



## **CBUAE issues new guidance on anti-money laundering and combatting the financing of terrorism for the insurance sector**

**Abu Dhabi (22 December 2022):** 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 the Licensed Financial Institutions (LFIs) in the insurance sector comprising insurance and re-insurance companies, agents and brokers.

The guidance, which comes into effect immediately, 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. The guidance requires LFIs to demonstrate compliance with its requirements within one month.

The guidance discusses the money laundering and financing of terrorism risks (ML/TF) relevant to life insurance and other investment-related insurance products, and how insurance operators can apply preventive measures to identify, assess, manage, and mitigate them. Insurance operators are required to perform, document, and keep up to date an enterprise risk assessment. They must perform customer due diligence, understand the nature of the customer's business and the nature and purpose of the operator's relationship with the customer, including the expected uses to which the customer will put the operator's products or services, and subject all customers to ongoing monitoring throughout the business relationship. Moreover, the operators must apply enhanced due diligence measure if they identify a customer or relationship presenting higher ML/TF risks.

In addition, insurance operators should maintain transaction monitoring systems equipped to identify patterns of activity that appear unusual and potentially suspicious, and must report any behavior that they reasonably suspect may be linked to ML/TF or a criminal offence by submitting suspicious activity or transaction reports directly to the UAE's Financial Intelligence Unit using the "goAML" portal. All of these preventive measures



should be integrated into their AML/CFT compliance programme and supported with appropriate governance, training and independent audit.

**His Excellency Khaled Mohamed Balama, Governor of the CBUAE**, said: “Anti-Money Laundering and Combatting the Financing of Terrorism is our top priority, as we work with the LFIs and the relevant authorities to prevent and mitigate these types of financial crime activities. We expect from the LFIs of the insurance sector, to comply with this guidance and enhance their measures and efforts to maintain the soundness of the sector”.

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

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