

Date: 22 September 2020

Notice No.: FSRA/FCPU/11/2020

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

**Dear SEO/MLRO/RP**

***RE: FATF report on VAs – Red Flag Indicators***

The purpose of this notice is to raise awareness of the publication by the Financial Action Task Force (FATF) concerning the red flag indicators of ‘money laundering and terrorist financing’ (ML/TF) arising from the use of Virtual Assets (VAs). We believe this notice will be useful for both existing firms and for those firms who are in the process of applying to undertake regulated activities involving the use of VAs in the ADGM.

The red flags contained in the report are intended to supplement existing prevention, detection and investigation techniques involving the misuse of VAs, whilst providing a basis for filing suspicious transaction reports (STRs). By their nature, these indicators are non-exhaustive and are meant to facilitate the application of a reporting entities’ application of a risk-based approach to their initial and ongoing customer due diligence requirements.

All Relevant Persons are encouraged to consult their Heads of Compliance and/or MLROs to ensure that these indicators are incorporated into the regulated entities’ operations. For further enquiries, you may reach out to the FSRA.

Sincerely,

FINANCIAL CRIME PREVENTION UNIT