



ABU DHABI
GLOBAL MARKET

FSRA Business Plan 2024

adgm.com

Table of Contents

Statement by the Chairman of Abu Dhabi Global Market	3
Statement by the CEO	4
Executive Summary	6
A. Innovation	7
Virtual Assets	7
FinTech, RegTech and SupTech	8
<i>FinTech</i>	8
<i>RegTech</i>	9
<i>SupTech</i>	9
Sustainable Finance	10
<i>Cooperation across the UAE</i>	11
B. Efficient and Safe Markets	12
Authorisation	12
Supervision – companies and markets	13
<i>Approach to supervision</i>	13
<i>Operating efficiently, effectively and professionally</i>	13
<i>Engaging the authorised community</i>	14
Financial and Cyber Crime Prevention (FCCP)	14
Enforcement	15
<i>Objective and approach</i>	15
<i>Enforcement priorities</i>	15
C. Growth Through Sound Regulation and Cooperation ...	16
Development of regulatory and supervisory frameworks	16
<i>Recent regulatory updates</i>	17
<i>Looking forward</i>	17
Cooperation – national and international	18
<i>Engagement with national stakeholders</i>	18
<i>Engagement with international standard-setters</i>	18
D. Building The Future	19
ADGM Academy	19
Al Yah	19
Ongoing professional development	20
The FSRA as an employer	20

Statement by the Chairman of Abu Dhabi Global Market



H.E. Ahmed Jasim Al Zaabi
Chairman, ADGM



Abu Dhabi Global Market (ADGM) was established in 2015 on Al Maryah Island with the bold economic vision aiming to champion innovation in financial services and contribute meaningfully to the economy of Abu Dhabi and the UAE.

ADGM has created an ecosystem that encourages bold and cutting-edge innovation, with the Financial Services Regulatory Authority (FSRA) enabling those innovations in financial services that allow companies to serve their customers better. It is operating progressive regulatory and supervisory frameworks that allow those innovations to be successful, whilst all the time maintaining high, internationally recognised standards.

GROWTH in 2022

- » Assets under management up by **56%**
- » Workforce in ADGM increased by **29%**
- » Increase of **30%** in the number of active commercial licenses in ADGM, including both financial and non-financial companies

Over the past eight years, ADGM has become a leading international financial centre (IFC) in the Middle East and North Africa region. Growth in 2022 was significant (see box), showcasing the business-friendly environment in ADGM that facilitates doing business, customer service, and the seamless integration of operations within ADGM.

Building on this growth, in May 2023 the leadership of Abu Dhabi announced the expansion of ADGM's jurisdiction to Al Reem Island. This expansion followed increased demand from both international and regional companies choosing Abu Dhabi as their preferred location to work and live. Businesses in ADGM benefit from the English common law jurisdiction that ADGM has, the opportunity to attract talent and greater access to investment and business opportunities through being part of ADGM's vibrant community.

As we look to the future, ADGM remains committed to promoting significant economic growth in the financial services sector in Abu Dhabi, thereby powering its 'falcon economy', and the UAE while positively contributing towards the nation's sustainability initiative of achieving net zero greenhouse gas emissions by 2050. ADGM is confident that its ecosystem will continue to attract global leaders in financial services and associated service providers to establish their presence here and looks forward to building on its existing achievements in the years to come to reinforce Abu Dhabi's growing position as a financial powerhouse in the region.



Statement by the CEO



Emmanuel Givanakis
Chief Executive Officer,
FSRA, ADGM



The FSRA has developed this Business Plan to outline our strategy and priorities for 2024 in the area of financial services regulation, with our ongoing focus on innovation and sustainability, building on the significant progress the FSRA has made in 2023 and previously.

Since ADGM's launch in October 2015, the FSRA has played an important role in the financial services ecosystem of ADGM by providing opportunities for growth through a highly developed and comprehensive regulatory framework based on international standards, with a risk-based and proportionate approach to regulation. The FSRA has swiftly established itself as an industry leader that champions innovation through its transparent, open and fair regulatory framework. This is evident as the FSRA embraces the digital transformation of how financial services are provided now and into the future.

