

IFIAR 2024 Member Profile – ADGM RA

1. Jurisdiction	<p>1.1 Insert the name of the jurisdiction in English:</p> <p>Abu Dhabi Global Market (“ADGM”)</p>
2. Member¹	<p>2.1 Insert the name of the Member, both in the local language and in English:</p> <p>ADGM Registration Authority (“ADGM RA”)</p>
	<p>2.2 Include relevant contact information, including postal address, telephone number(s), a general email address (if any) and a link to the Member’s website:</p> <p>ADGM Authorities Building ADGM Square Al Maryah Island PO Box 111999 Abu Dhabi United Arab Emirates</p> <p>Website: www.adgm.com</p>
	<p>2.3 Include the basis for establishment of the Member, as well as the legislation or regulations which provide the Member the authority/mandate with respect to audit regulation. Please describe with an appropriate level of detail the mission and responsibilities of the Member with respect to audit regulation:</p> <p>Under Article 10 of the Abu Dhabi Law No. (4) of 2013 (ADGM’s Founding Law), ADGM is an English common law financial free zone and has been established in accordance with Federal Decree No. (15) of 2013 Establishment of Financial Free Zone in the Emirate of Abu Dhabi. The ADGM RA is one of three independent authorities in ADGM.</p> <p>Federal Decree No. (8) of 2004 Concerning Financial Free Zones. Article 3 refers to the Rules and Regulations financial free zones (“FFZ”) in the United Arab Emirates are subject to. ADGM is subject to all federal laws except for federal civil and commercial laws.</p> <p>Per Cabinet Resolution No. (28) of 2007, ADGM operates as a body corporate and is legally represented by the Chairman of its Board of Directors. Article 2(1) of this Cabinet Resolution No. (28) of 2007, ADGM</p>

¹ In the case where there are two or more regulators from the same jurisdiction that have been approved according to Section 2.3 of the IFIAR Charter, they together are considered as one Member. In that case, regulators are requested to include information for both organizations in the Member Profile.

	<p>shall be solely responsible for any obligations resulting out of the conduct of its activities.</p> <p>The ADGM RA’s Audit Oversight Function sits within the Monitoring & Enforcement Division of the ADGM RA, as the commercial regulator of ADGM.</p> <p>The regulatory framework governing auditors for the ADGM RA is set out under the ADGM Companies Regulations (Auditors) Rules 2023.</p> <p>The ADGM Auditors’ Framework provides the Registrar, which include registration, licensing, supervision, information gathering, and sanctioning powers, set out in Part 9 of the Auditors’ Framework.</p> <p>2.4 Please indicate whether the Member has responsibility for the following tasks within the area of Audit Oversight:</p> <p><input checked="" type="checkbox"/> Licensing</p> <p><input checked="" type="checkbox"/> Registration</p> <p><input checked="" type="checkbox"/> Audit and/or Ethics Standard Setting (or adopt international standards)</p> <p><input type="checkbox"/> Permanent Education / Continuous Training of Auditors</p> <p><input checked="" type="checkbox"/> Inspection</p> <p><input checked="" type="checkbox"/> Enforcement</p> <p><input checked="" type="checkbox"/> Other: Maintaining the public register of auditors</p>
<p>3. Governing Body Composition and members</p>	<p>3.1 Describe with an appropriate level of detail the current composition of the Member’s governing body, including, where possible, the names, the organization they represent (if any) and brief backgrounds of the governing body members, or provide a link to a page on your website where this information is provided.</p> <p>The ADGM RA is headed by Mr. Hamad Sayah Al Mazrouei, appointed as the Chief Executive Officer of the ADGM RA in January 2023.</p> <p>The Monitoring & Enforcement Division of the ADGM RA is headed up by Mr. Tim Land, Executive Director. The ADGM RA Audit Oversight Function is a unit within the Monitoring & Enforcement Division and is headed by Mr. Talal Samad FCA.</p> <p>3.2 What are the eligibility criteria / requirements and composition requirements for the members of the governing body? E.g. Does national legislation require representatives on the governing body from certain organizations, or with specific experience, etc.</p> <p>Eligibility criteria, requirements and composition requirements are set by the ADGM Board of Directors. Selection is based on the leadership, competency and relevant experience requirements of the role.</p>

