

## **Anti-Money Laundering and Sanctions ~~Rules and Guidance~~ Rulebook** **(AML)**

\*In this attachment underlining indicates new text and striking through indicates deleted text.



## 1. INTRODUCTION

### 1.1 Jurisdiction

- 1.1.1** (1) The AML Rulebook is made in recognition of the application of the Federal AML Legislation in ~~the Abu Dhabi Global Market~~ ("ADGM").
- (2) Nothing in the AML Rulebook affects the operation of Federal AML Legislation.

### 1.2 Application

- 1.2.1** (1) Subject to (2), the AML Rulebook applies to:
- (a) every Relevant Person in respect of all its activities carried out in or from ~~the~~ ADGM; and
  - (b) the Persons specified in Rule 1.3.3 as being responsible for a Relevant Person's compliance with the AML Rulebook.

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### 1.3 Responsibility for compliance with the AML Rulebook

- 1.3.1** A Relevant Person's Governing Body is responsible for establishing, maintaining and monitoring the Relevant Person's AML/TFS policies, procedures, systems and controls and compliance with the AML Rulebook, ~~the Financial Services and Markets Regulations 2015~~ ("FSMR"), and all applicable Federal AML Legislation.

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## 2. OVERVIEW AND PURPOSE OF THE AML RULEBOOK

### Guidance

1. Under Section 15A of FSMR, the Regulator has jurisdiction for the regulation of AML/TFS in ~~the~~ ADGM. The AML Rulebook sets out the requirements imposed by the Regulator. The ~~U.A.E.~~ UAE criminal law applies in ~~the~~ ADGM and, therefore, Persons in ~~the~~ ADGM must be aware of their obligations in respect of the criminal law as well as these Rules. Relevant ~~U.A.E.~~ UAE criminal laws include Federal AML Legislation and Federal Law No. (31) of 2021 (the Penal Code of the ~~United Arab Emirates~~ ("U.A.E.") UAE). The Rules in the AML Rulebook should not be relied upon to interpret or determine the application of the criminal laws of the ~~U.A.E.~~ UAE.
2. Federal AML Legislation applies in ~~the~~ ADGM. It is amended as required and new

legislation is also published. Persons in ~~the~~ ADGM must ensure they have a current understanding of their obligations under Federal AML Legislation. The definition of Federal AML Legislation is broad. It includes all federal legislation as may be in force relating to money laundering, terrorist financing, proliferation financing, the financing of unlawful organisations and sanctions compliance including Targeted Financial Sanctions. Particular pieces of legislation to be aware of include:

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3. The AML Rulebook has been designed to provide a primary reference point for Relevant Persons that are supervised by the Regulator for AML/TFS compliance in accordance with the scope of application outlined in Rule 1.2.1. Accordingly it applies to all Relevant Persons, but to different degrees as provided in Rule 1.2.1(2). The AML Rulebook takes into consideration the fact that Relevant Persons have differing money laundering risk profiles. A Relevant Person should familiarise itself with the AML Rulebook and assess the extent to which the Chapters and sections apply to it. Relevant Persons should also ensure they are aware of, and take into account, all notices issued by the Regulator as well as relevant guidance and guidelines issued by governmental authorities in the ~~U.A.E.UAE~~.
4. The AML Rulebook is not intended to be read in isolation from other ~~U.A.E.UAE~~ relevant legislation or developments in international policy and best practice. To the extent applicable, Relevant Persons need to be aware of, and take into account, how these may impact the Relevant Person's day-to-day operations. This is particularly relevant when considering the Local Terrorist List and the United Nations Security Council ("**UNSC**") Resolutions which apply in ~~the~~ ADGM, and Sanctions imposed by other jurisdictions which may apply to a Relevant Person depending on the Relevant Person's jurisdiction of origin, its business and/or customer base.

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#### **The ~~U.A.E.UAE~~ criminal law**

17. Under Article 3 of Federal Decree By Law No. 20 of 2018, a Relevant Person may be criminally liable for the offence of money laundering if such an activity is intentionally committed in its name or for its account. Relevant Persons are also reminded that:
  - (a) the failure to report suspicions of money laundering;
  - (b) "tipping off"; and
  - (c) assisting in the commission of money laundering,
 may each constitute a criminal offence that is punishable under the laws of the ~~U.A.E.UAE~~.

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### Basel Committee Standards

22. The Basel Committee on Banking Supervision has published a set of guidelines for banks (Sound Management of Risks related to Money Laundering and Financing of Terrorism, January 2014) which are intended to supplement FATF Recommendations. Banks operating in ~~the~~ ADGM should read the Basel Committee guidelines in conjunction with FATF Recommendations and in complying with these Rules.