The FSRA actively engages with local and global stakeholders with a firm commitment to fostering growth of the financial services sector in ADGM. This approach does not hinder our strong commitment to regulate based on international standards and best practices, which is of paramount importance. This is reflected by our implementation of sound and robust regulatory frameworks. It is also reflected in the way we authorise, supervise and enforce our regulations and rules. We are proud members of leading regulatory standard setters including the International Organization of Securities Commissions (IOSCO), the Basel Consultative Group (BCG), the International Association of Insurance Supervisors (IAIS), the Network of Central Banks and Supervisors for Greening the Financial System, together with having a large number of bilateral regulatory relationships locally and around the world.

The FSRA continues to build on its innovative approach to its regulatory responsibilities in support of ADGM as a leading IFC. As the COVID-19 pandemic initially slowed down activities in the sector it also stimulated creativity and inventiveness as existing companies and innovators sought to mitigate the adverse impacts of the pandemic and the restrictions it placed on customers.

An example of this innovation is the growing adoption of electronic means of meeting 'know your customer' requirements, i.e. 'e-KYC', that financial services companies must meet; the FSRA supported this initiative with the

INNOVATION

- » FinTech
- » RegTech
- » SupTech
- » RegLab and Digital Lab

SUSTAINABILITY

- » Green Funds
- » Climate Transition Funds
- » Green Bonds and Sukuks

introduction of modified requirements that permitted e-KYC, whilst ensuring appropriately high standards are still met in this area. The FSRA is also building deeper digital capabilities in both regulatory technology (RegTech) and supervisory technology (SupTech) to not only supervise but also support the financial services industry's compliance capabilities and, importantly, reinforce the FSRA's institutional governance and supervisory effectiveness.

Alongside our efforts in this area, we are focussing on the development of initiatives specifically in the area of sustainable finance, with our regulatory framework for green instruments and investments and disclosure requirements having been implemented in July 2023. This complements the work being undertaken by the UAE Sustainable Finance Working Group which is following up on the COP27 High-Level Statement on Sustainable Finance to help participating authorities contribute to the UAE's sustainable and climate change objectives ahead of COP28 which is being hosted by the UAE later in 2023. Our ground-breaking work in this area complements our engagement with the other authorities and ministries in the country that are also contributing to the net zero transition target.

In playing our part in meeting the Financial Action Task Force (FATF) Recommendations for the UAE in relation to money-laundering, the financing of terrorism and proliferation financing, we act alongside the Registration Authority (RA) of ADGM and in conjunction with the federal authorities in the UAE. The FSRA is especially aware of the national efforts in this area and remains committed to playing its part in fighting financial crime.

Looking to the future, we shall continue to work closely with local, regional and international authorities and counterparts, including the international standard-setting bodies responsible for designing the global regulatory standards across all activities in the financial services sector. By doing so, the FSRA will continue to contribute to building ADGM's reputation further as an attractive jurisdiction to do business, both in the financial services sector and the commercial one.

The FSRA's ongoing focus on engagement with all stakeholders provides invaluable insights into market developments and economic conditions. Having those insights allows the FSRA to be a proactive regulator that is able to respond promptly to the changing environment that market participants operate in and thereby foster sustained growth in the financial services sector in ADGM, Abu Dhabi and the UAE.

We believe that this Business Plan will provide insights to our stakeholders of how the FSRA is planning to advance its regulatory agenda. It sets out our forward-looking agenda for this period that will enable us to continue innovating whilst also maintaining our high standards. while contributing to the growth of the economy of Abu Dhabi and, through that, the UAE.



