



ABU DHABI GLOBAL MARKET  
سوق أبوظبي العالمي

**COMPANIES (AMENDMENT) REGULATIONS 2015**

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## **COMPANIES (AMENDMENT) REGULATIONS 2015**

Regulations to amend the Companies Regulations 2015.

Date of Enactment: **4 October 2015**

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 Companies Regulations 2015**

- (1) The Companies Regulations 2015 are amended as follows.
- (2) All references to "collective investment scheme" in those regulations shall be substituted by references to "Collective Investment Fund".
- (3) In section 1028(1), the following definition shall be inserted—  
"financial institution" means-
  - (a) an Authorised Person;
  - (b) any person which carries out as its principal business an activity which would, if carried out in the Abu Dhabi Global Market, be a Regulated Activity; and
  - (c) is not one of the following-
    - A. a governmental organisation, including the Central Bank of any State; or
    - B. a multilateral development bank;"
- (4) In section 1028, the following subsection shall be inserted—  
"(2) Terms used in these Regulations which are defined in the Financial Services and Markets Regulations 2015 (including where the terms are capitalised in those regulations) shall have the meanings given to them in those regulations."
- (5) In section 137(2)(a), for the word "securities", the words "Securities and Derivatives" shall be substituted.
- (6) In section 137(4), the following shall be inserted—  
"(aa) "managing of investments" means the Regulated Activity of Managing Assets."
- (7) In section 137(3)(e), for the words "consists in operating or acting as trustee in relation to a collective investment scheme, or that is carried on by the operator or trustee of such a scheme in connection with and for the purposes of the scheme", the words "consists in Managing a Collective Investment Fund, Acting as the Administrator of a Collective

Investment Fund or Acting as the Trustee of an Investment Trust, or that is carried on by a person carrying on any of those Regulated Activities in connection with and for the purposes of the relevant Collective Investment Fund" shall be substituted.

(8) In section 137(4)(a), for the words "the effecting or carrying out of contracts of insurance", the words "Effecting Contracts of Insurance or Carrying Out Contracts of Insurance as Principal" shall be substituted.

(9) Paragraph (b) of subsection (4) of section 137 shall be omitted.

(10) In section 372(3), for the words "is licensed under the Commercial Licensing Regulations 2015 as", the word "was" shall be substituted.

(11) In section 434(4), the following shall be inserted—

"(d) for the purpose of enabling or assisting the Financial Services Regulator to exercise its functions under the Financial Services and Markets Regulations 2015,

(e) for the purpose of enabling or assisting the Registrar to exercise its functions under the Commercial Licensing Regulations 2015."

(12) For subsection (2) of section 443, the following shall be substituted—

"(2) A "banking partnership" means a partnership which has a Financial Services Permission to carry on the Regulated Activity of Accepting Deposits. But a partnership is not a banking partnership if it has a Financial Services Permission to carry on the Regulated Activity of Accepting Deposits only for the purpose of carrying on another Regulated Activity in accordance with that permission."

(13) In section 456, the words "licensed under the Commercial Licensing Regulations 2015 as" shall be omitted.

(14) In section 715 and in the heading of section 715, for the words "financial institution", the words "infrastructure body" shall be substituted.

(15) References to "financial institution" in sections 707(2) and 714(3) shall be substituted by references to "infrastructure body".

(16) In section 715(2)(a), for the words "recognised investment market", the words "Recognised Investment Exchange" shall be substituted.

(17) Paragraph (a) of section 717 shall be omitted.

(18) For subsection (2) of section 1020, the following shall be substituted—

""Banking company" means a person who has a Financial Services Permission to carry on the Regulated Activity of Accepting Deposits, other than —

(a) a person who is not a company; and

(b) a person who has such permission only for the purpose of carrying on another Regulated Activity in accordance with such permission."

- (19) In section 1020(3)(a), for the words "credit institutions", the words "banking companies" shall be substituted.

## **2. Insertion of new Part 36A relating to investment companies**

- (1) A new Part 36A shall be inserted as follows:

### **"Part 36A**

#### **INVESTMENT COMPANIES**

##### **1068A. Application and interpretation, powers of the Board**

- (1) Without limiting the generality of subsection (2) below, the provisions of this Part are additional to any other legislation which may apply to the incorporation, operation, or winding up of an investment company.
- (2) Except as far as otherwise provided by this Part, any provision of any Rules made by the Financial Services Regulator [relating to Collective Investment Funds], or any other enactment, the provisions of these Regulations shall apply in their entirety to investment companies.
- (3) The Board shall have authority from time to time to make, issue, amend and rescind such Rules as are necessary or appropriate in relation to the incorporation, operation or winding up of investment companies.

