

**FINANCIAL SERVICES AND MARKETS (AMENDMENT NO. 1)
REGULATIONS 2025**



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Regulations to amend the Financial Services and Markets Regulations 2015.

Date of Enactment: 4 June 2025

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 concerning the Abu Dhabi Global Market issued by His Highness the Ruler of the Emirate of Abu Dhabi, hereby enacts the following Regulations—

1. Amendments to the Financial Services and Markets Regulations 2015

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5A. Authorised Persons conducting a Regulated Activity in relation to Virtual Assets or Spot Commodities

- (1) The Regulator may by Rules prescribe –
- (a) the requirements applicable to an Authorised Person conducting a Regulated Activity in relation to Virtual Assets or Spot Commodities;
 - (b) the requirements and factors that, in the opinion of the Regulator, are to be taken into account in determining whether or not:
 - (i) a Virtual Asset meets the requirements to be considered an Accepted Virtual Asset; or
 - (ii) a Spot Commodity meets the requirements to be considered an Accepted Spot Commodity; and
 - (c) such additional requirements as the Regulator considers appropriate that an Authorised Person conducting a Regulated Activity in relation to Virtual Assets or Spot Commodities must comply with, including any requirements imposed under the Rules made under these Regulations.
- (2) Without limiting the generality of its powers to issue Directions, the Regulator may, by written notice—
- (a) exclude the application of any requirement imposed by the Rules upon an Authorised Person conducting a Regulated Activity in relation to Virtual Assets or Spot Commodities;
 - (b) impose on an Authorised Person conducting a Regulated Activity in relation to Virtual Assets or Spot Commodities any additional obligations that the Regulator considers appropriate;
 - (c) require an Authorised Person conducting a Regulated Activity in relation to Virtual Assets or Spot Commodities to take such action as is specified by the Regulator; or

- (d) require an Authorised Person Operating a Multilateral Trading Facility that admits Accepted Virtual Assets or Accepted Spot Commodities to trading to obtain a Recognition Order to become a Recognised Investment Exchange under section 121 of these Regulations;

where the Regulator is satisfied that it is in the interests of the Abu Dhabi Global Market to do so and on such terms and conditions as the Regulator considers appropriate.

- (3) The Regulator's power under subsection (2) to exclude or impose ~~of~~ a requirement is referred to in these Regulations as its Own-Initiative Requirement Power.
- (4) No person may carry on a Regulated Activity in the Abu Dhabi Global Market involving the issue, sale, purchase, transfer or custody of a Virtual Asset which is an algorithmic stablecoin token, a privacy token, or any digital asset employing similar technology.

5B. General Direction power relating to Virtual Assets and Fiat-Referenced Tokens

- (1) If the Regulator is satisfied that the issue, sale, purchase, transfer or custody of a Virtual Asset or Fiat-Referenced Token would contravene or has contravened these Regulations, or it is in the interests of the Abu Dhabi Global Market, the Regulator may by written notice issue a Direction on its own initiative to a person or class of persons directing that no issue, sale, purchase, transfer or custody of the Virtual Asset or Fiat-Referenced Token be made by such person or persons for such a period of time as it thinks appropriate.
- (2) A Direction given by the Regulator on its own initiative to a person ("A") pursuant to subsection 5B(1) takes effect—
 - (a) immediately, if the Direction states that that is the case; or
 - (b) in any other case, on such date as may be specified in that Direction.
- (3) If on its own initiative the Regulator—
 - (a) issues a Direction proposing to prohibit the issuance, sale, purchase, transfer or custody of a Virtual Asset; or
 - (b) issues a Direction prohibiting the issuance, sale, purchase, transfer or custody of a Virtual Asset with immediate effect;

it must give written notice to A.
- (4) The written notice under subsection (3) must –
 - (a) give details of the prohibition;
 - (b) state the Regulator's reasons for issuing the Direction and for choosing the date on which the prohibition took effect or takes effect;
 - (c) inform A that he may make representations to the Regulator within such period as may be specified in the Direction (whether or not he has referred the matter to the Appeals Panel);

- (d) inform A of the date on which the prohibition took effect or will take effect; and
- (e) inform A of his right to refer the matter to the Appeals Panel.
- (5) If, having considered any representations made by A, the Regulator decides—
- (a) to prohibit the issuance, sale, purchase, transfer or custody of the Virtual Asset specified in the Direction; or
- (b) if the prohibition of the issuance, sale, purchase, transfer or custody of the Virtual Asset specified in the Direction has taken effect, not to rescind it;
- the Regulator must give A written notice.
- (6) If the Regulator decides—
- (a) not to prohibit the issuance, sale, purchase, transfer or custody of the Virtual Asset specified in the Direction; or
- (b) if the prohibition of the issuance, sale, purchase, transfer or custody of the Virtual Asset specified in the Direction has taken effect, to rescind it;
- the Regulator must give A written notice.
- (7) A written notice under subsection (5) shall inform A of their right to refer the matter to the Appeals Panel.
- (8) The effect of rescinding a Direction given under section 5B(1) is that the Virtual Asset concerned, if considered as an Accepted Virtual Asset prior to such Direction, may be considered by A to be an Accepted Virtual Asset.

