



CBUAE issues new guidance on financial institutions' implementation of targeted financial sanctions

Abu Dhabi (26 July 2021): 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 its licensed financial institutions (LFIs) on the implementation of Targeted Financial Sanctions (TFS).

The newly issued Guidance is supplementary to the Guidance on TFS for financial institutions and designated non-financial business and professions, issued in May 2021 by the Executive Office of the Committee for Goods and Materials Subject to Import and Export Control. The Executive Office acts as a central authority to ensure the implementation of TFS in the UAE.

The Guidance, which came into effect on July 8, 2021 and requires LFIs to demonstrate compliance with its requirements within one month from said date, will assist the understanding and effective implementation by LFIs of their statutory AML/CFT obligations.

As stipulated by the Guidance, LFIs should develop, implement and regularly update an appropriate sanctions compliance programme encompassing a robust risk assessment, screening process and staff training programme. This should be applied across their institutions, including branches, subsidiaries, and other entities in which LFIs hold a majority interest.

LFIs must register on the Executive Office's website in order to receive automated email notifications with updated and timely information on the listing and de-listing of individuals or entities in the United Nations Consolidated List and the Local Terrorist List. They are required to regularly screen their databases and transactions against the names that appear on the aforementioned lists and immediately when notified of any changes to these lists. When a match to a listing is found through the screening process, LFIs must, within 24 hours without delay and prior notice, freeze the funds of the listed individuals or entities. LFIs must immediately notify CBUAE, as well as the Executive Office, of any freezing measures and/or attempted transactions. For the modality of these notifications, LFIs should refer to CBUAE's and the Executive Office's websites for updates.

His Excellency Khaled Mohamed Balama, Governor of CBUAE, said: "The threat of money laundering and terrorist financing on the UAE's financial system is one that we aim to address through rigorous regulatory oversight and continuous clarification of LFIs' obligations. This Guidance is one of many that we have and will continue to issue over the coming period as CBUAE looks to strengthen the understanding and implementation of its requirements amongst the financial community, in line with the Financial Action Task Force's standards."



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To view the Guidance, please click on the following link:
<https://www.centralbank.ae/en/cbuae-amlcft>.

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