



UAE KYC Compliance 360° Regulatory Essentials

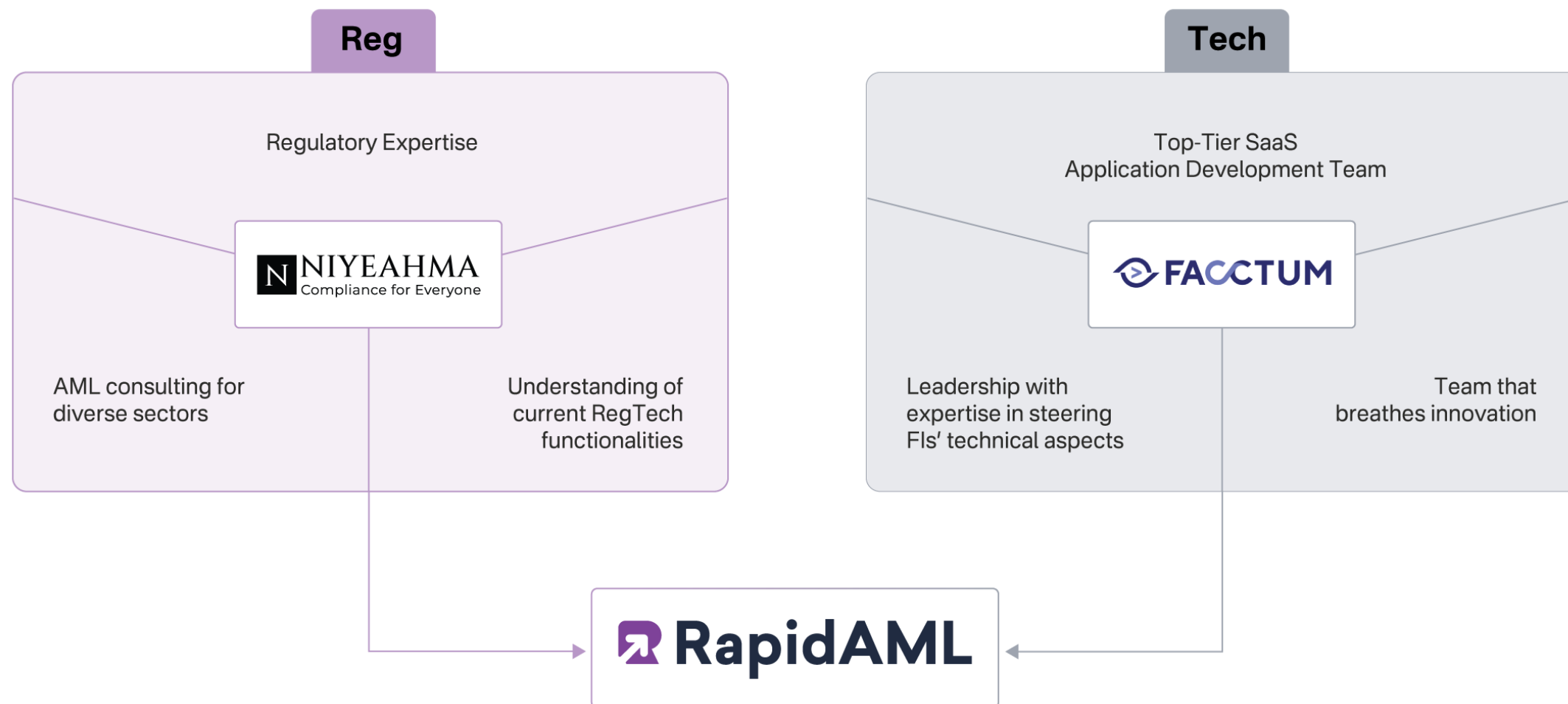


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About



The Voice



Dipali Vora

- ▶ An esteemed member of ICSI and a proud bearer of the Certified Anti-Money Laundering Specialist (CAMS) badge
- ▶ Focuses on Enterprise-wide risk assessments, Customer Due Diligence (CDD), and risk management strategies
- ▶ Specialises in the design, implementation, and maintenance of AML/CFT and sanctions programs
- ▶ Lends her brilliance to guiding companies through global AML regulations

The Brand Wave



Arun Gupta

- ▶ A driving force behind RapidAML's market engagement.
- ▶ Brings global experience with DNFBPs, banks, fintechs, PSPs, and VASPs
- ▶ Offers a clear, grounded and future-focused lens on regulatory challenges and operational hurdles, and tech disruptions.
- ▶ Aims to empower compliance teams to modernise, driving a shift towards innovation and agility.

