

Abu Dhabi Global Market (“ADGM”) regulatory update Q1 2025



Regulatory horizon scanning and enforcement

On January 2, 2025, the FSRA announced it has implemented enhancements to its regulatory framework for continued alignment with international best practices enshrined in the [Core Principles for effective banking supervision](#), issued by the Basel Committee on Banking Supervision. The FSRA has also implemented various miscellaneous amendments to its regulatory framework, following [Consultation Paper No. 10 of 2024](#). These amendments result from the FSRA's desire to simplify, clarify and correct certain requirements where appropriate and necessary, but are also in response to the FSRA's experience of operating such legislation in practice.

For the newly implemented changes and enhancements, please refer to the links below:

[January 2, 2025 – Amendments to FSRA Regulations and FEES Rules \(Miscellaneous & BCBS\) | Rulebook](#)

[January 2, 2025 – FSRA Rules \(Miscellaneous & BCBS\) | Rulebook](#)

On January 9, 2025, the [Registration Authority](#) published the [Employment Regulations 2024](#) (the “New Employment Regulations”) with an aim to promote and foster best employment practices in ADGM. They come into effect on April 1, 2025.

Some of the key changes in the New Employment Regulations are as follows:

- ✓ Amending the definition of ‘employee’ to enable employers to hire remote employees and to allow for more flexible working arrangements.
- ✓ Clarifying ambiguities related to employee entitlements, including part-time employees.
- ✓ Clarifying certain requirements regarding obtaining and cancelling an employee’s work permit and visa.
- ✓ Expanding obligations and responsibilities related to discrimination and victimisation in the workplace.

Regulatory horizon scanning and enforcement

On February 14, the ADGM issued a SEO letter on their overall observations of the Thematic Review on Client Classification. The Review used a risk-based approach to assess client classification on a sample basis. This approach consisted of two phases: a review of documents and records remotely followed by focused on-site review of selected APs. The letter presents the key findings and general observations noted from the Review which are referenced in Appendix attached. All APs are requested to conduct a gap analysis on their practices and if any gaps are identified they should remediate and/or enhance those, as necessary.

Key findings and observations include:

- ✓ Assessment of the net assets
- ✓ Assessment of knowledge and experience
- ✓ Reliance on a classification made elsewhere
- ✓ Governance, training, and record keeping
- ✓ Ongoing monitoring
- ✓ Fund managers and unitholders

Consultation papers

On March 18, 2025, the ADGM published Consultation Paper No.1 of 2025, setting out the proposed introduction of periodic reporting requirements that will apply to all Authorised Fund Managers in respect of each Fund that they manage and seeking feedback on those reporting requirements. The consultation period will close on April 29, 2025 and the consultation materials may be viewed via this link: [Consultation Paper No. 1 of 2025 – Proposal for Periodic Fund Reporting Requirements](#). As outlined in the papers, FSRA proposes that a new regulatory return for each Fund that they manage (the “Periodic Fund Return”), which will be a Regulatory Filing and be subject to a late filing fee should a submission date be missed.

Matters of clarification

On March 5, 2025, the FSRA alerted the financial services community and members of the public about a false and [misleading claim made by an entity/purported entity named Freedom FX Broker Limited](#). The false claims made on the Website may mislead potential investors and make the public believe that Freedom FX Broker is licensed and authorised to operate in ADGM, when it is not. Further FSRA advises not to deal with any firm until it is verified that the firm is authentic and has been granted the appropriate Financial Services Permission by the FSRA to undertake Regulated Activities in ADGM.

On March 5, 2025, the FSRA alerted the financial services community and members of the public about a false and misleading claims made by an entity or purported entity named [FB Financial Brokers EST, trading as Freedom Brokers](#). FB Financial Brokers EST, trading as Freedom Brokers, is not, and has never been licensed by the FSRA to carry out any form of Regulated Activities in ADGM.

On March 19, 2025, the ADGM alerted the financial services community and members of the public about a fraudulent loan scam promoted online (URL: <https://instantloaninc.com/>) by persons claiming to represent an entity named "[Instant Loan Inc.](#)" This entity falsely purports to offer loans to individuals and corporate entities and then solicits fraudulent upfront payments. The FSRA advises the market and investors not to deal with any firm until it is verified that the firm is authentic and has been granted the appropriate Financial Services Permission by the FSRA to undertake Regulated Activities in ADGM.

On March 19, 2025, the ADM alerted the financial services community and members of the public about false and misleading claims buy an entity or purported entity named [Global Investors FX, trading as Global FX](#), on the website at URL: <https://globalinvestorfx.com/> (the "Website"), purports to provide access to a platform that offers access to trading in FX currency pairs, commodities, stocks, indices, futures, bonds and cryptocurrencies; and falsely claims to maintain a branch office in ADGM.

News/updates

On January 2, 2025, the ADGM announced the reduction in [Commercial License fees](#) as of January 1, 2025, which applies to all categories of licences including major reductions in fees for non-financial and retail categories. This initiative aims to enhance ADGM's business ecosystem, making it more attractive and accessible for various enterprises.

Non-financial category

- ✓ Initial registration fees are reduced from USD 10,000 to USD 5,500
- ✓ Annual licence renewal fees are reduced from USD 8,000 to USD 5,000

Retail category

- ✓ Initial registration fees are reduced from USD 6,000 to USD 2,500
- ✓ Annual licence renewal fees are reduced from USD 4,000 to USD 2,000

These fee revisions align with the conclusion of the Al Reem Island transition period, which ended on December 31, 2024, and apply across ADGM's jurisdiction, encompassing Al Maryah and Al Reem Islands.

