

**39. Suspension or Withdrawal of Registration or Additional Permits of a Registered Audit Principal at the Request of the Registered Audit Principal of their Registered Auditor**

- (1) A request for the suspension or withdrawal of a Registered Audit Principal's registration or one or both Additional Permits by the Registered Audit Principal or by the Registered Auditor which has appointed such Registered Audit Principal must be made in writing to the Registrar in the form specified by the Registrar from time to time in accordance with the requirements of these Rules.
- (2) Acceptance of such request remains at the discretion of the Registrar and before granting a request for suspension or withdrawal the Registrar must first be satisfied that:

- (a) Where such request is made by a Registered Auditor, that Registered Auditor:
    - (i) is able to continue to comply with Rule 21(1); and
    - (ii) has made appropriate arrangements with respect to its existing audit clients; and
  - (b) any other matter which the Registrar reasonably expects to be resolved before such suspension or withdrawal takes effect has been resolved.
- (3) Once a Registered Audit Principal has submitted a request for its registration, or one or both of its Additional Permits, to be suspended or withdrawn, it must not:
- (a) in the case of the suspension or withdrawal of the Registered Auditor Principal's registration;
    - (i) manage the conduct of any audit work undertaken in the Abu Dhabi Global Market; or
    - (ii) sign any audit report, or other report required by the Registrar, on behalf of the Registered Auditor; or
  - (b) in the case of the suspension or withdrawal of the Registered Auditor Principal's Additional Permit, carry out any work for which such Additional Permit is required,

in each case, without the prior written consent of the Registrar.

## **PART 11**

### **PROCEDURAL REQUIREMENTS**

#### **40. The Registrar's Procedures**

- (1) The Registrar will exercise its powers and discharge its responsibilities as set out in these Rules in each case accordance with established principles of natural justice, ensuring that its actions are fair and transparent.
- (2) Without prejudice to the generality of Rule 34(1), the Registrar must comply with the following principles in relation to the issuance of Warning Notices and Decision Notices under this Rule:
  - (a) a decision to issue a Warning Notice or a Decision Notice must be taken only by:
    - (i) a person not directly involved in establishing the evidence on which the decision is based; or
    - (ii) 2 or more persons who include a majority of persons not directly involved in establishing that evidence.

- (b) the procedural formalities and protections afforded to a Recipient must be commensurate with the gravity or seriousness of the proposed action.
- (3) The ADGM Courts may take into account any failure of the Registrar in complying with these requirements in considering a matter referred to them.

#### **41. Warning Notices**

- (1) If the Registrar proposes to -
  - (a) refuse to grant registration to an Auditor Applicant under Rule 8, or grant such registration only subject to restrictions or conditions;
  - (b) refuse to grant registration to an Audit Principal Applicant under Rule 11, or grant such registration only subject to restrictions or conditions;
  - (c) refuse to grant an Additional Permit under Rule 12, or grant such Additional Permit only subject to restrictions or conditions; or
  - (d) impose any sanction pursuant to its powers under Rule 33,

it must provide a warning notice (a "**Warning Notice**") to the relevant Auditor Applicant, Auditor Principal Applicant, Permit Applicant, or direct subject of the sanction, as appropriate (the "**Recipient**").

- (2) A Warning Notice must -
  - (a) state the action(s) which the Registrar proposes to take;
  - (b) be in writing;
  - (c) give reasons for the proposed action(s);
  - (d) specify a reasonable period (which may not be less than 14 days) within which the person to whom it is given may make representations to the Registrar;
  - (e) state whether Rule 38 applies; and
  - (f) if that Rule applies, describe its effect and state whether any material exists to which the person concerned must be allowed access under it.
- (3) Following the receipt of a Warning Notice, the Recipient must have the amount of time specified in the Warning Notice, or such longer time as the Registrar may agree with the Recipient, to make representations to the Registrar in respect of the Warning Notice.
- (4) The Registrar must consider relevant materials, documentation or information relating to the matter, and consider the representations made by the Recipient within the permitted time (if any), and must, within two months starting on the date on which

the period for making representations under Rule 38(3), take one or more of the following actions:

- (a) abandon all actions proposed by the Warning Notice, in which case it will notify the Recipient of that fact in writing as soon as practicable;
- (b) issue a subsequent Warning Notice, proposing different or further actions;  
or
- (c) take one or more actions specified in the Warning Notice by issuing a Decision Notice.