Executive Summary

FSRA OBJECTIVES - SUMMARY

- » To foster and maintain fairness, transparency, efficiency and confidence in ADGM as a financial services marketplace
- » To ensure that the financial markets in the Abu Dhabi Global Market are supported by safe and efficient infrastructure
- » To promote and enhance the integrity of the financial system in ADGM
- » To prevent, detect and restrain conduct that causes or may cause damage to the reputation of the Abu Dhabi Global Market through appropriate means including the imposition of sanctions
- » To secure an appropriate degree of protection for users and prospective users of ADGM
- » To promote the safety and soundness of authorised entities

ADGM was established by Abu Dhabi Law No.(4) of 2013, with its objectives being 'to promote the Emirate as a global financial center, to develop the economy of the Emirate and make it an attractive environment for financial investments and an effective contributor to the international financial services industry' and commenced operations in October 2015.

The FSRA is one of four authorities in ADGM, alongside the Registration Authority, ADGM Courts and the ADGM Authority, and is responsible for the regulation of financial services and related activities in and from ADGM, with its statutory objectives stated in the Financial Services and Markets Regulations 2015.

The FSRA plays an important role in the financial services ecosystem of ADGM by providing opportunities for growth through a highly developed and comprehensive regulatory framework based on international standards, and a risk-based and proportionate approach to regulation and supervision. In addition, the FSRA has established itself as a champion of innovation, most notably in the digital transformation of financial services through its progressive use of through its progressive use of FinTech, RegTech and SupTech such as in its RegLab and Digital Lab.

Looking at the period this Business Plan covers, the FSRA intends focussing on the following areas that will allow it to contribute to the development of the economy of Abu Dhabi and the UAE through pioneering initiatives, both existing and planned.

- A. **Innovation** – leading the way in areas such as virtual assets, FinTech, RegTech and SupTech, and sustainable finance in light of the UAE's commitment to being net zero by 2050;
- B. **Efficient and safe markets** – ensuring well-functioning and safe markets with integrity at their core;
- C. **Growth through sound regulation and cooperation** – through ensuring compliance with international standards, collaboration and cooperation with fellow regulators and other authorities;
- D. **Building the Future** – providing high-quality financial education through ADGM Academy to build expertise and financial literacy in the region and developing the knowledge and expertise of employees of ADGM through ADGM's Al Yah program.



A. Innovation

Virtual Assets

In 2018 the FSRA introduced a bespoke and comprehensive regulatory framework for the regulation of virtual asset (VA) activities. Since then, the FSRA has authorised a number of entities in the VA space and worked with applicants seeking authorisation that are offering innovative solutions and serving traditional financial institutions. The FSRA has continued to refine and enhance its VA framework and in September 2022 published an update of the 'Guiding Principles for the Financial Services Regulatory Authority's Approach to Virtual Asset Regulation and Supervision' on its approach to VA regulation and supervision. This statements support the FSRA's engagement with authorised entities and other, like-minded regulatory authorities in the UAE and across the region and globally, acting as a basis for regulatory cohesion across jurisdictions.

During the period covered by this Business Plan, the FSRA will review its regulatory framework for VAs to assess whether any enhancements are necessary, given the FSRA's experience gained from supervising VA businesses and the emergence of new VA regulatory frameworks introduced in relevant peer jurisdictions.

FinTech, RegTech and SupTech

With the transformation in financial services being accelerated by technological innovation, it is important for regulators such as the FSRA to leverage technology, for the purposes of making regulation more efficient and user-friendly, alongside enhancing its capabilities in detecting and mitigating potential new risks brought about by novel solutions.



FinTech

The FSRA will be continuing its collaboration with Hub71, Abu Dhabi's government-backed global tech ecosystem, and other innovation centres to bring together FSRA companies, technology companies and FinTech innovators to spur the adoption of digital transformation solutions. Alongside that, it will be engaging trade and industry associations that can build capacity for IT and IT security in ADGM and seek to establish tech and cyber 'Centres of Excellence'. For those wishing to enter the field the FSRA will also be partnering with tertiary educational institutions to build a curriculum that supports the placement of skilled staff in ADGM companies, whether through internships, secondments or permanent roles.

