



# Abu Dhabi Global Market (“ADGM”) regulatory update Q2 2025

## Regulatory horizon scanning and enforcement

- On April 16, 2025, the ADGM issued a Dear SEO letter to remind firms regarding the upcoming implementation of the [ADGM Whistleblower Protection Regulations 2024](#), which will take effect on May 31, 2025. The letter states that it is imperative for all Authorised Persons and Recognised Bodies to implement the necessary arrangements by May 31, 2025, to avoid potential fines.
- On April 23, 2025, the ADGM published its [2025-2026 Business Plan](#). It lays out an agenda for the next two years and focuses on key regulatory priorities such as maintaining international regulatory alignment, combating financial crime, enhancing operational resilience, fostering responsible financial innovation, and advancing sustainable finance. The ongoing initiatives outlined in the plan will build on the hallmarks of the FSRA's existing regulatory framework, namely risk sensitivity, proportionality, innovation, and stakeholder engagement.
- On June 3, 2025, the DFSA issued a notice of [Crypto Token Recognition: Ripple \(RLUSD\)](#) in accordance with GEN Rule 3A.3.4 of the DFSA Rulebook. This is in effect from the date of the notice until further notice.
- On June 3, 2025, the DFSA published the [Dubai Financial Services Unified Guidebook](#), published by Dubai's Department of Economy and Tourism. The guidebook offers a clear and consolidated view of the financial services landscape in Dubai, helping businesses identify the relevant jurisdictions and regulatory bodies as they consider establishing or expanding operations in the Emirate.
- On June 10, 2025, the FSRA announced the implementation of amendments to its [regulatory framework for digital assets](#), with immediate effect. The implementation of these amendments follows extensive industry engagement and feedback received on Consultation Paper No. 11 of 2024. The focus of the implemented amendments is on revisions to the process whereby Virtual Assets ("VAs") are accepted for use as Accepted Virtual Assets in ADGM, alongside appropriate capital requirements and fees for Authorised Persons conducting Regulated Activities in relation to VAs (VA firms). The amendments also introduce a specific product intervention power in relation to VAs as well as enshrining rules that confirm the existing approach to the prohibition of using privacy tokens and algorithmic stablecoins within ADGM. Finally, the amendments expand the scope of investments in which Venture Capital Funds may invest. For more information, please click the link and for the amended legislation see [here](#).

## Consultation papers

- On April 9, 2025, the FSRA published [Consultation Paper No. 2 of 2025, setting out proposed amendments to the prudential framework](#) for Authorised Persons classified as Category 3B, 3C and 4 under the FSRA's Prudential - Investment, Insurance Intermediation and Banking Rulebook ("PRU") and seeking feedback on those proposals. The consultation paper closed on May 21, 2025.
- On April 30, 2025, the [FSRA published Consultation Paper No.3 of 2025](#) to invite feedback on proposed amendments to its regulatory framework in relation to cyber risk management. The proposed amendments build upon the FSRA's Information Technology Risk Management Guidance and Governance Principles and Practices to Mitigate Cyber Threats and Crime, which outline best practices for managing information technology risks. The consultation period closed on June 11, 2025.
- On May 15, 2025, the Registration Authority issued a Consultation Paper to explain and seek public feedback on the proposed [Consumer Protection Regulations 2025](#). Consumer protection laws are essential to safeguard consumer welfare, reinforce consumer confidence, and enhance a reliable retail market economy. Given ADGM's recent expansion to Al Reem Island and the considerable number of 'Category C' (retail) licence holders in ADGM, the RA considers it necessary to introduce a robust retail consumer protection framework in ADGM. The consultation period closed on June 8, 2025.
- On May 22, 2025, the ADGM Registration Authority issued a Consultation Paper to explain and seek public feedback on proposed amendments to the [Commercial Licensing Regulations \(Conditions of Licence and Branch Registration\) Rules 2024](#) and the Commercial Licensing Regulations (Controlled Activities) Rules 2024. The amendments introduce certain conditions on legal service providers, restrict company service providers from providing certain other controlled activities, and introduce a new controlled activity with respect to tax services. The consultation period closed on June 15, 2025.
- On June 12, 2025, the ADGM Registration Authority published a [consultation paper](#) (Consultation Paper No. 6 of 2025 – Substantial Public Interest Rules under the Data Protection Regulations 2021) on proposed amendments to the Data Protection Regulations 2021, introducing additional substantial public interest rules that will apply to the processing of special categories of personal data through the issuance of the Data Protection Regulations. The consultation period closed on July 2, 2025. To view the Consultation Paper, please click [here](#).
- On June 20, 2025, the ADGM [Registration Authority](#) ("RA") issued a Consultation Paper to explain and seek public feedback on a proposal to enact new Administrative Regulations (the "Admin Regulations") for a procedural fairness, contraventions, and fines framework. The consultation period closed on July 17, 2025. For more information, please click the [link](#).

