



ABU DHABI GLOBAL MARKET
سوق أبوظبي العالمي

COMMON REPORTING STANDARD (AMENDMENT)
REGULATIONS 2020

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COMMON REPORTING STANDARD (AMENDMENT) REGULATIONS 2020

Regulations amending the Common Reporting Standard Regulations 2017

Date of Enactment: **24 June 2020**

The Board of Directors of the Abu Dhabi Global Market, in exercise of its powers under Article 6(1) of Law No. 4 of 2013 (as amended) concerning the Abu Dhabi Global Market issued by His Highness the Ruler of the Emirate of Abu Dhabi, hereby enacts the following—

1. Amendments to the Common Reporting Standard Regulations 2017

The Common Reporting Standard Regulations 2017 are amended as follows:

(1) Immediately after section 7 insert sections 7A and 7B as follows:

“7A. Specific Controlling Person contravention

(1) A Controlling Person:

(a) who submits a statement of personal information to a Reporting Financial Institution that includes any inaccurate or incorrect information, details or documents, either:

(i) knowing it is; or

(ii) ought reasonably to have known it to be,

inaccurate or incorrect, commits a contravention of these Regulations; and

(b) is liable to a penalty in the amount of AED 20,000.

(2) On finding the contravention in subsection 7A(1), the Reporting Financial Institution must, within thirty (30) days, notify the Regulatory Authority of the contravention and of all the information available to it on the identity, address and place of residence of the Controlling Person.

(3) The Regulatory Authority must, within thirty (30) days from the date of the notice referred to in subsection 7A(2), notify the Controlling Person of the amount of the penalty and require them to pay the penalty within no later than thirty (30) days from receipt of the notice.

7B. New Account opening contravention

(1) A fine in the amount of Dirhams (1,000) one thousand shall be imposed on any Reporting Financial Institution who opens a New Account without obtaining a valid self-certification and/or failing to validate such self-certification.

(2) The Regulatory Authority shall, within (30) thirty days of becoming aware of the violation mentioned in subsection 7B(1), notify the Reporting Financial Institution of the violation and the amount of the fine.

- (3) The Reporting Financial Institution shall pay this fine within (30) thirty days from the date of receipt of such notification.”
- (2) In section 9(1), insert the words “Controlling Person or” before the words “Reporting Financial Institution”.
- (3) In Section 9(2), insert the words “Except where subsections 7A(3) or 7B(2) applies,” at the beginning of the section.
- (4) Delete sections 9(3), (4) and (5) in their entirety.
- (5) In sections 10(1), (2), (3) and (6), insert the words “Controlling Person or” before the words “Reporting Financial Institution”.
- (6) In section 10(5), insert the words, “Except where subsection 7B(3) applies,” at the beginning of the section.
- (7) In section 13(1), insert the following definitions:

Controlling Person	Means either: (a) an Account Holder; or (b) Controlling Persons, within the meaning given to that term in subparagraph D (6), Part 8 of Schedule 1, as the case may be.
New Account	Has the meaning given to that term in subparagraph D (1), Part 8 of Schedule 1 and in Section VIII of the Common Reporting Standard.

- (8) In paragraph A of Part 1 of Schedule 1, after the words “UAE Competent Authority”, insert the words “(directly or indirectly via the Regulatory Authority)”.
- (9) In paragraph D of Part 1 of Schedule 1, insert the word “Reportable” before the word “Jurisdiction”.
- (10) In Part 1 of Schedule 1, insert new paragraph H as follows:

“H. Each Reporting Financial Institution must retain the records of the steps undertaken and any evidence relied upon related to these Regulations, electronically or otherwise, for a period of no less than six years after the end of the period within which the Reporting Financial Institution must report the information required to be reported under these Regulations.”
- (11) In paragraph A of Part 2 of Schedule 1, replace the word “institution” with “Reporting Financial Institution”.
- (12) In paragraph E of Part 2 of Schedule 1, replace the word “institution” with “Reporting Financial Institution”.

