

Flash News

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UAE's Ministry of Economy fines 29 companies over DH22 Million for Non-Compliance with Anti-Money Laundering

The authority said that these companies were operating in the Designated Non-Financial Business and Professions Sector (DNFBPs).

The Ministry of Economy has imposed fines worth DH22.6 million on 29 companies. These companies were penalized for failing to comply with anti-money laundering, combating the financing of terrorism legislation.

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:**

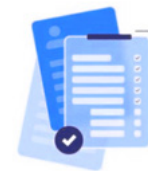
- Brokers and real estate agents;
- Dealers in precious metals and precious stones in carrying out any single monetary transaction or several transactions that appear to be interrelated or equal to more than AED 55,000 (approximately \$15,000);
- Lawyers, notaries, and other independent legal professionals 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.

How to stay compliant

To stay compliant with all the regulations, businesses should monitor customer transactions, ensure that they provide authentic data, and report suspicious cases.

The AML-CFT Law and the AML-CFT Decision set out the minimum statutory obligations as follows:



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| ✓ Identifying, assessing, understanding risks; | ✓ Putting in place indicators to identify suspicious transactions; |
| ✓ Defining the scope of and taking necessary due diligence measures; | ✓ Reporting suspicious activity and cooperating with Competent Authorities; |
| ✓ Appointing a compliance officer in accordance with the requirements of the relevant Supervisory Authority; | ✓ Promptly applying directives of Competent Authorities for implementing UN Security Council decisions under Chapter 7 of the UN Convention for the Prohibition and Suppression of the FT and Proliferation; |
| ✓ Putting in place adequate management and information systems, internal controls, policies, procedures to mitigate risks and monitor implementation; | ✓ Maintaining adequate records. |