

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

10 March 2021

Notice No.: FSRA/FCPU/06/2021

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

To increase the UAE's effectiveness in combating money laundering and terrorist financing, please note that the "Committee" has approved specific counter-measures that Financial Institutions ("FIs) and Designated Non-Financial Businesses and Professions ("DNFBPs") must apply in relation to dealing with high-risk jurisdictions.

The "Committee" undertook the following:

1. The National Committee shall update the link for High Risk Jurisdictions and jurisdictions under increased monitoring that are identified by the Financial Action Task Force ("FATF") Public Statement following each FATF Plenary on the website of the National Committee; and
2. All FIs and DNFBPs in the State shall verify and review the lists and information on a regular basis and every time the list is updated by the FATF, and shall take such into account when establishing and implementing counter-measures and risk-based compliance procedures.

Jurisdictions under increased monitoring

FIs and DNFBPs in the UAE shall review on a regular basis the list and the information presented by FATF on the countries that are under increased monitoring and consider it when devising and applying risk-based compliance measures. Customer Due Diligence ("CDD") measures taken by FIs and DNFBPs shall in all cases be proportionate to the risks posed from



business relationships and transactions with natural or legal persons from such countries and be adequate to minimize such risks. The measures taken may require the application of enhanced CDD depending on the circumstances.

High-Risk Jurisdictions

1. All FIs and DNFBPs shall apply enhanced CDD measures to all business relationships and transactions with high-risk jurisdictions, including natural persons and legal entities and those acting on their behalf.
2. Supervisory authorities shall take necessary measures to close existing branches, subsidiaries and representative offices of banks from the Democratic People's Republic of Korea ("DPRK") within the State and ensure that UAE banks terminate correspondent relationships with DPRK banks, where required by relevant UN Security Council Resolutions.
3. All FIs and DNFBPs shall report any transactions involving natural persons or legal entities from high-risk jurisdictions before conducting such transaction. Such reported transactions may only be executed three (3) working days after reporting such to the Financial Intelligence Unit ("FIU"), and if the FIU does not object to conducting the transaction within the set period.
4. All supervisory authorities in the State shall impose increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in a high-risk jurisdiction.
5. Supervisory authorities shall remind all FIs and DNFBPs of the requirement to implement targeted financial sanctions in accordance with applicable UN Security Council Resolutions, to protect the financial and non-financial sectors in the State from money laundering, terrorist financing and proliferation finance risks.
6. Supervisory authorities shall take legal measures against FIs and DNFBPs in case of the failure to implement the abovementioned measures.

Sincerely,

Financial Crime Prevention Unit