



CBUAE issues new guidance for licensed financial institutions on transaction monitoring and sanctions screening

Abu Dhabi (13 September 2021): The Central Bank of the UAE (CBUAE) has issued a new guidance on transaction monitoring and sanctions screening for its licensed financial institutions (LFIs). The Guidance aims to promote the understanding and effective implementation by LFIs of their statutory anti-money laundering and combatting the financing of terrorism (AML/CFT) obligations.

The guidance has come into effect on 13 September and requires LFIs to demonstrate compliance with CBUAE's requirements within one month from said date.

LFIs are obliged to develop internal policies, controls, and procedures that are commensurate with the nature and size of their business that are approved by their senior management, to enable them manage their identified money laundering and financing of terrorism risks. LFIs must also put in place indicators to identify suspicious transactions and activities in order to file suspicious transaction and activity reports or other report types to the UAE's Financial Intelligence Unit. In addition, LFIs are obliged to regularly screen their databases and transactions against names on lists issued by the United Nations Security Council and its relevant Committees (UN Consolidated List) or by the UAE Cabinet (UAE Local Terrorist List) before conducting any transaction or entering into a business relationship with any client, whether it is individual or corporate.

As stipulated in the guidance, LFIs should establish and maintain effective transaction monitoring and sanction screening programs consisting of a well-calibrated risk-based framework, training and awareness of their employees and active oversight by their board. In addition, LFIs should ensure the ongoing enhancement of their transaction monitoring and sanctions screening systems based on their risks. The systems, including the relating monitoring and screening models used should be subject to independent testing, validation, and auditing.

H.E Khaled Mohamed Balama, Governor of the CBUAE, said: "As we continue to enhance the effectiveness of AML/CFT measures to safeguard the UAE financial system, we expect licensed financial institutions to fulfil their duties as well. This guidance serves as a key point of reference for licensed financial institutions to ensure their compliance with AML/CFT requirements."

To view the Guidance, please click on the following link:
<https://www.centralbank.ae/en/cbuae-amlcft>.

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