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### Wolfsberg Group

24. The Wolfsberg Group is an association of thirteen global banks that has published guidance aimed at assisting financial institutions in managing money laundering risks (Wolfsberg Statement Guidance on a Risk Based Approach for Managing Money Laundering Risks, March 2006) and in preventing terrorist financing (Wolfsberg Statement on the Suppression of the Financing of Terrorism, January 2002). Banks operating in ~~the~~ ADGM should be familiar with relevant Wolfsberg Group published guidance in conjunction with the FATF Recommendations and in complying with these Rules.

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### Sanctions

26. The ~~U.A.E.~~ UAE, as a member of the United Nations, is required to comply with all Sanctions issued by the UNSC. The ~~U.A.E.~~ UAE also periodically publicises its own Sanctions. Targeted Financial Sanctions (“**TFS**”) are Sanctions issued by the UNSC or the ~~U.A.E.~~ UAE involving asset freezing and other financial prohibitions targeted at individuals, entities or groups with the aim of combatting terrorism and terrorist financing, and countering the proliferation of WMD.
27. UNSC Sanctions and Sanctions issued or administered by the ~~U.A.E.~~ UAE, including Targeted Financial Sanctions, apply in ~~the~~ ADGM. Relevant Persons must comply with Targeted Financial Sanctions. Sanctions compliance is emphasised by specific obligations contained in the AML Rulebook requiring Relevant Persons to establish and maintain effective systems and controls to comply with applicable Sanctions, including in particular Targeted Financial Sanctions, as set out in Chapter 11.

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- 3.2.1** The following terms and abbreviations bear the following meanings for the purposes of these Rules.

Term	Definition
ADGM Board	Means the Board of Directors of ADGM.
ADGM Entity	Means a Legal Person which is incorporated or registered in <del>the</del> ADGM, excluding a registered Branch.
Body Corporate	Means any body corporate, including limited liability partnership and a body corporate constituted under the law of a country or territory outside of <del>the</del> ADGM.
Company	Includes:  (a) any Body Corporate wherever incorporated; and  (b) any unincorporated body constituted under the law of a country, territory or jurisdiction outside <del>the</del> ADGM.
Correspondent Bank	Means a bank in a jurisdiction other than <del>the</del> ADGM where an Authorised Person opens a Correspondent Account.
Correspondent Banking Client	Means a Client of an Authorised Person which uses the firm's correspondent banking services account to clear transactions for its own customer base.
Counterparty	Means any Person with or for whom an Authorised Person carries on, or intends to carry on, any regulated business or associated business. In this context, a Counterparty includes an individual, unincorporated association, Company, government, local authority or other public body.
Credit Rating Agency	Means a Person carrying on, in or from <del>the</del> ADGM, the Regulated Activity of Operating a Credit Rating Agency for which it has an authorisation under its Financial Services Permission.
Designated Non-Financial Business or Profession (DNFBP)	Means the following class of Persons who carry out the following businesses in <del>the</del> ADGM:  (a) a real estate agency which carries out transactions with other Persons that involve the acquiring or disposing of real property;  (b) a dealer in precious metals or precious stones;  (c) a dealer in any saleable item of a price equal to or

Term	Definition
	<p>greater than USD15,000;</p> <p>(d) an accounting firm, audit firm, insolvency firm or taxation consulting firm;</p> <p>(e) a law firm, notary firm or other independent legal business; or</p> <p>(f) a Company Service Provider.</p>
Director	<p>Means:</p> <p>(a) In relation to an Undertaking established under the ADGM Companies Regulations—2015, a Person who appears on the Register of Directors maintained by the ADGM Registrar of Companies;</p> <p>(b) In relation to all other Undertakings, a Person who has been admitted to a register which has a corresponding meaning to the Register of Directors or performs the function of acting in the capacity of a Director, by whatever name called;</p> <p>(c) who is employed or appointed by a Person in connection with that Person's business, whether under a contract of service or for services or otherwise; or</p> <p>(d) whose services, under an arrangement between that Person and a third party, are placed at the disposal and under the control of that Person.</p>
Executive Office for Control and Non-Proliferation (EOCN)	Means the <del>U.A.E.</del> UAE federal body responsible for administering Cabinet Resolution No. (74) of 2020, as may be amended, and any subsequent resolutions and the focal point for implementation of Targeted Financial Sanctions in coordination with the Supreme Council of National Security.
FIU	Means the Financial Intelligence Unit of the <del>U.A.E.</del> UAE.
Financial Institution	<p>Means:</p> <p>(a) (i) an Authorised Person; or</p> <p>(ii) any Person that carries out as its principal business an activity which would be a Regulated Activity if carried out in the</p>