	<p>Independence and adherence to ADGM’s ways of working and code of conduct are vital.</p> <p>3.3 Is there a restriction or recusal process that is applicable to members of the governing body of the Member who are current or former auditors/practitioners?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does this include a “cooling-off” period for former auditors?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes to either of the above, please describe:</p> <p>A six-year cooling off period applies in practice.</p>
<p>4. Independence safeguards</p>	<p>4.1 Please describe the national independence requirements for the governing body and its members, and legal or regulatory requirements/provisions in place that safeguard their independence from the audit profession.</p> <p>There are strict rules around independence as an overall within the ADGM internal policies such as its Code of Conduct. The general rule of practice is that there must be no connection with the audit profession and no roles at professional bodies.</p> <p>Are employees of the Member covered by the same or separate set of independence requirements?</p> <p><input type="checkbox"/> Same set of requirements <input checked="" type="checkbox"/> Different set of requirements</p> <p>If there are separate independence requirements for employees, please describe:</p> <p>The RA’s internal policies require that any RA employee in the audit oversight function who has been in the audit profession in the last six years does not participate in the audit oversight of those audit firms.</p> <p>4.2 Are there any additional safeguards in place that provide for the Member’s overall independence from the audit profession? E.g. through the appointment process, specific Board actions, etc.</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, please describe:</p>
<p>5. Funding Arrangements</p>	<p>5.1 Describe the main funding arrangements of the Member, including the setting and approval of the budget:</p>

	<p>The ADGM RA has its own income streams, predominantly through registrations, licensing, transaction fees and enforcement fines.</p> <p>5.2 Is the funding free from undue influence by the profession?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please describe with an appropriate level of detail the safeguards in place to prevent undue influence by the profession:</p> <p>The overall annual budget of the ADGM RA is determined by the RA CEO. The budgeting requirements for the ADGM RA’s audit oversight activities are included under the Monitoring & Enforcement division. The income generated by the ADGM RA is sufficient to cover the costs of ADGM RA’s Audit Oversight Function. Further the audit profession has no role in creating or approving the budget of the ADGM RA and no staff member of the ADGM RA has any roles in the profession.</p>
<p>6. Audit Market</p>	<p>6.1 Provide the number of audit firms subject to inspections. Include an indication of the number of public interest audits (PIEs) and other audits that fall under the Member’s oversight or mandate.</p> <p>There are at present 24 Registered Auditors (firms) and 95 Registered Audit Principals (individuals).</p> <p>The number of PIEs in ADGM is 11.</p> <p>6.2 Please describe the sizes (in terms of revenue / number of listed entity clients / number of partners and audit staff / etc. – whichever measure is commonly used and available in your jurisdiction) and market shares of each of the largest audit firms in the Member’s jurisdiction.</p> <p>Below is a list of the Registered Auditors (firms) in ADGM. The numbers next to each firm denote the number of Registered Audit Principals (responsible individuals) at each firm. The list is in order of registration date. The ‘Big Four’ firms are highlighted in green.</p> <ol style="list-style-type: none"> 1. Baker Tilly Middle East Limited – x1 <li style="background-color: #90EE90;">2. KPMG Lower Gulf Limited – x17 3. UHY James Chartered Accountants – x1 4. Compliance Forte LLP – x1 5. Moore Stephens – x1 6. KPI Ahli Chartered Accountants – x2