AML Regulatory Framework in UAE

AML Regulatory Framework in UAE

Federal Decree Law No (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organisations

Federal Decree Law No (26) of 2021 to amend certain provisions of Federal Decree Law No (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organisations

Cabinet Decision No (10) of 2019 concerning the Implementing Regulations of Federal Decree Law No (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organisations

Cabinet Resolution No (24) of 2022 amending some provisions of Cabinet Resolution No (10) of 2019

AML Regulatory Framework in UAE

Cabinet Resolution No (74) for 2020 concerning the UAE list of terrorists and implementation of UN Security Council decisions relating to preventing and countering financing terrorism and leveraging non-proliferation of weapons of mass destruction, and the relevant resolutions

Cabinet Decision No (16) of 2021 Regarding the Unified List of the Violations and Administrative Fines for the Said Violations of Measures to Combat Money Laundering and Terrorism Financing that are Subject to the Supervision of the Ministry of Justice and the Ministry of Economy

Cabinet Decision No (109) of 2023 On Regulating the Beneficial Owner Procedures

AML/CFT Compliance Requirements in UAE

AML/CFT Compliance Requirements in UAE

01

Appoint an AML/CFT
Compliance Officer

02

goAML
Registration

03

ML/FT Risk
Assessment

04

AML/CFT Policy
and Procedures
Documentation

05

AML/CFT Training and
Awareness

06

KYC

07

Name
Screening

08

Customer Risk
Assessment

09

Ongoing
Monitoring

10

Regulatory Reporting

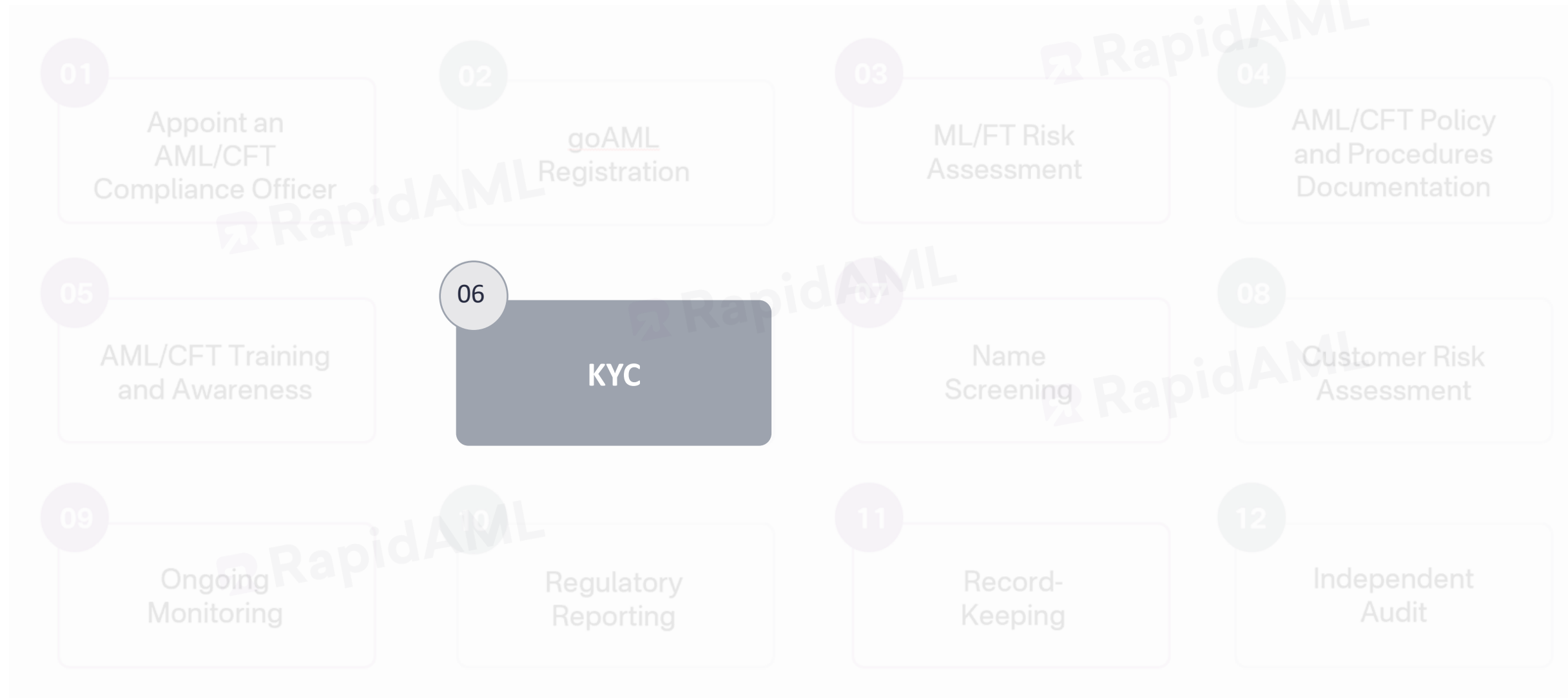
11

Record-Keeping

12

Independent
Audit

AML/CFT Compliance Requirements in UAE



Key Elements of KYC

What is KYC?

- KYC is an abbreviated form of Know Your Customer.
- It is a process used by DNFBPs, VASPs, and Financial Institutions to verify the identity of their customers.



