



وحدة المعلومات المالية
Financial Intelligence Unit

UAE Financial Intelligence Unit (UAE FIU)

ANNUAL REPORT 2019

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1. FOREWORD

1.1 Message from H.E. the Governor of the Central Bank of the UAE and Chairman of NAMLCFTC

H.E. Abdulhamid M. Saeed Alahmadi



A consequence of increased financial market globalisation is heightened risk of money laundering and terrorism financing. For this reason, the UAE – a leading global financial centre – has prioritised over many years the creation of a robust Anti Money Laundering and Combatting the Financing of Terrorism (AML/CFT) framework. This framework ensures that the UAE's financial and trade systems are not misused and are appropriate to its domestic and international agenda.

The UAE's Financial Intelligence Unit (UAE FIU) in its new format was created in 1998. Today, it is the driving force behind the establishment of the UAE as an international AML/CFT leader. Through proactive collaboration with domestic and international partners and stakeholders, the UAE FIU works effectively to gather, collate and analyse relevant financial data, and to ensure effective steps are taken to detect illegal activity.

In recent years, UAE FIU has worked closely and successfully with counterpart FIUs throughout the world to expand cooperation and build intelligence while also ensuring that criminals are prosecuted in appropriate jurisdictions.

We believe that an AML/CFT framework that is fit for purpose must seek to prevent money laundering, the financing of terrorism and all related activities proactively. For this reason, we have invested significantly in modern AML/CFT protocols and control mechanisms including but not limited to intelligence gathering and data dissemination. This ensures all work undertaken by the UAE FIU is aligned with wider-UAE government policies.

In 2020, the implementation of new anti-money laundering online platform goAML significantly enhanced the UAE FIU's work and underlined our determination to harness cutting-edge technologies in the fight against money laundering and terrorism financing.

Looking ahead, UAE FIU will continue to spearhead and shape the UAE's commitment to AML/CFT for years to come, both at home and throughout the world. In keeping with this commitment, the UAE-FIU will evolve as a centre of excellence for all AML/CFT issues at a national level underpinned by a robust technology platform, domestic and international cooperation, improved transparency, and awareness among the wider public through education and training initiatives.

The UAE is cognisant of its role and stands firm in the fight against international money laundering and terrorism financing, now and in the future.

1.2 Message from the Head of UAE FIU

Counselor Dr. Waleed Hassan Alhosani

In 2019, the UAE Financial Intelligence Unit played a leading role in the UAE's fight against money laundering and the financing of terrorism.

Through our work to create robust Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) frameworks, we were instrumental in promoting national security and the safeguarding of the integrity of the UAE economy.

Additionally, our work to gather, analyse and disseminate intelligence critical to the international fight against AML/CFT is underpinned by UAE FIU's engagement with the financial institutions authorised to operate in the country, and also with intelligence agencies throughout the world that have designated responsibilities for combating money laundering and/or terrorist financing.

In 2019, UAE FIU reported a 13.7% increase in the international exchange of AML/CFT information compared to a year previously, and a 43% increase in reports of suspicious activity by reporting entities. The unit also saw a 151% increase compared to 2018 in the number of requests for intelligence received from domestic competent authorities.

In 2019, the launch of goAML tangibly demonstrated UAE FIU's commitment to using best-in-class technologies and innovation to win the fight against financial criminality. GoAML is a reporting platform that facilitates the receipt and analysis of Suspicious Transaction Reports (STRs), in order that related intelligence can be compiled and disseminated to law enforcement authorities.

Over the course of the year, UAE FIU also upgraded the Remittance Reporting System, used by all money service businesses in the UAE, in order to enhance data integrity.

Additionally, we launched the Integrated Enquiry Management System (IEMS) to facilitate the exchange of enquiries and information between competent authorities and reporting entities.

In 2019, the UAE's reputation as a leading international financial centre was enhanced by our ability to react to and support international AML/CFT requests, which increased by 21% compared to 2018. We also hosted the Africa/Middle East Joint Group Meeting and were proud to welcome delegates to the UAE and to identify new opportunities for bilateral cooperation.

During the year, we progressed important projects to support our long-term AML/CFT work, including: enhancing our infrastructure to accommodate big data; expanding our reach by adding more domestic, regional and international databases; increasing registrations on goAML and introducing Machine Learning and Artificial Intelligence (AI) to our analysis and dissemination processes.

Over the coming years, we will strive towards a more effective response to money laundering and terrorism financing thereby contributing to an already robust AML/CFT regime in the UAE.



2. WHO WE ARE

2.1 About UAE FIU

Diagram 1

Core functions of the UAE FIU: the receipt, analysis and dissemination of intelligence.

The UAE Financial Intelligence Unit (UAE FIU) analyses suspicious transactions and activities that may involve money laundering, terrorism financing and related criminal activities, on the basis of data and reports from financial institutions (FIs) and designated non-financial business and professions (DNFBPs) who collaborate and share knowledge to detect and act against such activities.

RECEIPT OF INTELLIGENCE

- STRs and other reports
- Heads up/cues from local LEAs
- Inward requests for information and spontaneous disclosures from counterpart FIUs



ANALYSIS

- Operational analysis utilising various databases
- Coordination with reporting entities and local LEAs to obtain inputs for analysis
- Strategic analysis by virtue of outreach such as publishing of annual reports, trends and typologies report and feedback to reporting entities

DISSEMINATION



- Dissemination to law enforcement
- Coordination with judicial authorities
- Outward requests of information and spontaneous disclosures to counterpart FIUs

The UAE FIU encourages collaboration and strategic partnerships with local, regional and international stakeholders that have similar goals of combatting financial crimes. Such collaboration entails developing shared network platforms that allow for enhanced knowledge sharing between agencies to combat money laundering and terrorism financing.

Feedback to Reporting Entities

- Operational feedback on filed reports
- Issuance of annual reports, trends and typologies reports and strategic feedback on the filings

Liaison with Counterpart FIUs

- Prompt and timely exchange of requests for information and spontaneous disclosures
- Inclusion of the patterns observed in such requests in the trends and typologies reports

Coordination with LEAs

- Prompt dissemination of intelligence reports
- Provision of additional information

Public Outreach

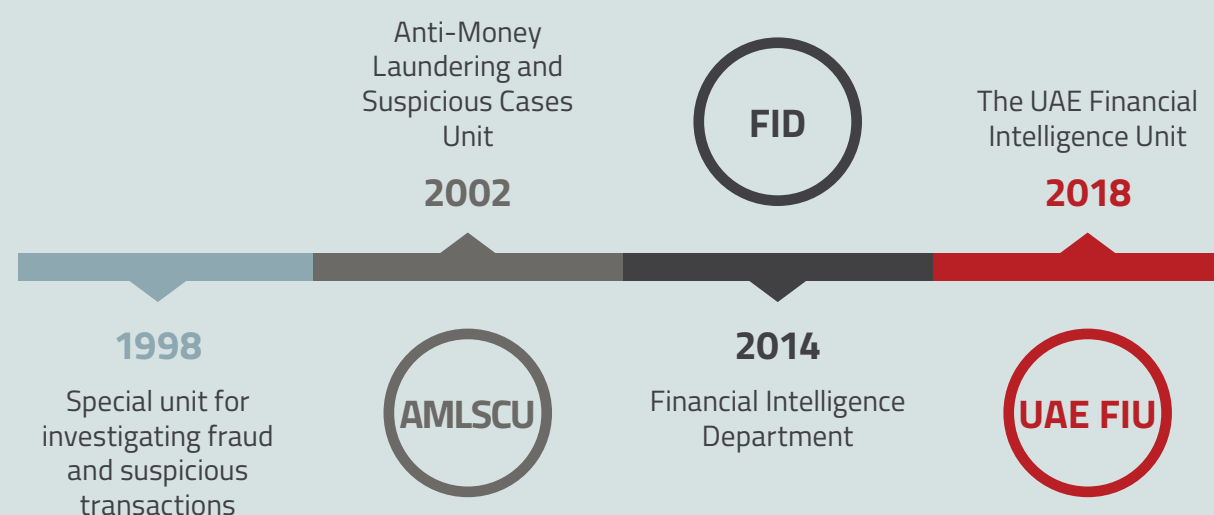
- Provide inputs to regulatory bodies for public outreach to raise awareness about the prevalent methods of financial crimes

2.2 History

In 1998, the Central Bank of the UAE established a special unit for investigating fraud and suspicious transactions, which was renamed as the Anti-Money Laundering and Suspicious Cases Unit (AMLSCU) in 2002. The aim of this unit was to protect the UAE economy, in collaboration with stakeholders, from risks of illegitimate activities such as money laundering and terrorism financing. With the issuance of the Decretal Federal Law No. (20) of 2018 on Anti-Money Laundering and Combating Financing of Terrorism and Financing of Illegal Organisations (AML Law)¹, the unit was renamed as the Financial Intelligence Unit.

Diagram 2

The history of UAE FIU



2.3 Organisation and its Autonomous Structure

The headquarters of the UAE FIU is located in the CBUAE head office - Abu Dhabi. The UAE FIU has a branch in Dubai within the CBUAE Dubai branch premises.

