



مصرف الإمارات العربية المتحدة المركزي  
CENTRAL BANK OF THE U.A.E.

# The Central Bank of the UAE's AML/CFT/CPF Review of the Insurance Sector

(Insurance Companies, Brokers  
and Agents)

July 2025

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# 1. Introduction

The Central Bank of the UAE ("CBUAE") Anti Money Laundering and Combatting the Financing of Terrorism Department's ("AML") risk-based approach and methodology includes the assessment of the UAE's Insurance Companies, Brokers and Agent's ("insurance operators") money laundering, terrorist financing and proliferation financing ("ML/TF/PF") risk profiles. The assessment is done through the collection and analysis of ML/TF/PF risk indicators as well as through onsite and offsite examinations of the insurance companies, brokers and agents licensed by the CBUAE.

Based on a series of rigorous reviews and assessments of the insurance sector undertaken in 2023 and 2024, AMLD analysed the effectiveness of the controls implemented by insurance operators to address the ML/TF/PF risks associated with the sector as outlined in FATF's international standards, the UAE's National Risk Assessment ("NRA"), Topical Risk Assessments and relevant CBUAE Notices pertaining to anti-money laundering, counter terrorist and counter proliferation financing ("AML/CFT/CPF").

Overall, a total of 208 insurance operators were assessed by AMLD. Of the 208 institutions, 56 were insurance companies, 16 were insurance agents and 136 were insurance brokers. The assessments revealed a number of areas for further improvements, highlighting the continuous need for enhanced focus and stronger controls within the insurance sector.

Broadly, the assessment areas focused on the availability, quality and effectiveness of the ML/TF/ PF control framework of each institution's AML/CFT/CPF program around the following six (6) critical areas:

1. ML/TF/PF Business Risk Assessment;
2. AML/CFT/CPF Policies and Procedures;
3. Customer Due Diligence (CDD) & Ongoing Monitoring Measures;
4. Training;
5. Dual-Use Goods Controls for Marine Insurance Products; and
6. Suspicious Activity/Transaction Reporting (SAR/STR).

The objective of this report on the thematic review of UAE insurance operators is to highlight the themes AMLD observed across the sector over the course of 2023/2024. The report focuses on the material findings which require enhancements as observed across the sector. It is not intended to be an exhaustive list of all findings within the insurance sector.

By addressing these critical areas, the CBUAE aims to mitigate the sector's exposure to illicit financial activities and ensure full compliance with the UAE's AML/CFT/CPF laws and regulations as well as the United Nations Security Council Resolutions (UNSCRs).

Insurance operators should note the content of this thematic review as any repeated findings in future may lead to a number of interventions, including but not limited to, the formal exercise of the CBUAE's supervisory powers or enforcement action(s).

The insights gained from this review has informed the AMLD's ongoing supervisory efforts, guiding the future direction of regulatory oversight and the development of enhanced frameworks for AML/CFT/ CPF compliance within the UAE insurance sector.

## 2. Applicable Law

1

Federal Decree-Law No. (14) of 2018, Regarding the Central Bank & Organization of Financial Institutions and Activities, and its amendments ("CBUAE Law");

2

Federal Decree-Law No. (20) of 2018 on Anti-Money Laundering and Combatting the Financing of Terrorism and Illegal Organisations and its amendments ("AML-CFT Law");

3

Cabinet Decision No. (10) Of 2019, as amended by Cabinet Decision No. (24) Of 2022, Concerning the Implementing Regulation for Decree-Law No. (20) of 2018 on Anti-Money Laundering and Combatting the Financing of Terrorism and Illegal Organisations ("AML-CFT Decision") and its amendments;

4

Cabinet Decision No. (74) of 2020 Regarding Terrorism Lists Regulation and Implementation of United Nations Security Council (UNSC) Resolutions on the Suppression and Combating of Terrorism, Terrorist Financing, Countering the Proliferation of Weapons of Mass Destruction and its Financing and Relevant Resolutions ("Cabinet Decision 74"), and its amendments;

5

Cabinet Decision No. (58) of 2020 regulating the Beneficial Owner Procedures ("Cabinet Decision 58").

