

By Email

14 April 2019

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

RE: The UAE National Risk Assessment Brief and Federal AML Legislation

Dear MLROs,

The DFSA has recently received the UAE National Risk Assessment Brief dated November 2018 (the "**Brief**").

The Higher Committee for the Supervision of the FATF Mutual Evaluation Process in the UAE, and the National Committee for Combating Money Laundering and the Financing of Terrorism and Illegal Organizations in the UAE ("**NAMLCFTC**") requests that the DFSA share the Brief with Relevant Persons in the DIFC, subject to strict obligations of confidentiality.

Accordingly, please find the Brief attached to this letter, which contains the following information for your reference:

1. The context of the UAE National Risk Assessment;
2. A description of the methodology applied to assess inherent money laundering and terrorist financing risks in the UAE;
3. The results of assessed threats in the UAE;
4. The results of assessed vulnerabilities present in the financial sectors and Designated Non-Financial Businesses and Professions (DNFBPs in the UAE and in Financial Free Zones (i.e. DIFC and ADGM));
5. An overall summary;
6. The mitigation measures; and
7. The required implementation.

Hereinafter, we will refer to these points as the "**Brief Information**".

Your Acceptance and Use of the Brief Information

Please be informed that NAMLCFTC has specifically instructed the DFSA that the Brief Information is classified as "Strictly Confidential" and must be treated and safeguarded as strictly confidential at all times.

You may only reference and use the Brief Information on the following basis:

- It is strictly for internal purposes only;
- The Brief Information is strictly confidential, must be kept strictly confidential and safeguarded at all times, and must not be disclosed to any other person without the DFSA's prior written consent. In the event any such consent is provided by the DFSA, this will only be on the basis that the obligations set out in this letter apply with full risk and responsibility to the Relevant Person;
- Any disclosure to your employees must only be to employees that have a need to receive the Brief Information for the performance of their respective duties and are under a duty of confidentiality to the Relevant Person (you) at least equivalent to the obligations of confidentiality set out in this letter;

- The Relevant Person is permitted to disclose the Brief Information to its legal advisers or auditor subject to the following conditions being satisfied at all times:
 - The Brief Information will be used solely and exclusively for the purpose of assisting such legal adviser or auditor in providing their specific legal or auditing services to the Relevant Person;
 - The legal adviser or auditor are subject to strict obligations of confidentiality not less than the obligations set out in this letter and must keep the Brief Information strictly confidential and safeguarded at all times and must not disclose the Brief Information to any other person;
 - Any disclosure to the employees of the legal adviser or auditor must only be to employees that have a need to receive the Brief Information for the performance of their respective duties and are under a duty of confidentiality at least equivalent to the obligations of confidentiality set out in this letter; and
 - The legal adviser or auditor must inform the Relevant Person in writing, and without delay, upon becoming aware of any unauthorised disclosure or wrongful or inappropriate use of the Brief Information and/or breach of these Conditions by the legal adviser or auditor or their respective employees, including any relevant details and circumstances.
- The Relevant Person will be responsible and liable for any breaches of the Conditions whether by the Relevant Person or its employees or any other person to whom the Brief Information is disclosed by that Relevant Person or its employees irrespective of whether such disclosure is permitted in this letter or by the DFSA;
- The Relevant Person must inform the DFSA in writing, and without delay, upon becoming aware of any unauthorised disclosure or wrongful or inappropriate use of the Brief Information and/or breach of these Conditions by the Relevant Person or any other person (including legal advisers and auditors), including any relevant details and circumstances; and,
- The above obligations are continuing unless advised otherwise by the DFSA in writing.

Together, we will refer to these points and sub-points as the “**Conditions.**”

Acceptance of the Conditions

If you and your employees are unable to comply with the Conditions, you are requested to immediately:

1. Destroy the Brief Information, including redaction and deletion from any information systems and records of whatever nature or form; and
2. Inform the DFSA in writing by way of the Supervisory Firm Contact form below, including that all actions in Item 1 have been completed.

If the DFSA has not received a response from you as set out in Item 2 above on or before 17 April 2019, you and your employees will be deemed to have accepted the Conditions set out above concerning the Brief Information.

DFSA Expectations

The DFSA does not expect Relevant Persons to specifically replicate the findings set in the Brief Information in their Business AML Risk Assessment that is required to be conducted under AML 5.1.1. Rather, Relevant Persons are required to consider these findings as part of their ongoing process to undertake Business AML Risk Assessments and incorporate the findings and make appropriate updates according to nature, scale and complexity of their particular business activities.

Important reference information and reminders

Please be informed that: (i) the Federal Decree No. (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organizations; and (ii) the accompanying Executive Regulation under Cabinet Resolution No. 10 of 2019, are now available on the Ministry of Finance website in Arabic and English. For convenience, the Arabic and English versions can also be accessed via the links below:

AML Federal Legislation	Arabic	English
(i) Federal Decree No. (20) of 2018	Link	Link
(ii) Cabinet Resolution No. 10 of 2019	Link	Link

The link to the Federal AML legislation will also shortly be available on the [AML/CTF & Sanctions Compliance](#) section of the DFSA's website.

The DFSA would also like to take this opportunity to remind all Relevant Persons of their obligation to ensure compliance with Federal AML legislation, the DIFC Regulatory Law 2004 (as amended) as it relates to AML, and the AML Module of its Rulebook.

Firms are reminded that general communications with the DFSA should be made via the [Supervised Firm Contact Form](#). This includes any questions regarding this letter.

We look forward to your continuing engagement and cooperation.

Yours sincerely,



Bryan Stirewalt
Chief Executive

CC: Senior Executive Officers of DFSA Regulated Entities
Principal Representatives of Representative Offices
Senior Executive Officers of Authorised Market Institutions
Audit Principals at Registered Auditors
Compliance Officers of Authorised Firms and other Regulated Entities