

By Email

2 July 2019

To: Money Laundering Reporting Officers (MLRO) of Relevant Persons

RE: Updated UAE National Risk Assessment 2019; and
Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organisations Guidelines for Financial Institutions

Dear MLROs,

We refer to our previous SEO Letter dated 14 April 2019 regarding the UAE National Risk Assessment Brief ("the **Brief**"). The DFSA is pleased to provide Relevant Persons with a more detailed version of the UAE updated National Risk Assessment (NRA) for 2019 on Money Laundering and Terrorist Financing (ML/TF) ("**updated UAE NRA 2019**").

The updated UAE NRA 2019 explains the methodology applied to assess inherent ML/TF risks in the country, the process and the results. Please note that there are no changes to the results in the Brief.

The Higher Committee for the Supervision of the FATF Mutual Evaluation Process in the UAE, and the National Committee for Combating Money Laundering and the Financing of Terrorism and Illegal Organisations in the UAE ("**NAMLCFTC**") has requested that the DFSA share the updated UAE NRA 2019 with Relevant Persons in the DIFC, subject to the same strict obligations of confidentiality. Accordingly, please find the updated UAE NRA 2019 attached to this letter.

The information included in the attached updated UAE NRA 2019 is referred to in this letter as the "updated UAE NRA 2019 **Information**". The NAMLCFTC has informed the DFSA that the updated UAE NRA 2019 Information is classified as "Strictly Confidential" and that recipients must treat and safeguard the Information accordingly. You may therefore only refer to or use the updated UAE NRA 2019 Information on the conditions outlined in the attached Appendix.

Acceptance of the Conditions

If you and your employees are unable to comply with the Conditions, you are requested to immediately:

1. Destroy the updated UAE NRA 2019 Information, including redaction and deletion from any information systems and records of whatever nature or form; and
2. Inform the DFSA in writing by way of the Supervisory Firm Contact form below, including that all actions in Item 1 have been completed.

If the DFSA has not received a response from you as set out in Item 2 above on or before 4 July 2019, you and your employees will be deemed to have accepted the Conditions set out above concerning the updated UAE NRA 2019 Information.

DFSA Expectations

The DFSA does not expect Relevant Persons to specifically replicate the findings set out in the updated UAE NRA 2019 Information in their Business AML Risk Assessment under AML 5.1.1. Rather, Relevant Persons are required to consider these findings as part of their ongoing Business AML Risk Assessments and incorporate the findings and make appropriate updates according to the nature, scale and complexity of their particular business activities.

Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organisations Guidelines and important reference information and reminders

The DFSA also takes this opportunity to remind all Relevant Persons of their obligation to ensure compliance with Federal AML legislation, the DIFC Regulatory Law 2004 (as amended) as it relates to AML, and the AML Module of its Rulebook. The Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organisations Guidelines for Financial Institutions is available on the [DFSA website](#). These Guidelines have been provided by the United Arab Emirates (UAE) Mutual Evaluation Project Management Office (PMO). Any future updates will be made available on the DFSA website.

Firms are reminded that general communications with the DFSA should be made via the [Supervised Firm Contact Form](#). This includes any questions regarding this letter.

We look forward to your continuing engagement and cooperation.

Yours sincerely,



Bryan Stirewalt
Chief Executive

CC:

Senior Executive Officers of DFSA Regulated Entities
Principal Representatives of Representative Offices
Senior Executive Officers of Authorised Market Institutions
Audit Principals of Registered Auditors
Compliance Officers of Authorised Firms and other Regulated Entities

Appendix

Conditions for use the UAE NRA 2019 Information

The NAMLCFTC has informed the DFSA that the updated UAE NRA 2019 Information is classified as "Strictly Confidential" and that recipients must treat and safeguard the Information accordingly. You may therefore only refer to or use the updated UAE NRA 2019 Information on the following conditions ("the **Conditions**"):

- It is used strictly for internal purposes only;
- The updated UAE NRA 2019 Information remains confidential, and is safeguarded at all times, and is not disclosed to any other person without the DFSA's prior written consent. In the event any such consent is provided by the DFSA, this will only be on the basis that the obligations set out in this letter apply with full risk and responsibility to the Relevant Person;
- Any disclosure to your employees must only be to employees that have a need to receive the updated UAE NRA 2019 Information for the performance of their respective duties and are under a duty of confidentiality to the Relevant Person (you) at least equivalent to the obligations of confidentiality set out in this letter;
- The Relevant Person is permitted to disclose the updated UAE NRA 2019 Information to its legal advisers or auditor subject to the following conditions being satisfied at all times:
 - The updated UAE NRA 2019 Information will be used solely and exclusively for the purpose of assisting such legal advisers or auditor in providing their specific legal or auditing services to the Relevant Person;
 - The legal advisers or auditor are subject to strict obligations of confidentiality not less than the obligations set out in this letter and must keep the updated UAE NRA 2019 Information strictly confidential and safeguarded at all times and must not disclose the updated UAE NRA 2019 Information to any other person;
 - Any disclosure to the employees of the legal advisers or auditor must only be to employees that have a need to receive the updated UAE NRA 2019 Information for the performance of their respective duties and those that are under a duty of confidentiality at least equivalent to the obligations of confidentiality set out in this letter; and
 - The legal advisers or auditor must inform the Relevant Person in writing, and without delay, upon becoming aware of any unauthorised disclosure or wrongful or inappropriate use of the updated UAE NRA 2019 Information and/or breach of these Conditions by the legal advisers or auditor or their respective employees, including any relevant details and circumstances.
- The Relevant Person will be responsible and liable for any breaches of the Conditions whether by the Relevant Person or its employees or any other person to whom the updated UAE NRA 2019 Information is disclosed by that Relevant Person or its employees irrespective of whether such disclosure is permitted in this letter or by the DFSA;
- The Relevant Person must inform the DFSA in writing, and without delay, upon becoming aware of any unauthorised disclosure or wrongful or inappropriate use of the updated UAE NRA 2019 Information and/or breach of these Conditions by the Relevant Person or any other person (including legal advisers and auditors), including any relevant details and circumstances; and,
- The above obligations are continuing unless advised otherwise by the DFSA in writing.