6

All relevant notices, circulars, and guidance issued by the CBUAE.

## 3. Thematic Review Findings

### 3.1 ML/TF/PF Business Risk Assessment

#### **SUPERVISORY EXPECTATION**

Under Article 4 of the AML-CFT Decision, insurance operators carrying on business relating to life insurance and other investment-related insurance must identify, assess and understand their ML/TF/PF risks by way of an ML/TF/PF risk assessment of their entire business. This includes assessing the ML/TF/PF risks relating to its products, services, customers, distribution channels, and geographies. This also includes assessing the ML/TF/PF risks across all branches, subsidiaries, customers and clients, ensuring risks remain within acceptable tolerances and weaknesses are addressed. Overall, this helps insurance operators to understand their risk exposure and the areas they should give priority to in combating ML/TF/PF.

During the review, it was noted that 78% of insurance operators reviewed did not comprehensively document their ML/TF/PF Business Risk Assessment frameworks. Some examples of deficiencies identified include failure by some institutions to define the weightage of risk factors or to categorize risks into different levels and prioritize these risks accordingly. Other examples include a failure by the relevant institutions in assessing the likelihood or probability of the occurrence of identified ML/TF risks, and determine their timing and impact on the institution.

In addition, some entities failed to update their ML/TF/PF risk assessment periodically and respond to events, whether internally or externally driven, that could impact the accuracy or effectiveness of their business risk assessment. In other instances, some institutions failed to promptly address gaps identified and prioritize mitigation strategies.

Insurance operators are reminded that business risk assessments are foundational and crucial for identifying and mitigating key risks. A sound risk assessment framework underpins the entire AML/CFT/CPF program as it identifies potential vulnerabilities specific to the entity. Given the percentage of insurance operators with deficiencies in its business risk assessment, institutions must ensure that they maintain a robust, comprehensive, and actionable business risk assessment framework. Strengthening this area is essential for safeguarding and enhancing the sector against ML/TF/PF risks and the overall resilience of the UAE's financial sector.

Insurance operators should pay particular attention to all their products with an increased focus given to products relating to life insurance and other investment-related insurance products. Enhanced focus is required given the products' susceptibility to being misused for ML/TF/PF due to their cash value and the possibility for early redemption. Insurance operators should ensure they identify, classify and mitigate risks identified in their business risk assessments. They should also ensure that they carry out periodic review of their business risk assessment in order to update this regularly.

## 3.2 AML/CFT/CPF Policies and Procedures

### SUPERVISORY EXPECTATION

Under AML-CFT Law Article 16.1 (d) and AML-CFT Decision Article 4.2 (a) and 20, insurance operators are required to implement robust internal policies, controls, and procedures to effectively manage and mitigate ML/TF/PF risks identified through their risk assessments. These policies, procedures and controls must be approved by the senior management, regularly reviewed for effectiveness, and applied across all branches, subsidiaries, and relevant connected entities.

During the review, it was noted that 32% of relevant insurance operators had deficiencies with their AML/CFT/CPF policies and procedures, highlighting significant gaps in their ability to effectively manage and mitigate ML/TF/PF risks. Some examples of deficiencies identified include failure by some insurance operators to cover within their AML and CFT policies provisions relating to cash acceptance, such as minimum and/or maximum thresholds for accepting cash deposits, frequency in accepting cash deposits from the same customers and third-party cash deposit requirements.

In addition, some insurance operators failed to formally document processes pertaining to Fund Freeze Report (FFR) and Partial Name Match Report (PNMR) requirements, and timelines, to be adhered to after identifying a confirmed match through its sanctions screening processes.

Other deficiencies identified include the insurance operator's policies and procedures omitting material screening operations such as verification of false positives and confirmed matches. In some other instances, insurance operators failed to periodically update their AML/CFT/CPF policy leading to the policies and procedures not reflecting all of CBUAE's issued notices and guidelines.

Insurance operators are reminded of the importance of strong policies and procedures which supports compliance with AML/CFT/CPF standards and the creation of a clear roadmap for operational adherence to AML/CFT/CPF standards.

