



ABU DHABI GLOBAL MARKET
سوق أبوظبي العالمي

**COMMON REPORTING STANDARD
(AMENDMENT) REGULATIONS 2021**

COMMON REPORTING STANDARD (AMENDMENT) REGULATIONS 2021

Regulations to make provision for the enablement of the exchange of information in revenue and other matters as developed by the Organisation for Economic Co-operation and Development (OECD).

Date of Enactment: **30 December 2021**

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. Application and defined terms

- (1)
- (2) These Regulations apply to:
 - (a) any Reporting Financial Institution subject to the supervision of the Regulatory Authority for purposes of these Regulations;
 - (b) any ~~Account Holder~~ Controlling Person of a Reportable Account held with a Reporting Financial Institution subject to the supervision of the Regulatory Authority for purposes of these Regulations; and
 - (c) any other person to whom the Regulations apply.

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3. Collecting and reporting information

- (1) Each Reporting Financial Institution must collect and report to the UAE Competent Authority the information required in these Regulations by way of the reporting system provided by the Regulatory Authority for this purpose in the manner and on the dates prescribed by ~~the~~ these Regulations, inclusive of but not limited to the dates referred to in Paragraph F of Part 1 in Schedule 1.

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4. Role and powers of the Regulatory Authority

- (1) The Regulatory Authority has such functions and powers as are conferred, or expressed to be conferred, on it:
 - (a) by or under these Regulations;
 - (b) by any other instrument or enactment issued by the ADGM Board of Directors; or
 - (c) by the UAE Competent Authority or the Government from time to time.

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5. Powers of inspection and investigation

(1)

(2) The Regulatory Authority may, by notice in writing, require a Reporting Financial Institution to provide to the Regulatory Authority ~~within such time, not being less than ten (10) days, as may be provided by the notice,~~ with such information as the Regulatory Authority may reasonably require for any purpose relating to the administration or enforcement of these Regulations. The information must be provided or produced before the end of such reasonable period as may be set out in the relevant notice.

(3)

(4) The Regulatory Authority may request information from any ~~Account Holder~~ Controlling Person that has a Reportable Account held with a Reporting Financial Institution subject to the supervision of the Regulatory Authority for the purposes of these Regulations, inclusive of but not limited to Accounting Records and all other records held in connection with the information or certifications provided to the Reporting Financial Institution pursuant to these Regulations, and the Regulatory Authority may ask a Reporting Financial Institution to assist it to obtain such information or records from ~~Account Holders~~ Controlling Persons.

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7. General contraventions

(1) A Reporting Financial Institution or Controlling Person who:

- (a) does an act or thing that is prohibited under these Regulations;
- (b) does not do an act or thing that is required or directed to do under these Regulations;
or
- (c) otherwise contravenes these Regulations,

commits a contravention of these Regulations and is liable to a penalty or an Administrative Fee, or both, as provided for in Schedule 2, and any other penalty or Administrative Fee imposed by the Regulatory Authority pursuant to subsection 5(6)(a) or a requirement to perform any action directed by the Regulatory Authority pursuant to subsection 9(1)(c).

7A. Specific Controlling Person contravention

~~(1)~~ — A Controlling Person:

~~(2)~~ —

~~(3)~~ (1) who submits a statement of personal information to a Reporting Financial Institution that includes any inaccurate or incorrect information, ~~details or documents,~~ either:

- (a) knowing it is; or
- (b) ought reasonably to have known it to be,

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

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

~~(4)(2)~~ On finding the contravention set out 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.

~~(5)(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.~~

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9. Enforcement

(1) Where the Regulatory Authority, or its delegate, considers that a Controlling Person or Reporting Financial Institution has contravened a provision of these Regulations it may by written notice to such Controlling Person or Reporting Financial Institution:

(a) allege that the Controlling Person or Reporting Financial Institution has committed the contravention with a description of the contravention, the date of the contravention (if known) and state the particulars of the facts it relies on;

(b) set out the details of the applicable penalty or Administrative Fee, or both, in respect of each contravention and the reasons the penalty or Administrative Fee is being imposed; and

(c) where necessary and appropriate the Regulatory Authority may order that certain action be taken to comply with these Regulations.

~~(2)~~ A notice issued pursuant to subsection 9(1) shall be sent to the e-mail address held by the Regulatory Authority for such Controlling Person or Reporting Financial Institution (as applicable). Where an email address is not held by the Regulatory Authority, the notice shall be sent to the mailing address registered with the Regulatory Authority. A request to acknowledge receipt shall be sent with a notice sent to a mailing address.

