

Term of the Month

Sham Divestment

A transaction in which a sanctions target sells assets or equity to close associates or other affiliated persons. These can include friends, colleagues, subordinates, business partners, and family members. Like using an isolation company, the idea is that the sanctions target no longer appears to "own" the assets or shares in a company. However, the target continues to influence or control the asset or the company's operations.

News Update

IntelleWings was a technology Partner at an event titled Corporate Tax and Intertwining Linkages to AML Compliance, which was organized by AMLTool.com in Dubai on Saturday, February 18th, 2023, India Club (Oud Metha). Many corporate leaders were invited: including CA Naveen Sharma, Janak Panjuani, Nirav Shah, Shashwat Sanyal, Spec. Cert (Conduct), CAMS, PGDBM, CA. Jai Prakash Agarwal, and CA. Rajiv Hira, who shared their insights and experience with the attendees.

News from the **AML world**

[UAE Central Bank fines company \\$490,000 for violating anti-money laundering law](#)

The UAE Central Bank has imposed a fine of Dh1.8 million (\$490,129) and stricter compliance requirements on a finance company for breaching the country's laws on anti-money laundering and counter-terrorism financing (AML/CFT), and the organization of financial institutions and activities. The sanctions follow a review by a third-party consultant and an examination conducted by the banking regulator that found high-risk and repeated AML/CFT breaches by the company, as well as operational failings by the board of directors.

[UAE Executive Office of AML/CTF leads delegation to Serbia to strengthen cooperation on AML/CTF](#)

The Executive Office of Anti-Money Laundering and Counter-Terrorism Financing (EO AML/CTF) led a delegation to Belgrade to meet with Serbian partners and discuss the strengthening of bilateral relations in the field of AML/CTF. Hamid Al Zaabi, Director-General of the EO AML/CTF, headed the delegation, which included senior officials from government agencies, including the UAE's Financial Intelligence Unit (FIU) and Executive Office for Control and Non-Proliferation.

[UAE Central Bank revokes license of exchange house over 'regulatory misconduct](#)

The UAE Central Bank (CBUAE (Central Bank of the UAE)) has revoked the license of a Dubai-based exchange house for committing serious regulatory misconduct, including deliberately suppressing remittance turnover and not meeting its liquidity requirements. CBUAE has struck off Al Rasheed exchange house's name from the Register under Article 137 of the Decretal Federal Law No. (14) of 2018 Regarding the Central Bank and Organisation of Financial Institutions and Activities. "The sanction is the result of the findings of an examination conducted by the CBUAE, which revealed serious regulatory misconduct by the exchange house," UAE's apex bank said on Monday.

Our Offices: EDC IT Park Chandigarh, India & Dubai World Trade Centre, UAE
Follow us on [LinkedIn](#) and [Twitter](#)



[Europe establishes AMLA Task Force to pave way for new super agency to battle financial crime across the bloc](#)

The EUROPEAN Commission has set up its own task force to help with the setting up of the new AML Authority (AMLA). The AMLA Task Force is based within the Commission's financial services directorate, DG FISMA in Brussels. Commissioner Mairead McGuinness leads the financial services team, supported by Director General John Berrigan.

[Over Dh3 billion confiscated from companies violating anti-money laundering law in UAE](#)

Illicit criminal proceeds worth over Dh3 billion were confiscated from 270 companies for violating the anti-money laundering law, a top official with the Executive Office of Anti-Money Laundering and Counter-Terrorism Financing said Monday. Company registrars also imposed penalties on non-compliant companies and fined 3,000 companies, said Hamid Al Zaabi, Director-General of the department. Al Zaabi said regulatory authorities conducted more than 750 on-site inspections last year, in addition to off-site reviews. This led to enforcement actions and penalties valued at Dh75 million. Abdullah bin Touq Al Marri, the UAE Minister of Economy, said last year, inspections were conducted on nearly 400 companies from the Designated Non-Financial Businesses and Professions sector.

