

Anti-Money Laundering and Terrorist Financing



Federal Authority | هيئة اتحادية

www.sca.gov.ae

International obligations of the United Arab Emirates

Financial Action Task Force (FATF) Is the international organization responsible for developing regulatory requirements

Ensure compliance at country level to implement the requirements of AML, terrorist financing and the proliferation of weapons of mass destruction

FATF ensures that countries meet their requirements by sending a team of their staff to evaluate each country

All FATF requirements are mandatory for the UAE

An assessment was conducted by the Financial Action Task Force on the UAE in 2019
www.fatf-gafi.org

The requirements apply to all financial institutions and designated non-financial businesses and professions (DNFBPs) As well as virtual assets and service providers (VASPs)

The UAE has been placed by the Financial Action Task Force (FATF) on the grey list, which includes 23 countries



UAE National Institutional Structure to Meet FATF Requirements

The Supreme Committee

Chaired by HH Shaikh Abdulla Bin Zayed and other Ministers as members

The UAE National Committee on AML and CFT

Oversees the national risk assessment process and addresses the risks of money laundering and terrorist financing in line with the country's obligations under (FATF) standards.

The Executive Office

Enhancing the position and competitiveness of UAE in the field of AML and CFT , in addition to coordinating the work of all competent authorities of UAE with regard to AML and CFT

The Executive Office for Control and Proliferation (EOCN)

Supervision of implementation of Targeted Financial Sanctions related to the terrorist lists and the implementation of Security Council resolutions on the prevention and financing of terrorism

Financial Intelligence Unit

Unit specialized in the analysis of suspicious transactions and activities that may involve money laundering, terrorist financing and related criminal activities in cooperation with government agencies

The Securities and Commodities Authority (SCA) is the supervisory authority responsible for applying anti-money laundering and counter-terrorist financing laws and regulations to all financial institutions in the securities sector.

Guidelines

- Guidelines for Financial Institutions on anti-money laundering and combating the financing of terrorism and illegal organizations
- Typologies on the circumvention of Targeted Sanctions against Terrorism and the Proliferation of Weapons of Mass Destruction
- Guideline on Targeted Financial Sanctions
- Financial Action Task Force (FATF) Recommendations
- Joint Guidance – satisfactory/unsatisfactory practice

Legislation

- Federal Law No. 20 of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organizations.
- Cabinet Decision No. 10 of 2019 Concerning the Implementing Regulation of Federal Law No. 20 of 2018.
- Cabinet Decision No. 74 of 2020 concerning the UAE List of Terrorists and the Implementation of UN Security Council Decisions Relating to Preventing and Countering Financing Terrorism and Leveraging Non-Proliferation of Weapons of Mass Destruction, and the Relevant Resolutions.
- The SCA Board Chairman's Decision No. (21/Chairman) of 2019 procedures of Anti-money Laundering and Combating the Financing of Terrorism and illegal Organizations.
- Cabinet Decision No. (58) of 2020 Regulating the Beneficial Owner Procedures

All legislation and guidelines are available on the official website of the Securities and Commodities Authority and all licensed entities must comply with these controls and guidelines.

Register in the FIU GoAML system and implement its guidelines and circulars

Continuous monitoring of the business relationship to determine whether they appear unusual or suspicious to ensure their consistency with the information available to the company.

Report Suspicious Transaction Reports/Suspicious Activity Reports

Develop a risk assessment methodology approved by the Board of Directors



Anti-Money Laundering and
Combating the Financing of
Terrorism and Illegal Organisations
Guidelines for Financial Institutions

Ongoing
obligations
of
companies
to counter
money
laundering
measures

Follow up on the relevant federal laws, decisions of the Council of Ministers, guidelines and circulars published

Develop a comprehensive and detailed policy and procedures manual for all legislation approved by the Board of Directors

Periodic updating of policies, procedures and methodologies and as needed

Implement approved policies and procedures and keep records (5 Years)

Follow-up to the decisions of the Council of Ministers and circulars issued by the Executive Office of Control and Non-Proliferation regarding compliance with sanctions

Follow-up to the United Nations website on updates related to UN Security Council resolutions on financial sanctions and combating the proliferation of weapons of mass destruction 1988, 1267, 1373, 1718, 2231

Register on the Executive Office website to receive automatic notifications via email

Develop policies and controls for Targeted Financial Sanctions and deployment financing approved by senior management



Ongoing obligations of companies on UAE's terrorist lists and the application of Security Council resolutions

Develop a system to regularly inspect the company's database when obtaining notice from the Executive Office to search for potential matches regarding any updates to terrorist lists

Take appropriate measures, including freezing assets (without delay and within 24 hours of notification) in case of positive or partial name match and in compliance with all instructions received from ECON when reporting

Keep records of all name and communication checks

Train employees to improve their abilities when conducting searches and implement the application of laws and decisions related to the prevention of terrorism financing



Risk-Based Assessment

The company must establish internal policies and controls commensurate with the risks of crime and the nature and size of its business, to enable it to manage the risks identified.