Although the UAE FIU is established in the CBUAE, its functions are distinct from those of the CBUAE. UAE FIU operates independently and is fully accountable for the decisions and actions that it takes and the manner in which it manages its operations. UAE FIU is authorised to independently perform the following:

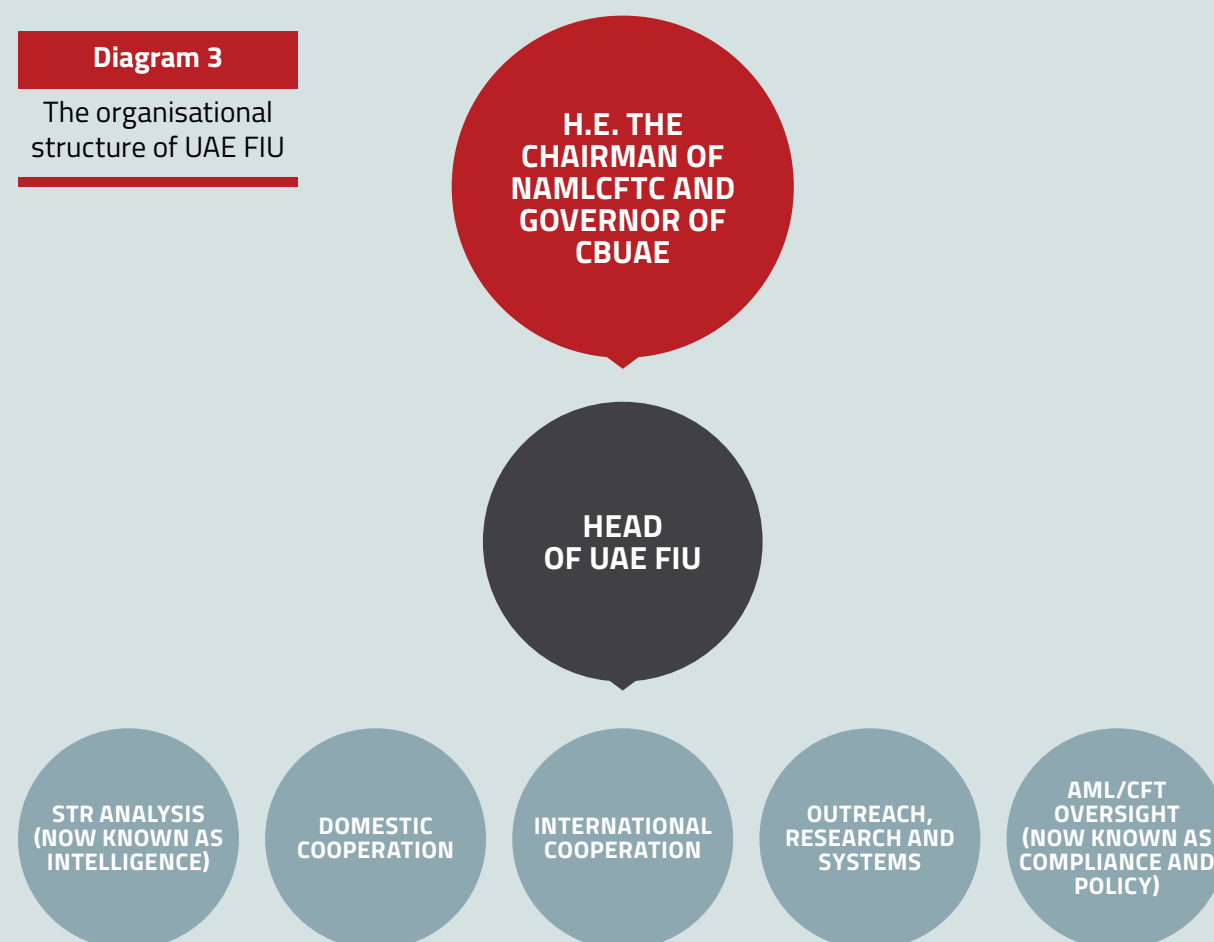


The UAE FIU comprises of five sections that operate in accordance with the mandate given in the AML Law and Cabinet Decision No. (10) of 2019 concerning the executive regulation of decree law no. (20) of 2018 on anti-money laundering and combating financing of terrorism and illegal organisations (AML By-law)² with access to a wide range of financial and administrative information to help it undertake its functions. The sections are the following:

- STR Analysis (now known as Intelligence)
- Domestic Cooperation
- International Cooperation
- Outreach, Research and Systems
- AML/CFT Oversight (now known as Compliance and Policy)

Diagram 3

The organisational structure of UAE FIU



i. STR Analysis (now known as Intelligence)

Data collection and analysis is one of the most important aspects of the UAE FIU. The STR Analysis section serves as the knowledge section of the UAE FIU and feeds information and data into other sections of the UAE FIU.

One of the most significant activities of the UAE FIU is to receive Suspicious Transaction Reports (STRs) and other information related to Crime³ from FIs and DNFBPs; conduct operational and strategic analysis; respond to reporting entities; provide feedback and when deemed necessary disseminate intelligence to other domestic competent authorities spontaneously or upon request. The dissemination to LEAs is made through the secure online portal (goAML) when there is sufficient ground to suspect a crime.

The UAE FIU has the legal mandate to request FIs, DNFBPs, and domestic competent authorities to provide any additional information and documents relating to STRs and any other information that it deems necessary to perform its duties.

In addition, the section maintains a database to store the results of the analyses, actions taken or recommended and any other valuable information.

ii. Domestic Cooperation

The domestic cooperation function entails rapid exchange of information on ML, related predicate offences and TF, and any other required domestic cooperation to ensure the necessary action is pursued against an individual or an entity.

In addition to sending financial intelligence to domestic competent authorities both spontaneously and upon request, this section receives search and freeze requests, mutual legal assistance requests and bilateral committee reports.

Upon signing of MoUs between the UAE FIU and domestic competent authorities such as supervisors of FIs and LEAs, the section participates in joint committees to enhance domestic coordination, information sharing, and the exchange of expertise between the UAE FIU and domestic competent authorities.

This section also provides assistance to LEAs and PPs at an operational level, which involves preparing comprehensive analytical reports for investigations, identifying potential cases of money laundering or the financing of terrorism, and in some cases providing recommendations/ and sharing findings.

iii. International Cooperation

As a leading international financial centre and global business hub in the region, the UAE recognises the transnational nature of money laundering, terrorism financing and other criminal activities. The AML law and the AML by-law have granted the UAE FIU the authority to exchange information with foreign counterparts and be part of global AML efforts.

The UAE FIU shares financial intelligence with other FIUs regardless of their models i.e. judicial, law enforcement, administrative and hybrid, to support the analysis of STRs, and other suspicious reports and intelligence gathering.

The UAE FIU works with foreign FIUs to protect the integrity of the UAE's financial system to mitigate and avoid reputational risk and to contribute to the global fight against ML/TF. In keeping with this commitment, the UAE FIU signed a number of agreements or MoUs with other foreign FIUs, based on the principle of reciprocity, ensuring the exchange of information to be used for the purposes of combating money laundering, terrorism financing or the financing of illegal organisations.

To ensure secure, confidential and streamlined exchange of information, the Egmont Group of FIUs was created to provide FIUs around the world with a forum to exchange information confidentially. The UAE FIU adheres to all Egmont Group guidelines for knowledge and intelligence sharing best practice contained in the Egmont Group's Principles for Information Sharing Charter.

The exchange of information with counterpart FIUs is conducted via the Egmont Group Secure Web (ESW)⁴, which ensures high level of security, reliability and effectiveness. The UAE FIU utilises the secure web to ensure and facilitate the safety and confidentiality of exchanged information.

The UAE FIU can search its databases on behalf of foreign counterparts, to assist overseas investigations through cooperation with Egmont Group members and GCC member states. On a case by case basis, following the request by a foreign FIU, requests are made to LEAs and other domestic competent authorities to conduct searches and report results to the UAE FIU for onward transmission. As a matter of practice, the UAE FIU's extensive network of contacts with domestic competent authorities in the UAE enables it to gather the required information to meet a foreign request.

The power of FIU-to-FIU information exchange allows not only the UAE FIU, but also domestic LEAs and other related domestic competent authorities to seek and obtain financial intelligence from foreign bodies to deter and detect money laundering, terrorism financing, and related crimes, ensuring that the UAE plays a pivotal role in the global effort against ML, TF and other related criminal activities.

The UAE FIU is empowered to disseminate all information related to crime it can obtain from foreign FIUs to Judicial Authorities and LEAs, spontaneously and upon request, after obtaining consent from the concerned foreign FIU.

iv. Outreach, Research and Systems

The use of technology and public awareness of FIU's operations are key to achieving the objectives of the UAE FIU. To ensure this, the UAE FIU has a dedicated team to look after the technological tools available to the UAE FIU to perform its mandate as well as explore the opportunities to further enhance its technological tools. Additionally, the section arranges outreach programmes to raise AML/CFT awareness among the public, private sector and domestic competent authorities. It passes on knowledge related to emerging global AML/CFT threats as well as local trends that may threaten the economy and community. The research arm of the team carries out extensive studies to gather relevant data to enhance the UAE FIU's outreach programme and analyses.

v. AML/CFT Oversight (now known as Compliance and Policy)

The AML/CFT Oversight section oversees the implementation of the strategic objectives of the UAE FIU including the UAE AML/CFT strategy and the National Action Plan (NAP) in coordination with the relevant persons/authorities. In addition, the section oversees the mandate of the UAE FIU and ensures compliance with obligations stated in the legislation and international standards. The section also drafts and updates all related policies and procedures relevant to the operations of the UAE FIU.



NAP and how it helps the UAE FIU

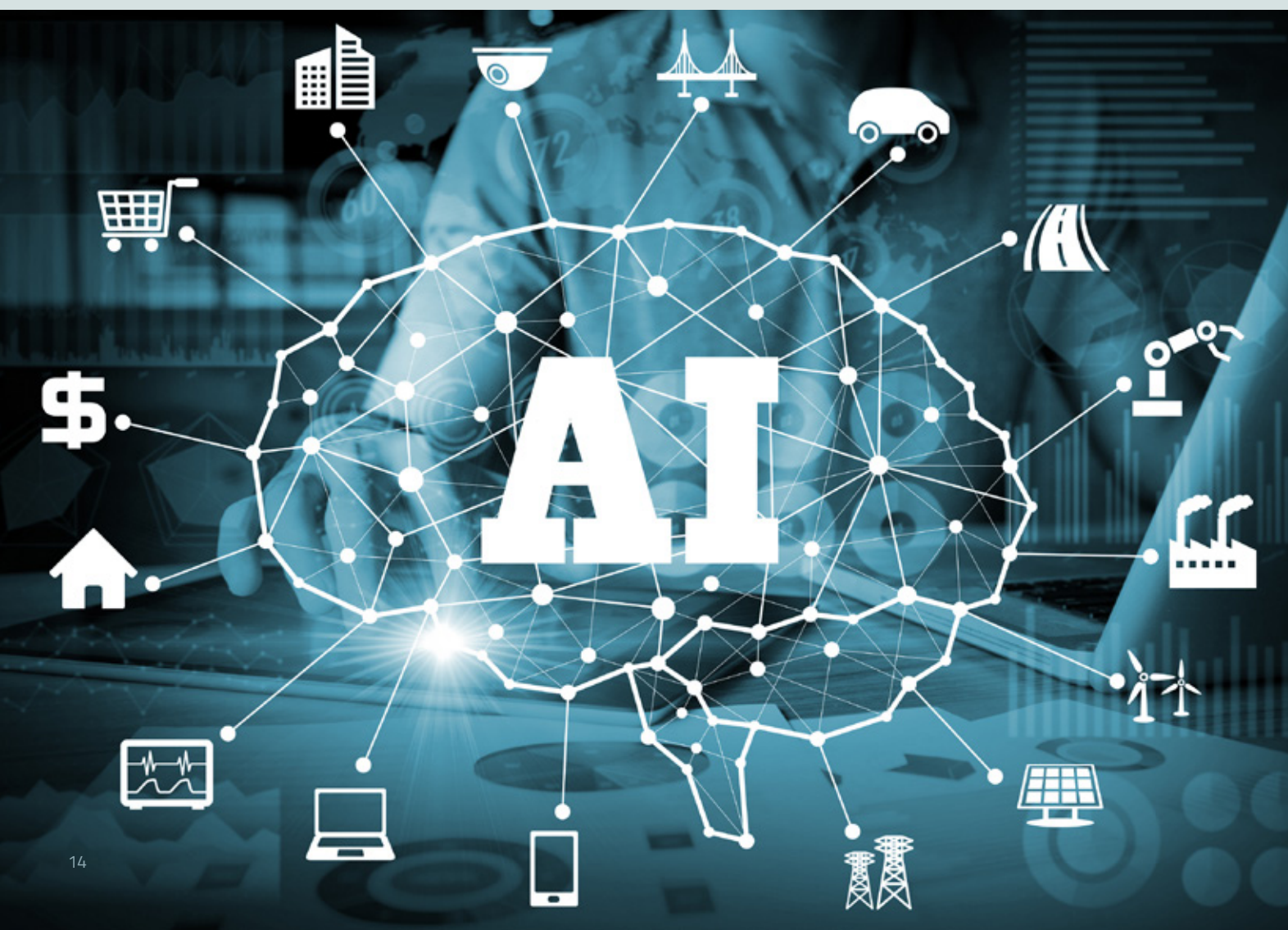
In 2018, the UAE developed a comprehensive risk-based National Action Plan (NAP) composed of activities and timelines in all areas of the AML/CFT regime. The key objective was to address the ML/TF gaps identified by the National Risk Assessment (NRA) and the self-assessment of the UAE technical and effectiveness compliance with the FATF Standards. The NAP forms the basis for implementing the risk-based approach in allocating resources and focus at a national level. The plan is regularly updated and its implementation is monitored on an ongoing basis by the NAMLCFTC.