Insurance operators should pay particular attention to generic AML/CFT/CPF policies that are not tailored to the institution's business. Insurance operators should also pay attention to the inconsistent implementation of procedures across branches, subsidiaries and connected entities.

In addition, insurance operators should pay attention to the integration of AML/CFT/CPF obligations into operational workflows and to the documentation of its governance processes.

## 3.3 Customer Due Diligence (CDD) and Ongoing Monitoring

### SUPERVISORY EXPECTATION

Insurance operators must conduct Customer Due Diligence (CDD) on their customers, including natural persons, legal persons and legal arrangements with whom they establish or intend to establish a business relationship to carry out insurance operations. Under Article (12) of the AML-CFT Decision, insurance operators must continuously monitor all customers as part of their CDD measures to ensure their transactions align with their customer profiles and are legitimate.

During the review period, it was noted that 88% of relevant insurance operators that were subject to full scope reviews had some deficiencies related to their Know Your Customer (KYC) processes, including customer due diligence and ongoing monitoring. Examples of deficiencies identified include failure by some insurance operators to verify appropriately beneficial ownership for corporate policies. In addition, some insurance operators relied on intermediaries to conduct KYC on their behalf without appropriate oversight and without obtaining verification of the KYC conducted.

In addition, some insurance operators had carried out inadequate AML/CFT/CPF typology assessments and/or failed to perform threshold fine-tuning exercises using statistical methods such as above the line (ATL) and below the line (BTL) testing.

Insurance operators are reminded of the importance of robust CDD measures which ensure effective identification and mitigation of risks posed by customers, particularly those in high-risk sectors or jurisdictions.

Insurance operators should ensure that their enhanced due diligence (EDD) process for high-risk customers and their automated transaction monitoring tools and manual processes are effective. Addressing these gaps and strengthening KYC practices, enhances compliance standards, and protect the integrity of the financial system.

## 3.4 Training

### **SUPERVISORY EXPECTATION**

Under article 21.4 of the AML-CFT Decision, insurance operators must provide appropriate tailored AML/CFT/CPF training to ensure employees understand sector-specific risks, compliance obligations, and risk-based controls. Training should align with the operators' risk profile and be fully documented within the AML/CFT/CPF compliance framework. The scope of target employees includes but not limited to:

- Customer-facing staff;
- AML/CFT compliance staff; and
- Senior Management and Board of Directors

During the review period, it was noted that 42% of the insurance operators reviewed had deficiencies in their training program. This highlighted gaps in employee awareness and preparedness to manage ML/TF/PF risks effectively. Some examples of deficiencies identified include failure by some insurance operators to tailor their training programs for their brokers, underwriters, claims handlers, Senior Management and Board Members. Other deficiencies highlighted include insufficient training and awareness of emerging risks such as Proliferation Financing (PF).

Insurance operators are reminded that strengthening training programs is critical to equipping staff with the knowledge and skills to implement risk-based controls, ensuring compliance, and safeguarding the integrity of the insurance sector. Training ensures that all staff understand their AML/CFT/CPF obligations and are equipped to identify and escalate suspicious activities.

Insurance operators should therefore ensure that they focus on improving their training programs including its frequency and role-specific training content. The training should also provide updates on regulatory changes and emerging threats. Insurance operators should also improve their evaluation of their training effectiveness through testing/ assessment.

### 3.5 Dual-Use Goods Controls

#### SUPERVISORY EXPECTATION

In accordance with CBUAE Notice No.4711/2021 concerning Anti-Money Laundering and Combatting the Financing of Terrorism and Illegal Organizations: List of Controlled and Dual-use Goods for Financial Institutions, insurance operators are required to rely on the published list of Controlled and Dual-use Goods on the official website of the Committee for Goods & Material Subjected to Import & Export Control (Executive Office for Control & Non-proliferation), when screening and monitoring financial transactions related to trade.