Role of KYC in AML/CFT Framework

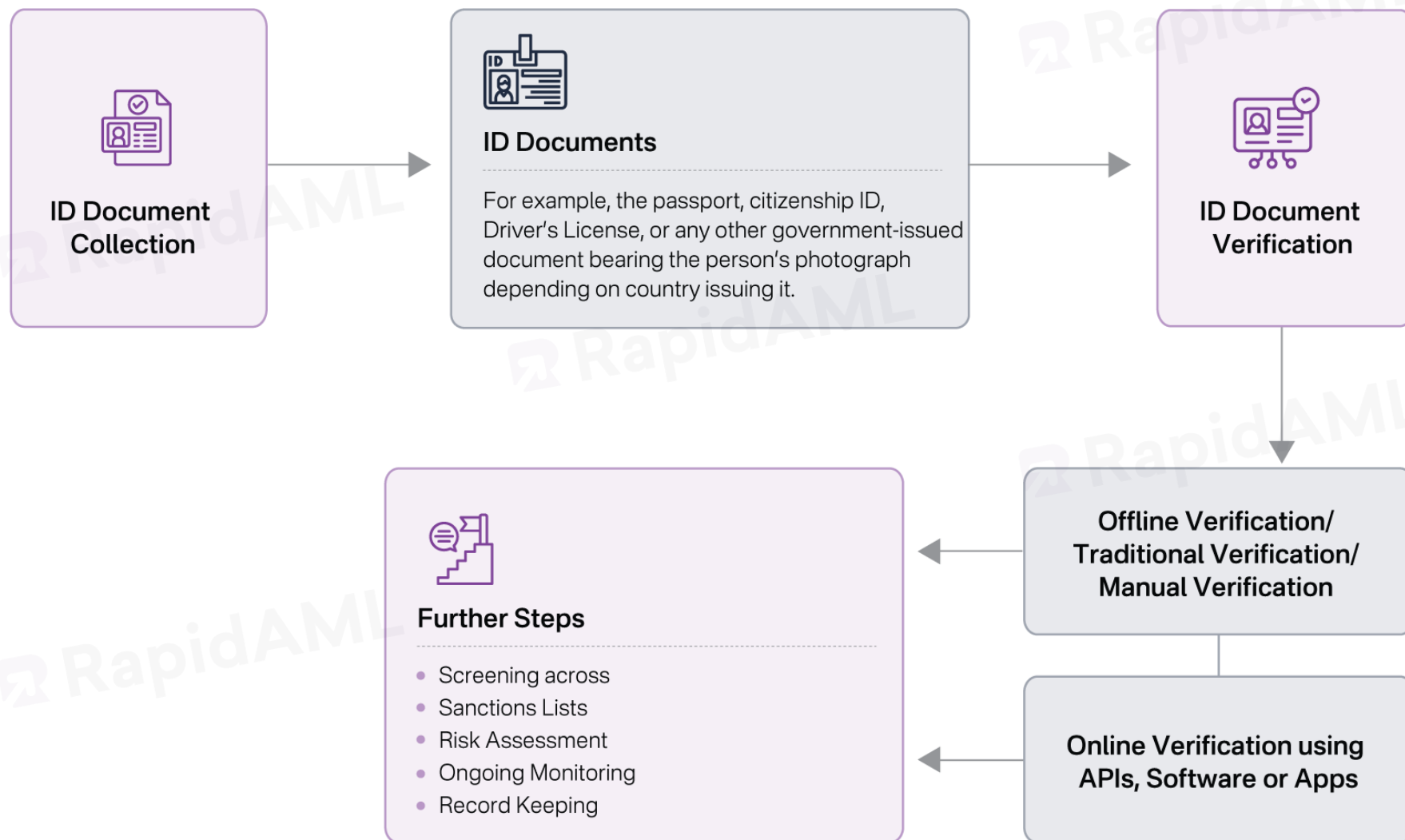
KYC acts as a First Line of Defence in countering ML/TF.

KYC establishes the true identity of customers.

KYC helps understand customer profile – nature of business, source of funds, nationality, etc.

KYC helps understand ML/TF/PF risks associated with a customer or potential customer.

