



# UAE REGULATORY UPDATES - 2018

Notice number 01/2014

“The Standards for the Regulations Regarding Licensing and Monitoring of Exchange Business (the Standards)”

The Standards include the following sections:

- Licensing and Continuing Obligations;
- Management and Governance;
- Risk Management and Security;
- Anti-Money Laundering Compliance;
- Customer Protection;
- Appendices; and
- Version Control Table.

## Laws, Regulations and Notices

Union Law No. (10) of 1980

- Concerning the Central Bank, the monetary system and the organization of banking and its amendments.

Resolution No. 31/2/1986

Regarding organization of the foreign exchange profession in the UAE.

6th January 2014

Regulations regarding Licensing and Monitoring of Exchange Business

Notice No 269/2016

Amendments to Regulations regarding Licensing and Monitoring of Exchange Business, dated 25th August 2016

## Laws, Regulations and Notices.....Contd

Federal Law number 4 of 2002

• Regarding Criminalization of Money Laundering.

Federal Law Number 9 of 2014

Regarding amendment of some provisions in Federal Law number 4 of 2002.

Decree Number 38 of 2014

The Executive By Law of the Federal Law number 4 of 2002

Notice No 269/2016

Amendments to Regulations regarding Licensing and Monitoring of Exchange Business, dated 25th August 2016

# Non Compliance Charges

<p>Failure to carry out appropriate KYC process</p> <p>Articles 3 and 5.4 – AED 150,000</p> <p>Subject Nos. 1 &amp; 4(c) – AED 200,000</p> <p>Subject No. 2 – AED 100,000</p> <p>Subject No. 4(b) – AED 250,000</p>	<p>Failure to prohibit relationships with Shell Banks and Shell Companies</p> <p>Article 2 of the AML/CFT Regulations and Subject No. 5 of the Addendum</p> <p>AED 250,000</p>	<p>Failure to obtain the Letter of No Objection</p> <p>Prior to opening current accounts (i.e. Nostro/Remittance relationships) with banks and other financial institutions outside the UAE</p> <p>AED 150,000</p>	<p>Failure to appoint a Compliance Officer</p> <p>Article 16.3 (a) of the AML/CFT Regulations</p> <p>AED 250,000</p>	<p>Failure to carry out a 'fit and proper test' on the Compliance Officer</p> <p>Article 2 of the AML/CFT Regulations and Subject No. 10 of the Addendum</p> <p>AED 50,000</p>	<p>Failure to carry out an independent audit on AML/CFT Compliance function</p> <p>Article 2 of the AML/CFT Regulations and Subject No. 10 of the Addendum</p> <p>AED 50,000</p>
---	--	--	--	--	--

# Non Compliance Charges

<p>Failure to develop and implement appropriate AML Policies, Procedures, Systems and other Controls</p> <p>Article 16.3 (b) of the AML/CFT Regulations</p> <p>AED 200,000</p>	<p>Failure to provide initial AML/CFT training to employees</p> <p>Article 17 of the AML/CFT Regulations</p> <p>AED 100,000</p>	<p>Failure to comply with the record retention requirements</p> <p>Articles 2, 18 and 21 of the AML/CFT Regulations</p> <p>AED 250,000</p>	<p>Failure to introduce FPEP screening systems</p> <p>Resolution No. 38 of 2014 regarding the Executive Bylaws of Federal Law No. 4 of 2002.</p> <p>AED 50,000</p>	<p>Failure to comply with any requirements of the AML/CFT Regulations and its Addendum including any amendments thereto, not listed above.</p> <p>Any amount between AED 50,000 to AED 500,000 depending on the severity of the breach and at the discretion of the Central Bank.</p>
--	---	--	--	---