Term	Definition
	ADGM; and (b) that is not one of the following: (i) a governmental organisation, including the Central Bank of the <del>U.A.E.</del> UAE or its equivalent in any state; or (ii) a multilateral development bank.
Financial Services Regulator	Means a regulator of financial services activities established in a jurisdiction other than <del>the</del> ADGM.
Local Terrorist List	Means the <del>U.A.E.'s</del> UAE's national terrorist list issued by the <del>U.A.E.</del> UAE Cabinet.
NAMLCFTC	Means the National Anti-Money Laundering and Combatting Financing of Terrorism and Financing of Illegal Organizations Committee of the <del>U.A.E.</del> UAE.
Parent	Means a Holding Company as defined in section 1015 of the Companies Regulations- <del>2015</del> .
Partnership	Means any partnership, including a partnership constituted under the law of a country, jurisdiction or territory outside <del>the</del> ADGM, but not including a Limited Liability Partnership.
Penal Code	Means Federal Law No. (31) of 2021 (the Penal Code of the <del>U.A.E.</del> UAE).
Regulated Financial Institution	A Person who does not hold a Financial Services Permission or a Recognition Order but who is authorised in a jurisdiction other than <del>the</del> ADGM to carry on any financial service by another Financial Services Regulator.
Regulation	Means any regulation made by the ADGM Board.
Representative Office	Means the business operations of Person authorised to carry on the Regulated Activity of Operating a Representative Office in <del>the</del> ADGM and which actually carries on the Regulated Activity of Operating a Representative Office.
Restricted Scope Company	Has the meaning given in section 3(4) of the Companies Regulations- <del>2015</del> .

Term	Definition
Rule	Means any rule made by the Regulator or the ADGM Board, as applicable, in accordance with the <del>procedures in</del> Part 2 of FSMR.
Sanctions	Means any law executing foreign policy, security, sanction, trade embargo, or anti-terrorism objectives or similar restrictions imposed, administered or enforced from time to time by: <ul style="list-style-type: none"> <li>(a) the <del>U.A.E.</del>UAE;</li> <li>(b) the United Nations Security Council;</li> <li>(c) the European Union;</li> <li>(d) HM Treasury of the United Kingdom;</li> <li>(e) the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury;</li> <li>(f) any other relevant governmental authority;</li> <li>(g) any relevant inter-governmental or supra-national authority; or</li> <li>(h) any of their successors.</li> </ul>
Senior Management	Means in relation to a Relevant Person every member of the Relevant Person's executive management and includes: <ul style="list-style-type: none"> <li>(a) for an ADGM Entity, every member of the Relevant Person's Governing Body;</li> <li>(b) for a Branch, the Person or Persons who control the day-to-day operations of the Relevant Person in the ADGM;</li> <li>(c) for an auditor, every member of the Relevant Person's executive management in the <del>U.A.E.</del>UAE.</li> </ul>
Targeted Financial Sanctions (TFS)	Means financial Sanctions issued by the UNSC or the <del>U.A.E.</del> UAE against specific individuals, entities or groups in order to combat terrorism, terrorist financing and the proliferation of WMD, including those listed on the Local Terrorist List or the UNSC Consolidated List on this basis. Financial Sanctions include asset freezing



Term	Definition
	and prohibitions on making funds or other assets or services directly or indirectly available for the benefit of the target of the relevant Sanctions.
Transaction	Means any transaction undertaken by a Relevant Person for or on behalf of a customer in the course of carrying on a business in or from <del>the</del> ADGM.
<del>U.A.E.</del> UAE	Means the United Arab Emirates.

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## 4.2 Groups, branches and subsidiaries

**4.2.1** (1) A Relevant Person which is an ADGM Entity must ensure that its policies, procedures, systems and controls required by Rule 4.1.1 apply to:

- (a) all of its branches or subsidiaries; and
- (b) all of its Group entities in ~~the~~ ADGM.