In early 2019, the UAE also updated its AML/CFT Strategy for 2019-2021 to align with the new adjustments to laws and regulations and the need for a more comprehensive risk-based approach. The NAP is the main tool for the implementation of the strategy.

2.4 Innovation and technology

With fraudulent and illegal activity in today's world increasingly using sophisticated technologies, the UAE FIU is making sure that innovation and technology remain at the heart of its efforts to deter crime. The UAE FIU is constantly updating its IT systems that detect and inhibit illegal activities related to ML and TF.

The UAE FIU applies strict policies to govern security and confidentiality with regards to the handling, storage, dissemination and access of FIU information.



NEW TECHNOLOGIES

In June 2019, the UAE FIU launched the reporting platform (goAML) developed by the United Nations Office on Drugs and Crime (UNODC) to facilitate the receipt, analysis and dissemination of suspicious transactions reports to UAE Law Enforcement Authorities (LEAs). The UAE FIU uses goAML to gather intelligence submitted by Reporting Entities (REs), which is then analysed and disseminated when necessary to competent authorities.

The UAE FIU customised the products provided by UNODC to meet the requirements of the UAE AML/CFT framework. Additionally, new developments complemented goAML to enrich the intelligence that can be provided to Law Enforcement Authorities to facilitate ML and TF investigations. The UAE FIU created a triage algorithm to prioritise the analysis of received reports, aligned with the National Risk Assessment.

The goAML platform is an integral part of the UAE FIU and elevates its IT infrastructure, strengthening countrywide cooperation against criminal activity. It also helps the UAE FIU detect and observe trends when analysing suspicious transaction reports, helping eliminate potential threats at more efficient rates.

The UAE FIU launched the Integrated Enquiry Management System (IEMS) to facilitate the exchange of enquiries and information between domestic competent authorities, such as LEAs and PPs, and the REs. The platform went live in June 2019.

Since the FIU is located within the CBUAE, it benefits from accessing Payment Systems data as well as other databases maintained and operated by the CBUAE.

The UAE FIU, in response to RE feedback, established a dual authentication access-secured connection on the web to allow non-CBUAE regulated entities to access the goAML platform as a non-paid service.

The UAE FIU created an operational data store as an internal one-stop shop for data searches and extractions. All UAE FIU databases and external databases that the UAE FIU has access to have been interconnected and placed on a single platform where analysts can find a vast amount of data to help them throughout investigations and enrich intelligence that can then be passed on to LEAs. The UAE FIU established a secured connection to the Ministry of Interior (MOI) criminal records database under a data exchange MoU signed by the UAE FIU and MOI. This is part of the UAE FIU's efforts to connect to external databases and more access points will be created in coming years.

Enhancement of Current Systems

The UAE FIU's Remittance Reporting System (UAERRS) is used by all MSBs in the UAE to report their remittances on a daily basis. UAERRS has undertaken improvements in 2019 that resulted in the development of a new version - UAERRS II. The new version of UAERRS allows MSBs to upload their remittances on a daily basis in one batch, in addition to having added validation requirements to enhance data integrity.

2.5 Domestic, Regional and International partners

To ensure the efficiency and success of operations, in accordance with its legal mandate, the UAE FIU partners with domestic public authorities with designated responsibilities to combat money laundering and/or terrorism financing and this includes:

i. Domestic Competent Authorities

- Law Enforcement Authorities and Public Prosecution;
- Judiciary Authorities (JAs);
- Supervisory Authorities of FIs and DNFBPs;
- Company Registrars.

ii. Private Sector Entities

The UAE is an international financial centre and a major international and regional trading hub. The country has a large and open financial sector and has a considerable number of Designated Non-Financial Businesses and Professions (DNFBPs) operating in the mainland, financial free zones and commercial free zones.



Reporting Entities (REs); namely Financial Institutions (FIs) and Designated Non-Financial Businesses and Professions (DNFBPs)

According to Article 2 of the AML By-law, the following are considered financial activities and transactions:

- Receiving deposits and other funds that can be paid by the public, including deposits in accordance with Islamic Sharia.
- Providing private banking services.
- Providing credit facilities of all types.
- Providing credit facilities of all types, including credit facilities in accordance with Islamic Sharia.
- Providing cash brokerage services.
- Financial transactions in securities, finance and financial leasing.
- Providing currency exchange and money transfer services.
- Issuing and managing means of payment, guarantees or obligations.
- Providing stored value services, electronic payments for retail and digital cash.
- Providing virtual banking services.
- Trading, investing, operating or managing funds, option contracts, future contracts, exchange rate and interest rate transactions, other derivatives or negotiable financial instruments.
- Participating in issuing securities and providing financial services related to these issues.
- Managing funds and portfolios of all kinds.
- Saving funds.
- Preparing or marketing financial activities.
- Insurance transactions, in accordance with Federal Law No. (6) of 2007 concerning the Establishment of the Insurance Authority and the Organisation of its Operations.
- Any other activity or financial transaction determined by the supervisory authority.

According to Article 3 of the AML By-law, anyone who is engaged in the following trade or business activities shall be considered a DNFBP:

- Brokers and real estate agents when they conclude operations for the benefit of their customers with respect to the purchase and sale of real estate;
- 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 or more than AED 55,000;
- Lawyers, notaries, and other independent legal professionals and independent accountants, when preparing, conducting or executing financial transactions for their customers in respect of the following activities:
 - Purchase and sale of real estate
 - Management of funds owned by the customer
 - Management of bank accounts, saving accounts or securities accounts
 - Organising contributions for the establishment, operations or management of companies
 - Creating, operating or managing legal persons or legal arrangements
 - Selling and buying commercial entities

Providers of corporate services and trusts upon performing or executing a transaction on behalf of their customers in respect of the following activities:

- Acting as an agent in the creation or establishment of legal persons;
- Working as or equipping another person to serve as director or secretary of a company, as a partner or in a similar position in a legal person;
- Providing a registered office, work address, residence, correspondence address or administrative address of a legal person or legal arrangement;
- Performing work or equipping another person to act as a trustee for a direct Trust or to perform a similar function in favour of another form of legal arrangement;
- Working or equipping another person to act as a nominal shareholder in favour of another person;
- Other professions and activities which shall be determined by a decision of the Minister.

iii. Regional and International partners:

The UAE is a member of the Middle East and North Africa Financial Action Task Force (MENAFATF) and an indirect member of the Financial Action Task Force (FATF) through the Gulf Cooperation Council (GCC). The UAE FIU has been a member of the Egmont Group of Financial Intelligence Units since June 5th, 2002 and is the first FIU in the region to become a member of the Egmont Group.

▪ Financial Action Task Force (FATF)⁵

The Financial Action Task Force (FATF) is the global money laundering and terrorism financing watchdog. The inter-governmental body sets international standards that aim to prevent these illegal activities and the harm they cause to society. As a policy-making body, the FATF works to generate the necessary political will to bring about national legislative and regulatory reforms in these areas.

With more than 200 countries and jurisdictions committed to implementing them, FATF has developed the FATF Recommendations, or FATF Standards, which ensure a co-ordinated global response to prevent organised crime, corruption and terrorism. They help authorities go after the money of criminals dealing in illegal drugs, human trafficking and other crimes. FATF also works to stop funding for weapons of mass destruction⁶.

The FATF reviews money laundering and terrorist financing techniques and continuously strengthens its standards to address new risks, such as the regulation of virtual assets, which have spread as cryptocurrencies to gain popularity. FATF monitors countries to ensure they implement the FATF Standards fully and effectively, and holds countries that do not comply.

▪ Middle East and North Africa Financial Action Task Force (MENAFATF)⁷

MENAFATF recognises the threats posed by money laundering and terrorism financing operations to countries in the Middle East and North Africa region and has a goal of tackling these threats through co-operation between countries within the MENA region.

It aims to adopt and implement the FATF 40 Recommendations on combating money laundering and financing of terrorism and proliferation, while also implementing relevant UN treaties and agreements and United Nations Security Council Resolutions. It also fosters cooperation among the members to raise compliance with these standards within the MENA region and cooperate with other international and regional organisations, institutions and agencies to improve compliance worldwide.

In addition to any other standards that are adopted by the Arab States to enhance their fight against money laundering and financing of terrorism and proliferation in the region, the countries in the MENA region work jointly to comply with these standards in order to establish an effective system such that it does not contradict with their cultural values, constitutional frameworks and legal systems.

The MENAFATF was formed at an inaugural Ministerial Meeting held in Manama, Bahrain on the 30th of November 2004 as a FATF Style Regional Body (FSRB). It was agreed that the headquarter of this body will be in the Kingdom of Bahrain.

The MENAFATF is voluntary and co-operative in nature and independent from any other international body or organisation; it was established by agreement between the governments of its members and is not based on an international treaty. It sets its own work, regulations, rules and procedures and co-operates with other international bodies, notably FATF, to achieve its objectives.

