



**DIFC**

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**Non Financial  
Anti Money  
Laundering/Anti Terrorist  
Financing (AML/CFT)  
Regulations**

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## **CITATION**

The Board of Directors of the DIFCA, taking into account Article 121 of the Constitution of the UAE, in exercise of its regulating powers as per Article 6 of Dubai Law No. (9) of 2004, and in order to comply with Article 11 of Federal Law No. (4) of 2002, and having regard to obligations under the UAE Law 2/2006 of Cyber Crimes Articles 19 and 21, hereby makes these Regulations with effect as of the Effective Date provided in Article 3(1).

## **ARTICLE 1 - APPLICATION**

1. These Regulations apply in the jurisdiction of the Dubai International Financial Centre, to the following Designated Non-Financial Businesses and Professions (“DNFBP”):
  - a. Real estate agents involved in transactions for a client concerning the buying or selling of real estate in relation to both the purchasers and vendors of the property.
  - b. Dealers in precious metals and dealers in precious stones when they engage in any cash transactions with a client the value of which singularly, or in several transactions that appear to be linked, equal or exceed \$15,000.
  - c. Dealers in High Value goods and services when they engage in any cash transactions with a client the value of which singularly, or in several transactions that appear to be linked, equal or exceed \$15,000
  - d. Lawyers, notaries, other independent legal professionals and accountants, including auditing service providers when they prepare for or carry out transactions for their clients concerning:
    - i. buying and selling of real estate;
    - ii. managing of client money, securities or other assets other than as a business that meets the definition of financial institution as per the DFSA rulebook;
    - iii. management of bank, savings or securities accounts other than as a business that meets the definition of financial institution;
    - iv. organisation of contributions for the creation, operation or management of companies; or
    - v. creation, operation or management of legal persons or arrangements, and buying and selling of business entities.

- e. Company service providers when they prepare for or carry out transactions for a client concerning:
  - i. acting as a formation agent of legal persons;
  - ii. acting as (or arranging for another person to act as) a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons;
  - iii. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement; or
  - iv. acting as (or arranging for another person to act as) a nominee shareholder for another person.
- 2. The DIFCA shall make rules and issue guidance for the purpose of Article 1.
- 3. These Regulations (AML/CFT) do not apply to:
  - i. Authorised Firms; or
  - ii. Ancillary Service Providers (ASPs) that are regulated by the DFSA ;

## **ARTICLE 2 - INTERPRETATION**

- 1. Defined terms are identified throughout these Regulations by the capitalisation of the initial letter of a word or phrase. Where capitalisation of the initial letter is not used, an expression has its natural meaning.
- 2. Defined terms are set out in Schedule A.
- 3. If a provision in these Regulations refers to a communication, notice, agreement or other document 'in writing' then, unless the contrary intention appears, it means in legible form and capable of being reproduced on paper, irrespective of the medium used. Expressions related to writing must be interpreted accordingly. This does not affect any other legal requirements which may apply in relation to the form or manner of executing a document or agreement.
- 4. A DNFBP may seek guidance from the DACD where clarity is needed to interpret and/or apply any part of these Regulations.

5. These Regulations are regulatory requirements only that relate to the activities of DNFBPs under the supervision of the DIFCA, and cannot be relied upon to interpret or determine the application of the criminal laws of UAE.

### **ARTICLE 3 - ENACTMENT, IMPLEMENTATION & ENFORCEMENT**

1. These AML/CFT Regulations shall come into force and effect as of July 18, 2007 ("Effective Date").
2. On the Effective Date, the DIFC Governor shall appoint a DNFBP AML/CFT Commissioner ("Commissioner") who shall be given authority to operate hereunder independently of any Centre Body, as defined in Dubai Law No. 9 of 2004, and who shall be responsible for the effective and timely implementation and enforcement of these AML/CFT Regulations.
3. The Commissioner shall immediately upon his appointment constitute the DACD and ensure that it is at all times adequately staffed, resourced and funded in order to properly fulfil its responsibilities under these AML/CFT Regulations.
4. The DACD will adopt rules which will provide detail as to compliance with the provisions of these Regulations, and will give guidance on adequate measures for such compliance to the application of the Regulations and the Rules.