	<p>7. Russell Bedford (Dubai) Limited – x1</p> <p>8. Ernst and Young – Middle East – x5</p> <p>9. Crowe MAK – x2</p> <p>10. BDO Chartered Accountants and Advisor – x5</p> <p>11. Mazars Audit Accounting and Advisory Limited – x2</p> <p>12. MBK Auditing – x1</p> <p>13. Strolla LLP – x1</p> <p>14. PKF Accountants & Business Advisors LLP – x4</p> <p>15. Grant Thornton Audit and Accounting Limited – x4</p> <p>16. RAI LLP – x3</p> <p>17. Deloitte & Touche (ME) LLP – x17</p> <p>18. PricewaterhouseCoopers Limited Partnership – x16</p> <p>19. RSM Dahman Accountants LLP – x1</p> <p>20. MCA Auditors and Advisors LLP – x2</p> <p>21. HLB HAMT Chartered Accountants – x3</p> <p>22. RNG Auditors LLP – x1</p> <p>23. Ethics Plus Public Accountants – x1</p> <p>24. Meralis Chartered Accountants and Registered Auditors – x3</p>
<p>7. Inspection System</p>	<p>7.1 Does the Member have the responsibility for recurring inspections of audit firms undertaking audits of public interest entities (PIEs)?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <hr/> <p>7.2 Is this responsibility undertaken directly or through oversight of inspection conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p>

If directly, please describe the responsibility, including the follow-up and reporting process, and the regulatory measures available to be taken as a result of inspections (if described in Question 11 Enforcement, please reference that section for details on such measures).

If through oversight of another organization, please describe with an appropriate level of detail the other organization, its relation to the Member, its role, and the arrangements for oversight by the Member:

Rule 32(1)(a) of the ADGM Companies Regulations (Auditors) Rules 2023 states that the ADGM RA Registrar is responsible for the public oversight of Registered Auditors and Registered Audit Principals. The ADGM RA has its own inspection team.

The ADGM RA adopts a risk-based approach to audit supervision that is proportionate to the circumstances. In the first instance, the ADGM RA will consider if remedial action on its own will be sufficient. Remedial action is only appropriate for less significant matters and where the firm has the commitment and ability to remedy the failings.

7.3 Please describe with an appropriate level of detail the requirements and practices regarding the frequency of inspections:

The ADGM RA commenced audit inspections in 2023. The ADGM RA inspects on a cyclical basis or on an ad-hoc / targeted basis. The inspection cycle depends on various factors including:

- Size and nature of the firm;
- Number of Registered Audit Principals;
- Client base; and
- Standing data the ADGM RA holds about the firm and principal or the underlying entity.

The 'Big Four' firms and auditors of PIEs are selected on an annual basis for inspection. Medium sized firms are selected on a two-year cycle and smaller firms on a three-year cycle.

7.4 Does the Member have its own inspection staff, use reviewers from the professional body or sub-contract to third parties, independent contractors, etc. for the conduct of inspections? Please tick the boxes that apply: (multiple responses allowed) Note that there is no need to tick a box if non-employee reviewers are used very occasionally and are not a core staffing approach.

	<p> <input checked="" type="checkbox"/> Employees of the Member <input type="checkbox"/> Professional body </p> <p> <input checked="" type="checkbox"/> Third Parties <input type="checkbox"/> Other </p> <p>Please explain below:</p> <p>The ADGM RA has an inspection unit that comprises of five full-time inspectors. The ADGM RA also contracts two inspectors from the Institute of Chartered Accountants in England and Wales (ICAEW) to assist with the inspections of auditors of PIEs. It should be noted that the audit inspections are led and handled by the ADGM RA. The ADGM RA is the competent authority.</p> <p>Further it is the ADGM RA staff who are responsible for the audit file selection at each inspection, including the selection of PIEs. All work carried out by ICAEW contractors is fully reviewed by ADGM RA staff. All work performed is documented on ADGM RA laptops with significantly restricted access rights. Special purpose laptops only have a shared drive that is specific to the respective inspection with no email access. In addition, given the safeguards and controls in place, the ICAEW is classified as a ‘data processor’ as opposed to a ‘joint data controller’.</p>
8. Licensing	<p>8.1 If the Member has the responsibility for <u>Licensing</u>, please indicate whether this responsibility is undertaken directly or through oversight of Licensing conducted by another organization?</p> <p> <input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight </p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>The ADGM Auditors’ Framework requires the Registrar to be responsibilities that include registration, licensing, supervision, information gathering, and sanctioning powers, set out in Part 9 of the ADGM Companies Regulations (Auditors) Rules 2023.</p> <p>If through oversight, please indicate the name of the other organization and its composition. Also, give a description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures.</p>
9. Registration	<p>9.1 If the Member has the responsibility for <u>Registration</u>, please indicate whether this responsibility is undertaken directly or through oversight of Registration conducted by another organization?</p> <p> <input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight </p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p>

