

By Email

10 March 2021

To: Money Laundering Reporting Officers (MLRO) of Relevant Persons

Subject: High Risk Jurisdictions: IMMEDIATE ACTION REQUIRED

Dear MLRO,

This letter is issued by the DFSA pursuant to Part 4 of Chapter 2 'Anti-Money Laundering Compliance' of the Regulatory Law 2004 (as amended), to inform you of recent announcements made by the UAE National Committee for Combatting Money Laundering and Financing Terrorism and Illegal Organisations Committee (the **UAE NAMLCFTC**). This letter requires you to take immediate action as set out below under "**Required action**".

Background

On 4 March 2021, the UAE NAMLCFTC issued Decision No.1 (2/2021) (the **Decision**) which sets out how Relevant Persons are expected to operationalise compliance in relation to: (a) Article 22 of Cabinet Decision No. 10 of 2019 concerning the implementing regulation of Decree No 20 of 2018; and (b) the FATF Public Statements in relation to a call for action for high-risk jurisdictions and other jurisdictions subject to increased monitoring.

Required action

By reference to the Decision, and given the increased risk of money laundering and terror financing that high-risk jurisdictions present to the financial system, the UAE NAMLCFTC requires Relevant Persons to:

1. adopt and implement the measures required by the FATF Public Statements in relation to High-Risk Jurisdictions subject to a Call for Action and Jurisdictions under Increased Monitoring;
2. implement the specific enhanced due diligence and countermeasures set out in the FATF Public Statement on High-Risk Jurisdictions Subject to a Call for Action and FATF Interpretative Note to Recommendation 19 (Higher Risk Countries);
3. implement customer due diligence and enhanced customer due diligence measures on a proportionate basis to the risk level that might arise from business relationships and transactions with all types of persons in the jurisdictions listed in the FATF Public Statement on Jurisdictions under Increased Monitoring;
4. monitor, on an ongoing basis, the FATF Public Statements announcements and make necessary adjustments to the Relevant Person's AML/CTF compliance procedures and measures;
5. report to the FIU all proposed transactions involving any person in a high-risk jurisdiction and only proceed if the FIU has not raised any objection in the three working days following that report; and
6. terminate all correspondent relationships with the Democratic People's Republic of Korea (**DPRK**) banks, where required by a UN Security Council Resolution.

Important: Any Relevant Person who has a relationship with DPRK banks should immediately notify the DFSA via the Supervised Firm Contact Form.

Please note that all Relevant Persons are required to take the action specified in this letter. There are no exceptions. The DFSA will take appropriate action where there is a breach of the requirements under the Federal AML legislation or DFSA administered legislation.

In addition, please note you may also refer to the [UAE NAMLCFTC website](#) which sets out certain information concerning UAE National AML/CTF initiatives, including updates on AML/CTF developments (e.g. for 'high risk countries').

Please be informed this letter and its contents are provided in furtherance of the purposes of Federal AML legislation and DFSA administered legislation. Each Relevant Person, and its senior management and staff, are responsible to ensure that they are and continue to be properly informed as to, and take required measures with regard to, relevant resolutions and sanctions issued by the United Nations Security Council, and other applicable national and international competent authorities and organisations on AML/CTF and sanctions compliance.

Please note the links in this letter are provided as a courtesy on a non-reliance basis. If the link is not functional Relevant Persons may consider using the full URL to conduct a website search for the NAMLCFTC's website.

Relevant Persons are reminded that general communications with the DFSA should be made via the Supervised Firm Contact Form available on the [DFSA e-Portal](#). This includes any questions regarding this email.

Yours sincerely,

DFSA Financial Crime Prevention Team, Supervision