If the Registrar has not taken any of the above actions within the prescribed period, the Registrar will be deemed to have abandoned all actions proposed by the Warning Notice.

#### **42. Decision Notices**

- (1) If the Registrar decides to take an action referred to in a Warning Notice, it must provide a Decision Notice to the relevant Auditor Applicant, Auditor Principal Applicant, Permit Applicant, or direct subject of the sanction, as appropriate (the "**Decision Notice Recipient**").
- (2) A Decision Notice must -
  - (a) be in writing;
  - (b) give the reasons of the Registrar for the decision to take the action to which the notice relates; and
  - (c) give an indication of –
    - (i) any right to appeal to the ADGM Courts which is given by these Rules; and
    - (ii) the procedure for such a reference.

#### **43. Right to refer matters to the ADGM Courts**

- (1) A Decision Notice Recipient may appeal a Decision Notice to the ADGM Courts within one month of receipt of the Decision Notice, which will conduct a full merits review of the matter giving rise to the Decision Notice and the actions taken by the Registrar, and resolve the issue in accordance with their own procedures.
- (2) A Decision Notice that has been appealed continues in effect until the matter has been resolved by the ADGM Courts, unless the ADGM Courts determine otherwise.

#### **44. Access to Material**

- (1) If the Registrar gives a person ("A") a Warning Notice notifying a recipient that it intends to, on its own-initiative, withdraw or suspend any registration or Additional Permit under Rule 34(1)(a), it must -
  - (a) allow the person access to the material on which it relied in taking the decision which gave rise to the obligation to give the notice;
  - (b) allow the person access to any other material which was considered or obtained by the Registrar in connection with determining and reaching its decision which, in the Registrar's opinion, might undermine that decision.
  
- (2) The Registrar may refuse A access to particular material which it would otherwise have to allow A access to if, in its opinion, allowing A access to the material -
  - (a) would not be in the public interest;
  - (b) would breach confidentiality requirements; or
  - (c) would not be fair, having regard to -
    - (i) the likely significance of the material to A in relation to the matter giving rise to the Warning Notice; and
    - (ii) the potential prejudice to the commercial interests of a person other than A which would be caused by the material's disclosure.
  
- (3) If the Registrar refuses under Rule 44(2) to allow access to material, it must give A written notice of -
  - (a) the refusal; and
  - (b) the reasons for it.
  
- (4) The Registrar may refuse A access to particular material on the basis that it consists of a protected item, in which case, it must give A written notice of -
  - (a) the existence of the protected item; and
  - (b) the Registrar's decision not to allow him access to it.

#### **45. Protected Items**

- (1) A person may not be required under these Rules to produce, disclose or permit the inspection of protected items.
- (2) "Protected items" means -
  - (a) communications between a professional legal adviser and his or her client or any person representing his client which fall within Rule 45(3);



- (b) communications between a professional legal adviser, his or her client or any person representing his or her client and any other person which fall within Rule 45(3) (as a result of paragraph (b) of that Rule);
  - (c) items which -
    - (i) are enclosed with, or referred to in, such communications;
    - (ii) fall within Rule 45(3); and
    - (iii) are in the possession of a person entitled to possession of them.
- (3) A communication or item falls within this Rule if it is made -
- (a) in connection with the giving of legal advice to the client; or
  - (b) in connection with, or in contemplation of, legal proceedings and for the purposes of those proceedings.
- (4) A communication or item is not a protected item if it is held with the intention of furthering a criminal purpose.