▪ Egmont Group of FIUs⁸

The Egmont Group is a united body of 164 Financial Intelligence Units (FIUs). The Egmont Group provides a platform for the secure exchange of expertise and financial intelligence to combat money laundering and terrorist financing (ML/TF). This is especially relevant as FIUs are uniquely positioned to cooperate and support national and international efforts to counter terrorist financing and are the trusted gateway for sharing financial information domestically and internationally in accordance with global Anti Money Laundering and Counter Financing of Terrorism (AML/CFT) standards.

⁵ <https://www.fatf-gafi.org/about/>

⁶ <https://www.fatf-gafi.org/about/>

⁷ <http://www.menafatf.org/about>

⁸ <https://egmontgroup.org/en/content/about>

The Egmont Group continues to support the efforts of its international partners and other stakeholders to give effect to the resolutions and statements by the United Nations Security Council, the G20 Finance Ministers, and the Financial Action Task Force (FATF). The Egmont Group is able to add value to the work of member FIUs by improving the understanding of ML/TF risks amongst its stakeholders. The organisation is able to draw upon operational experience to inform policy considerations; including AML/CFT implementation and AML/CFT reforms. The Egmont Group is the operational arm of the international AML/CFT apparatus.

The Egmont Group recognises sharing of financial intelligence is of paramount importance and has become the cornerstone of the international efforts to counter ML/TF. Financial Intelligence Units (FIUs) around the world are obliged by international AML/CFT standards to exchange information and engage in international cooperation. As an international financial intelligence forum, the Egmont Group both facilitates and prompts this amongst its member FIUs.

▪ **International Monetary Fund (IMF)⁹**

The International Monetary Fund (IMF) is an organisation of 189 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world. Created in 1945, IMF is governed by and accountable to the 189 countries that make up its near-global membership.

The IMF's primary purpose is to ensure the stability of the international monetary system—the system of exchange rates and international payments that enables countries (and their citizens) to transact with each other. The Fund's mandate was updated in 2012 to include all macroeconomic and financial sector issues that bear on global stability.

▪ **United Nations Office on Drugs and Crime (UNODC)¹⁰**

For two decades, the United Nations Office on Drugs and Crime (UNODC) has been helping make the world safer from drugs, organised crime, corruption and terrorism. UNODC is committed to achieving health, security and justice for all by tackling these threats and promoting peace and sustainable well-being as deterrents to them.

Because the scale of these problems is often too great for states to confront alone, UNODC offers practical assistance and encourages transnational approaches to action. They do this in all regions of the world through its global programmes and network of field offices.

▪ **Other Regional and International partners**

UAE FIU partners with both Egmont and non-Egmont members and regional LEAs through their domestic representatives to ensure sustainable bilateral cooperation in relevant matters.

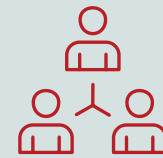
⁹ <https://www.imf.org/en/About/>

¹⁰ <https://www.unodc.org/unodc/en/about-unodc/index.html>



3. SUMMARY OF ACTIVITIES

3.1 2019 Milestones



Launching the UAE FIU Integrated Enquiry Management System (IEMS) to streamline and organise the process of communication between domestic competent authorities and Financial Institutions (FIs)



Hosting of the Annual FIU Seminar - "FID in-depth"



Upgrading the Remittance Reporting System (UAERRS)



Integration of systems between UAE FIU and Law Enforcement Authorities (LEAs)



Hosting the Africa/Middle East Joint Group (ICRG-FATF) Meeting



Launching of the new Anti-Money Laundering platform 'goAML'



Signing several Memoranda of Understanding (MoU) with local and international partners including the FIU of Kingdom of Saudi Arabia (SAFIU), bringing the total MoUs signed with other counterpart FIUs to 47 and to 11 with domestic partners.



3.2 Highlights in 2019



3.3 Key Achievements from 2015 to 2018

Diagram 4 UAE FIU's key achievements from 2015 to 2018



4. THE UAE AML/CFT LEGAL FRAMEWORK

In 1987, the UAE issued a penal law to criminalise hiding illegally acquired money, property or goods. In 2002, a special penal legislation (updated in 2014) criminalised all forms of money laundering.

The UAE has adopted a mature and vigorous AML/CFT legal framework. In 2018, the AML Law¹¹ repealed the Federal Law No. (4) of 2002 and its amendments.

4.1 Latest changes to the UAE AML/CFT legal framework

Under the new Cabinet Decision No 10 of 2019 (AML By-law)¹², the UAE streamlined AML/CFT measures and applied unified AML/CFT legal framework across all Emirates, Commercial Free Zones (CFZs) and Financial Free Zones (FFZs) in the UAE.

The AML Law and AML By-law cover all the requirements of the Financial Action Task Force (FATF) recommendations of 2012 and its methodology of 2013¹³ in harmony with the UAE legislative system. It is a fundamental pillar and contributes to raising the effectiveness of the legal and institutional framework of the nation to achieve the desired results.

The new legislation provided further powers to domestic competent authorities, preventative measures expanded to include obligations on Financial Institutions (FIs) and Designated Non-Financial Businesses and Professions (DNFBPs), key provisions in relation to the ML and TF offences, national coordination, authorities, mandate, international cooperation, criminal and administrative sanctions.

The AML law requires the establishment of an independent Financial Intelligence Unit (UAE FIU) within the Central Bank of the UAE (CBUAE) to exclusively receive Suspicious Transaction Reports (STRs) and related information from all FIs and DNFBPs for consideration, analysis, and referral to the domestic competent authorities, spontaneously or upon request.

Under the provisions of the AML Law, the National Committee for Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organisations (NAMLCFTC) has been reformed under the chairmanship of the Governor of the Central Bank of the UAE.

Under the NAMLCFTC, the UAE has a mechanism for reviewing its AML/CFT framework on a regular basis in accordance with the evolving international standards and taking appropriate measures to bridge gaps in this regard¹⁴.

Besides the AML Law and AML By-law, additional legislative acts pertaining to AML/CFT have been issued by the authorities in the UAE. The issuance varied between the decisions of the Cabinet, ministerial decisions, circulars, notices and guidance.

¹² <https://www.mof.gov.ae/en/lawsandpolitics/cabinetresolutions/pages/201910.aspx>

¹³ To learn more about FATF recommendation & its methodology, visit [http://www.fatf-gafi.org/publications/fatfrecommendations/?hf=10&b=0&s=desc\(fatf_releasedate\)](http://www.fatf-gafi.org/publications/fatfrecommendations/?hf=10&b=0&s=desc(fatf_releasedate))

¹⁴ please see the section "National coordination and collaboration"

'More regulations pertaining to AML/CFT'

i. Targeted financial sanctions related to terrorism and terrorist financing

- Cabinet Decision No. 20 of 2019¹⁵ (replaced by Cabinet Decision No 74 of 2020) concerning the UAE list of terrorists and implementation of UN Security Council Decisions relating to preventing and countering financing terrorism and leveraging non-proliferation of weapons of mass destruction, and the relevant resolutions.
- Administrative decision No. 11 of 2019 concerning the procedures of the Executive Office in the implementation of the Cabinet Decision No. 20 of 2019 concerning the UAE list of terrorists and implementation of UN Security Council decisions relating to preventing and countering financing terrorism and leveraging non-proliferation of weapons of mass destruction¹⁶, and the relevant resolutions.
- The Supreme Council for National Security Deputy Secretary General's Decision No. (249) of 2019 concerning the procedures of the implementation of Cabinet Decision No. (20) of 2019 concerning the regulations on Terrorists' Lists; and implementing the Security Council's Resolutions concerning the prevention and suppression of terrorism¹⁷, terrorism financing and proliferation financing and related resolutions.
- Resolution of the Ministry of Justice No.535¹⁸ of 2019 on the application of listed persons to use funds.
- Resolution of the Ministry of Justice No. 536¹⁹ of 2019 on the mechanism of complaint of inclusion in the lists of terrorism.

ii. Confiscation

- Resolution of the Ministry of Justice No.534²⁰ of 2019 on the establishment of the Committee on the management of funds.

iii. International cooperation in criminal matters

- Resolution of the Ministry of Justice No. 563²¹ of 2019 on the procedures and conditions of applications for international judicial cooperation

iv. FIs and DNFBPs supervision

- During 2019, supervisors of FIs and DNFBPs published procedures, guidelines, decisions and regulations applicable to regulated entities on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organisations. All publications can be found under the relevant authority's website.

¹⁵ <https://www.uaec.gov.ae/en-us/laws-regulations-listing/cabinet-resolution-no-20-for-2019-concerning-the-uae-list-of-terrorists-and-implementation-of-un-security-council-decisions->

¹⁶ <https://www.uaec.gov.ae/en-us/laws-regulations-listing/resolution-no-11->

¹⁷ [https://www.moj.gov.ae/assets/2020/Decision%20No.%20\(249\)%20of%202019%20Concerning%20the%20Mechanism%20on%20the%20implementation%20Procedures%20of%20Cabinet%20Decision%20No.%20\(20\)%20of%202019.pdf.aspx](https://www.moj.gov.ae/assets/2020/Decision%20No.%20(249)%20of%202019%20Concerning%20the%20Mechanism%20on%20the%20implementation%20Procedures%20of%20Cabinet%20Decision%20No.%20(20)%20of%202019.pdf.aspx)

¹⁸ <https://www.moj.gov.ae/en/laws-and-legislation/list-of-terrorists.aspx?page=1#page=1>

¹⁹ <https://www.moj.gov.ae/en/laws-and-legislation/list-of-terrorists.aspx?page=1#page=1>

²⁰ <https://www.moj.gov.ae/en/laws-and-legislation/list-of-terrorists.aspx#page=1>

²¹ <https://www.moj.gov.ae/en/laws-and-legislation/list-of-terrorists.aspx?page=1#page=1>

- **The Central Bank of the UAE (CBUAE)**²²
 - Procedures for Anti-Money Laundering and Combating the Financing of Terrorism and Illicit Organisations.
 - Guidelines for Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) and Illegal Organisations for Financial Institutions (FIs).
 - Registered Hawala Providers Regulations.
- **Securities and Commodities Authority (SCA)**²³
 - The SCA Board Chairman's Decision No. (21/Chairman) of 2019 procedures of Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organisations.
- **Insurance Authority (IA)**²⁴
 - Guidance, policy and circulars regarding AML/CFT.
- **Dubai Financial Services Authority (DFSA)**²⁵
 - Anti-Money Laundering, Counter-Terrorist Financing and Sanctions Module (AML).
- **Abu Dhabi Global Market (ADGM)**²⁶
 - Anti-Money Laundering and Sanctions Rules and Guidance (AML).
 - FSRA/FCPU/Notice No.007/2019: Update on UAE Federal AML/CFT Legislative Framework.
 - The Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) and Illegal Organisations Guidelines for Financial Institutions (FIs).
 - The Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) and Illegal Organisations Guidelines for Designated Non-Financial Businesses and Professions (DNFBPs).
 - Reporting suspicious activities to the UAE Financial Intelligence Unit through "goAML System".
- **Ministry of Economy (MOE)**²⁷
 - Guidelines for Designated Non-Financial Businesses and Professions (DNFBPs).
- **Ministry of Justice (MOJ)**²⁸
 - Resolution No. 533 of 2019 on the obligations of lawyers.
 - Resolution 532 of 2019 on the establishment of the section.