The Identify Verification Process



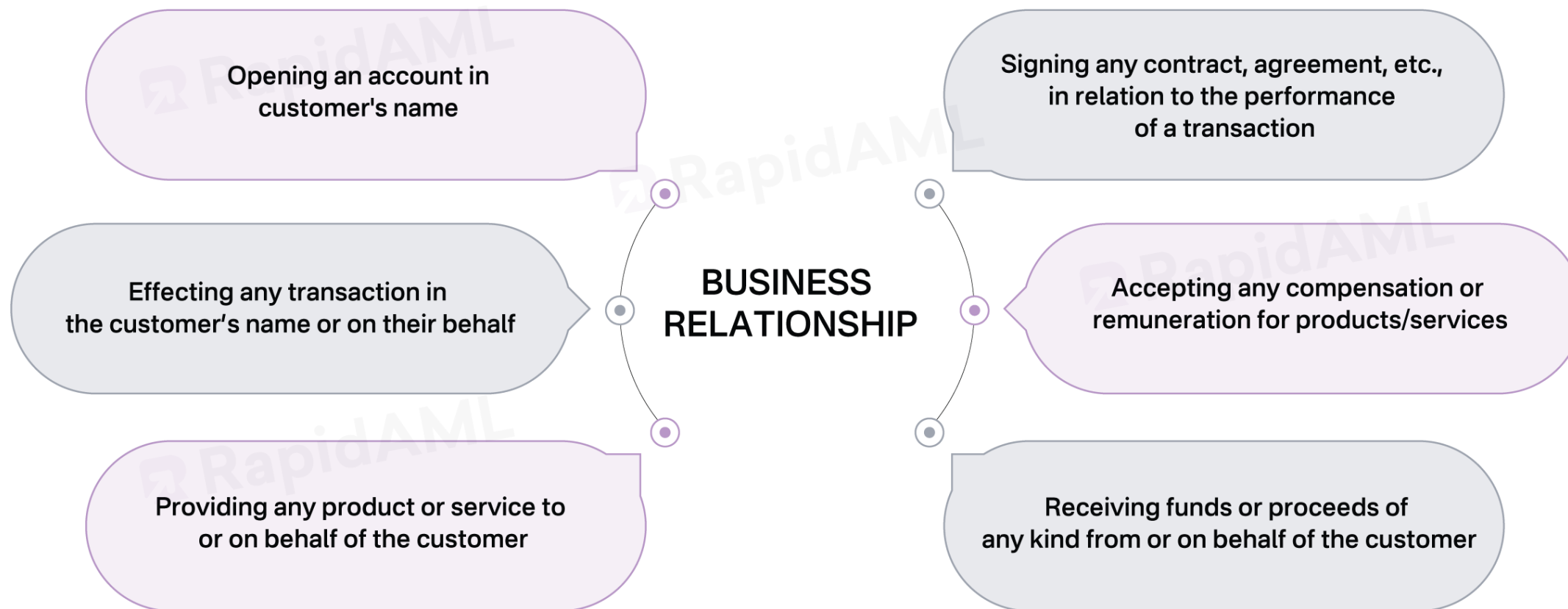
Know Your Customer (KYC)