On January 17, 2025, Numou, a subsidiary of ADGM the international financial centre of Abu Dhabi, has recently announced a [significant expansion of its lending partner network](#), strengthening its position as a groundbreaking digital lending marketplace. At its core, Numou is driven by a commitment to empowering the UAE's SME ecosystem. By simplifying access to financing and driving economic growth, Numou is positioning itself as a key enabler in the UAE's journey toward a resilient and diversified economy.

On January 27, 2025, the ADGM announced it has officially launched its [all-in-one mobile App](#), which is set to redefine how businesses, employees, and residents engage within the financial district. Designed to streamline connectivity, the app provides seamless access to exclusive tools and services, enhancing the overall experience within ADGM's dynamic community.

News/updates

On February 13, 2025, the ADGM announced the appointment of [Justice Paul Heath KC](#), as a Judge, effective from December 7, 2024. Justice Heath KC succeeds Justice William Stone SBS KC, who retired on December 31, 2024.

On February 14, 2025, the FSRA alerted the community and the public about [recent fraudulent schemes](#) in which individuals or entities make false claims on social media that they are associated with ADGM or its staff and promise loans to solicit upfront payments.

On February 17, 2025 the ADGM announced that the [Abu Dhabi Department of Economic Development \(ADDED\)](#) is leading the emirate's economic delegation to China as part of ongoing efforts to further strengthen partnerships with leading economies and cement Abu Dhabi's stature as global magnet for talent, businesses, and investments. With bilateral trade between China and the UAE projected to reach \$200 billion by 2030, Abu Dhabi is reinforcing its position as an essential gateway for Chinese investment in the Middle East and beyond. The emirate is already home to many of the 6,000 Chinese companies operating in the UAE across key sectors, including technology, financial services, and energy.

On February 17, 2025 the [ADGM delegation](#) participated in a high-level panel discussion at the [iConnections Global Alts 2025](#), exploring the topic "Abu Dhabi: The Capital of Capital". A total of 28 strategic bilateral engagements were conducted with leading asset managers, private equity firms, hedge funds, family offices, and venture capital investors from the United States, Canada, Switzerland, and Brazil. The successful roadshow further highlighted Abu Dhabi's position as a premier hub for global asset managers across hedge funds, private equity, and venture capital.

On February 19, 2025 the ADGM announced that [Polen Capital](#), a global investment management firm specialising in growth equity and credit, is excited to announce it has received its Financial Services Permission ("FSP") to operate in ADGM and has opened an office in Abu Dhabi.

News/updates

On February 20, 2025, [Yicai](#), a leading financial news outlet under Shanghai Media Group ("SMG"), has secured a landmark partnership with ADGM, the premier international financial centre of the UAE's capital, Abu Dhabi. This agreement positions Yicai as ADGM's primary media partner in China and marks the beginning of a new chapter in fostering professional exchanges across key sectors such as economy, trade, and culture between China and Abu Dhabi.

On February 24, 2025, the ADGM successfully completed its jurisdictional [expansion to integrate Al Reem Island](#), solidifying its position as one of the largest international financial centres globally. Since the expansion was announced in April 2023, more than 600 new businesses have set up on Al Reem Island and over 500 Al Reem Island-based companies have migrated to an ADGM licence, adding a total of 1,100 new entities operating under the jurisdiction of ADGM.

On February 27, 2025, the [ADGM announced](#) unprecedented growth in 2024, with AUMs surging 245%. The ADGM strengthens position as the fastest-growing international financial centre in the region, with a 32% annual growth in the number of operational entities, reaching 2381. ADGM was home to 134 asset and fund managers overseeing 166 funds at the end of 2024. 39% annual growth in the size of workforce within ADGM's jurisdiction in 2024.

On March 24, 2025, [Seviora Group](#), a leading Asia-based asset management group with US\$54 billion of assets under management and headquartered in Singapore, has announced the establishment of its Middle East office in the ADGM.

On March 24, 2025, the ADGM, has signed a [Memorandum of Understanding](#) ("MoU") with Chainlink, the standard for onchain finance, marking a major step in advancing compliant tokenisation frameworks. This alliance will support innovative projects under ADGM's [Registration Authority](#) by leveraging Chainlink's technical expertise, industry insights, and a suite of advanced services to leverage the utility of tokenised assets while ensuring regulatory compliance.

News/updates

On March 27, 2025, the ADGM has withdrawn the registration of [Emirates Advocates LLP](#) as a Designated Non-Financial Business or Profession (“DNFBP”) for failing to comply with certain requirements of the FSRA’s Anti-Money Laundering and Sanctions Rules and Guidance Rulebook. As a result of the FSRA’s action, Emirates Advocates LLP is no longer allowed to undertake legal consultancy in the ADGM.

Events

The [ADGM invited](#) the community to attend a half-day event focused on Unveiling Beneficial Ownership: Insights, Strategies, and Developments in the UAE. Hosted in partnership with LexisNexis Risk Solutions, the conference will take place on February 20, 2025, and aims to provide valuable insights on navigating the complexities of Ultimate Beneficial Ownership (“UBO”), and the current strategies, challenges and future directions of UBO compliance.



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