#### **46. Publication**

- (1) A Warning Notice, the existence of a Warning Notice and the contents of a Warning Notice must not be published or disclosed by the Registrar, the Recipient or any other person.
- (2) The Registrar may publish, in such manner as it considers appropriate, a Decision Notice, part of a Decision Notice, or such information about the matter to which a Decision Notice relates as it considers appropriate, taking into account the fairness of such publication and the effect on the Decision Notice Recipient, the interests of participants in the Abu Dhabi Global Market or the interests of the Abu Dhabi Global Market as a whole.
- (3) Except with the prior written consent of the Registrar, no other person may publish or disclose a Decision Notice, part of a Decision Notice or information about the matter to which a Decision Notice relates, except and to the extent that the Registrar has already so published.
- (4) A person, other than the Registrar, who contravenes Rules 46(1) or 46(3) is liable to a fine not exceeding level 3 on the standard fines scale.

## SCHEDULE 1

### DEFINITIONS

Additional Permit	Means a FI Audit Permit or a Public Audit Permit
Additional Permit Criteria	Means the criteria defined in Rule 015.1
ADGM Courts	Has the meaning given to that term in the ADGM Courts, Civil Evidence, Judgments, Enforcement and Judicial Appointments Regulations 2015
Annual Auditor Return	Is defined in Rule 0 28
Auditor Applicant	Means an applicant for registration as a Registered Auditor
Audit Principal	Means an individual appointed by a Registered Auditor who is responsible for: <ul style="list-style-type: none"><li>(a) managing the conduct or provision of any Audit Service undertaken by the Registered Auditor; or</li><li>(b) signing on behalf of the Registered Auditor audit reports, or any other reports as may be required under the Companies Regulations these Rules or any other law or regulation applicable to any Audit Service provided by such Registered Auditor</li></ul>
Audit Principal Applicant	Means an applicant for registration as an Audit Principal
Audit Service	Means <ul style="list-style-type: none"><li>(a) an audit of<ul style="list-style-type: none"><li>(i) any company, firm or other entity carrying on any businesses or activities in the Abu Dhabi Global Market;</li><li>(ii) whether a Financial Institution or a public interest entity has</li></ul></li></ul>

	<p>complied with applicable requirements in ADGM laws relating to such bodies; or</p> <p>(b) the preparation of an opinion or report relating to an audit referred to in (a)(i) or (ii) above or,</p> <p>(c) the carrying out of any other work in respect of or for the purposes of, such audit or preparing such opinion or report,</p> <p>but does not include the performance of any internal audit function by or for a person referred to in (i) or (ii)</p>
Code of Ethics	The code of ethics for accountants as issued and amended from time to time by the IESBA
Commencement Date	Is defined in 1(2)
Decision Notice	Is defined in Rule 42
Decision Notice Recipient	Is defined in Rule 42
Employee	<p>Means an individual:</p> <p>(a) who is employed or appointed by a Firm in connection with that Firm's business, whether under a contract of service or for services or otherwise; or</p> <p>(b) whose services, under an arrangement between that Firm and a third party, are placed at the disposal and under the control of that Firm</p>
Financial Institution or FI	Has the meaning given to the term "Financial Institution" in Section 1028
FI Audit Permit	Means a Permit granted to a Registered Auditor or Registered Audit Principal under Rule 13(2)
Firm	Includes any body corporate or body unincorporated, including a legal person, company, partnership, unincorporated association, government or state
Fit and proper	Includes, without limitation, having the ability and intention to comply with, or as the case may be, demonstrating consistent compliance with, the

principles set out in Rules 17 (in the case of a Registered Auditor or Auditor Applicant and a Registered Audit Principal or Audit Principal Applicant) and in, the case of a Registered Auditor or Auditor Applicant, also those principles set out in Rule 18

Group	<p>Means a group of entities which includes an entity (the 'first entity') and:</p> <ul style="list-style-type: none"> <li>(a) any parent undertaking (as defined in the Companies Regulations) of the first entity;</li> <li>(b) any subsidiary (as defined in the Companies Regulations) of the first entity;</li> <li>(c) any subsidiary of any parent undertaking (as defined in the Companies Regulations) of the first entity</li> </ul>
IAASB	The International Auditing and Assurance Standards Board of IFAC
IESBA	The International Ethics Standards Board for Accountants of IFAC
IFAC	The International Federation of Accountants
International Standards on Auditing	The international standards on auditing as issued and amended from time to time by the IAASB
International Standards on Quality Control	The international standards on quality control as issued and amended from time to time by the IAASB
Permit Applicant	Means an Auditor Applicant, Registered Auditor, Audit Principal Applicant, or Registered Audit Principal (as applicable) who is applying for an Additional Permit
Principles for Registered Auditors	Means those principles defined in Rules 17 and Rule 18
Public Audit Permit	Means a Permit granted to a Registered Auditor or Registered Audit Principal under Rule 0 12
Recipient	Is defined in Rule 41(2)
Recognised Professional Body	A full member of IFAC

