

Chairman of the Authority's Board of Directors' Resolution No. (04/R.M.) of 2023 concerning Status Regularization Mechanisms to promote foreign fund units in the State

Chairman of the Securities and Commodities Authority's Board of Directors,

- Having reviewed Federal Law No. (4) of 2000 concerning the Emirates Securities and Commodities Authority and Market, as amended,
- Cabinet Resolution No. (13) of 2000 concerning the Regulation as to the Functioning of the Securities and Commodities Authority, as amended,
- Cabinet Resolution No. (34M/1F) of 2022 on restructuring of the Securities and Commodities Authority's Board of Directors,
- Chairman of the Authority's Board of Directors' Resolution No. (13/ Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms,
- Approval of the Board of Directors at its fifth meeting of the eighth session, held on 31/08/2022, and
- Based on what is required by the public interest.

Has decided:

Article (1)

- 1.The promotion of the foreign fund's units inside the State is limited to the private offering to the professional investor and/or the counterparty in accordance with the provisions stated in the financial activities' regulations manual.
- 2.Refraining from concluding, renewing or amending any contract to promote any units of foreign funds inside the State in violation of the provisions of this resolution as of the date of its entry into force.

Status Regularization Mechanisms

Article (2)

Promoters of foreign funds' units inside the State must regularize their status according to the following:

- 1.Immediately disclose to the contracted clients the content of this resolution, while continuing to perform the responsibilities and obligations specified in the agreement concluded therewith, as well as adherence to the provisions of the regulations manual regarding the promoter's obligations.

- 2.The promoter shall amend the contracts concluded with foreign funds, if necessary, in accordance with the provisions of this resolution.
- 3.As an exception to clause (2), the promoter may be granted a grace period not exceeding (6) months starting from 01/01/2023 to continue with the valid contracts or until the end of the remaining period of those contracts, whichever is earlier, provided that the registration of the foreign fund's units is renewed during the aforementioned status regularization period, and the prescribed fee is paid on a pro rata basis for that period.

Article (2/bis)

Notwithstanding the provisions of this Resolution, the Authority may agree that promoters who have registered foreign fund units with the Authority before 31/12/2022 continue to temporarily promote these units to retail investors up to and including 31/03/2024, provided that the promoter complies with the following:

- 1.The submission of an application to the Authority which shall include a plan to regularize its status and explaining the reasons for the exemption request, as well as any other alternative procedures and mechanisms required throughout this period in order to be able to implement this resolution. The Authority may grant approval or reject the request for amendment subject to its own discretion.
- 2.Renewal of the annual registration of the foreign fund units in the event that the Authority grants approval of the application and payment of the prescribed fee on a pro-rate basis from the date of the Authority's approval until the expiry date of the grace period deadline set to expire on 31/3/2024.
- 3.Any other provisions prescribed by the Authority in relation to the promotion of the retail investor.

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Article (3)

The Authority may regulate other mechanisms for status regularization of the promoters in order to achieve the purposes of implementing this Resolution.

Article (4)

Any provision or Resolution that contradicts the provisions of this Resolution shall be repealed as of the date of its entry into force.

Article (5)

This Resolution shall be effective from the day following the date of its issuance and shall be published in the Official Gazette.

Mohamed Ali Al Shorafa Al Hammadi
Chairman of Authority's Board of Directors

Issued in Abu Dhabi on 16/01/2023.

- [1] - * Article (2/bis) has been added pursuant to the decision of the Chairman of the Board of Directors of the Authority No.(28/RM) of 2023.