### **ARTICLE 4 - GENERAL COMPLIANCE REQUIREMENTS**

1. A DNFBP shall establish, implement, monitor, and maintain, an effective programme of compliance with these Regulations.
2. A DNFBP shall put in place relevant policies, procedures, processes and controls designed to prevent and detect potential Money Laundering and Terrorist Financing activity. Such measures should consider the following:
  - i. Compliance Management Arrangements;
  - ii. Risk Assessment and Management;
  - iii. Customer Due Diligence;
  - iv. Record retention;
  - v. Training and awareness;
  - vi. Employee screening;
  - vii. Detection of unusual and/or suspicious transactions; and
  - viii. Monitoring and Reporting obligations.

3. A DNFBP shall appoint a Money Laundering reporting officer (MLRO) at a management level who will be responsible for the day-to-day oversight of relevant policies, procedures, processes and controls to prevent and detect Money Laundering and Terrorist Financing.
4. A DNFBP shall ensure that relevant policies, procedures, processes and controls are communicated to all relevant employees.
5. A DNFBP shall establish ongoing employee training to ensure that employees are kept informed of new developments, including information on current anti Money Laundering and anti Terrorist Financing risks, techniques, methods and trends.
6. A DNFBP shall put in place independent controls that will test and assess the effectiveness of the programme of compliance with these Regulations on a risk-sensitive basis with a defined minimum frequency.
7. A DNFBP shall put in place appropriate screening procedures to ensure high ethical standards when hiring employees.
8. A DNFBP shall have relevant policies, procedures, processes and controls in place to prevent the misuse of technological development in Money Laundering or Terrorist Financing schemes.

## **ARTICLE 5 – COMPLIANCE MANAGEMENT ARRANGEMENTS**

1. A DNFBP's most Senior Management shall ensure that a programme of compliance with these Regulations is executed and managed appropriately.
2. A DNFBP shall appoint an MLRO who shall have responsibility for establishing and maintaining policies, procedures, processes and controls with AML/CFT legislation and regulation applicable in the DIFC and exercising day-to-day operational oversight of the DNFBP's compliance with AML / CFT policies, procedures, processes and controls.
3. The MLRO's responsibilities shall also include identifying and taking appropriate action on matters of Money Laundering or Terrorist Financing concerns that are identified as part of the risk assessment process or by the competent authorities listed in Article 8.
4. The MLRO shall be responsible for establishing, implementing, monitoring, and maintaining an appropriate ongoing programme of AML / CFT training and awareness and making annual reports to senior management concerning the level of compliance adherence to policies, procedures, processes and controls.

5. The MLRO shall be responsible for receiving internal suspicious activity reports submitted by employees of the DNFBP, investigating the internal suspicious activity report and taking appropriate action which will include where appropriate making external suspicious activity reports to the DACD and the AMLCSU.
6. The MLRO will be responsible for acting as the point of contact in the DNFBP to the regulatory authorities and relevant agencies concerned with AML/CFT matters and responding promptly to any request for information made by regulatory authorities or other Competent Authorities of the UAE.
7. The MLRO will notify DACD promptly regarding any communication from other authorities or regulators concerning Money Laundering or Terrorist Financing matters.
8. A DNFBP shall make appropriate provisions for any absence of the MLRO and shall appoint a suitable deputy to assume the responsibilities set out above.
9. The MLRO should be sufficiently senior and independent to act on his/her own authority, have direct access to senior management, and have sufficient resources including appropriately trained and effective employees.
10. The MLRO shall have access to relevant information concerning the DNFBP's clients, representatives of the clients, business relationships and transactions and the details of such transactions which a DNFBP enters into, or considers entering into, with or for a client or other party.
11. A DNFBP shall commission an annual report from its MLRO which will report the level of compliance adherence to relevant policies, procedures, processes and controls with respect to regulatory obligations.
12. The DIFCA shall make rules and issue guidance for the purposes of Article 5.