	<p>The ADGM RA is responsible for registering and licensing all entities and audit principals in the jurisdiction of ADGM. Registration is not a rubber stamp exercise. The ADGM Auditors’ Framework has specific registration criteria that has to be met at both the firm and principal level. The ADGM RA assesses all applications against these criteria. More details of the criteria can be found in the ADGM Auditors’ Framework here (specifically Rule 7 and 10 of the framework).</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures.</p>
<p>10. Audits and/or Ethics Standard Setting</p>	<p>10.1 If the Member has the responsibility for <u>Audit and/or Ethics Standard Setting</u>, please indicate whether this responsibility is undertaken directly or through oversight of Audit and/or Ethics Standard Setting conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>The ADGM RA has adopted the International Standards on Auditing (ISAs) and the IESBA Code of Ethics (Code of Ethics). These are directly inspected and covered by the ADGM RA through its audit oversight activities. It should be noted that whilst the ADGM RA has not yet adapted the ISAs or the Code of Ethics at a jurisdictional level, it does have the powers to adapt and bolt on additional requirements to the ISAs and Code of Ethics.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p>
<p>11. Permanent Education / Continuous Training of Auditors</p>	<p>11.1 If the Member has the responsibility for <u>Permanent Education / Continuous Training of Auditors</u>, please indicate whether this responsibility is undertaken directly or through oversight of Permanent Education / Continuous Training of Auditors conducted by another organization?</p> <p><input type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p>

	<p>Registered Audit Principals in ADGM are required to be a member of a professional body that is a member of IFAC. Education and training is reviewed on a sample basis at the audit inspection carried out by the ADGM RA inspection team.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>As audit principals are required to be members of a professional body, they must adhere and comply with the continuous professional development requirements of their respective bodies.</p>
12. Enforcement	<p>12.1 If the Member has the responsibility for <u>Enforcement</u>, please indicate whether this responsibility is undertaken directly or through referral to other organization(s)?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Referral</p> <p>If directly, please describe the responsibility and procedures applied (including investigations, disciplinary actions or sanctions), as well as the reporting process for disciplinary action.</p> <p>For more significant / serious audit failings, the ADGM RA is able to take any one or all of the following courses of actions in relation to a contravention under the ADGM Auditors’ Framework:</p> <ul style="list-style-type: none"> a) issue a private or public censure in relation to such contravention; or b) impose a financial penalty; or c) issue a prohibition order; or d) enter into an enforceable undertaking; or e) suspend or withdraw the Relevant Entity’s registration or Additional Permit or Permits <p>Please click here to access the ADGM RA’s Regulatory Actions page.</p> <p>If through referral, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the enforcement powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p>

13. Other Responsibilities in Audit Oversight or Audit Regulation	<p>13.1 If the Member has the responsibility for <u>other tasks within the area of Audit Oversight or Audit Regulation</u>, please describe with an appropriate level of detail:</p> <p>The ADGM RA is the authority responsible for ensuring there is a framework for all commercial activity and as part of that it has the following responsibilities:</p> <ul style="list-style-type: none"> - Registration and licensing of all activity / entities in the jurisdiction of ADGM; - Monitoring compliance with the ADGM commercial legislation; - Where necessary taking enforcement action; and - Companies registrar (accounts filings).
14. Main Other Responsibilities of the Member outside the area of Audit Oversight or Audit Regulation	<p>14.1 Please describe with an appropriate level of detail, the responsibility of the Member for <u>tasks outside the area of audit oversight or audit regulation</u> such as supervision of financial reporting or securities regulation:</p> <p style="text-align: center;">N/A</p>
15. Member Update for public information (if any)	<p>15.1 Are there any major news, activities, events or updates (on audit matters, the Member’s organization, the governing legislation or the authority/responsibilities) that you wish to keep the public informed of since completing last year’s Member Profile?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, please describe these changes with an appropriate level of detail:</p>