The FSRA is playing its role in the UAE-wide digital transformation agenda, which has seen Abu Dhabi become a destination of choice for financial companies, both large and small. It is achieving this by building on several initiatives and programs it already has in place such as our RegLab and Digital Lab platforms that are bolstering innovation in the country and the wider MENA region. The current focus for the FSRA has been on admitting decentralised finance (DeFi) solutions to the RegLab so that it can learn from the experiences of these companies and thereby take steps to develop a suitable regulatory framework for DeFi activities

Together, the RegLab and Digital Lab showcase how effective government-led initiatives can advance the local ecosystem and be drivers of a business-friendly environment.

RegTech

An area of continuing focus is the use of technology to better communicate and explain the FSRA's regulatory requirements and expectations, in a way that can be tailored to the scale, scope, nature and complexity of individual authorised entities. The recent global successes of AI-driven language models have shown how powerful and effective this technology is in understanding and responding to natural language input, assisting with a wide range of tasks and questions from authorised entities in the financial services sector. The FSRA is engaging on several projects that leverage this technology, as well as its previous work on Open Regulation, to provide more interactive and chat-style 'Regulation as a Service' interactions for those subject to its regulations, rules and guidance.



SupTech

The FSRA continues to develop and deploy SupTech solutions to better supervise the industry more effectively and efficiently. For example, the FSRA is developing and will implement a Client Asset Monitoring System (CAMS) that will allow it to monitor and reconcile client monies and investments held by authorised entities in real-time and raise any issues immediately with them. This will improve risk management while alleviating regulatory costs. The system will be piloted with certain business models, with a view to implementing the solution on a wider scale.



Sustainable Finance

Following an extremely successful public consultation, in July 2023 the FSRA added to its existing initiatives in this area by implementing its sustainable finance regulatory framework. This encompasses the region's most comprehensive environmental disclosures framework and requirements for funds, discretionary managed portfolios, bonds and sukuk that are designed to encourage and accelerate financing the transition to net zero.

This work complements the framework introduced in 2022 for the regulation of Environmental Instruments in ADGM, facilitating the setting up of the world's first regulated voluntary carbon exchange and clearing house. These combined regulatory measures place ADGM as the foremost sustainable finance hub in the region, in the year that the UAE has designated as its 'Year of Sustainability' and in which it will host COP28.

ADGM has prioritised its pioneering work on this framework to accelerate the growth of a sustainable finance ecosystem in the jurisdiction and support the UAE's transition to net zero emissions. The regulatory designations to be offered by the FSRA for green and climate transition funds and portfolios, green sustainability and sustainability-linked bonds and sukuku set robust minimum standards which will accelerate investment in the green transition and fuel the UAE's transition to a low carbon, net-zero economy.

In particular, the FSRA acknowledges the responses to the consultation paper received from local and international market participants alongside those received through other, related stakeholder engagements. The overwhelming support for the proposals from industry participants, including stakeholders who advised the FSRA of their plans to launch products under the proposed framework, crystallised the FSRA's intention to proceed with the first and most comprehensive sustainable finance frameworks in the region.



Cooperation across the UAE

The UAE Sustainable Finance Working Group (SFWG), chaired by the FSRA, includes the UAE Ministry of Economy, the UAE Ministry of Finance, the Office of the UAE's Special Envoy for Climate Change, the UAE Ministry of Climate Change and Environment, the Central Bank of the UAE, the Securities and Commodities Authority, the Dubai Financial Services Authority, the Abu Dhabi Securities Exchange, Dubai Financial Market and Nasdaq Dubai, alongside the FSRA.

As outlined in the high level statements published by the SFWG since 2020 and most recently in 2022, the UAE ministries and authorities are striving to achieve three key deliverables to give a concrete expression to the international commitments made by the UAE:

- (i) Encouraging consistent environmental, social and governance (ESG) corporate disclosure standards across the UAE;
- (ii) Examining how to strengthen good corporate governance by UAE companies so that they might contribute to the sustainability agenda; and, crucially,
- (iii) Developing a UAE taxonomy of sustainable activities.

