

Annual AML Return FAQs

For

ADGM Registered Designated Non-Financial Business and Professions (DNFBPs)

1) What is the Annual AML Return?

The Annual AML Return is an annual submission by ADGM DNFBPs that is required under Section 4.6 of the FSRA Anti-Money Laundering and Sanctions Rules and Guidance (AML Rules). It provides an overview of the overall firm's compliance with the AML Rules.

2) Who is required to submit the Annual AML Return?

The Annual AML Return is required to be completed by ADGM Licensed Persons that are DNFBPs.

A DNFBP is:

- a) a real estate agency which carries out transactions with other Persons that involve the acquiring or disposing of real property;
- b) a dealer in precious metals or precious stones;
- c) a dealer in any saleable item of a price equal to or greater than USD15,000;
- d) an accounting firm, audit firm, insolvency firm or taxation consulting firm;
- e) a law firm, notary firm or other independent legal business; or
- f) a Company Service Provider that prepares for or is involved in the provision of any of the following services to another Person:
 - i. acting as a formation agent of Legal Persons or Legal Arrangements;
 - ii. acting as (or arranging for another Person to act as) a director or secretary of a company, a partner of a partnership, or a similar position in relation to other Legal Persons or Legal Arrangements;
 - iii. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other Legal Person or Legal Arrangement;
 - iv. acting as (or arranging for another Person to act as) a trustee of an express trust or performing the equivalent function for another form of Legal Arrangement; or
 - v. acting as (or arranging for another Person to act as) a nominee shareholder for another Person.

3) What if I am a newly registered ADGM DNFBP?

An ADGM DNFBP registered:

- a) **before 2021** is required to file an Annual AML Return to the RA for the full reporting period of **1 Jan 2021 – 31 Dec 2021**;
- b) **during 2021** is required to file an Annual AML Return to the RA for the reporting period starting from its registration date till **31 Dec 2021**.
- c) **after 31 October 2021** is **not required** to file the 2021 Annual AML Return (its first submission will be the 2022 Annual AML Return, due by April 2023).

The table below provides some examples.

Registration date	AML Return Required for 2019?	Return Period
20 June 2020	Yes	1 Jan 2021 – 31 Dec 2021
4 Mar 2021	Yes	4 Mar 2021 – 31 Dec 2021
5 Nov 2021	No	Not applicable
7 Jan 2022	No	Not applicable

4) What is a Business Risk Assessment (BRA)?

A BRA is an annual assessment conducted by the MLRO to identify and assess money laundering risks to which its business is exposed, taking into consideration the nature, size and complexity of its activities.

The BRA must take into account any vulnerabilities relating to:

- its type of customers and their activities;
- the countries or geographic areas in which it does business;
- its products, services and activity profiles;
- its distribution channels and business partners;
- the complexity and volume of its Transactions;
- the development of new products and business practices including new delivery mechanisms, channels and partners; and
- the use of new or developing technologies for both new and pre-existing products and services.

The outcome of the BRA must be presented to Senior Management of the firm. In addition, the outcome of the BRA must be reflected in the AML policies and procedures of the firm, if applicable.

5) What is a Customer Risk Assessment (CRA)?

The CRA is the risk-based assessment that must be undertaken by an ADGM DNFBP on a customer and the proposed business relationship, transaction or product. The results of the CRA determines the level of customer risk ratings, associated due diligence levels and frequency of reviews that must be undertaken in relation to that customer.

6) What are FATF high-risk and other monitored jurisdictions?

FATF high risk and monitored jurisdictions are available through FATF website. The website may be accessed using the following link: <http://www.fatf-gafi.org/countries/#high-risk>.

7) Where can I find the Return form?

The form is accessible via the ADGM Financial & Cyber Crime Prevention Unit's (FCCPU's) webpage using the following link: <https://www.adgm.com/operating-in-adgm/financial-crime-prevention/forms>.

8) Where do I submit the return?

The Annual AML Return form must be submitted to the RA M&E team via e-mail: (monitoring@adgm.com) with a copy to the Financial & Cyber Crime Prevention (amlreturn@adgm.com)

9) When do I submit the return?

The deadline to submit the return is **30 April**.

10) Is there a fee to submit the Annual AML Return?

The submission of the Annual AML Return is free of charge.

11) Where can I get more information?

For more information, contact the RA M&E team on e-mail: monitoring@adgm.com.