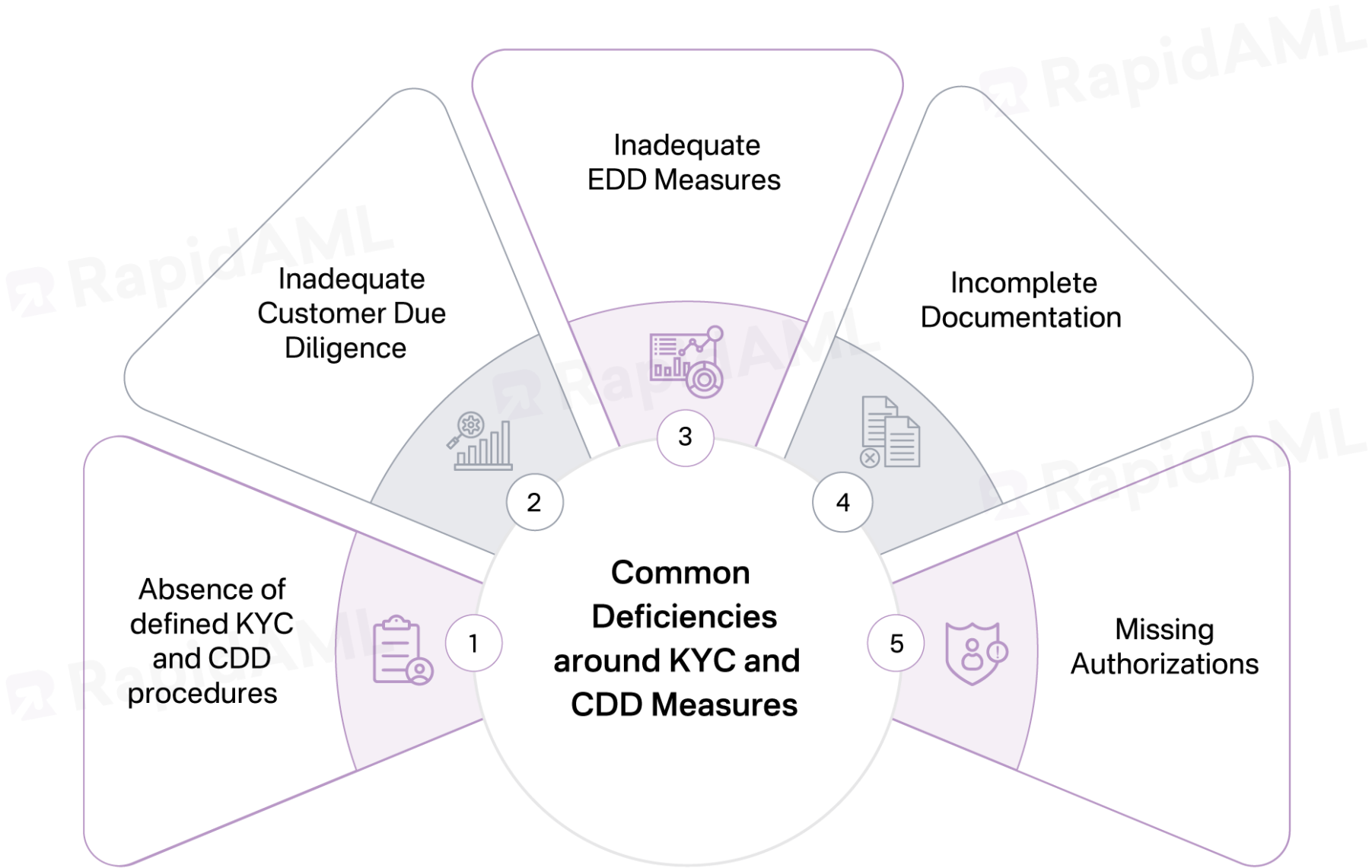
*Not older than 3 months

Circumstances & Timing for Conducting KYC

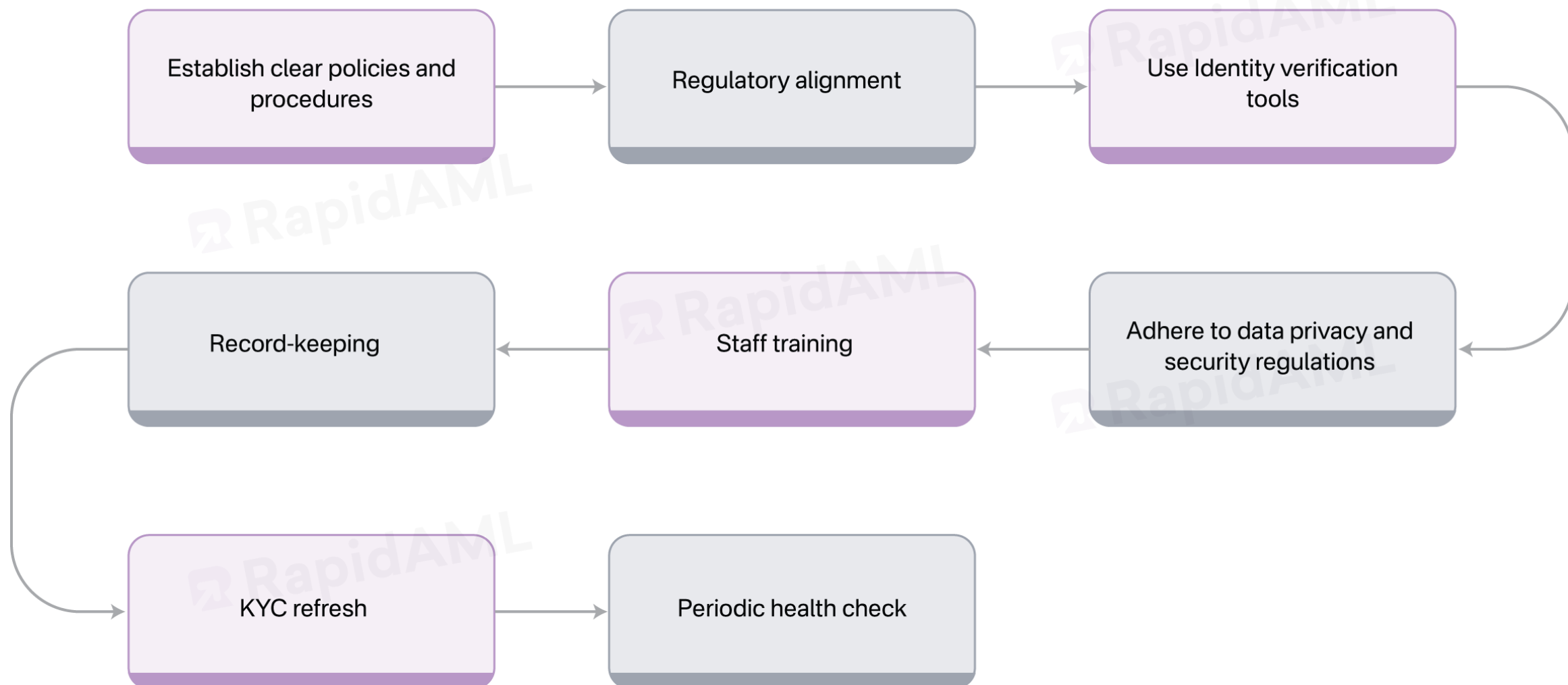
To verify the identity of customer or UBO as part of CDD, **prior to or at the time** of following :



Common Deficiencies in KYC measures



Best Practices for conducting KYC



How to Identify Ultimate Beneficial Owners

Identifying UBOs

Customer Due Diligence is incomplete without the identification of the Ultimate Beneficial Owner and their due diligence

Who would be considered as UBO?

- **By way of Ownership:** Natural Person who owns the entity definitively, through direct/indirect ownership of 25% shares or more.
- **By way of Voting rights:** Natural Person who holds 25% or more of the entity's voting rights.
- **Through Controlling rights:** Natural Person who holds the right -
 - To appoint/dismiss the majority of the entity's managers, or
 - Any other means by which the person exercises ultimate control over the entity.

