



CBUAE issues new guidance for licensed financial institutions on anti-money laundering and combatting the financing of terrorism

Abu Dhabi (31 May 2023): The Central Bank of the UAE (CBUAE) has issued a new guidance on anti-money laundering and combatting the financing of terrorism (AML/CFT) for Licensed Financial Institutions (LFIs) including banks, finance companies, exchange houses, payment service providers, registered hawala providers and insurance companies, agents and brokers.

The new guidance will assist LFIs' understanding of risks and effective implementation of their statutory AML/CFT obligations, and takes Financial Action Task Force (FATF) standards into account. It will come into effect within one month.

The new guidance discusses the risks arising from dealing with virtual assets (VA) and virtual asset service providers (VASP) and sets out clear descriptions of VAs, VASPs and VASP business models. The guidance describes various channels and mechanisms of interaction between LFIs and VASPs.

The guidance outlines the customer due diligence (CDD) and enhanced due diligence (EDD) for LFIs towards potential VASP customers and counterparties, with the aim of de-risking, supporting them with training programmes, a governance system and record-keeping mechanisms.

His Excellency Khaled Mohamed Balama, Governor of the CBUAE, said: "The new guidance related to the virtual assets sector contribute to strengthening the supervisory and regulatory frameworks of the Central Bank to combat money laundering and the financing of terrorism. We are constantly working to enhance efforts and strengthen the awareness of licensed financial institutions to prevent all kinds of financial crime activities, and reduce potential risks to protect the financial and monetary system and maintain its soundness and stability, in line with the Financial Action Task Force standards."

To view the Guidance, please [click here](#).

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