## **ARTICLE 6 – RISK ASSESSMENT AND MANAGEMENT**

1. A DNFBP shall adequately assess its AML/CFT risk in relation to its clients, its business, products and services, and appropriately define and document its risk-based approach.
2. A DNFBP shall have appropriate risk management systems to determine whether a potential client, client or beneficial owner is a PEP.
3. A DNFBP shall maintain AML/CFT policies, procedures, processes and controls that are relevant and up-to-date in line with the dynamic risk associated with its business, products and services and that of its clients.

4. A DNFBP shall establish, implement, monitor, and maintain satisfactory controls that are commensurate with the level of AML/CFT risk.
5. Should a DNFBP consider a more stringent application of systems and controls be applied to its business than is otherwise directed within these Regulations, the DNFBP should not be restricted in such application provided that these Regulations are also implemented as a minimum standard.
6. The DIFCA shall make rules and issue guidance for the purposes of Article 6.

## **ARTICLE 7 - CLIENT DUE DILIGENCE (CDD)**

### **GENERAL**

1. A DNFBP shall properly identify its clients, and maintain client identification records of reliable documentation. Such client identification records shall be made available to the DACD and DFSA or to any Competent Authority promptly upon request.
2. A DNFBP shall apply a minimum standard of CDD to all business relationships, and shall adopt a risk based approach to determine the extent of additional CDD measures commensurate with the level of risk posed by the client type, business relationship, transaction or product.
3. DNFBP shall always conduct the minimum level of CDD, unless a specific exemption is applicable and defined in the DIFCA Rule Book. Any risk based measures considered and implemented shall be consistent with the Regulations and guidance.
4. A DNFBP shall not conduct reduced CDD measures where there is a suspicion of Money Laundering or Terrorist Financing activity, or where high risk circumstances are identified.

### **TIMING**

1. A DNFBP shall undertake satisfactory CDD measures when:
  - a. establishing a business relationship;
  - b. carrying out:
    - i. occasional transactions the value of which singularly or in several operations that appear to be linked, equal or exceed \$15,000.00;

- ii. occasional transactions that are wire transfers, and each equalling or exceeding US\$1,000.00 ;
  - iii. there is any suspicion of Money Laundering or Terrorist Financing; or
  - iv. the DNFBP has doubts about the integrity or adequacy of previously obtained client identification data.
- 2. A DNFBP should verify the identity of each client and beneficial owner when establishing a business relationship or conducting transactions for occasional clients.

## **APPLICATION**

- 1. A DNFBP shall implement the following standards of CDD measures:
  - a. Identify and verify the identity of a Client that is a natural person, using relevant and reliable independent source documents, data or information (“Identification Data”);
  - b. If the client is not a natural person the DNFBP shall,
    - i. identify and verify the name, address and legal status of the client by obtaining proof of incorporation issued by the relevant authority, or similar formal evidence of establishment and existence; any person purporting to act on behalf of the client; directors and controllers; provisions regulating the power to bind the legal entity or arrangement; and
    - ii. verify that any person purporting to act on behalf of the client is authorised to do so, and that such person’s identity is properly verified; and
    - iii. identify the beneficial owner, taking reasonable measures to verify the identity of the beneficial owner using identification data obtained such that the DNFBP is satisfied that it knows who the beneficial owner is; and
    - iv. understand the ownership and control structure of the client; and
    - v. identify the natural persons that ultimately own and control the client.