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## 4.4 Notifications

**4.4.1** A Relevant Person must inform the Regulator in writing immediately if, in the course of its activities carried on in or from ~~the~~ ADGM or in relation to any of its Branches or Subsidiaries, it:

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**4.4.2** A Relevant Person must inform the Regulator in writing as soon as possible if, in the course of its activities carried on in or from ~~the~~ ADGM, it suspects or becomes aware that another Person outside of its business is engaged in:

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**4.5.4** The records maintained by a Relevant Person must be kept in such a manner that:

- (a) the Regulator or another competent third party is able to assess the Relevant Person's compliance with legislation applicable in ~~the~~ ADGM;

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**4.5.5** Where the records referred to in Rule 4.5.1 are kept by a Relevant Person outside ~~the~~

ADGM, a Relevant Person must:

- (a) take reasonable steps to ensure that the records are held in a manner consistent with these Rules;
- (b) ensure that the records are easily accessible to the Relevant Person; and
- (c) upon request by the Regulator, ensure that the records are immediately available for inspection.

#### **4.5.6 A Relevant Person must:**

- (a) identify where there is secrecy or data protection legislation that might restrict access without delay to the records referred to in Rule 4.6.1 by the Relevant Person, the Regulator or the law enforcement agencies of the ~~U.A.E.~~UAE; and

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### **6.1 Assessing the money laundering risks of a business**

#### **6.1.1 A Relevant Person must:**

- (a) take appropriate steps to identify and assess money laundering risks to which its business is exposed, taking into consideration the nature, size and complexity of its activities. Relevant Persons must take into account that money laundering risks include the risk of terrorist financing, proliferation financing, the financing of unlawful organisations and sanctions non-compliance including non-compliance with Targeted Financial Sanctions.
- (b) when identifying and assessing the risks in (a), take into account, to the extent relevant, any vulnerabilities relating to:
  - (i) its type of customers and their activities;
  - (ii) the countries or geographic areas in which it does business;
  - (iii) its products, services and activity profiles;
  - (iv) its distribution channels and business partners;
  - (v) the complexity and volume of its Transactions;
  - (vi) the development of new products and business practices including new delivery mechanisms, channels and partners;
  - (vii) the use of new or developing technologies for both new and pre-existing products and services; and

- (c) take appropriate measures to ensure that any risk identified as part of the assessment in (a) is taken into account in its day-to-day operations and is mitigated, including in relation to:
  - (i) the development of new products;
  - (ii) the taking on of new customers; and
  - (iii) changes to its business profile.

### **Guidance**

Relevant Persons that are Payment Service Providers should be aware of the prohibition in COBS 19.7.1 that prevents their accepting and distributing physical cash in the form of banknotes and coins to and from any Payment Service User whether directly or indirectly, other than via an appropriately regulated Financial Institution.

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**6.1.3** Without limiting compliance with Rules 6.1.1 and 6.1.2, prior to launching any new product, service, or business practice, or using a new or developing technology, a Relevant Person must take reasonable steps to ensure that it has:

- (a) assessed and identified the money laundering risks relating to the product, service, business practice or technology; and
- (b) taken appropriate steps to mitigate or eliminate the risks identified under (a).

### **Guidance**

1. Unless a Relevant Person understands the money laundering risks to which it is exposed, it cannot take appropriate steps to prevent its business from being used for the purposes of money laundering. Money laundering risks vary from business to business depending on the nature of the business, the type of customers a business has, the nature of the products and services sold, and

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7. A business risk assessment under Rule 6.1.1(b) should include an assessment of the risks associated with the carrying on of NTF business, particularly the use of eKYC Systems. The assessment should consider incorporating any relevant mitigation measures identified by the Regulator, a competent authority of the U.A.E:UAE, FATF, and any other relevant bodies.

## **6.2 AML/TFS systems and controls**

### **6.2.1 A Relevant Person must:**

- (a) establish and maintain effective policies, procedures, systems and controls to

prevent opportunities for money laundering in relation to the Relevant Person and its activities;

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### Guidance

1. In Rule 6.2.1(c) the frequency of risk assessments will depend on the nature, size and complexity of the Relevant Person's business and also on when any material changes are made to its business. The risk assessments should also take into account a range of financial crime, including fraud, bribery and corruption.
2. The risk assessment under Rule 6.2.1(c) should identify actions to mitigate risks associated with undertaking NTF business generally, and the use of eKYC specifically. This is because distinct risks are often likely to arise where business is conducted entirely in an NTF manner, compared to when the business relationship includes a mix of face-to-face and NTF interactions. The assessment should make reference to risk mitigation measures recommended by the Regulator, a competent authority of the ~~U.A.E.~~ UAE, FATF, and other relevant bodies.