[UAE in FATF Grey List](#)

Myanmar along with Iran and North Korea continue to be on the 'Black List' of the FATF with the global watchdog on terror financing and money laundering on Friday terming the three countries as "high-risk jurisdictions". In a statement, issued after the second plenary of the FATF in Paris under the presidency of T Raja Kumar of Singapore, the Financial Action Task Force also said the United Arab Emirates (UAE), Turkiye, Jordan, South Africa, and 20 other nations will be in its 'Grey List', and they will be under increased monitoring. According to the FATF, those countries that are termed as "high-risk jurisdictions subject to a call for action" are known as "Black list" countries, and those that are under "increased monitoring" are "Grey List" countries.

Our Offices: EDC IT Park Chandigarh, India & Dubai World Trade Centre, UAE
Follow us on [LinkedIn](#) and [Twitter](#)



[UAE reaffirms its commitment to combating international financial crime](#)

The UAE reaffirmed its strong commitment and ongoing efforts in relation to AML/CFT, state news agency WAM reported on Friday. The country also welcomed the FATF announcement made on Friday during the second FATF Plenary under the two-year Singapore Presidency in Paris which concluded FATF Week 2023. During the event, the FATF recognized the high-level political commitment and considerable progress shown by the country. Authorities have made noteworthy progress in adopting international standards for AML/CFT, which includes taking a government-wide approach to improving inter-agency coordination, expanding international cooperation to prevent and prosecute financial crime, and launching public-private partnership initiatives.

[CBUAE imposes sanctions on a finance company operating in UAE](#)

The Central Bank of the UAE (CBUAE) imposed a financial sanction and operational requirements on a finance company operating in the UAE, pursuant to Article 14 of the Federal Decree Law No. (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organisations, and Article 137 of the Decretal Federal Law No. (14) of 2018 Regarding the Central Bank & Organization of Financial Institutions and Activities. The CBUAE has imposed a financial sanction of AED 1,800,000, required the finance company to remediate the violations as well as for the Board of Directors to meet and rectify issues related to its composition.

[U.S. Treasury officials meet UAE authorities on AML/CFT, discuss bilateral efforts](#)

The U.S. Department of the Treasury's Under Secretary for Terrorism and Financial Intelligence Brian Nelson led a two-day treasury delegation visit to the UAE to meet with UAE authorities on AML/CFT matters and bilateral areas of cooperation. The two sides discussed a range of topics of mutual interest about AML/CFT in which both governments have seen significant advances. Officials from the UAE and U.S. reiterated their commitment to the continued dialogue between the two sides under the umbrella of the UAE-U.S. Working Group on AML/CFT and exchanged respective experiences on efforts pertaining to Virtual Assets and Virtual Asset Providers (VASPs), supervisory efforts, gold smuggling, and measures undertaken by Law Enforcement Agencies (LEAs) and the Financial Intelligence Unit (FIU) in targeting illicit finance risks.

Our Offices: EDC IT Park Chandigarh, India & Dubai World Trade Centre, UAE
Follow us on [LinkedIn](#) and [Twitter](#)



[Abdullah bin Zayed chairs meeting of Higher Committee Overseeing National Strategy on Anti-Money Laundering and Countering Financing of Terrorism](#)

H.H. Sheikh Abdullah bin Zayed Al Nahyan, Minister of Foreign Affairs and International Cooperation, has chaired the 17th Meeting of the Higher Committee Overseeing the National Strategy on Anti-Money Laundering and Countering the Financing of Terrorism. During the meeting, the attendees reviewed the UAE's commitment to continue developing its national system to combat money laundering and terrorist financing. The latest developments in the National Strategy on Anti-Money Laundering and Countering the Financing of Terrorism and the Financial Action Task Force (FATF) action plan were presented, as well as the outcomes of the International Cooperation Review Group meeting that took place on 12th January 2023.

