

Document FED LAW No. 9 of 2014

UAE Official Gazette

Federal Law No (9) of 2014 Amending Certain Provisions of [Federal Law No. \(4\) of 2002](#) Concerning the Combating of Money Laundering Crimes

We, Khalifa Bin Zayed Al Nahyan, President of United Arab Emirates;

After perusal of the Constitution;

[Federal Law No. \(1\) of 1972](#) concerning the Competences and Powers of Ministries and the amendments thereto;

Federal Law No. (10) of 1980 concerning Central Bank, Monetary Regulation and Organization of Banking Profession, and the amendments thereto;

[Federal Law No. \(8\) of 1984](#) concerning Commercial Companies, and the amendments thereto;

[Federal Law No. \(6\) of 1985](#) concerning Islamic Banks, Financial institutions and Investment Companies;

[Federal Law No. \(3\) of 1987](#) concerning Penal Code, and the amendments thereto;

[Federal Law No. \(35\) of 1992](#) concerning Criminal Procedure Code, and the amendments thereto;

[Federal Law No. \(9\) of 1993](#) concerning the Control of Trading in High-value Stones and Precious Metals, and Stamping the same;

[Federal Law No \(14\) of 1995](#) concerning Fighting Narcotics and Psychotropic Substances, and the amendments thereto;

[Federal Law No \(24\) of 1999](#) concerning the Protection and Development of the Environment;

[Federal Law No. \(4\) of 2000](#) concerning Emirates Securities and Commodities Authority and Market, and the amendments thereto;

[Federal Law No. \(4\) of 2002](#) concerning the Criminalization of Money Laundering;

[Federal Law No. \(1\) of 2003](#) concerning the Establishment of the Federal Customs Authority, and the amendments thereto;

[Federal Law No. \(8\) of 2004](#) concerning Financial Free Zones;

[Federal Law No. \(13\) of 2004](#) concerning the Control of Import, Export and Transit of Rough Diamonds, and the amendments thereto;

[Federal Law No. \(1\) of 2006](#) concerning the Electronic Commerce and Transactions;

[Federal Law No. \(39\) of 2006](#) concerning International Judicial Cooperation in Criminal Matters;

[Federal Law No. \(51\) of 2006](#) concerning Combating Human Trafficking Crimes;

[Federal Law No. \(6\) of 2007](#) concerning Establishing the Insurance Authority and Regulations of Insurance Operations, and the amendments thereto;

[Federal Law No. \(6\) of 2010](#) concerning Credit Information;

Federal Decree-by-Law No. (5) of 2011 concerning the Regulation of the Boards of Directors, Secretaries and Committees of the Federal Government;

Federal Decree-by-Law No. (5) of 2012 concerning Combating Cyber Crimes;

Federal Decree-by-Law No. (5) of 2013 concerning Weapons, Ammunition, Explosives and Military Equipment;

[Federal Law No. \(7\) of 2014](#) concerning Combating Terrorism Crimes;

Upon the proposal of the Minister of Finance and the approval of the Cabinet, Federal National Council and Federal Supreme Council;

Have promulgated the following law:

Article I

[Federal Law No. \(4\) of 2002](#) concerning the Criminalization of Money Laundering shall be replaced with "[Federal Law No. \(4\) of 2002](#) concerning Combating Money Laundering and Terrorism Financing Crimes".

Besides, the phrase "Money Laundering" where mentioned, in the non-amended articles, shall be replaced with "Money Laundering, Terrorism or Terrorist Organizations Financing".

Article II

Articles (1), (2), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15), (16), (18), (20) and (23) of Federal Law No. (4) of 2002 concerning the Criminalization of Money Laundering, hereinabove mentioned, shall be replaced and read as follows:

Article (1)

In the application of the provisions of this law, the following words and phrases shall have the meanings, respectively, set forth against the same unless the context otherwise

requires:

