

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

25 June 2020

Notice No.: FSRA/FCPU/08/2020

To: Senior Executive Officers (SEO) and Compliance Officers of Reporting Financial Institutions (RFIs)

Dear RFIs,

RE: CRS Regulation amendments and implementation

The purpose of this notice is to inform you that the ADGM Board has yesterday enacted amendments to the Common Reporting Standard (**CRS**) Regulations. These amendments are necessary in order to maintain the compliance with the UAE and ADGM's obligations regarding OECD CRS.

What are the amendments?

The current amendments enacted include two new sanctions and various minor miscellaneous amendments to Schedule 1 *Automatic Exchange of Financial Account Information Regulations*.

The two new sanctions are:

1. A penalty of AED 20,000 will be imposed by the FSRA as the Regulatory Authority on an Account Holder or Controlling Persons if the self-certification provided to the Reporting Financial Institution submitted by the individual contains any incorrect or false information and they knew of or should have known that it was incorrect or false (**Account Holder Sanction**); and
2. A penalty of AED 1,000 to be imposed by the FSRA as the Regulatory Authority on any Reporting Financial Institution who opens a New Account for an Account Holder without receiving from the Account Holder (within 90 days from opening the account) the personal information of the Account Holder with the supporting documents required under the CRS Regulations.



It is the responsibility of the Reporting Financial Institution to notify the FSRA of a contravention of the Account Holder Sanction. However, for both new sanctions, it will be the responsibility of the FSRA to provide a written notice of the contravention and penalise the offending party, and to pursue the penalty.

These Regulations are effective immediately and apply to all FIs and Investment Entities that are considered Reporting Financial Institutions under the CRS Regulations.

What you need to do

In order to ensure that all Account Holders and Controlling Persons have current self-certifications subject to these amendments, the FSRA requires all Reporting Financial Institutions to obtain new self-certifications from all their Account Holders and Controlling Persons within six months from the date of this notice and maintain records of the same on file.

Please find below links to OECD recommended templates for both individuals and entities:

https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/CRS_INDIVIDUAL_Self-Cert_Form.pdf

https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/CRS_ENTITIES_Self-Cert_Form.pdf

Each Reporting Financial Institution must immediately commence updating their self-certification forms with details of these new sanctions in order for their Account Holders and Controlling Persons to have formal notification of their obligations not to provide incorrect or false information when completing their self-certifications.

Next steps

The FCPU will be sending to each Reporting Financial Institution a survey in the coming weeks seeking their understanding of the new amendments, what action they have taken to implement the new amendments and what are their due-diligence procedures for reviewing each self-certification and certain statistical data. This survey will be mandatory and will need to be completed and submitted by each Reporting Financial Institution's authorised signatories.

Sincerely,

Financial Crime Prevention Unit