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**7.1.3 (1)** When undertaking a risk-based assessment of a customer and considering whether or not to assign a low-risk rating under 7.1.1(1), a Relevant Person must take into account all relevant risk factors that would reasonably apply to the customer, including but not limited to:

- (a) customer risk factors, including whether the customer is:
  - (i) a public body or a publicly owned enterprise;
  - ...
  - (vii) a law firm, notary firm or other legal business that carries on its business in ~~the~~ ADGM;
  - (viii) an accounting firm, insolvency firm, auditor or other audit firm that carries on its business in ~~the~~ ADGM;

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**7.2.4** If a Relevant Person uses a numbered account with an abbreviated name, it must ensure that:

- (a) such an account is used only for internal purposes;

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### Guidance on Restricted Scope Companies

1. A Restricted Scope Company is a corporate vehicle offering a greater degree of confidentiality than other forms of corporate entity in ~~the~~ ADGM. Restricted Scope Companies are not required to file accounts and are not required to have their accounts audited. Restricted Scope Companies must file an annual return, articles, and details of their registered offices, directors and secretary (if they have one) with the ADGM Registrar of Companies.

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- 8.3.2** (1) For the purposes of Rule 8.3.1(1)(a), a Relevant Person must identify a customer and verify the customer's identity in accordance with this Rule.

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### Guidance on CDD

1. The information required under 8.3.2(2)(a) and (b) should be obtained through a review of an original current, valid passport or, where a customer does not own a passport, an official identification document which includes a photograph. For the purposes of Rule 8.3.2(2)(a) and (b) an official government identification document in digital form and issued by a governmental competent authority is considered valid.

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4. For residents of the ~~U.A.E.~~ UAE, the UAE Pass may be used to identify and verify the identity of a customer who is a Natural Person, and thereby satisfy the requirement to verify the address of that customer only where the UAE Pass is duly authenticated by the Relevant Person.

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8. Where a Relevant Person uses eKYC for CDD purposes appropriate measures must be adopted to mitigate the risks that may arise from eKYC processes and the use of an eKYC System. A Relevant Person must ensure that eKYC is secure and effective, includes an appropriate combination of authentication factors when verifying the identity of the customer and ensure it is at least as stringent as face-to-face CDD. Measures should be in place to verify the authenticity of any official government identification document and the actual customer. A Relevant Person should also apply guidance on technical standards for biometric authentication issued by the Regulator or a competent authority of the ~~U.A.E.~~ UAE, as applicable.

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- 8.3.3** (1) For the purposes of Rule 8.3.1(1)(b), and subject to (4), a Relevant Person must identify the Beneficial Owners of a Body Corporate in accordance with this Rule.

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- (4) A Relevant Person is not required to comply with Rule 8.3.1(1)(b) if the customer is:
- (a) a Listed Body Corporate; or
  - (b) a Body Corporate that is wholly-owned by the Federal Government of the U.A.E.UAE, or by any of the governments of the member Emirates of the U.A.E.UAE; or
  - (c) a Body Corporate created by Emiri decree within the U.A.E.UAE.

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## 9.1 Reliance on a third party

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- 9.1.2** (1) When assessing under Rule 9.1.1(3) or (4) if AML/TFS regulations in another jurisdiction are equivalent to FATF standards, a Relevant Person must take into account factors including, but not limited to:
- (a) mutual evaluations, assessment reports or follow-up reports published by FATF, the IMF, the World Bank, the OECD or other International Organisations;
  - (b) membership of FATF or other international or regional groups such as the MENAFATF or the Gulf Co-operation Council;
  - (c) contextual factors such as political stability or the level of corruption in the jurisdiction;
  - (d) evidence of recent criticism of the jurisdiction, including in:
    - (i) FATF advisory notices;
    - (ii) public assessments of the jurisdiction's AML/TFS regimes by organisations referred to in (a); or
    - (iii) reports by other relevant non-government organisations or specialist commercial organisations;
  - (e) whether adequate arrangements exist for co-operation between the AML/TFS regulator in that jurisdiction and the Regulator.
- (2) A Relevant Person making an assessment under (1) must rely only on sources of information that are reliable and up to date.

- (3) A Relevant Person must keep adequate records of how it made its assessment, including the sources and materials considered.

#### Guidance

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7. Relevant Persons that are Payment Service Providers should be aware of the prohibition in COBS 19.7.1 that prevents their accepting and distributing physical cash in the form of banknotes and coins to and from any Payment Service User whether directly or indirectly, other than via an appropriately regulated Financial Institution.

