

Financial Crime Prevention Unit
Financial Services Regulatory Authority
ADGM Authorities Building,
ADGM Square,
Al Maryah Island,
Abu Dhabi

18 November 2021

Notice No.: FSRA/FCPU/28/2021

To: Senior Executive Officers (SEO), Money Laundering Reporting Officers (MLRO) and Principal Representatives (PR) of Approved Persons

Dear SEO/MLRO/RP,

RE: Decision by the National Committee for Combating Money Laundering and Financing Terrorism and Illegal Organisations (the Committee) regarding High Risk Jurisdictions

Pursuant to Notice No.:FSRA/FCPU/06/2021 regarding Decision by the National Committee Please note that the “Committee” has approved the updated specific counter-measures that Financial Institutions (“FIs), Designated Non-Financial Businesses and Professions, Virtual Assets Service providers (VASPs) and Non Profit Organisations (NPOs) must apply in relation to dealing with high-risk jurisdictions.

The “Committee” undertook the following:

1. To adopt the list of high-risk jurisdictions in the field of money laundering, terrorist financing, and proliferation financing in accordance with the FATF public statement on the list of high-risk jurisdictions subject to a Call for Action (the Black List), and adopt the countermeasures contained in the interpretive note to Recommendation 19;
2. The list of Jurisdictions under Increased Monitoring (the Gray List), shall be adopted along with the requirements to implement procedures by FIs, DNFBPs, VASPS and NPOs that may include enhanced due diligence measures referred to in the interpretive note to Recommendation 10 as well as Article (4) of the 2019 Cabinet Decision, and in proportion to the degree of risk to these jurisdictions;



3. To post the URL link for the two lists above-mentioned in items (1) & (2) on the website of the Committee;
4. The Secretariat of the Committee shall update the URL link to the Black List and Gray List on its website upon occurrence of the following:
 - (A) Any update or amendment made by the FATF regarding the Black List or Gray List.
 - (B) Any updates or amendments made by the Committee regarding High-Risk Jurisdictions or Jurisdictions under Increased Monitoring.
5. All FIs, DNFBPs, VASPS and NPOs in the United Arab Emirates (UAE) shall verify and review the lists and information issued by the FATF and the Committee (as amended and current at that time) on a regular basis, and shall take such into account when establishing and implementing counter-measures and/or enhanced due diligence measures as appropriate and proportionate to the level of risks. All of these entities also re-evaluate implementation of due diligence measures in consistency with the degree of risks, in respect of countries removed from those lists by FATF.
6. All regulatory authorities in the UAE must instruct all FIs, DNFBPs, Virtual Assets Services Providers and non-profit organizations to implement the counter-measures stated in this decision. Regulatory authorities shall also ensure implementation of these counter-measures by the entities subject to their supervision.

Jurisdictions under increased monitoring (The Gray List and jurisdictions on it):

FIs, DNFBPs, VASPS and NPOs in the UAE shall on a regular basis review the Gray List and weaknesses identified in it, and take them into account when devising and applying risk-based compliance measures.

Customer Due diligence (“CDD”) measures taken by FIs, DNFBPs, VASPS and NPOs shall in all cases be proportionate to the risks posed from business relationships and transactions with natural or legal persons from such jurisdictions and be effective to minimize such risks. The measures taken may require the application of enhanced customer due diligence depending on the circumstances. (Reference: FATF recommendation No. (10), specifically paragraph (20) of the interpretive note as well as Article (4) of the 2019 Cabinet Decision)

High-Risk Jurisdictions (The Black List and jurisdictions on it):

All FIs, DNFBPs, VASPS and NPOs shall apply enhanced due diligence measures to all business relationships and transactions with jurisdictions on the Black List, including natural persons and legal entities and those acting on their behalf, in addition to the countermeasures listed below:



1. Supervisory authorities shall prohibit the establishment of any branches or representative offices for FIs, DNFBPs, and Virtual Assets Service providers subject to its supervision within jurisdictions on the Black List.
2. All FIs, DNFBPs, VASPS and NPOs shall comply with their internal reporting mechanisms on monitoring transactions and activities pertaining to jurisdictions on the Black List, and submit suspicious transaction reporting to the FIU where relevant, using the existing template pertaining to jurisdictions on the Black List reports in **GoAML** (High Risk Jurisdiction and High Risk Jurisdiction Activity).
3. All supervisory authorities in the UAE shall impose increased monitoring and supervisory examination for financial groups with respect to any of their branches and subsidiaries located jurisdictions on the Black List.
4. All FIs, DNFBPs, VASPS and NPOs are prohibited from relying on third parties located in jurisdictions on the Black List to perform their due diligence procedures.
5. All supervisory authorities in the UAE shall remind all FIs, DNFBPs, VASPS and NPOs of the requirement to implement targeted financial sanctions requirements in accordance with applicable UN Security Council Resolutions and CABINET DECISION NO. (74) of 2020, to protect financial and non-financial sectors in the UAE from ML, TF, and proliferation financing risks.
6. All supervisory authorities in the UAE must take legal action against FIs, DNFBPs, VASPS and NPOs including their directors and senior management, in the event of failure to implement the measures stipulated in this decision.

Sincerely,

Financial and Cyber Crime Prevention