



# Thematic Review on Compliance with Screening Against UAE Local List and UNSC Sanctions List in the Banking Sector

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## 1. BACKGROUND

As part of the United Arab Emirates (UAE)'s commitment to a policy of zero tolerance of terrorism and terrorism financing (TF), the Central Bank of the UAE (CBUAE), through its AML/CFT Supervision Department, ensures that licensed financial institutions and registered hawala providers comply effectively with counter financing of terrorism (CFT) laws, regulations and guidance. The AML/CFT Supervision Department (AMLSD) utilises a risk-based approach to supervising compliance with anti-money laundering, counter financing of terrorism and proliferation financing (AML/CFT/CPF) requirements, in order to assess whether licensed financial institutions and registered hawala providers have adequate and effective CFT controls in place.

Over the past six years, the AMLSD has conducted a series of onsite examinations across the banking sector to evaluate the adequacy and effectiveness of AML/CFT/CPF controls across the sector. One of the critical components of these examinations has been the assessment of the banks' Sanctions Compliance Programs (SCPs), with particular focus on internal policies, sanctions screening systems, and procedures for screening customer names and transactions. To address identified deficiencies, the AMLSD has implemented Remedial Mitigation Plans (RMPs) and Enhanced Monitoring Programs (EMPs), which have facilitated ongoing supervision and evaluation of corrective actions undertaken by banks.

In alignment with the UAE's zero-tolerance stance on terrorism and terrorist financing, the AMLSD initiated this thematic review to further assess the banking sector's compliance with the timely identification, freezing, and reporting of designated persons (both natural and legal) listed under the UAE Local List and United Nations Security Council (UNSC) Sanctions List.

## 2. PURPOSE

This thematic review was conducted in line with Article 22 (2) of Cabinet Decision No. 74 of 2020 (Regarding Terrorism Lists Regulation and Implementation of UN Security Council Resolutions on the Suppression and Combating of Terrorism, Terrorist Financing, Countering the Proliferation of Weapons of Mass Destruction and its Financing and Relevant Resolutions). The purpose of the review was to assess the banking sector's compliance with provisions of Article 21 (2) of Cabinet Decision No. 74 of 2020. In summary, the review examined whether banks regularly screen their databases and transactions against names on the lists issued by the UN Sanctions Committee and the UAE Local Lists. The review also examined whether banks conduct screening immediately when they are notified of any changes to any of those lists.

On an ongoing basis, and when specific triggers occur, the AMLSD systematically monitors business activities of licensed financial institutions and registered hawala providers to identify any shortcomings that may exist within the institution's AML/CFT/CPF frameworks. For all banks, the AMLSD conducted targeted offsite monitoring and analysis of the bank's compliance with the requirements to identify, freeze, and report natural and legal persons designated under the UAE Local List and the UNSC Sanctions List. The aim of this exercise was to assess whether banks were:

- 1) Screening their active customers at establishment of a business relationship, periodically, and whenever there is an update to the UAE Local List and UNSC Sanctions List.
- 2) Implementing freezing measures, without delay, and without prior notice to the Listed Person, immediately when a match is found through the screening process;
- 3) Immediately notifying the relevant authorities (including the CBUAE) in cases of detection of any match with listed persons or entities on the UAE Local List and UNSC Sanction List.



### 3. TARGETED AUDIENCE

While the scope of the assessment was limited to the banking sector, the statutory and regulatory requirements to combat terrorism financing and the recommendations in this Report are relevant to all licensed financial institutions and registered hawala providers. In particular, the expectations regarding governance, risk assessment, customer due diligence, sanctions screening, transaction monitoring, and reporting of suspicious activities apply across these sectors. Accordingly, all licensed financial institutions and registered hawala providers are encouraged to review the findings highlighted in this Report and, where appropriate, adopt similar measures to strengthen their own frameworks for combating terrorism financing and related money laundering and proliferation financing risks.