- c. Establish and record the purpose and intended nature of the business relationship; and
  - d. Conduct ongoing due diligence on the business relationship and apply scrutiny to transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the DNFBP's knowledge of the particular clients, their business and risk profile, including, where necessary, the source of funds.
2. A DNFBP shall apply each of the CDD measures under Article 7 Application 1 (A) to (D) having consideration to the DIFCA AML/CFT Rule Book and associated guidance on CDD standards.
3. A DNFBP shall ensure that identification data is kept up-to-date and relevant and shall review the records of higher risk customers or business relationships as appropriate.
4. Where a DNFBP is unable to comply with any of the CDD measures, it shall not open an account, commence business relations, accept instructions or perform the transaction.
5. Where CDD obligations for existing business relationships and clients are not met, as a result of the client's refusal to comply or causing unacceptable delays, the DNFBP shall terminate the business relationship, and consider making a Suspicious Transactions Report (STR) to the AMLSCU, sending corresponding copies to the DACD.
6. These CDD measures shall apply to all of a DNFBP's new clients. A DNFBP shall apply relevant CDD measures to existing clients at least when:
  - a. receiving or disbursing funds on behalf of a client in a transaction that singularly, or in several transactions that appear to be linked, equal or exceed \$15,000.00; or
  - b. the client's documentation standards are changed substantially with the introduction of compliance requirements with these Regulations; or
  - c. there is a material change in the nature of the relationship with the client; or
  - d. there are anonymous accounts, accounts in fictitious names or numbered accounts identified; or

- e. the DNFBP becomes aware that it lacks sufficient information about an existing client, or is concerned of the accuracy of information recorded; or
  - f. where a STR has been reported, or a subpoena or production order has been received, or where relevant negative information is known.
7. The DIFCA shall make rules and issue guidance for the purposes of Article 7.

### **ARTICLE 8 - ENHANCED DUE DILIGENCE (“EDD”)**

1. A DNFBP shall perform enhanced due diligence (EDD) for higher risk categories of customer, business relationship or transaction.
2. A DNFBP shall ensure it is aware of new or developing technologies that might favour anonymity and take measures to prevent their use for the purpose of Money Laundering or Terrorist Financing.
3. The DIFCA shall make rules and issue guidance in the area of risk-based due diligence standards for categories of customers and business relationships.
4. A DNFBP shall apply at a minimum enhanced due diligence in the following circumstances:

### **DEFICIENT REGIME AND SUBJECTS OF CONCERN**

1. In assessing the risks in relation to Money Laundering or Terrorist Financing, a DNFBP shall give special attention to business relationships established and transactions intended or conducted with persons and entities from or in countries that do not apply, or insufficiently apply, AML/CFT rules, as identified by:
  - i. the Government of the UAE or any government department in the UAE;
  - ii. the Central Bank of the UAE or the AMLSCU;
  - iii. the Financial Actions Task Force (FATF);
  - iv. Middle East & North Africa Financial Action Task Force (MENAFATF);
  - v. the Gulf Cooperation Council;
  - vi. the DACD; and
  - vii. the DFSA.

2. A DNFBP shall apply systems and controls that can appropriately identify and manage the enhanced risk associated with clients or transactions in or from politically unstable countries and those that are prone to corruption.
3. A DNFBP shall make appropriate use of relevant findings issued by any of the above authorities concerning any named individuals, groups or entities that are the subject of money laundering or terrorist financing concern.

### **NON FACE-TO-FACE BUSINESS**

1. When conducting “non-face-to-face” business with clients that have not been physically present for the purposes of identification and verification, the DNFBP must have policies, procedures, systems and controls in place to manage specific risks associated with such “non-face to face” business, relationships or transactions.
2. A DNFBP shall at a minimum require two pieces of formal identification which have been certified appropriately and one formal document that will verify the physical address of the client. Where the client is a legal person, a DNFBP shall require documentary evidence of the existence of the legal person and a certified copy of acceptable identification and address documentation to verify the address of any person defined in (Article 7 Application (1) B).
3. When conducting “non-face-to-face” business, a DNFBP shall require at a minimum that the first payment received from the non face-to-face client is carried out through an account in the client’s name with a financial institution which is subject to internationally recognized due diligence standards.
4. A DNFBP shall ensure that adequate procedures for monitoring activity of “non-face to face” business are implemented and managed effectively.

