

UAE SANCTIONS COMPLIANCE FRAMEWORK OUTREACH SESSION

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Agenda

- **Introduction**
- **International Standards in relation to Sanctions Compliance**
- **UAE Legal Framework**
- **Dissemination of UNSC Decisions and updates to UAE's List of Designated Terrorist Organisations and Groups (UAE National List)**
- **DFSA Legal Framework**
- **DFSA 2019-2021 Priorities: Sanctions Compliance**

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INTERNATIONAL STANDARDS IN RELATION TO SANCTIONS COMPLIANCE

International Standards in relation to Sanctions Compliance

- FATF has issued standards on a number of specific UNSC sanctions and resolutions regarding the countering of the proliferation of weapons of mass destruction and the financing of terrorism.
- These include identifying the persons and entities targeted, depriving them of resources and preventing them from raising, moving, and using funds:
 - to finance/support terrorist activities and organisations
 - for the financing of proliferation of weapons of mass destruction

UAE LEGAL FRAMEWORK

UAE Sanctions Compliance

- The UAE, as a member of the United Nations, is required to comply with all sanctions issued by and passed by the United Nations Security Council.
- In 2014, the UAE issued Federal Law No. 7 of 2014 On Combating Terrorist Offences (the Law) which sets the framework for the UAE's list of designated terrorist organisations and groups.
- In 2019, the UAE enhanced its mechanism for implementing targeted financial sanctions related to proliferation of weapons of mass destruction and terrorist financing. The enhancements are set in Cabinet Resolution No. 20 of 2019.

UAE Sanctions Compliance

- In 2009, the UAE Government established the Committee for Goods and Materials Subject to Import and Export Control with an affiliated Executive Office to:
 - act as communication channel with other countries and international bodies concerned with control on exports
 - circulate resolutions issued by the committee
 - follow up with competent authorities and bodies
 - ensure the implementation of the decisions of UN Security Council and other concerned regional and international organisations and authorities.

UAE Sanctions Compliance

- In 2019, the UAE Government expanded the remit of the Executive Office to:
 - Taking the necessary measures to implement resolutions issued by the United Nations Security Council.
 - Circulating the name of any person or terrorist organisation listed under the Sanctions List
 - Promptly notifying the listed person or terrorist organisation of their inclusion in the Sanctions List.

UAEIEC website



Any person can subscribe to receive updates on the UNSC Consolidated List and UAE's List of Designated Terrorist Organisations and Groups.

<https://www.uaieic.gov.ae/>

Article 19 of Cabinet Resolution No 20 of 2019

Obligations of financial institutions and designated non-financial businesses and professions

Please refer to Article 19 of the Cabinet Resolution No. 20 of 2019.

The Arabic Version can be found at the Executive Office website:

<https://www.uaeiec.gov.ae/en-us/laws-regulations-listing/cabinet-resolution-no-20-for-2019-concerning-the-uae-list-of-terrorists-and-implementation-of-un-security-council-decisions->

Article 20 of Cabinet Resolution No 20 of 2019 Administrative and Criminal Measures

Please refer to Article 20 of the Cabinet Resolution No. 20 of 2019.