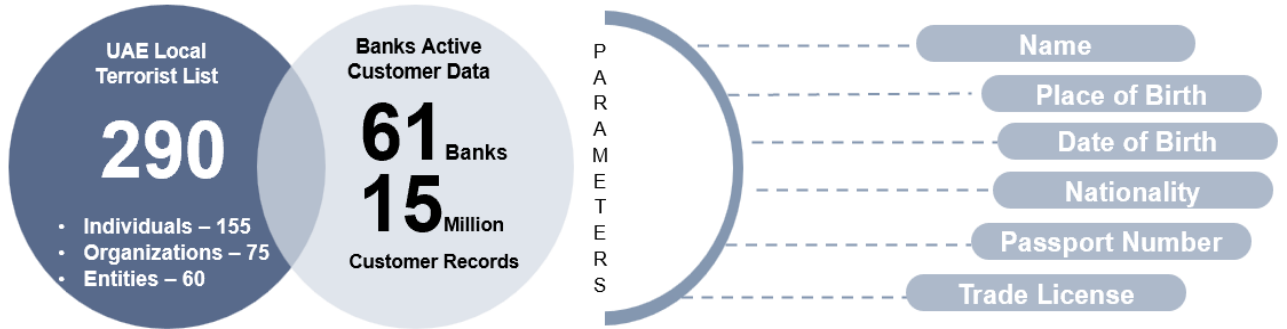
### 4. APPLICABLE LAWS AND GUIDANCE

- 1) Federal Decree by Law No. 10 of 2025 Regarding Anti-Money Laundering, and Combating the Financing of Terrorism and Proliferation Financing.
- 2) Cabinet Resolution No. (134) of 2025 Regarding the Executive Regulations of Federal Decree by Law No. (10) of 2025 Regarding Anti-Money Laundering, and Combating the Financing of Terrorism and Proliferation Financing.
- 3) Cabinet Decision No. 74 of 2020, Regarding, Terrorism Lists Regulation and Implementation of UN Security Council Resolutions on the Suppression and Combating of Terrorism, Terrorist Financing, Countering the Proliferation of Weapons of Mass Destruction and its Financing and Relevant Resolutions.
- 4) Guidance for Licensed Financial Institutions on the Implementation of Targeted Financial issued under CBUAE Notice 3551/2021
- 5) CBUAE's Notice No 1947/2022 regarding Implementation of TFS on UNSCRs 1718 (2006) and 2231 (2015).
- 6) Guidance and publications issued by the Executive Office for Control & Non-Proliferation (EOCN).

### 5. SCOPE OF REVIEW

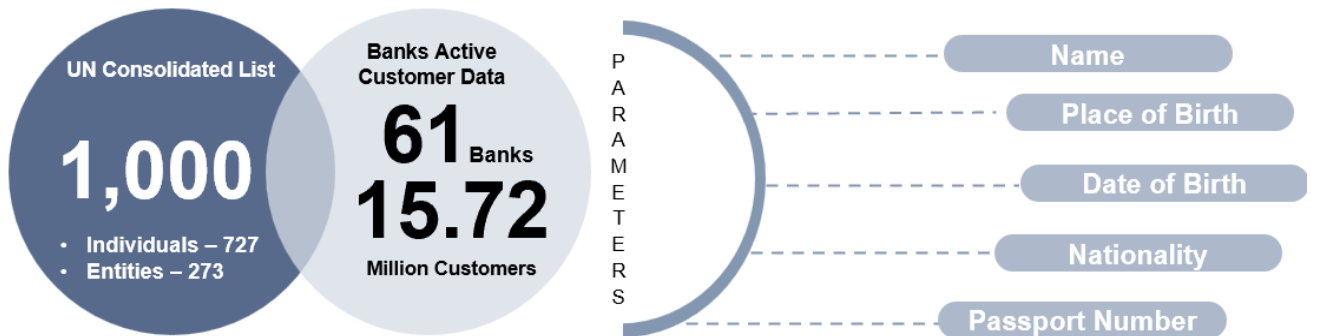
#### 5.1. Screening against the UAE Local List:

- 1) The assessment involved screening approximately 15 million customer records maintained across all the banks licensed by the CBUAE. The screening was conducted against the UAE Local List issued by the Executive Office for Control and Non-Proliferation (EOCN) in July 2025. At the time, the UAE Local List comprised of the following designated individuals and entities:
  - 155 designated individuals
  - 75 designated organisations
  - 60 designated entities
- 2) Customer records provided by the banks (which were screened) were as at 31<sup>st</sup> Dec 2024.



### 5.2. Screening against the UNSC Sanctions List:

- 1) The assessment screened approximately 15.72 million customer records maintained across all the banks licensed by the CBUAE. Screening was done against the UNSC Sanctions List updated by United Nations Security Council as of 1 October 2025. The UNSC Sanctions List comprised of the following designated individuals and entities:
  - 727 designated individuals
  - 273 designated entities and other groups
- 2) The customer records provided by the banks (which were screened) were as at 30 June 2025.



## 6. SCREENING METHODOLOGY

Participating banks were requested to submit customer records via the CBUAE secured platform. The dataset comprised of individual and corporate customer profiles, covering both active and dormant accounts.

The screening exercise was based on application of fuzzy match logic at a 90% similarity threshold for UAE Local List, and 95% similarity threshold for UNSC Sanctions List - using the Levenshtein distance algorithm on full names. The match results were further assessed and validated using additional attributes (as below) to arrive at true matches:

- Full name
- Place of birth
- Nationality
- Date of birth
- Passport numbers



- Trade license details (for legal entities)

## 7. FINDINGS

### 7.1. UAE Local List

Upon completion of the screening of approximately 15 million bank customer records against the UAE Local List, the following matches were identified:

- Eight (8) confirmed entity matches across six (6) banks; and
- Seven (7) confirmed individual matches across three (3) banks.