Develop a comprehensive assessment documenting qualitative and quantitative risks

Clear definition of obligations and responsibilities in the company

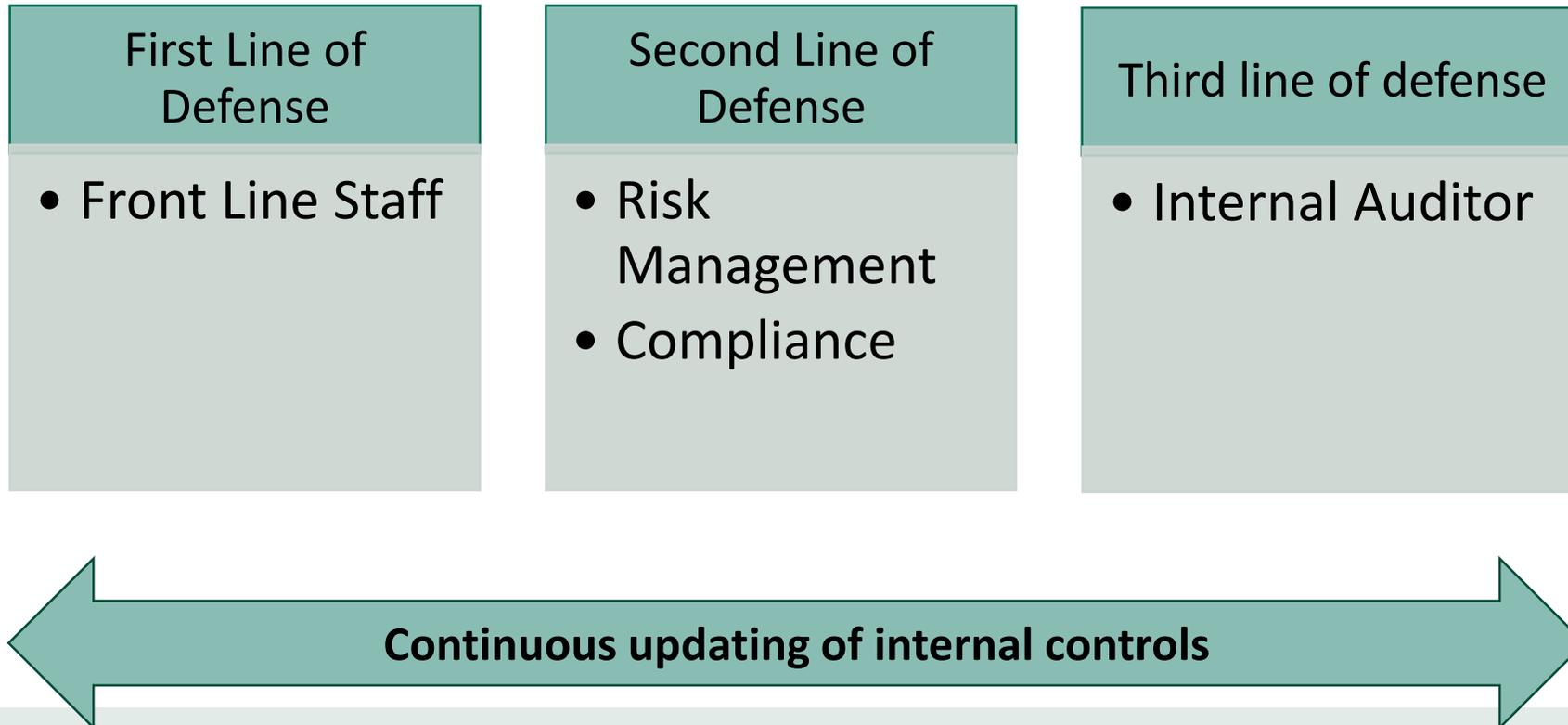
The risk assessment should be proportionate to the company's risk assessment policy (the company's risk tolerance ratio)

Taking into account the risks of money laundering/terrorist financing, targeted financial penalties and proliferation of weapons in the event of the development of new products and new services

Continuous updating or in case of any new risks



The Three Lines of Defense



Compliance Officer / Anti-Money Laundering Officer





Thank you

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