The key features of the RA's proposals are as follows:

- New Administrative Regulations governing enforcement procedures, investigations and other administrative matters that will apply across all commercial legislation;
- Consolidated and enhanced investigation powers and information gathering powers;
- Updated fine levels and sanctions;
- Introduction of a two-tiered procedural fairness system that involves Tier 1 (minor contraventions) and Tier 2 (serious contraventions) each having its own procedures, processes, and penalties; and
- Introduction of a settlement process that is clearly prescribed.

To view the Consultation Paper, please click [here](#).

- On June 13, 2025, the FSRA of ADGM announced its support of the Sustainable Finance Working Group ("SFWG") and requested feedback on draft principles for climate transition planning. The SFWG is now soliciting feedback on these draft principles from key stakeholders. For more information, please click the [link](#). The consultation period closed on July 16, 2025, and the consultation materials may be viewed on this [link](#) and the comments should be added on this [link](#).

### Enforcement actions

- On April 14, 2025, the FSRA took enforcement action following an investigation into serious regulatory breaches and misconduct related to the [Hayvn Group of Companies](#), which operated under the name 'HAYVN', its former CEO, Christopher Flinos and related entities. The FSRA's investigation found serious breaches and misconduct concerning the operations of three related party companies and Christopher Flinos. As part of its investigation, the FSRA took steps to ensure that no ADGM client assets or money were lost because of the relevant misconduct. The enforcement action has resulted in the cancellation of Hayvn ADGM's Financial Services Permission ("FSP"), the prohibition of Christopher Flinos indefinitely from performing any function in a financial services business in ADGM, as well as financial penalties totalling USD 8.85 million being imposed across the four parties involved.
- On April 14, 2025, the RA of ADGM announced that it had concluded its investigation into the [Special Purpose Vehicle \("SPV"\)](#), [AC Holding Limited \("AC Holding"\)](#), and its sole shareholder and director, Christopher Flinos. The investigation found that AC Holding exceeded the scope of its ADGM SPV commercial licence by purporting to be an investment company offering financial services for clients and processing wire transactions to convert Cryptocurrencies into Fiat currencies and vice versa. Moreover, AC Holding submitted four false annual accounts to the RA for the financial years 2019 to 2022. The RA also found that Christopher Flinos engaged in fraudulent trading, where AC Holding facilitated (unlicensed) cryptocurrency conversion transactions and several parties were misled about the transactions. Christopher Flinos also facilitated the falsification and provision of hundreds of company documents to fraudulently maintain bank accounts. As a result, the RA imposed a penalty of \$3,615,000.

- On June 13, 2025, the Registration Authority of ADGM announced that it had accepted [Enforceable Undertakings from MBK Auditing](#) and its Registered Audit Principal, Mr Rajeev Vishnupant Kulkarni (“Mr Kulkarni”) for a series of audit failings that included the imposition of financial penalties totalling USD 120,000. During an inspection, the RA found significant audit failures and gaps in the financial audit carried out, which led to breaches of International Standard on Auditing (“ISA”) in multiple areas of the audit process, non-compliance with ADGM requirements to ensure that a copy of Working Papers is readily accessible, failure to disclose that necessary information was not obtained in the audit report and failure to exercise due skill, care and diligence. High quality audit and reliable corporate reporting are key regulatory priorities for the RA and critical for a well-functioning economy. The RA fully expects ADGM registered audit firms and registered audit principals to take all reasonable steps to ensure an audit is carried out in accordance with ADGM requirements and applicable standards.
- On May 26, 2025, the FSRA imposed penalties totalling AED 610,000 on 23 entities for contraventions of the Common Reporting Standard Regulations 2017 and/or the Foreign Account Tax Compliance Regulations 2022 (together, the Regulations). The actions taken by the FSRA of ADGM address a range of CRS and FATCA compliance breaches. For more information, click the [link](#).