All these strategic goals will contribute towards sustainable development in the UAE and more broadly. Delivering in these areas will serve as a catalyst in the implementation of the UAE's sustainability priorities. In order to do that, the members of the SFWG have committed to implementing appropriate measures to encourage UAE financial companies to develop strategies to incorporate sustainable practice considerations in their business activities, decision making, risk management and in the context of exploring new businesses. The regulatory framework for sustainable finance, implemented by the FSRA in July 2023, is the first phase in meeting ADGM's obligations as part of the UAE's drive for sustainability.



B. Efficient and Safe Markets

Authorisation

The FSRA continues to review and enhance its regulatory framework to support the authorisation of both traditional and innovative financial services business models that wish to operate in ADGM. In this regard, the volume of applications for Financial Services Permissions (FSPs) has grown significantly over the years. As an example, the thriving start-up and tech ecosystem of ADGM and the broader UAE have drawn active interest from private equity (PE) and venture capital (VC) managers regionally and internationally. In particular, VC activities have grown nine-fold in the past three years, with companies attracted by the bespoke regulatory framework in ADGM for VC fund managers.

We have also seen a growing number of global hedge fund managers setting up in ADGM, driven by the accessibility to sovereign, institutional and private wealth, as well as the FSRA's robust and progressive regulatory framework that supports investment management in emerging asset classes such as digital assets and environmental instruments.

Another focus for the FSRA is working with FinTech business models that can promote greater liquidity and financial inclusion in private capital markets. In particular, the FSRA's regulations that support the adoption of digital assets and tokenised securities have enabled greater accessibility and transferability of private capital market investments. FinTech companies are also increasingly utilising the FSRA's regulatory framework for operators of private financing platforms to help small and medium sized enterprises (SMEs) and private ventures seek working capital and investments more efficiently from alternative financiers, such as private credit funds, supply chain financiers and asset-based financiers.



Supervision – companies and markets

The Supervision division is responsible for the supervision of all companies carrying out regulated financial services activities, as defined in the Financial Services and Markets Regulations 2015, in or from ADGM and comprises two departments.

- The Supervision department is responsible for the supervision of banks, insurance entities, money service providers and capital market intermediaries including asset management entities, advisors and arrangers of deals;
- The Markets department is responsible for the authorisation and supervision of Recognised Investment Exchanges, Multilateral Trading Facilities and entities carrying out related activities, and the listing framework within ADGM.

Approach to supervision

The overriding goal of the Supervision division is to ensure that companies and market participants operate safely and sustainably, in accordance with FSRA regulatory standards. This is critical in order to maintain the integrity of the financial system in ADGM and thereby ensure confidence in it, to ensure a fair, efficient and transparent market with appropriate investor and customer protection, without stifling innovative approaches to market developments.

Supervision carries out holistic, proactive supervision underpinned by understanding business models, with a risk-based approach across all companies falling under its remit, working alongside the Financial and Cyber Crime Prevention (FCCP) department and the Fintech department. The risk-based approach allows the FSRA to tailor the intensity of the supervision of companies according to the sector they operate in, their size and complexity, and the potential risks they may pose to its statutory objectives. Authorised entities are risk-rated on an annual basis and more frequently where necessary.

Operating efficiently, effectively and professionally

The FSRA supervises authorised entities in an efficient and effective manner, for the benefit of both ADGM and its authorised entities, and it is continually refining the following aspects of its supervisory approach.

- **Process reviews** - streamlining and increasing governance around processes;
- **IT enhancements** - digitising supervisory processes to become more data-driven, at the levels of both authorised entities and the sector, working closely with ADGM's technology team;
- **Regulatory reporting** - to be reviewed and enhanced, using technology to increase efficiency;
- **SupTech** - identifying and implementing tools to better supervise the industry more effectively and efficiently, working closely with the Fintech department.

In 2024, Supervision will continue to focus its activities on:

- Increasing thematic reviews on high-impact and emerging market issues;
- Increasing its supervisory reviews of firms' business models and strategies and undertaking inspections of key risk areas;
- Reviewing and enhancing its regulatory reporting and operational processes; and
- Increasing its engagement with other regulatory bodies, the industry and other stakeholders.



