

**By Email**

25 November 2021

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

**Subject: UPDATE: 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**

The required actions set out in this letter are in addition to the previous decisions issued by the UAE NAMLCFTC, including decision No.1 (2/2021) dated 4 March 2021.

On 17 November 2021, the UAE NAMLCFTC issued Decision No. 1 (9/2021) (the **Decision**) which updates how Relevant Persons are expected to operationalise compliance in relation to:

- a. Article 22 of UAE Federal Cabinet Decision No. 10 of 2019 Concerning the Implementing Regulations of Decree Law No. 20 of 2018 (**Cabinet Decision 10 of 2019**);
- b. the FATF Public Statements on the list of high-risk jurisdictions subject to a Call for Action (the **Black List**);
- c. the FATF Public Statements on the list of Jurisdictions under Increased Monitoring (the **Gray List**); and
- d. relevant counter-measures and enhanced due diligence to be applied by Relevant Persons concerning the Black List and Gray List.

**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:

**General application**

1. adopt and implement, on a regular basis, the current versions of the Black List, the Gray List and any lists issued by the UAE NAMLCFTC, including all measures necessary for compliance with such lists;
2. monitor, on an ongoing basis, the FATF Public Statements for the Black List and Gray List and make necessary adjustments to the Relevant Person's AML/CTF compliance procedures and measures

consistent with the degree of risks, including in relation to countries removed from these lists by the FATF;

3. ensure internal reporting mechanisms on monitoring suspicious transactions and activities comply with applicable laws and regulations and are adhered to at all times;
4. ensure targeted financial sanctions requirements are implemented in accordance with applicable UN Security Council Resolutions and UAE Federal Cabinet Decision No. (74) of 2020 at all times;

#### *Gray List*

5. apply the specific enhanced due diligence measures set out in the FATF Public Statements for the Gray List and the FATF Interpretative Note to Recommendation 10 (*Customer Due Diligence and Record-Keeping*), including paragraph 20, and Article 4 Cabinet Decision 10 of 2019;
6. apply customer due diligence measures on a basis that is appropriate, proportionate and effective in minimising the risks posed from business relationships and transactions with all types of persons in the jurisdictions listed in the FATF Public Statements for the Gray List;

#### *Black List*

7. apply the specific enhanced due diligence and countermeasures set out in the FATF Public Statements for the Black List and the FATF Interpretative Note to Recommendation 19 (*Higher Risk Countries*);
8. apply enhanced customer due diligence measures to all business relationships and transactions with all types of persons in the jurisdictions listed in the FATF Public Statements for the Black List; and
9. with regard to transactions and activities pertaining to jurisdictions on the Black List, ensure all suspicious transactions or activities reporting to the FIU are made via the existing template for Black List reports in GoAML (*High Risk Jurisdiction and High Risk Jurisdiction Activity*).

#### *Prohibitions*

10. **Important:** All Relevant Persons are prohibited from: (i) establishing any branches or representative offices in jurisdictions listed on the Black List; and (ii) relying upon third parties located in jurisdictions on the Black List to perform any due diligence procedures.

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 against any Relevant Person and their directors and senior management 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 is 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 included 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 UAE NAMLCFTC's website.

We remind Relevant Persons 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,

**Financial Crime Prevention Team, Supervision**