

IntelleWings

January 2023 Newsletter for UAE Region

Term of the Month: Asset Protection Trusts (APTs)

A special form of irrevocable trust usually created (i.e., settled) offshore for the principal purposes of preserving and protecting part of one's wealth from creditors. Title to the asset is transferred to a person named the trustee. APTs are generally used for asset protection and are usually tax neutral. Their ultimate function is to provide for the beneficiaries. Some proponents advertise APTs as allowing foreign trustees to ignore U.S. court orders and to simply transfer the trust to another jurisdiction in response to legal action threatening the trust's assets.

News Update

[Intellewings is one of the winners of FIS Innovate IN48 held across top 200 Fintech companies from 11 APAC markets.](#)

IntelleWings participated in a competition held by FIS called Innovate IN48 and has come out as one of the winners. The company has entered with a solution for screening the database that checks all examples of money laundering, terrorism, smuggling, drug trafficking, and fraud from global sources. FIS has expanded its Innovate IN48 Fintech competition among startups Fintech companies in the APAC region without precedent in history. The competition had invited almost 200 Fintech organizations from 11 APAC markets to create and try out their imaginative plans for FIS pioneers.

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News from the **AML world**

[UAE Fines Six Companies For Violating Anti-Money Laundering Legislation](#)

The Ministry of Economy has conducted inspection tours to monitor the operations of designated non-financial business or professions (DNFBP) sector companies that are subject to its supervision, which include real estate agents and brokers; precious metals and gem stone dealers; auditors; and corporate service providers. The initiative falls in line with the Ministry's annual plan to ensure the sector's compliance with the provisions stipulated by Federal Decree-Law No. (20) of 2018 on anti-money laundering and combating the financing of terrorism and illegal organizations (AML/CFT), and its executive regulations and related laws, in addition to ensuring the country's full compliance with the international standards issued by the Financial Action Task Force (FATF).

[Watchdog Fines Santander UK \\$132 Million Over Money Laundering Failures](#)

Santander UK was fined £107.7 million (US\$132.2 million) on Friday after the Financial Conduct Authority (FCA) found "Serious and Persistent gaps" in the bank's anti-money laundering controls at its business banking operations. Santander's poor management of their anti-money laundering systems and their inadequate attempts to address the problems created a prolonged and severe risk of money laundering and financial crime," said Mark Steward, the executive director of enforcement and market oversight at the FCA.

[Danske Bank Agrees To Pay \\$2B In Money-Laundering Fines](#)

Danske Bank said Tuesday it has reached a settlement with U.S. and Danish authorities in one of the world's largest money-laundering scandals, pleading guilty to bank fraud conspiracy and a civil securities fraud and agreeing to pay a total of US \$2 billion in fines. "The resolutions mark the end of the investigations by U.S. and Danish authorities," said Martin Blessing, chairman of Danske Bank's Board of Directors. "We offer our unreserved apology and take full responsibility for the unacceptable failures and misconduct of the past, which have no place at Danske Bank today."

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[UAE Will Continue To Cooperate With Partners To Combat Terrorism, Says Noura Al Kaabi At UN](#)

Noura Bint Muhammad Al-Kaabi, Minister of Culture and Youth, delivered the statement of the United Arab Emirates at the security council meetings held in New York, regarding “examining threats to international peace and security as a result of terrorist acts: the global approach to combating terrorism - principles and future prospects.” At the beginning of the speech, she said: “During the past two decades, and through this organization, our country has taken many measures and policies to address the terrorist threat to international peace and security, the most prominent of which is the Security Council’s adoption of historic resolution 1373, in response to one of the biggest challenges of this era that undermines stability and prosperity.

[NZ Regulator Seeks \\$900,000 Fine Against Tiger Brokers For AML/CFT Breaches](#)

This case shows the FMA can respond to misconduct promptly with an intervention, such as a formal warning, but this may not be the end of the matter and we may escalate the response if we consider it appropriate to do so in the circumstances. The Financial Markets Authority (FMA) has filed charges against Tiger Brokers (NZ) Limited for allegedly breaching the Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) Act 2009.

[Crédit Agricole Hit With €1.5M Fine By French ACPR For Transaction Monitoring Issues](#)

Global lender Crédit Agricole has been slapped with a €1.5M fine by France’s Autorite de controle prudentiel et de resolution (ACPR), after the regulator found that its transaction monitoring systems was based on an “incomplete set of scenarios”. In a statement, the ACPR said that during an on-site inspection of CRCAM Languedoc, the inspection mission used the artificial intelligence tool, LUCIA, which enabled controllers to process large amounts of data.

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Regulatory Information from the **AML world**

[UAE Central Bank Issues New Anti-Money Laundering Guidelines For Insurance Sector](#)

The Central Bank of the UAE (CBUAE) has issued a new guidance on anti-money laundering and combatting the financing of terrorism (AML/CFT) for the Licensed Financial Institutions (LFIs) in the insurance sector comprising insurance and re-insurance companies, agents and brokers. The guidance, which comes into effect immediately, will assist LFIs' understanding of risks and effective implementation of their statutory AML/CFT obligations, and takes Financial Action Task Force (FATF) standards into account. The guidance requires LFIs to demonstrate compliance with its requirements within one month.

