

AML Guide for UAE

Understanding the AML Obligations in UAE and steps for registering with goAML



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INTRODUCTION

The United Arab Emirates is a global centre for international trade and finance. The country has multiple free trade zones, which attract large businesses but also pose money laundering and terrorist financing issues. The UAE has rigorous AML laws and regulations in place to keep these concerns at bay.

Over the last few years, the UAE has taken tremendous strides to improve its AML legislation. This involves the publication of revised Guidelines for Financial Institutions in June 2021, as well as the establishment of the New Specialised Money Laundering Court.





WHAT ARE THE LAWS AND REGULATIONS?

APPLICABILITY

Financial Institutions

All financial institutions (FIs) must comply if they execute one or more financial actions or operations on behalf of a customer.

- Receiving deposits and other monies that can be paid by the public, including Sharia-compliant deposits (Islamic religious law);
- Private banking services, cash brokerage services, all sorts of credit facilities;
- Currency exchange and money transfer services, stored value services, electronic payments for retail and digital cash, virtual banking services;
- Issuing and administering payment methods, guarantees, or commitments;
- Investing in, operating, or managing funds, options contracts, futures contracts, exchange rate and interest rate transactions, and other derivatives or negotiable financial instruments;
- Participating in issuing securities and providing financial services related to these issues;
- Managing and saving funds and portfolios of all kinds.

DNFBPs

Designated Non-Financial Businesses and Professions (DNFBPs), similar to FIs, conduct financial activities on behalf of their customers. DNFBPs usually include the following types of businesses:

- Brokers and real estate agents;
- Dealers in precious metals and precious stones in carrying out any single monetary transaction or several transactions that appear to be interrelated or equal to more than AED 55,000 (approximately \$15,000);
- Lawyers, notaries, and other independent legal professionals and independent accountants, when preparing, conducting or executing financial transactions for their customers;
- Providers of corporate services and trusts upon performing or executing a transaction on behalf of their customers;
- Other professions and activities which shall be determined by a decision of the Minister.

It should be noted that only lawyers and corporate servers providers that act on behalf of their customers are affected by the regulations. For example, legal professionals who manage funds owned by their clients fall into the category of DNFBPs.

REGULATORY BODY

The Central Bank of the UAE (CBUAE) formed a separate department in August 2020 to handle all things relating to anti-money laundering (AML) and counter-terrorism financing (CFT). Previously, the Banking Supervision Department was in charge of such operations.

The Anti-Money Laundering and Combating the Financing of Terrorism Supervision Department (AMLD) is concerned with three key goals:

- Examining licenced financial institutions;
- Ensuring adherence to the UAE's AML/CFT legal and regulatory framework;
- Identifying threats, vulnerabilities, and emerging hazards to the UAE's financial industry.

The AMLD collaborates with the UAE's National AML/CFT Committee and the Banking Supervision Department's Examination Division. Furthermore, the AMLD acts as a go-between for CBAUE and domestic stakeholders.

LAWS AND REGULATIONS

The main laws for AML in UAE are:

- Federal Decree-Law No. (20) of 2018 On Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organizations (the "AML-CFT Law" or "the Law");
- Cabinet Decision No. (10) of 2019 Concerning the Implementing Regulation of Decree-Law No. (20) of 2018 On Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organizations (the "AML-CFT Decision" or "the Cabinet Decision").

As per the AML-CFT a person is considered to be committing money laundering if they:

1. Transfer or transport proceeds of crime with intent to conceal or disguise its illicit origin;
2. Concealing or disguising the true nature, origin, location, way of disposition, movement or rights related to any proceeds or the ownership thereof;
3. Acquiring, possessing or using such proceeds;
4. Assisting the perpetrator of the predicate offense to escape punishment.



DUE DILIGENCE REQUIREMENTS

CUSTOMER REQUIREMENTS

DUE

DILIGENCE

FIs and DNFBPs are required to undertake appropriate risk-based Customer Due Diligence (CDD) measures, including, among other things, understanding the nature of the customer's business and the purpose of the transaction in the cases specified in Article 6 of the AML-CFT Decision, including:

1. Carrying out occasional transactions in favor of a customer for amounts equal to or exceeding AED 55,000 (approximately \$15,000), whether the transaction is carried out in a single transaction or in several transactions that appear to be linked;
2. Carrying out occasional transactions in the form of wire transfers for amounts equal to or exceeding AED 3,500 (approximately \$950);
3. Having suspicion of a crime;
4. Having doubts about the veracity or adequacy of identification data previously obtained with regard to the customer.