### Matters of clarification

- On April 9, 2025, the ADGM alerted the financial services community and members of the public about false and misleading claims made by an entity or purported entity named [Trade World FX](#), trading as Trade FX, on the website at URL: <https://tradeworldfx.com/> (the “Website”). Trade World FX is not authorised by the FSRA.
- On April 10, 2025, the FSRA alerted the public and community about [sophisticated fraudulent schemes and phishing attempts](#) that misuse the name, logo, or branding of FSRA-licensed firms to deceive individuals into making payments or investing in non-existent opportunities and financial products.
- On April 30, 2025, the ADGM alerted the public and community about a sophisticated fraudulent scheme involving a [fake Telegram channel titled “Abu Dhabi Global Market”](#) promoting purported “investments” and offering “guaranteed investment returns” to victims who transfer money into this scheme.

### News/updates

- On April 8, 2024, the ADGM announced that [Aquila Group](#), a private enterprise headquartered in Hamburg, Germany, which has been driving innovation in clean energy and sustainable infrastructure as both an investor and developer since 2001, announced its strategic expansion into the Middle East through the launch of a new office in Abu Dhabi and the appointment of Zaki Mohammed Nuseibeh as Chief Executive Officer of Aquila Capital Middle East.



- On April 17, 2025, the ADGM announced the launch of the [Virtual Sell and Purchase](#), the first-of-its-kind real estate service, which allows multiple steps within property transactions to be completed virtually by buyers, sellers, and associated banks.
- On April 28, 2025, the ADGM announced that [Stacks Asia DLT Foundation](#) will be the first Bitcoin-based foundation to establish a presence within the ADGM.
- On April 29, 2025, [Circle Internet Group Inc.](#), a global financial technology company and stablecoin market leader, today announced it has received In-Principle Approval (“IPA”) from the FSRA to operate as a money services provider.
- On May 6, 2025, a delegation of the [Family Business Council Gulf \(“FBCG”\)](#), representing some of the oldest and largest family businesses and family offices in the GCC, recently convened in Abu Dhabi for a strategic visit themed "Abu Dhabi: Unlocking Innovation and Investment Opportunities Across Generations". The event brought together prominent GCC family business leaders and key Abu Dhabi stakeholders to explore emerging trends and opportunities. Key themes discussed were 1) Falcon Economy, 2) Abu Dhabi as an Energy and Technology Hub and 3) Building a Global Inc in a changing world.
- On May 6, 2025, [His Majesty The King of Bhutan](#), Jigme Khesar Namgyel Wangchuck, visited ADGM, the international financial centre of the UAE capital – Abu Dhabi. The delegation was hosted by His Excellency Ahmed Jasim Al Zaabi, Chairman of ADGM, together with members of the ADGM senior leadership team.
- On May 8, 2025, [Hidden Road Partners CIV \(AD\) Limited](#), received IPA from the FSRA to operate as a regulated financial services firm. Pending final regulatory approval, Hidden Road will be authorised to offer clearing and prime brokerage services across its global suite of traditional and digital asset products to institutional investors in the UAE.
- On May 9, 2025, [IHC, a global investment company](#) announced its plans to establish a new AI-driven reinsurance platform headquartered in the ADGM. The platform will offer tailored solutions covering Property and Casualty, Life, and specialised insurance products.
- On May 10, 2025, an Abu Dhabi economic delegation, led by the [Abu Dhabi Department of Economic Development](#), concluded a successful visit to Japan, signing agreements with government entities and the private sector to further enhance partnerships in various industries and high-growth clusters.
- On May 14, 2025, [Kimmeridge](#), an alternative asset manager focused on the energy sector, headquartered in New York, with offices in Denver and London, expanding their global footprint with the launch of Abu Dhabi Office and Signing of MOU with Mubadala Energy. For more information, please click the [link](#).
- On May 15, 2025, the [FSRA and the Securities and Futures Commission \(SFC\) entered a Memorandum of Understanding \(“MoU”\)](#) to enhance regulatory cooperation on the supervision of investment managers of collective investment schemes based in either jurisdiction. The MoU establishes a framework for consultation, cooperation, and the exchange of information in

connection with the supervision and oversight of regulated entities engaged in cross-border fund management, investment management or advisory activity.