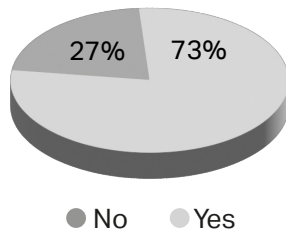
The area of dual-use goods control in relation to the insurance sector is of critical importance, especially given the UAE's strategic role as a global trade hub. Dual-use goods, which have applications in both civilian and military contexts, pose a unique regulatory challenge, as their movement could potentially contribute to the proliferation of weapons of mass destruction. Consequently, these goods are subject to stringent export controls, and the insurance sector has a responsibility to prevent the inadvertent facilitation of their movement, particularly to sanctioned jurisdictions or actors.

Qualitative and quantitative analysis from recent CBUAE assessments underscore the relevance of this theme. The analysis from the assessments revealed areas for improvement in relation to dual-use goods control, highlighting the sector's need to enhance its focus and strengthen controls to manage risks related to dual-use goods.

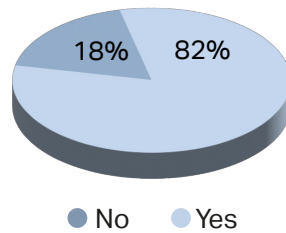
Notably, among insurance operators offering marine insurance, a substantial number (164 insurance operators, including 111 insurance brokers, 41 insurance companies and 12 insurance agents) were involved in transactions/offering products related to marine insurance coverage that frequently interacts with shipments potentially containing dual-use goods. This concentration of activity within the marine insurance space signals a heightened need for vigilance, as these transactions/services often involve international trade routes and shipping channels where dual-use goods are more likely to be present.

Company Type	Marine Insurance Product		Grand Total
	Yes	No	
Insurance Agent	12 (71%)	5 (29%)	17
Insurance Broker	111 (82%)	24 (18%)	135
Insurance Company	41 (73%)	15 (27%)	56
<b>Grand Total</b>	<b>164 (78.8%)</b>	<b>44 (21.2%)</b>	<b>208</b>

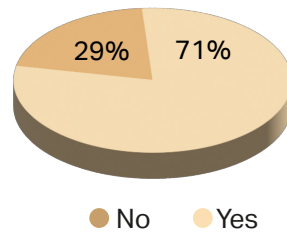
% of Insurance Companies involved in products related to marine insurance



% of Insurance Brokers involved in products related to marine insurance



% of Insurance Agents involved in products related to marine insurance



Given the UAE’s commitment to non-proliferation financing and its efforts to maintain a reputable position in the global financial system, focusing on dual-use goods in the insurance sector aligns with national priorities. Strengthened controls in this area would not only help mitigate sanctions and reputational risk but also demonstrate the UAE’s proactive stance in supporting global non-proliferation objectives. This theme, therefore, is highly relevant and necessary for the insurance sector to address current regulatory expectations and international compliance standards.

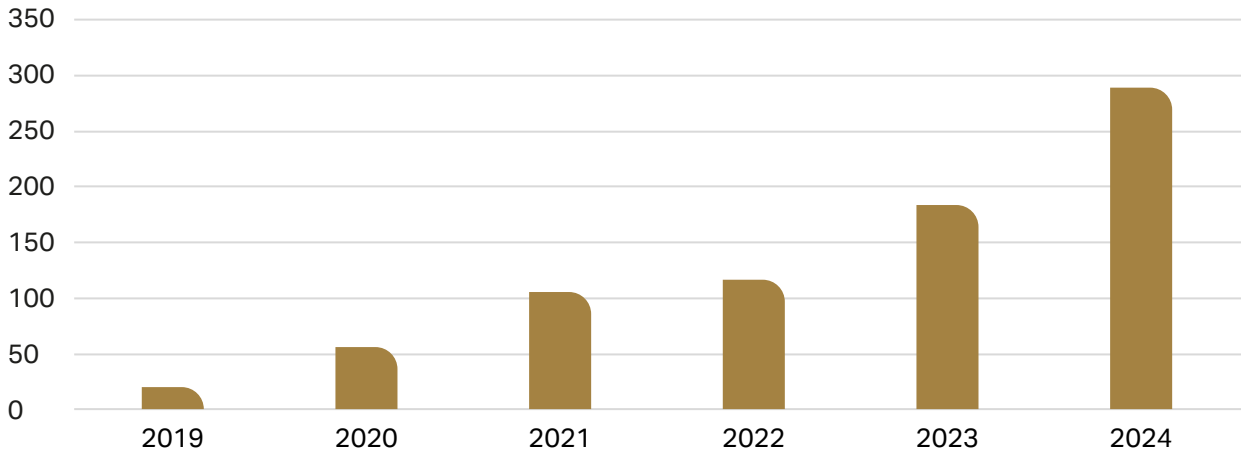
### 3.6 Suspicious Activity Report/Suspicious Transaction Report