### **POLITICALLY EXPOSED PERSONS (“PEPs”)**

1. A DNFBP shall record in writing the approval of its senior management to enter into a business relationship with a PEP.
2. If an existing client or beneficial owner of an existing client of a DNFBP is subsequently found to be, or becomes, a PEP, the senior management of that DNFBP must record in writing its approval to continue the business relationship or resolve its termination.
3. When dealing with a client that is a PEP or which has a PEP as its beneficial owner, a DNFBP shall:

- a. clearly establish the source of wealth and source of funds of each;  
and
  - b. conduct on-going and intensified monitoring of the client and business relationship.
4. The DIFCA shall make rules and issue guidance for the purposes of Article 8.

## **ARTICLE 9 - PROHIBITED ACTIVITIES**

1. A DNFBP shall not create, operate, manage, or facilitate activity for or on behalf of a shell bank.
2. A DNFBP shall not keep anonymous accounts or accounts in fictitious names.
3. A DNFBP is prohibited from participating in any manner, in any form of gaming activity, in or from the DIFC which is defined and treated as criminal activity under the UAE Penal Code.

## **ARTICLE 10 – RELIANCE AND OUTSOURCING**

1. A DNFBP may outsource the technical aspects of CDD process only to qualified service providers duly regulated and supervised in the country where they are based and incorporated, as long as such outsourcing allows for:
  - a. The DNFBP to promptly obtain from the CDD service provider the information under Article 7; and
  - b. The DNFBP ability to obtain copies of Identification Data and other relevant documentation relating to CDD requirements promptly upon request.
2. The ultimate responsibility for client identification and verification, and any other outsourced function, is that of the DNFBP regardless of the arrangements entered with any CDD service provider.
3. A DNFBP shall ensure that there are no secrecy or data protection issues that would restrict prompt access to data, or impede the full application of these Regulations with respect to any outsourced relationship.
4. The DIFCA shall make rules and issue guidance on outsourcing and reliance measures for the purposes of Article 10.

## **ARTICLE 11 – SUSPICIOUS ACTIVITY AND MONITORING**

1. A DNFBP shall routinely monitor for and detect suspicious activity, and shall, at a minimum, examine the background and purpose of the following:
  - a. Complex or unusually large transactions, which have no apparent visible economic or lawful purpose.
  - b. Funds received from or disbursed on behalf of the DNFBP's clients the value of which singularly, or in several operations that appear to be linked, equal or exceed US\$15,000.00.
  - c. Transactions outside the usual pattern of the client's activity as known to the DNFBP.
  - d. Transactions that are deemed to be of high risk with regard to a client or business relationship, or as they relate to high risk geography, products or services.
  - e. Transactions, clients, or business relationships that cause the DNFBP to have reasonable grounds to suspect money laundering or terrorist financing.
2. The DIFCA shall make rules and issue guidance for the purposes of Article 11.

## **ARTICLE 12 - INTERNAL AND EXTERNAL REPORTING**

1. A DNFBP shall have relevant policies, procedures, processes and controls in place for the purposes of detecting Money Laundering and Terrorist Financing and to enable an employee to report to the MLRO any suspicion or knowledge of Money Laundering or Terrorist Financing activity that he/she identifies.
2. If a DNFBP suspects or has reasonable grounds to suspect that funds concerning an actual or proposed transaction are the proceeds of any criminal activity, or are related to Money Laundering or Terrorist Financing activity, the MLRO shall promptly file a written STR with the AMLSCU and with the DACD.