##### **1068B. Formation of investment companies**

- (1) A company is an investment company if its articles provide that it is an investment company, and it has been established for the sole purpose of collective investment.
- (2) An investment company may be-
- (a) a public or private company, and
  - (b) a limited company (whether limited by shares or by guarantee), and
  - (c) a cell company (or a cell of a cell company).
- (3) An investment company cannot be a restricted scope company and a restricted scope company cannot be or become an investment company.

##### **1068C. Names of investment companies**

- (1) The name of an investment company must include the words 'Investment Company' or the abbreviation 'IC'.
- (2) A company that is registered with a name that includes the words 'Investment Company' or the abbreviation 'IC' may, in setting out or using its name for any purpose under these Regulations, do so in full or in abbreviation form, as it determines.

##### **1068D. Directors**

- (1) Sections 144 and 145 of these Regulations shall not apply to investment companies.
- (2) An investment company must have at least one director.
- (3) The directors of an investment company must be fit and proper persons to act as such.
- (4) If an investment company has only one director, that director must be a body corporate which is an Authorised Person and which holds the Financial Services Permission in the Abu Dhabi Global Market or in a Recognised Jurisdiction authorising it to carry on the Regulated Activity of Managing a Collective Investment Fund.
- (5) If an investment company has two or more directors, they must ensure that, at all times, there is appointed to the investment company an entity which holds the Financial Services Permission in the Abu Dhabi Global Market or in a Recognised Jurisdiction authorising it to carry on the Regulated Activity of Managing a Collective Investment Fund.

**1068E. Statutory pre-emption rights**

- (1) Sections 519 to 537 of these Regulations shall not apply to investment companies.

**1068F. Issue and allotment of shares**

- (1) Sections 508 to 512 of these Regulations shall not apply to investment companies.
- (2) The directors of an investment company may exercise any power of the investment company to-
  - (a) allot shares in the investment company; or
  - (b) grant rights to subscribe for or to convert any security into shares in the investment company,

to the extent permitted by the investment company's articles.

**1068G. Share transfers**

- (1) The articles of an investment company may contain provision as to share transfers in respect of any matter for which provision is not made in these Regulations or any other enactment.

**1068H. Redemptions**

- (1) Sections 623 to 628 of these Regulations shall not apply to investment companies.
- (2) The directors of an investment company may exercise any power of the investment company to-
  - (a) issue shares that are redeemable at the option of the investment company or the shareholder; and

- (b) determine the terms, conditions and manner of the redemption of such shares,

to the extent permitted by the investment company's articles.

- (3) Any redemption of shares of an investment company is also subject to the provisions of any Rules made by the Financial Services Regulator [regarding Collective Investment Funds].
- (4) No closed-ended investment company shall purchase any shares of any class of which it is the issuer except by a market purchase on a Recognised Investment Exchange or such other open market as the Financial Services Regulator may prescribe.

### **1068I. Definitions relevant to this Part**

In this Part-

"body corporate" means any body corporate, including limited liability partnership and a body corporate constituted under the law of a country or territory outside of the Abu Dhabi Global Market,

"cell" has the meaning given in section 1068 of these Regulations,

"cell company" has the meaning given in section 1068 of these Regulations,

"incorporated cell company" means a company to which section 1047(1) of these Regulations applies,

"investment company" means an open or closed ended company established for the sole purpose of collective investment (and any such cell of such company) which is incorporated under these Regulations,

"limited liability partnership" means a partnership incorporated under the Limited Liability Partnership Regulations 2015 or under the law of a country, jurisdiction or territory outside the Abu Dhabi Global Market,

"market purchase" has the meaning given to it in section 632(4) of these Regulations,

"partnership" means any partnership, including a partnership constituted under the law of a country, jurisdiction or territory outside the Abu Dhabi Global Market, but not including a limited liability partnership, and

"protected cell company" means a company to which section 1047(2) of these Regulations applies."

### **3. Short title, extent and commencement**

- (1) These Regulations may be cited as the Companies (Amendment) Regulations 2015.
- (2) These Regulations shall apply in the Abu Dhabi Global Market.

(3) These Regulations come into force on the date of their publication.