#### SUPERVISORY EXPECTATION

Under AML-CFT Law Articles 9.1, 15 and AML-CFT Decision Articles 16-18, insurance operators are required to promptly report to the Financial Intelligence Unit (FIU) suspicious transactions and any additional information required in relation to them, when there are suspicions, or reasonable grounds to suspect, that the proceeds are related to a crime, or to the attempt or intention to use funds or proceeds for the purpose of committing, concealing or benefitting from a crime. Insurance operators are also required to put in place and update indicators that can be used to identify possible suspicious transactions.

Prior to and during the review period, there was a noticeable increase in the number of SARs/STRs reported by insurance operators. In line with the trend in previous years, SARs/STRs submitted to the FIU increased every year - rising from 19 in 2019 to 286 in 2024. Based on the review conducted, this trend highlights the increased understanding of suspicious activities and the ability to identify suspicious transactions due to ongoing supervisory efforts of the CBUAE and the awareness program of the FIU.

## Insurance - Number of SAR/STRS submitted to the FIU



Sector	2019	2020	2021	2022	2023	2024
Insurance	19	54	104	117	183	286

SARs/STRs are crucial for identifying and disrupting illicit financial flows given that the insurance sector's role in the financial system makes it a potential target for exploitation by criminal entities. Therefore, timely and accurate reporting helps law enforcement and regulatory bodies investigate and mitigate these threats.

The unique nature of insurance products, particularly life, and marine insurance, can present vulnerabilities for money laundering, terrorism financing and proliferation financing. For instance, life insurance can be exploited to layer illicit funds, while marine insurance is vulnerable to high-value transactions with international exposure.

All insurance operators, particularly insurance companies, agents, and brokers involved in high-risk areas like life insurance, marine insurance, as well as companies with high volumes of claims or international clients should be aware of the above.

Insurance operators should:

- examine the criteria used by them to identify suspicious activities;
- assess the completeness, accuracy, and timeliness of SARs/STRs submitted to the FIU;
- verify that they are meeting UAE standards for SARs/STRs reporting; and
- evaluate the adequacy of training programs for employees, especially frontline staff responsible for identifying suspicious activity.

By enhancing the sector's ability to detect, report, and prevent suspicious activity, the insurance industry can better safeguard against abuse and contribute to the UAE's financial system integrity.

## 4. Conclusion

In conclusion, insurance operators are reminded to remain abreast of all regulatory obligations under the AML-CFT Law, and its Implementing Regulation, Instructions, Guidelines, and Notices.

In addition, the insurance sector must remain aware of risks outlined in the National Risk Assessment, Topical Risk Assessments and relevant CBUAE Notices pertaining to AML/CFT/CPF requirements. By strengthening its controls, the insurance industry will not only support the CBUAE objectives but also contribute significantly to the UAE's commitment to global non-proliferation and anti-financial crime efforts.

## 5. Next Steps

Insurance operators are expected to ensure they remediate the above observations and implement the necessary measures to strengthen their AML/CFT/CPF framework by 1 September 2025. Any follow up reviews that determine repeated findings, will be referred to Enforcement for immediate action.

Insurance operators should perform a self-review of their compliance against their AML/CFT/CPF obligations. Where this self-review identifies any gaps, these should be reported along with a detailed Risk Mitigation Plan to the CBUAE no later than 15 August 2025. Following this, the CBUAE may conduct a further sample to test compliance in respect of the findings. Insurance Operators are encouraged to seek guidance from the CBUAE on any areas of uncertainty regarding AML/CFT/CPF requirements. The CBUAE may take enforcement actions against any insurance operator who fails to take adequate steps to address the identified weaknesses and gaps within the stipulated timeframes.