[Central registry of EU \(European Union\) bank accounts will be accessible by AMLA to allow swifter freezing orders, top official tells 'Women in FinCrime' Summit](#)

AMLi A CENTRAL registry of all EU bank accounts will be available to the new AML Authority (AMLA) to allow suspicious accounts to be frozen more quickly, one of Europe's top finance officials has confirmed. The Deputy DG of the European Commission's financial services division, Alexandra Jour-Schroeder said. She told the 'AML Intelligence' in FinCrime Summit that the interconnection was an example of using technology in the fight against financial crime.

[Europe establishes AMLA Task Force to pave way for new super agency to battle financial crime across the bloc](#)

The EUROPEAN Commission has set up its own task force to help with the setting up of the new AML Authority (AMLA). The AMLA Task Force is based within the Commission's financial services directorate, DG FISMA in Brussels. Commissioner Mairead McGuinness leads the financial services team, supported by Director General John Berrigan

Our Offices: EDC IT Park Chandigarh, India & Dubai World Trade Centre, UAE
Follow us on [LinkedIn](#) and [Twitter](#)



Regulatory Information from the **AML world**

[UAE Central Bank to Launch CBDC \(Central Bank Digital Currency\) for Domestic, Cross Border Payments](#)

The Central Bank of the United Arab Emirates newly launched a Financial Infrastructure Transformation [FIT] program. The same intends to enhance the pace of digital transformation of the financial services sector. Specifically, this initiative aims to promote digital transactions and encourage innovation in the space. This, in turn, will sharpen UAE's prospects to become the financial and digital payment hub. Explicitly, the program has nine initiatives, and launching a central bank digital currency is one among them. According to the official statement, the CBDC (Central Bank Digital Currency) will be launched to cater to the gaps and hindrances associated with international payments. Additionally, it will "help drive innovation for the domestic payments," according to the statement.

[Zero tolerance for financial irregularities in the UAE](#)

The UAE has been spearheading a movement to regulate and keep in place due diligence in the critical area of financial integrity; and it has been coming down heavily on financial crime and fiscal malpractices. In 2021, the UAE Cabinet approved the establishment of the Executive Office of the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)- in a move that was going to strengthen the country's anti-financial crime system. Today, the UAE has strict protocols that need compliance and adherence to, so that its integrity in this sector is not questioned; it is something that is taken very seriously even as new businesses are being set up and as the market opens to new and exciting possibilities.

[FATEF: Learning and Development Forum on Asset Targeting and Recovery](#)

Over 300 judicial, law enforcement, FIU, tax, and other operational experts, as well as policymakers from around the globe, took part in this first Learning and Development Forum, hosted by Guardia di Finanza of Italy, to learn and share experiences to improve and make a difference in the fight against financial crime. Through a series of interactive sessions, participants discussed examples of successful frameworks and operational mechanisms to prevent and detect financial crime. They also explored tools for finding and investigating criminal proceeds and the relationship between tax evasion and asset recovery.

Our Offices: EDC IT Park Chandigarh, India & Dubai World Trade Centre, UAE

Follow us on [LinkedIn](#) and [Twitter](#)



DUBAI's VARA issues specialised regulations for virtual assets

Global Dubai's Virtual Asset Regulatory Authority (VARA) has issued its Virtual Assets and Related Activities Regulations 2023. The Regulations set out a comprehensive Virtual Asset (VA) Framework built on principles of economic sustainability and cross-border financial security. The UAE has remained committed to enabling these drivers safely, updating its oversight and regulatory approach, and addressing global risks of money laundering (ML) and terrorist financing (TF), arising from the potential misuse of modern technologies. The VA Framework is structurally designed to offer regulatory certainty – allowing the market to have greater clarity on the expected level of operator responsibility. It also mandates gold-standard risk assurance and Anti-Money Laundering (AML) standards to be applied by licensed entities within the Emirate.

Our Offices: EDC IT Park Chandigarh, India & Dubai World Trade Centre, UAE
Follow us on [LinkedIn](#) and [Twitter](#)