FIs are obliged to enhance their CDD measures concerning customers identified as high-risk, which the AML/CFT Decisions divides into multiple categories. These include Politically Exposed Persons (PEPs), customers associated with high-risk countries, and correspondent banking institutions.

PENALTIES

If FI's fail to report suspicious activity, their managers or workers may face imprisonment and fines ranging from AED 100,000 to AED 1,000,000. Companies that violate additional AML/CFT standards may face imprisonment or fines ranging from AED 10,000 to AED 100,000. Fines for DNFBPs vary from AED 50,000 to AED 200,000.

CUSTOMER DUE DILIGENCE

1.Simplified Customer Due Diligence (SDD) is applicable for customers identified as 'low-risk', wherein:

- The verification requirements are not so rigid regarding a customer;
- Few details are required regarding the business relation, the nature of the customer's business, their sources of funds, and the purpose behind individual transactions;
- Limited and less frequent monitoring of the transactions which take place

2. Enhanced Customer Due Diligence (EDD) is applicable for customers identified as 'high-risk' wherein:

- There is increased scrutiny and higher standards of verification and documentations required;
- More detailed inquiry and evaluation of reasonableness in regard to the purpose of the business relationship, the nature of the customer's business, the customer's source of funds, and the purpose of individual transactions;
- Increased supervision of the business relationship, including the requirement for higher levels of management approval, more frequent monitoring of transactions, and more frequent review and updating of customer due diligence information.

SUSPICIOUS ACTIVITY REPORTING

If FIs notice any questionable activity relating to money laundering or terror financing offences, they must complete certain requirements. When there are suspicions, or reasonable grounds to suspect, that the proceeds are related to a crime, or the attempt or intention to use funds or proceeds for the purpose of committing, concealing, or benefiting from a crime, FIs are required to report transactions without any delay to the Financial Intelligence Union (FIU). There is no minimum reporting level and no statute of limitations for money laundering or terror financing offences or suspicious transaction reports. The FIU is the designated Competent Authority for reporting suspicious transactions under federal law and regulations, regardless of whether the FI operates on the mainland UAE or in a Financial or Commercial Free Zone.

Any and all money laundering or terror financing offences must be reported to the FIU through the goAML portal.

DATA RETENTION

The statutory retention time for all records is at least five years, depending on the circumstances, from the date of the most recent of the following events:

- Termination of a business relationship or closure of a customer's account with a supervised institution;
- Completion of a one-time transaction (with a customer with whom no Business Relationship has been created);
- Completion of a record inspection by the Supervisory Authorities;
- The date on which a final judgement is issued by the authorised judicial authorities;
- When a legal person or arrangement is liquidated, dissolved, or terminated in other ways.

Financial transaction records and CDD records are the two types of records that FIs are required to preserve.

KYC REQUIREMENTS

When engaging with customers, businesses must adhere to Know Your Customer (KYC) standards. The practise of identifying and authenticating clients is known as Know Your Customer (KYC). enterprises must gather many types of papers from individual consumers and enterprises in order to validate personal data:

Individual:

- ID proof
- Proof of residential address (like passport)

Company/ Firm:

- ID/travel document for all shareholders with 25% and more shares;
- Proof of Operating Address in the UAE (utility bill or other bank statements from last three months);
- Trade License or Certificate of Incorporation;
- Memorandum & Articles of Association or other Constitution Documents;
- Resolution of the Board of Directors/ Authority Letter to open an account; identification of those who have authority to operate the account.

GOAML REGISTRATION PROCESS



WHAT IS GOAML?

To combat organised crime, the United Nations Office on Drugs and Crime (UNODC) created the 'goAML' anti-money laundering reporting tool. All financial entities, as well as designated non-financial businesses or professions, must register with 'goAML.' The technology will aid the UAE's Financial Intelligence Unit in combating money laundering, terrorism financing, and other illegal acts.

WHO SHOULD REGISTER ON GOAML?

goAML Registration is mandatory for the following entities, which are subject to the AML laws and regulations of the UAE and the Financial Action Task Force ("FATF"), and are obligated to report any suspicious transactions to the FIUs:

- FIs
- DNFBPs
- Virtual Asset Service Providers ("VASPs")

HOW TO REGISTER ON GOAML?

The registration on goAML is done through a two-step process:

1. Before registering on goAML all reporting entities must get access to Security Access Management (SACM), which is the preregistration process.
2. Registration on the UAE FIU's goAML Portal, furnishing information about the organization and the Compliance Officer.

