

UAE INTRODUCES THE NEW ANTI-MONEY LAUNDERING LAW

What is this about?

The new Anti-Money Laundering law ("New AML Law") enacted as Federal Decree – Law 20 of 2018 took effect on October 2018. It introduces important changes to the AML rules and regulations in the UAE. The decree, which is in line with the requirements and recommendations of Financial Action Task Force, ensures compliance with international standards and lays the foundation for anti-money laundering and countering the financing of terrorism.

What has changed?

The New AML Law introduces a number of key changes:

- Assets in electronic and digital form have been included in the definition of 'Funds' to help prevent the abuse of technology as the virtual future of money laundering.
- A perpetrator shall be considered as any person having knowledge that the funds are the proceeds of a felony or a misdemeanour, and who wilfully commits any acts as stated in the decree.
- The Public Prosecution can request for the identification, tracking, or evaluation of suspicious funds, proceeds and instrumentalities or whatever is of equivalent value. They can also take necessary decisions to prohibit the trading or disposing of such funds.
- Disclosure of importation/exportation of currencies or bearable negotiable instruments or precious metals or stones of value per Central Bank disclosure system.
- The establishment by the Central Bank of an independent "Financial Intelligence Unit" for reporting, investigating and analysing any suspicious activities.
- The establishment of "National Committee for Combating Money Laundering and the Financing of Terrorism and Illegal Organisations" tasked with assessing the effectiveness of the AML/CFT system, and representing the nation in international forums on countering money laundering and combating the financing of terrorism.
- A Supervisory Authority shall be considered as "Federal and local authorities which are entrusted by legislation to supervise financial institutions, designated non-financial businesses and professions and non-profit organisations or the competent authority in charge of approving the pursuit of an activity or a profession in case a supervisory authority is not assigned by legislations." They shall supervise, monitor and follow-up to ensure compliance with the law.
- The involvement of Designated Non-Financial Business and Professionals apart from financial institutions in the implementing regulations.
Note: As per Financial Action Task Force's Recommendations # 22, 23, and 28 on February 2012, Designated Non-Financial Business Professionals ("DNFBPs") are defined as Lawyers, Notaries, other independent Legal professionals and Accountants, Trust and company service providers, Real estate agents, Dealers in precious metals and dealers in precious stones.
- An exemption for lawyers, notaries, other legal professionals and independent legal auditors to provide information if it is received subject to professional confidentiality.

- The concept of "Controlled Delivery", a process by which it allows competent authorities to allow suspicious transactions or activities to proceed for the purpose of identifying the culprit or the crime.
- The inclusion of undercover operations where a judicial officer impersonates to obtain information or evidence for the process of investigation.
- Requests for international cooperation related to AML and combating terrorism financing to be given priority by competent authorities.

How will it impact my business?

Any Financial institution and DNFBP – lawyer, accountant, trust and company service providers, real estate agents, dealers in precious metals and dealer in precious stones – **should re-assess their business' position in light of the New AML Law**, namely:

- Identify the crime risks within its scope of work, and continuously assess, document and update the assessment
- Develop internal policies, procedures and controls such as AML Policy, Risk Policy to manage, limit and review the risks identified
- Undertake due diligence and determine their scope based on multiple risk aspects while taking into account the results of the national risk assessment
- To have Record Keeping and Retention Policy in place to help maintain records and documents and to be able to have the relevant information made available to the competent authority when asked upon

Furthermore, all financial institutions and DNFBP's must **conduct regular training across all areas of business.**

How we can help?

- Tailored regulatory expertise and focus on guiding clients to reduce the risk of non-compliance
- Team of highly skilled and qualified professionals, specialized expertise as a certifies anti-money laundering specialist including FATF trained legal expert examiner, experience across multiple related fields from reputable jurisdictions.
- Comprehensive assistance to help you understand your regulatory obligations & compliance with Central Bank AMLSCU regulations for Designated Non-Financial Business Professionals ("DNFBPS") to include Company Service Providers ("CSPs").