²² Available at <https://www.centralbank.ae/en/laws-and-regulations/anti-money-laundering-legislation>

²³ <https://www.sca.gov.ae/en/regulations/regulations-listing.aspx#page=1>

²⁴ <https://ia.gov.ae/en/legislations/anti-money-laundering>

²⁵ Anti-Money Laundering, Counter-Terrorist Financing and Sanctions Module (AML) [VER16/07-19]

²⁶ Available at <https://www.adgm.com/operating-in-adgm/financial-crime-prevention/overview>

²⁷ Available at <https://www.economy.gov.ae/English/pages/aml.aspx>

²⁸ Available at <https://www.moj.gov.ae/en/laws-and-legislation/list-of-terrorists.aspx?page=1#page=1>

5. UAE FIU AT A GLANCE – A STATISTICAL OVERVIEW

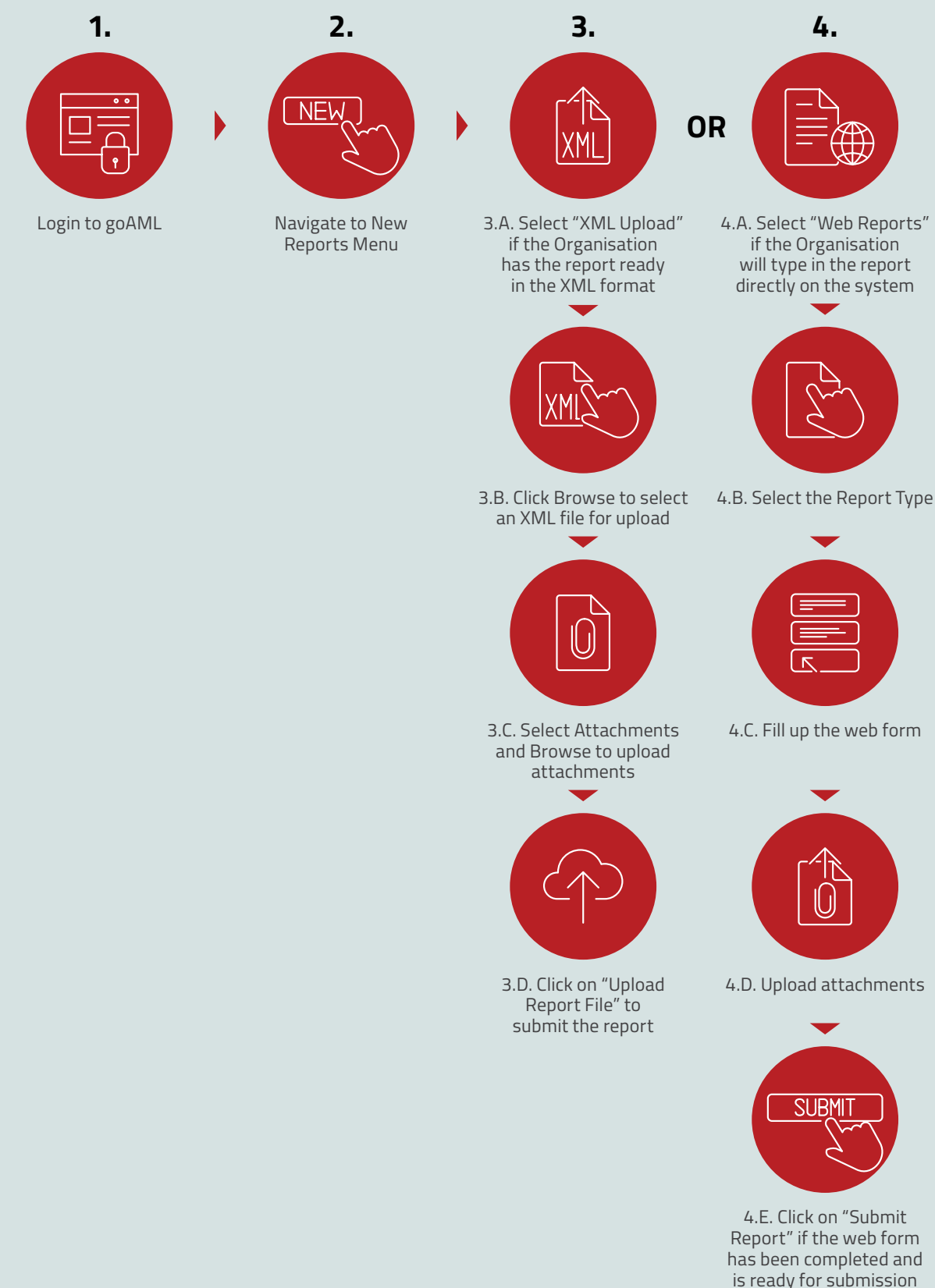
5.1 goAML



goAML is a reporting platform launched by the UAE FIU in partnership with United Nations Office on Drugs and Crime to facilitate the receipt, analysis and dissemination of suspicious transactions and activity reports to the UAE's Law Enforcement Authorities. The UAE FIU uses goAML to gather and analyse intelligence submitted by reporting entities, which is then further analysed and disseminated to law enforcement authorities when deemed necessary.

Entities such as financial institutions (i.e. banks, exchange houses and finance companies), law enforcement, designated Non-Financial Businesses and Professions (DNFBPs), etc. are witnessing an increased level of coordination as a result of the effective and user-friendly nature of the goAML platform.

The reporting process:





goAML serves as the basis for submission of suspicious reports and other information relevant to money laundering, associated predicate offences and financing of terrorism. These reports are further analysed by the STR Analysis Section in the UAE FIU before proceeding with the next set of actions. With the launch of the goAML system, UAE FIU has streamlined its online reporting procedures. Additionally, this platform connects the various FIs and DNFBPs to UAE FIU and accelerates the complete process to ensure illegal activities are curtailed.

Prior to the implementation of goAML, REs used to submit STRs through the Online Suspicious Transactions Reporting System II, which is an in-house developed system. More than 98% of STRs were received through the STR Online system while the remaining 2% were received by other means.

As of 31st December 2019, the total number of registered REs in goAML was 881 FIs (379 mainland and 502 FFZ) and 139 DNFBPs, as detailed below.

Registration to the goAML platform started in May 2019. To facilitate a smooth transition and comprehension of the platform, the UAE FIU conducted 20 workshops/sessions to educate the two sectors: FIs and DNFBPs as well as domestic competent authorities about goAML and its registration process between February and December 2019.

In coordination with supervisors, 88% of FIs and DNFBPs in the mainland and the financial free zones were registered on goAML by December 31, 2019, compared to the total number of licensed entities with the authorities in the UAE at the same date.

As the supervision of DNFBP on the mainland was introduced relatively recently, three mainland DNFBPs registered on goAML by December 31, 2019 while 136 offshore DNFBPs registrations were completed. The plan is to increase the number of registrations of FIs and DNFBPs in 2020.

5.2 Remittance Reporting System (UAERRS)

As of December 31, 2019, 100% of MSBs in the UAE licensed to conduct remittances were connected to the Remittance Reporting System (UAERRS) to report remittances on a daily basis.

In 2019 with regards to cross border transactions, MSBs uploaded 12,983,208 outward remittances valued at AED 46.4 billion and 418,317 inbound remittances valued at AED 4.7 billion.



5.3 Integrated Enquiry Management System (IEMS)

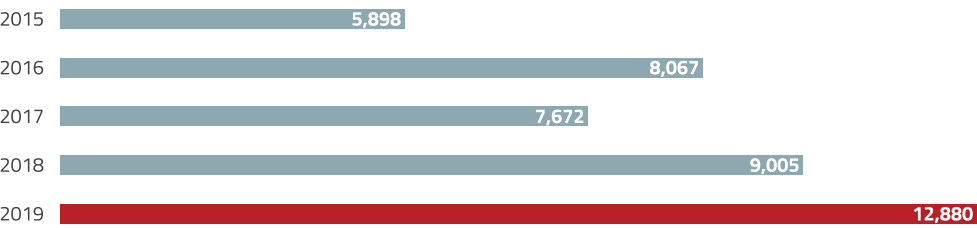
As of December 31, 2019, 100% of FIs regulated by the CBUAE, 100% of LEAs and 95% of PPs were connected to the IEMS.



5.4 STR Analysis

STR is considered the first step of a detailed inquiry into an entity’s particular transaction or activity flagged due to money laundering or terrorism financing suspicions. The UAE FIU has noted a significant rise in the number of reports received from 2015, mainly due to improvements in reporting systems and education initiatives directed at various sectors.

Chart 1: Number of suspicious reports received per year from 2015-2019.



UAE FIU received 43,522 reports from 2015 to 2019. FIs on the mainland and in Free Zones submitted 43,010 reports, which is 98.8% of total reports received. The remainder is received from DNFBPs sector both in the mainland and free zones, in addition to 512 reports received from Free Trade Zones and Payment Platform Terminals and Services.

FIs in the mainland submitted the majority of FIs reports: 78% were submitted by banks, followed by 21.6% from MSBs, in addition to the reports received from securities firms and insurance companies during the same period.

In 2019, reports from mainland banks increased by 35% compared to 2018. During the same period, reports from mainland MSBs increased by 77.7%. Insurance companies’ reports increased by 155.5% in 2019 compared to 2018. Securities firms’ reports decreased by 70% in 2019 compared to 2018.

In the FFZs, the highest number of reports was received in 2015 and 2016; a decline was recorded in 2017 and 2018. Among the entities of the DNFBPs sector, both on the mainland and in FFZs, lawyers filed 48% of total reports, followed by Accountants/ Auditors with a 22.2% share. The share of Company Service Providers was 11% and the share of dealers of precious metals and stones was 7.4%.

5.5 Domestic Cooperation

The UAE FIU cooperates with competent authorities in various sectors around the country to ensure seamless knowledge and information sharing which facilitates quick action against illegal activities.