The State:	United Arab Emirates.
The Ministry:	Ministry of Finance.
The Minister:	Minister of Finance.
The Central Bank:	Central Bank of the United Arab Emirates.
The Authority:	Securities and Commodities Authority.
The Governor:	Governor of the Central Bank.
The Committee:	National Committee for Anti-Money Laundering and Counter-Terrorism Financing.
Funds:	Any assets whatsoever the nature thereof, whether material or immaterial, moveable or immovable; including national currency, foreign currencies, documents and instruments proving acquisition of these assets or any right related thereto; whether in electronic or digital form.
The Unit:	Financial Information Unit for Combating Money Laundering and Suspicious Transactions, established at the Central Bank by virtue of Article (7) herein.
Supervisory Authorities:	Federal and local authorities responsible for licensing or supervising financial, commercial and economic institutions, by virtue of the laws and regulations in force.
Money Laundering:	Any of the acts specified in Article (2) herein.
Proceeds:	Any funds derived, directly or indirectly, from an offence or misdemeanor.
Suspicious Transactions:	Any transactions involving reasonable grounds for suspicion; in term of being derived from an offence or misdemeanor, or related to terrorism or terrorist organizations financing; whether executed or planned to be executed.
Terrorist Organizations:	Any organization that the establishment of the same or the finance of any activities thereof are hereby criminalized.

Freezing or Seizure:	Temporary prohibition of the transfer, conversion, disposition or movement of any funds by virtue of an order issued by the Competent Authority.
Forfeiture:	Permanent dispossession of funds by virtue of an order issued by a competent court.
Instruments:	Any item used or intended to be used, in any way, in the commission of an offence or misdemeanor.
Financial Institutions:	Any bank, finance company, money-exchange establishment, financial and cash broker or any other financial institution licensed by the Central Bank or the Authority; whether publicly or privately owned.
Other Financial, Commercial and Economic Establishments:	Establishments licensed and supervised by departments other than the Central Bank or the Authority.
Terrorism Financing:	Providing, collecting, securing or transferring funds via any means, directly or indirectly, to any association, authority, organization, center, group, gang or individuals fall under the provisions of Federal Law No. (7) of 2014 concerning Combating Terrorism Crimes.
Illegal Organizations Financing:	Each physical or legal act seeks to provide money to an illegal organization, the activities thereof or the affiliates of the same.

Article (2)

1. Whoever commits any of the following acts, despite being fully aware that such funds are derived from an offence or misdemeanor, shall be deemed as a perpetrator of money laundering crime:
 - a. If converts, transfers, deposits, saves, invests, exchanges or manages any proceeds, with intent to conceal or disguise the illicit origin thereof.
 - b. If conceals or disguises the true nature, origin, location, way of disposition, movement, rights related to any proceeds or the ownership thereof.
 - c. If acquires, possesses or uses such proceeds.
2. A money laundering offence shall be deemed as an independent crime. The punishment of the person who has committed a predicate offence shall not prevent the penalty for money laundering crime.

3. A conviction with a predicate offence shall not be deemed as a condition to prove the illicit source of the proceeds.

Article (5)

1. Without prejudice to the provisions of Article (4) herein, the Attorney General shall have the exclusive authority to initiate criminal action against the perpetrator of any of the offences stated herein.
2. Upon the request of the Attorney General, the authority; competent to maintain security, or the competent court shall provide protection for witnesses or indictees in the crimes of money laundering, terrorism or terrorist organizations financing, if necessary, or if there is any threat to the lives thereof, by virtue of the procedures applicable in this regard.
3. The orders of seizure or provisional attachment on the funds, with the Financial Institutions, shall only be executed through the Central Bank.

Article (6)

In pursuance of the procedures of disclosure adopted by the Central Bank, whoever enters to or exits from the State shall disclose all currencies, tradable financial instruments, high-value stones and precious metals therewith.

Article (7)

1. A "Financial Information Unit" shall be established within the Central Bank so as to deal with money laundering offences and suspicious transactions. This Unit shall receive the reports of suspicious transactions sent from all Financial Institutions and Other Financial, Commercial and Economic Establishments. The Committee shall determine the form of the suspicious transactions report and the methods of delivering the same thereto.
2. The Financial Information Unit shall maintain a database or special record for the information available thereto. The said Unit shall make such information available to Law Enforcement Departments so as to facilitate the investigations carried on by the same.
3. The Financial Information Unit may exchange information of suspicious transactions with the counterparts thereof in other countries, in accordance with international conventions to which the State is a party, or on the basis of reciprocity. Such information shall not be used except for the purposes of combating the crimes of money laundering, terrorism and illegal organizations financing.
4. Law Enforcement Departments shall follow up the reports of suspicious transactions or suspected proceeds of a crime and collect evidence thereon.

Article (8)

1. Following studying the cases reported thereto, the Financial Information Unit shall notify the Attorney General of the same so as to take necessary actions.
2. The Attorney General may consult the Financial Information Unit about the reports delivered directly thereto in respect of the crimes of money laundering, terrorism and

illegal organizations financing.