~~(2)(3)~~ Except where subsections 7A(3) or 7B(2) applies, the imposition of a penalty or Administrative Fee, or both, under subsection 9(1) shall be made within the period of twelve (12) months beginning with the date on which:

- (a) the Reporting Financial Institution became liable to the penalty or Administration Fee, or both, or
- (b) the contravention first came to the attention of the Regulatory Authority.

10. Appeals

- (1) A Controlling Person or Reporting Financial Institution may only appeal against any penalty or Administrative Fee, or both, imposed or action ordered under subsection 9(1) on the following grounds:

~~(a)~~ (a) it disputes did not commit the grounds or reasons for relevant contravention(s);

~~(a)(b)~~ (b) the penalty or Administrative Fee, or action is not proportionate; or both, provided by the Regulatory Authority;

~~(b)(c)~~ (c) it disputes the amount of the penalty or Administrative Fee, or both, imposed; or exceeds the limit for the relevant contravention set out in these Regulations.

~~it disputes the validity of any action ordered by the Regulatory Authority.~~

- (2) Any appeal by a Controlling Person or Reporting Financial Institution to a penalty or Administrative Fee, ~~or both~~, or action ordered under subsection 9(1) shall be instituted by a written notice of appeal setting out the grounds of appeal and signed by or on behalf of the relevant Controlling Person or Reporting Financial Institution (as applicable) and delivered to the Regulatory Authority within a period of twenty (20) days from the date of the relevant notice provided to it under subsection 9(1). If the notice of appeal is submitted after the expiry of the twenty (20) day deadline the Regulatory Authority will not consider the appeal, except only where justification for the late submission is made on the basis of exceptional circumstances provided to the Regulatory Authority with supporting evidence and such justification and evidence satisfies the Regulatory Authority, in its sole discretion, that the appeal should still be considered.

- (3) When considering a notice of appeal delivered pursuant to subsection 10(2), the Regulatory Authority may, after due consideration of the grounds of appeal:

(a) confirm, cancel or increase or vary the number of days of the failure in respect of any penalty or Administrative Fee, or both, originally imposed; or

(b) confirm, change or cancel any action originally ordered by the Regulatory Authority,

and the Regulatory Authority shall confirm such finding in writing to the Controlling Person or Reporting Financial Institution ~~pursuant to subsection 10(4).~~

- (4) The Regulatory Authority shall ~~within forty (40) days~~ consider the appeal and provide a written notice of its decision within sixty (60) days of receipt of a notice of appeal delivered pursuant to subsection 10(2). A notice issued pursuant to this subsection shall be sent to the e-mail address specified in the notice of appeal. Where an email address was not specified, notice shall be sent to the mailing address registered with the Regulatory Authority. If the Regulatory Authority fails to give written notice of its decision for the appeal, then appeal will be deemed to have been successful.

- ~~(5) Except where subsection 7B(3) applies, ^{11a}A~~ penalty or Administrative Fee, or both, imposed or action ordered by the Regulatory Authority under subsection 9(1), ~~or confirmed pursuant~~

~~to subsection 10(3),~~ shall be paid or performed within ~~twenty (20)~~thirty (30) days after the date of the written notice provided pursuant to:

~~(6)~~ _____

~~(5)~~ Subsection 9(1).

~~(7)~~(6) A penalty or Administrative Fee or action ordered by the Regulatory Authority and confirmed pursuant to subsection 10(3) shall be paid or performed within fifteen (15) days after the date of the written notice provided pursuant to subsection 10(3). A penalty or Administrative Fee or action ordered by the Regulatory Authority that is changed pursuant to subsection 10(3) shall (to the extent it is not entirely withdrawn) also be paid or performed within fifteen (15) days after the date of the written notice provided pursuant to subsection 10(3).

~~(a)~~ _____ Subsection 10(3),

whichever is applicable in the circumstances.

~~(8)~~(7) If, within the period specified in subsection 10(5):

(a)

(b) the Controlling Person or Reporting Financial Institution fails to pay the imposed penalty or Administrative Fee or both, or perform the required action, or (if relevant) takes no action to appeal the imposition of the penalty or Administrative fee, or both, or required action pursuant to subsection 10(2), the Regulatory Authority, or its delegate, may apply ~~to the~~to the ADGM Court, and the court may:

(i) order the payment of the penalty or Administrative Fee, or both;

(ii) order for the required action to be taken; and

(iii) make any further order it deems fit.

