

CONSULTATION PAPER NO. 7 OF 2026

Proposal to Introduce a Regulatory Framework for Business Centres

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Introduction

Why are we issuing this paper?

The Abu Dhabi Global Market (“**ADGM**”) Registration Authority (the “**Registrar**”) has issued this Consultation Paper to invite public feedback on proposed amendments to the Commercial Licensing Regulations (Controlled Activities) Rules (the “**Controlled Activities Rules**”), the Commercial Licensing Regulations (Conditions of Licence and Branch Registration) Rules (the “**Conditions of Licence Rules**”) and the Commercial Licensing Regulations (Fees) Rules (the “**Fees Rules**”) (together, the “**Rules**”) to introduce a regulatory framework for business centres in ADGM.

The proposed amendments would make the activity of providing business centre services a controlled activity and establish specific conditions of licence for applicants and licensed business centre service providers.

The draft amendments to the Rules are set out in the appendices to this Consultation Paper.

This Consultation Paper summarises the key proposed aspects of the amendments. The summaries provided should be read as an introduction to the amendments only – many of the precise details and requirements are contained in the Rules.

Unless context requires otherwise, terms capitalised in this Consultation Paper should be taken to have the same meanings ascribed to them in the Commercial Licensing Regulations 2025 and the Rules.

Who should read this paper?

The proposals in this Consultation Paper would be of interest to existing and prospective business centre operators, persons using or intending to use business centre services, company service providers and other stakeholders who may be affected by the proposed framework. We also welcome feedback from other stakeholders, whether based in ADGM or beyond.

How to provide comments

Comments must be submitted through the RA’s Consultation Portal at <https://raconsultations.adgm.com/>. To submit feedback, individuals and entities are required to register for an account on the portal, which is a one-time process.

Please note that comments submitted to ra.consultation@adgm.com may not be considered. The email address ra.consultation@adgm.com should only be used for portal-related issues, such as registration, account access, and technical difficulties.

What happens next?

The deadline for providing comments on this proposal is **6 November 2026**.

Following receipt and review of any comments, the Registrar will consider whether any modifications to the proposed amendments are required, and the ADGM Board of Directors ("**Board**") and the Registrar will then proceed to enact the proposals in their final form.

You should not act on the proposed amendments until such time as the final Rules and any related guidance are issued by the Registrar. A notice will be issued on the ADGM website upon issuance of the final Rules.

Key Features of the Proposed Amendments

1. Key features of the proposed amendments include:
 - a. specifying the provision of business centre services as a controlled activity where carried on by way of business, and defining the scope of those services;
 - b. requiring applicants and licensed business centre service providers to obtain and maintain appropriate public liability insurance;
 - c. introducing operational requirements relating to clear written disclosure of pricing, packages and exclusions, and limiting client agreements to the term of the business centre's right to occupy the premises;
 - d. requiring licensed business centre service providers to notify the Registrar of material events affecting their ability to continue operating and to maintain a wind-down and contingency plan;
 - e. requiring applicants and licensed business centre service providers to maintain minimum regulatory capital; and
 - f. prohibiting licensed business centre service providers from accepting or distributing cash above the prescribed threshold in connection with their licensed activities.
2. Drafts of the proposed Rules can be found in the appendices.

Proposed Amendments

Current Position

1. Current commercial legislation does not prescribe business-centre-specific licence conditions addressing the relationship between the operator, its landlord and its tenants. This creates material tenant-protection and continuity risks. In particular, a business centre may grant occupancy rights extending beyond its own headlease, fail to disclose material limitations in its pricing or premises arrangements, or cease operating without adequate notice or transition support.
2. The impact may extend across many tenants at once (particularly where the tenant is a Company Service Provider with underlying clients using the same address). The loss or non-renewal of a headlease can deprive tenants of access to their premises and registered office, require urgent amendments to public records, disrupt operations and expose tenants to unexpected costs. The absence of minimum financial, disclosure, notification and wind-down requirements also limits the RA's ability to identify emerging problems and support an orderly transition.
3. It is proposed that a "business centre activity" be added as a controlled activity under the Controlled Activities Rules and that tailored conditions be prescribed under the Conditions of Licence Rules. The purpose is to protect business centre tenants and support continuity of their premises and registered office arrangements.

Proposed Amendments

Business centre services as a controlled activity

4. The Controlled Activities Rules would specify providing business centre services as a controlled activity where it is carried on by way of business.
5. "Providing business centre services" would mean providing furnished office accommodation together with ancillary business support services, including reception services, telephone answering, mail handling, internet access and access to meeting rooms, as part of an integrated business centre offering.

Specific conditions of licence for business centres

6. A licensed business centre service provider would be required to obtain and maintain public liability insurance appropriate to the nature, size and occupancy of its business, with minimum cover of USD 1,000,000 for any single claim. The requirement would apply immediately to

new applicants and, following a six-month transitional period, to existing licensed business centres.

