

OPINION

SPOTLIGHT SERIES ON UAE REGULATED ENTITIES: AML AUDITS IN DNFBPs ON THE RISE



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Introduction

With the United Arab Emirates (UAE) vigilant about enhancing the integrity of its financial system, it comes as no surprise to witness a strong and growing emphasis on **Designated Non-Financial Businesses and Professions (DNFBPs)** to implement a robust anti-money laundering (AML) framework. Indeed, we at Re/think have recently experienced an increase in the number of AML audits being conducted by the regulatory authorities in the UAE, particularly in the non-financial sector.

Why this increased focus on DNFBPs?

Well, DNFBPs encompass various activities such as the sale and purchase of real estate, dealing in precious metals and stones, trust and company service providers, auditors, accounting service providers, and lawyers. While these categories are not part of financial institutions, they share a common trait: they all engage in specific financial activities on behalf of their clients that can be exploited to conceal the true beneficiaries or sources of funds behind transactions.

As a result, the regulations **mandate** the DNFBPs to design and implement a comprehensive AML framework to detect and prevent financial crime. As part of this framework, DNFBPs are required to get their AML program independently audited by competent personnel to check the quality of the AML measures they have adopted.

How can DNFBPs prepare themselves for AML audits by the authorities?

As a first step, DNFBPs should evaluate their internal operations to ensure they have fully implemented the legal requirements under the UAE's legislative framework. All entities need to implement appropriate defenses against the risks posed to their sectors. DNFBPs must remember that employees play a vital role in the solution, and companies should take all necessary steps to ensure that all employees are aware of the risks and are familiar with the response procedures. Furthermore, tone from the top is a very important part of an effective AML framework. Without this, the chances of embedding a positive compliance culture are slim.

How can we help you?

Re/think is a leading regulatory and compliance advisory firm assisting regulated entities in the UAE, including DNFBPs, to design and implement tailored AML policies and procedures to manage the AML/CFT risks. With our strong expertise and diverse experience, we can assist DNFBPs in auditing their AML framework to identify necessary improvement areas that need immediate attention to strengthen the AML measures. **With an independent AML audit, DNFBPs can enhance business reputation, attract customers loyalty and combat financial crime.**

Please do not hesitate to contact us to find out more about how we can support you.

Re/think

Re/think is an award-winning regional multi-service business advisory and outsourced services firm providing accounting, regulatory and compliance, tax and VAT advisory, audit, HR consultancy and recruitment services to regulated firms, multi- and single-family offices, and other operating businesses.

Established in the UAE in 2014, the firm has 80 staff across three offices in Dubai and Abu Dhabi providing clients with timely, proactive and customized business solutions – from set-up and early development to the latest stages of a business lifecycle.

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