

November
2023



UAE
Region

Monthly Newsletter



The IntelWings family united at Ramgarh Heritage. The evening showcased awards for our dedicated team, moments of laughter, heartfelt toasts, and exciting future announcements. Gratitude to all who shaped our path. Here's to the future! Global team members, partners, and investors, including Mr. Pankaj Thakar, Mrs. Theresa Karunakaran, Mr. Amol Apte, Mrs. Jaya Janardanan, CA. Rajiv Hira, Mr. Bhushan Gautam, Mr. Ajay Shrivastava, Mr. Dhiraj Kumar Sinha, Mr. Shyam Penumaka, celebrated our journey.

Term of The Month

Safe Harbor

Legal protection for financial institutions, their directors, officers and employees from criminal and civil liability for breach of any restriction on disclosing information imposed by contract or by any legislative, regulatory or administrative prohibition, if they report their suspicions in good faith to the Financial Investigation Unit (FIU), even if they did not know precisely what the underlying criminal activity was, and regardless of whether illegal activity actually occurred.

News from the AML world

UAE: After 2 years, Central Bank lifts regulatory measures imposed on a bank



The Central Bank of the UAE has lifted regulatory measures imposed on a bank after two years. The measures were initiated in response to the bank's non-compliance with directives related to its Compliance Framework. The Central Bank, in collaboration with the bank, worked on the remediation process to ensure compliance with Anti Money Laundering and Combating the Financing of Terrorism and Illegal Organizations (AML/CFT) standards. The Central Bank maintains its commitment to overseeing and regulating financial institutions in the UAE to ensure compliance with AML/CFT standards. Persistent non-compliance may result in further sanctions.

Turkey pursues new crypto regulations to exit FATF's grey list

Turkey is working on new cryptocurrency regulations to persuade the Financial Action Task Force (FATF) to remove it from the "grey list" of countries with insufficient action against money laundering and terrorist financing. The FATF downgraded Turkey to the grey list in 2021 due to "serious shortcomings" in its procedures for freezing assets related to terrorism. Finance Minister Mehmet Simsek stated that Turkey adheres to all but one of the FATF's 40 standards, and new crypto regulations will address the remaining issue, potentially allowing Turkey to exit the grey list. The move aims to attract foreign investment and improve access to global financial markets.

Cayman Islands: Cayman Islands Removed From FATF “Grey List”

The Cayman Islands has been removed from the Financial Action Task Force (FATF) “grey list” following an announcement at the FATF plenary in Paris. This decision comes after the FATF determined that the Cayman Islands’ anti-money laundering (AML) regime now meets international standards. The jurisdiction had been placed on the grey list in 2021 despite being rated as compliant or largely compliant with 39 of the FATF’s 40 recommendations. The removal from the grey list is seen as positive for the Cayman Islands’ reputation as a well-regulated jurisdiction in AML matters. This development may also lead to the jurisdiction’s delisting from the EU’s AML/CFT list.



India: International transactions above Rs 50,000 to come under further scrutiny

The Indian government has amended the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, to enhance record-keeping for international transactions exceeding Rs 50,000. This move is aimed at combatting terror financing by subjecting such transactions to closer scrutiny. Under the amended rules, reporting entities must diligently identify clients, verify their identities, and ascertain the purpose of the business if not clearly defined for international transactions above Rs 50,000. The amendment also mandates reporting entities, particularly those part of a group, to establish adequate safeguards to protect the confidentiality and use of exchanged information, preventing potential tipping-off that could compromise ongoing investigations.



African anti-narcotics bodies seek specialised courts for drug cases, money laundering

Heads of drug law enforcement agencies in Africa, at the 31st Meeting of Heads of National Drug Law Enforcement Agencies, recommended the establishment of specialized courts for drug and organized crime cases across the continent. They urged governments to set up national specialized courts and asset recovery offices to deal with organized crime and money laundering. The recommendation also encourages the use of existing regional and international cooperation instruments for investigating and prosecuting organized crime. Additionally, governments were advised to adopt legal frameworks for virtual assets, including cryptocurrencies, to prevent their use in drug-related crime and money laundering.