Q1: DO YOU HAVE ANY CONCERNS WITH, OR FEEDBACK ON, THE PROPOSED REQUIREMENT TO OBTAIN PUBLIC LIABILITY INSURANCE IN THE AMOUNT PROVIDED?

7. The proposed operational requirements would require:

- a. clear written disclosure to prospective clients of the pricing, packages and exclusions applicable to its services before the client enters into any written agreement with the business centre; and
- b. client agreements not to exceed the term of the business centre's right to occupy the premises.

The requirement would apply immediately to new applicants and, following a six-month transitional period, to existing licensed business centres.

Q2: DO YOU HAVE ANY CONCERNS WITH, OR FEEDBACK ON, THE PROPOSED REQUIREMENT TO DISCLOSE PRICING AND PACKAGES TO PROSPECTIVE CLIENTS?

Q3: DO YOU HAVE ANY CONCERNS WITH, OR FEEDBACK ON, THE PROPOSED RESTRICTION ON ENTERING INTO ANY AGREEMENT WITH A CLIENT FOR A TERM WHICH EXTENDS BEYOND THE TERM OF THE BUSINESS CENTRE'S RIGHT TO OCCUPY THE PREMISES?

8. Business centre service providers would also be required to notify the Registrar of material events affecting their ability to continue operating and to maintain a wind-down and contingency plan addressing client communications, transition milestones and practical support for affected clients. The requirement would apply immediately to new applicants and, following a six-month transitional period, to existing licensed business centres.

Q4: DO YOU HAVE ANY CONCERNS WITH, OR FEEDBACK ON, THE PROPOSED REQUIREMENT TO NOTIFY THE RA OF ANY MATERIAL EVENT AFFECTING, OR REASONABLY LIKELY TO AFFECT, THE BUSINESS CENTRE'S ABILITY TO CONTINUE OPERATING AS A BUSINESS CENTRE?

Q5: DO YOU HAVE ANY CONCERNS WITH, OR FEEDBACK ON, THE PROPOSED REQUIREMENT TO ESTABLISH AND MAINTAIN A WIND-DOWN AND CONTINGENCY PLAN?

9. Applicants and licensed business centre service providers would be required to maintain minimum regulatory capital of USD 50,000 in immediately available funds and replenish it within seven business days if reduced.

10. Licensed business centre service providers would be required to comply with principles concerning integrity, due skill, care and diligence, transparency and relations with the

Registrar.

Q6: DO YOU HAVE ANY CONCERNS WITH, OR FEEDBACK ON, THE PROPOSED MINIMUM REGULATORY CAPITAL REQUIREMENT?

Miscellaneous amendments

11. The proposed Rules would also make miscellaneous amendments to the professional indemnity insurance requirements in the schedules applicable to company, legal and tax service providers. The amendments would clarify the scope of cover for liabilities to third parties arising from dishonest, fraudulent, criminal or malicious acts, errors or omissions by persons employed by, or otherwise acting on behalf of, the service provider, and for legal and professional costs relating to claims against the service provider or persons acting on its behalf.

Q7: DO YOU HAVE ANY CONCERNS WITH, OR FEEDBACK ON, THE PROPOSED AMENDMENTS TO THE PROFESSIONAL INDEMNITY INSURANCE REQUIREMENTS?

Prohibition on accepting or distributing cash

12. The proposed Rules would add licensed business centre service providers to the list of licensed service providers prohibited from accepting or distributing cash in connection with their licensed activities, subject to a threshold of USD 3,000 per transaction and a process for returning cash received inadvertently.
13. Payments by bank transfer, cheque, regulated payment instrument or another traceable financial channel acceptable to the Registrar would remain permitted. The Registrar could grant an exemption in exceptional circumstances and subject to conditions.

Q8: DO YOU HAVE ANY CONCERNS WITH, OR FEEDBACK ON, THE PROPOSED PROHIBITION ON ACCEPTING OR DISTRIBUTING CASH?

Proposed amendments to the Fees Rules

14. The Fees Rules would be updated to include a fee for the submission of Annual Legal Service Provider Returns, as well as a late filing fee for the delayed submission of Annual Company Service Provider Returns and the Annual Legal Service Provider Returns.

Q9: DO YOU HAVE ANY BROADER FEEDBACK ON THE PROPOSED AMENDMENTS THAT IS NOT COVERED BY THE QUESTIONS SET OUT ABOVE?

Proposed Amendments and Enactments

Rules

Appendix 1	Proposed Commercial Licensing Regulations (Controlled Activities) Rules 2026(A) (editorial blackline)
Appendix 2	Proposed Commercial Licensing Regulations (Conditions of Licence and Branch Registration) Rules 2026(B) (editorial blackline)
Appendix 3	Proposed Commercial Licensing Regulations (Fees) Rules 2026 (editorial blackline)