3. The Financial Information Unit may require further information relevant to the reports of suspicious transactions from all Financial Institutions and Other Financial, Commercial and Economic Establishments as well as Law Enforcement Departments.
4. The Financial Information Unit may require information, data or reports from a non-profit organization or institution that collects, receives or grants funds in case that there are reasonable grounds to suspect that such non-profit organization or institution has a relation to money laundering, terrorism and illegal organizations financing, or if there are reports or information about the same.

Article (9)

The Minister shall form an anti- money laundering committee named "National Committee for Anti-Money Laundering and Counter-Terrorism Financing" under the chairmanship of the Governor; consisting of representatives from the following departments, as per respective nominations thereof:

The Central Bank.

The Ministry of Interior.

The Ministry of Foreign Affairs.

The Ministry of Justice.

The Ministry of Finance.

The Ministry of Economy.

The Ministry of Social Affairs.

The Federal Customs Authority.

The State Security Department.

The departments concerned with issuing trade and industrial licenses.

The Chairman of the Committee may add further departments as members to the same.

Article (10)

The Committee shall be competent to:

1. Propose rules and procedures in respect of combating the crimes of money laundering, terrorism and illegal organizations financing in the State.
2. Facilitate exchange of information and coordination between relevant departments.
3. Represent the State in international anti-money laundering events.
4. Propose organizational regulations relating to the work of the same.
5. Peruse any other matters referred thereto by competent authorities in the State.

Article (11)

1. The Central Bank shall supervise Financial Institutions and monitor the work thereof so as to ensure the commitment of the same to the provisions of this law, the executive regulations thereof and the resolutions issued thereunder; especially the following:
 - a. To issue certain directives and guidelines to Financial Institutions that serve as a basis for regulating money laundering, terrorism or illegal organizations financing, including referral of the reports of suspicious transactions to the Financial Information Unit, upon occurrence of the same.
 - b. To issue resolutions in respect of imposing certain administrative sanctions on Financial Institutions in breach of the provisions of this law, the executive regulations thereof, the resolutions issued thereunder, the cases thereof and the eligibility to appeal against the same.
 - c. The Central Bank may delegate certain powers as mentioned in this law to the Authority.
2. The Supervisory Authorities shall oversee Other Financial, Commercial and Economic Establishments and monitor the work thereof so as to ensure the commitment of the same to the provisions of this law, the executive regulations thereof and the resolutions issued thereunder; especially the following:
 - a. To issue certain directives and guidelines to Other Financial, Commercial and Economic Establishments that serve as a basis for regulating money laundering, terrorism or terrorist organizations financing, including referral of the reports of suspicious transactions to the Financial Information Unit, upon occurrence of the same.
 - b. To issue resolutions in respect of imposing certain administrative sanctions on Other Financial, Commercial and Economic Establishments in breach of the provisions of this law, the executive regulation thereof, the resolutions issued thereunder, the cases thereof and the eligibility to appeal against the same.
3. In pursuance of Clauses (1) and (2) of this Article, the prescribed administrative sanctions shall be as follows:
 - a. Warning.
 - b. A fine not less than AED (50.000) "fifty thousand dirhams" and not more than AED (500.000), "five hundred thousand dirhams".
 - c. To prevent the party in breach from working in the relevant sector for the period determined by the Supervisory Authorities.
 - d. To restrict the powers of the board directors, executive directors, supervisory directors, managers and dominant owners, including the appointment of temporary observer.
 - e. To suspend activity for a period not exceeding one month.
 - f. To cancel the license.

Article (12)

All concerned departments shall maintain the confidentiality of the information obtained in respect of the criminal offences of suspicious transactions provided for herein, and not to disclose the same except to the extent required for use in investigations, legal actions, or cases relating to any violations to the provisions hereof.

Article (13)

1. Whoever commits or attempts to commit any of the acts set forth in Clause (1) of Article (2) herein, shall be punished by imprisonment for a term not exceeding ten years, or by a fine not less than AED (100.000) "one hundred thousand dirhams" and not more than AED (500.000) "five hundred thousand dirhams", or by either of both penalties.
2. In case of terrorism financing, the penalties should be subject to [Federal Law No. \(7\) of 2014](#) concerning Combating Terrorism Crimes.
3. In case of a crime multiple perpetrators, the court may decide to exempt from the penalties, set forth in Clause (1) of this Article, the perpetrator who informs competent authorities of any information relating to such crime and the perpetrators thereof before detection of the same, provided that such information leads to the detection of the other perpetrators and the funds, subject of the crime.