#### Eight (8) confirmed entity matches

Sr No	List Names	Period Listed	License number	Bank Name	Restriction Date
1	HANAN SHIPPING L.L.C	2021	246003	Bank 1	14-Sep-21
2	KCL GENERAL TRADING F Z E	2021	9639	Bank 2	14-Sep-21
3	AL JARMOOZI CARGO & CLEARING (L.L.C)	2021	546318		14-Sep-21
4	KCL GENERAL TRADING F Z E	2021	9639	Bank 3	15-Sep-21
5	NYBI TRADING - FZE	2021	13045		15-Sep-21
6	KCL GENERAL TRADING F Z E	2021	9639	Bank 4	27-Aug-17
7	WAVE TECH COMPUTER LLC	2021	117826	Bank 5	14-Sep-21
8	WAVE TECH COMPUTER LLC	2021	117826	Bank 6	14-Sep-21

#### Seven (7) confirmed individual matches

Sr No	List Names	Period Listed	Match Results	Bank Name	Restriction Date
1	ALI HASAN ALI HUSAIN ALHAMMADI	2025	Name, DOB, Nationality, Passport	Bank 1	15-Jan-25
2	ALI HASAN ALI HUSAIN ALHAMMADI	2025	Name, DOB, Nationality	Bank 2	14-Jan-25
3	ALI HASAN ALI HUSAIN ALHAMMADI	2025	Name, DOB, Nationality		14-Jan-25
6	KARIM MOHAMED MOHAMED ABDEL AZIZ	2017	Name, Nationality		*25-Nov-21
7	MOHAMED SAQER YOUSIF SAQER AL ZAABI	2021	Name, Nationality		23-Nov-21
4	KARIM MOHAMED MOHAMED ABDEL AZIZ	2017	Name, Nationality	Bank 3	**20-Nov-23
5	SAEED NASER SAEED NASER ALTENEIJI	2021	Name, Nationality		14-Sep-21

\* Relationship started on 09 Nov 2021 & reported FFR on 25 Nov 2021, however EOCN confirmed it as false match. Based on this clarification, the individual was subsequently onboarded by Bank 2. (Further details in section 7.3 )

\*\* Relationship started on 18 Aug 2023 & reported as PNMR on 20 Nov 2023; however, EOCN confirmed it as false match. (Further details in section 7.3)

### 7.2. UNSC Sanctions List

Screening of the approximately 15.72 million customer records against the UNSC Sanctions List noted the following matches across four banks:

- Three (3) confirmed entity matches; and



- Two (2) partial name entity matches\*

Sr No	List Names	Period Listed	ID Nos	Bank Name	Freeze Applied
1	PARS AVIATION SERVICES COMPANY	24-Mar-07	IRe.051	Bank 1	Yes
2	TANCHON COMMERCIAL BANK	24-Apr-09	KPe.003	Bank 2	Yes
3	LIBYAN INVESTMENT AUTHORITY	17-Mar-11	LYe.001	Bank 3	Yes
4	*ELECTRO SANAM COMPANY	3-Mar-08	IRe.014		Yes
5	*LIBYAN AFRICA INVESTMENT PORTFOLIO	17-Mar-11	LYe.002	Bank 4	Yes

### 7.3. Validation and Supervisory Confirmation

The banks identified with confirmed matches were requested to provide evidence confirming whether they had detected the designated persons and entities, as well as the statutory measures they implemented in accordance with Article 21 of Cabinet Decision No. 74 of 2020. Based on the responses and supporting documentation provided, the following was established:

- 1) The banks conducted screening of designated persons against their customer records and confirmed the identified matches.
- 2) Confirmed Name Match Reports (CNMRs) were duly submitted through the goAML platform for all matches identified against both the UAE Local List and the UNSC Sanctions List.
- 3) Freezing measures were promptly applied to the matched entities in compliance with the applicable sanctions lists.

The evidence demonstrated high levels of effectiveness in banks acting in a timely manner to freeze accounts associated with identified relationships, thereby fulfilling their obligations under the relevant legal provisions. However, exceptions were noted in two instances where Bank 2 and Bank 3 failed to timely report confirmed name match and partial name match respectively, within 2 business days, from taking any freezing measure. Upon reporting, however, EOCN confirmed the name as false match.

### 7.4. Outcomes of the Assessment

Outcome of the offsite supervisory assessment noted the following observations:

- **Effectiveness of Name Screening Systems:** Across the banking sector, name screening systems were found to be operating effectively in identifying, freezing, and reporting persons designated under both the UAE Local List and the UNSC Sanctions List.
- **Timely Compliance Actions:** Banks demonstrated the ability to promptly identify designated persons and entities and implement funds-freezing measures without delay, reflecting a high level of compliance maturity and operational robustness.

## 8. CONCLUSION

The thematic review demonstrates the UAE's banking sector high level of compliance in implementing Counter-Terrorist Financing requirements related to the UAE Local List and the UNSC Sanctions List. The timely identification and freezing of designated persons or entities, coupled with prompt reporting,



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reflect strong compliance maturity and operational effectiveness, which confirms to the national and international standards, including the UAE's CFT laws, UNSC resolutions, and FATF recommendations.

All licensed financial institutions and registered hawala providers are obligated to maintain robust systems and controls to ensure effective implementation of CFT measures concerning the UAE Local List and the UNSC Sanctions List.

The CBUAE will continue to monitor compliance through risk-based onsite and offsite supervisory activities. Where deficiencies or breaches are identified, appropriate supervisory actions and enforcement measures will be applied, consistent with the UAE's zero-tolerance stance on terrorism and terrorism financing.