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### 9.3 Outsourcing and agents

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- 9.3.1B** After engaging a service provider the Relevant Person must undertake periodic assurance assessments to ensure that the services provided meet the obligations recorded in the binding agreement and allow it to meet all the requirements that it is subject to.

#### Guidance

1. The use by a Relevant Person of a service provider's eKYC System that enables a Relevant Person to undertake eKYC constitutes outsourcing for the purposes of Rule 9.3.1.
2. When undertaking an assurance assessment of an eKYC System for the purpose of Rule 9.3.1A, a Relevant Person should seek to establish that the eKYC System is reliable and independent, and allows the Relevant Person to comply with all applicable ~~Rules of the Regulator~~ legislation including applicable Rules and Regulations. In addition, a Relevant Person should consider applying guidance on assurance standards issued by the Regulator, competent ~~U.A.E.~~ UAE authorities, FATF, and other relevant standard setting bodies.
3. In limited circumstances, a Relevant Person may place reliance on the assurance assessment of the eKYC System conducted entirely by another entity. Such circumstances comprise the following.
  - (a) Where an assurance assessment of the eKYC System has been undertaken by a Related entity and specifically addresses the ~~Rules and Regulations~~ legislation applicable to the Relevant Person. In such circumstances, the Relevant Person remains responsible for the eKYC System's compliance with applicable legislation including applicable Rules and Laws ~~Regulations~~ and it should maintain a copy of the assessment.

- (b) Where the eKYC System has been authorised by a competent authority of the ~~U.A.E.UAE~~ or a competent authority in a jurisdiction with AML/TFS laws equivalent to the ~~U.A.E.UAE~~ In such circumstances, the eKYC system should be authorised for use in CDD. Further, the Relevant Person should undertake its own review to ensure that any use of the relevant eKYC System is appropriate and enables compliance with all ~~Rules and Regulations~~ legislation applicable to the Relevant Person including applicable Rules and Regulations.
- (c) Where a Relevant Person chooses to employ a third party to assist in its own assurance assessment of the eKYC System, it should ensure that a competent and independent firm with relevant expertise and resources be employed. The Relevant Person remains wholly responsible for the eKYC System's compliance with, and any failure to meet, the ~~Rules and Regulations~~ legislation applicable to the Relevant Person including applicable Rules and Regulations.

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### 9.3.2 Authorised Persons Providing Money Services

- (1) An Authorised Person that is engaged in Providing Money Services must:
  - (d) maintain a complete, current and accurate register of all agents and members of its Group it uses to conduct its operations and make that register available to the Regulator upon request;
  - (e) include all agents and members of its Group identified in (a) as part of its AML/TFS compliance programme and monitor the compliance of such agents and members of its Group with the requirements of its AML/TFS programme;
  - (f) comply with all AML/TFS requirements imposed in all jurisdictions within which it operates and ensure the compliance of its agents and members of its Group operating on its behalf with all AML/TFS requirements in the jurisdictions in which they are operating;
  - (g) when executing a Payment Transaction, assess and consider all relevant information, including information about the Payer and the Payee, including any beneficiary as may be applicable, and require its agents and members of its Group, as appropriate, to determine whether a Suspicious Activity/Transaction Report should be filed by it or its agents or a member of its Group; and
  - (h) where appropriate, ensure that the relevant equivalent of a Suspicious Activity/Transaction Report is filed in all other jurisdictions related to a suspicious Payment Transaction and make available to all authorities responsible for AML/TFS compliance all transaction information related to the suspicious transaction.



- (2) An Authorised Person making an assessment under (1) must rely upon current sources of information when making such assessment and must keep adequate records concerning such assessments, including all sources and materials considered, for a period of at least six years.

### Guidance

1. Agents directly facilitate the activities of Authorised Persons in servicing their clients, as distinct from other service providers that provide purely ancillary services, such as IT, facilities management etc. to an Authorised Person.
2. Relevant Persons that are Payment Service Providers should be aware of the prohibition in COBS 19.7.1 that prevents their accepting and distributing physical cash in the form of banknotes and coins to and from any Payment Service User whether directly or indirectly, other than via an appropriately regulated Financial Institution.