3. The MLRO shall make every employee aware of his/her role to receive internal suspicious activity reports.
4. The MLRO shall make every employee aware of their duty to submit internal suspicious activity reports.
5. The MLRO shall record the steps that are taken with regard to investigating an internal report and the decision on whether or not to make an external STR. Where appropriate the MLRO shall make the STR to the AMLSCU and provide a copy to DACD.
6. The background and purpose of the activity in question shall, as far as possible, be examined by the MLRO and the findings shall be established in writing.
7. Where the MLRO decides that no external report should be made, the reason why shall be recorded.
8. In the event that the STR makes any reference to an Authorised Firm or an Ancillary Service Provider, the DIFCA will send a copy of that report to the appropriate department in the DFSA.
9. A DNFBP shall institute disciplinary measures against any employee that fails to make an internal suspicious activity report where there are grounds for him/her to do so.
10. The DIFCA shall make rules and issue guidance for the purposes of Article 12.

### **ARTICLE 13 - REPORTING INDEMNITY**

1. A DNFBP, its directors, officers and employees (permanent and temporary) shall be protected from both criminal and civil liability for breach of any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision, if they report their suspicions in good faith to the AMLSCU, and the DACD. Such immunity operates even if the person filing the report does not know precisely what the underlying criminal activity is, and regardless of whether an illegal activity has actually occurred.
2. The names and personal details of the DNFBP, its directors, officers and employees filing an STR shall be maintained in strict confidence by the receiving authorities.

## **ARTICLE 14 - PROHIBITION TO DISCLOSE REPORTING**

1. DNFBPs, their directors, officers and employees (permanent and temporary) shall not disclose to the subject or any person other than one with a legitimate right or need to know, and only in accordance to the direction provided by DIFCA's Regulations and guidance on these Regulations, the fact that a STR or related information has been or will be reported or provided to the MLRO, the AMLSCU or the DACD.

## **ARTICLE 15 - REGULATORY COOPERATION**

1. Where a DNFBP receives a request for information from any Competent Authority regarding enquiries into potential Money Laundering or Terrorist Financing activity carried on in or from the DIFC, the DNFBP must promptly inform the DACD in writing.
2. Where the request has come from overseas, the guidance of the DACD shall be sought.
3. A DNFBP shall respond promptly to any appropriate request for information that is issued by the DACD.
4. It is not a reasonable excuse for a DNFBP to refuse or fail a request to:
  - a. permit inspection and copying of any information or document;
  - b. give or produce, or procure the giving or production of, any information or document; or
  - c. answer questions;on the grounds that any such information or document or answer, as the case may be:
  - i. might tend to incriminate the DNFBP or make it liable to a penalty;
  - ii. is, contains, or might reveal a privileged communication; or
  - iii. is, contains, or might reveal a communication made in confidence.
5. Where the DACD or any Competent Authority requires a Professional Legal Advisor to give information or to produce a document or to answer a question, and the giving of the information or the production of the document or the answer to the question would involve disclosing a Privileged Communication made by, on behalf of, or to, the Professional Legal Advisor in his capacity as a Professional Legal Advisor, the Professional Legal Advisor is entitled to refuse to comply with the requirement unless:

- a. the person to whom, or by, or on behalf of whom, the communication was made is a body corporate that is under official management or is being wound up, and the official manager or liquidator of the body as the case may be consents to the lawyer complying with the requirement; or
- b. otherwise, the person to whom, or by, or on behalf of whom, the communication was made consents to the Professional Legal Advisor complying with the requirement.

If a Professional Legal Advisor so refuses to comply with a requirement, he shall, as soon as practicable, give to the DACD a written notice setting out:

- a. where the Professional Legal Advisor knows the name and address of the person to whom, or by whom, or on behalf of whom, the communication was made, then that name and address; and
- b. where the requirement to give information or produce a document relates to a communication which was made in writing, then sufficient particulars to identify the document containing the communication.