As of December 31, 2019, FIU signed eleven MoUs with domestic competent authorities wherein the majority were with LEAs. Two MoUs were signed in the period between 2015 and 2019, and nine before 2015.

Table 1: List of MoU’s signed with domestic competent authorities in the UAE as of December 31, 2019

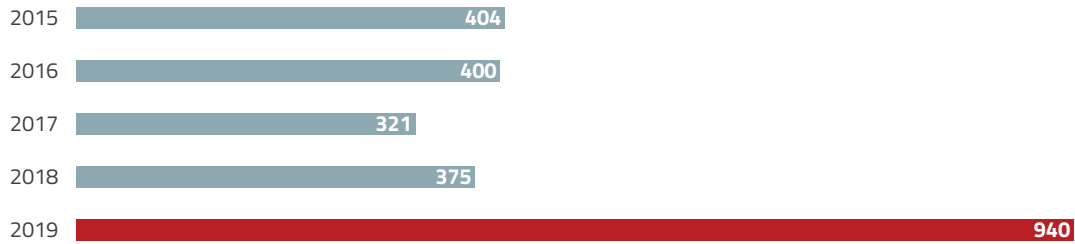
No.	Authority Name
1	Dubai International Financial Centre
2	Dubai Financial Services Authority
3	Securities and Commodities Authority
4	Dubai Multi Commodities Centre
5	Dubai Gold and Commodities Exchange
6	Federal Customs Authority
7	Sharjah Police General Directorate
8	Dubai Police General Headquarters
9	Abu Dhabi Police General Headquarters
10	Abu Dhabi Global Market
11	Ministry of Interior

In addition to proactive dissemination of STRs, upon request by LEAs and PPs the UAE FIU provides support to ongoing investigations. The responses are dependent on the requests for information. When necessary, the UAE FIU provides detailed analysis on complex cases.

Between 2015 – 2019, UAE FIU received 2,440 requests from domestic Competent Authorities.

FIU IEMS, a system implemented to streamline requests made to FIs in response to LEAs or Egmont requests, made great progress in enhancing and organising communication with competent authorities.

Chart 2: the number of requests received per year



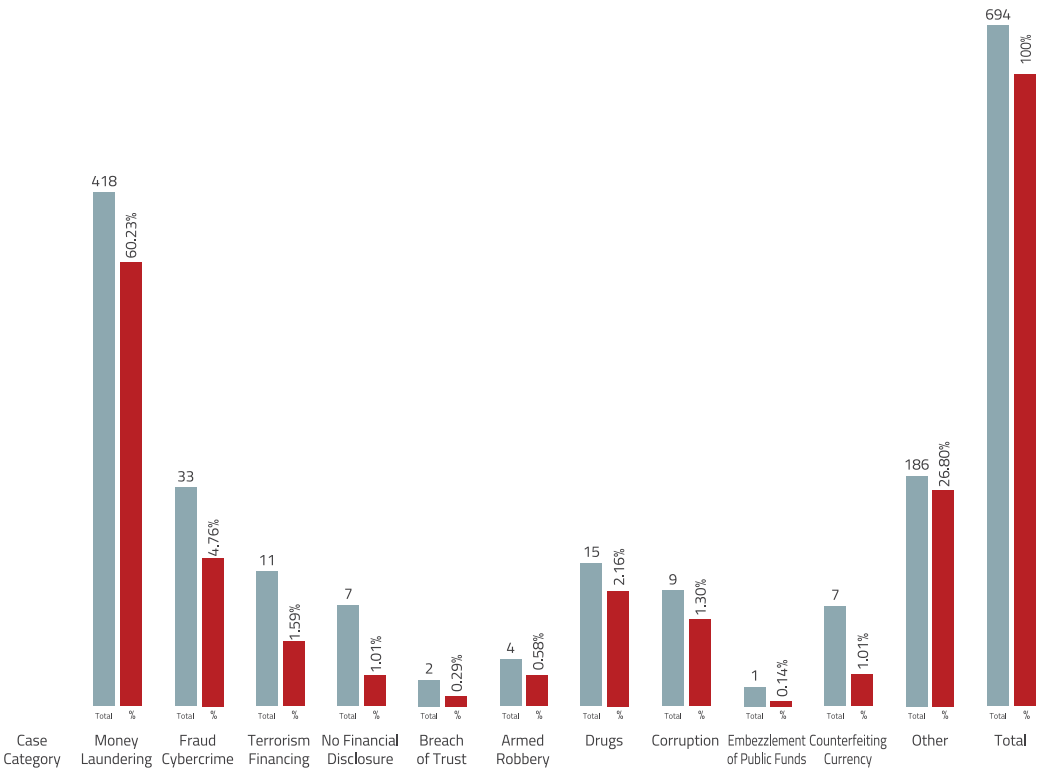
Between 2015 – 2019, requests were received from 31 authorities in the UAE: 43% from authorities in the Emirate of Dubai; 22% from authorities in the Emirate of Abu Dhabi; and 16% from federal authorities.

Post the launch of UAE FIU IEMS, domestic competent authorities' requests are categorised according to their relation to Money Laundering (ML), associated predicate offences and terrorism financing.

Statistics from July-December 2019 show that 60.23% of total requests received were related to Money Laundering.



Chart 3: The percentage of different types of requests received from July-December 2019



UAE FIU also practices an informal mechanism of sharing information, which is mainly done to provide effective financial intelligence to the LEAs and PPs. This has assisted them in their preliminary investigations. The process has the following stages:

1. The designated FIU analyst receives the request via email from LEAs.
2. The FIU analyst based on the information provided will initiate a database search and respond to the LEA within the same day with search results.

This process allowed the LEAs and PPs to better direct their investigation resources, and the process provided LEAs and PPs with guidance on officially received requests.

UAE FIU works closely with law enforcement authorities to conduct detailed financial analysis and delivers technical reports to PPs upon request.

The Joint Committees are formed by the PP to give them a better scope on the ongoing cases. FIU and LEA work on both financial and investigative analysis. Later, the product of the Joint Committee is referred to as a Technical Report, which is the final report that covers the extensive search and thorough investigation that the committee has achieved.

Occasionally, PP would approach UAE FIU during the course of their criminal investigation to provide technical reports that cover FIs responses on financial analysis and outcomes of STRs' analysis, in case the PP suspects ML/TF elements in their criminal investigation.

Additionally, UAE FIU regularly disseminates the results of its STRs analysis to LEAs for further actions, namely investigation and prosecution. Such STR analysis related disseminations are considered technical reports as well.

Between 2015-2019, UAE FIU produced 42 Technical Reports to support LEAs/PPs.

Chart 4: The number of informal requests received per year²⁹

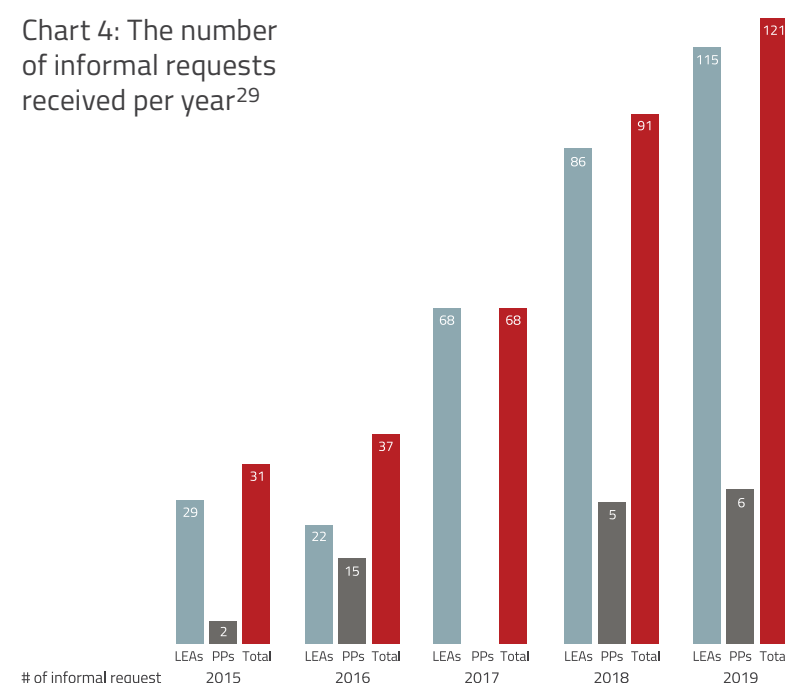
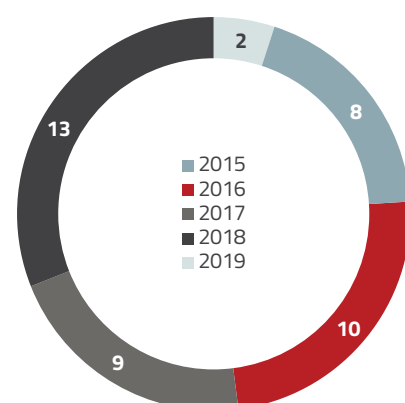


Chart 5: The number of Technical Reports submitted to LEAs/PPs per year



5.6 International Cooperation

Cooperation with international stakeholders is imperative to the UAE FIU's operations given the global nature of business in the country. Hence, the UAE FIU exchanges information with counterpart FIUs that are Egmont Members through the Egmont Secured Web (ESW) and with non-Egmont members according to the signed MoUs.

Memoranda of Understanding (MoU)

UAE FIU continues to enhance bilateral cooperation with counterpart FIUs through MoU and contributes toward the following:

- Facilitating the exchange of information and efficient cooperation among and between the UAE FIU and counterpart FIUs.
- Analysing incoming Requests for Information (RFIs) and Spontaneous Disclosures (SDs) to identify potential cases of money laundering or financing of terrorism and to provide recommendations/ findings to concerned domestic competent authorities.

On bilateral cooperation, the UAE FIU had signed 47 MoUs with Egmont and non-Egmont members as of December 31, 2019.