Recognised Professional Qualification	A qualification conferred by a Recognised Professional Body
Register	Means either or both of the register of Registered Auditors and the register of Registered Audit Principals required to be kept by the Registrar pursuant to Rule 4
Registered and registration	Means being entered on the Register by the Registrar in accordance with these Rules and "registration" is construed accordingly
Registered Auditor	Means a firm registered with the Registrar under Rule 6
Registered Auditor Criteria	Is defined in Rule 7
Registered Audit Principal	Means a Registered Audit Principal registered with the Registrar under Rule 9
Registered Audit Principal Criteria	Means those criteria defined in Rule 10
Registered Audit Principal Principles	Means those principles defined in Rule 17
Relevant Auditor Applicant or relevant Registered Auditor	Means, in relation to an Audit Principal Applicant or Registered Audit Principal, the Auditor Applicant or Registered Auditor which has appointed such Audit Principal Applicant or Registered Audit Principal to act as a Registered Audit Principal
Relevant Entity	Is defined in Rule 33
Relevant requirement	Is defined in Rule 33(6)
Warning Notice	Is defined in Rule 41
Working Papers	Means all material (whether in the form of data stored on paper, film electronic media, or other media or otherwise) prepared by or for, or obtained by a Registered Auditor in connection with, the performance of the audit concerned and includes: <ul style="list-style-type: none"> <li>(a) the record of audit procedures performed;</li> <li>(b) relevant audit evidence obtained; and</li> <li>(c) conclusions reached</li> </ul>

## **SCHEDULE 2**

### **TRANSITIONAL, SAVINGS AND REPEALS PROVISIONS**

#### **1. Definitions**

In this Schedule:

- (a) "Existing Regulation" means all such legal or regulatory requirements applicable to the provision of any Audit Service in the Abu Dhabi Global Market in force immediately prior to the Commencement Date and whether arising under the Companies Regulations, the Register of Auditors Rules, the RPB Rules or otherwise.
- (b) "Register of Auditors Rules" means the Companies Regulations (Register of Auditors) Rules 2015 as they were in force immediately before the Commencement Date.
- (c) "RPB Rules" means the Companies Regulations (Recognised Professional Bodies) Rules 2015 as they were in force immediately before the Commencement Date.

#### **2. Provisions**

- (a) Subject as mentioned in paragraph 2(b) below, a firm which, immediately before the Commencement Date, was an eligible auditor recognised by the Registrar and entered on the register required to be kept by the Registrar under the Register of Auditor Rules will, with effect from the Commencement Date, be treated as and shall be entered on the register required to be kept by the Registrar under these Rules as, a Registered Auditor for the purposes of these Rules. Such a firm is referred to in this Schedule as an "Existing Recognised Auditor".
- (b) An Existing Recognised Auditor remains subject to the requirements of the Existing Regulation and does not become subject to the requirements of these Rules (including, without limitation and for the avoidance of doubt, any requirement to appoint any Registered Audit Principal but excluding the provisions of this Schedule) until the earlier of: (i) the expiry of the period of 12 months starting with the Commencement Date, and (ii) the date of its re-registration under these Rules as a Registered Auditor pursuant to an application for registration made in accordance with Rule 6.
- (c) With effect from the Commencement Date no firm will be entitled to apply to be recognized by the Registrar as an eligible auditor and the Registrar will no longer have any power to register any firm as an eligible auditor pursuant to the Register of Auditors Rules.
- (d) The Register of Auditors Rules and the RPB Rules will be repealed with effect from the expiry of the period of 12 months starting with the Commencement Date.