When UBO cannot be determined by either of the way described above, then -

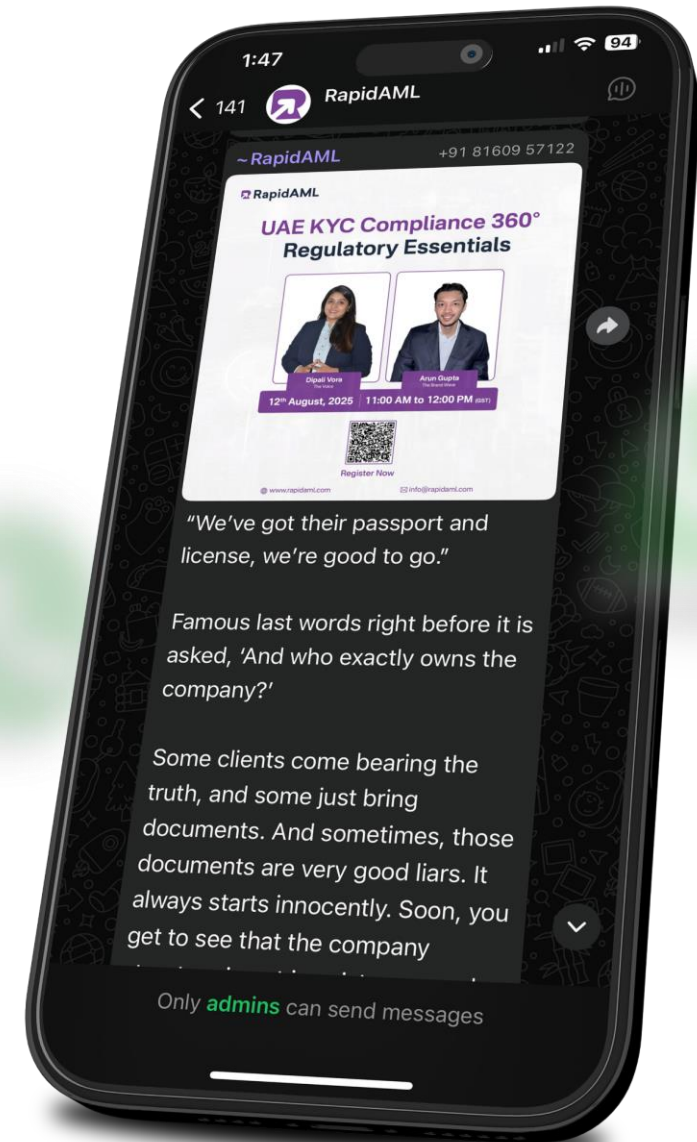
Senior Management Official: Natural Person holding the Senior Managerial position in the entity.

Keynotes around UBO & AML Compliance

- A corporate entity or a legal person cannot be UBO. UBO has to be a natural person.
- If UBO is a high-risk (e.g., PEP or coming from a high-risk country), the entity is also to be treated as high-risk, and Enhanced Due Diligence is to be conducted for UBO and entity both.
- No business transaction with corporate customers when UBO/s are unknown.

Stay in the Loop.

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Restriction on establishing Business Relationship under UAE AML Law



**Designated
Persons** on the
UAE Local Terrorist
List or UNSC
Consolidated List



Individuals
and entities where
**Customer Due
Diligence** can not
be concluded



Legal Person where
Ultimate **Beneficial
Owner (UBO)** is
unidentified



Shell or Fictitious
Banks



Business
relationships under
**anonymous
names** or by
pseudonyms

Identifying a Shell Company

01

Lack of physical presence

02

Inadequate staffing

03

Limited business transactions/No transactions

04

UBO is not easily identifiable

05

Registered in tax havens

06

Bank accounts in various countries

07

Prolonged Inactivity

Red Flags

Inconsistencies in KYC
information

Frequent changes in
ownership information

Reluctance to provide
KYC information

Activities not aligned with
customer profile

High-Risk
Jurisdictions

Adverse media

Complex Business Structure

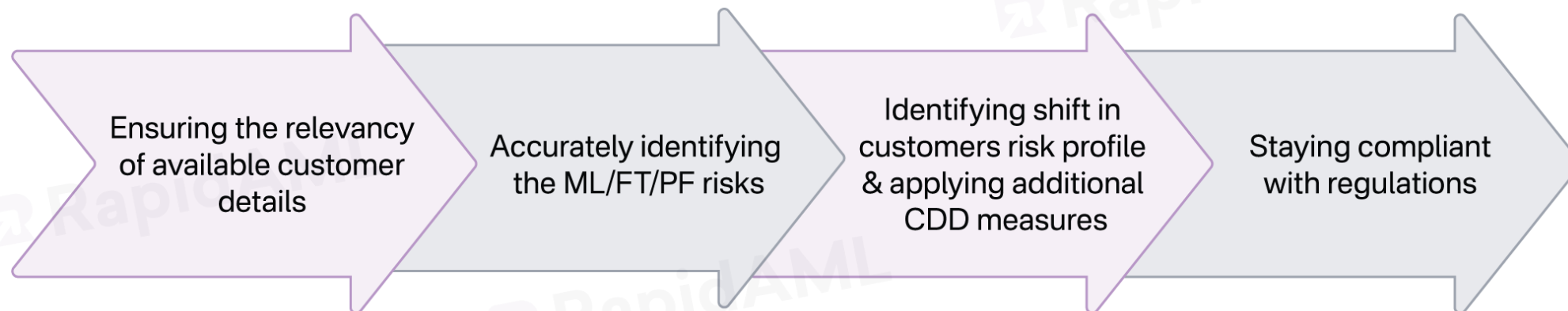
Cash-intensive business

Politically Exposed Persons
(PEPs)