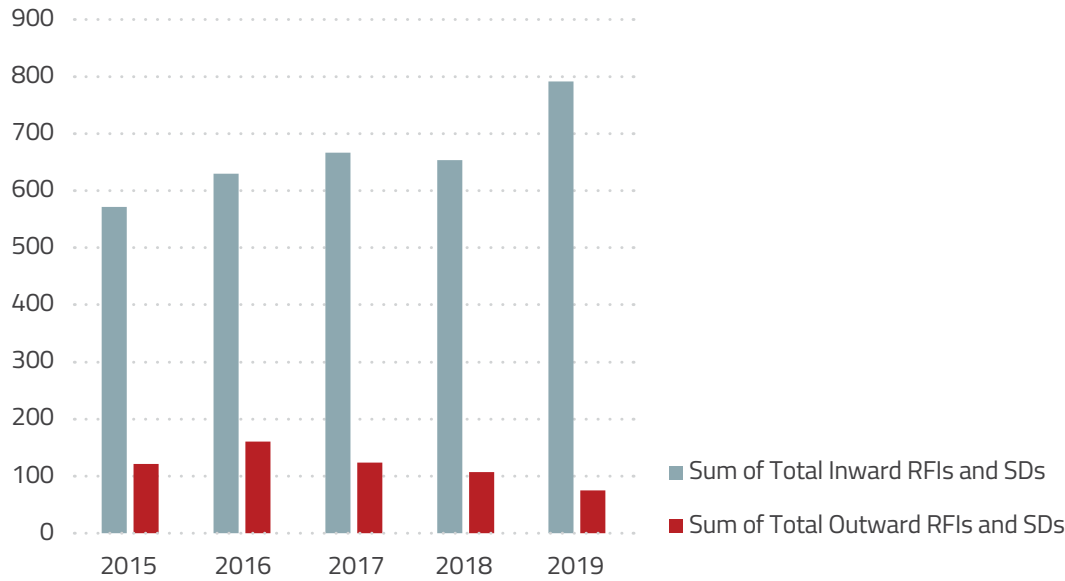
47 MoUs signed with both Egmont and non-Egmont members as of the end of 2019



²⁹ The category Others in the above table refers to requests that vary in their description whether produced for internal or external purposes. Internal purposes are requests that the FIU publish to FI's as per management's instructions or to circulate surveys to the FI's. External purposes are requests received from stakeholders requiring the provision of basic banking information or bank account reviews.

Exchange of information with counterpart FIUs

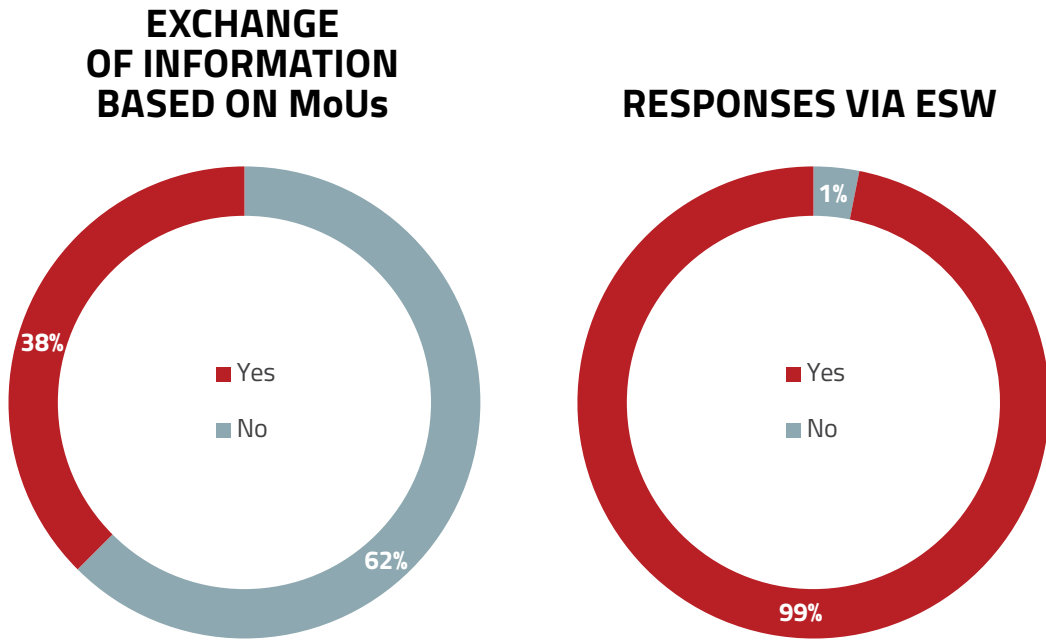
Chart 7: The number of international information exchanges carried out between 2015-2019



Compared to 2018, the exchange of information in 2019 increased by 13.8%. Incoming requests, including SDs, increased by 20.94% and the number of outgoing requests including SDs decreased by 29.9%.



Chart 8: The charts below illustrate the exchange of information based on MoU, with Egmont and Non-Egmont members in 2019.

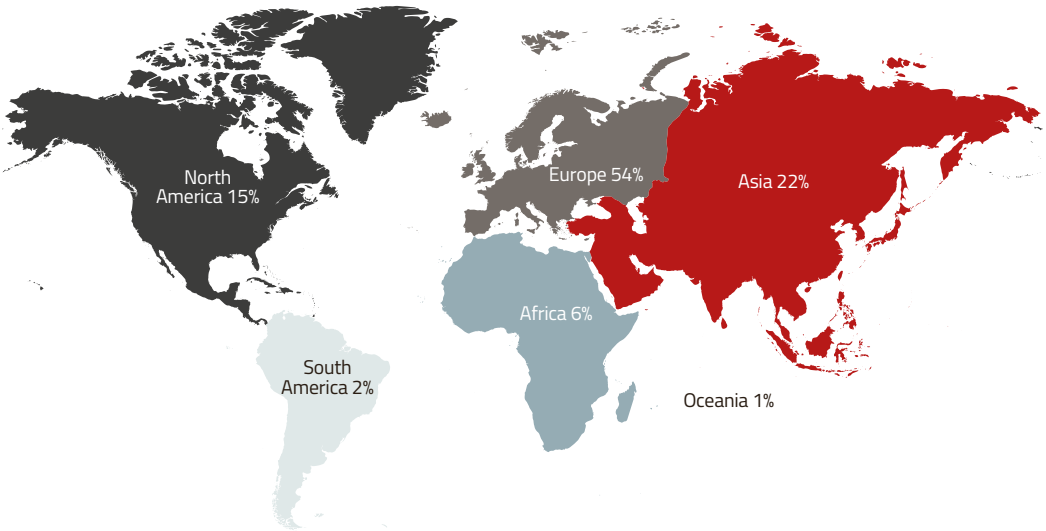


Incoming RFIs and SDs in 2019

Total information requests received from counterpart FIUs in 2019 were 791 including SDs.

UAE FIU received 612 requests for information from 97 counterpart FIUs and 179 SDs from counterpart FIUs in 31 countries. 54% of received requests were from countries in Europe, followed by 22% from Asia.

Chart 9: The geographical distribution of inward RFIs and SDs in 2019.



Outgoing RFIs and SDs in 2019

In 2019, UAE FIU sent 75 requests for exchange of information to foreign FIUs, including SDs. These comprised 37 requests for information to 13 counterpart FIUs and 38 SDs to counterpart FIUs in 19 countries. 59% of requests were sent to countries in Asia, with 28% sent to those in Europe.

Chart 10: The geographical distribution of outward RFIs and SDs in 2019.



**GEOGRAPHICAL DISTRIBUTION
OF OUTWARD RFIs AND SDs IN 2019**

6. NATIONAL COORDINATION ON ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM AND ILLEGAL ORGANISATIONS

6.1 NAMLCFTC Structure and Legal Framework



The National Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organisations Committee (NAMLCFTC) is the apex body for policy making and issuing AML/CFT regulations in the UAE.

It comprises 21 authorities assigned with a range of AML/CFT activities and is the main body for national coordination that carries out the responsibility of coordinating anti-money laundering policies in the UAE. It is chaired by H.E. the Governor of the Central Bank of the UAE.

The committee is responsible for enhancing the effectiveness of AML/CFT in the country by ensuring continuous adherence to international standards related to combating money laundering and terrorism financing crimes, and has its competences set out in provision of articles no. 12 of the AML Law.

- NAMLCFTC was formed as per the directive of His Highness Sheikh Saif bin Zayed Al Nahyan, Deputy Prime Minister and Minister of Interior. The first meeting held by the Committee was on 17 July 2000 under the chairmanship of H.E. the Governor of the Central Bank of the UAE. The Committee derives its current mandate from Federal Law No. (4) of 2002 regarding the Criminalisation of Money Laundering in articles 9 and 10.A
- In 2014, the Committee's mandate was expanded to include combating money laundering and the financing of terrorism, following the issuance of Federal Law No. (9) of 2014. In 2018, the Committee's mandate was further expanded to cover anti-money laundering, combating financing of terrorism and financing of illegal organisations, following the issuance of AML Law.

Chart 11: The below chart shows the NAMLCFTC establishment history in chronological order.

NAMLCFTC formed three subcommittees to support its work and mandated them with specific tasks:



The UAE issued its first NRA in 2018, which was updated and shared with competent authorities, FIs and DNFBPs in 2019.