**FOCUS AREA – FSRA
Enforcement actions
in 2022**

- » Received and assessed **47 complaints** and **19 referrals** and conducted **3 investigations**
- » Sanctions imposed on **8 entities and individuals**, leading to **financial penalties of US\$ 5.2mn**
- » **Prohibition order imposed** banning an individual from performing functions in relation to Regulated Activities in ADGM
- » Issued **5 regulatory alerts** to warn the public about suspected online fraudulent activity

Areas of key risk and therefore primary supervisory focus will continue to be financial crime prevention, controls for the safekeeping of clients' assets and monies, market surveillance as well as governance including outsourcing, substance and the fitness and propriety of those filling key roles within authorised entities.

Engaging the authorised community

The FSRA will be continuing its engagement with the industry through holding regular outreach sessions to discuss its supervisory expectations for authorised entities, alongside other outreach session in relation to the ongoing development of its regulatory framework.

Financial and Cyber Crime Prevention (FCCP)

Since the publication of the Financial Action Task Force (FATF) findings regarding the UAE Mutual Evaluation Report, the UAE's national effort to build and demonstrate further progress and alignment with the FATF Recommendations has been relentless. The FSRA has actively participated in the national committees and sub-committees in this area, including the UAE National Anti-Money Laundering and Combatting Financing of Terrorism and Financing of Illegal Organizations Committee (NAMLCFTC).

Alongside the RA, training is being provided to authorised entities to ensure they are fully aware of their obligations and to encourage them to remain vigilant. This includes training for Designated Non-Financial Bodies and Professions (DNFBPs) which are subject to FSRA requirements in relation to the prevention of money laundering, terrorism financing, proliferation financing and beneficial ownership. The FCCP department has already hosted two training sessions for FSRA and RA staff on the same topic in 2023.



Enforcement

Objective and approach

The objective of the Enforcement department is to prevent, detect and restrain conduct that causes or may cause damage to the reputation of ADGM through appropriate means, including the imposition of sanctions. This is done in a manner that ensures that the FSRA delivers risk-proportionate regulatory outcomes without compromising standards and it will seek financial penalties, or other appropriate regulatory action, for contraventions of its Rules and Regulations, proportionate to the seriousness of the breaches.

In order to accomplish this, Enforcement conducts investigations, where appropriate, to determine if the conduct of a party poses an unacceptable risk to the objectives of the FSRA and ADGM and makes recommendations as to how best that risk might be mitigated, including through the imposition of sanctions.

Enforcement priorities

In 2024 the FSRA will continue to prioritise and combat matters that have the potential to undermine the objectives of the FSRA and ADGM, including the following.

- All forms of money laundering, terrorism financing, proliferation financing and sanctions non-compliance or financial crime;
- All activities that may pose a threat to market stability, including market abuse;
- Unauthorised Regulated Activities that are carried on or have the potential to be carried on in or from ADGM;
- All forms of fraudulent conduct or deception that causes harm to direct, indirect and prospective participants in ADGM;
- All conduct that contravenes FSRA-administered legislation, thereby threatening the integrity of ADGM as an IFC.



C. *Growth Through Sound Regulation and Cooperation*

Development of regulatory and supervisory frameworks

The FSRA is constantly seeking opportunities to update and enhance its regulatory framework in order to enable businesses to grow. Significant opportunities have emerged in the light of increasing innovation in the areas of FinTech, DeFi and VAs, the global growth of Sustainable Finance, international trends towards ever greater transparency and accountability, and the push to enhance investor protections. In 2024 the FSRA will continue to develop its regulatory and supervisory frameworks with these opportunities in mind, engaging in industry dialogue to ensure we fully consider the needs of market participants. The FSRA is committed to partnering, where appropriate, with stakeholders to build a better business ecosystem based on robust and risk-based regulation, in line with leading international standards, to ensure the integrity of ADGM as an IFC.