Step 1: Pre-registration on SACM

- i) Following documents need to be prepared beforehand:
 - a. A scanned PDF copy of a valid Organization's Trade License/ Incorporation Certificate
 - b. A scanned copy of the user's valid Emirates ID
 - c. A scanned copy of an official letter authorizing the user to act on the organization's behalf or as the Money Laundering Reporting Officer (MLRO)
 - d. Use the following link to access SACM
<https://eservices.centralbank.ae/sacm>

Registration for goAML Web Access

Please complete all columns

Kindly make sure that you have white-listed the e-mails no-reply.sacm@uaeifi.gov.ae and no-reply.goaml@uaeifi.gov.ae

Registration Type : *	Please select Registration Type
Entity Name : *	Reporting Entity Name (Max 100 Chars)
Supervisory Body : *	Please select Supervisory Body
ID Number/Reg. No : *	ID Number/Reg. No with Supervisory Body (Max 30 Chars)
 Details of the User Registering	
Individual Name : *	Individual Name (Max 100 Chars)
Nationality : *	Please select
ID Type : *	Please select
ID Number : *	ID Number (Max 30 Chars)
E-Mail : *	E-Mail (Max 60 Chars)
Mobile Number : *	009715XXXXXXXX example UAE Mobile Number "00971501234567"
Remarks :	Remarks (Max 500 Chars)
Attachment :	<input type="button" value="Choose File"/> No file chosen

ii) Click on Registration after accessing the website, and fill out the pre-registration form, and attach a copy of the Trade License/ Incorporation Certificate, Emirates ID, and Authorization Letter. The details to be filled in the registration form are:

- a. Under Registration Type, select 'Reporting Entity';
- b. Fill in the name of the company/ organization;
- c. Under Supervisory Body, select the appropriate body as per the license or kindly refer to page no. 20 for clarification (do not select 'UAE FINANCIAL INTELLIGENCE UNIT');
- d. Type in the Trade License or Certificate Incorporation number;
- e. Provide details of the User Registering (person who would be compliance officer), including:
 - i. Name
 - ii. Nationality
 - iii. ID Type
 - iv. ID Number
 - v. Mobile Number (UAE)
 - vi. Any Remarks
- f. Upload copy of a valid Emirates ID along with authorization letter from the Company for appointment of such person, and a copy of Trade Licence or Incorporation Certificate and submit the details.

iii) On the submission of such application, a pre-registration number is generated and assigned which is then forwarded to the registered email address along with a link to a new email which will be created from-
webmaster@eservices.centralbank.ae

iv) Click on the link to verify the email address. If verification email is not received either check spam or junk and whitelist webmaster@eservices.centralbank.ae. If still a verification email is not visible then inform the goAML support team at goaml@cbuae.gov.ae

What happens after verification of email?

- The supervisory body which was selected receives the pre-registration request, who shall then review the request and its attachments and then decides whether to approve such request or not.
- Once the supervisory body approves the request, an OTP will be sent on the registered mobile number and the registered email along with a registration link.
- On the link provided on the email, the user will be prompted to provide the registered email address, the email OTP, and the mobile OTP, following which a secret key would be generated.
- The secret key then will have to be used to setup a Google Authentication App account. The User will also receive an email with the username, secret key, and the link to follow: <https://services.cbuae.gov.ae>

How to obtain Google Authentication passcode?

- Download the Google Authenticator app from the Play Store
- In “Add an account” tab select on the “Enter a provided key”
- On the next tab under Account Name type in “goAML Portal” and under Your Key, type in the secret key provided in the approval email.
- Upon completing the entries correctly, click ADD ACCOUNT, and then in settings under the ‘Time correction for code’, click on ‘Sync Now’, after which now the Google Authenticator can now generate a valid key when needed.

Step 2: Registering on goAML as a reporting entity

- i) Click on <https://services.cbuuae.gov.ae> and navigate to Systems and click on Production – GOAML Web
- ii) Feed-in the username received from webmaster@eservices.centralbank.ae and the Google Authenticator Password

The image shows a 'Sign in' form with the URL <https://services.uaefiu.gov.ae>. It has two text input fields: 'Username' and 'Password'. Below the fields are 'Sign in' and 'Cancel' buttons. Two yellow arrows point from the text fields to callout boxes. The first arrow points to the 'Username' field and contains the text 'Using USERNAME received post - SACM Registration'. The second arrow points to the 'Password' field and contains the text 'Google Authenticator's 6-digit code'.