## **ARTICLE 16 - STAFF AWARENESS AND TRAINING**

1. A DNFBP shall establish on-going and up-to-date relevant AML/CFT employee training that appropriately covers their obligations under the laws, regulations, policy procedures, processes and controls.
2. A DNFBP shall establish measures to ensure that employees are kept informed of up-to-date risk vulnerabilities, including information on current AML/CFT techniques, methods and trends.
3. A DNFBP shall ensure that training is sufficiently tailored in its content and frequency to the operations and business of the DNFBP, its employees, and its clients.
4. A DNFBP shall keep employees informed on an ongoing basis of the type of suspicious activity that is pertinent to the type of business of the DNFBP and to the context of the employees function.
5. Except in respect of senior managers and MLROs whose training must be provided immediately on assumption of their duties, a DNFBP shall ensure that all relevant employees receive appropriate training within 60 days of commencement of employment.

6. The DIFCA shall make rules and issue guidance for the purposes of Article 16.

## **ARTICLE 17 - RECORD KEEPING**

1. A DNFBP shall maintain all records on any transaction for at least six (6) years following the completion of the transaction, regardless of whether the account or business relationship is ongoing or has been terminated.
2. The transaction records kept in accordance with Article 17.1 must be sufficient to permit reconstruction of individual transactions, including:
  - a. client's name and physical address;
  - b. beneficiary's name and physical address;
  - c. nature and date of transactions;
  - d. type and amount of currency involved; and
  - e. type and identifying number of any account involved in the transaction.
3. Where maintenance of client records is outsourced to qualified service providers in accordance with Article 10, DNFBPs shall take reasonable steps to ensure that such records are held in a manner that conforms to these Regulations.
4. A DNFBP shall maintain information, correspondence and documentation for client identification and verification, and associated due diligence for a period of at least six (6) years from the end of the business relationship with the client or the last transaction conducted.
5. A DNFBP shall maintain records in accordance with Article 12 concerning the internal reporting of unusual or suspicious transactions and all records of investigations of those reports together with the decision made shall be retained for a period of six (6) years after the report has been made, or as otherwise directed by DIFCA Regulations.
6. A DNFBP shall maintain records of the dates of training sessions, a description of training provided and names of the employees that received training for a period of at least 6 years from the date on which training was received.

7. A DNFBP shall maintain records of the annual report, and any other reports that highlight the level of compliance, deficiencies and actions, that it submits to senior management.
8. The transaction records and other identification data shall be made available to the DACD, or any other Competent Authority, immediately upon request.
9. All records of transactions must comply with the provisions of the DIFC Data Protection Law No 1 of 2007.

## **ARTICLE 18 - IMPOSITION OF FINES**

1. Irrespective of the criminal liability or sanctions applicable under the Law, where the DIFC regulatory authority considers that a DNFBP, its directors, officers or employees (permanent or temporary) has committed a contravention of any provision referred to in these Regulations, the DIFCA can impose appropriate enforcement and sanctions including unlimited fines on the DNFBP, its directors, senior managers, officers or employees.
2. The DNFBP shall agree with the DIFCA the steps towards rectifying any deficiencies that the DACD identifies, or are brought to the attention of the DACD, in an appropriate manner and timeframe.
3. The DIFCA shall provide within its Rulebook appropriate guidance on the formal process.

