

By Email

6 December 2022

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

Re: Amendments to the Regulatory Law and to the DFSA AML Rules and Guidance resulting from changes in Federal AML Legislation

Dear MLRO,

On 4 November 2022, the DFSA published a Notice of Amendments to Legislation to reflect changes to the Regulatory Law 2004 and the DFSA AML Module which were necessary due to changes in Federal AML legislation. The amendments came into force on 22 November 2022. The amended Rules can be viewed [here](#).

The purpose of this communication is to remind Relevant Persons of these changes and to set out the DFSA's approach.

1. Proliferation Financing Risk

In October 2020, the UAE enacted [Cabinet Decision No. 74 of 2020](#) Regarding Terrorism Lists Regulation and Implementation of UN Security Council Resolutions on the Suppression and Combating of Terrorism, Terrorist Financing, Countering the Proliferation of Weapons of Mass Destruction and its Financing and Relevant Resolutions to replace Cabinet Decision No. 20 of 2019.

To ensure consistency with the most recent changes to Federal AML Legislation, the DFSA has updated AML Rule 3.1 – *Interpretation* to include a reference to proliferation financing in the definition of “money laundering” and AML Rule 3.2 – *Glossary for AML* to include an express definition of proliferation financing.

The DFSA therefore reminds Relevant Persons of the need to ensure that as part of assessing and addressing money laundering and terrorist financing risks, that they assess and address proliferation financing risk to which they are exposed as a result of the nature of their business, customers, products, services and any other matters which are relevant in this context.

FATF guidance

The FATF has developed guidance and best practices to assist jurisdictions in their implementation of the FATF Recommendations. Specific guidance in relation to proliferation financing can be found [here](#).

UAE Guidance

The Executive Office for Control and Non-Proliferation (EOCN) which plays an active role in implementing export control and curbing the proliferation of weapons of mass destruction has published guidance in this area. The guidance can be found [here](#).

UAE Training and Development

The EOCN has also rolled out a training and development program. The Dedicated Online Financial Integrity Network (DOLFIN) e-learning platform aims to increase the private sector's awareness and understanding of implementing targeted financial sanctions (TFS) in compliance with UAE regulations. If you have already received a registration email from DOLFIN, you may access the training modules and begin your training immediately. If you have not received an invite, kindly register your interest by completing the following form: [DOLFIN Registration Form](#)

Note: There is no registration limit, and you may circulate internally to relevant staff within your firm to register their interest.

2. Removal of Guidance under AML 14.5.1 Annual AML Return

Cabinet Decision No. 10 of 2019 on the Implementing Regulation of Federal Decree Law No. 20 of 2018 was also updated in March 2022. One of the updates was the removal of the requirement for Relevant Persons to send a copy of semi-annual AML compliance reports to the relevant Supervisory Authority. Therefore, Relevant Persons are no longer required to submit this semi-annual report to the DFSA, but would be required to send a copy of periodic reports to the DFSA at its request.

If you have any questions in relation to this letter, please contact us using the DFSA Supervised Firm Contact Form found on the [DFSA ePortal](#).

Yours sincerely,



Justin Baldacchino
Managing Director, Supervision

CC: Compliance Officers of Authorised Firms