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## 11.1 Resolutions and Sanctions

- 11.1.1** (1) A Relevant Person must establish and maintain effective systems and controls to ensure that on an ongoing basis it is properly informed as to, and takes reasonable measures to comply with, relevant resolutions or Sanctions which it is required to comply with, under the laws of the legislation applicable in ADGM or any other jurisdiction.
- (2) A Relevant Person must immediately notify the Regulator when it becomes aware that it is, for or on behalf of a Person:
- (a) carrying on or about to carry on an activity;
  - (b) holding or about to hold money or other assets; or
  - (c) undertaking or about to undertake any other business whether or not arising from or in connection with (a) or (b);

where such carrying on, holding or undertaking constitutes or may constitute a contravention of any Sanctions with which the Relevant Person is required to comply, under the laws of the legislation applicable in ADGM or any other jurisdiction.

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### Guidance

1. In Rule 11.1.1(1), taking reasonable measures to comply with resolutions or Sanctions may include, for example, a Relevant Person not undertaking a transaction for or on behalf of a Person without undertaking further due diligence

in respect of that Person.

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3. A Relevant Person should be proactive in checking for, and taking measures to comply with, relevant resolutions or Sanctions which the Relevant Person is required to comply with, under ~~the laws of the~~ the legislation applicable in ADGM or any other jurisdiction. This should include measures that enable a Relevant Person to comply with their obligations under Federal AML Legislation. The Regulator expects Relevant Persons to perform checks on an ongoing basis against their customer databases and records for any names appearing in resolutions or Sanctions which the Relevant Person is required to comply with as well as to monitor transactions accordingly.

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- 11.2.1 (1)** A Relevant Person must establish and maintain systems and controls to ensure that on an ongoing basis it is properly informed as to, and takes reasonable measures to comply with, any findings, recommendations, guidance, directives, resolutions, Sanctions, notices or other conclusions issued by:

- (a) the government of the ~~U.A.E.~~ UAE or any government departments in the ~~U.A.E.~~ UAE;
- (b) the Central Bank of the ~~U.A.E.~~ UAE;
- (c) the FIU;
- (d) the EOCN;
- (e) the NAMLCFTC;
- (f) ~~U.A.E.~~ UAE enforcement agencies;
- (g) the UNSC;
- (h) FATF;
- (i) the Basel Committee on Banking Supervision;
- (j) the Regulator; and
- (k) any other jurisdiction which promulgates Sanctions to which it is subject, concerning the matters in (2).

- (2) For the purposes of (1), the relevant matters are:

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## Guidance

1. The purpose of this Rule is to ensure that a Relevant Person takes into consideration the broad range of tools used by competent authorities and international organisations to communicate AML/TFS risks to stakeholders.

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3. Relevant Persons considering Transactions or business relationships with Persons located in countries or jurisdictions that have been identified as deficient, or against which the U.A.E.UAE or the Regulator have outstanding advisories, should be aware of the background against which the assessments or the specific recommendations have been made. These circumstances should be taken into account in respect of business introduced from such jurisdictions, and when receiving inward payments for existing customers or in respect of inter-bank transactions. The NAMLCFTC website provides information concerning national AML/TFS initiatives, including countermeasures for high-risk countries and updates on developments for high-risk countries.

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6. In order to assist Relevant Persons, the Regulator may publish findings, guidance, directives or Sanctions from U.A.E.UAE authorities, the FATF or other relevant bodies. However, the Regulator expects a Relevant Person to take its own steps in acquiring relevant information from various available sources. For example, a Relevant Person may obtain relevant information from consolidated lists of financial Sanctions published by the European Union, HM Treasury, and OFAC.

...

10. The Regulator may require Relevant Persons to take any special measures it may prescribe with respect to certain types of Transactions or accounts where the Regulator reasonably believes that any of the above may pose a money laundering risks to ~~the~~ ADGM.

...

12. Relevant Persons are reminded that the U.A.E.UAE has regulations in place relating to controls on the export and import of dual-use goods. Relevant Persons should ensure they are in compliance with such regulations. The EOCN makes a list of dual-use goods that are subject to export and import controls available on its website.

...

- 12.1.1 (1)** A Relevant Person must appoint an individual as the MLRO who has an appropriate level of seniority, experience and independence to act in the role, with responsibility for implementation and oversight of its compliance with the Rules in the AML Rulebook. It must do so by completing and filing with the Regulator the appropriate form specified by the Regulator.

- (2) The MLRO in (1) and Rule 12.1.7 must be resident in the ~~U.A.~~UAE.

...

**12.3.1** A Relevant Person must ensure that its MLRO implements and has oversight of and is responsible for the following matters:

- (a) the day-to-day operations for compliance by the Relevant Person with its AML/TFS policies, procedures, systems and controls;

...