- iii) Next on the goAML webpage click on Register a new Organisation and fill up the registration form (and create a group email address to receive goAML notifications):

- Select the reporting entity;
- Select organisation type (as per the Trade License. Ensure it ends with the acronym of the supervisory body).
- On the next question of 'Is Financial' select YES if a FI, select NO if a DNFBP.
- Provide the organisation name as per the Trade License and its acronym
- Provide SWIFT code or the Bic (only applicable for Financial Institutions, other to select 'N/A')
- Provide the Trade License Number and the organisations commercial name
- Select the appropriate Business Activity (as per the Trade License)
- Provide details of the incorporate city, state, and country
- If applicable, provide the name of holding company
- Under the Contact Person, give the name of the MLRO or the user registering the organisation, along with group email address.
- Provide the link of company website if applicable
- Provide further details of the organisation, such as contact type, contact number, and other address details

iv) Next the MLRO or authorised person will have to fill up the registration form, wherein they will have to fill up and create:

- Username and password
- Registered/ official email address
- Details of the authorised person such as name, birthday, nationality, Emirates ID, Occupation (Compliance Officer), passport details (if available), and finally upload the supporting documents (valid Emirates ID, copy of authorisation letter from employer, and a copy of the Company's Trade License).
- Once the registration request is submitted, a "registration submitted form will appear with the registration reference number. The reference number is to be used for any registration related enquiries
- Once the request has been submitted, the Supervisory Body will be responsible for authenticating and verifying the registered applicant along with the required documents in the form of attachment(s) and will approve/reject the registration accordingly.
- Once the request is approved, user will receive a system notification email that contains their Org ID which will be needed if your organization wishes to register additional users

How to Login?

- Click on <https://services.cbuae.gov.ae> and navigate to Systems and click on Production – GOAML Web
- Feed-in the username received from webmaster@eservices.centralbank.ae and the Google Authenticator Password
- On the goAML homepage click on LOGIN button and type in the username and password created while registered on goAML.
- The goAML message board on the Home Page is an internal means to communicate between the user and the FIU, where the organisation is immediately notified if their reports are accepted or rejected by the FIU.

How to add additional users?

Organisation can add additional users by clicking Register a new Person on the goAML webpage. The following details will have to be provided:

- Org ID
- create a username and password
- official email address
- Name of the person and his personal details like nationality, date of birth, Emirates ID, position with the employer,
- Uploading a copy of valid Emirates ID and authorisation letter

When such an application is submitted, the MLRO or the authorised person can approve/ reject such request from the Admin Menu >> User Request Management, and then by clicking on the eye icon on the right side of the screen. The MLRO can then view the details that are provided and then can either accept or reject such request.



MISCELLANEOUS

Why register on goAML?

Without registering on the goAML Portal, no AML/CFT concerns can be reported to the FIU or any other regulatory authority for that matter. Organisations are required to register on the goAML Portal in order to enable timely transmission of the following reports to the FIU and the relevant supervisory authority:

- Suspicious Activity Report (SAR)
- Suspicious Transaction Report (STR)
- Dealers in Precious Metals and Stones Report (DPMSR)
- Real Estate Activity Report (REAR)
- Fund Freeze Report (FFR)
- Partial Name Match Report (PNMR)
- High-Risk Country Transaction Report (HRC)
- High-Risk Country Activity Report (HRCA)

Consequences of failure to register with goAML

Any failure by any FI, DNFBPs, or VASPs to register themselves on the goAML portal is a violation of the AML/CFT regulations of the UAE and would attract administrative penalties ranging between AED 50,000 and AED 5,000,000.

Details of AML Reporting and Supervisory bodies

Area or Nature of Operations	Supervisory Authority	Reporting Authority
Entities operating in UAE Mainland (other than Financial Institutions)	Ministry of Economy	
<ul style="list-style-type: none">• Financial Institutions• Payment Tokens	Central Bank of UAE	
<ul style="list-style-type: none">• UAE Capital Market• VASP (other than in Dubai & ADGM)• Digital Securities & Digital Commodities	Securities & Commodities Authority	
Entities operating in Dubai International Financial Centre	Dubai Financial Services Authority	Financial Intelligence Unit
Entities operating in Abu Dhabi Global Market	ADGM Financial Services Authority (FSRA), or ADGM Regulatory Authority (ADGMRA)	
Lawyers and Legal Consultants	Ministry of Justice	
Virtual Asset Service Providers operating in Dubai (except DIFC)	Dubai's Virtual Asset Regulatory Authority (VARA)	

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