Article (14)

Any institution commits a crime of money laundering, terrorism or illegal organizations financing shall be punished by a fine not less than AED (300.000) "three hundred thousand dirhams" and not more than AED (1.000.000) "one million dirhams".

Article (15)

The chairmen, directors, managers and employees of the Financial Institutions or Other Financial, Commercial and Economic Establishments who are aware of any offence, occurred within the establishments thereof; relating to money laundering, terrorism and terrorist organizations financing, yet refrain from informing the Financial Information Unit, shall be punished by imprisonment and by a fine not less than AED (50.000) "fifty thousand dirhams" and not more than AED (300.000) "three hundred thousand dirhams", or by either of them.

Article (16)

Whoever informs any person of any proceedings under scrutiny relating to possible involvement in suspicious transactions, or that the competent authorities are investigating the same, shall be punished by imprisonment for a term not exceeding one year, or by a fine not less than AED (10.000) "ten thousand dirhams" and not more than AED (100.000) "one hundred thousand dirhams", or by one of either penalties.

Article (18)

Whoever intentionally refrains from disclosing or providing further information upon request, or deliberately conceals information necessary to be disclosed, or submits false information, in violation to the provisions of Article (6) hereof, shall be punished by imprisonment and fine or by one of either penalties.

Article (20)

The Central Bank and the Financial Information Unit shall exempt Law Enforcement Departments, Financial Institutions and Other Financial, Commercial and Economic Establishments, as well as the directors, employees and authorized representatives thereof

from any criminal, civil or administrative liability that may result from providing required information, or breaking a restriction imposed by a legislative, contractual, regulatory or administrative provision; for maintaining the confidentiality of the same, unless it can be proven that a false report has been made in bad faith with an intent to prejudice the interests of third parties.

Article (23)

Upon proposal by the Minister, the Cabinet shall issue the executive regulation hereof no later than six months after the date of entry into force.

Article III

Articles (5 bis), (12 bis) and (19 bis) shall be added to [Federal Law No. \(4\) of 2002](#) concerning the Criminalization of Money Laundering, as follows:

Article (5 bis):

1. If it becomes established that a crime of money laundering, terrorism or illegal organizations financing has been committed, the following shall be forfeited:
 - a. The funds and proceeds resulting from the crime of money laundering, terrorism or illegal organizations financing, or the properties equal thereto.
 - b. The properties, equipment, tools or means that have been used or intended to be used therein.
2. If the funds and proceeds, provided for in Clause (1) of this Article, have been transferred or converted, partly or totally, into other assets, the transferred or converted assets shall be hereby forfeited.
3. If the funds obtained from money laundering, terrorism or illegal organizations financing become mingled with other assets acquired from legitimate sources, these funds shall be hereby forfeited to the estimated value of the same.

Article (12 bis):

1. The Financial Institutions shall adhere to the regulations and directives in respect of money laundering, terrorism or illegal organizations financing issued by the Central Bank. Other Financial, Commercial and Economic Establishments shall comply with the regulations and directives of money laundering, terrorism or terrorist organizations financing issued by the Supervisory Authorities.
2. Other Financial, Commercial and Economic Establishments shall notify the Financial Information Unit of any suspicious transactions, on the form prepared for the same.

Article (19 bis):

1. The penalties prescribed herein shall not prejudice any severer penalty provided for in any other law. In all cases, the foreigner who has been convicted in any of the crimes set forth herein shall be deported from the State.
2. The provisions of this Act shall not prejudice the provisions of [Federal Law No. \(7\) of](#)

[2014](#) concerning Combating Terrorism Crimes.

3. The Federal Supreme Court shall have exclusive jurisdiction to decide on the crime of terrorism financing.

Article IV

Without prejudice to the provisions hereof, the rules, regulations and resolutions issued pursuant to the provisions of [Federal Law No. \(4\) of 2002](#) concerning the Criminalization of Money Laundering, hereinabove mentioned, shall remain in effect until the issuance of new rules, regulations and resolutions replacing the same.

Article V

Any provision contrary to or contravening the provisions of this law shall be hereby repealed.

Article VI

This law shall be published in the Official Gazette and shall come into force as from the date of publication thereof.

Signed

Khalifa Bin Zayed Al Nahyan

President of United Arab Emirates

Issued by us at the Presidential Palace in Abu Dhabi,

On: 2nd Muharram 1436 AH

Corresponding to: 26th October 2014 AD