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258. Definitions

- (1) In these Regulations, unless the context otherwise requires—

Accepted Virtual Asset	means a Virtual Asset that, in the opinion of the Regulator, meets the requirements for an Authorised Person conducting a Regulated Activity in relation to Virtual Assets. <u>Means a Virtual Asset that meets the requirements prescribed by the Rules made by the Regulator in accordance with section 5A(1)(b)(i).</u>
Credit Facility	means any facility which includes any arrangement or agreement which extends monetary Credit whether funded or unfunded to a Person including but not limited to any loan or syndicated loan, mortgage, overdraft, financial lease, letter of credit, financial

	guarantee, trade finance, transaction finance, project finance or asset finance.
Direction	<p>means, for the purposes of—</p> <ul style="list-style-type: none"> (a) sections 9 and 10, a direction under section 9; (b) Reporting Entities and their obligations under Part 6, a direction under section 84; (c) suspending an investigation into Market Abuse, a direction under section 99; (d) the name of a Fund or Sub-Fund, a direction under section 117; (e) the Regulator's powers under Part 12, a direction under sections 130, 132, 133 and 137; (f) the Regulator's powers under Part 13, a direction under sections 153, 162 and 164; (g) the Regulator's powers under Part 17, a direction under sections 206 and 217; and (h) the Regulator's powers under Part 2 concerning <u>Virtual Assets or Spot Commodities</u> a direction under subsection 5A(2) related to a Regulated Activity concerning Virtual Assets; and (i) <u>the Regulator's powers under Part 2 concerning Virtual Assets or Fiat-Referenced Tokens a direction under subsection 5B(1).</u>
Eligible Custodian	<p>means, in relation to a Fund, a person that^{who} is a separate legal entity from the Fund Manager and that^{who} also meets one <u>or more</u> of the following criteria:—</p> <ul style="list-style-type: none"> (a) an Authorised Person whose Financial Services Permission authorises it to Provide Custody; (b) an Authorised Person that is a Bank; (c) a Recognised Body or Remote Body; (d) a legal entity that is authorised and supervised by a Non-ADGM <u>Financial Services</u> Regulator in a Recognised Jurisdiction for Providing Custody in respect of a Fund and is subject to a minimum capital requirement of 4 million US Dollars or its equivalent in any other currency at

	<p>the relevant time and has had surplus revenue over expenditure for the last two financial years;</p> <p>(e) a legal entity where it, or its holding company is:—</p> <p>(i)(vi) in respect of its financial strength, rated or graded as at least "investment grade" by Moody's, Fitch or Standard & Poor's or such other international rating agency as may be recognised by the Regulator; and</p> <p>(ii)(vii) authorised and supervised by a Non-ADGM Financial Services Regulator in another jurisdiction which that is a Zone 1 country; or</p> <p>(f) a legal entity that is authorised or recognised by a Non-ADGM Regulator to operate as an exchange or a clearing house in a Recognised Jurisdiction;</p> <p>(g) a legal entity that is and remains:—</p> <p>(i) controlled and wholly owned by one or more of the national governments of the six member states of the Gulf Cooperation Council;</p> <p>(ii) authorised and supervised by a financial services regulator or central bank of at least one of the said national governments; and</p> <p>(iii) rated or graded as at least "investment grade" by Moody's, Fitch or Standard & Poor's or such other international rating agency as may be recognised by the Regulator; or</p> <p>(h) any other legal entity otherwise acceptable to the Regulator.</p>
Fiat-Referenced Token	<p>means a digital asset, the transfer and storage of which is achieved through the use of distributed ledger or similar technology, the purpose of which is to be used as a medium of exchange with a stable store of value, by-</p>

	<p>(a) referencing a fixed amount of a single fiat currency; and</p> <p>(b) enabling the holder to redeem the token in exchange for the amount of the fiat currency referred to in (a) from its issuer upon demand.</p>
Multilateral Trading Facility or MTF	means a multilateral system, operated by an Authorised Person or a Recognised Investment Exchange, which brings together multiple third-party Buying and Selling interests in Financial Instruments or <u>Virtual Assets</u> , in the system and in accordance with non-discretionary rules, in a way that results in a contract in accordance with its rules.
Virtual Asset	<p>means a digital representation of value that can be digitally traded and functions as</p> <p>(a)(1) a medium of exchange; and/or</p> <p>(b)(2) a unit of account; and/or</p> <p>(c)(3) a store of value, but does not have legal tender status in any jurisdiction.</p> <p>A Virtual Asset is –</p> <p>(a) neither issued nor guaranteed by a <u>government or central bank of</u> any jurisdiction, and fulfils the above functions only by agreement within the community of users of the Virtual Asset; and</p> <p>(b) distinguished from Fiat Currency and E-money; <u>and:-</u></p> <p>(c) <u>not a Specified Investment, Fiat-Referenced Token or Spot Commodity.</u></p>

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Schedule 1

Part 2 Activities

Chapter 7 Credit

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Exclusions

49. Incidental or connected lending and general exclusions

- (1) An Authorised Person does not enter into a Credit Facility as Lender where entering into the agreement is incidental to or in connection with transactions in Specified Investments {other than Credit Facilities}, or Virtual Assets or the carrying on of the Regulated Activities of Effecting Contracts of Insurance or Carrying Out Contracts of Insurance as Principal.
- (2) An Authorised Person does not Provide Credit when carrying on the Regulated Activity of Managing a Collective Investment Fund in relation to a Private Credit Fund.
- (3) A Collective Investment Fund that is a Private Credit Fund does not carry on the Regulated Activity of Providing Credit.
- (4) Paragraph 48 is also subject to the exclusions in paragraphs 76 and 77.

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2. Short title, extent and commencement

- (1) These Regulations may be cited as the Financial Services and Markets (Amendment No. 1) Regulations 2025.
- (2) These Regulations shall apply in the Abu Dhabi Global Market.
- (3) These Regulations come into force on the date of their publication.