- (13) In paragraph B(5) of Part 3 of Schedule 1, replace the words “UAE Competent” with “Regulatory”.
- (14) In paragraph C(5)(a) of Part 3 of Schedule 1, after the words “Reportable Jurisdiction in”, insert the words “accordance with”.
- (15) In paragraph C(5)(c) of Part 3 of Schedule 1, replace the words “UAE Competent” with “Regulatory”.
- (16) In paragraph C(8) of Part 3 of Schedule 1, before the word “circumstances”, replace the word “of” with “in”.
- (17) In paragraph C of Part 4 of Schedule 1, before the word “circumstances”, replace the word “of” with “in”.
- (18) In paragraph B of Part 5 of Schedule 1, after the word “paragraph”, replace the word “D” with “C”.
- (19) In paragraph C(2)(c)(ii) of Part 5 of Schedule 1, replace the words “controlling person” with the words “Controlling Person”.
- (20) In paragraph D(3) of Part 5 of Schedule 1, before the word “circumstances”, replace the word “of” with “in”.
- (21) In Part 7 of Schedule 1:
- (a) insert a new paragraph B as follows:
- “B. Change of Participating Jurisdictions during current reporting period.**
- In case of change of the Participating Jurisdictions with regard to a reporting period prior to the reporting date, the Reporting Financial Institutions may apply the due diligence procedures for Pre-existing Accounts, even if such accounts were opened after 1 January 2016.”; and
- (b) renumber paragraphs B and C respectively as paragraphs C and D.
- (22) In paragraph C(3) of Part 7 of Schedule 1, replace the word “financial account” with “Financial Account”.
- (23) In paragraph C(4)(a) of Part 7 of Schedule 1:
- (a) after the word “amounts”, insert the words “in these Regulations”; and
- (b) delete the words “as determined by domestic law”.
- (24) In paragraph C(4)(b) of Part 7 of Schedule 1:
- (a) replace the words “financial institution” and “institution” with the words “Financial Institution”;
- (b) replace the word “translate” with the word “convert”; and

- (c) after the words “threshold amounts”, insert the words “, except for AED/USD conversions for which the official fixed exchange rate applies”.
- (25) In paragraph A(2) of Part 8 replace the words “Participating ADGM Financial Institution” with the words “Participating Jurisdiction Financial Institution”, and otherwise replace the words “Participating ADGM Financial Institution” with the words “Participating Jurisdiction Financial Institution” wherever appearing.
- (26) In paragraph A(6) of Part 8 of Schedule 1, delete the inverted commas from the second reference to the term “Investment Entity”.
- (27) In paragraph C(1)(a) and (b) of Part 8 of Schedule 1, replace the word “equity” with the words “Equity Interest”, wherever it appears.
- (28) In paragraph C(9) of Part 8 of Schedule 1, replace the following words with a semi-colon:
“a Financial Account maintained by a Reporting Financial Institution as of 31 December 2016.
The term “**Pre-existing Account**” means”.
- (29) In paragraph C(9)(b)(iv) of Part 8 of Schedule 1, replace the words “this Directive” with “these Regulations”.
- (30) In paragraph D(4) of Part 8 of Schedule 1, delete the definition of “**Reportable Jurisdiction**” and replace it with the following:
“(a) for the purposes of applying the due diligence procedures described in Part 2 to 7 of these Regulations, a jurisdiction other than the United States of America; and
(b) for the purposes of applying Part 1 of these Regulations, a jurisdiction other than the United States of America or the United Arab Emirates.”
- (31) In paragraph D(5) of Part 8 of Schedule 1, replace “4” with “3”.
- (32) In paragraph E(1) of Part 8 of Schedule 1:
(a) replace the word “account” with the words “Financial Account”, wherever it may appear; and
(b) replace the words “this Directive” with the words “these Regulations”.
- (33) In paragraph E(2) of Part 8 of Schedule 1, insert the following sentence at the end of the paragraph:
“To the extent the AML/KYC Procedures (i) do not require the collection of certain documentation as set out in these Regulations, the Reporting Financial Institution is required to collect such documentation that will enable it to comply with these Regulations, and (ii) contain definitions different to those in these Regulations, the definitions and interpretation for the purpose of these Regulations shall prevail.”
- (34) Delete paragraph E(4) of Part 8 of Schedule 1 in its entirety and replace it with:
“An Entity is a “**Related Entity**” of another Entity if:

- (a) either Entity controls the other Entity;
- (b) the two Entities are under common control; or
- (c) the two Entities are Investment Entities described in subparagraph A(6)(b), are under common management, and such management fulfils the due diligence obligations of such Investment Entities. For this purpose control includes direct or indirect ownership of more than 50% of the vote and value in an Entity.”
- (35) Delete paragraph E(5) of Part 8 of Schedule 1 in its entirety, and renumber subsequent items accordingly.
- (36) In paragraph E of Part 8 of Schedule 1, insert new subparagraphs (7) and (8) as follows:
- “(7) The term “**UAE Competent Authority**” means the Ministry of Finance.
- (8) The term “**Regulatory Authority**” means the Financial Services Regulatory Authority of the Abu Dhabi Global Market.”
- (37) In paragraph A(1) of Part 9 of Schedule 1, delete the words “of Annex 1”.
- (38) In paragraph A(2) of Part 9 of Schedule 1, delete the words:
- (a) “of Annex 1”; and
- (b) “apply the electronic record search procedure described in subparagraphs B(2) through (6) of Part 3”, and replace them with the words, “treat the Account Holder as resident of the jurisdiction in which the Account Holder claimed to be resident in the original self-certificate and the jurisdiction in which the Account Holder may be resident as a result of the change in circumstances”.
- (39) In paragraph D(1)(c) of Part 9 of Schedule 1, replace the word “equity” with the words “Equity Interest”.
- (40) In paragraph E of Part 9 of Schedule 1:
- (a) replace the word “Trust” with the word “Entities” in the heading; and
- (b) delete the words “An Entity such as a partnership, limited liability partnership or similar legal arrangement that has no residence for tax purposes, according to subparagraph D(3) of Part 8, shall be treated as resident in the jurisdiction in which its place of effective management is situated. For these purposes,” and replace it with the words, “For the purpose of subparagraph D(3) of Part 8”.
- (41) Delete Annex 1 in its entirety and replace it with the following:
- “NON-REPORTING FINANCIAL INSTITUTIONS**
- For the purposes of these Regulations, the following are non-reporting financial institutions:
- None.”
- (42) Delete Annex 2 in its entirety and replace it with the following:

“EXCLUDED ACCOUNTS

For the purposes of subparagraph C(17)(g) of Part 8 of Schedule 1 of these Regulations the following are excluded accounts:

- None.”

(43) Delete Annex 3 in its entirety and replace it with the following:

“PARTICIPATING JURISDICTIONS

For the purposes of these Regulations, the list of Participating Jurisdictions, which may be revised from time to time, is published on the homepage of the UAE Competent Authority.”

(44) Delete Annex 4 in its entirety.

(45) Add the following two rows to the table in Schedule 2:

1.7	A Controlling Person who submits a statement of personal information to a Reporting Financial Institution that includes any inaccurate or incorrect information.	AED 20,000 penalty
1.8	A Reporting Financial Institution who opens a New Account for an Account Holder without receiving from the Account Holder within ninety (90) days from opening such account the personal information of the Account Holder with the required supporting documents.	AED 1,000 penalty

2. Short title, extent and commencement

- (1) These Regulations may be cited as the Common Reporting Standard (Amendment) Regulations 2020.
- (2) These Regulations shall apply in the Abu Dhabi Global Market.
- (3) These Regulations come into force on the date of their publication.