Recent regulatory updates

At the beginning of 2023, the FSRA issued a Consultation Paper to invite feedback on proposed changes to its regulatory framework that would provide additional client protection measures in relation to investment business. This followed an in-depth review of the current framework benchmarked against leading international jurisdictions in relation to client classification, the safekeeping of client assets and investor protection and, after reviewing the feedback received from stakeholders, we implemented those proposals in August 2023. We take our statutory objectives, including the protection of investors, very seriously and one way we can deliver against this objective is to ensure that care is taken to distinguish a retail investor from a professional one that has greater investment expertise and financial resources to withstand greater risks.

The FSRA received positive responses from a range of stakeholders active in the funds industry in relation to the proposal it published last year to introduce private credit funds within the current investment funds regulatory regime, which allows fund managers to arrange and originate loans where the manager of the fund holds an FSP for fund management. This addition to the regulatory framework will increase and enhance the range of funds available in ADGM, attracting even greater participation by start-ups and SMEs that are increasingly establishing themselves in ADGM, reinforcing its standing as a jurisdiction of choice for businesses and a hub for innovation.

Looking forward

Building on the positive reception to the private credit funds framework, the FSRA plans to conduct a review of its existing Funds rules with a view to enhanced consistency and ease of application. The FSRA will also consider if there is any need to adjust its regulatory framework to accommodate the recent evolution of available fund structures in ADGM and consider whether it can provide greater clarity on the scope of its funds rules.

Following the successful launch of ADGM's Guiding Principles on Whistleblowing in 2022, the FSRA will be working alongside the RA in developing the framework to support its licensed companies in their efforts to build and maintain internal whistleblowing programs that support raising concerns where appropriate. In line with global movements in favour of corporate accountability, having a strong and effective but proportionate whistleblowing framework in place will complement and reinforce the good governance and risk management practices that firms already have in place.

Given that the fees for authorisation, supervision and other activities have remained unchanged since ADGM was established in 2015, the FSRA is reviewing them to ensure that they appropriately reflect the use of FSRA resources in those areas.

The FSRA is also undertaking a review of its regulatory framework against the principles of the three key international standard setting bodies, namely IOSCO, the BCBS (the parent organisation of the BCG) and the IAIS, as part of our ongoing review of our regulatory framework and to ensure we continue to meet international standards.



Cooperation – national and international

Engagement with national stakeholders

The FSRA, as part of its ongoing regulatory co-operation within the UAE, is engaging on a wide range of matters with the UAE ministries and authorities. This will ensure that the financial services sector in the country is subject to appropriate regulation and supervision, whilst also ensuring that it can operate efficiently and effectively to grow and diversify the economy of the country. In the first quarter of 2023 the FSRA signed an MoU with the Financial Intelligence Unit of the UAE concerning cooperation and coordination measures to detect and prevent money-laundering, the financing of terrorism and proliferation financing.

The FSRA, together with the members of the Sustainable Finance Working Group, has also issued 'Principles for the Effective Management of Climate-related Financial Risks'.

Over the coming period of this Business Plan the FSRA will continue to enhance and deepen this cooperation with UAE ministries and authorities.

Engagement with international standard-setters

The FSRA actively engages with national and international financial services regulators, through its wide network of multilateral and bilateral Memoranda of Understanding (MoUs) with international regulatory authorities and financial centres. The MoUs establish a formal basis to facilitate the exchange of supervisory information and investigative assistance and allow for cooperation on mutually beneficial initiatives to support innovation in financial ecosystems.

The FSRA has been a member of IOSCO since 2016 and is a signatory of both the IOSCO Multilateral MoU and the IOSCO Enhanced Multilateral MoU. As part of its IOSCO membership, the FSRA actively participates in Committee 2 on the Regulation of Secondary Markets, Committee 3 on the Regulation of Market Intermediaries, the Africa Middle East Regional Committee, and the Growth and Emerging Markets Committee. In this context, the FSRA contributes to the development of global standards in markets and securities regulation, particularly in areas relating to trading venues, digitalisation, VAs, artificial intelligence and machine learning.

