



BY EMAIL

24 May 2022

To: Senior Executive Officers of Authorised Firms
Money Laundering Reporting Officers of Authorised Firms
Compliance Officers of Authorised Firms

RE: Publication of DFSA thematic reviews covering three core areas: trade finance, correspondent banking, and electronic funds transfers

Dear all,

The purpose of this letter is to notify you that the DFSA has published the outcomes of thematic reviews covering three core areas: trade finance, correspondent banking, and electronic funds transfers that it conducted in 2020.

The first thematic review focused on trade finance and enabled the DFSA to assess:

- how Authorised Firms offering trade finance products and services had responded to the DFSA's 2016 trade finance thematic review findings.
- the effectiveness of Authorised Firms' systems and controls in mitigating this trade-based money laundering risk.
- the application of Targeted Financial Sanctions controls around trade-based financial products and services.

The second thematic review combined a review of correspondent banking and electronic funds transfer, given the transfer of electronic funds are an integral part of correspondent banking (and trade finance) activities.

The report [link](#) sets out the findings and certain general observations concerning the measures taken by Authorised Firms to manage associated risks in these areas. The findings consist of two parts: Part one concerns trade finance, and Part two concerns correspondent banking and electronic funds transfers.

Thematic review findings are an important resource for firms and offer good and poor practice examples to help firms with continuous improvement. Authorised Firms should consider this report when assessing their practices, policies, systems, controls and governance and implement appropriate actions where necessary to ensure legal and regulatory compliance.

Next steps

A virtual outreach session has been arranged for 25 May 2022 to elaborate on the Reviews, key results and observations. We encourage you and members of your team to participate in this event.



If you have questions about the DFSA's expectations or how they may apply to your particular firm's business model, we encourage you to lodge an enquiry via the [Supervised Firm Contact Form](#) available on the DFSA's website.

We look forward to your support as we continue to examine Anti-Money Laundering practices in the DIFC.

Yours faithfully,

Justin Baldacchino
Managing Director, Supervision