Dubai Financial Services Authority

Annual Anti Money Laundering Tax (02/01/2023)

<u>In honor of:</u>

CFI XP

Under the Rule 9.8.3 of the Markets Rules module of the DFSA Rulebook, Reporting Entities are required to disclose to the Market information through a DFSA approved Regulatory Announcement Service.

<u>In quoting paragraph 1, section 1.1:</u>

"In connection with article 72 of the Regulatory Law 2004, this module relates to regulatory requirements imposed by the DFSA, as opposed to requirements imposed by applicable criminal laws. That is, relevant provisions of the 'Federal Law No. 4 of 2002 – Criminalisation of Money Laundering of the U.A.E' (U.A.E Law No. 4), the 'Federal Law No. 1 of 2004' regarding anti-terrorism, the U.A.E. Penal Code and any other Federal Law of the U.A.E. as applicable in the DIFC in relation to anti laundering compliance.

The Rules of this module should therefore not be relied upon to interpret or determine the application of the money laundering laws of the U.A.E.

By virtue of article 3(1) of Federal Law No. 8 of 2004, the U.A.E Law No. 4 of 2002 applies to all operations in the DIFC. In recognition of this, Article 70(3) of the Regulatory Law 2004 requires an Authorised Firm to comply with the U.A.E Law No. 4. The Defined term of 'Money Laundering' in these Rules follows that in the U.A.E Law No.4. The legal definition of the offence of 'Money Laundering' is set out in Article 1 of the U.A.E Law No. 4."

<u>In quoting paragraph 2, section 2.1.1+2.1.2:</u>

"This module (AML) applies to every Authorised Firm. This module also applies to the Money Laundering Reporting Officer (MLRO) of an Authorised Firm in his capacity as an Authorised Individual.

These Rules require Authorised Firms to have adequate policies, procedures, systems and controls in place to prevent the activity of money laundering. Money laundering is generally described as the process by which criminals attempt to hide or disguise the true origin and ownership of the proceeds of their criminal funds. This includes the closely related subject of terrorist financing and international efforts to locate and cut off the funding of terrorists and their organisations.

Accordingly, where the DFSA uses 'money laundering' either as a defined or undefined term, Authorised Firms are required to include terrorist financing in all considerations with regard to their policies, procedures, systems and controls such as those relating to suspicious transaction reporting. [Amended][VER3/06/07[RM43/07]"

<u>According to paragraph 3, section 3.1:</u>

1. An Authorised Firm's ("**CFI XP**") anti money laundering policies, procedures, systems and controls should:

A. ensure compliance with the U.A.E Law No.4 and any other relevant Federal laws;

B. enable suspicious customers and Transactions to be detected and reported;

C. ensure the Authorised Firm is able to provide an audit trail of a Transaction; and ensure compliance with any other obligation in these Rules.

2. CFI XP anti money laundering compliance arrangements should consist of policies, procedures, systems and controls and may also encompass appropriate anti money laundering programmes and strategies.
3. An Authorised Firm should have a policy statement detailing the duties and obligations of its MLRO.
4. In accordance with GEN Rule 5.3.19, CFI XP should have specific arrangements to consider the fitness and propriety of its staff. The arrangements should take into account criminal convictions, adverse findings by courts or regulatory authorities in the U.A.E. or elsewhere, or engagement in dishonest or improper business practices.
5. Under Article 3 of the U.A.E. Law No.4, CFI XP may be criminally liable for the offence of Money Laundering if such an activity is intentionally committed in its name or for its account.

[Relocated][VER4/10-07][RM50/07]

<u>With that being noted, we urge you to comply with our policy and provide us with the followings:</u>

- A complete statement of all transactions, markets executions and business agreements of all current active individuals and/or businesses portfolios.
- 15% value based clearing payment for each individual and/or business portfolio/s.
- Clearing payment stating all previous quarter individual/ business portfolio/s which accomplices with current renewal statement required by open/ongoing or renewal transactions, market executions and business agreements.

* All individuals/ businesses portfolios shall receive a full balance withdrawal along with the required 15% pre-payment required by our policy within no longer than 72 hours.

* CFI XP is obligated notifying all current individual/business portfolio/s owner/s regarding this procedure and provide us with a 'third-party approval' as well.

* CFI XP is obligated providing us with the above by no later than 02/02/2023.

Best Regards,

DFSA
DUBAI FINANCIAL
SERVICES
AUTHORITY

Changes to Legislation: Dubai Financial Services Authority are crossed with DIFC and is up to date with all changes known to be in force.

There are changes that may be brought into force at a future date.

Dubai Financial Services Authority, Level 13, West Wing, The Gate, DIFC

DFSA

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