- On May 20, 2025, [Tradition](#) announced the opening of its first office in Abu Dhabi, becoming one of the first interdealer brokers to establish a presence within ADGM.
- On May 21, 2025, [Bitcoin Suisse](#), the leading Swiss crypto financial service provider, announced that its subsidiary BTCS (Middle East) Ltd. has received an IPA from the FSRA. This milestone represents a significant step forward in Bitcoin Suisse's strategic expansion, reinforcing its commitment to regulatory compliance, financial innovation, and global growth.
- On May 22, 2025, the ADGM Registration Authority has officially joined the [Enforcement Working Group](#) of the International Forum of Independent Audit Regulators, making it the only member in the group from the Middle Eastern region. The ADGM's RA is the competent authority for audit oversight, with responsibilities including taking regulatory action against audit firms and principals when needed.
- On May 23, 2025, [Carta](#), the software platform purpose-built for private capital, today announced its FSP from FSRA. For more information, please click the [link](#).
- On May 26, 2025, the [New Energy Investor Summit Middle East 2025](#) convened at ADGM bringing together global policymakers, project developers, investors, and sustainability pioneers to catalyse investment in green energy and decarbonisation initiatives across the Middle East and beyond. This landmark event aims to bridge the gap between capital and concrete climate action, spotlighting the UAE's pivotal role in the global energy transition.
- On May 28, 2025, the ADGM and [Astana International Financial Centre](#) financial hub in Astana, Kazakhstan officially signed a MoU to enhance collaboration in data protection and the enforcement of privacy protection laws. For more information, please click the [link](#).
- On June 3, 2025, the ADGM announced that in Q1 2025, they achieved significant growth across key metrics, supported by ongoing global investor confidence, regulatory enhancements, and the successful implementation of major initiatives within its expanded jurisdiction on Al Reem Island. Meanwhile, ADGM's focus and strategic initiatives to strengthen ADGM's standing as a leading international financial centre reaffirmed Abu Dhabi's position as a global financial powerhouse and a destination of choice for regional and global entities.

Key metrics below:

- Assets under management grew **33%** in Q1 2025 from a year earlier
- A total of **144** fund and asset managers are based in ADGM
- A total of **184** funds are now managed out of ADGM
- Number of new licences grew, representing an increase of **67%** from Q1 2024
- ADGM has 2,781 operational entities in its ecosystem, a **43%** surge from Q1 2024
- Financial services entities grew **26%** from Q1 2024, to **367** at the end of Q1 2025
- Al Maryah Island workforce surged to over **29,000** individuals, **17%** growth from Q1 2024

For more information, please click the [link](#).

- On June 10, 2025, [Harrison Street](#), one of the leading investment management firms exclusively focused on alternative real assets with approximately \$56 billion in assets under management, today announced the opening of an office in ADGM..
- On June 16, 2025, ADGM Board announced the appointment of Rashed Al Blooshi as Chief Executive Officer of ADGM's RA. For more information, please click the [link](#).
- On June 17, 2025, [Partners Group](#), one of the largest firms in the global private markets industry, has expanded its presence in the Middle East with the opening of a new regional headquarters in Abu Dhabi. Partners Group has had a presence in the Middle East since the opening of its Dubai office in 2010. Today, Partners Group's portfolio companies employ over 2,000 individuals in the region. For more information, please click the [link](#).
- On June 18, 2025, ADGM Academy signed a MoU with Al Nazaha Association to advance educational and professional development initiatives focused on integrity and anti-fraud practices across the UAE. The MoU highlights the strategic collaboration to deliver fraud and integrity training courses to the public, co-develop short Continuing Professional Education offerings, and create new UAE-accredited qualifications in the fields of integrity and anti-fraud. For more information, please click the [link](#).

## Events

- On May 21, 2025, Abu Dhabi announced it would host the [27<sup>th</sup> Annual IBA Arbitration Day](#) conference in January 2026. The [International Bar Association \("IBA"\)](#) has selected Abu Dhabi to be the host city for the 27th Annual IBA Arbitration Day Conference from January 28-29, 2026. Recognised as a flagship event in the global arbitration calendar, the IBA Arbitration Day convenes renowned arbitration experts, leading legal practitioners, and key industry stakeholders from around the world to engage in high-level dialogue designed to shape the future of international dispute resolution.
- On May 30, 2025, the ADGM announced the outcome of the second [Virtual Career Fair in collaboration with eFinancial Careers](#), held on May 14, highlighting its commitment to global connectivity and ability to attract top-tier talent from around the world. A total of 10,456 professionals worldwide registered to attend the career fair to leverage ADGM's vibrant and thriving ecosystem, enabling both professionals and businesses to streamline the recruitment process by removing geographical barriers.