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Our list of service offerings

REGULATORY & COMPLIANCE ADVISORY	
Risk Management	Our approach will enable your company to readily identify operational risks arising from new regulations or rules, other external events and process, systems or human error/failures. We may also be engaged to act as Risk Officers.
Development of AML & Compliance Manual, Policies & Procedures	We design custom made compliance and AML manuals that meet the business and regulatory demands that a firm faces to ensure compliance is strongly embedded in your operations.
Compliance Program & Control Testing Assurance	We help to devise monitoring arrangements to understand potential compliance issues in advance and manage risk accordingly ensuring that key performance indicators are matched by key risk indicators to compliance needs.
Health Checks	We undertake reviews of the business and provide an objective analysis of its state of compliance in relation to regulatory requirements and risk appetite. The scope and depth of the health check can be customized to the firm's needs.
Regulatory Governance Review	Assess the existing arrangements to ensure compliance with applicable rules and international standards, assist in designing governance arrangements that are sustainable, effective and promote high levels of transparency & accountability.
Training	We devise, implement and monitor Training and Competence programs that work for your organization
Regulatory Change Management	We assist with impact assessment, gap analysis and planning execution of change initiatives driven by regulatory change.
Compliance Human Capital	Evaluate existing and required compliance arrangements to ensure resources are adequate to the firm's nature, scale, size and complexity. We can also be appointed as "Authorised/Approved Individuals" in various regulatory jurisdictions.
Ongoing Compliance Advisor	We offer competitive retainer-based solutions that deliver hands on advice, guidance and real time training.

OUTSOURCING FUNCTION	
Outsourced Compliance Officer	Act as Compliance Officer responsible for all compliance related matters in addition to other key obligations pursuant to regulatory laws and regulations.
Outsourced Money Laundering Reporting Officer	Act as Money Laundering Reporting Officer responsible for the implementation and oversight of the arrangements for compliance with the rules contained in the AML Regulatory Rulebook of the relevant competent authorities.
Other regulatory and compliance Outsource Functionary Role	Perform other Regulatory and Compliance functionary role mandated by regulators such as Risk Officer, Senior advisor to Board Committees and Compliance, internal AML auditor.

AML AUDIT	
Effective risk assessment to identify and prioritize key risks to best allocate internal resources and mitigate loss or damage. It provides independent objective assurance to improve an organizations operation. We assist as Approved persons to act as Internal AML Auditor within your firm.	

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Who we are

Re/think is a boutique accounting, audit, advisory, compliance and tax advisory firm with offices in Dubai and Abu Dhabi (ADGM), focused on providing businesses of varying sizes with timely, proactive, and customized business solutions from start-up and early development to the latest stage of a business life-cycle.

We offer tailored regulatory expertise and focus on guiding clients to reduce the risk of non-compliance across a wide range of compliance services and regulatory advice. We focus on compliance consultancy services including:

- Advisory to include:
 - » Identify, manage, and control any existing and future regulatory risks
 - » Assessment and impact of new regulations
- Training
- Process improvement
 - » Providing benchmarking of regulatory compliance against industry peers
 - » Developing and implementing a risk-based compliance control framework and monitoring program.
- Exploring technology to enable compliance functions

Who will assist you



Sofia Mota, Director and Head of Regulatory and Compliance Services

Extensive experience in the financial services sector and consulting across Europe, Middle East and Africa. Sofia has a track record of successful regulatory projects including banking institutions set ups. Her strong knowledge of financial products and regulatory frameworks adds to her extensive work experience in top tier financial institutions. Sofia holds and L. LM in Banking and Finance from the University of London and is a member of the Chartered Institute for Securities and Investments. Sofia is also experienced in designing and implementing operational risk management and governance frameworks across retail and wholesale markets. She currently acts as a compliance mentor for the ADGM Fintech RegLab and has completed the Oxford/Saïd Business School Fintech Programme.



Gail Goring, Director - Regulatory and Compliance Services

Experienced corporate lawyer with over 15 years' experience in regulatory and compliance services spanning across the Caribbean, Cayman Islands and in the UAE as the former Head of Regulations and Operations for RAKICC (IBC Offshore & Free zone Registry) with a strong knowledge of international business companies' regulatory frameworks, financial services (including FinTech) and financial products (particularly Funds) as well as specialized expertise as a certified Anti-Money Laundering Specialist and FATF trained Legal expert examiner and certified in FATCA & CRS reporting.