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Schedule 2 Penalties and Fees

Penalties and Fees

A. ~~Every~~ A Controlling Person or Reporting Financial Institution which fails to comply with a duty or obligation imposed by (as applicable) that contravenes these Regulations is liable to the penalties and/or fees set out in the table and subsection (B) below:

No	Contravention	Penalty / Late Reporting Fee
1.1	A Reporting Financial Institution signs or otherwise positively affirms a false self-certification. A Controlling Person submits a statement of personal information to a Reporting Financial Institution that includes any inaccurate or incorrect information, details or documents, and either knew or ought to have known it was inaccurate or incorrect.	AED 25 <u>20,000</u> penalty

1.2	A Reporting Financial Institution fails to keep records of the due diligence procedures performed under the Regulations, <u>opens a New Account without obtaining a valid self-certification and/or fails to keep them for a period of six (6) years pursuant to the requirements of the Regulations.</u> validate such self-certification.	AED 10 <u>1</u> ,000 penalty
1.3	A Reporting Financial Institution fails to apply <u>report any information in accordance with the due diligence procedures specified in Schedule 1, Part 2 through to Part 7 in Schedule 1.</u> requirements of these Regulations including the form, manner and timeframes for reporting set out herein.	AED 25 <u>50</u> ,000 penalty and <u>AED 1,000 Administrative Fee for every day the failure continues up to a maximum amount of AED 100,000 in Administrative Fees</u>
1.4	A Reporting Financial Institution fails to report the <u>submit an information required to be reported</u> return providing that it maintains no Reportable Accounts in terms of <u>accordance with the timeframes set out in these Regulation.</u> Regulations.	AED 10,000 penalty and <u>AED 500</u> 1,000 Administrative Fee for every day the failure continues up to a maximum amount of AED 90 <u>30</u> ,000 in Administrative Fees
1.5	A Reporting Financial Institution fails to report the information required to be reported in terms of <u>under these Regulation.</u> Regulations in a complete and accurate manner.	Minor non-compliance: AED 1,000 Administrative Fee and AED 100 Administration-Fee for every day the failure continues up to of AED 25,000 in Administrative Fees <u>Significant non-compliance</u> AED 250,000 penalty A. <u>Minimum penalty of AED 5,000 up to a maximum of AED 25,000 for each instance in a reporting</u>

		<p><u>period of a report being filed that is not complete or accurate.</u></p> <p><u>B. Where a penalty is applied pursuant to paragraph A above, in the next (consecutively following) reporting period the minimum penalty for each instance will be AED 10,000 up to a maximum of AED 50,000.</u></p> <p><u>C. Where a penalty is applied pursuant to paragraph B above, in the next (consecutively following) reporting period and each consecutively following reporting period thereafter in which a failure occurs the minimum penalty for each instance will be AED 60,000 up to a maximum of AED 100,000.</u></p>
1.6	<u>A Reporting Financial Institution fails to apply the due diligence procedures specified in Schedule 1, Part 2 through to Part 7 in Schedule 1.</u>	<u>AED 40,000 penalty</u>
1.67	Penalties and Administrative Fees that remain outstanding for a period of longer than thirty (30) days, or a Reporting Financial Institution acts or fails to perform an action ordered by act in a way where the Regulatory Authority for a period main purpose or one of the main purposes of longer than thirty (30) days, as the case may be, the Regulatory Authority may serve further default notices in accordance with such actions or inaction can reasonably be considered to be to avoid an obligation imposed under these Regulations on the said Reporting Financial Institution imposing with each successive notice double the amount of the said penalties and Administrative Fees, provided that each such successive note shall supersede the previous notice served on the Reporting Financial Institution for the same default but any payment made in respect of that previous notice shall be taken into account accordingly.	Double the amount of the previous penalty or Administrative Fee, or both, provided that such penalties and Administrative Fees for each contravention shall not exceed an aggregate amount of AED 250,000

1.78	A Controlling Person who submits a statement of personal information to a Reporting Financial Institution that includes any inaccurate or incorrect information otherwise contravenes these Regulations.	AED 20,000 penalty <u>A minimum penalty of AED 10,000 up to a maximum of AED 30,000 per failure to comply.</u>
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 and the required supporting documents.	AED 1,000 penalty

B. In addition to the penalties set out in subsection A above, the Regulatory Authority may at its discretion impose any additional penalties it deems necessary in respect of the relevant contravention(s) including (but not limited to) the suspension, withdrawal, or non-renewal of any license, authorisation or permission previously granted or in the process of being granted to the relevant Reporting Financial Institution by the Regulatory Authority.

2. Short title, extent and commencement

- (1) These Regulations may be cited as the Common Reporting Standard (Amendment) Regulations 2021.
- (2) These Regulations shall apply in the Abu Dhabi Global Market.
- (3) These Regulations come into force on the date of their publication.