



The Abu Dhabi Global Market – ADGM – ADGM Representative Office Setup - General Marketing of Financial Services & Financial Products of Location outside the ADGM

ADGM REPRESENTATIVE OFFICE

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“A representative office's activities are confined to the general marketing of financial services and financial products already being offered from a location outside the ADGM by its head office or a member of its group”

The ADGM Representative Office - General Marketing of Financial Services & Financial Products of Location outside the ADGM

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IN BRIEF

The ADGM representative offices' rule allows established firms to setup in the region, primarily for the general marketing of their financial services and financial products. Such entities are allowed to provide information, make referrals or introductions, and generally act as a representation of the parent entity.

The authorisation process is relatively simplified and timeframe is usually shortened in comparison to that of the financial licenses. The lower risks and lower licensing costs associated with operating a Representative Office in ADGM also makes it a viable alternative to setting up a Financial Company from scratch.

ADGM common law framework and the regulatory structure of the governing authorities gives a high level of comfort to foreign investors intending to set up a Representative Office in ADGM.

1. WHY SET UP A ADGM REPRESENTATIVE OFFICE?

An ADGM representative office is an Authorised Firm and is regulated by the FSRA. However, it is not included in the above Authorised Firms categorisation table because it does not have any capital requirements as per the FSRA. This is because ADGM Representative Office can only be set up as a branch of an already established firm.

Any firm in a financial services sector can apply to be a Representative Office in ADGM but they must be regulated in an acceptable home jurisdiction (other than the ADGM). A representative office's activities are confined to the general marketing of financial services and financial products already being offered from a location outside the ADGM by its head office or a member of its group.

2. WHAT CAN THE ADGM REPRESENTATIVE OFFICE DO?

- The ADGM Representative Office is only allowed to promote financial products and services offered by its parent company and by other group financial services providers(if any).
- The ADGM Representative Office is a branch of its foreign parent company.
- The ADGM Representative Office can make introductions/referrals to the parent entity.
- The ADGM Representative Office can distribute marketing material (including fund prospectuses).
- The ADGM Representative Office can distribute investment research.
- The ADGM Representative Office can provide information on the products and services of the parent entity.
- The activity of the ADGM Representative Office can be changed after 1 year of operation and it can be upgraded to a financial license, however, it will always remain a branch of the foreign company.

3. WHAT YOU CANNOT DO WITH THE ADGM REPRESENTATIVE OFFICE?

- The ADGM Representative Office is not allowed to advise on products or arrange deals in investment.
- The ADGM Representative Office cannot provide opinions, recommendations, or specific investment advice.
- The ADGM Representative Office cannot receive or transmit orders.
- The ADGM Representative Office cannot market funds that do not meet the stipulated criteria.
- The ADGM Representative Office cannot invoice clients for services.

An ADGM Representative Office has no regulatory capital requirements and has also no share capital (being a branch of a foreign company).

4. WHAT ARE THE REQUIRED APPOINTMENTS FOR A REPRESENTATIVE OFFICE IN ADGM?

- **Directors** (at least 2, preferably 3-4) – can be outsourced (NEDs).
- **Principal Representative (PR)** - In-house, UAE resident.
- **Money Laundering Reporting Officer (MLRO)** – can be outsourced, UAE resident.

5. HOW CAN WINCORE ASSIST YOU?

- **Regulatory Applications** for the entity and for the authorized individuals (Principal Representative, MLRO, Directors)
- Preparation of policies and manuals
 - Compliance Manual (including Policy of Independence, Outside Business Interests Policy, Personal Account Dealing Policy, Code of Ethics, and template forms and registers)
 - Anti-Money Laundering Policy and Procedures
 - Risk Management Policy and Register
 - Corporate Governance Framework and Terms of Reference
 - Conflict of Interests Policy and Register
 - Remuneration Policy
 - Business Continuity Plan
 - Compliance Monitoring Program
- Submission of Regulatory Application
- Provision of full-time/part-time functions
 - ED/NED – **Executive Director/Non-Executive Director**
 - PR- **Principal Representative**
 - MLRO – **Money Laundering Reporting Officer**
- Office lease assistance
- Introduction to the UAE Bank for opening an Account
- Liaison with the Regulator to address the queries and project management until the in-principle approval is obtained from the Regulator
- Liaison with the Regulator until Issuance of Regulator’s financial services license
- The ADGM will carry out a review of the application and enter into an ongoing dialogue with the applicant, which may involve interviews with the nominated authorised individuals.
- Once the ADGM is satisfied with the application and the applicant, it will issue an In-Principle approval to the applicant which will contain a number of conditions to be satisfied before granting of the final license, including:
 - incorporation or registration of the entity with the ADGM Registrar of Companies;
 - opening a local bank account and providing the ADGM with proof of remittance of capital; and
 - evidence of office space from which it will conduct its financial activities.
- Once the conditions on the in-principle approval are fulfilled, the ADGM will issue the formal license.

LET'S GET IN TOUCH

If you wish to discuss setting up a ADGM Representative Office any other legal entity, feel free to contact us.

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ABOUT WINCORE ADVISORY GROUP

Wincore Advisory Group is a multi-disciplinary aggregate of tax planning, corporate services, corporate finance and wealth structuring advisory services provider. Our group was founded by prior executives and directors of major banks, trust, CSP and law firms to provide unmatched on-the-ground competences in the Middle East, Africa, US and Europe.

Under a private and independent ownership, our goal and commitment is to provide high quality pragmatic, confidential, flexible and efficient solutions to address our clientele's specific needs in the fast-moving international business and tax law environment.

Our corporate, finance and tax structuring team comprises multidisciplinary experts who have gained significant experience in the GCC, Africa and Europe in large and reputable international firms and financial institutions.

To keep pace with the changing international marketplace, we also continuously work to strengthen our international networks to deliver seamless and first-class services.

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