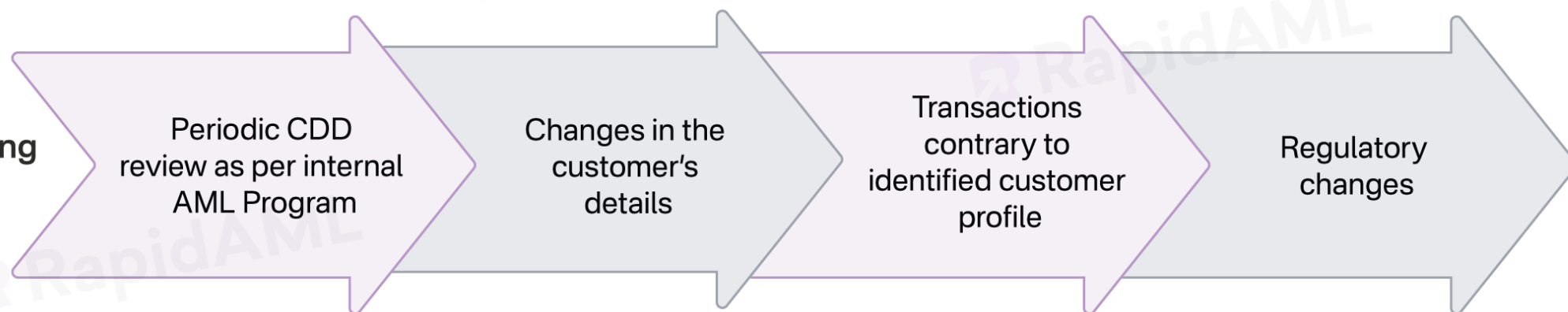
Process of KYC Refresh (re-KYC)

