

THEMATIC SUPERVISION EMERGING TRENDS CONG/DFSA OUTREACH 30 May 2016

The goal of the Dubai Financial Services Authority (DFSA) in making this presentation is to provide you with easy to understand information about the DFSA. The DFSA does not make any warranty or assume any legal responsibility or liability for the accuracy, completeness or timeliness of the information or whether it applies to any particular circumstances. The information, which may be amended from time to time, does not constitute legal advice or official regulatory policy. It is provided for information purposes only and does not amount to individual or general guidance of DFSA policy or Rules and may not be relied upon in any way. Please visit www.dfsa.ae to find the official versions of DFSA administered Laws, Rules and Policy Statements.

TRADE FINANCE THEMATIC REVIEW

Mark Leven, Senior Manager, Supervision
Sara Galadari, Senior Manager, Supervision

- Importance of trade finance
- Key elements
- DFSA trade finance thematic review
- Key improvements
- Red flags
- Next steps

Importance of Trade Finance

- A growing activity in the Centre
- Why does regulation matter?
- Trade based money laundering

“...routes are experiencing significant structural change as we see the flow of goods changing course to meet the needs of developing nations across the African and Asian regions, where new cities and centres of consumption emerge almost daily...”

- Sultan bin Saeed Al Mansouri, UAE
Minister of Economy, 24 May 2015.



Key Elements



Trade Finance Thematic Review

- Trade based money laundering focus
- Launched in August 2015.
- 2 phases – questionnaire and onsite visits
 - 56 Firms carrying out trade finance activities
 - 17 Firms – onsite visits



Key Improvements

Red Flag Identification

Training

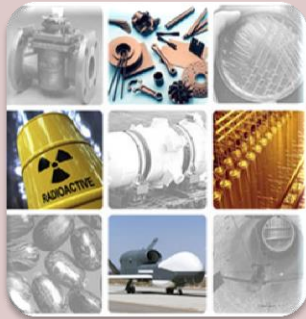
Risk
assessment

CDD and
ongoing
CDD

Example Red Flags



**Unusual
customer
behaviour**



**Dual Use
goods**



**Under / over
invoicing**



**Unusual
payment
instructions**



Shipping

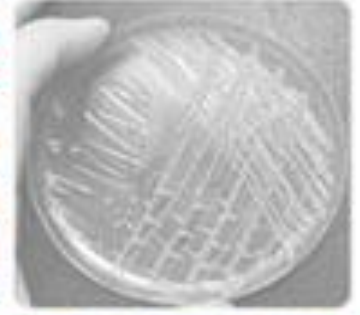
Example Red Flags



**Unusual
customer
behaviour**

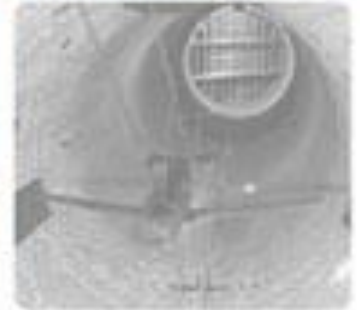


Example Red Flags



**Unusual
customer
behaviour**

**Dual Use
goods**



Example Red Flags



**Unusual
customer
behaviour**



**Dual Use
goods**



**Under / over
invoicing**



**Multiple
transactions**

Example Red Flags

Man pays 660,000 coins for new car

Viral by Sarfraz Ali June 5, 2015 12:52 pm



Man pays 660,000 coins for new car



**Unusual
payment
instructions**

Shipping

Example Red Flags



Unusual
customer
behaviour

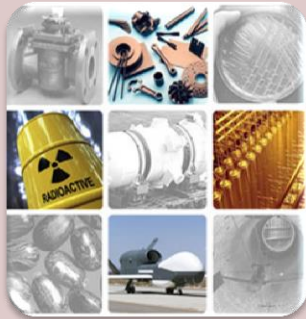


Shipping

Example Red Flags



**Unusual
customer
behaviour**



**Dual Use
goods**



**Under / over
invoicing**



**Unusual
payment
instructions**



Shipping

Next Steps

- Report
- Firms to address weaknesses
- Supervisory agenda



Thank You