- (e) acting as the point of contact within the Relevant Person for competent ~~U.A.E.~~UAE authorities and the Regulator regarding money laundering issues;

- (f) responding promptly to any request for information made by competent ~~U.A.E.~~UAE authorities or the Regulator;

...

**14.3.5** Relevant Persons are required to register on goAML upon receipt of their Financial Services Permission, Recognition Order or registration licence in order to submit SAR/STRs.

#### Guidance

1. Relevant Persons are reminded that the failure to report suspicions of money laundering or terrorist financing may constitute a criminal offence that is punishable under the laws of the ~~U.A.~~UAE.

...

## 15. DNFBP REGISTRATION AND SUPERVISION

#### Guidance

1. FSMR gives the Regulator the power to supervise DNFBPs' compliance with relevant Federal AML Legislation. FSMR also gives the Regulator a number of other powers in relation to DNFBPs, including powers of enforcement. This includes the power to obtain information and to conduct investigations into possible breaches of FSMR. The Regulator may also impose fines for breaches of FSMR or the Rules. It may also suspend or withdraw the registration of a DNFBP in various circumstances.

..

3. Rule 15.1.1 requires a DNFBP to be registered by the Regulator to conduct its activities in ~~the~~ ADGM. Rule 15.2.1 sets out the criteria a DNFBP must meet to be registered. The Regulator may suspend or withdraw the registration of a DNFBP

where the DNFBP no longer meets the criteria for registration.

4. A DNFBP is defined in Rule 3.2.1 and includes the following class of persons whose business is carried out in ~~the~~ ADGM:

(a) a real estate agency which carries out transactions with other Persons that involve the acquiring or disposing of real property;

...

5. In determining if a Person is a DNFBP the Regulator will adopt a 'substance over form' approach. That is, it will consider what business or profession is in fact being carried on, and its main characteristics, and not just what business or profession the Person purports, or is licensed, to carry on in ~~the~~ ADGM.

6. The Regulator considers that a "law firm, notary firm or other independent legal business, includes any business or profession that involves a legal service, including advice or services related to laws in the ~~U.A.E.~~ UAE. The Regulator does not consider it necessary for the purposes of the definition that the:

(a) Person is licensed to provide legal services in the ~~U.A.E.~~ UAE; or

(b) the individuals or employees providing the legal service are qualified or authorised to do so.

...

## 15.1 DNFBP prohibition

- 15.1.1** A Person who is a DNFBP must not carry on any activities in or from ~~the~~ ADGM unless that Person is registered under AML 15.4 by the Regulator as a DNFBP.

...

- 15.3.4** Any Person who is a DNFBP upon the making of this Chapter and was previously a Relevant Person prior to the making of this Chapter:

(a) is deemed to be registered as a DNFBP at the time of the making of this Chapter; and

(b) must apply for registration under Rule 15.3:

(i) within 12 months of the making of this Chapter; or

(ii) at the date of the renewal of its Commercial Licence under the Commercial Licensing Regulations ~~2015~~;

whichever comes first.

...

- 15.7.1** (1) The Regulator may suspend the registration of a DNFBP at the request of the DNFBP or on its own initiative.
- (2) The Regulator may withdraw the registration of a DNFBP:
- (a) at the request of the DNFBP;
  - (b) if the Registrar of Companies notifies it that the DNFBP no longer holds the relevant commercial licence to operate in ~~the~~ ADGM; or
  - (c) on its own initiative.
- 15.7.2** (1) The Regulator may exercise its power on its own initiative under Rule 15.7.1 (1) or (2)(c) where:
- (a) the DNFBP no longer meets the criteria for DNFBP registration;
  - (b) the DNFBP is in breach of, or has been in breach of, ~~the Law or ADGM~~ legislation including any Rules or other any other legislation applicable in ADGM including Federal AML Legislation;
  - (c) the DNFBP is insolvent or entering into administration;
  - (d) the DNFBP is no longer carrying on business in ~~the~~ ADGM; or
  - (e) the Regulator considers that exercising the power is necessary or desirable in the pursuit of its objectives in section 1(3) of FSMR.

### Guidance

1. A DNFBP may request the withdrawal of its registration because, for example, it no longer meets the definition of a DNFBP, becomes insolvent or enters into administration, or proposes to leave ~~the~~ ADGM.

...

- 15.9.1** (1) The Registrar of Companies shall not grant a Person who is a DNFBP a commercial licence to operate in ~~the~~ ADGM until the Regulator has confirmed to the Registrar of Companies that it intends to register the Person as a DNFBP.

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