Global developments in the banking and insurance sectors are also monitored through being a member of the Basel Consultative Group of the BCBS, the IAIS, the Islamic Financial Services Board, the Network of Central Banks and Supervisors for Greening the Financial System and the World Alliance of International Financial Centres.

The FSRA is also actively engaged with the EU and its institutions in respect of financial regulation and supervision which has helped it to better understand the EU legislative framework in relation to funds management, VAs and sustainable finance. This work will continue into 2024, especially as the regulatory framework in the EU evolves rapidly in these areas. More broadly, the FSRA's main objective is to align fully with international best practices and open further opportunities for collaboration between ADGM and the EU in matters concerning the financial sector and beyond.

As part of Abu Dhabi Finance Week (ADFW) in 2023, the FSRA will host for the second time the 'Regulators Summit'. The first such gathering, during ADFW in November 2022, brought together representatives from the MENA region, the EU, and the USA and allowed regulators to discuss the regulation of digital assets, alongside the international agenda on sustainable finance, the two main themes that dominated ADFW last year, plus other topics of common interest.



D. Building The Future

ADGM Academy

The FSRA, and ADGM more generally, has a commitment to providing high-quality financial education through ADGM Academy to build expertise and financial literacy in the region. With that in mind, ADGM Academy was established with the vision of becoming one of the region's top educational and human capital academies for banking, finance, and public services. It aims to provide the ADGM community and financial services professionals from the region with world class educational programmes and does so through partnering with top industry experts, professional organizations and leading academic institutions to design and deliver programs relevant to the financial services sector and how it is developing.

Al Yah

The Al Yah programme is a two-year programme for new and recent graduates to develop the key competencies to become 'job ready' for a role within the FSRA, and also more widely in ADGM. During the two years of the programme employees work alongside seasoned professionals in the FSRA and ADGM, building up their knowledge and are assessed every six months to determine their performance, their technical attainment and readiness for the next stage. Whilst there is an obvious focus on the development of those technical skills required by staff working in the FSRA, through on the job training, the programme also has a focus on developing soft skills through courses offered by ADGM Academy, and short-term secondment opportunities across the FSRA and ADGM are available and encouraged. At the end of the programme the graduates are required to demonstrate their journey over the two years of the programme and discuss their career ambitions so they can be appropriately directed on the next part of their development journey.



Ongoing professional development

Across the FSRA there is a continuous drive to develop capacity building in terms of the experience and expertise of its staff, most especially in terms of the specialist knowledge required in the areas that face the community of authorised entities in ADGM, such as the Authorisation and Supervision divisions. Critical to that is targeted training linked to developments that the FSRA sees in the regulated ecosystem in ADGM but also more widely in other jurisdictions and in the standards issued by those international standard-setters that are the basis for its regulatory and supervisory frameworks.

The FSRA also believes that internships in various areas of the FSRA, for both current students and talented graduates, will ensure that it is able to build a greater talent pool of regulators and supervisors, working closely with the Human Resources department in this regard.

The FSRA as an employer

The FSRA provides numerous opportunities to develop a career, whether in the front-line divisions of Authorisation, Supervision and Enforcement that face companies operating in the financial services sector or those in the Policy & Legal division that develops the regulatory framework or the International Affairs department that liaises with its overseas peers. The FSRA, like ADGM as a whole, has a culture of empowerment which places a responsibility on staff members to pursue appropriate training and thereby develop their own careers, encouraging internal career moves and prioritising those in order to allow employees to gain a broad understanding of all aspects of FSRA. This empowerment and the environment in the FSRA and ADGM encourage continuous learning for employees by offering high quality educational programmes through ADGM Academy, all of these factors contributing to its goal of being an employer of choice.



ABU DHABI
GLOBAL MARKET

*Abu Dhabi Global Market Authorities Building
ADGM Square, Al Maryah Island
PO Box 111999, Abu Dhabi, UAE*

adgm.com