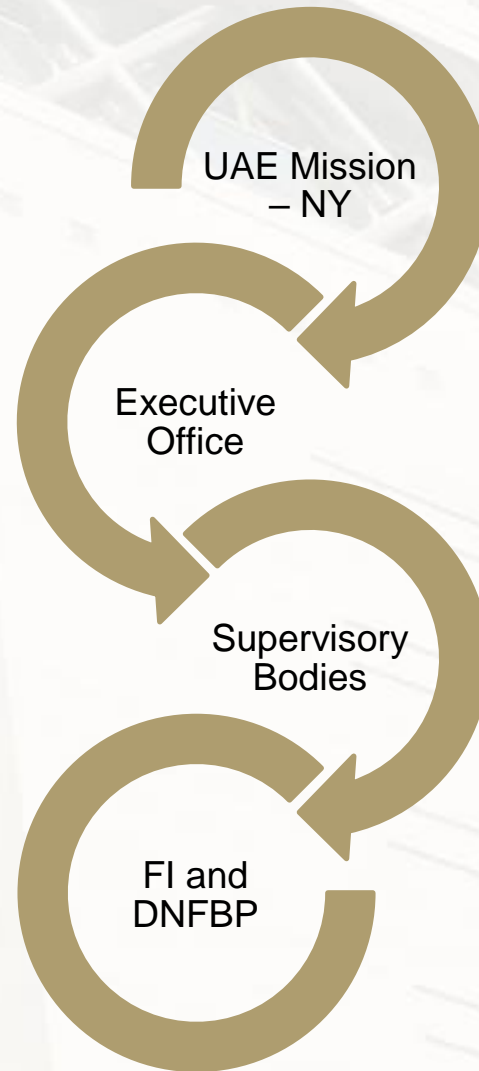
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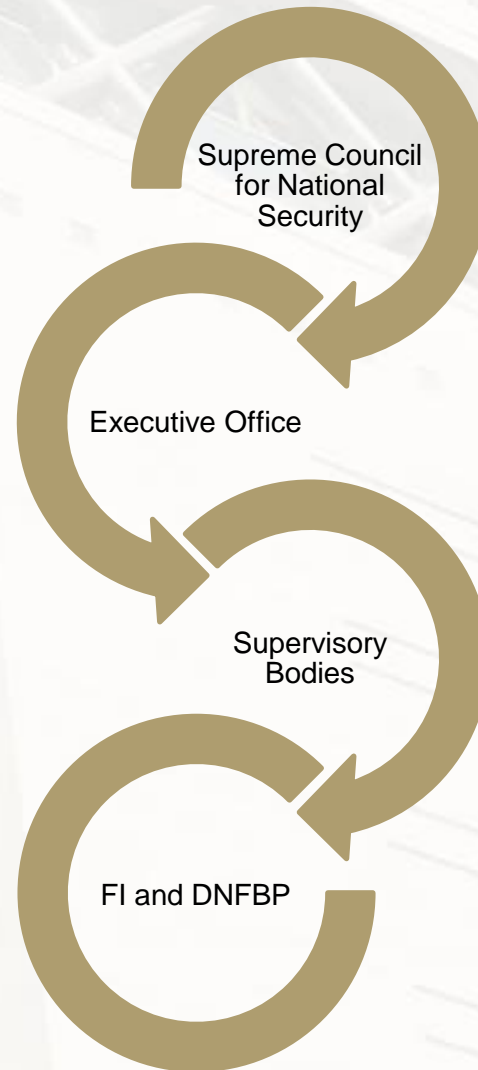
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DISSEMINATION OF UNSC DECISIONS AND UPDATES TO UAE'S LIST OF DESIGNATED TERRORIST ORGANISATIONS AND GROUPS

United Nations Security Council Consolidated List



UAE's List of Designated Terrorist Organisations and Groups (**UAE National List**)



DFSA LEGAL FRAMEWORK

Sanctions Compliance Obligations

- **Establish and maintain** effective systems and controls to comply with all relevant resolutions and sanctions issued by the UNSC **and** any finding issued by the government of the UAE or any government departments in the UAE, the Central Bank of the UAE or the FIU, FATF, UAE enforcement agencies and the DFSA.
- **Notify** the DFSA **immediately** where the firms identify any positive hits.

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DFSA 2019-2021 PRIORITIES: SANCTIONS COMPLIANCE

DFSA Financial Crime Priorities for 2019-2021: Sanctions Compliance

As part of the DFSA's Financial Crime Priorities for 2019-2021, the DFSA will be focusing on Sanctions Compliance in the DIFC.

- Conduct Sanctions Compliance Thematic Review
- Develop a Sanction Notification Form
- Engage with stakeholders on ongoing basis to ensure awareness of requirements.

DFSA Expectations

- Ensure adequate internal policies, procedures and controls are in place.
 - Monitor Good Guy and White Lists
- Ensure clear understanding of screening system rules.
 - Monitor False Positives
 - Monitor lack of hits
 - Demonstrate reasoning for rules especially where threshold changes are implemented to deal with levels of false alerts.
- Ensure training covers Sanctions Compliance

Key Points



Register to receive updates on the UNSC and UAE Sanctions lists on the Executive Committee website.



Update databases within 24 hours of inclusion, modification or deletion of a Sanction. **Freeze if person identified.**



Reply to the supervisory body with required information on a sanctioned person within **5 working days.**



Thank You