- (e) An Existing Recognised Auditor who has not been re-registered as a Registered Auditor pursuant to an application for registration made in accordance with Rule 0 will have his or her registration withdrawn and cancelled with effect from the expiry of 12 months starting with the Commencement Date.
- (f) An Existing Recognised Auditor must continue to maintain any records which were required to be maintained under the Existing Regulation for the period of time required under the Existing Regulation.

### SCHEDULE 3

#### REGISTERED AUDITOR AND AUDIT PRINCIPAL REGISTRATION AND RENEWAL FEES

##### 1. AUDITOR REGISTRATION AND RENEWAL FEES

##### 1.1 Initial Auditor Registration Fees

- (1) The initial registration fee payable by Auditors of entities other than public interest entities and Financial Institutions is US \$1,000.
- (2) There is an additional registration fee payable by a Registered Auditor as follows:

Application Type	Cost (US \$)
Public Audit Permit	\$2,500
FI Audit Permit	\$2,500

##### 1.2 Registered Auditor Renewal Fees

- (1) If a Registered Auditor wishes to renew their registration they must pay an annual renewal fee ("Auditor Renewal Fee") as follows:

Auditor Category	Cost (US \$)
Auditors of entities other than public interest entities and Financial Institutions	\$1,000
Auditors of public interest entities	\$2,500
Auditors of Financial Institutions	\$5,000

- (2) The Auditor Renewal Fee must be paid:
- (a) in the case of the first Registered Auditor Renewal Fee since the Auditor Registration Fee, then:
- (i) no earlier than 21 days prior to the anniversary of the date of the registration of the Registered Auditor; and
  - (ii) no later than 7 days prior to the anniversary of the date of the registration of the Registered Auditor; or
- (b) in the case of any subsequent renewal, then:
- (i) no earlier than 21 days prior to the anniversary of the previous renewal of the Registered Auditor's registration; and
  - (ii) no later than 7 days prior to the anniversary of the previous renewal of the Registered Auditor's registration.



## **2. AUDIT PRINCIPAL REGISTRATION FEES**

### **2.1 Audit Principal Initial Registration Fee**

The initial registration fee payable by Audit Principals is US \$500 for registration as an Audit Principal (the "Audit Principal Registration Fee").

### **2.2 Audit Principal Annual Renewal Fee**

(1) Subsequent to the Audit Principal Registration Fee, an Audit Principal must renew their registration fee on an annual basis (the "Audit Principal Renewal Fee").

(2) The Audit Principal Renewal Fee is US\$500.

(3) The Audit Principal Renewal Fee must be paid:

(a) in the case of the first Audit Principal Renewal Fee since the Audit Principal Registration Fee, then:

(i) no earlier than 21 days prior to the anniversary of the date of the registration of the Audit Principal; and

(ii) no later than 7 days prior to the anniversary of the date of the registration of the Audit Principal; or

(b) in the case of any subsequent renewal, then:

(i) no earlier than 21 days prior to the anniversary of the previous renewal of the Audit Principal's registration; and

(ii) no later than 7 days prior to the anniversary of the previous renewal of the Audit Principal's registration.

## **3. LATE PAYMENT PENALTIES**

### **3.1 Late Payment of Registered Auditor Renewal Fee**

(1) Where a Registered Auditor fails to renew their Auditor Registration Fee on time, the Registered Auditor must pay a late payment fee of:

(a) US \$1,000; or

(b) an amount equal to 3% of the fee due (whichever is greater).

(2) The fee due will increase by 1% for each calendar month, or part of a calendar month, for which the fee remains outstanding after the due date.

### **3.2 Late Payment of Audit Principal Renewal Fee**

(1) Where an Audit Principal fails to renew their Audit Principal Registration Fee on time, the Audit Principal must pay a late payment fee of:

- (a) US\$ 1,000; or
  - (b) an amount equal to 3% of the fee due (whichever is greater).
- (2) The fee due will increase by 1% for each calendar month, or part of a calendar month, for which the fee remains outstanding after the due date.

**4. INSPECTION FEES**

For the purposes of Rule 0 there is no inspection fee.