## SCHEDULE A – DEFINITIONS

Defined Term	Definition
AMLSCU	The Anti Money Laundering Suspicious Cases Unit of the UAE;
Ancillary Service	Has the meaning given in the Ancillary Service Provider module of the DFSA Rulebook;
Ancillary Service Provider	A person who is registered by the DFSA in relation to the carrying on of one or more Ancillary Services;
Authorised Firm	A person who is licensed by the DFSA to carrying out Financial Services;
CDD	<p>I. Customer due diligence measures shall comprise:</p> <ul style="list-style-type: none"> <li>(a) identifying the customer and verifying the client's identity on the basis of documents, data or information obtained from a reliable and independent source;</li> <li>(b) identifying where applicable the beneficial owner and taking risk-based and adequate measures to verify his identity so that the institution or person covered by this Directive is satisfied that it knows who the beneficial owner is, including as regards legal persons, taking risk-based and adequate measures to understand the ownership and control structure of the customer:</li> <li>(c) obtaining information on the purpose and intended nature of the business relationship;</li> <li>(d) conducting ongoing monitoring of the business relationship including scrutiny of transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the institution's or person's knowledge of the customer the business and risk profile including, where necessary, the source of funds and ensuring that the documents, data or information held are kept up-to-date.</li> </ul>

Competent Authority	All administrative and law enforcement authorities concerned with combating Money Laundering and Terrorist Financing activity, including the FIU and supervisors.
DACD	DIFCA's Compliance Department
DIFCA	Dubai International Financial Centre Authority
DIFC	Dubai International Financial Centre
DFSA	Dubai Financial Services Authority
EDD	Enhanced Due Diligence is additional consideration of situations that present a higher risk of Money Laundering or Terrorist Financing including steps additional to those in CDD which should be taken depending on the situation that is present, and can include implementing more stringent client identification and verification requirements, monitoring of activity, investigation of the subject, and/or acquiring senior management approval to accept the client / activity.
Financial Service	A financial activity prescribed in the General Module of the DFSA Rulebook under Rule 2.2.2.
Fund	Has the meaning given in Article 2 of Schedule 1 of the DIFC Collective Investment Law, DIFC Law No. 1 of 2006.
High Value Dealer	A High Value dealer (and dealers of luxury goods) is one who <ul style="list-style-type: none"> <li>▪ deals in goods or <b>services</b>; and</li> <li>▪ accepts payment in cash the equivalent of \$15,000 or more in any currency which singularly or in several transactions appears to be linked (High Value).</li> </ul>
Money Laundering	A criminal offence defined in article (1) of the Federal law No 4 of 2002 of the UAE.

DNFBP	Designated Non Financial Businesses and Professions.
Numbered Accounts	Those accounts that are not anonymous or in fictitious names and require full compliance with CDD to be undertaken.
PEP	<p>Means someone who possess any one of the following characteristics:</p> <ul style="list-style-type: none"> <li>• current or former senior official in the executive, legislative, administrative, military, or judicial branch of a foreign government (elected or not) or a senior official of a major foreign political party;</li> <li>• a senior executive of a foreign government owned commercial enterprise, being a corporation, business or other entity formed by or for the benefit of any such individual;</li> <li>• an immediate family member of such individual; meaning spouse, parents, siblings, children, and spouse's parents or siblings; or</li> <li>• any known close personal or professional associate of any of the above.</li> </ul>
Professional Legal Advisor	A barrister, solicitor, solicitor's employee or other authorised litigator, not being the MLRO, holding a recognised legal qualification to whom information is passed in anticipation of receiving legal advice, or from whom legal advice is obtained.

The Laws	<p>Means the Federal Law No. (4) of 2002 Regarding Criminalization of Money Laundering; and the Anti Terrorism Law No1 of 2004; and the Federal Law No. 2 of 2006 Cyber Crimes as it relates to criminalising the electronic transfer of money or property through the internet in which the true sources of such assets are either concealed or linked to criminal proceeds, and criminalising the use of the internet to finance terrorist activities, promote terrorist ideology, disseminate information on explosives, or to facilitate contact with terrorist leaders.</p>
Shell Banks	Credit institution incorporated and licensed in a jurisdiction in which it has no physical presence, no management and meaningful mind, and which is not affiliated with a regulated financial group.
Terrorist Financing	See “the Laws” definition with respect to legislation relevant to Terrorist Financing.
\$USD	Currency of the United States of America or equivalent thereof in another currency.