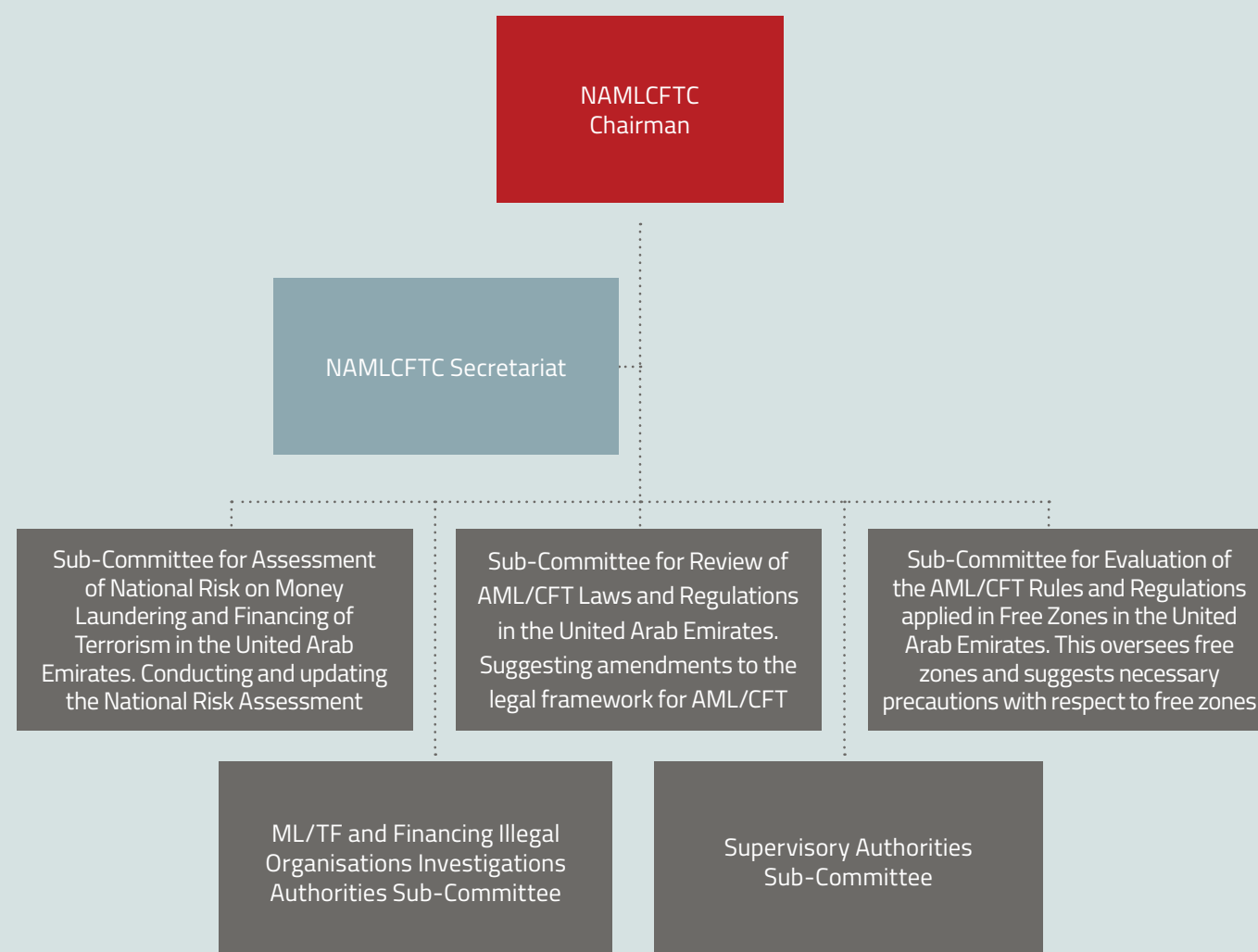
The Laws and Regulations Sub-Committee was responsible for drafting the AML Law in 2018 and the AML By-Law. In 2019, the Sub-Committee completed drafting Cabinet Decision No. (10) of 2019 Concerning the Executive Regulation of Decree Law no. (20) of 2018 on Anti- Money Laundering and Combating the Financing of Terrorism and Illegal Organisations.

In addition, to continue enhancing national coordination and cooperation on AML/CFT and to build greater awareness of the roles of the different AML/CFT domestic competent authorities and oversee implementation of new technical measures and best international practices, the following policy and operationally focused permanent committees were established by the National Committee:

- Supervisory Authorities Sub-Committee
- ML/TF and Financing Illegal Organisations Investigations Authorities Sub-Committee

Diagram 5

NAMLCFTC organisational
structure as of 2019



In 2018, the UAE developed a comprehensive risk-based National Action Plan composed of activities and timelines in all areas of the AML/CFT regime to address the ML/TF gaps identified by the NRA and the self-assessment of the UAE technical and effectiveness compliance with FATF Standards. The National Action Plan forms the basis for implementing the risk-based approach in allocating resources and focus at a national level. The plan is regularly updated and its implementation monitored on an ongoing basis by the NAMLCFTC.

In early 2019, the UAE also updated its AML/CFT Strategy for 2019-2021 to align with new adjustments to laws and regulations and the need for a more comprehensive risk-based approach. The National Action Plan is the main tool for the implementation of the strategy.

NAMLCFTC Mandate:

- Determining and assessing the risks of the crime on the national level.
- Facilitating the exchange of information and coordination among the various bodies represented therein.
- Representing the UAE internationally on matters related to money laundering.
- Proposing the implementing regulation covering the work of the Committee and submitting it to the Minister of Finance for approval.
- Any other matters referred to the Committee by domestic competent authorities in the UAE.

Expansion of the mandate:

- Preparing and developing a national strategy to combat crime and proposing related regulations, policies and procedures in coordination with the domestic competent authorities, and monitoring their implementation.
- Coordinating with the relevant authorities and referring to related international sources of information in order to identify high-risk countries in relation to money laundering and financing of terrorism and instructing the supervisory authorities to ensure the adherence to the required due diligence procedures by FIs, DNFBPs, and non-profit organisations under their supervision.
- Collecting and analysing statistics and other information provided by the domestic competent authorities to assess the effectiveness of their regulations on combating Money Laundering, Terrorism Financing and Financing of Illegal Organisations.

UAEFIU acts as the Secretariat of the NAMLCFTC and provides both administrative and technical support to the Committee. Being the secretariat and a member, the UAE FIU contributes in the following:

- Preparing and developing a national strategy to combat crime and proposing related regulations, policies and procedures in coordination with the domestic competent authorities, and monitoring their implementation.
- Determining and assessing the risks of the crime on the national level with the relevant sub-committee.
- Coordinating with relevant authorities and referring to related international sources of information in order for the National Committee to identify high-risk countries in relation to money laundering and financing of terrorism and instructing Supervisory Authorities to ensure adherence to required due diligence procedures by FIs, DNFBPs, and non-profit organisations under their supervision.
- Contributing to facilitating the exchange of information and coordination among various bodies represented in The National Committee through its Sub-Committees.
- Contributing to the collecting and analysing of statistics and other information provided by authorities to assess the effectiveness of regulations on combating Money Laundering, Terrorism Financing and the Financing of Illegal Organisations.

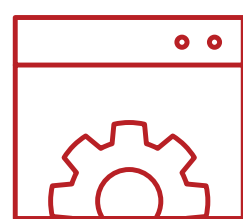
In addition, the objectives of the UAE FIU are broadly consistent with the evolving national AML/CFT policies such as the AML Strategy and the National Action Plan. Thus, the UAE FIU is a member of the NRA Sub-Committee and ML/TF and Financing Illegal Organisations Investigations Authorities Sub-Committee and Sub-Committee for AML Laws and Regulations.

7. AN OUTLOOK ON THE FUTURE OF THE UAE FIU

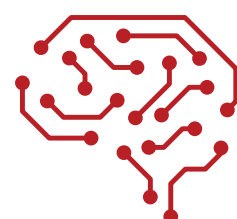
7.1 Strategic plan and commitment



Raising awareness
of ML/TF risks



Upgrading the UAE
FIU's infrastructure



Using AI to monitor
ML and TF

The UAE FIU has the strategic objective to continuously improve its processes, raise public awareness and strengthen the IT infrastructure.

The UAE FIU's aspirations are realised by enhancing of technology for reporting and analysis. This includes improving UAE FIU's software prowess and reporting standards while using technologies such as Big Data, Artificial Intelligence and Machine Learning to enhance operations and streamline processes.

This reinforces UAE FIU's commitment to undertake all necessary actions required to minimise the risk of financial crime in the country.

The UAE FIU's most important strategic priorities for the future are:

Enhance the infrastructure to
accommodate for Big Data



Maintain an updated RBA Methodology
to prioritise reports according to
emerging patterns and typologies
as well as feedback from various
domestic competent authorities



Expanding the UAE FIU's access
to relevant databases through
MoUs and SLAs with various
stakeholders whether domestically,
regionally or internationally, to
enhance available intelligence



Increase the percentage of
registration to goAML by FIs
and DNFBPs and complete
their connectivity with IEMS



Introduce Machine Learning
and Artificial Intelligence
to STR analysis and the
dissemination processes



7.2 Outreach

The UAE FIU organised and participated in multiple workshops and training sessions collaboratively with several domestic competent authorities. These targeted the public and private sectors to highlight the ongoing concerns and priorities of the UAE FIU, by raising the awareness of ML/TF risks; the importance of transaction monitoring systems, and the timely and quality reporting of STRs by REs.

The Annual UAE FIU Seminar “FID In Depth” conducted on January 16, 2019 was attended by 242 participants from 129 entities on the mainland and FFZs, with representation from domestic competent authorities.

Issues of common interest to the audience were presented and discussed:

- UAE National Risk Assessment.
- UAE preparation for the second round of mutual evaluation – obligations of FIs.
- NAMLCFTC.
- AML law and its obligations.
- Components of a good write-up and possible Money Laundering and Terrorism Financing red flags.
- Statistics, trends, and typologies.
- International efforts.
- Introduction to goAML – requirements, connectivity and manuals.
- New version of the Remittance Reporting System (UAERRS).

7.3 Enhancing public awareness

A robust AML/CFT framework provides the foundation of a stable banking and financial services sector, and the UAE FIU is making significant progress towards fulfilling its role of implementing the national strategic plan for AML/CFT. In line with international standards, the UAE FIU continues to proactively collaborate with relevant stakeholders in the domestic and international arena in its fight against money laundering and terrorism finance.

Financial crimes can have significant impact not only on the nation’s economic stability but also pose a serious threat to national security and human lives. Therefore, enhancing awareness about ML/TF issues among all stakeholders, including the wider public, is hence a critical catalyst to the UAE’s collective fight against financial crimes. All stakeholders, including the public, have an important role to play in the prevention and suppression of money laundering and terrorism financing activities.

8. GLOSSARY OF ABBREVIATIONS

1. **AMLSCU:** Anti-Money Laundering and Suspicious Cases Unit
2. **AML:** Anti-Money Laundering
3. **ADGM:** Abu Dhabi Global Market
4. **CBUAE:** The Central Bank of the UAE
5. **CFT:** Combating the Financing of Terrorism and Illegal Organisations
6. **CFZ:** Commercial Free Zones
7. **DNFBPs:** Designated Non-Financial Businesses and Professions
8. **DFS:** Dubai Financial Services Authority
9. **ESW:** Egmont Secure Web
10. **FFZ:** Financial Free Zones
11. **FI:** Financial Institutions
12. **FATF:** Financial Action Task Force
13. **FIU:** Financial Intelligence Unit
14. **ICRG:** International Cooperation Review Group
15. **IEMS:** Integrated Enquiry Management System
16. **IA:** Insurance Authority
17. **LEA:** Law Enforcement Authorities
18. **Mol:** Ministry of Interior
19. **MoU:** Memorandum of Understanding
20. **MOE:** Ministry of Economy
21. **MOJ:** Ministry of Justice
22. **ML:** Money Laundering
23. **MSB:** Money Services Business
24. **NAMLCFTC:** National Committee for Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organisations
25. **NAP:** National Action Plan
26. **PP:** Public Prosecution
27. **RE:** Reporting Entities
28. **RFI:** Requests for Information
29. **STR:** Suspicious Transaction Report
30. **SAFIU:** The FIU of Kingdom of Saudi Arabia
31. **SD:** Spontaneous Disclosures
32. **SCA:** Securities and Commodities Authority
33. **TF:** Terrorism Financing
34. **UAE:** United Arab Emirates
35. **UNODC:** United Nations Office on Drugs and Crime
36. **UAERRS:** UAE Remittance Reporting System