India: Anti-Money Laundering: Amendments To Maintenance Of Records Rules And SEBI FPI Regulations

India's Ministry of Finance has issued amendments to the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, and SEBI FPI Regulations. Management-level officers are now designated as Principal Officers of a reporting entity. Amendments to client due diligence include expanding the definition of a "beneficial owner" for a partnership firm, reducing the threshold to 10%. The Maintenance of Record Rules now require trustees of a trust, when the client is a trust, to disclose their status. These changes tighten India's anti-money laundering regime ahead of the Financial Action Task Force evaluation later this year.

Regulatory Information from the AML world

STEP supports HM Treasury's proposal of increased OPBAS powers under AML/CFT rules

The Society of Trust and Estate Practitioners (STEP) has expressed support for HM Treasury's proposal to enhance the powers of the Office for Professional Body Anti-Money Laundering Supervision (OPBAS) under anti-money laundering (AML) and counter-terrorism financing (CTF) rules. STEP emphasized that the extended OPBAS powers (OPBAS+) model would enhance supervisory effectiveness, although it also called for addressing consensus issues between professional body supervisors (PBSs) and HMRC to ensure better system coordination under the OPBAS system. STEP rejected the proposal for a single anti-money laundering supervisor for all AML/CTF supervision in the UK, citing concerns about potential downsides.

EU Authorities Step Up Efforts to Combat Terrorism through Information Sharing

EU Member States are intensifying efforts to combat terrorism by expanding the sharing of information on terrorism cases, following an amendment to the Eurojust Regulation on October 31, 2023. The change allows for improved information sharing related to ongoing and concluded terrorism cases, enhancing the European Judicial Counter-Terrorism Register (CTR). This initiative aims to detect links between terrorism cases or connections with other serious crimes more effectively. The move aligns with the broader trend of enhancing information sharing to combat complex modern crimes, as emphasized by the Financial Action Task Force (FATF) in its 2022 report.



Financial Action Task Force launches probe into India's NGO handling

The Financial Action Task Force (FATF) is set to investigate India's handling of non-profit organizations (NGOs), particularly examining whether local laws are being misused to suppress NGOs and think tanks. This scrutiny comes amid concerns that regulations are being exploited to curtail the activities of NGOs. The FATF's Mutual Evaluation process aims to ensure that legitimate charitable activities are not disrupted. The investigation will involve meetings with representatives from NGOs, both local and international. Critics argue that regulations have been used to hinder the work of organizations like Greenpeace and Amnesty International.

Challenges for EU regulators in the wallet crypto market

The wallet crypto market in Europe poses challenges for regulators, including the lack of a clear legal definition and classification, the risk of cyberattacks and fraud, difficulties in applying anti-money laundering rules, and potential impacts on financial system stability. The European Commission has proposed the Markets in Crypto-assets (MiCA) regulation to address these challenges. MiCA aims to create a comprehensive regulatory framework for crypto-assets and wallet services, introducing rules for authorization, supervision, transparency, security, and consumer protection. However, MiCA also faces challenges related to technological innovations, harmonization with existing regulations, and global coordination.

LATEST: Shock as FATF 'greylists' EU member Bulgaria; Panama, Caymans, Albania cleared; UAE set to be greenlit

Bulgaria has been added to the Financial Action Task Force's (FATF) watchlist, leading to increased monitoring. This development comes as Albania, Panama, the Cayman Islands, and Jordan have been removed from the grey list. The unexpected addition of an EU member state to the watchlist could impact Europe's relations with FATF and influence how the new EU Anti-Money Laundering Authority (AMLA) approaches its interactions with the global financial crime watchdog.

You can request for a free demo

[Request a Demo](#)

IntelleWings

Address

India : EDC Building, IT Park, Chandigarh

UAE : Dubai World Trade Centre, UAE