[Executive Office Of Anti-Money Laundering And Counter Terrorism Financing, Federal Authority For Nuclear Regulation Sign Mou](#)

The Executive Office of Anti-Money Laundering and Counter Terrorism Financing ("EO AML/CTF") has signed a Memorandum of Understanding (MoU) with the Federal Authority for Nuclear Regulation ("FANR") to facilitate the exchange of information through the FAWRI TICK system. The signing of the MoU will establish a framework for cooperation that will enhance the implementation and operation of the FAWRI TICK system, as well as set out the development of joint procedures. Under the terms of the agreement, the EO AML/CTF and FANR will share information and data through the FAWRI TICK system relating to proliferation financing covered by the Financial Action Task Force (FATF); financing of terrorism money laundering; implementation of targeted financial sanctions; and combatting illegal organizations.

[Penalty For Transferring Or Depositing Money With Intent To Commit Drug Abuse Crimes In The UAE](#)

The State Public Prosecution clarified, through a film material that it published on its accounts on social media, the penalty for transferring or depositing money with the intent to commit crimes of abuse or personal use of narcotic drugs or psychotropic substances. The Public Prosecution indicated that, according to Article 64/1 of Federal Decree-Law No. 30 of 2021 regarding combating narcotic drugs and psychotropic substances, and without prejudice to any harsher penalty stipulated in any other law, each person shall be punished with imprisonment or a fine of not less than fifty thousand dirhams.

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[Hong Kong's New Bill Introduces First-Ever VASP Licensing Regime](#)

Hong Kong has been one of the world's biggest digital assets hubs for years, but in all that time, it hasn't implemented any regulations to police the industry. This is set to change in 2023, with law makers passing a draft bill that introduces a licensing regime for virtual asset service providers (VASPs) that will take effect next year. Hong Kong law makers passed the Anti-Money Laundering and Counter-Terrorist Financing (Amendment) Bill 2022 recently, introducing common financial regulations that apply to traditional . A panel discussion bordering on virtual currency and the economy saw Eddie Yue, head of the Hong Kong Monetary Authority (HKMA), express optimism on the future of distributed ledger technology (DLT) in financial systems.

[EBA Consults On New Guidelines To Tackle De-Risking Risking](#)

The European Banking Authority (EBA) launched today a public consultation on new Guidelines on the effective management of money laundering and terrorist financing (ML/TF) risks when providing access to financial services. Through these guidelines, the EBA aims to ensure that customers, especially the most vulnerable ones, are not denied access to financial services without valid reason. This consultation runs until 6 February 2023.

[UK And EU Sanctions: Expansion Of The Professional And Business Services Prohibitions](#)

On 15 December 2022, the UK adopted the 17th amendment (the "17th Amendment") to the UK's sanctions against Russia, The Russia (Sanctions) (EU Exit) Regulations 2019 (the "UK Regulations"). The next day, the EU adopted the 9th package of sanctions against Russia, which amended EU Regulation No 833/2014 ("EU Regulation 833"). Both amendments expanded the scope of their respective bans on professional and business services related to Russia.

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[FinCEN Issues Notice Of Proposed Rulemaking Regarding Access To Beneficial Ownership Information And Related Safeguards](#)

The Financial Crimes Enforcement Network (FinCEN) today issued a Notice of Proposed Rule making (NPRM) that would implement provisions of the Corporate Transparency Act (CTA) that govern the access to and protection of beneficial ownership information. This NPRM proposes regulations that would govern the circumstances under which such information may be disclosed to Federal agencies; state, local, tribal, and foreign governments; and financial institutions, and how it must be protect.

[CFPB Proposes Registry To Detect Repeat Offenders](#)

Today, the Consumer Financial Protection Bureau (CFPB) proposed requiring certain nonbank financial firms to register with the CFPB when they become subject to certain local, state, or federal consumer financial protection agency or court orders. The CFPB has further proposed to publish the orders and company information via an online registry. Larger companies subject to the CFPB's supervisory authority would be required to designate an individual to attest whether the firm is adhering to registered law enforcement orders. The CFPB's proposed rule would help the agency identify and mitigate risks to American households and ensure that supervised companies perform their obligations to consumer.

[CHS Hedging AML Controls Criticized In \\$6.5M CFTC Action](#)

A Minnesota-based futures commission merchant was fined \$6.5 million by the Commodities Futures Trading Commission (CFTC) for anti-money laundering (AML) program gaps and other risk management and record keeping failures. CHS Hedging failed to apply adequate AML policies from January 2017 through December 2020 in the case of an owner of a ranching business and his futures and options trading account, the CFTC alleged in its order published Tuesday.

[UAE Central Bank Cancels Registration Of Another Insurance Firm](#)

The Central Bank of the UAE (CBUAE) has cancelled the registration of Al Fazaa Insurance Agent from the insurance agents' register, in accordance with the provisions regulating the insurance agent's businesses in force. The CBUAE, through its supervisory and regulatory mandates, works to ensure that all insurance companies and professions related to insurance companies, comply with the UAE laws and regulations adopted by the CBUAE, to safeguard the transparency and integrity of the insurance industry and the UAE financial system.

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