Significance of KYC remediation in AML compliance

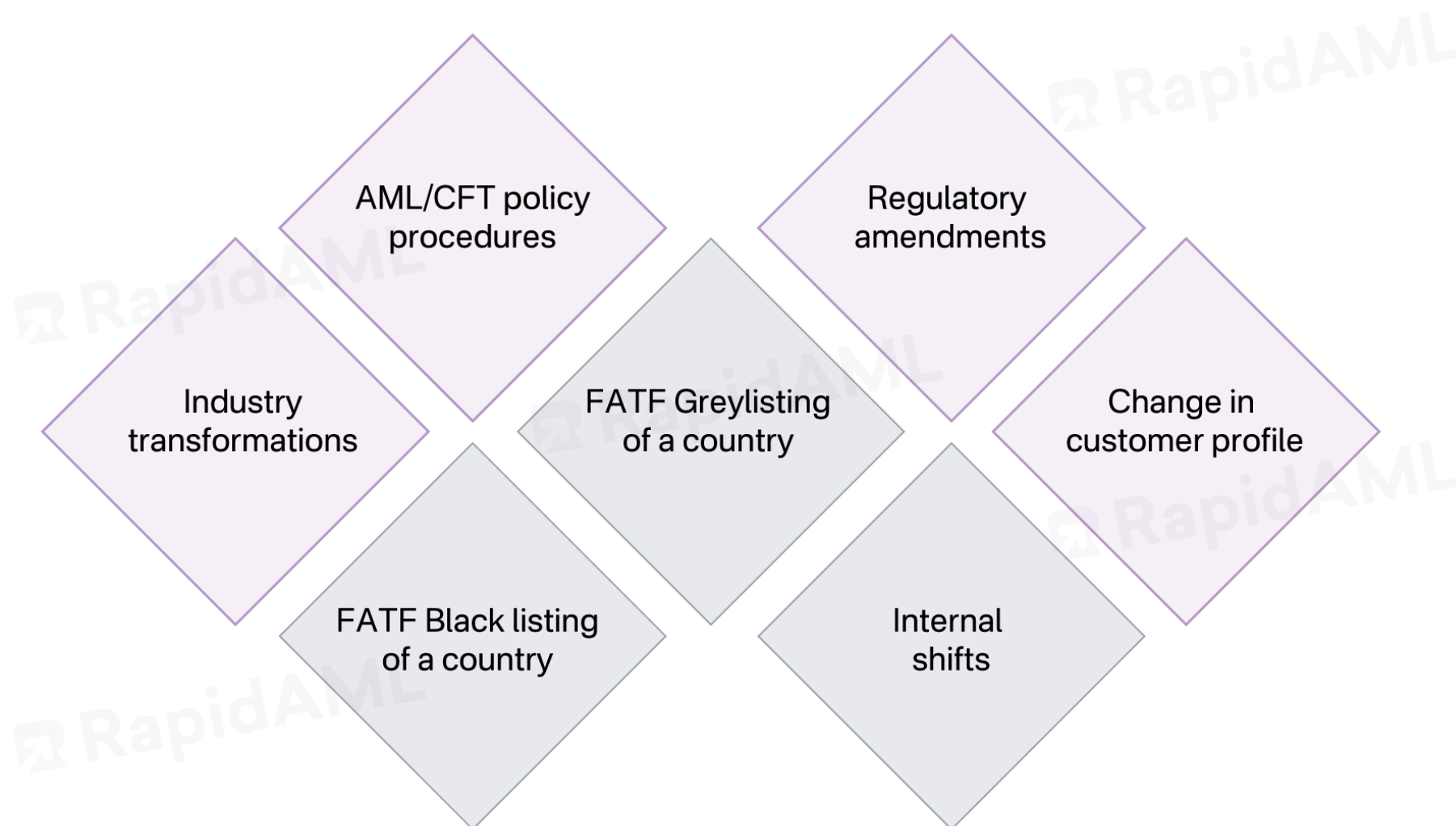
Need for KYC Remediation



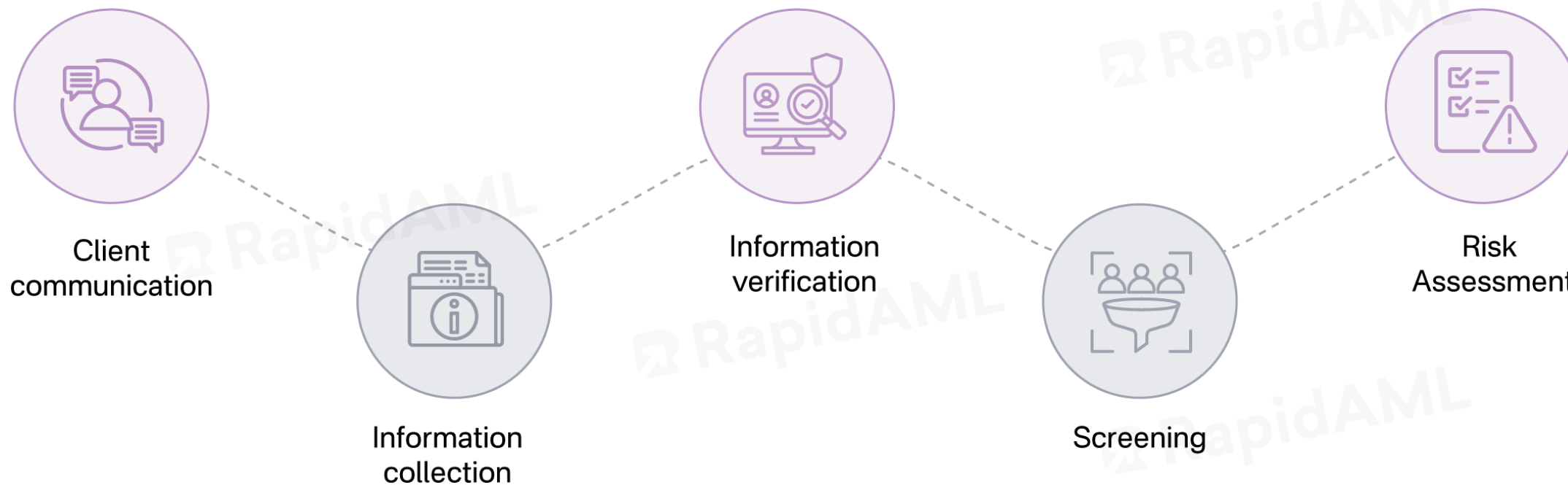
Situations warranting KYC remediation



Why is re-KYC of customers essential?



Steps of re-KYC process



Best practices in re-KYC of customers



We Talk and We Listen
Scan to share your thoughts!



Resources


Articles

Articles

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Topics


- Accountants
- AML Audit
- AML Compliance
- AML Software
- CDD
- DNFBPs
- DPMS
- goAML Reporting
- KYB
- KYC
- Lawyers
- Real Estate
- Risk
- Screening



Global

Top 10 Advantages of AML Compliance


Many entities may consider anti-money laundering (AML) compliance to be unnecessary.



Global

AML Non-Compliance: An Unaffordable Cost

Regulated entities under UAE's Anti-Money Laundering (AML) regulatory regime are required to



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Remote Customer Onboarding and ML/TF Risk Mitigation

It's important for businesses to provide a smooth onboarding as

Infographics

Infographics

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UAE

KYC Vs KYB



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Best Practices in STR Submission


Product Updates

Product Updates

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KANBAN: You Believe It?



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Introducing Document Management


Videos

Videos

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KYC vs KYB: Everything You Need to Know in under 5 Minutes!



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Becoming a Screening Analyst Part 2: Roles & Responsibilities


eBooks

eBooks

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ML/FT Risk Management: The Watchful Eyes of Second Line of Defence



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A Closer Look into the Screening Analyst's Role and Responsibilities in AML Compliance


Events

Events

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26-06-25

From Noise to Clarity: Rethinking Name Screening with RapidAML

Have you ever wished that your court of screening results would finally behave like a royal librarian? Tidy and oh so organised?

View Event Details **Register Now**



08-05-25

Recap: Navigating AML Regulations in the UAE: A Webinar for DNFBPs

When compliance becomes the talk of the town and everyone's talking about AML rules, wouldn't you rather be in the know than in the news?

View Event Details **Register Now**

Thank You



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